

City of North Myrtle Beach

South Carolina



CAFR

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

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, 2020

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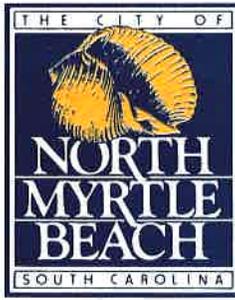
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INTRODUCTORY SECTION

CITY OF NORTH MYRTLE BEACH



February 2, 2021

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, 2020. 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 unmodified opinion that the City of North Myrtle Beach's financial statements for the fiscal year ended June 30, 2020, 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 2023. The present term of the Mayor and the councilmembers from the Ocean Drive and Windy Hill Wards will expire during November 2021. The two at-large councilmembers were added November 2001 – they both have a four-year term and one will expire during November 2023 while the other will be November 2021. 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 the proposed budget and makes any adjustments prior to presentation to the City Council at the annual budget retreat held the end of February. 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 total appropriation for the budget adopted by City Council is the legal appropriation for the fiscal year. Budget detail provides for the budgetary control necessary to assure that the total appropriation for the City does not exceeded the legal appropriation level for the fiscal year. The Finance Department maintains budget-to-actual comparisons on an ongoing-basis and provides this information for each individual governmental fund for which an appropriated annual budget has been adopted within this report. For the general fund, this comparison is presented on pages 68 through 70 as part of the basic financial statements for the governmental funds.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

As of this writing the City of North Myrtle Beach is growing with construction remaining constant in spite of the ongoing pandemic. The tourism industry that is the main provider of economic activity for the City is functioning very well. Sports tourism has seen a significant reduction over the past 10 months but other seasonal events like the Christmas Light Show had a banner year and was up 50% over the previous year. The City is committed to the expansion of various activities and programs that offer new opportunities to a wider range of tourists.

The construction industry that draws from the tourist industry as well as the retirement community that is ever increasing in North Myrtle Beach due to its excellent weather continues to build at a very good pace. During the first part of FY 21 the value of new permits was \$81,792 116 which is good for the overall economy and 20% ahead of last year's 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 that 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 traffic congestion. As of this writing construction has begun in various parts of the recently annexed property. These projects will provide significant growth in the west side of the waterway in the undeveloped areas of the city.

The City purchased an additional 96 acres south of the Sports and Tourism Park during FY 19. This additional land will be set aside for expansion of the Sports & Tourism Park. The current park is providing sports tourism to the City, and when the park is expanded in the near future significantly larger sporting events will be taking place at the park. These events will add an additional economic impact for the City of North Myrtle Beach.

Even though Governmental and some Enterprise Funds have seen a decline in revenues such as Hospitality Taxes, Accommodations Taxes, Water and Sewer charges, the City has been able to manager through this decline with a reduction in work forces as well as a reduction in operating costs. The City has also delayed several large projects in order for the cash flows to pick up. Currently the City has a very solid cash balance and will protect that balance into the future. Also a favorable court ruling dealing with Hospitality Fees with Horry County will provide a substantial revenue source in the near future.

Long-Term Financial Planning

The annexation of the 1,350 acre and the 1,600 acre tracts of undeveloped land will greatly enhance the City's revenue picture over the long run. Few annexations are along a future interstate like these two tracts of land with an already existing interchange. These annexations will provide the City with two new commercial districts that has the potential to bring in major retail businesses along with the many ancillary businesses that accompany them, as well as the City's largest park.

The City has been able to maintain consistent growth over the last five years and the future looks very bright with the overall economy continuing to show signs of good growth. The General Fund fund balance has been able to remain above the 35% fund balance policy which gives the City a lot of flexibility in taking on major projects and improvements throughout the City. Current projections are favorable and management is looking forward to a very bright future over the next several fiscal years.

GFOA CERTIFICATE OF ACHIEVEMENT

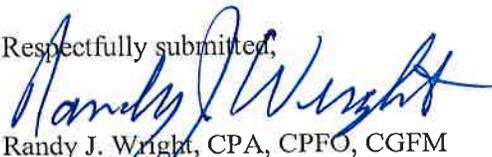
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Myrtle Beach, South Carolina for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2019. 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 2020.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated endeavors of the Accounting Division. I would like to express my appreciation to all staff members, especially Assistant Finance Director, Jamie Baker who has managed the independent audit as well as the preparation of this report. 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



Government Finance Officers Association

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, 2019

Christopher P. Morrill

Executive Director/CEO

City of North Myrtle Beach, South Carolina

PRINCIPAL OFFICIALS

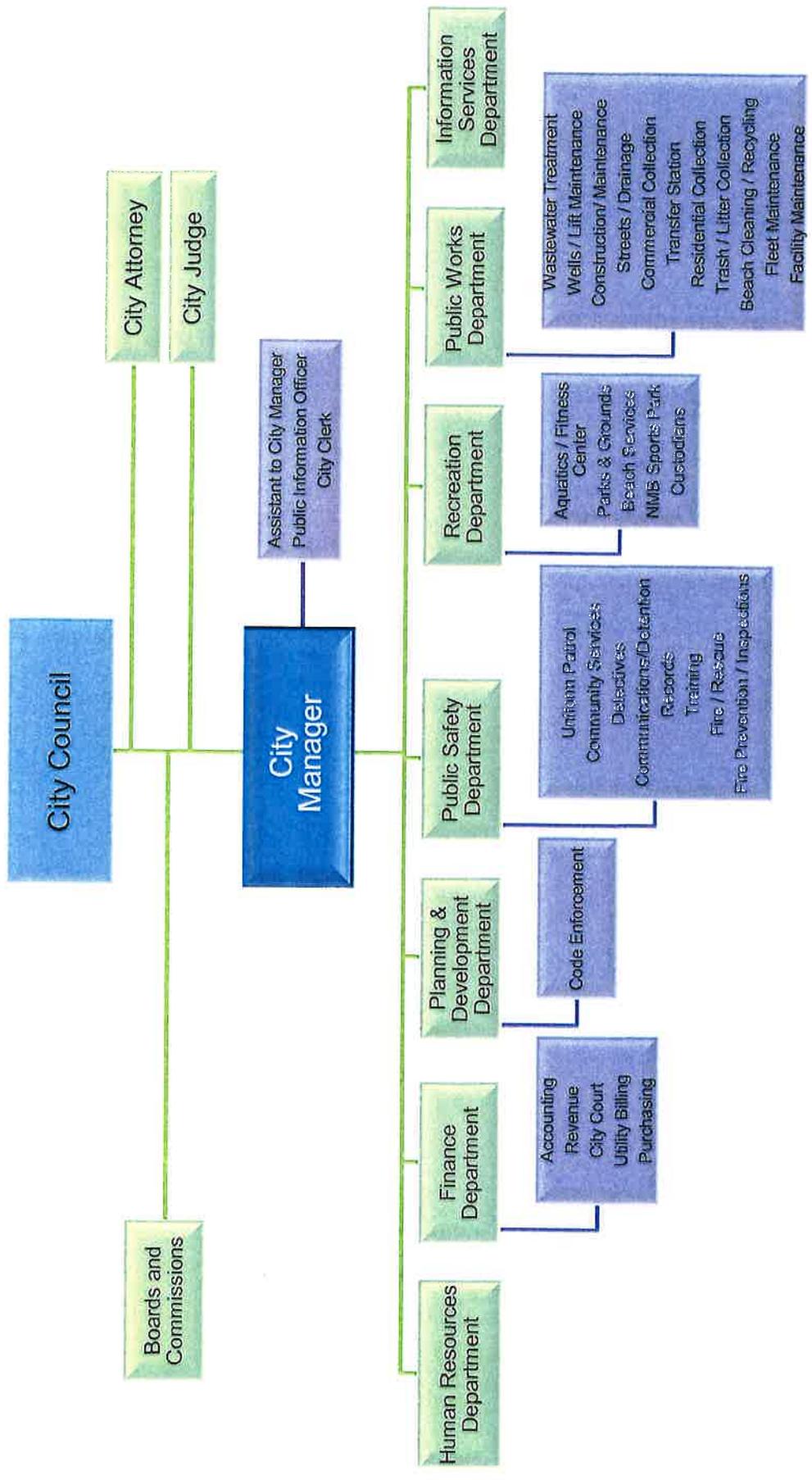
June 30, 2020

Elected

Mayor Marilyn B. Hatley
Councilmember, Cherry Grove Ward Fred Coyne
Councilmember, Crescent Beach Ward Jay Baldwin
Councilmember, Ocean Drive Ward Terry White
Councilmember, Windy Hill Ward Nicole Fontana
Councilmember, At-Large..... Bob Cavanaugh
Councilmember, At-Large..... Hank Thomas

Appointed

City Manager Michael G. Mahaney
Finance Director Randy J. Wright
Information Services Director Robert E. Foor
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 Jay A. Fernandez
Human Resources Director..... Tammy P. O’Berry



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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Myrtle Beach, South Carolina (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

Unmodified 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, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

— CONTINUED —



Other Matters

Required Supplementary Information

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

Other Information

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, of the combining and individual fund financial statements and other financial schedules as listed in the table of contents as Other Financial Information, is presented for purposes of additional analysis and is 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 other financial schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund financial statements and other financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Summarized Comparative Information

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2019 audited financial statements, and in my report dated January 15, 2020, expressed an unmodified opinion on those individual fund financial statements.

The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or any other form of assurance on this information.



January 31, 2021
Columbia, South Carolina

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

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, 2020. 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 Position, the City's total assets (\$254.3 million) and deferred outflows of resources (\$6.1 million) collectively totaled \$260.4 million for the year end June 30, 2020, and exceeded total liabilities (\$62.6 million) and deferred inflows of resources (\$.9 million) by \$196.9 million. At June 30, 2020, total unrestricted net position resulted in a deficit of \$13.4 million and not available to support short-term operations of the City.

Per the Government-Wide Statement of Activities, the City's total net position increased by \$1.6 million for the year ended June 30, 2020. The Governmental Activities contributed \$3.2 million and the Business-type Activities had a negative \$1.6 million for the year.

The City's police officer retirement (GASB 68) and other post-employment benefits (GASB 75) continues to cause deficits in Governmental and Business-type Activities unrestricted net position at year ended June 30, 2020.

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

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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. Internal service fund of the City's health insurance reserves and claims expense is accounted for prorata in both Governmental Activities and Business-type Activities.

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 – 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.

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, its Beach Service, and its Sports and Tourism Park enterprises.

Internal Service Funds are used to account for activity of providing goods and services to other funds and departments of the City on a cost-reimbursement basis. The City uses its Internal Service Fund to account for resources and expenses related to the City's risk financing activities of employee and retiree/non-employee health costs, workers compensation liability program, and property and casualty liability.

Notes to 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 Position at June 30, 2020 (with comparative amounts of June 30, 2019 as restated) which depicts the major components of the City’s total (Governmental and Business-type) assets, liabilities and net position (*with amounts shown in thousands*):

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Cash and cash equivalents:						
Unrestricted	\$ 16,060	\$ 10,419	\$ 3,192	\$ 4,552	\$ 19,252	\$ 14,971
Restricted	1,332	1,428	1,945	1,964	3,277	3,392
Other current assets	10,307	9,115	2,491	4,485	12,798	13,600
Capital assets, net of accumulated depreciation	121,085	117,160	91,531	91,903	212,616	209,063
Other assets, net of accumulated amortization	—	—	6,389	7,225	6,389	7,225
Total assets	148,784	138,122	105,548	110,129	254,332	248,251
Deferred Outflows of Resources	5,616	4,279	504	12	6,120	4,291
Liabilities:						
Current liabilities	11,953	5,651	4,062	6,783	16,015	12,434
Long term liabilities	39,074	36,399	7,556	7,309	46,630	43,708
Total liabilities	51,027	42,050	11,618	14,092	62,645	56,142
Deferred Inflows of Resources	850	1,075	—	—	850	1,075
Net Position:						
Net investment in capital assets	120,114	117,160	89,278	89,139	209,392	206,299
Restricted	2,474	2,448	—	31	2,474	2,479
Unrestricted (deficit)	(20,065)	(20,332)	5,155	6,879	(14,910)	(13,453)
Total net position	\$102,523	\$ 99,276	\$ 94,433	\$ 96,049	\$196,956	\$195,325

Governmental Activities – For 2020, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$27.7 million, or 18.6% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation) equaled \$121.1 million or 81.4% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$11.9 million, or 23.4% of total liabilities. Long-term (non-current) liabilities totaled \$39.1 million, or 76.6% of the respective total.

Business-type Activities – For 2020, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$7.6 million, or 7.2% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation and other assets) equaled \$97.9 million, or 92.8% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$4.1 million, or 35% of the respective total liabilities. Long-term (non-current) liabilities totaled \$7.6 million, or 65% of the respective total.

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, 2020 total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$196.9 million at the end of June 30, 2020 (or \$102.5 million for Governmental Activities and \$94.4 million for Business-type Activities).

By far the largest portion (\$206.3 million) of the City’s 2020 total net position 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 2020 restricted net position (totaling \$2.5 million) consist of \$2.5 million in Governmental Activities and \$0.0 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 position* equals a \$14.9 million deficit (consisting of Governmental Activities deficit \$20.0 million and Business-type Activities positive \$5.1 million) which if positive, may be used to meet the government's ongoing obligations to citizens and creditors. The City's components of changes in net position for FY 2020 and FY 2019 are illustrated in the following table (*with amounts shown in thousands*):

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue:						
Program Revenue:						
Charges for services	\$ 5,520	\$ 5,043	\$ 24,069	\$ 24,880	\$ 29,589	\$ 29,923
Operating grants and contributions	172	104	672	509	844	613
Capital grants and contributions	6,286	6,255	2,048	2,394	8,334	8,649
General revenue:						
Property taxes	16,359	17,253	—	—	16,359	17,253
State shared and other taxes	20,077	20,888	—	—	20,077	20,888
Investment earnings	273	55	41	166	314	221
Other	9	120	—	—	9	120
Total revenue	48,696	49,718	26,830	27,949	75,526	77,667
Expenses:						
General government	3,030	3,969	—	—	3,030	3,969
Finance	1,342	1,007	—	—	1,342	1,007
Information services	657	397	—	—	657	397
Public safety	19,242	17,770	—	—	19,242	17,770
Planning and development	560	1,947	—	—	560	1,947
Public works	11,274	8,056	—	—	11,274	8,056
Parks and recreation	7,040	7,167	—	—	7,040	7,167
Support services	940	1,245	—	—	940	1,245
Interest on general long-term debt	59	335	—	—	59	335
Water and Sewer Utility	—	—	17,906	17,640	17,906	17,640
Solid Waste	—	—	5,098	4,996	5,098	4,996
Aquatic Center	—	—	2,420	2,530	2,420	2,530
Beach Service	—	—	2,606	2,467	2,606	2,467
Sports and Tourism Park	—	—	1,721	1,675	1,721	1,675
Total expenses	44,144	41,893	29,751	29,308	73,895	71,201
Changes in net position before transfers	4,552	7,825	(2,921)	(1,359)	1,631	6,466
Transfers	(1,305)	(1,761)	1,305	1,761	—	—
Change in net position	3,247	6,064	(1,616)	402	1,631	6,466
Net position – beginning of year	99,276	94,908	96,049	95,647	195,325	190,555
Cumulative effect of restatement	—	(1,696)	—	—	—	(1,696)
Net position – end of year	\$ 102,523	\$ 99,276	\$ 94,433	\$ 96,049	\$ 196,956	\$ 195,325

Of total net position at June 30, 2020, \$102.5 million (and \$99.3 million at June 30, 2019) represents net position of the City's Governmental Activities, and \$94.4 million (and \$96.0 million in 2019) represents total net position of the City's Business-type Activities. At the end of fiscal year 2020, the City is able to report 'positive' changes in net position even with the accounting of GASB Statements #68 (pension) and #75 (OPEB) expenses. The increase in net position for Governmental Activities was a result of modest increases in general revenues (property taxes and accommodation/hospitality taxes) and street improvement and other grants. Business-type Activities net position resulted in decreases primarily due to reduced Enterprise Fund operations and accommodations and hospitality fees. due to the COVID-19 pandemic.

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.	\$ (3,030)	\$ 811	\$ (2,219)	26.8%	73.2%
Finance	(1,342)	—	(1,342)	0.0%	100.0%
Information services	(657)	—	(657)	0.0%	100.0%
Public safety	(19,242)	535	(18,707)	2.8%	97.2%
Planning and development	(560)	794	234	100.0%	.0
Public works	(11,274)	8,755	(2,519)	77.7%	22.3%
Parks and recreation	(7,040)	1,083	(5,957)	15.4%	84.6%
Support services	(940)	—	(940)	0.0%	100.0%
Debt service interest	(59)	—	(59)	0.0%	100.0%
Totals	<u>\$ (44,144)</u>	<u>\$ 11,978</u>	<u>\$ (32,166)</u>	<u>27.1%</u>	<u>72.9%</u>

Governmental Activities absorbed 78.98% of the net position deficit in the City's Insurance Reserves Internal Services Fund in 2020. The City also allocates its depreciation of capital assets to the City's functions (see Note 6), with Program Revenues covering 27.1% of expenses to fund 2020 Governmental Activities (as compared to 27.2% in 2019). General Revenues of 72.9% in 2020 (as compared to 72.8% in 2019) were required to fund the balance, which as shown below:

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

Property taxes	\$ 16,359
Accommodations/hospitality taxes	9,389
State shared taxes – unrestricted	803
Licenses and franchise taxes	9,885
Investment earnings	273
Other revenues	9
Total general revenue before transfers	<u>\$ 36,718</u>

Fund Financial Analysis

General Fund Budgetary Highlights

The General Fund final budgeted revenues were \$29.5 million, and achieved actual revenues of \$31.0 million or within \$1.5 million of budget. Final expenditures budgeted for the General Fund were \$30.9 million with actual expenditures of \$32.7 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 \$1.5 million. However, after considering Other Financing Sources and Uses, and transfers, the General Fund had an actual increase of \$27,870 in fund balance.

As noted above, the City's General Fund fund balance increased due to additional general and program revenue in General Government Administration, Public Safety and Public Works. The additional expenditures in these areas were needed in order to provide for the necessary services for tourism-related and growth-related costs, including expanded police coverage for services and events. The General Fund fund balance is above the 35% threshold that the City policy requires on the overall financial position of the City. The City continues to monitor its overall financial position and is currently experiencing growth of around 4% per annum.

The General Fund's budget also included net transfers to/from other funds, netting to \$1.5 million more transferred in than out, primarily due to increases in both Accommodations and Hospitality taxes.

Expenses and Program Revenues – Business-type Activities

The City operates five enterprises that comprise its Business-type Activities – Water and Sewer Utility, Solid Waste, Aquatic Center, Beach Service, and Sports and Tourism Park funds. Business-type Activities absorbed 21.02% of the net position deficit in the City's Insurance Reserves Internal Services Fund in 2020.

The Water and Sewer Utility has been in operation for a number of years and resulted in an operating loss of \$3.1 million for the year ended June 30, 2020 (compared to \$3.2 million in 2019). While economic development continued to increase in 2020, related developer fees and other capital contributions decreased in 2020, and along with increased costs, the Utility Fund realized a decrease of \$1.4 million in net position.

The City's Solid Waste Enterprise Fund has been operating for a number of years and achieved an operating income of \$322,942 in 2020 (compared to income of \$265,293 in 2019). After non-operating revenue (expenses) and net transfers, the change in net position increased by \$216,748 in 2020.

The City's Aquatic/Fitness Center Enterprise Fund, in its 15th year of operations, incurred a net operating loss of \$509,485 in 2020 (compared to a loss of \$207,688 in 2019). After non-operating revenues (expenses) and net transfers, the change in net position totaled an increase of \$39,891 in 2020, as the COVID-19 pandemic caused the facilities to be closed for a period of time.

The City's Beach Service Enterprise Fund, in its 12th year of operations, incurred a net operating loss of \$269,167 in 2020 (compared to an income of \$168,802 in 2019). After non-operating revenues (expenses) and net transfers, the change in net position totaled a deficit of \$305,644 in 2020, as the COVID-19 pandemic caused the facilities to be closed for a period of time.

The City's Sports and Tourism Enterprise Fund, in its 5th year of operation, incurred a net operating loss of \$828,449 in 2020 (compared to a loss of \$713,217 in 2019). After recognizing non-operating revenue (expenses), and net transfers, a change in net position totaled a deficit of \$136,052 in 2020, as the COVID-19 pandemic caused the facilities to be closed for a period of time.

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, 2020, amounts to \$209.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and roads. The Governmental Activities net investment in capital assets totaled \$120,114 million in 2020 compared to \$117,160 million in 2019. A major emphasis continued in 2020 with the City's multi-million dollar sports and tourism park complex. Capital asset purchases within the Governmental Activities Fund departments continued to be made on a pay-as-you-go basis. This has been the City's policy for 20+ years. Net investment in Business-type Activities (Enterprise Fund) capital assets totaled \$89,278 million in 2020 compared to \$89,139 million in 2019. Overall capital asset are in very good condition and any deferrals from prior-years have had no negative effect on City services. 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 paid-off its general obligation bonds and installment purchase obligation, leaving total long-term debt outstanding of \$971,000, which comprises Cherry Grove Dredge Capital Project bonds backed by Special Assessment revenue. Enterprise Fund revenue-backed long-term debt consists of the Aquatic Center Fund bond totaling \$2.3 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, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 10,183,586	\$ 937,883	\$ 11,121,469
Equity in pooled cash and cash equivalents	5,876,665	2,253,649	8,130,314
Receivables, net	4,891,180	2,098,699	6,989,879
Due from other governments	4,548,389	116,655	4,665,044
Internal balances, net	351,249	(351,249)	—
Inventories and prepaids	515,853	347,388	863,241
Restricted assets:			
Cash and cash equivalents	1,331,724	375	1,332,099
Equity in pooled cash and cash equivalents	—	1,944,456	1,944,456
Deposits held by others	—	280,000	280,000
Total current assets	27,698,646	7,627,856	35,326,502
Non-currents assets:			
Capital assets not subject to depreciation	28,213,069	865,319	29,078,388
Capital assets, net of depreciation	92,872,055	90,665,669	183,537,724
Other assets, net	—	6,388,904	6,388,904
Total non-current assets	121,085,124	97,919,892	219,005,016
Deferred outflows of resources:			
Pension plan related, net	3,722,681	—	3,722,681
OPEB related, net	1,893,523	503,948	2,397,471
Total deferred outflows of resources	5,616,204	503,948	6,120,152
Total Assets and Deferred Outflows	\$ 154,399,974	\$ 106,051,696	\$ 260,451,670
Liabilities, Deferred Inflows, and Net Position			
Current liabilities:			
Accounts payable	\$ 3,361,871	\$ 454,980	\$ 3,816,851
Accrued payroll and related taxes	500,080	242,515	742,595
Accrued interest payable	4,498	54,977	59,475
Due to other governments	7,098	—	7,098
Bonds, contracts and notes payable – current portion	971,000	531,342	1,502,342
Unearned revenue and deposits	6,379,908	376,479	6,756,387
Insurance reserves and claims payable	159,799	42,529	202,328
Liabilities payable from restricted assets	568,998	2,360,020	2,929,018
Total current liabilities	11,953,252	4,062,842	16,016,094
Long-term (non-current) liabilities:			
Accrued compensated absences	1,781,608	517,376	2,298,984
Note payable	—	1,721,289	1,721,289
Net pension liabilities	17,314,635	—	17,314,635
Total other post-employment benefits (OPEB) liability	19,977,337	5,316,835	25,294,172
Total long-term liabilities	39,073,580	7,555,500	46,629,080
Total liabilities	51,026,832	11,618,342	62,645,174

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities, Deferred Inflows, and Net Position (continued)			
Deferred inflows of resources:			
Pension plan related, net	849,663	—	849,663
Total deferred inflows of resources	849,663	—	849,663
Net position:			
Net investment in capital assets	120,114,124	89,278,357	209,392,481
Restricted for:			
Tourism related	26,207	—	26,207
Public safety pensions	1,545,766	—	1,545,766
Cherry Grove District improvements	782,884	—	782,884
Public safety assistance	119,614	—	119,614
Unrestricted (deficit)	(20,065,116)	5,154,997	(14,910,119)
Total net position	102,523,479	94,433,354	196,956,833
Total Liabilities, Deferred Inflows, and Net Position	\$ 154,399,974	\$ 106,051,696	\$ 260,451,670

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government				Net (Expense) Revenue and Changes in Net Position		
	Program Revenue		Capital Grants				
	Operating	Grants and Contributions	and Contributions	Governmental Activities			
Functions and Programs	Expenses	Fees for Services	Grants and Contributions	and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government admin.	\$ (3,029,842)	\$ 349,743	\$ 171,769	\$ 288,522	\$ (2,219,808)	\$ —	\$ (2,219,808)
Finance	(1,341,504)	—	—	—	(1,341,504)	—	(1,341,504)
Information Services	(657,082)	—	—	—	(657,082)	—	(657,082)
Public safety	(19,242,482)	349,526	—	185,862	(18,707,094)	—	(18,707,094)
Planning and development	(560,308)	793,665	—	—	233,357	—	233,357
Public works	(11,273,711)	2,985,228	—	5,769,944	(2,518,539)	—	(2,518,539)
Parks and recreation	(7,039,551)	1,041,418	—	41,960	(5,956,173)	—	(5,956,173)
Support services	(939,941)	—	—	—	(939,941)	—	(939,941)
Debt service – interest	(59,509)	—	—	—	(59,509)	—	(59,509)
Total governmental activities	(44,143,930)	5,519,580	171,769	6,286,288	(32,166,293)	—	(32,166,293)
Business-type Activities:							
Water and Sewer Utility	(17,905,623)	14,052,064	394,956	2,047,448	—	(1,411,155)	(1,411,155)
Solid Waste	(5,097,613)	5,225,820	98,370	—	—	226,577	226,577
Aquatic Center	(2,420,169)	1,726,822	14,424	—	—	(678,923)	(678,923)
Beach Service	(2,605,753)	2,237,044	20,196	—	—	(348,513)	(348,513)
Sports and Tourism Park	(1,721,638)	827,422	143,764	—	—	(750,452)	(750,452)
Total business-type activities	(29,750,796)	24,069,172	671,710	2,047,448	—	(2,962,466)	(2,962,466)
Total functions and programs	\$ (73,894,726)	\$ 29,588,752	\$ 843,479	\$ 8,333,736	(32,166,293)	(2,962,466)	(35,128,759)

General Revenue and Transfers

General Revenue:							
Property taxes					16,359,402	—	16,359,402
Accommodations and hospitality taxes					9,388,798	—	9,388,798
State shared taxes – unrestricted					802,845	—	802,845
Business licenses and franchise taxes					9,885,475	—	9,885,475
Unrestricted investment earnings					273,131	41,314	314,445
Miscellaneous					8,650	—	8,650
Transfers:							
Transfers in/(out)					(1,304,817)	1,304,817	—
Total general revenue and transfers					35,413,484	1,346,131	36,759,615
Changes in net position					3,247,191	(1,616,335)	1,630,856
Net position, beginning of year					99,276,288	96,049,689	195,325,977
Net position, end of year					\$ 102,523,479	\$ 94,433,354	\$ 196,956,833

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	Street Improvement Fund	Local (3%) A-Tax Fund	Local (2%) Hospitality Fund	Park Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 9,625,457	\$ —	\$ —	\$ —	\$ —	\$ 558,129	\$ 10,183,586
Equity in pooled cash and cash equivalents	—	—	2,311,922	1,869,658	—	1,695,085	5,876,665
Receivables, net	2,687,663	194,341	1,108,269	575,516	—	142,311	4,708,100
Due from other funds	1,253,163	—	—	—	—	7,046,976	8,300,139
Due from other governments	778,379	2,937,586	—	—	—	832,424	4,548,389
Inventories and prepaids	205,402	—	—	—	—	—	205,402
Restricted assets:							
Cash and cash equivalents	437,254	—	—	—	—	893,062	1,330,316
Total assets	\$ 14,987,318	\$ 3,131,927	\$ 3,420,191	\$ 2,445,174	\$ —	\$ 11,167,987	\$ 35,152,597

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Liabilities and Fund Balances

Liabilities:							
Accounts and retainage payable	\$ 720,953	\$ 1,950,547	\$ 2,063	\$ 2,062	\$ —	\$ 561,212	\$ 3,236,837
Accrued payroll and withholdings payable	500,080	—	—	—	—	—	500,080
Deposits and performance bonds	898,887	—	—	—	—	—	898,887
Insurance claims	—	—	—	—	—	—	—
Due to other funds	467,191	785,947	553,857	297,782	4,365,420	822,684	7,292,881
Due to other governments	7,098	—	—	—	—	—	7,098
Unearned revenue	—	—	2,980,633	2,261,991	—	238,397	5,481,021
Payable from restricted assets	317,640	—	—	—	—	—	317,640
Total liabilities	2,911,849	2,736,494	3,536,553	2,561,835	4,365,420	1,622,293	17,734,444
Fund balances:							
Non-spendable	205,402	—	—	—	—	—	205,402
Restricted by others	119,614	—	—	—	—	26,207	145,821
Committed by ordinance	—	—	—	—	—	782,884	782,884
Assigned by management	—	395,433	—	—	—	8,736,603	9,132,036
Unassigned (deficit) reported in:							
General Fund	11,750,453	—	(116,362)	(116,661)	—	—	11,750,453
Special Revenue Fund	—	—	—	—	(4,365,420)	—	(233,023)
Debt Service Fund	—	—	—	—	(4,365,420)	—	(4,365,420)
Total fund balances	12,075,469	395,433	(116,362)	(116,661)	(4,365,420)	9,545,694	17,418,153
Total liabilities and fund balances	\$ 14,987,318	\$ 3,131,927	\$ 3,420,191	\$ 2,445,174	\$ —	\$ 11,167,987	\$ 35,152,597

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

	<u>Total Governmental Funds</u>
Reconciliation to amounts reported for governmental activities in the Statement of Net Position (see Note 15):	
Total fund balances – total governmental funds	\$ 17,418,153
Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.	121,085,124
Internal service funds are used by management to charge the costs of health insurance to individual funds and are not reported in these funds.	(18,781,075)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(20,071,741)
Deferral outflows and inflows of resources are not financial uses or resources, respectively, and therefore are not reported in these funds.	2,873,018
	<u>85,105,326</u>
Net position, end of year – Governmental Activities	<u>\$ 102,523,479</u>

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, 2020

	General Fund	Street Improvement Fund	Local (3%) A-Tax Fund	Local (2%) Hospitality Fund	Park Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenue	\$ 16,359,402	\$ —	\$ —	\$ —	\$ —	\$ 1,311,167	\$ 16,359,402
Property taxes	—	—	—	—	—	—	1,311,167
Special assessments	10,658,336	—	—	—	—	—	10,658,336
Licenses and permits	281,126	—	—	—	—	—	281,126
Fines and forfeitures	426,259	—	—	—	—	91,129	517,388
Use of money and property	1,019,873	—	—	—	—	—	1,019,873
Unrestricted intergovernmental	847,291	3,088,748	2,996,013	2,527,223	—	4,648,534	14,107,809
Restricted intergovernmental	1,251,603	—	—	—	—	2,978,804	4,230,407
Sales and service charges	171,769	38,688	—	—	—	394	210,851
Miscellaneous	—	—	—	—	—	—	—
Total revenue	31,015,659	3,127,436	2,996,013	2,527,223	—	9,030,028	48,696,359
Expenditures							
Current:							
General government administration	2,885,749	—	116,362	116,661	—	—	3,118,772
Finance	1,505,844	—	—	—	—	59,543	1,565,387
Information services	572,861	—	—	—	—	—	572,861
Public safety	17,027,083	—	—	—	—	—	17,027,083
Planning/development	1,916,201	—	—	—	—	—	1,916,201
Public works	2,766,864	—	—	—	—	514,141	3,281,005
Parks and recreation	3,736,971	—	—	—	—	1,584,915	5,321,886
Support services	1,149,898	—	—	—	4,365,420	—	1,149,898
Debt service	1,250	—	—	—	—	—	1,250
Capital outlay	1,174,834	4,109,613	—	—	—	1,236,235	5,602,905
Total expenditures	32,737,555	4,109,613	116,362	116,661	4,365,420	10,981,146	52,426,757
Excess (deficiency) of revenue over (under) expenditures	(1,721,896)	(982,177)	2,879,651	2,410,562	(4,365,420)	(1,951,118)	(3,730,398)
Other Financing Sources (Uses)							
Note proceeds	—	—	—	—	—	4,258,836	4,258,836
Transfers in	5,595,699	1,034,363	—	—	—	3,351,590	9,981,652
Transfers (out)	(3,845,933)	—	(2,996,013)	(2,527,223)	—	(2,063,233)	(11,432,402)
Total other financing sources (uses)	1,749,766	1,034,363	(2,996,013)	(2,527,223)	—	5,547,193	2,808,086
Net change in fund balances	27,870	52,186	(116,362)	(116,661)	(4,365,420)	3,596,075	(922,312)
Fund balances, beginning of year	12,047,599	343,247	—	—	—	5,949,619	18,340,465
Fund balances, end of year	\$ 12,075,469	\$ 395,433	\$ (116,362)	\$ (116,661)	\$ (4,365,420)	\$ 9,545,694	\$ 17,418,153

— 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	\$ (922,312)
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.	3,925,819
Internal service funds are used by management to charge the costs of insurance programs to individual funds. This is the amount allocated to Governmental Activities.	32,357
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.	(1,068,673)
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.	1,280,000
	4,169,503
Change in Net Position – Governmental Activities	\$ 3,247,191

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET
PROPRIETARY FUNDS

JUNE 30, 2020

	Water and Sewer Utility	Business-type Activities – Enterprise Funds						Totals	Internal Service Fund
		Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park				
Assets and Deferred Outflows									
Current assets:									
Cash and cash equivalents	\$ 928,188	\$ —	\$ 695	\$ 5,000	\$ 4,000	\$ —	\$ 937,883	\$ —	
Equity in pooled cash and cash equivalents	—	2,253,649	—	—	—	—	2,253,649	—	
Receivables, net	1,807,947	191,795	17,648	26,908	5,645	—	2,049,973	231,806	
Due from other funds	—	—	—	183,700	467,191	—	650,891	—	
Due from other governments	—	116,655	—	—	—	—	116,655	—	
Inventories and prepaid items	264,764	—	—	—	—	—	264,764	393,075	
Restricted assets:									
Cash and cash equivalents	—	—	—	—	—	—	—	1,783	
Equity in pooled cash and cash equivalents	1,944,456	—	—	—	—	—	1,944,456	—	
Deposits with others	280,000	—	—	—	—	—	280,000	—	
Total current assets	5,225,099	2,562,099	18,343	215,608	476,836	—	8,498,271	626,664	
Non-current assets:									
Capital assets, not subject to depreciation	846,305	19,014	—	—	—	—	865,319	—	
Capital assets, subject to depreciation, net	80,317,267	2,347,509	6,383,130	691,234	926,529	—	90,665,669	—	
Total capital assets, net	81,163,572	2,366,523	6,383,130	691,234	926,529	—	91,530,988	—	
Other assets, net	6,388,904	—	—	—	—	—	6,388,904	—	
Total non-current assets	87,552,476	2,366,523	6,383,130	691,234	926,529	—	97,919,892	—	
Total assets	92,777,861	4,928,622	6,401,473	906,842	1,403,365	—	106,418,163	—	
Deferred outflows of resources:									
Deferred outflows – OPEB related	—	—	—	—	—	—	—	2,397,471	
Total assets and deferred outflows	\$ 92,777,861	\$ 4,928,622	\$ 6,401,473	\$ 906,842	\$ 1,403,365	\$ —	\$ 106,418,163	\$ 3,024,135	

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET
PROPRIETARY FUNDS

— CONTINUED —

	Business-type Activities – Enterprise Funds						Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park	Totals	
Liabilities and Net Position							
Current liabilities:							
Accounts payable	\$ 251,251	\$ 81,041	\$ 16,480	\$ 56,039	\$ 16,891	\$ 421,702	\$ 158,311
Accrued payroll and related taxes	84,987	42,813	22,504	87,331	4,880	242,515	—
Due to other funds	—	—	163,019	149,759	514,769	827,547	830,602
Accrued interest payable	—	—	54,977	—	—	54,977	—
Contracts and note payable – current portion	—	—	531,342	—	—	531,342	—
Unearned revenue and deposits	—	—	353,359	—	23,120	376,479	—
Insurance reserves and claims payable	—	—	—	—	—	—	202,328
Liabilities payable from restricted assets	2,293,123	—	—	—	—	2,293,123	318,255
Total current liabilities	2,629,361	123,854	1,141,681	293,129	559,660	4,747,685	1,509,496
Long-term (non-current) liabilities:							
Accrued compensated absences	324,757	154,186	35,240	1,225	1,968	517,376	—
Contracts payable	—	—	—	—	—	—	—
Note payable	—	—	1,721,289	—	—	1,721,289	—
Other post-employment benefits (OPEB)	—	—	—	—	—	—	25,294,172
Total long-term liabilities	324,757	154,186	1,756,529	1,225	1,968	2,238,665	25,294,172
Total liabilities	2,954,118	278,040	2,898,210	294,354	561,628	6,986,350	26,803,668
Net position:							
Net investment in capital assets	81,163,572	2,366,523	4,130,499	691,234	926,529	89,278,357	—
Restricted for:							
Future capacity and deposits	—	—	—	—	—	—	—
Health insurance claims	—	—	—	—	—	—	—
Unrestricted (deficit)	8,660,171	2,284,059	(627,236)	(78,746)	(84,792)	10,153,456	(23,779,533)
Total net position	89,823,743	4,650,582	3,503,263	612,488	841,737	99,431,813	(23,779,533)
Total liabilities and net position	\$ 92,777,861	\$ 4,928,622	\$ 6,401,473	\$ 906,842	\$ 1,403,365	\$ 106,418,163	\$ 3,024,135

Some amounts reported for Business-type Activities in the Statement of Net Position are different because certain Internal Service Fund assets and liabilities are included with Business-type Activities (see Note 15):

Net Position of Business-type Activities

See accompanying notes to financial statements.

(4,998,459)
\$ 94,433,354

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	Business-type Activities – Enterprise Funds						Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park			
Operating Revenue	\$ 14,052,064	\$ 5,225,820	\$ 1,726,822	\$ 2,237,044	\$ 827,422	\$ 24,069,172	\$ 8,650,816	
Sales and service charges	<u>14,052,064</u>	<u>5,225,820</u>	<u>1,726,822</u>	<u>2,237,044</u>	<u>827,422</u>	<u>24,069,172</u>	<u>8,650,816</u>	
Total operating revenue								
Operating Expenses								
General government administration	1,563,160	284,543	104,168	181,061	6,990	2,139,922	6,010,495	
Finance	977,694	136,351	34,531	129,492	17,266	1,295,334	177,070	
Information services	412,034	82,407	27,469	41,203	13,734	576,847	28,130	
Public safety	69,536	—	—	838,625	—	908,161	1,670,022	
Planning/development	43,897	—	—	—	—	43,897	172,459	
Public works	9,932,674	3,659,315	—	—	—	13,591,989	1,235,561	
Parks and recreation	484,720	162,073	1,722,007	1,095,273	1,258,046	4,075,326	482,558	
Support services	3,695,317	578,191	298,147	174,043	359,835	743,292	87,548	
Depreciation and amortization	<u>17,179,032</u>	<u>4,902,880</u>	<u>2,236,307</u>	<u>2,506,211</u>	<u>1,655,871</u>	<u>28,480,301</u>	<u>9,863,843</u>	
Total operating expenses								
Operating income (loss)	(3,126,968)	322,940	(509,485)	(269,167)	(828,449)	(4,411,129)	(1,213,027)	
Non-Operating Revenue (Expenses)								
Interest earned on investments	38,950	1,532	310	522	—	41,314	—	
Interest expense	(44,275)	—	(95,040)	—	—	(139,315)	—	
Non-operating program fees and other	362,879	21,006	7,948	6,350	138,119	536,302	14,204	
Restricted intergovernmental	32,077	77,364	6,476	13,846	5,645	135,408	—	
Total non-operating revenue (expenses)	<u>389,631</u>	<u>99,902</u>	<u>(80,306)</u>	<u>20,718</u>	<u>143,764</u>	<u>573,709</u>	<u>14,204</u>	
Income (loss) before contributions and transfers	(2,737,337)	422,842	(589,791)	(248,449)	(684,685)	(3,837,420)	(1,198,823)	
Capital Contributions	2,047,448	—	—	—	—	2,047,448	—	
Transfers – in (out)	(750,000)	(206,094)	629,682	(57,195)	548,633	165,026	1,239,791	
Change in net position	(1,439,889)	216,748	39,891	(305,644)	(136,052)	(1,624,946)	40,968	
Net position, beginning of year	91,263,632	4,433,834	3,463,372	918,132	977,789	101,056,759	(23,820,501)	
Net position, end of year	<u>\$ 89,823,743</u>	<u>\$ 4,650,582</u>	<u>\$ 3,503,263</u>	<u>\$ 612,488</u>	<u>\$ 841,737</u>	<u>\$ 99,431,813</u>	<u>\$ (23,779,533)</u>	

Some amounts reported for Business-type Activities in the Statement of Activities are different because certain Internal Service Fund Revenue and Expenses are reported with Business-type Activities (see Note 15):

Change in Net Position of Business-type Activities
 See accompanying notes to financial statements.
 \$ 8,611
 \$ (1,616,335)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	Business-type Activities – Enterprise Fund						Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park	Totals	
Cash flows from operating activities							
Cash received from:							
User fees	\$ 14,824,306	\$ 5,446,382	\$ 1,698,560	\$ 2,347,355	\$ 862,739	\$ 25,179,342	\$ 8,663,602
Tap fees	112,715	—	—	—	—	112,715	—
Service and miscellaneous charges	117,668	—	—	—	—	117,668	—
Cash paid to (for):							
Employee salaries and related costs	(5,171,015)	(2,136,441)	(1,028,540)	(1,364,017)	(213,155)	(9,913,168)	—
Water and sewer system costs	(6,988,990)	—	—	—	—	(6,988,990)	—
Garbage collection services	—	(1,337,001)	—	—	—	(1,337,001)	—
Aquatic Center operations	—	—	(616,843)	—	—	(616,843)	—
Beach Service operations	—	—	—	(365,964)	—	(365,964)	—
Sports and Tourism Park operations	—	—	—	—	(472,738)	(472,738)	—
Insurance claims costs	—	—	—	—	—	—	—
Overhead and miscellaneous costs	(2,998,019)	(849,451)	(247,831)	(630,059)	(632,112)	(5,357,472)	(8,513,357)
Net cash provided by (used in) operating activities	(103,335)	1,123,489	(194,654)	(12,685)	(455,266)	357,549	(34,531)
							115,714
Cash flows from non-capital and related financing activities							
Inter-fund borrowing/payments, net	—	—	163,019	207,206	386,633	756,858	(1,459,654)
Tower rental and other	362,879	—	—	—	—	362,879	—
Intergovernmental grants	32,077	62,131	6,476	13,846	5,645	120,175	—
Local accommodation/hospitality taxes and other transfers	(750,000)	(206,094)	629,682	(57,195)	548,633	165,026	1,239,791
Non-operating fees, donations/fundraisers	—	21,006	7,948	6,350	138,119	173,423	14,204
Net cash provided by (used in) non-capital and related financing activities	(355,044)	(122,957)	807,125	170,207	1,079,030	1,578,361	(205,659)
Cash flows from capital and related financing activities							
Acquisition and construction of capital assets	(1,152,706)	(853,337)	(44,143)	(353,765)	(622,764)	(3,026,715)	—
Principal paid on bonds, notes, and contracts	(825,000)	—	(511,447)	—	—	(1,336,447)	—
Interest and bond agent fees on long-term debt	(44,275)	—	(107,522)	—	—	(151,797)	—
Capital contributions – impact fees, grants and other cash contributions	1,177,050	—	—	—	—	1,177,050	—
Net cash provided by (used in) capital and related financing activities	(844,931)	(853,337)	(663,112)	(353,765)	(622,764)	(3,337,909)	—

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

— CONTINUED —

	Business-type Activities – Enterprise Fund						Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park	Totals	
Cash flows from investing activities							
Interest received on investments	38,950	1,532	310	522	—	41,314	—
Net cash provided by (used in) investing activities	38,950	1,532	310	522	—	41,314	—
Net increase (decrease) in cash and cash equivalents	(1,264,360)	148,727	(50,331)	(195,721)	1,000	(1,360,685)	(89,945)
Cash and cash equivalents, beginning of year (of which \$2,036,184 is restricted)	4,137,004	2,104,922	51,026	200,721	3,000	6,496,673	91,728
Cash and cash equivalents, end of year (of which \$1,946,239 is restricted)	\$ 2,872,644	\$ 2,253,649	\$ 695	\$ 5,000	\$ 4,000	\$ 5,135,988	\$ 1,783
Reconciliation of operating income (loss) to net cash from operating activities							
Operating income (loss)	\$ (3,126,968)	\$ 322,940	\$ (509,485)	\$ (269,167)	\$ (828,449)	\$ (4,411,129)	\$ (1,213,027)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	3,695,317	578,191	298,147	174,043	359,835	5,105,533	—
Changes in assets and liabilities:							
(Increase) decrease in inventories and prepaid items	1,002,625	220,562	(4,562)	110,311	17,242	1,346,178	35,232
Increase (decrease) in accounts and other payables	195,776	—	—	—	—	195,776	19,901
Increase (decrease) in payroll and accrued liabilities	(1,920,027)	(9,680)	(5,959)	(29,230)	290	(1,964,606)	(28,341)
Increase (decrease) in unearned revenue/deposit	49,942	11,476	(5,619)	1,358	1,841	58,998	—
Increase (decrease) in other post-employment benefits (OPEB) and deferred outflows	—	—	32,824	—	(6,025)	26,799	22,446
Net cash provided by (used in) operating activities	\$ (103,335)	\$ 1,123,489	\$ (194,654)	\$ (12,685)	\$ (455,266)	\$ 357,549	\$ 115,714
Supplemental disclosure of non-cash capital and related financing activities							
System contributions by developers	\$ 870,398	\$ —	\$ —	\$ —	\$ —	\$ 870,398	\$ —

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FUDUCIARY FUNDS

JUNE 30, 2020

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
	<u>Money Purchase Pension Plans</u>	<u>Firemen's Fund</u>
Assets		
Cash and cash equivalents	\$ —	\$ 427,888
Cash and temporary investments – mutual funds	28,394,329	—
Receivables – Participant loans	1,431,589	—
Total assets	<u>\$ 29,825,918</u>	<u>\$ 427,888</u>
Liabilities		
Due to Firemen's Association	\$ —	\$ 427,888
Total liabilities	<u>—</u>	<u>\$ 427,888</u>
Net Position – Restricted		
Held in trust for employee's pension benefits	<u>\$ 29,825,918</u>	

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FUDUCIARY FUNDS

YEAR ENDED JUNE 30, 2020

	Pension Trust Funds
	Money Purchase Pension Plans
Additions	
Employer contributions	\$ 1,133,978
Employee (member) contributions	298,757
Investment income (loss)	1,591,355
Non-vested rollover	2,616
Total additions	3,026,706
Deductions	
Benefit payments and loan issuance costs	875,780
Trustee fees	26,128
Forfeitures	56,141
Total deductions	958,049
Change in net position	2,068,657
Net position, beginning of year	27,757,261
Net position, end of year	\$ 29,825,918

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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. GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, as amended, 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 presents 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. Financial accountability is defined as appointment of a voting majority of the separate organization’s board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit to or impose a financial burden on the primary government. At June 30, 2020, there were no material component units of the City.

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 Position 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.

The Statement of Net Position reports all financial and capital resources of the City and reports the difference between assets and liabilities as “net position” 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.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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 funds: General Fund, Street Improvement Fund, Local (3%) A-Tax Fund, Local (2%) Hospitality Tax Fund, and Park Bond Fund. The City reports the following 'major' proprietary funds: Water and Sewer Utility Fund, Solid Waste Fund, Aquatic Center Fund, Beach Service Fund, and Sports and Tourism Park 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 in Governmental Funds, 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 State Accommodations (2%) Tax Fund, Local Accommodations (3%) Tax Fund, and Local Hospitality (2%) Fee Fund, which have been adopted pursuant to state laws.

Debt Service Funds – 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. This includes accounts for Special Assessment (Cherry Grove Municipal Improvement District) Bonds.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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, Park Development Fund, Stormwater Drainage Fund, and Cherry Grove Dredge Fund.

Proprietary Funds

Proprietary fund reporting primarily focuses on the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The proprietary fund category includes the Enterprise Fund and the Internal Service 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; the Beach Service Fund to account for all revenues and expenses related to the City's beach service activities; and the Sports and Tourism Park Fund to account for related activities.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a user-charge basis. This includes Insurance Reserves Fund which accounts for the City's health insurance programs of employees and retiree/non-employees, the workers compensation program, and its property and casualty liability program.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position, 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 – Pension Trust Fund is a fund held by the City in a trustee capacity for employees' retirement plan, 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. The City maintains two (2) pension trust funds. A terminated pension trust is described in *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; are custodial in nature (assets equal liabilities); and do not involve the measurement of results of operations. The City's Firemen's Fund accounts for the 1% fire insurance premiums passed-through from the State for the exclusive benefit of the City's firemen. These activities have been excluded from the City's Government-wide financial statements because the City cannot 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 financial statements reflect revenues, expenses and changes in net position using the economic resources measurement focus and the full 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.

The Insurance Reserves Fund is an Internal Service Fund that records all health related costs of the City, its actuarially determined OPEB expenses for the current period, workers compensation program, and property and casualty liability program. The fund accounts for actual healthcare resources and costs of employees, administration of flexible spending and health reimbursement costs, plus normal costs of OPEB health benefits and amortization of unfunded/actuary-determined OPEB health benefits, reinsurance for health benefits, and administration and processing fees for the health insurance programs for the City. Each fund of the City is charged a set amount (insurance premiums) per covered employee position that is budgeted for the year.

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)

The City will appraise results of the Insurance Reserves Fund on an annual basis and adjust rates from the City's various governmental and enterprise funds to assure proper funding for prior, current and future costs of all health insurance-related activities. Thus, the amount subsequently charged per covered employee is adjusted to cover all costs (and any prior-year deficits) associated with the Insurance Reserves Fund.

Private-sector accounting and financial reporting are generally followed in both the Government-Wide and Proprietary Fund financial statements pursuant to GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*". This Statement codifies into GASB accounting and financial reporting standards the "legacy" standards from the private-sector.

The Statement of Fiduciary Net Position includes information about the assets, liabilities, and net position 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 Position presents information about the additions, deductions, and net increases (or decreases) for the year in net position 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 City-wide total appropriations (expenditures/expenses), other than transfers, of the approved initial budget must be approved by the City Council.

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)

- The City employs formal budgetary integration as a management control device during the year and legally adopts a budget for the General Fund. Informal budgetary controls are maintained for other funds (Special Revenue Funds, Debt Service Funds, 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. Accordingly, the City provides Required Supplementary Information of budgeting comparisons only for the General Fund.
- Appropriations lapse at the end of each fiscal year.

Since the City has adopted GASB Statement #54, 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.

Budget Deficits and Fund Balances

For the year ended June 30, 2020, ‘final budgeted’ expenditures/expenses and other financing sources and uses exceeded estimated revenues as follows: Street Improvement Capital Projects Fund by \$996,050 Cherry Grove Dredge Capital Projects Fund by \$770,399. These deficits were funded (if necessary) by unreserved and applicable reserved fund balances and additional unbudgeted revenue, and reduced actual expenditures/expenses. The Enterprise Funds of the Water and Sewer Utility Fund, Solid Waste Fund, Aquatic/Fitness Center Fund, Beach Service Fund, and Sports and Tourism Park Fund operated under total operating expense budgets equaling \$17.1 million, \$5.1 million, \$2.4 million, \$2.5 million, and \$1.8 million, respectively. At June 30, 2020, deficit fund balances/net position resulted in the following: Park Bonds Debt Service Fund by \$4,365,420; Local (3%) A-Tax Fund by \$116,322; Local (2%) Hospitality Fee by \$116,661; and Insurance Reserves Internal Service Fund by \$23,779,533. 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.

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 Position 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. The City deems all interfund receivables and payables to be short-term and do not constitute general long-term liabilities.

Restricted Assets

Restricted accounts include monies or other resources, the use of which is restricted by legal or contractual requirements. In the Government-wide Governmental Activities, restricted assets consist of cash and cash equivalents restricted as to legal purpose. In the Business-type Activities and Proprietary fund types, restricted assets consists of restricted cash and cash equivalents that arose from certain bond and contract ordinances.

Other Assets

Other assets consists of purchases of intangible assets, or ‘contractual rights’ to use capital asset resources. The Government-wide Business-type Activities and Proprietary (Enterprise) Fund ‘rights’ result from the purchases of water capacity and for sewer treatment, incurred by the Water and Sewer Utility Enterprise Fund, through contractual agreements with third-parties. These costs are being amortized over the longer of the life of the related agreements or the useful life of the asset using the straight-line method.

Deferred Inflows/Outflows of Resources

Pursuant to GASB Concepts Statement No. 4, “deferred outflow of resources” is a consumption of net position (assets minus liabilities) by the government that is applicable to a future period, while an ‘asset’ is a resource with present service capacity that the government presently controls. A “deferred inflow of resources” is an acquisition of net position (assets minus liabilities) by the government that is applicable to a future reporting period, while a ‘liability’ is a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred outflows and inflows of resources are reported separate from assets and liabilities, respectively, in the Statement of Net Position.

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)

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, water and sewer utility systems, 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 acquisition 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.

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, 2020, there were no material capitalized interest costs incurred.

Unearned 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 unearned 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 financial statement. Long-term debt represents unmatured principal of general obligation and revenue bond indebtedness, installment note obligations, 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. 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 governmental fund debt issued is reported as Other Financing Sources.

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)

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 and expensed when earned (incurred) and reported as a current and long-term liability based upon management's estimates of employees using their leave in the current period, or accumulating their earned leave for future (long-term) use. Thus, typically employees consume newly-earned increments of leave in future periods and unused portions of vacation leave represent the eventual long-term contractual obligations of the City. At June 30, 2020, there were no material short-term payable amounts based on known retirement or resignation. 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 employee termination or retirement) with expendable available financial resources is reported as an expenditure and a fund liability in these funds. For Governmental Funds, no material amounts have matured (i.e., come due for payment) with expendable available financial resources at June 30, 2020. Employees are not allowed to accumulate sick leave days and any unused sick leave at termination will not be paid.

Total OPEB Liability

For the purposes of measuring the Total OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the *City of North Myrtle Beach Postretirement Health Plan* and additions to/deductions from the plan's fiduciary net position have been determined on the basis of an actuarial report for the plan. The City does not have a separate Trust for the plan and the plan has no plan assets. For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The Total OPEB Liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. Changes in the Total OPEB Liability that have not been included in OPEB expense are reported as deferred outflows or deferred inflows of resources related to OPEB. The City's valuation method is the Entry Age Actuarial Cost Method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s).

Pensions

The City's employees, with the exception of public safety employees, participate in an IRC Section 401(a) money purchase pension plan. The City's public safety employees participant in a multi-employer, cost sharing pension plan administered by the State of South Carolina. For purposes of measuring the net pension liability, information about deferred outflows of resources and deferred inflows of resources related to public safety pensions, pension expense and the fiduciary net position are determined on the same basis as they are reported by the related plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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 Position and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and deferred inflows of resources, less total liabilities and deferred outflows of resources represents net position. Net position for both the Government-wide (Governmental Activities and Business-type Activities) financial statements and Proprietary Fund types displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the assets available for future operations.

In the Fund financial statements, Governmental Funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent as follows.

Non-spendable Fund Balance

Fund balances include amounts “not in spendable form” and are not expected to be converted to cash. The City deems all of its interfund receivables (net of payables) to be short-term borrowing and not held long-term. The following are Non-spendable fund balances at June 30, 2020:

General Fund:	
Inventories and prepaid items	\$ 205,402
Total Non-spendable	<u>\$ 205,402</u>

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)

Restricted Fund Balance

Fund balances include amounts that can only be used for specific purposes pursuant to externally imposed (by others) stipulations by creditors, grantors, contributions, or laws and regulations of other governments, or imposed by law through constitutional or enabling legislation for specific purposes are as follows:

General Fund:	
Drug enforcement	\$ 21,358
Public Safety Scholarship	98,256
	<u>119,614</u>
Special Revenue Fund:	
State (2%) A-tax	26,207
Total restricted by others	<u>\$ 145,821</u>

Committed Fund Balance

Fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (City Council and its ordinances). Changes in these commitments require action by City Council – and are as follows:

Debt Service Funds:	
Cherry Grove Municipal Improvement District Bonds	\$ 35,579
Capital Projects Funds:	
Cherry Grove dredge project	747,305
Total committed by ordinance	<u>\$ 782,884</u>

Assigned Fund Balance

Fund balances include amounts that are constrained by government’s intent to use resources for specific purpose, but are neither restricted nor committed. Through the City’s state-charter and form of government, “Council-manager”, the City Manager and/or through the annual budget, is authorized to assign resources for specific purposes – which are as follows:

Capital Projects Funds:	
Capital Improvement projects	\$ 518,480
Street Improvement repairs and underground utilities project	395,433
Beach Renourishment projects	1,363,252
Stormwater drainage project	6,854,871
Total assigned by management	<u>\$ 9,132,036</u>

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)

Unassigned Fund Balance

Represents the residual classification for the General Fund, or in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. When other governmental funds have deficit fund balances, such deficits, after reducing any assigned or committed balances, are reported as negative unassigned fund balances. When restricted, committed, assigned and unassigned fund balances are available for the same purpose, event or project, the City's policy is to expend restricted funds before using committed, committed funds before assigned, and assigned funds before unassigned funds.

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, accommodations and hospitality fees (which are meal and hotel imposed taxes), and franchise fees (which are general revenue fees in lieu of business licenses). The City has imposed a three (3%) percent local accommodations and a two (2%) percent local hospitality fee, both of which purposes are restricted by State law, with City Council designating by ordinance such receipts toward the City's Aquatic/Fitness Center and Beach Services as well as General Fund support for such services. Accordingly, these funds have been reported as non-operating revenue.

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 2019 audited financial statements. Also, certain amounts presented in the prior year data have been restated and/or reclassified in order to be consistent with the current year's presentation.

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, 2020, the carrying amount of the City’s cash deposits with financial institutions was \$2,207,367 and the financial institution’s balances totaled \$2,346,979. Of this balance, \$1,112,530 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, 2020, 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, 2020, the City had the following investment types:

	<u>Fair Value</u>	<u>Weight Average Maturity (years)</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 9,757,631		n/a
Certificates of deposit	9,532,972		n/a
Money Market funds	1,440,961	n/a	Aa1
Mutual funds	28,394,324	n/a	AAA
Total carrying value	<u>\$ 49,125,888</u>		

At June 30, 2020, 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 fair 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 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, money market funds, and mutual funds. The concentrations of these investments are 19.9%, 19.4%, 2.9%, and 57.8% 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, 2020 are as follows:

Cash on hand	\$	17,295
Carrying amount of cash deposits		2,207,367
Carrying amount of investments		<u>49,125,893</u>
Total	\$	<u>51,350,555</u>
 Government-wide Statement of Net Position:		
Cash and cash equivalents	\$	11,121,469
Equity in pooled cash and cash equivalents		8,130,314
Cash and cash equivalents-restricted		1,332,099
Equity in pooled cash and cash equivalents-restricted		1,944,456
Statement of Fiduciary Net Position:		
Cash and cash equivalents – Agency Fund		427,888
Investments – Pension Trust Funds:		
Money Purchase Retirement Plan #1		27,219,455
Money Purchase Retirement Plan #2		<u>1,174,874</u>
Total	\$	<u>51,350,555</u>

3. Receivables

Receivables at June 30, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 1,233,991	\$ —
Franchise fees	828,200	—
Grants	1,013,253	—
Street improvement fees	194,341	—
Stormwater fees	91,636	—
Local accommodation and hospitality fees	1,733,528	—
Water and sewer accounts	—	1,727,000
Solid waste user fees	—	193,272
Aquatic Center	—	16,714
Beach Service	—	14,324
Sports tourism fees	—	5,301
Insurance reimbursements	183,080	48,726
Other	8,529	99,862
Gross receivables	<u>5,286,558</u>	<u>2,105,199</u>
Less: allowance for uncollectibles	<u>(1,160,897)</u>	<u>(6,500)</u>
Net total receivables	<u>\$ 4,125,661</u>	<u>\$ 2,098,699</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

4. Internal Balances – Due To/From Other Funds and Transfers

In the Governmental and Proprietary Enterprise Fund financial statements, short-term interfund receivables and payables at June 30, 2020, along with interfund transfers which occurred during the fiscal year were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>				
General Fund	\$ 1,253,163	\$ (467,191)	\$ 5,595,699	\$ (3,845,933)
Special Revenue Funds:		(585,224)		(2,063,233)
State Accommodations (2%) Tax Funds	—	(553,857)	—	(2,996,013)
Local Accommodations (3%) Tax Fund	—	(297,782)	—	(2,527,223)
Local Hospitality (2%) Fees Fund	—	—	—	—
Debt Service:				
Park Bonds	—	(4,365,420)	—	—
Cherry Grove Bonds	—	(155,274)	—	—
Capital Projects Funds:				
Capital Improvement Fund	—	—	2,866,328	—
Street Improvement Fund	—	(785,947)	1,034,363	—
Beach Renourishment Fund	830,602	—	421,831	—
Stormwater Drainage Fund	6,063,513	—	63,431	—
Cherry Grove Dredge Fund	152,861	(84,599)	—	—
<u>Business-type Activities</u>				
Enterprise Funds:				
Water and Sewer Fund	—	—	—	(750,000)
Solid Waste Fund	—	—	—	(375,000)
Aquatic Center Fund	—	—	168,906	—
Beach Services Fund	—	(163,019)	629,682	—
Sports and Tourism Park Fund	183,700	(149,759)	457,596	(514,791)
Internal Service Fund	467,191	(514,769)	548,633	—
<u>Fiduciary Funds</u>		(830,602)	1,239,791	—
Pension Trust Fund	—	—	45,933	—
	<u>\$ 8,951,030</u>	<u>\$ (8,951,030)</u>	<u>\$ 13,072,193</u>	<u>\$ (13,072,193)</u>

Net internal balances shown on the Statement of Net Position between Governmental and Business-type activities equaled \$351,249. Net transfers between Governmental and Business-type Activities totaled \$1,304,817 and resulted from short-term loans between individual funds. The General Fund contributed \$45,933 to the Terminated Pension Plan Trust Fund during the year ended June 30, 2020.

5. Due To/From Other Governments

The amounts due to/from other governmental agencies include the following:

	<u>Due From</u>	<u>Due To</u>
<u>Governmental Activities</u>		
General Fund:		
State of South Carolina	\$ 591,246	\$ 7,098
Horry County	187,133	—
Special Revenue Fund:		
State Accommodations (2%) Tax Fund	832,424	—
Capital Projects Fund:		
Street Improvement Grant	2,937,586	—
	<u>\$ 4,548,389</u>	<u>\$ 7,098</u>
<u>Business-type Activities</u>		
Solid Waste Enterprise Fund grants	<u>\$ 116,655</u>	<u>\$ —</u>

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, 2020, are as follows:

Governmental Activities:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Capital assets not being depreciated:</u>					
Land	\$ 20,091,101	\$ 4,258,836	\$ —	\$ —	\$ 24,349,937
Construction in progress	3,945,694	4,030,472	—	(4,113,034)	3,863,132
Total capital assets not being depreciated	<u>24,036,795</u>	<u>8,289,308</u>	<u>—</u>	<u>(4,113,034)</u>	<u>28,213,069</u>
<u>Capital assets being depreciated:</u>					
Buildings	27,027,196	—	—	697,210	27,724,406
Improvements	26,064,970	391,187	—	317,025	26,773,182
Machinery and equipment	26,669,255	1,565,492	(753,742)	—	27,481,005
Infrastructure	87,301,945	481,631	—	3,098,799	90,882,375
Total capital assets being depreciated	<u>167,063,366</u>	<u>2,438,310</u>	<u>(753,742)</u>	<u>4,113,034</u>	<u>172,860,968</u>
<u>Less, accumulated depreciation for:</u>					
Buildings	(12,505,059)	(755,000)	—	—	(13,260,059)
Improvements	(9,154,847)	(1,041,972)	—	—	(10,196,819)
Machinery and equipment	(19,020,277)	(1,906,336)	753,071	—	(20,173,542)
Infrastructure	(33,260,002)	(3,098,491)	—	—	(36,358,493)
Total accumulated depreciation	<u>(73,940,185)</u>	<u>(6,801,799)</u>	<u>753,071</u>	<u>—</u>	<u>(79,988,913)</u>
Total capital assets being depreciated, net	<u>93,123,181</u>	<u>(4,363,489)</u>	<u>(671)</u>	<u>4,113,034</u>	<u>92,872,055</u>
Net capital assets – Governmental Activities	<u>\$ 117,159,976</u>	<u>\$ 3,925,819</u>	<u>\$ (671)</u>	<u>\$ —</u>	<u>\$ 121,085,124</u>

For the year ended June 30, 2020, depreciation expenses charged to Governmental Activities totaled \$6,801,799, which has been allocated to the respective departmental functions, in the Statement of Activities as follows:

General government administration	\$ 159,843
Finance	59,856
Information services	122,432
Public safety	965,855
Planning and development	8,162
Public works	3,834,174
Parks and recreation	1,618,828
Support services	32,649
	<u>\$ 6,801,799</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

Business-type Activities:

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 717,829	\$ —	\$ —	\$ —	\$ 717,829
Construction in progress	7,650,371	11,215	—	(7,514,096)	147,490
Total capital assets not being depreciated	<u>8,368,200</u>	<u>11,215</u>	<u>—</u>	<u>(7,514,096)</u>	<u>865,319</u>
Capital assets being depreciated:					
Buildings	11,536,077	—	—	—	11,536,077
Water and sewer systems	117,868,768	1,743,168	—	7,481,884	127,093,820
Improvements	127,351	—	—	—	127,351
Machinery and equipment	19,607,470	2,142,730	(1,790,302)	32,212	19,992,110
Total capital assets being depreciated	<u>149,139,666</u>	<u>3,885,898</u>	<u>(1,790,302)</u>	<u>7,514,096</u>	<u>158,749,358</u>
Less, accumulated depreciation:					
Buildings	(4,361,752)	(315,793)	—	—	(4,677,545)
Water and sewer systems	(46,805,781)	(2,583,458)	—	—	(49,389,239)
Improvements	(51,040)	(3,304)	—	—	(54,344)
Machinery and equipment	(14,386,422)	(1,366,441)	1,790,302	—	(13,962,561)
Total accumulated depreciation	<u>(65,604,995)</u>	<u>(4,268,996)</u>	<u>1,790,302</u>	<u>—</u>	<u>(68,083,689)</u>
Total capital assets being depreciated, net	<u>83,534,671</u>	<u>(383,098)</u>	<u>—</u>	<u>7,514,096</u>	<u>90,665,669</u>
Net capital assets – Business-type Activities	<u>\$ 91,902,871</u>	<u>\$ (371,883)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 91,530,988</u>

A summary of Proprietary Fund Type capital assets at June 30, 2020, is as follows:

	Water and Sewer Utility	Solid Waste	Aquatic Center	Beach Service	Sports and Tourism Park	Total
Land	\$ 717,829	\$ —	\$ —	\$ —	\$ —	\$ 717,829
Buildings	1,029,594	313,200	9,700,878	434,405	58,000	11,536,077
Water and sewer systems	127,093,820	—	—	—	—	127,093,820
Other improvements	5,885	32,262	89,204	—	—	127,351
Machinery and equipment	7,340,598	8,764,046	492,752	1,298,324	2,096,390	19,992,110
Construction in progress	128,476	19,014	—	—	—	147,490
Totals	<u>136,316,202</u>	<u>9,128,522</u>	<u>10,282,834</u>	<u>1,732,729</u>	<u>2,154,390</u>	<u>159,614,677</u>
Less, accumulated depreciation	<u>(55,152,630)</u>	<u>(6,761,999)</u>	<u>(3,899,704)</u>	<u>(1,041,495)</u>	<u>(1,227,861)</u>	<u>(68,083,689)</u>
Net capital assets – Proprietary Funds	<u>\$ 81,163,572</u>	<u>\$ 2,366,523</u>	<u>\$ 6,383,130</u>	<u>\$ 691,234</u>	<u>\$ 926,529</u>	<u>\$ 91,530,988</u>

For the year ended June 30, 2020, depreciation expenses were charged to Business-type activities totaling \$4,268,996 (Water and Sewer Utility \$2,858,780; Solid Waste \$578,191; Aquatic Center \$298,147; Beach Service \$174,043; and Sports and Tourism Park \$359,835, respectively).

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt

Long-term debt, other than pension retirement (see *Note 11*) and post-employment benefits (see *Note 12*), of the City at June 30, 2020, consisted of the following:

A. Governmental Activities

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Final Maturity Dates</u>
<u>Special Assessment Revenue Bond</u>				
Cherry Grove (Dredge) Municipal Improvement District Bonds	7/29/16	1.39%	\$ 971,000	April 1, 2021
Less, current portions (payable within one year)			(971,000)	
Total special assessment revenue bond			<u>\$ —</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 1,781,608</u>	
Total Long-Term Debt – Governmental Activities			<u>\$ 1,781,608</u>	

B. Business-type Activities

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Final Maturity Dates</u>
<u>Aquatic Center Enterprise Fund</u>				
Aquatic and Fitness Center Note	11/13/03	3.89%	\$ 2,252,631	November 13, 2023
Less, current portions (payable within one year)			(531,342)	
			<u>\$ 1,721,289</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 517,376</u>	
Total Long-Term Debt – Business-type Activities			<u>\$ 2,238,665</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, 2020, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/20</u>
Governmental Activities					
<u>Special Assessment Revenue Bond</u>					
Cherry Grove dredge	7/29/16	\$ 2,251,000	\$ —	\$ (1,280,000)	\$ 971,000
<u>Installment Note (Lease Purchase)</u>					
Property purchase (Sports Park)	8/19/19	\$ —	\$ 4,258,836	\$ (4,258,836)	\$ —
<u>Accrued Compensated Absences</u>					
		\$ 1,744,898	\$ 36,710	\$ —	\$ 1,781,608
Business-type Activities					
<u>Contract Payable</u>					
Myrtle Beach/Grand Strand Water Sales and Purchase Agreement (see Note 8)	09/18/91	\$ 825,000	\$ —	\$ (825,000)	\$ —
<u>Note Payable</u>					
Aquatic and fitness center note obligation	11/13/03	\$ 2,764,078	\$ —	\$ (511,447)	\$ 2,252,631
<u>Accrued Compensated Absences</u>					
		\$ 500,152	\$ 17,224	\$ —	\$ 517,376

As stated in *Note 1*, the City's policy is for accrued compensated absences to be long-term liabilities. The City calculates its outstanding employee accrued leave values at fiscal year end and estimates the additions and retirement changes. The City's present system is unable to determine the current-portion, if any, of accrued compensated absences do to the unknown facts of employee retirement and termination, that if known, would result in current liabilities. The City believes that any estimate of a current liability would be not material to the Government-wide and Proprietary Fund financial statements.

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:

<u>Government Activities</u>	<u>Interest</u> <u>Requirements</u>	<u>Principal</u> <u>Requirements</u>	<u>Total</u> <u>Requirements</u>
Special Assessment Revenue			
Bonds:			
2021 (Due within one year)	\$ 18,042	\$ 971,000	\$ 989,042
<u>Business-type Activities</u>	<u>Interest</u> <u>Requirements</u>	<u>Principal</u> <u>Requirements</u>	<u>Total</u> <u>Requirements</u>
Aquatic Center Note Payable:			
2021 (Due within one year)	\$ 87,627	\$ 531,342	\$ 618,969
2022	66,958	552,011	618,969
2023	45,485	573,484	618,969
2024	23,173	595,794	618,969
	<u>\$ 223,243</u>	<u>\$ 2,252,631</u>	<u>\$ 2,475,876</u>

Subsequent to year-end June 30, 2020, the City obtained a promissory note for \$5,000,000 dated July 2, 2020, at 3.40% annum interest, payable quarterly with principal, and due July 2, 2022. The loan is for improvements to the acquired Sports Park land and is collateralized by certain depository accounts maintained at the financial institution.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

E. Bond and Other Debt Requirements

Through its ordinances, or indenture of trust, the City pledge as security certain pledged revenues and/or the City's full faith, credit and taxing powers. The City has pledged all of its operating revenues in the Water and Sewer Utility Fund for its contract payable. For the Aquatic Fitness Center Fund all capital improvements are named collateral for the note payable obligation. For the Capital Projects Fund Cherry Grove Municipal Improvement District bonds, the City has instituted a special assessment on certain real property owners which is deemed to be pledged revenues. As additional security, the City has pledged its full faith, credit and taxing power of the City toward the payment of those bonds.

The ordinance provisions supporting the Water and Sewer Sales and Purchase Agreement require the maintenance of the following funds:

Gross Revenue Fund – All revenues generated by the Water and Sewer Utility Fund system are to be deposited in this fund. The accounting for this revenue is included in the Water and Sewer Utility 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 water and sewer system, and such other expenses as may be necessary to preserve the system in good repair and working order. The accounting for these expenses are included in the Water and Sewer Utility Enterprise Fund.

Debt Service Fund – Transfers from the Gross Revenue Fund are required to meet bond/debt redemptions and interest payments. This account is titled "Bond and Interest Redemption and Cushion Funds" in the Water and Sewer Utility Enterprise Fund. Additionally, and 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, 2020, no amounts have been required to be transferred.

There are a number of limitations and restrictions contained in the respective indenture of trust/debt ordinances, all of which the City complied at June 30, 2020.

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 12.4 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 "other asset", net of accumulated amortization, in the Water and Sewer Utility Fund. Total purchased costs equaled approximately \$18.9 million.

At year end June 30, 2020, the City maintained the contractual rights (other assets) equaled \$18,930,804 with accumulated amortization expense equaling \$17,831,784, for a net carrying value of \$1,099,020. For 2020, amortization expense equaled \$611,436. 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 \$1,554,000 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, 2020, (\$280,000) have been reported in the Water and Sewer Utility Fund as part of 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 Utility 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 2003-04, 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, 2020, maintained the contractual rights (other assets) equal to \$9,004,058 with accumulated amortization expense equaling \$3,714,173, for a net carrying value of \$5,289,884. For 2020, 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 position. 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, system contributions, and infrastructure deeded to the City from developers during the year ended June 30, 2020, were as follows:

Utility system impact fees	\$ 1,102,820
Extension fees	74,230
System contributions by developers	<u>870,398</u>
Total capital contributions	<u>\$ 2,047,448</u>

10. Net position

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 121,085,124	\$ 91,530,988
Less, G.O., revenue bonds, and note payable	(971,000)	(2,252,631)
Total net investment in capital assets	<u>\$ 120,114,124</u>	<u>\$ 89,278,357</u>
<u>Restricted:</u>		
Restricted net position:		
Public safety:		
Pensions – employer contribution	\$ 1,545,766	\$ —
Drug enforcement programs	21,358	—
Scholarship program	98,256	—
Public Works:		
Cherry Grove Dredge project	782,884	—
Parks and recreation:		
State Accommodations (2%) Tourism related	26,207	—
Future capacity of utility	—	—
Total restricted net position	<u>\$ 2,474,471</u>	<u>\$ —</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 and maintains authority (through the Mayor and Council) to establish and amend contribution requirements. 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 participant’s 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 retirement plan. The net appreciation (depreciation) in the fair value of investments held by the retirement 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 (if applicable) are valued at current market prices at June 30, 2020. Investments of the Trust at June 20, 2020, consisted of only mutual fund shares and money market funds (i.e., cash and temporary investments). No investment in any one organization represents 5% or more of the net position available for pension benefits. There are no investments in, loans to, or leases with parties related to the pension plan. At June 30, 2020, 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, 2020, the plans' participants equaled 206 employees. The gross payroll for the employees covered by the plans for the year ended June 30, 2020, approximated \$14,305,956. The City's total payroll, without adjustment for accruals, was approximately \$25,380,142. Employer contributions to Plan #1 and Plan #2 for the year ended June 30, 2020, equaled \$1,118,630 and \$15,348, respectively, and represented approximately 8% and 12%, respectively, of covered payroll. Employee contributions to Plan #1 and #2 for the year ended June 30, 2020, equaled \$283,409 and \$15,348 respectively.

D. Condensed Financial Information

**Combining Statement of Plan Net Position
June 30, 2020**

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Assets			
Cash and temporary investments	\$ 27,219,455	\$ 1,174,874	\$ 28,394,329
Receivables – Participant loans	1,430,968	621	1,431,589
Total assets	<u>\$ 28,650,423</u>	<u>\$ 1,175,495</u>	<u>\$ 29,825,918</u>
Net Position			
Held in trust for employee's pension benefits	<u>\$ 28,650,423</u>	<u>\$ 1,175,495</u>	<u>\$ 29,825,918</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 Position
Year Ended June 30, 2020

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Additions			
Employer contributions	\$ 1,118,630	\$ 15,348	\$ 1,133,978
Employee (member) contributions	283,409	15,348	298,757
Investment income (loss)	1,471,789	119,566	1,591,355
Non-vested rollover	2,616	—	2,616
Total additions	2,876,444	150,262	3,026,706
Deductions			
Benefit payments/loan issuance costs	868,580	7,200	875,780
Trustee fees	26,078	50	26,128
Forfeitures	56,141	—	56,141
Total deductions	950,799	7,250	958,049
Change in net position	1,925,645	143,012	2,068,657
Net position, beginning of year	26,724,778	1,032,483	27,757,261
Net position, end of year	\$ 28,650,423	\$ 1,175,495	\$ 29,825,918

South Carolina Police Officers Retirement System

Plan Description

Beginning July 1, 1995, 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 South Carolina Public Employee Benefit Authority (PEBA). All City police officers, certain other public safety officers, and fire fighters are required to participate in and contribute to the PORS as a condition of employment.

The South Carolina Police Officers Retirement System (PORS) 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. Actuarial determinations are made by the Administrator (PEBA) for the plan.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Benefits

Under current statutes, member employees who retire at age 65 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14 percent of the employee's highest twelve consecutive quarters of compensation. Member employees who are at least 55 years of age may elect early retirement with reduced benefits. In either case, any unrecovered contributions are payable upon death and benefit payments increase 4 percent each year following an increase in the Consumer Price Index of at least 3 percent. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching five years of service. The PORS retirement system also provides death and disability benefits to all member employees.

Funding Policy

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

The City's total pensionable wages ("covered payroll") for PORS employees equaled \$8,664,610, \$8,503,565, and \$7,861,627 for the years ended June 30, 2020, 2019, and 2018, respectively. For the year ended June 30, 2020, employees were required to contribute 9.75% of their earnable compensation to the Plan. Employee contributions totaled \$844,799, \$829,098, and \$764,470 for the years ended June 30, 2020, 2019, and 2018, respectively.

Employers are required to contribute to the Plan at an actuarially determined rate, which for the year ended June 30, 2020 was 16.84%. In addition, the City contributes .2% to provide group life insurance and .2% to provide accidental death benefits, for a total contribution rate of 17.24%. The City's contributions to the PORS for the years ending June 30, 2020, 2019 and 2018 were \$1,545,766, \$1,432,000, and \$1,273,331, respectively, and were equal to the required contributions for each year.

The City's (employer) contribution during the year ended June 30, 2020 is being reported as part of deferred outflows of resources due to the pension plan's measurement date of June 30, 2019. This amount will be recognized by the City as part of its pension expense in fiscal year 2020-2021, as further described below. Effective July 1, 2020, the employee contribution rate will remain at 9.75% and the employer total contribution rate will be 18.24%.

The City's (employer) contribution during the year ended June 30, 2020 is being reported as part of deferred outflows of resources due to the pension plan's measurement date of June 30, 2019. This amount will be recognized by the City as part of its pension expense in fiscal year 2020-2020, as further described below. Effective July 1, 2020, the employee contribution rate will remain at 9.75%, and the employer total contribution rate will be 18.24%.

Payables to PORS

At June 30, 2020, the City had employee deductions and employer contributions payable to PEBA totaling \$67,043 and \$125,423, respectively.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Net Pension Liability, Pension Expense, Deferred Outflows/Inflows of Resources

At June 30, 2020, the City reported a liability of \$16,802,065 for the measurement period June 30, 2019 for its proportionate share of the net pension liabilities, all of which was for PORS. The net pension liabilities were measured by an actuarial valuation as of June 30, 2019, and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2018, rolled forward to June 30, 2019. The City's proportion share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, PEBA reported the City's proportion share percentage of the collective net pension liability was 0.586267% for PORS.

For the year ended June 30, 2020, the City recognized pension expense of \$2,615,883 for PORS, all of which is reported in the Governmental Activities. Components of pension expense and changes in the net pension liability for the measurement period (June 30, 2019) follows:

Pension expense:	
Service cost	\$ 1,110,265
Interest on total pension liability	3,099,586
Changes in plan benefits	—
Plan administrative costs	15,218
Plan member contributions	(848,602)
Expected return on plan assets	(1,938,606)
Recognition of net amortization:	
Plan performance, net	127,248
Assumption changes, net	427,378
Investment experience, net	500,111
Allocated proportion change, net	(108,748)
Other	232,033
Total pension expense	<u>2,615,883</u>
PEBA reported contributions	<u>(1,387,946)</u>
Non-member contribution	<u>(78,069)</u>
Changes in deferred items (net of amortization):	
Outflows – Plan performance	(149,071)
Outflows – Assumption changes	(392,034)
Outflows – Investment experience	(307,569)
Outflows – Allocated proportion change	223,863
Inflows – Plan performance	(124,180)
Inflows – Investment experience	199,627
Inflows – Allocated proportion change	150,570
	<u>(398,794)</u>
Total change in net pension liability	<u>\$ 751,074</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Net Pension Liability, Pension Expense, Deferred Outflows/Inflows of Resources (continued)

At June 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources.

	PORS Outstanding Balances at June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Plan performance	\$ 345,486	\$ (124,180)	\$ 221,306
Assumption changes	666,286	—	666,286
Investment experience	686,221	(473,183)	213,038
Proportion changes	478,922	(252,300)	226,622
Employer differences	—	—	—
	<u>2,176,915</u>	<u>(849,663)</u>	<u>1,327,252</u>
Subsequent employer contributions	1,545,766	—	1,545,766
Totals	<u>\$ 3,722,681</u>	<u>\$ (849,663)</u>	<u>\$ 2,873,018</u>

The \$1,545,766 reported as deferred outflows of resources related to pensions results from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

Annual amortization of the remaining balances of the deferred outflows and inflows of resources are as follows:

<u>Fiscal Year ended June 30,</u>	PORS Amortization of Outstanding Balances		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2021	\$ 1,257,441	\$ (462,725)	\$ 794,716
2022	550,275	(228,751)	321,524
2023	257,799	(133,198)	124,601
2024	111,400	(24,989)	86,411
Totals	<u>\$ 2,176,915</u>	<u>\$ (849,663)</u>	<u>\$ 1,327,252</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Actuarial Assumptions

The total pension liabilities in the PORS June 30, 2019 valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study on data through July 1, 2017 rolled forward through June 30, 2019.

	<u>PORS</u>
Actuarial cost method	Entry-age normal
Asset Valuation Method	5-year Smoothed
Amortization Method	Level percent of pay
Amortization Period	30-year maximum, closed period
Inflation	2.25 percent
Projected Salary Increases	3.5 to 9.5 percent for members with less than 15 years of service
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation
Benefit increases	Lesser of 1% or \$500 annually
Mortality	Mortality is dependent upon member's job category and gender. Base assumptions are based upon the 2016 Public Retirees of South Carolina Mortality Table; based on Scale AA projected from 2016. Public Safety and Fire Fighters are adjusted using 2016 PRSC with males multiplied by 125% and females multiplied by 111%.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the June 30, 2019 actuarial valuation, was based upon 20-year capital market assumptions which are updated at least annually no later than April 1st of each year (in accordance with Section 9-16-340 of the South Carolina Code of Laws). These assumptions are developed a separate agency of the State of South Carolina: the Retirement Systems Investment Commission (RSIC), in collaboration with investment consultant(s). The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the PORs System, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Long-term Expected Rate of Return (continued)

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Global Equity	51.0%		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
Real Estate	12.0%		
Real Estate (private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (private)	2.0%	5.03%	0.10%
Infrastructure (public)	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
Conservative Fixed Income	14.0%		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (net)	1.0%	0.31%	0.00%
Total expected real return	<u>100.0%</u>		<u>5.41%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u>7.66%</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (continued)

Discount Rate

The discount rate used to measure the total pension liabilities at June 30, 2019, was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate - The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	City’s Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PORS	\$ 22,770,782	\$ 16,802,065	\$ 11,912,178

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PEBA financial report. A comprehensive annual financial report containing financial statements and required supplementary information for the PEBA, which is issued and publicly available on the website www.peba.sc.gov, or a copy may be obtained by submitting in writing a request to the PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered to be a division of the primary government of the State of South Carolina. The retirement trust fund financial information is included in the comprehensive annual financial statement of the State.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

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

Prior to FY 1995, 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. Those employees who had retired under the terminated plan, or vested employees who had left the City employ prior to plan termination, received a comparable level of benefits as defined by the plan and trust agreement, or a negotiated settlement.

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 subsequently participate in the City’s Money Purchase Retirement Plans with all applicable net position of the terminated plan being transferred accordingly.

The trust created under the terminated plan (previously maintained by a third-party trustee) consisted of all assets of the plan, plus any income (loss) thereon, less expenses and distribution to participants and beneficiaries. At June 30, 2020, no assets are accumulated in a trust and no net position is held for pension benefits. Five (5) remaining retirees/beneficiaries are covered under this plan and the City plans to fund future annual benefit payments in a year-to-year basis as may be applicable.

The plan does not issue separate stand-alone financial statements and is not included in the financial statements of another activity.

In FY 2015, the City assumed responsibility for all remaining assets and net position held for benefits. The City also commissioned an actuarial study to determine any net pension liability.

At June 30, 2020, the City reported in the Governmental Activities an actuarially determined net pension liability of \$512,570 for the terminated plan. Changes in the terminated plan liability follows:

Net pension liability, beginning of year	\$	512,570
Expected benefit payments		45,933
Expected contribution made from the trust		(45,933)
Interest and mortality changes		—
Net pension liability, end of year	\$	<u>512,570</u>

Actuarial Assumptions

The City plans to pay unfunded plan benefits on a ‘pay-as-you-go’ basis annually. Assumption and methods used in the actuarial valuation are as follows:

Actuarial cost method:	Entry age normal
Amortization method:	N/A
Discount rate/Interest rate:	7%
Mortality:	RP 2018 Blue Collar Mortality

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Post-Employment Benefits Other Than Pension

GASB Statement No. 75

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, replaced the requirements of GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions”, as amended. The City implemented GASB Statement No. 75 effective July 1, 2017.

Plan Description

In addition to the pension benefits described in *Note 11*, the City’s *North Myrtle Beach Retiree Medical Coverage Plan*, (herein after referred to as “OPEB plan” or “Program”), provides, if elected, other post-employment benefits (OPEB) for any employee who has at least 10 years of continuous service with the City. The program is a single employer defined benefit OPEB plan administered by the City (by the Mayor and City Council) through its approved personnel policies. The City participates in the South Carolina Local Government Assurance Group, which is a self-funded major health insurance plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The program does not issue separate stand-alone financial statements and is not included in the financial statements of another entity.

Benefits Provided

The program offers retired employees the City’s employee group health insurance plan (including dental) at little to no cost. Any employee who retires under a City qualified retirement plan with at least 10 years of service may extend medical coverage, and for the retiree’s spouse if the spouse was covered during the employee’s last year of employment. For retirees with at least 20 years of continuous service the City pays, at its discretion, 100% of the retiree’s monthly premium cost. The retiree pays the full premium rate for spouse coverage. The premium rate is set by City Council each year during annual budget deliberations. 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’s annual OPEB plan premium rates are \$10,116 for the retiree and \$4,919 for the spouse of the retired employee for the year ended June 30, 2020.

Funding

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 assets. For the fiscal year June 30, 2020, based on an actuarial valuation as of July 1, 2019, the City had 71 retired employees with an average age of 64.02 years covered by the program with monthly premium costs averaging \$684 per participant. Total expenses incurred for this program for the year ended June 30, 2020 were \$582,651 (or 28.5%) of the annual OPEB cost of \$2,041,939. These costs were funded in part by the General Fund and the Proprietary (Enterprise) Funds through the City’s Internal Service Fund, which were allocated to the Governmental Activities and Business-type Activities for financial reporting purposes based on departmental service. For prior fiscal years 2019 and 2018, total funding expenses were \$596,813 (or 34% of the annual OPEB cost of \$1,745,415), and \$600,401 (or 36% of the annual OPEB costs of \$1,654,970), respectively. Total covered payroll equaled \$20,885,926 at July 1, 2019, and \$18,929,023 at July 1, 2017, valuation dates, respectively.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Post-Employment Benefits Other Than Pension (continued)

Total OPEB Liability

At June 30, 2020, the City's total OPEB liability equaled \$25,294,172, of which \$19,977,337 was for the Governmental Activities (General Fund) and \$5,316,835 was for the Business-type Activities (Proprietary Funds). This amount was based on an actuarial valuation as of June 30, 2020, using data as of July 1, 2019, resulting in a net change in the total OPEB liability of \$1,159,089. The City's total OPEB liability for the year ended June 30, 2019 and 2018 totaled \$21,674,997 and \$20,515,908, respectively. The Governmental Activities shares were \$17,118,913 and \$16,203,464 and the Business-type Activities (and Proprietary Funds) shares were \$4,556,084 and \$4,312,444 for the year 2019 and 2018, respectively.

Changes in the Total OPEB Liability

The changes in the City's total OPEB liability for the current year and the related information for the program is as follows:

Total other post-employment benefit (OPEB) obligation – beginning of year ⁹	\$ 1,093,644
Changes in total OPEB liability:	
Service cost	943,947
Interest	—
Changes of benefit terms	—
Differences between expected and actual experience	2,344,020
Changes in assumptions or other inputs	—
Contributions – employer	—
Contributions – active and inactive employees	—
Net investment income	—
Benefit payments	(762,435)
Other changes	—
Net changes	<u>2,525,532</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u>\$ 3,619,175</u>

OPEB Expense

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,041,939 (of which \$1,612,723 was for the Governmental Activities (General Fund) and \$429,216 was for the Business-type Activities (Proprietary Funds) as follows:

Service cost	\$ 1,093,644
Interest on service cost	943,947
Total	<u>2,037,591</u>
Interest cost	—
Difference between expected and actual experience	4,348
Changes of assumptions and other inputs	—
Total OPEB expense	<u>\$ 2,041,939</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Post-Employment Benefits Other Than Pension (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Related		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual plan experience	\$ 2,397,471	\$ —	\$ 2,397,471
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on OPEB Investments	—	—	—
Total	\$ 2,397,471	\$ —	\$ 2,397,471

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30, :	OPEB Related Future Deferred		
	Outflows of Resources	Inflows of Resources	Net
2021	\$ 170,744	\$ —	\$ 170,744
2022	170,744	—	170,744
2023	170,744	—	170,744
2024	170,744	—	170,744
2025	170,744	—	170,744
Thereafter	1,543,751	—	1,543,751
Total	\$ 2,397,471	\$ —	\$ 2,397,471

Employees Covered By Benefit Terms

At the valuation date of July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	71
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	383
	<u>454</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Post-Employment Benefits Other Than Pension (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost method	Entry Age Normal
Inflation	2.50%
Discount rate	4.00%
Projected salary increases	4.50%
Medical trend	5.00% for both pre-Medicare and Medicaid
Retiree contribution	Retirees with 10-20 years of service, 100%. Retirees with 20 years or more of service, 0%
Investment rate of return	Not applicable
Mortality	1983 GAM without projection
Disability	50% of 1975 SSA study
Termination	Age 30 – 5.5% Age 40 – 5.5% Age 50 – 4.5%
Participation (election) at retirement	100%
Spousal participation	90%
Marital status	45% of retirees electing coverage will cover a spouse
Morbidity rates	4% until age 55; 12% ages 56-60; 20% ages 61-62; 60% age 63; 25% age 64, 100% age 65 and later
Per capita costs	Based on analysis of recent actual plan costs and retiree enrollment. Average per capita claims costs - \$6,544 Average Medicare cost - \$3,586 Projected to ages 55-59 - \$11,042 Retiree co-pay percentage if < 20 years – 89.61% Spousal co-pay percentage – 40.19%

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Post-Employment Benefits Other Than Pension (continued)

Actuarial Assumptions and Other Inputs (continued)

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of May 23, 2018. No change was made to the discount rate for the year ended June 30, 2020.

There have been no changes to assumptions since the last actuarial valuation dated performed May 2018.

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. Other assumptions may be made about participant data or other factors. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in total other post-employment benefit (OPEB) liabilities and the actuarial value of other post-employment benefit (OPEB) assets.

Expected Future Cash Flows

No estimated future cash flow of benefit payments has been made by the actuary at this time.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Post-Employment Benefits Other Than Pension (continued)

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the City's total OPEB liability calculated using the discount rate of 4.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current discount rate:

	City's Total OPEB Liability sensitivity to changes in the discount rate		
	1% Increase (3.00%)	Valuation Rate (4.00%)	1% Decrease (5.00%)
Total OPEB liability	\$ 29,595,426	\$ 25,294,172	\$ 21,822,799

Sensitivity of the total OPEB liability to changes in the health care trend rates. The following presents the City's total OPEB liability calculated using the health care trend rate of 5.00%, as well as what the City's total OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current discount rate:

	City's Health Care Trend sensitivity to changes in the discount rate		
	1% Increase (4.00%)	Valuation Rate (5.00%)	1% Decrease (6.00%)
Health care trend	\$ 21,225,443	\$ 25,294,172	\$ 30,527,048

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.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. 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; sickness and injuries to employees; and natural disasters. The City carries commercial property insurance coverage and general liability coverage for these risks, except as noted below. With the creation of its Internal Service Fund for accounting and reporting insurance activities, premiums are charged to the City's departments and any excess reserves are maintained in the Insurance Reserve Internal Service Fund. 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.

Effective July 1, 2011, the City (as a participant of the South Carolina Local Government Assurance Group) changed its health insurance plan for its employees and substantially became a self-funded plan. The City utilizes Blue Cross & Blue Shield of South Carolina to provide for the administration and claims management of providing health insurance coverage to all employees. Claims in excess of \$150,000 (stop-loss provision) are insured by a private carrier. The City pays claims weekly and transfers cash to the administrator to cover the prior week's actual claims for employees and their covered dependents.

Effective January 1, 2014, the City began participating in a self-funded worker's compensation liability program. The City funds the costs by charging premiums to user departments. Claims in excess of \$500,000 (stop-loss provision) are covered by a private insurer, Safety National Casualty Corporation. Benefit Source, Inc., is the claims handler for the City. Premiums paid to Arthur J. Gallagher Risk Management Services, Inc., for administration and excess coverage were \$165,621 for the year ended June 30, 2020.

Effective January 1, 2016, the City began participating in a self-funded property and general liability program. The City funds the costs by charging premiums to General Government, and then allocating the costs to various funds. Claims in excess of \$200,000 (\$10,000 for vehicles) are covered by a private insurer, through underwriter Safety National Casualty Corporation. Benefit Source Inc. is the claims handler for the City. Premiums paid to Arthur J. Gallagher Risk Management Services, Inc., for administration and excess coverage were \$552,763 for the year ended June 30, 2020.

Change in the aggregate liability are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unpaid claims at beginning of year	\$ 299,684	\$ 145,212	\$ 105,103
Incurred claims for current and prior year events where the City has retained risk of loss	6,390,470	5,995,593	6,591,633
Payments on claims for current and prior year events where the City has retained risk of loss	(6,487,826)	(5,841,121)	(6,551,524)
Unpaid claims at end of year	<u>\$ 202,328</u>	<u>\$ 299,684</u>	<u>\$ 145,212</u>

Claims of the City's self-insured unemployment benefits are administered by the South Carolina Department of Employment and Workforce and are then reimbursed by the City. No liability has been accrued at year end for incurred, but not reported claims, as they are expected to be minimal.

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 government-wide and applicable 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.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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 Position

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

<i>Capital assets in governmental activities are not financial resources and therefore are not reported in the fund financial statements:</i>	
Capital assets	\$ 201,074,037
Less, accumulated depreciation	(79,988,913)
Net amount reported	<u>\$ 121,085,124</u>
<i>Internal service funds are used by management to charge the costs of insurance programs to individual funds. The assets and liabilities of the internal service funds are not reported in the fund financial statements. The following represents the Governmental Activities prorata portion (79%) of the Internal Service Fund:</i>	
Equity in pooled cash and restricted cash and cash equivalents	\$ 1,408
Receivables	183,080
Prepaid items	310,451
Deferred outflows – OPEB related	1,893,523
Claim liabilities and payables	(1,192,200)
Total other post-employment benefits payable (OPEB) liability	(19,977,337)
Net amount reported	<u>\$ (18,781,075)</u>
<i>Deferred outflows related to pensions are not due and payable in the current period, nor included in the net pension liability, therefore are not reported in the fund financial statements:</i>	
Net amount reported	<u>\$ 3,722,681</u>
<i>Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the fund financial statements:</i>	
Accrued interest expense	\$ (4,498)
Special assessment bonds payable	(971,000)
Accrued compensated absences	(1,781,608)
Net pension liabilities – PORS and old police plan	(17,314,635)
Net amount reported	<u>\$ (20,071,741)</u>
<i>Deferred inflows related to pensions are not financial resources and therefore are not reported in the fund financial statements.</i>	
Net amount reported	<u>\$ (849,663)</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 includes a reconciliation between net changes in fund balance and Changes in Net Position-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	\$ 10,727,618
Depreciation expense	(6,801,799)
Net amount reported	<u>\$ 3,925,819</u>

Internal service funds are used by management to charge the costs of insurance programs. The following represents the Governmental Activities prorata portion (79%) of the Internal Service Fund:

Premiums charged and contributions	\$ 7,822,820
Insurance claims paid and reserves	(7,790,463)
Net amount reported	<u>\$ 32,357</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:

Loss on capital asset disposal and miscellaneous	\$ (421)
Accrued interest expense	4,560
Accrued compensated absences expense	(36,710)
Pension expense, net	(1,036,102)
Net amount reported	<u>\$ (1,068,673)</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:

Proceeds of note payable	\$ (4,258,836)
Principal repayments – G.O. Bonds, special assessment bonds and installment note obligation	5,538,836
Net amount reported	<u>\$ 1,280,000</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

C. Explanations of Differences Between the Proprietary Fund Balance Sheet and the Government-Wide Statement of Net Position

The Proprietary Fund Balance Sheet includes a reconciliation between the total net position amounts and the total Net Position – Business-type Activities. The details of the reconciled amounts are as follows:

Internal service funds are used by management to charge the costs of insurance programs to individual funds. The assets and liabilities of the internal service funds are not reported in the fund financial statements. The following represents the Business-type Activities prorata portion (21%) of the Internal Service Fund:

Cash and Cash equivalents	\$ 375
Receivables	48,725
Claim deposits and prepaid items	82,624
Deferred outflows – OPEB related	503,948
Accounts payable	(100,174)
Due to other funds	(174,593)
Claim liabilities and payables	(42,529)
Total other post-employment benefits payable (OPEB) liability	<u>(5,316,835)</u>
Net amount reported	<u>\$ (4,998,459)</u>

D. Explanations of Differences Between the Proprietary Fund Statement of Revenue, Expenses and Changes in Net Position and the Government-Wide Statement of Activities

The Proprietary Fund Statement of Revenue, Expenses and Changes in Net Position includes a reconciliation between net changes in Net Position and Changes in Net Position-Governmental Activities. The details of the reconciled amounts are as follows:

Internal service funds are used by management to charge the costs of insurance programs. The following represents the Business-type Activities prorata portion (21%) of the Internal Service Fund:

Premiums charged and contributions	\$ 2,081,991
Insurance claims paid and reserves	<u>(2,073,380)</u>
Net amount reported	<u>\$ 8,611</u>

16. Subsequent Events

Management has evaluated subsequent events which may require disclosure through the date of this report.

During the year FY 2019 and 2020, the World Health Organization declared the spread of Coronavirus Disease 19 (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 and 2021 operations and financial results, including the receipt of collections on outstanding accounts receivables. Management believes the City is taking appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

17. Local Accommodations Tax and Hospitality Fee Changes

In 2019, the City passed an ordinance to assess a three (3%) percent tax on the gross proceeds derived from the rentals or charges for accommodations furnished to transients within the City's corporate limits, and a two (2%) percent tax on the sales of prepared meals and beverages within the City's corporate limits. These percentages are the maximum amount allowed to be assessed under State Law. Previously, Horry County, SC (the "County" where the City resides) charged and retained one-half of the said imposed taxes within the City limits. Thus, the City previously received and recognized 1.5% of its Local Accommodations Tax and 1% of its Local Hospitality Fee.

Pursuant to a certain class-action lawsuit, the Court has enjoined the County from collecting the additional 1.5% and 1%, respectively, effective August 2019, but requires the City to hold the additional collected funds in escrow as security during the final negotiations and litigation. These 'derived tax revenues' have been recorded as unearned revenue due to their current unavailability under GASB Statement #33.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020			Variance Positive (Neg.)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenue					
Current property taxes	\$15,400,000	\$15,400,000	\$15,985,680	\$ 585,680	\$ 14,285,170
Delinquent property taxes and penalties	410,000	410,000	373,722	(36,278)	389,955
Licenses and permits	11,031,500	11,031,500	10,658,336	(373,164)	10,371,262
Fines and forfeitures	346,000	346,000	281,126	(64,874)	456,877
Use of money and property	272,004	272,004	426,259	154,255	206,499
Unrestricted intergovernmental	1,171,600	1,171,600	1,019,873	(151,727)	1,163,319
Restricted intergovernmental	226,960	226,960	847,291	620,331	665,610
Sales and service charges	512,252	512,252	1,251,603	739,351	670,699
Miscellaneous	80,000	80,000	171,769	91,769	103,798
Total revenue	29,450,316	29,450,316	31,015,659	1,565,343	28,313,189
Expenditures					
General Government Administration					
General services	1,047,337	1,047,337	1,108,606	(61,269)	997,642
Legislative	211,863	211,863	200,411	11,452	210,484
Administrative	399,056	399,056	313,547	85,509	299,214
City Court	556,968	556,968	516,300	40,668	511,369
Legal	239,321	239,321	383,389	(144,068)	267,959
Human resources	287,580	287,580	363,496	(75,916)	310,085
Total	2,742,125	2,742,125	2,885,749	(143,624)	2,596,753
Less, capital outlay	—	—	—	—	—
Net general government administration	2,742,125	2,742,125	2,885,749	(143,624)	2,596,753
Finance					
Accounting	366,379	366,379	319,413	46,966	372,072
Revenue	655,410	655,410	1,245,074	(589,664)	598,986
Total	1,021,789	1,021,789	1,564,487	(542,698)	971,058
Less, capital outlay	(35,000)	(35,000)	(58,643)	23,643	(151,504)
Net finance	986,789	986,789	1,505,844	(519,055)	819,554
Information Services					
Total	552,726	552,726	665,380	(112,654)	389,413
Less, capital outlay	(164,500)	(164,500)	(92,519)	(71,981)	(123,002)
Net information services	388,226	388,226	572,861	(184,635)	266,411
Public Safety					
Administrative	1,215,505	1,215,505	1,105,348	110,157	1,192,299
Uniform patrol	5,971,155	5,971,155	6,535,682	(564,527)	6,231,384
Community services	1,126,014	1,126,014	1,110,928	15,086	1,105,263
Detectives	1,066,900	1,066,900	1,219,354	(152,454)	1,149,702
Communications/Detention	1,301,011	1,301,011	1,279,469	21,542	1,192,079
Records	386,585	386,585	370,178	16,407	370,955
Victim's assistance	95,031	95,031	94,405	626	88,343
Police training	389,366	389,366	437,243	(47,877)	393,241
Fire suppression	4,415,511	4,415,511	5,265,703	(850,192)	4,591,417
Fire prevention	351,793	351,793	361,608	(9,815)	396,222
Total	16,318,871	16,318,871	17,779,918	(1,461,047)	16,710,905
Less, capital outlay	(515,200)	(515,200)	(752,835)	237,635	(889,205)
Net public safety	15,803,671	15,803,671	17,027,083	(1,223,412)	14,465,016

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2020		Actual	Variance Positive (Neg.)	2019	
	Budget				Actual	Actual
	Original	Final				
Expenditures (Continued)						
Planning/Development						
Planning/zoning administration	1,072,150	1,072,150	1,113,966	(41,816)	987,178	
Code enforcement-building	910,689	910,689	834,045	76,644	802,376	
Total	1,982,839	1,982,839	1,948,011	34,828	1,789,554	
Less, capital outlay	(35,000)	(35,000)	(31,810)	(3,190)	(27,293)	
Net planning/development	1,947,839	1,947,839	1,916,201	31,638	1,762,261	
Public Works						
Streets/drainage	2,595,138	2,595,138	2,845,769	(250,631)	2,571,032	
Less, capital outlay	(122,000)	(122,000)	(78,905)	(43,095)	(35,240)	
Net public works	2,473,138	2,473,138	2,766,864	(293,726)	2,535,792	
Parks and Recreation						
Recreation administration	365,016	365,016	380,134	(15,118)	384,841	
Athletics	768,914	768,914	723,833	45,081	790,189	
Programs	1,075,245	1,075,245	755,398	319,847	998,971	
Row maintenance	611,671	611,671	533,586	78,085	426,023	
Sports Park	370,595	370,595	290,927	79,668	300,695	
Landscaping	355,735	355,735	308,136	47,599	346,480	
Parks and Beach	614,851	614,851	483,763	131,088	530,613	
Administration	439,087	439,087	421,316	17,771	518,716	
Total	4,601,114	4,601,114	3,897,093	704,021	4,296,528	
Less, capital outlay	(299,370)	(299,370)	(160,122)	(139,248)	(298,399)	
Net parks and recreation	4,301,744	4,301,744	3,736,971	564,773	3,998,129	
Support Services						
Custodial services	211,787	211,787	222,952	(11,165)	233,367	
Purchasing	146,457	146,457	94,056	52,401	118,508	
Fleet maintenance	316,788	316,788	322,828	(6,040)	294,956	
Facility Maintenance	423,600	423,600	510,062	(86,462)	578,932	
Total	1,098,632	1,098,632	1,149,898	(51,266)	1,225,763	
Less, capital outlay	—	—	—	—	(59,866)	
Net support services	1,098,632	1,098,632	1,149,898	(51,266)	1,165,897	
Debt Service						
Principal retirement	—	—	—	—	586,701	
Interest and fiscal charges	—	—	—	—	19,127	
Agent fees	—	—	1,250	(1,250)	56	
Total debt service	—	—	1,250	(1,250)	605,884	
Capital Outlay	1,171,070	1,171,070	1,174,834	(3,764)	1,584,509	
Total expenditures	30,913,234	30,913,234	32,737,555	(1,824,321)	31,856,890	
Excess (deficiency) of revenue over (under) expenditures	(1,462,918)	(1,462,918)	(1,721,896)	(258,978)	(2,843,701)	

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2020			Variance Positive (Neg.)	2019
	Budget		Actual		Actual
	Original	Final			
Other Financing Sources (Uses)					
Transfers in:					
From State Accommodations (2%) Tax Fund	782,039	782,039	841,007	58,968	835,243
From Local (3%) Accommodations Tax Fund	2,374,133	2,374,133	2,002,469	(371,664)	2,297,478
From Local (2%) Hospitality Fee Fund	2,864,020	2,864,020	2,527,223	(336,797)	2,784,459
From Beach Services Fund	—	—	150,000	150,000	—
From Sports and Tourism Park Fund	75,000	75,000	75,000	—	601,628
From Debt Service Fund	302,727	302,727	—	(302,727)	—
Total transfers in	6,397,919	6,397,919	5,595,699	(802,220)	6,518,808
Transfers (out):					
To Insurance Reserves Fund	—	—	(100,000)	(100,000)	—
To Capital Improvement Fund	(3,420,000)	(3,420,000)	(2,700,000)	720,000	(2,225,000)
To Street Improvement Fund	(1,100,000)	(1,100,000)	(800,000)	300,000	(1,100,000)
To Sports and Tourism Park	(365,000)	(365,000)	(200,000)	165,000	(150,000)
To Pension Trust Fund	(50,000)	(50,000)	(45,933)	4,067	(49,406)
Total Transfers (out)	(4,935,000)	(4,935,000)	(3,845,933)	1,089,067	(3,524,406)
Total other financing sources (uses)	1,462,919	1,462,919	1,749,766	286,847	2,994,402
Net change in fund balance	1	1	27,870	27,869	150,701
Fund balance, beginning of year	12,047,599	12,047,599	12,047,599	27,869	11,896,898
Fund balance, end of year	\$ 12,047,600	\$ 12,047,600	\$ 12,075,469	\$ 27,869	\$ 12,047,599

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 total appropriations (total expenditures/expenses), 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. Informal budgetary controls are maintained for other funds (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. Accordingly, the City provides Required Supplementary Information of budgetary comparison only for the General Fund.
- Appropriations lapse at the end of each fiscal year.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS*(1)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City's proportion of the net pension liability	N/A	0.586267%	0.566464%	0.572550%	0.595610%	0.561770%	0.563150%	N/A	N/A	N/A
City's proportion share of the net pension liability	N/A	\$ 16,802,065	\$ 16,050,991	\$ 15,685,465	\$ 15,107,522	\$ 12,243,757	\$ 10,781,098	\$ 11,673,945	N/A	N/A
City's covered-payroll (pensionable wages)	\$ 8,664,610	\$ 8,503,565	\$ 7,861,627	\$ 7,740,312	\$ 7,593,753	\$ 6,961,752	\$ 6,773,304	\$ 6,642,671	N/A	N/A
City's proportion share of the net pension liability as a percentage of its covered-payroll	N/A	197.59%	204.2%	202.6%	198.9%	175.9%	159.2%	175.7%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	62.70%	61.7%	60.9%	60.4%	64.6%	67.5%	N/A	N/A	N/A

*The amounts presented for each fiscal year determined as of the measurement year that occurred within the fiscal year.

(1) Because prior year data is unavailable, the City has elected to present information prospectively.
N/A - Not available

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SCHEDULE OF THE CITY'S CONTRIBUTIONS

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS⁽¹⁾

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contributions	\$ 1,545,766	\$ 1,432,000	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965	\$ 798,388	N/A	N/A
Contributions in relation to the contractually required contributions	\$ 1,545,766	\$ 1,432,000	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965	\$ 798,388	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A
City's covered payroll (pensionable wages)	\$ 8,664,610	\$ 8,503,565	\$ 7,861,627	\$ 7,740,312	\$ 7,593,753	\$ 6,961,752	\$ 6,773,304	\$ 6,513,521	N/A	N/A
Contributions as a percentage of covered payroll	17.8%	16.8%	16.2%	14.2%	13.7%	13.4%	12.8%	12.3%	N/A	N/A

⁽¹⁾ Because prior year data is unavailable, the City has elected to present information prospectively.
N/A – Not available

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS ⁽¹⁾

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Service Cost	\$ 1,093,644	\$ 931,956	\$ 857,523	N/A						
Interest	943,947	809,111	797,447	N/A						
Changes in benefit terms	—	—	—	N/A						
Differences between expected and actual experience	2,344,020	—	62,147	N/A						
Changes in assumptions or other inputs	—	—	—	N/A						
Contributions – employer	—	—	—	N/A						
Contributions – active and inactive employees	—	—	—	N/A						
Net investment income	—	—	—	N/A						
Benefit payments	(762,435)	(581,978)	(554,265)	N/A						
Other changes	—	—	—	N/A						
Net changes in total OPEB liability	3,619,175	1,159,089	1,162,852	N/A						
Total OPEB liability – beginning	21,674,997	20,515,908	19,353,056	N/A						
Total OPEB liability – ending	\$25,294,172	\$ 21,674,997	\$20,515,908	N/A						
Covered – employee payroll	\$ 20,885,926	\$ 18,929,023	\$ 18,929,021	N/A						
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	N/A						
Total OPEB liability as a percentage of covered – employee payroll	121.0%	145.0%	84.0%	N/A						

⁽¹⁾ Because prior year data is unavailable, the City has elected to present information prospectively.

N/A – Not available

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2020

Other Post-Employment Benefits

1. Changes in benefit terms: 2020-2018 – None.
2. Changes of assumptions: 2020-2018 – None.

Employee Retirement - PORS

1. Changes in benefit terms: 2020-2017 – None.
2. Changes of assumptions:

Investments: 2020-2018 – None. 2017 – the assumed investment return was changed from 7.5% to 7.25% effective July 1, 2017.

Mortality: 2020-2018 – None. 2017 – the mortality tables were changed from the RP-2000 Mortality Table to the newly developed 2016 Public Retirees of South Carolina Mortality Tables.

Projected salary increases: 2020-2018 – None. 2017 – changed to 3.5% - 9.5% for members with less than 25 years of service.

Asset Valuation Method: 2020-2018 – None. 2017 – changed to 5-year smoothed from 20% difference recognition.

Inflation: 2020-2018 – None. 2017 – changed to 2.25% from 2.75%.

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, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalent	\$ —	\$ —	\$ 558,129	\$ 558,129
Equity in pooled cash and cash equivalents	—	129,695	1,565,390	1,695,085
Restricted cash and cash equivalent	—	61,158	831,904	893,062
Receivables, net	49,742	—	92,569	142,311
Due from other governments	832,424	—	—	832,424
Due from other funds	—	—	7,046,976	7,046,976
Prepaid items	—	—	—	—
Total assets	<u>\$ 882,166</u>	<u>\$ 190,853</u>	<u>\$ 10,094,968</u>	<u>\$ 11,167,987</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts and retainage payable	\$ 270,735	\$ 2,413	\$ 288,064	\$ 561,212
Unearned revenue	—	—	238,397	238,397
Due to other funds	585,224	152,861	84,599	822,684
Total liabilities	<u>855,959</u>	<u>155,274</u>	<u>611,060</u>	<u>1,622,293</u>
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	26,207	—	—	26,207
Committed by ordinance	—	35,579	747,305	782,884
Assigned by management	—	—	8,736,603	8,736,603
Unassigned (deficit)	—	—	—	—
Total fund balances	<u>26,207</u>	<u>35,579</u>	<u>9,483,908</u>	<u>9,545,694</u>
Total liabilities and fund balances	<u>\$ 882,166</u>	<u>\$ 190,853</u>	<u>\$ 10,094,968</u>	<u>\$ 11,167,987</u>

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, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenue				
Special assessments	\$ —	\$ 1,311,167	\$ —	\$ 1,311,167
Use of money and property	102	—	91,027	91,129
Restricted intergovernmental	3,648,534	—	1,000,000	4,648,534
Sales and service charges	—	—	2,978,804	2,978,804
Miscellaneous	—	—	394	394
Total revenue	3,648,636	1,311,167	4,070,225	9,030,028
Expenditures				
Current:				
General government activities	—	—	—	—
Finance	—	—	59,543	59,543
Public works	—	—	514,141	514,141
Parks and recreation	1,584,915	—	—	1,584,915
Debt service	—	1,236,235	—	1,236,235
Capital outlay	—	—	7,586,312	7,586,312
Total expenditures	1,584,915	1,236,235	8,159,996	10,981,146
Excess (deficiency) of revenue over (under) expenditures	2,063,721	74,932	(4,089,771)	(1,951,118)
Other Financing Sources (Uses)				
Note proceeds	—	—	4,258,836	4,258,836
Transfers in	—	—	3,351,590	3,351,590
Transfers (out)	(2,063,233)	—	—	(2,063,233)
Total other financing sources (uses)	(2,063,233)	—	7,610,426	5,547,193
Net change in fund balances	488	74,932	3,520,655	3,596,075
Fund balances, beginning of year	25,719	(39,353)	5,963,253	5,949,619
Fund balances, end of year	<u>\$ 26,207</u>	<u>\$ 35,579</u>	<u>\$ 9,483,908</u>	<u>\$ 9,545,694</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, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 9,625,457	\$ 8,610,749
Equity in pooled cash and cash equivalents	—	—
Collateral deposits held by others	—	—
Receivables:		
Property taxes	1,219,591	1,096,240
Less, allowance for doubtful accounts	(1,145,997)	(1,028,413)
Water and sewer utility bills	435	1,221
Franchise fees	828,200	801,358
Grants	1,013,253	63,485
Cobra insurance	4,672	12,872
Other receivables	767,509	659,079
Due from other governments:		
State of South Carolina	591,246	740,028
Horry County	187,133	109,878
Due from other funds:		
State Accommodations (2%) Tax Fund	585,224	759,483
Local Accommodations (3%) Tax Fund	370,157	486,810
Hospitality (2.0%) Fees Fund	297,782	382,561
Beach Renourishment Fund	—	—
Aquatic Center Fund	—	—
Beach Service Fund	—	—
Sports and Tourism Park Fund	—	131,175
Insurance Reserves Fund	—	2,290,256
Street Improvement Fund	—	2,257,988
Inventories and prepaid items	205,402	211,636
Restricted assets:		
Cash and cash equivalents:		
Court (bail bond) account	187,752	198,171
Drug enforcement account	21,358	100,967
Police seizures held	129,888	119,245
Public safety scholarship fund	98,256	58,702
Total assets	<u>\$ 14,987,318</u>	<u>\$ 18,063,491</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

— CONTINUED —

	<u>2020</u>	<u>2019</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 720,953	\$ 543,150
Accrued payroll and withholdings payable	500,080	409,023
Due to other funds:		
Stormwater Drainage Fund	—	3,124,268
Capital Improvement Fund	—	219,302
Sports and Tourism Park Fund	467,191	467,191
Due to other governments:		
State of SC – abandoned property	7,098	5,608
Deposits and Performance bonds	898,887	929,934
Payable from restricted assets:		
Bail bonds	187,752	198,171
Police seizures held	129,888	119,245
Total liabilities	<u>2,911,849</u>	<u>6,015,892</u>
Fund Balance:		
Non-spendable	205,402	211,636
Restricted by others	119,614	159,669
Committed by ordinance	—	—
Assigned by management	—	—
Unassigned	11,750,453	11,676,294
Total fund balance	<u>12,075,469</u>	<u>12,047,599</u>
Total liabilities and fund balance	<u>\$ 14,987,318</u>	<u>\$ 18,063,491</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, 2020
(With comparative actual amounts for June 30, 2019)

Revenue	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Current property taxes	\$ 15,400,004	\$ 15,985,680	\$ 585,676	\$ 14,285,170
Delinquent property taxes:				
Real and personal property	300,000	250,581	(49,419)	277,094
Penalties	110,000	123,141	13,141	112,861
	410,000	373,722	(36,278)	389,955
	15,810,004	16,359,402	549,398	14,675,125
Licenses and permits:				
Business licenses	7,600,000	7,437,539	(162,461)	7,046,271
Business license penalties	50,000	101,238	51,238	96,943
Building permits	750,000	740,175	(9,825)	765,728
Inspection fees	6,500	4,161	(2,339)	10,352
Other permits	15,000	14,575	(425)	13,120
Tree bank	—	13,950	13,950	3,057
Franchise fee – electricity	1,800,000	1,509,685	(290,315)	1,645,699
Franchise fee – cable TV	600,000	625,679	25,679	613,881
Franchise fee – telephone	110,000	115,125	5,125	77,838
Franchise fee – gas	100,000	96,209	(3,791)	98,373
	11,031,500	10,658,336	(373,164)	10,371,262
Fines and forfeitures:				
Fines	700,000	526,817	(173,183)	694,372
Seizures	5,000	8,312	3,312	110,690
Improper parking	12,000	475	(11,525)	9,789
Victim's assistance	48,000	85,269	37,269	46,333
Bail Bondsman Fee	1,000	—	(1,000)	—
Less, remittances to State Treasurer	(420,000)	(339,747)	80,253	(404,307)
	346,000	281,126	(64,874)	456,877
Use of money and property:				
Interest on investments	50,000	182,002	132,002	15,286
Property rental	210,000	235,186	25,186	180,684
Purchasing card rebate	12,000	9,071	(2,929)	10,528
	272,000	426,259	154,259	206,498
Unrestricted intergovernmental:				
Local government	315,000	326,052	11,052	314,437
Homestead exemption tax	230,000	225,430	(4,570)	235,755
Business inventory tax	36,600	36,787	187	36,653
Accommodations tax	245,000	217,028	(27,972)	231,298
Admissions tax	—	11,535	11,535	89,452
Motor carrier tax	90,000	15,565	(74,435)	65,291
Heavy equipment tax	—	3,254	3,254	2,468
TNC local assessment fee	20,000	11,812	(8,188)	18,425
Alcoholic beverage permit fees	235,000	172,410	(62,590)	169,540
	1,171,600	1,019,873	(151,727)	1,163,319

— 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 —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue (Continued)				
Restricted intergovernmental:				
Federal FEMA	—	327,619	327,619	388,083
State SCEMD	—	159,862	159,862	34,312
Federal CARES	—	75,091	75,091	—
State SC CARES	—	213,431	213,431	—
Federal USDOJ	175,000	26,000	(149,000)	170,696
State misc. funds	—	3,328	3,328	20,559
Horry County recreation	51,960	41,960	(10,000)	51,960
	<u>226,960</u>	<u>847,291</u>	<u>620,331</u>	<u>665,610</u>
Sales and service charges:				
City codes and ordinances	10,000	6,200	(3,800)	10,600
Fire protection – contracts	118,752	68,400	(50,352)	109,825
Street work	6,000	27,228	21,228	400
Beach services franchise	125,000	137,272	12,272	118,557
Parking lots – collections	—	756,133	756,133	84,917
Recreation fees	177,500	148,013	(29,487)	285,725
Merchandise sales	25,000	—	(25,000)	27
GIS Data	500	—	(500)	—
Credit Card service charge	7,000	34,869	27,869	15,795
Miscellaneous	42,500	73,488	30,988	44,854
	<u>512,252</u>	<u>1,251,603</u>	<u>739,351</u>	<u>670,700</u>
Miscellaneous:				
Insurance reimbursements	40,000	25,522	(14,478)	20,594
Forfeitures – 401	25,000	56,141	31,141	28,402
Grant/fees from private entities	15,000	48,653	33,653	8,745
Canine program donations	—	1,500	1,500	—
PS Scholarship Fund donation	—	39,953	39,953	46,057
	<u>80,000</u>	<u>171,769</u>	<u>91,769</u>	<u>103,798</u>
Total revenue	29,450,316	31,015,659	1,565,343	28,313,189
Expenditures				
General Government Administration				
General Services:				
Personal services	493,500	591,660	(98,160)	481,303
Operating expenditures	1,410,750	1,423,987	(13,237)	1,332,591
Less, overhead allocation	(856,913)	(907,041)	50,128	(816,252)
	<u>1,047,337</u>	<u>1,108,606</u>	<u>(61,269)</u>	<u>997,642</u>
Legislative:				
Personal services	363,123	336,975	26,148	349,834
Operating expenditures	60,600	63,847	(3,247)	71,134
Less, overhead allocation	(211,860)	(200,411)	(11,449)	(210,484)
	<u>211,863</u>	<u>200,411</u>	<u>11,452</u>	<u>210,484</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 —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Expenditures (Continued)				
General Government Administration (Cont.)				
Administrative:				
Personal services	631,262	566,040	65,222	471,894
Operating expenditures	166,850	61,054	105,796	126,534
Less, overhead allocation	(399,056)	(313,547)	(85,509)	(299,214)
	<u>399,056</u>	<u>313,547</u>	<u>85,509</u>	<u>299,214</u>
City Court:				
Personal services	507,543	484,914	22,629	477,807
Operating expenditures	49,425	31,386	18,039	33,562
Capital expenditures	—	—	—	—
	<u>556,968</u>	<u>516,300</u>	<u>40,668</u>	<u>511,369</u>
Legal:				
Personal services	286,391	277,586	8,805	279,715
Operating expenditures	192,250	489,192	(296,942)	256,204
Capital expenditures	—	—	—	—
Less, overhead allocation	(239,320)	(383,389)	144,069	(267,960)
	<u>239,321</u>	<u>383,389</u>	<u>(144,068)</u>	<u>267,959</u>
Human Resources:				
Personal services	493,036	649,929	(156,893)	501,045
Operating expenditures	60,000	49,101	10,899	95,272
Capital expenditures	—	—	—	—
Less, overhead allocation	(265,456)	(335,534)	70,078	(286,232)
	<u>287,580</u>	<u>363,496</u>	<u>(75,916)</u>	<u>310,085</u>
Total general government administration	2,742,125	2,885,749	(143,624)	2,596,753
Less, total capital outlay	—	—	—	—
Net general government administration	<u>2,742,125</u>	<u>2,885,749</u>	<u>(143,624)</u>	<u>2,596,753</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)	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Finance				
Accounting:				
Personal services	804,558	693,107	111,451	686,539
Operating expenditures	185,650	170,171	15,479	190,757
Capital expenditures	—	—	—	128,304
Less, overhead allocation	(623,829)	(543,865)	(79,964)	(633,528)
	<u>366,379</u>	<u>319,413</u>	<u>46,966</u>	<u>372,072</u>
Revenue:				
Personal services	549,035	519,307	29,728	511,477
Operating expenditures	71,375	667,124	(595,749)	64,309
Capital expenditures	35,000	58,643	(23,643)	23,200
	<u>655,410</u>	<u>1,245,074</u>	<u>(589,664)</u>	<u>598,986</u>
Total finance	1,021,789	1,564,487	(542,698)	971,058
Less, total capital outlay	(35,000)	(58,643)	23,643	(151,504)
Net finance	<u>986,789</u>	<u>1,505,844</u>	<u>(519,055)</u>	<u>819,554</u>
Information Services				
Personal services	819,810	739,179	80,631	748,699
Operating services	399,700	541,750	(142,050)	328,706
Capital expenditures	164,500	92,519	71,981	123,002
Less, overhead allocation	(831,284)	(708,068)	(123,216)	(810,994)
	<u>552,726</u>	<u>665,380</u>	<u>(112,654)</u>	<u>389,413</u>
Total information services	552,726	665,380	(112,654)	389,413
Less, total capital outlay	(164,500)	(92,519)	(71,981)	(123,002)
Net information services	<u>388,226</u>	<u>572,861</u>	<u>(184,635)</u>	<u>266,411</u>
Public Safety				
Administrative:				
Personal services	790,555	856,377	(65,822)	640,311
Operating expenditures	424,950	248,971	175,979	491,672
Capital expenditures	—	—	—	60,316
	<u>1,215,505</u>	<u>1,105,348</u>	<u>110,157</u>	<u>1,192,299</u>
Uniform patrol:				
Personal services	5,229,572	5,451,303	(221,731)	5,103,174
Operating expenditures	390,383	658,482	(268,099)	745,520
Capital expenditures	381,200	425,897	(44,697)	382,690
Less, total overhead allocation	(30,000)	—	(30,000)	—
	<u>5,971,155</u>	<u>6,535,682</u>	<u>(564,527)</u>	<u>6,231,384</u>
Community services:				
Personal services	879,214	867,734	11,480	806,313
Operating expenditures	177,800	175,793	2,007	201,252
Capital expenditures	69,000	67,401	1,599	97,698
Less, overhead allocation	—	—	—	—
	<u>1,126,014</u>	<u>1,110,928</u>	<u>15,086</u>	<u>1,105,263</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)	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Public Safety (Cont.)				
Detectives:				
Personal services	969,540	1,026,545	(57,005)	998,762
Operating expenditures	72,360	92,820	(20,460)	95,844
Capital expenditures	35,000	99,989	(64,989)	55,096
Less, overhead allocation	(10,000)	—	(10,000)	—
	<u>1,066,900</u>	<u>1,219,354</u>	<u>(152,454)</u>	<u>1,149,702</u>
Communications/Detention:				
Personal services	1,335,632	1,315,979	19,653	1,157,350
Operating expenditures	78,510	74,748	3,762	117,089
Capital expenditures	—	—	—	21,299
Less, overhead allocation	(113,131)	(111,258)	(1,873)	(103,659)
	<u>1,301,011</u>	<u>1,279,469</u>	<u>21,542</u>	<u>1,192,079</u>
Records:				
Personal services	355,954	341,160	14,794	335,267
Operating expenditures	30,631	29,018	1,613	35,688
Capital expenditures	—	—	—	—
	<u>386,585</u>	<u>370,178</u>	<u>16,407</u>	<u>370,955</u>
Victim's Assistance:				
Personal services	88,906	91,713	(2,807)	85,315
Operating expenditures	6,125	2,692	3,433	3,028
	<u>95,031</u>	<u>94,405</u>	<u>626</u>	<u>88,343</u>
Police Training:				
Personal services	362,216	399,693	(37,477)	335,373
Operating expenditures	27,150	37,550	(10,400)	57,868
Capital expenditures	—	—	—	—
	<u>389,366</u>	<u>437,243</u>	<u>(47,877)</u>	<u>393,241</u>
Fire Suppression/Rescue:				
Personal services	3,974,511	4,505,522	(531,011)	3,892,315
Operating expenditures	441,000	600,633	(159,633)	476,590
Capital expenditures	30,000	159,548	(129,548)	222,512
Less, overhead allocation	(30,000)	—	(30,000)	—
	<u>4,415,511</u>	<u>5,265,703</u>	<u>(850,192)</u>	<u>4,591,417</u>
Fire Prevention/Inspection:				
Personal services	318,794	333,474	(14,680)	315,323
Operating expenditures	32,999	28,134	4,865	31,305
Capital expenditures	—	—	—	49,594
	<u>351,793</u>	<u>361,608</u>	<u>(9,815)</u>	<u>396,222</u>
Total Public Safety	16,318,871	17,779,918	(1,461,047)	16,710,905
Less, total capital outlay	(515,200)	(752,835)	(237,635)	(889,205)
Net public safety	<u>15,803,671</u>	<u>17,027,083</u>	<u>(1,223,412)</u>	<u>15,821,700</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 —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Expenditures (Continued)				
Planning/Development				
Planning/Zoning Administration:				
Personal services	1,018,150	1,041,404	(23,254)	951,214
Operating expenditures	54,000	72,562	(18,562)	35,964
Capital expenditures	—	—	—	—
	<u>1,072,150</u>	<u>1,113,966</u>	<u>(41,816)</u>	<u>987,178</u>
Code Enforcement – Building:				
Personal services	807,370	800,553	6,817	777,602
Operating expenditures	116,250	45,579	70,671	39,711
Capital expenditures	35,000	31,810	3,190	27,293
Less, overhead allocation	(47,931)	(43,897)	(4,034)	(42,230)
	<u>910,689</u>	<u>834,045</u>	<u>76,644</u>	<u>802,376</u>
Total Planning/Development	1,982,839	1,948,011	34,828	1,789,554
Less, total capital outlay	(35,000)	(31,810)	(3,190)	(27,293)
Net planning/development	<u>1,947,839</u>	<u>1,916,201</u>	<u>31,638</u>	<u>1,762,261</u>
Public Works				
Streets/Drainage:				
Personal services	1,748,432	1,660,534	87,898	1,652,184
Operating expenditures	1,457,500	1,574,346	(116,846)	1,636,517
Capital expenditures	122,000	78,905	43,095	35,240
Less, overhead allocation	(732,794)	(468,016)	(264,778)	(752,909)
	<u>2,595,138</u>	<u>2,845,769</u>	<u>(250,631)</u>	<u>2,571,032</u>
Total Public Works	2,595,138	2,845,769	(250,631)	2,571,032
Less, total capital outlay	(122,000)	(78,905)	(43,095)	(35,240)
Net public works	<u>2,473,138</u>	<u>2,766,864</u>	<u>(293,726)</u>	<u>2,535,792</u>
Parks and Recreation				
Recreation Administration:				
Personal services	530,582	529,527	1,055	519,262
Operating expenditures	77,778	104,030	(26,252)	122,140
Capital expenditures	—	—	—	—
Less, overhead allocation	(243,344)	(253,423)	10,079	(256,561)
	<u>365,016</u>	<u>380,134</u>	<u>(15,118)</u>	<u>384,841</u>
Athletics:				
Personal services	463,764	471,674	(7,910)	449,369
Operating expenditures	305,150	252,159	52,991	305,221
Capital expenditures	—	—	—	35,599
	<u>768,914</u>	<u>723,833</u>	<u>45,081</u>	<u>790,189</u>
Programs:				
Personal services	409,710	395,882	13,828	401,266
Operating expenditures	665,535	359,516	306,019	597,705
Capital expenditures	—	—	—	—
	<u>1,075,245</u>	<u>755,398</u>	<u>319,847</u>	<u>998,971</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 —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Expenditures (Continued)				
Parks and Recreation (continued)				
Row Maintenance:				
Personal services	335,426	278,021	57,405	258,837
Operating expenditures	182,728	209,241	(26,513)	139,161
Capital expenditures	106,000	57,214	48,786	36,719
Less, overhead allocation	(12,483)	(10,890)	(1,593)	(8,694)
	<u>611,671</u>	<u>533,586</u>	<u>78,085</u>	<u>426,023</u>
Sports Park:				
Personal services	594,288	414,366	179,922	388,510
Operating expenditures	260,030	263,448	(3,418)	331,335
Capital outlay	72,170	49,504	22,666	31,892
Less, overhead allocation	(555,893)	(436,391)	(119,502)	(451,042)
	<u>370,595</u>	<u>290,927</u>	<u>79,668</u>	<u>300,695</u>
Landscaping:				
Personal services	233,484	245,376	(11,892)	193,897
Operating expenditures	124,777	87,678	37,099	108,940
Capital outlay	37,000	18,938	18,062	82,141
Less, overhead allocation	(39,526)	(43,856)	4,330	(38,498)
	<u>355,735</u>	<u>308,136</u>	<u>47,599</u>	<u>346,480</u>
Parks and Beach:				
Personal services	324,850	321,489	3,361	318,953
Operating expenditures	320,318	192,269	128,049	204,340
Capital outlay	38,000	23,756	14,244	66,277
Less, overhead allocation	(68,317)	(53,751)	(14,566)	(58,957)
	<u>614,851</u>	<u>483,763</u>	<u>131,088</u>	<u>530,613</u>
Administration:				
Personal services	386,116	372,405	13,711	426,426
Operating expenditures	77,150	55,756	21,394	68,132
Capital outlay	46,200	10,710	35,490	45,771
Less, overhead allocation	(70,379)	(17,555)	(52,824)	(21,613)
	<u>439,087</u>	<u>421,316</u>	<u>17,771</u>	<u>518,716</u>
Total Parks and Recreation	4,601,114	3,897,093	704,021	4,296,528
Less, total capital outlay	(299,370)	(160,122)	(139,248)	(298,399)
Net parks and recreation	<u>4,301,744</u>	<u>3,736,971</u>	<u>564,773</u>	<u>3,998,129</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 —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Expenditures (Continued)				
Support Services				
Custodial Services:				
Personnel services	290,527	299,972	(9,445)	286,819
Operating expenses	35,300	46,519	(11,219)	46,900
Capital outlay	—	—	—	25,307
Less, overhead allocation	(114,040)	(123,539)	9,499	(125,659)
	<u>211,787</u>	<u>222,952</u>	<u>(11,165)</u>	<u>233,367</u>
Purchasing:				
Personnel services	321,157	206,664	114,493	246,678
Operating expenditures	27,550	17,279	10,271	35,485
Capital outlay	—	—	—	—
Less, overhead allocation	(202,250)	(129,887)	(72,363)	(163,655)
	<u>146,457</u>	<u>94,056</u>	<u>52,401</u>	<u>118,508</u>
Fleet management:				
Personnel services	456,980	431,772	25,208	425,679
Operating expenditures	71,000	106,274	(35,274)	65,915
Capital outlay	—	—	—	—
Less, overhead allocation	(211,192)	(215,218)	4,026	(196,638)
	<u>316,788</u>	<u>322,828</u>	<u>(6,040)</u>	<u>294,956</u>
Custodial/Facility Maint.:				
Personnel services	223,693	210,636	13,057	208,477
Operating expenses	428,000	574,074	(146,074)	647,629
Capital outlay	—	—	—	34,559
Less, overhead allocation	(228,093)	(274,648)	46,555	(311,733)
	<u>423,600</u>	<u>510,062</u>	<u>(86,462)</u>	<u>578,932</u>
Total Support Services	1,098,632	1,149,898	(51,266)	1,225,763
Less, total capital outlay	—	—	—	(59,866)
Net support services	<u>1,098,632</u>	<u>1,149,898</u>	<u>(51,266)</u>	<u>1,165,897</u>
Total Departmental Expenditures (net)	<u>29,742,164</u>	<u>31,561,471</u>	<u>(1,819,307)</u>	<u>28,966,497</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 —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Expenditures (Continued)				
Debt Service				
Principal retirement	—	—	—	586,701
Interest and fiscal charges	—	—	—	19,127
Agent fees	—	1,250	(1,250)	56
Total debt service	—	1,250	(1,250)	605,884
Capital Outlay	1,171,070	1,174,834	(3,764)	1,584,509
Total expenditures	30,913,234	32,737,555	(1,824,321)	31,156,890
Excess (deficiency) of revenue over (under) expenditures	(1,462,918)	(1,721,896)	(258,978)	(2,843,701)
Other Financing Sources (Uses)				
Transfers in:				
From State Accommodations (2%) Tax Fund	782,039	841,007	(58,968)	835,243
From Local (3%) Accommodations Tax Fund	2,374,133	2,002,469	371,664	2,297,478
From Local (2%) Hospitality Fee Fund	2,864,020	2,527,223	336,797	2,784,459
From Beach Services Fund	—	150,000	(150,000)	—
From Sports and Tourism Park Fund	75,000	75,000	—	—
From Debt Service Fund	302,727	—	302,727	601,628
Total transfers in:	6,397,919	5,595,699	802,220	6,518,808
Transfers (out):				
To Capital Improvement Fund	(3,420,000)	(2,700,000)	(720,000)	2,225,000
To Street Improvement Fund	(1,100,000)	(800,000)	(300,000)	1,100,000
To Sports and Tourism Park Fund	(365,000)	(200,000)	(165,000)	150,000
To Pension Trust Fund	(50,000)	(45,933)	(4,067)	49,406
To Insurance Reserve Fund	—	(100,000)	100,000	—
Total transfers (out)	(4,935,000)	(3,845,933)	(1,089,067)	3,524,406
Total other financing sources (uses)	1,462,919	1,749,766	286,847	2,994,402
Net change in fund balance	1	27,870	27,869	150,701
Fund balance, beginning of year	12,047,599	12,047,599	—	11,896,898
Fund balance, end of year	<u>\$ 12,047,600</u>	<u>\$ 12,075,469</u>	<u>\$ 27,869</u>	<u>\$ 12,047,599</u>

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.

State Accommodations (2%) Tax:

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 (3%) Tax:

To account for the City's share of a 3% local accommodations tax levied on the rental of transient accommodations. Use of the revenue is restricted for the beach, infrastructure and capital purchases.

Hospitality (2%) Fees:

To account for the City's share of a 2% tax on amusements and prepared foods. Use of the revenue is restricted for the beach, infrastructure and capital purchases.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

BALANCE SHEETS

JUNE 30, 2020

	State (2%) A-Tax	Local (3%) A-Tax	Hospitality (2%) Fee	Totals
Assets				
Equity in pooled cash and cash equivalents	\$ —	\$ 2,311,922	\$ 1,869,658	\$ 4,181,580
Receivables, net	49,742	1,108,269	575,516	1,733,527
Due from other governments	832,424	—	—	832,424
Total assets	\$ 882,166	\$ 3,420,191	\$ 2,445,174	\$ 6,747,531
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 270,735	\$ 2,063	\$ 2,062	\$ 274,860
Due to other funds	585,224	553,857	297,782	1,436,863
Unearned revenues	—	2,980,633	2,261,991	5,242,624
Total liabilities	855,959	3,536,553	2,561,835	6,954,347
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	26,207	—	—	26,207
Committed by ordinance	—	—	—	—
Assigned by management	—	—	—	—
Unassigned (deficit)	—	(116,362)	(116,661)	(233,023)
Total fund balances	26,207	(116,362)	(116,661)	(206,816)
Total liabilities and fund balances	\$ 882,166	\$ 3,420,191	\$ 2,445,174	\$ 6,747,531

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	State (2%) A-Tax	Local (3%) A-Tax	Hospitality (2%) Fee	Totals
Revenue				
Use of money and property	\$ 102	\$ —	\$ —	\$ 102
Restricted intergovernmental	3,648,534	2,996,013	2,527,223	9,171,770
Total revenue	3,648,636	2,996,013	2,527,223	9,171,872
Expenditures				
Current:				
General government activities	—	116,362	116,661	233,023
Parks and recreation – tourism related	1,584,915	—	—	1,584,915
Total expenditures	1,584,915	116,362	116,661	1,817,938
Excess (deficiency) of revenue over (under) expenditures	2,063,721	2,879,651	2,410,562	7,353,934
Other Financing Sources (Uses)				
Transfers (out)	(2,063,233)	(2,996,013)	(2,527,223)	(7,586,469)
Total other financing sources (uses)	(2,063,233)	(2,996,013)	(2,527,223)	(7,586,469)
Net change in fund balances	488	(116,362)	(116,361)	(232,535)
Fund balances, beginning of year	25,719	—	—	25,719
Fund balances (deficit), end of year	\$ 26,207	\$ (116,362)	\$ (116,661)	\$ (206,816)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

STATE ACCOMMODATIONS (2%) TAX
BALANCE SHEET

JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Receivables, net	\$ 49,742	\$ —
Due from other governments	<u>832,424</u>	<u>1,280,063</u>
Total assets	<u>\$ 882,166</u>	<u>\$ 1,280,063</u>
Liabilities and Fund Balance		
Accounts payable	\$ 270,735	\$ 494,861
Due to General Fund	<u>585,224</u>	<u>759,483</u>
Total liabilities	<u>855,959</u>	<u>1,254,344</u>
Fund balance:		
Restricted by others	<u>26,207</u>	<u>25,719</u>
Total liabilities and fund balance	<u>\$ 882,166</u>	<u>\$ 1,280,063</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2020
(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 102	\$ 102	\$ —
Restricted intergovernmental:				
State A-tax revenue	3,918,750	3,648,534	(270,216)	3,919,670
Total revenue	3,918,750	3,648,636	(270,114)	3,919,670
Expenditures				
Parks and recreation				
30% advertising allocation	1,237,500	1,152,169	85,331	1,237,791
North Myrtle Beach Chamber	459,018	399,988	59,030	264,000
Services to other agencies	37,592	32,758	4,834	25,000
Total expenditures	1,734,110	1,584,915	149,195	1,526,791
Excess of revenue over expenditures	2,184,640	2,063,721	(120,919)	2,392,879
Other Financing Sources (Uses)				
Transfers (out) –				
General Fund	(782,039)	(841,007)	(58,968)	(835,243)
Capital Improvement Fund	(190,875)	(166,328)	24,547	—
Street Improvement Fund	(268,950)	(234,363)	34,587	(152,500)
Beach Renourishment Fund	(484,084)	(421,831)	62,253	(807,675)
Stormwater Drainage Fund	(72,792)	(63,431)	9,361	(103,833)
Solid Waste Fund	(193,833)	(168,906)	24,927	(178,959)
Sports and Tourism Park Fund	(84,500)	(73,633)	10,867	(129,859)
Beach Services Fund	(107,567)	(93,734)	13,833	(157,805)
Total other financing sources (uses)	(2,184,640)	(2,063,233)	121,407	(2,365,874)
Net change in fund balance	—	488	488	27,005
Fund balance, beginning of year	25,719	25,719	—	(1,286)
Fund balance, end of year	\$ 25,719	\$ 26,207	\$ 488	\$ 25,719

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (3%) TAX
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 2,311,922	\$ —
Receivables, net	1,108,269	727,958
Total assets	<u>\$ 3,420,191</u>	<u>\$ 727,958</u>
Liabilities and Fund Balance		
Accounts payable	\$ 2,063	\$ —
Due to General Fund	370,157	486,810
Due to Beach Services Fund	183,700	241,148
Unearned revenue – court ordered escrow	2,980,633	—
Total liabilities	<u>3,536,553</u>	<u>727,958</u>
Fund balance:		
Unassigned (deficit)	<u>(116,362)</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 3,420,191</u>	<u>\$ 727,958</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (3%) TAX
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2020
 (With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Restricted intergovernmental:				
Local A-tax revenue	\$ 3,555,200	\$ 2,980,633	\$ (574,567)	\$ 3,432,788
Penalties	6,000	15,380	9,380	8,953
Total revenue	3,561,200	2,996,013	(565,187)	3,441,741
Expenditures				
General government administration				
Professional services	—	116,362	116,362	—
Total expenditures	—	116,362	116,362	—
Excess of revenue over expenditures	3,561,200	2,879,651	(681,549)	3,441,741
Other Financing Sources (Uses)				
Transfers (out) –				
General Fund	(2,374,133)	(2,002,469)	371,664	(2,297,478)
Beach Services Fund	(363,862)	(363,862)	—	(318,967)
Aquatic Center Fund	(823,205)	(629,682)	193,523	(825,295)
Total other financing sources (uses)	(3,561,200)	(2,996,013)	565,187	(3,441,741)
Net change in fund balance	—	(116,362)	(116,362)	—
Fund balance, beginning of year	—	—	—	—
Fund balance (deficit), end of year	\$ —	\$ (116,362)	\$ (116,362)	\$ —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

HOSPITALITY (2%) FEES
BALANCE SHEET

JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 1,869,658	\$ —
Receivables, net	575,516	382,561
Total assets	<u>\$ 2,445,174</u>	<u>\$ 382,561</u>
Liabilities and Fund Balance		
Accounts payable	\$ 2,062	\$ —
Due to General Fund	297,782	382,561
Unearned revenue – court ordered escrow	2,261,991	—
Total liabilities	<u>2,561,835</u>	<u>382,561</u>
Fund balance:		
Unassigned (deficit)	<u>(116,661)</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 2,445,174</u>	<u>\$ 382,561</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

HOSPITALITY (2%) FEES

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Restricted intergovernmental:				
Hospitality fees	\$ 2,861,020	\$ 2,511,756	\$ (349,264)	\$ 2,776,653
Penalties	3,000	15,467	12,467	7,806
Total revenue	2,864,020	2,527,223	(336,797)	2,784,459
Expenditures				
General government administration				
Professional services	—	116,661	(116,661)	—
Total expenditures	—	116,661	(116,661)	—
Excess of revenue over expenditures	2,864,020	2,410,562	(453,458)	2,784,459
Other Financing Sources (Uses)				
Transfers (out) – General Fund	(2,864,020)	(2,527,223)	336,797	(2,784,459)
Total other financing sources (uses)	(2,864,020)	(2,527,223)	336,797	(2,784,459)
Net change in fund balance	—	(116,661)	(116,661)	—
Fund balance, beginning of year	—	—	—	—
Fund balance (deficit), end of year	\$ —	\$ (116,661)	\$ (116,661)	\$ —

CITY OF NORTH MYRTLE BEACH

DEBT SERVICE FUNDS

The Debt Service Funds 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.

Park Bonds: To account for financial resources to be used for payment of park debt.

Cherry Grove Municipal Improvement District Bonds: To account for financial resources to be used for payment of special assessment bonds of Cherry Grove Municipal Improvement District Bonds.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUNDS

BALANCE SHEETS

JUNE 30, 2020

	Park Bonds	Cherry Grove Bonds	Totals
Assets			
Equity in pooled cash and cash equivalents	\$ —	\$ 129,695	\$ 129,695
Restricted cash and cash equivalents	—	61,158	61,158
Receivables, net	—	—	—
Total assets	\$ —	\$ 190,853	\$ 190,853
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ —	\$ 2,413	\$ 2,413
Due other funds	4,365,420	152,861	4,518,281
Total liabilities	\$ 4,365,420	\$ 155,274	\$ 4,520,694
Fund Balance:			
Committed by ordinance	—	35,579	35,579
Unassigned (deficit)	(4,365,420)	—	(4,365,420)
Total fund balance	(4,365,420)	35,579	(4,329,841)
Total liabilities and fund balance	\$ (4,365,420)	\$ 190,853	\$ 190,853

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	Park Bonds	Cherry Grove Bonds	Totals
Revenue			
Property taxes	\$ —	\$ —	\$ —
Special assessments	—	1,311,167	1,311,167
Use of money and property:	—	—	—
Interest on investments	—	—	—
Total revenue	—	1,311,167	1,311,167
Expenditures			
Debt Service:			
Principal	4,258,836	1,193,000	5,451,836
Interest	106,584	33,388	139,972
Fiscal agent fees	—	9,847	9,847
Total expenditures	4,365,420	1,236,235	5,601,655
Excess (deficiency) of revenue over (under) expenditures	(4,365,420)	74,932	(4,290,488)
Other Financing Sources (Uses)			
Transfers (out) – General Fund	—	—	—
Net change in fund balance	(4,365,420)	74,932	(4,290,488)
Fund balance (deficit), beginning of year	—	(39,353)	(39,353)
Fund balance (deficit), end of year	\$ (4,365,420)	\$ 35,579	\$ (4,329,841)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK BONDS
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Receivables, net	—	—
Total assets	<u>\$ —</u>	<u>\$ —</u>
Liabilities and Fund Balance		
Liabilities:		
Due to Stormwater Drainage Fund	\$ 4,365,420	\$ —
Total liabilities	<u>4,365,420</u>	<u>—</u>
Fund Balance:		
Committed by ordinance	—	—
Unassigned (deficit)	(4,365,420)	—
Total liabilities and fund balance	<u>\$ —</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK BONDS

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Property taxes:				
Current	\$ —	\$ —	\$ —	\$ 2,559,063
Delinquent and penalties	—	—	—	18,766
Use of money and property:				
Interest on investments	—	—	—	2,039
Total revenue	—	—	—	2,579,868
Expenditures				
Debt Service:				
Principal	—	4,258,836	(4,258,836)	2,080,000
Interest	—	106,584	(106,584)	83,200
Fiscal agent fees	—	—	—	550
Total expenditures	—	4,365,420	(4,365,420)	2,163,750
Excess of revenue over expenditures		(4,365,420)	(4,365,420)	416,118
Other Financing Sources (Uses)				
Transfers (out) – General Fund	—	—	—	(601,628)
	—	—	—	(601,628)
Net change in fund balance	—	(4,365,420)	(4,365,420)	(185,510)
Fund balance, beginning of year	—	—	—	185,510
Fund balance (deficit), end of year	\$ —	\$ (4,365,420)	\$ (4,365,420)	\$ —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

CHERRY GROVE MUNICIPAL IMPROVEMENT DISTRICT BONDS
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 129,695	\$ 53,550
Restricted cash and cash equivalents:		
Revenue funds	60,389	59,810
Interest account	—	55
Prepayment accounts	769	756
Sinking fund	—	1,299
Receivables – special assessments	14,400	12,000
Less, allowance for doubtful accounts	<u>(14,400)</u>	<u>(12,000)</u>
Total assets	<u>\$ 190,853</u>	<u>\$ 113,360</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 13	\$ —
Deferred prepaid assessment	2,400	—
Due to Cherry Grove Capital Projects Fund	152,861	152,713
Total Liabilities	<u>\$ 155,274</u>	<u>\$ 152,713</u>
Fund Balance:		
Committed by ordinance	35,579	—
Unassigned (deficit)	<u>—</u>	<u>(39,353)</u>
Total liabilities and fund balance	<u>\$ 190,853</u>	<u>\$ 113,360</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

CHERRY GROVE MUNICIPAL IMPROVEMENT DISTRICT BONDS
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2020
 (With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Special assessments:				
Current	\$ 1,350,000	\$ 1,302,048	\$ (47,952)	\$ 1,304,186
Delinquent and penalties	—	7,342	7,342	3,216
Pre-issuance assessments	—	—	—	—
Use of money and property:				
Interest on investments	—	1,777	1,777	3,970
Total revenue	1,350,000	1,311,167	(38,833)	1,311,372
Expenditures				
Debt Service:				
Principal	1,280,000	1,193,000	—	1,177,000
Interest	35,834	33,388	2,446	49,748
Fiscal agent fees	500	9,847	(9,347)	13,588
Total expenditures	1,316,334	1,236,235	80,099	1,240,336
Net change in fund balance	33,666	74,932	41,266	71,036
Fund balance, beginning of year	(39,353)	(39,353)	—	(110,389)
Fund balance, end of year	\$ (5,687)	\$ 35,579	\$ 41,266	\$ (39,353)

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:	To account for financial resources to be used for general capital asset acquisitions and replacements.
Street Improvement:	To account for financial resources to be used for paving streets and relocating utilities in the City.
Beach Renourishment:	To account for financial resources to be used for renourishing the beach.
Park Development:	To account for financial resources to be used for land acquisition and development of parks.
Stormwater Drainage:	To account for revenues and expenditures associated with the City's Stormwater management program and drainage improvements.
Cherry Grove Dredge Fund:	To account for revenues and expenditures associated with the City's Cherry Grove canal dredging project.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

BALANCE SHEETS

JUNE 30, 2020

	Street Improvement	Capital Improvement	Beach Renourishment	Park Development	Stormwater Drainage	Cherry Grove Dredge	Totals
Assets							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 472,593	\$ 85,536	\$ 558,129
Equity in pooled cash and cash equivalents	—	769,398	548,767	—	247,225	—	1,565,390
Restricted – cash and cash equivalents	—	—	—	—	—	831,904	831,904
Receivables, net	194,341	1,433	—	—	91,136	—	92,569
Due from other governments	2,937,586	—	—	—	—	—	—
Due from other funds	—	—	830,602	—	6,063,513	152,861	7,046,976
Prepaid items	—	—	—	—	—	—	—
Total assets	\$ 3,131,927	\$ 770,831	\$ 1,379,369	\$ —	\$ 6,874,467	\$ 1,070,301	\$ 10,094,968
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,314,633	\$ 162,600	\$ 16,117	\$ —	\$ 19,596	\$ —	\$ 198,313
Retainage payable	635,914	89,751	—	—	—	—	89,751
Unearned revenue	—	—	—	—	—	238,397	238,397
Due to other funds	785,947	—	—	—	—	84,599	84,599
Total liabilities	2,736,494	252,351	16,117	—	19,596	322,996	611,060
Fund balances:							
Non-spendable	—	—	—	—	—	—	—
Restricted by others	—	—	—	—	—	—	—
Committed by ordinance	—	—	—	—	—	747,305	747,305
Assigned by management	395,433	518,480	1,363,252	—	6,854,871	—	8,736,603
Unassigned (deficit)	—	—	—	—	—	—	—
Total fund balances	395,433	518,480	1,363,252	—	6,854,871	747,305	9,483,908
Total liabilities and fund balances	\$ 3,131,927	\$ 770,831	\$ 1,379,369	\$ —	\$ 6,874,467	\$ 1,070,301	\$ 10,094,968

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	Street Improvement	Capital Improvement	Beach Renourishment	Park Development	Stormwater Drainage	Cherry Grove Dredge	Totals
Revenue							
Use of money and property	\$ —	\$ 62,485	\$ 642	\$ —	\$ 14,299	\$ 13,601	\$ 91,027
Restricted intergovernmental	3,088,748	—	—	—	1,000,000	—	1,000,000
Sales and service charges	—	20,804	—	—	2,958,000	—	2,978,804
Miscellaneous	38,688	394	—	—	—	—	394
Total revenue	3,127,436	83,683	642	—	3,972,299	13,601	4,070,225
Expenditures							
Current:							
Finance	—	—	—	—	59,543	—	59,543
Public works	—	—	73,377	—	440,764	—	514,141
Capital outlay:							
General government administration	—	739,321	—	—	—	—	739,321
Public safety	—	701,158	—	—	—	—	701,158
Public works	4,109,613	936,974	—	—	30,825	97,062	1,064,861
Parks and recreation	—	822,136	—	4,258,836	—	—	5,080,972
Debt service	—	—	—	—	—	—	—
Total expenditures	4,109,613	3,199,589	73,377	4,258,836	531,132	97,062	8,159,996
Excess (deficiency) of revenue over (under) expenditures	(982,177)	(3,115,906)	(72,735)	(4,258,836)	3,441,167	(83,461)	(4,089,771)
Other Financing Sources (Uses)							
Note proceeds	—	—	—	4,258,836	—	—	4,258,836
Transfers in	1,034,363	2,866,328	421,831	—	63,431	—	3,351,590
Transfers (out)	—	—	—	—	—	—	—
Total other financing sources (uses)	1,034,363	2,866,328	421,831	4,258,836	63,431	—	7,610,426
Net change in fund balances	52,186	(249,578)	349,096	—	3,504,598	(83,461)	3,520,655
Fund balances, beginning of year	343,247	768,058	1,014,156	—	3,350,273	830,766	5,963,253
Fund balances, end of year	\$ 395,433	\$ 518,480	\$ 1,363,252	\$ —	\$ 6,854,871	\$ 747,305	\$ 9,483,908

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 769,398	\$ 642,502
Receivables, net	1,433	860
Due from other fund	—	219,302
Total assets	<u>\$ 770,831</u>	<u>\$ 862,664</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 162,600	\$ 86,125
Retainage payable	89,751	8,481
Total liabilities	<u>252,351</u>	<u>94,606</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	518,480	768,058
Unassigned	—	—
Total fund balance	<u>518,480</u>	<u>768,058</u>
Total liabilities and fund balance	<u>\$ 770,831</u>	<u>\$ 862,664</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 222	\$ 222	\$ 1,140
Surplus sales	50,000	62,263	12,263	106,816
Restricted Intergovernmental:				
SCPRT grant	—	—	—	12,071
SC Conservation Bank grant	—	—	—	500,000
Sales and services:				
Development fees	5,000	20,804	15,804	10,190
Miscellaneous:				
Contributions – private entities	—	394	394	80,814
Total revenue	55,000	83,683	28,683	711,031
Expenditures				
Capital outlay –				
General government administration				
Professional/contractual services	90,000	339,128	(249,128)	271,892
Building improvement and IT projects	450,000	400,193	49,807	379,251
Public safety				
Access controls and generator	342,500	527,141	(184,641)	277,315
Fire rescue equipment	—	164,226	(164,226)	286,154
Vehicles	—	9,791	(9,791)	93,105
Jail improvements	—	—	—	68,807
Sea Mt Hwy Lot – Station 2	—	—	—	171,067
Public works				
Building improvements	750,000	936,974	(186,974)	20,378
Parks and recreation				
Parks and parking renovations/improvements	195,000	111,348	83,652	522,070
Wetlands foot bridge	—	—	—	93,497
53 rd Ave N fishing pier	—	—	—	142,125
Sports park buildings and improvements	—	710,788	(710,788)	173,477
Ingram Dunes	—	—	—	1,108,935
Contingency	1,840,000	—	1,840,000	—
Total expenditures	3,667,500	3,199,589	467,911	3,608,073
Excess (deficiency) of revenue over (under) expenditures	(3,612,500)	(3,115,906)	496,594	(2,897,042)
Other Financing Sources (Uses)				
Transfers in – General Fund	3,420,000	2,700,000	(720,000)	2,225,000
Transfers in – State Accommodation (2%) Tax Fund	190,875	166,328	(24,547)	—
Transfers in – Insurance Reserves Fund	500,000	—	(500,000)	—
Total other financing sources	4,110,875	2,866,328	(1,244,547)	2,225,000
Net change in fund balance	498,375	(249,578)	(747,953)	(672,042)
Fund balance, beginning of year	768,058	768,058	—	1,440,100
Fund balance, end of year	\$ 1,266,433	\$ 518,480	\$ (747,953)	\$ 768,058

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Receivables, net	194,341	202,824
Due from other governments	2,937,586	3,158,611
Total assets	<u>\$ 3,131,927</u>	<u>\$ 3,361,435</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,314,633	\$ 85,987
Retainage payable	635,914	674,213
Due to General Fund	—	2,257,988
Due to Stormwater Drainage Fund	785,947	—
Total liabilities	<u>2,736,494</u>	<u>3,018,188</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	395,433	343,247
Unassigned	—	—
Total fund balance	<u>395,433</u>	<u>343,247</u>
Total liabilities and fund balance	<u>\$ 3,131,927</u>	<u>\$ 3,361,435</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ —
Restricted intergovernmental:				
Federal grants	75,000	—	(75,000)	—
State Grants – SCDOT	1,500,000	806,943	(693,057)	667,809
State Grants – SCDOT/C Fund	500,000	517,792	17,792	384,426
Local Grant – Horry Cty Road Fee	850,000	755,570	(94,430)	767,862
Other Grants – Santee Cooper/HTC	1,640,000	515,383	(1,124,617)	158,818
Horry Cty. Ride III Reimbs.	500,000	493,060	(6,940)	—
Misc. grants from developers and others	50,000	38,688	(11,312)	46,807
Total revenue	5,115,000	3,127,436	(1,987,564)	2,025,722
Expenditures				
Capital outlay – Public works				
Beach access H/C – OCRM grant	150,000	107,118	42,882	163,833
Sidewalks	150,000	20,720	129,280	29,652
Road intersection improvements	250,000	—	250,000	—
Paving/road resurfacing	1,500,000	1,403,358	96,642	1,052,971
11 th Ave N widening	—	96,130	(96,130)	728,096
Underground utilities	250,000	—	250,000	161,150
Barefoot Bridge painting	80,000	79,500	500	77,500
Coastal Town intersection	—	—	—	215,000
Crescent Beach Rd. widening	2,950,000	1,739,633	1,210,367	694,113
Edge Parkway path	—	8,818	(8,818)	—
Contingency	1,400,000	—	1,400,000	—
Paving/Resurfacing in-house	400,000	136,637	263,363	280,212
Champion Blvd widening	—	174,556	(174,556)	—
Little River Neck bike path	—	11,129	(11,129)	—
Miscellaneous	350,000	332,014	17,986	—
Debt Service - Installment note	—	—	—	112,500
Total expenditures	7,480,000	4,109,613	3,370,387	3,515,027
Excess (deficiency) of revenue over (under) expenditures	(2,365,000)	(982,177)	1,382,823	(1,489,305)
Other Financing Sources (Uses)				
Transfers in – General Fund	1,100,000	800,000	(300,000)	1,100,000
Transfers in – State Accommodation (2%)	268,950	234,363	(34,587)	152,500
Tax Fund	—	—	—	—
Total other financing sources (uses)	1,368,950	1,034,363	(334,587)	1,252,500
Net change in fund balance	(996,050)	52,186	1,048,236	(236,805)
Fund balance, beginning of year	343,247	343,247	—	580,052
Fund balance, end of year	\$ (652,803)	\$ 395,433	\$ 1,048,236	\$ 343,247

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 548,767	\$ 1,014,156
Due from Insurance Reserves Fund	830,602	—
Total assets	<u>\$ 1,379,369</u>	<u>\$ 1,014,156</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 16,117	\$ —
Due to General Fund	—	—
Total liabilities	<u>16,117</u>	<u>—</u>
Fund Balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	1,363,252	1,014,156
Unassigned	—	—
Total fund balance	<u>1,363,252</u>	<u>1,014,156</u>
Total liabilities and fund balance	<u>\$ 1,379,369</u>	<u>\$ 1,014,156</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 642	\$ 642	\$ 1,239
Restricted intergovernmental:				
SC PRT Renourishment reimbursement	75,000	—	(75,000)	663,348
Total revenue	75,000	642	(74,358)	664,587
Expenditures				
Public works				
Materials and supplies	300,000	17,271	282,729	—
Contractual services	—	—	—	63,883
Professional services	125,000	56,106	68,894	35,262
Beach Drains	—	—	—	118,976
Total expenditures	425,000	73,377	351,623	218,121
Excess (deficiency) of revenue over (under) expenditures	(350,000)	(72,735)	277,265	446,466
Other Financing Sources (Uses)				
Transfers in – State				
Accommodations (2%)Tax Fund	484,084	421,831	62,253	807,675
Total other financing sources	484,084	421,831	62,253	807,675
Net change in fund balance	134,084	349,096	215,012	1,254,141
Fund balance (deficit), beginning of year	1,014,156	1,014,156	—	(239,985)
Fund balance, end of year	\$ 1,148,240	\$ 1,363,252	\$ 215,012	\$ 1,014,156

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STORMWATER DRAINAGE
BALANCE SHEET

YEAR ENDED JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 472,593	\$ —
Equity in pooled cash and cash equivalents	247,225	—
Receivables, net	91,136	236,005
Due from other funds:		
General Fund	—	3,124,268
Street Improvement Fund	785,947	—
Cherry Grove Dredge Fund	84,599	—
Beach Services Fund	149,759	—
Aquatic/Fitness Center Fund	163,019	—
Sports Park Tourism Fund	514,769	—
Park Bond Fund	4,365,420	—
Total assets	<u>\$ 6,874,467</u>	<u>\$ 3,360,273</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 19,596	\$ 10,000
Retainage payable	—	—
Total liabilities	<u>19,596</u>	<u>10,000</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	6,854,871	3,350,273
Unassigned	—	—
Total fund balance	<u>6,854,871</u>	<u>3,350,273</u>
Total liabilities and fund balance	<u>\$ 6,874,467</u>	<u>\$ 3,360,273</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STORMWATER DRAINAGE

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 14,299	\$ 14,299	\$ 3,727
Restricted intergovernmental:				
SCDHEC grant	1,000,000	1,000,000	—	1,000,000
Sales and service charges:				
Stormwater/drainage fees	2,945,000	2,948,811	3,811	2,921,819
Penalties	11,000	10,715	(285)	11,630
Less, adjustments/bad debts	—	(1,526)	(1,526)	(1,115)
Total revenue	3,956,000	3,972,299	16,299	3,936,061
Expenditures				
Finance				
Overhead allocation-				
Accounting	42,808	42,277	531	20,112
Utility billing	19,804	17,266	2,538	41,308
Public works				
Overhead allocation -				
Administration	60,288	61,359	(1,071)	57,576
Streets/drainage	166,397	165,689	708	166,197
Lobbying contractual services	90,000	60,000	30,000	70,000
Professional services	165,000	153,716	11,284	165,052
Capital outlay:				
Drainage construction	700,000	—	700,000	56,114
18 th Ave. drainage	—	20,162	(20,162)	150
Drainage in – house	—	10,663	(10,663)	—
Other drainage	—	—	—	351,421
Total expenditures	1,244,297	531,132	713,165	927,930
Excess (deficiency) of revenue over (under) expenditures	2,711,703	3,441,167	729,464	3,008,131
Other Financing Sources (Uses)				
Transfers in – State Accommodations (2%) Tax Fund	72,792	63,431	(9,361)	103,833
Total other financing sources (uses)	72,792	63,431	(9,361)	103,833
Net change in fund balance	2,784,495	3,504,598	720,103	3,111,964
Fund balance, beginning of year	3,350,273	3,350,273	—	238,309
Fund balance, end of year	\$ 6,134,768	\$ 6,854,871	\$ 720,103	\$ 3,350,273

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CHERRY GROVE DREDGE FUND
BALANCE SHEET

YEAR ENDED JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 85,536	\$ 85,528
Equity in pooled cash and cash equivalents	—	13,055
Restricted cash and cash equivalents:		
Pre-issuance payment funds	805,106	791,948
Cost of issuance fund	26,798	26,369
Due from Cherry Grove Debt Service Fund	<u>152,861</u>	<u>152,713</u>
Total assets	<u>\$ 1,070,301</u>	<u>\$ 1,069,613</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ —	\$ 450
Unearned prepaid assessments	238,397	238,397
Due to Stormwater Drainage Fund	<u>84,599</u>	<u>—</u>
Total liabilities	<u>322,996</u>	<u>238,847</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	747,305	830,766
Assigned by management	—	—
Unassigned	—	—
Total fund balance	<u>747,305</u>	<u>830,766</u>
Total liabilities and fund balance	<u>\$ 1,070,301</u>	<u>\$ 1,069,613</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CHERRY GROVE DREDGE FUND

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

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 1,601	\$ 13,601	\$ 12,000	\$ 29,752
Special assessments:				
Pre-issuance assessments	—	—	—	—
Total revenue	1,601	13,601	12,000	29,752
Expenditures				
Capital outlay – Public works:				
Cherry Grove dredge project	767,000	97,062	669,938	1,158,075
Contingency	—	—	—	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Agent fees	5,000	—	5,000	—
Total expenditures	772,000	97,062	674,938	1,158,075
Excess (deficiency) of revenue over (under) expenditures	(770,399)	(83,461)	686,938	(1,128,323)
Net change in fund balance	(770,399)	(83,461)	686,938	(1,128,323)
Fund balance, beginning of year	830,766	830,766	—	1,959,089
Fund balance, end of year	\$ 60,367	\$ 747,305	\$ 686,938	\$ 830,766

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/Fitness Center:

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

Beach Services:

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

Sports and Tourism Park:

To account for all revenues and expenses related to the operating of the City's sports and tourism park activities.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
BALANCE SHEET

JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	2020	2019		2020	2019
Assets			Liabilities and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 928,188	\$ 2,192,548	Accounts payable – trade and contract vendors	\$ 251,251	\$ 2,208,551
Equity in pooled cash and cash equivalents	—	—	Accrued payroll and related taxes	84,987	61,856
Accounts receivable, net	1,807,977	2,810,602	Contracts payable – current portion	336,238	3,095,407
Inventories	264,764	460,540			
	<u>3,000,929</u>	<u>5,463,690</u>			
Restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Meter deposits and other	2,293,123	2,255,850
Impact fees	—	—	Total current liabilities payable from restricted assets	2,293,123	2,255,850
Equity in pooled cash and cash equivalents:			Total current liabilities	2,629,361	5,351,257
Customer meter deposits	1,944,456	1,944,456			
Deposits with the GSWSA	280,000	280,000			
Total restricted assets	2,224,456	2,224,456			
Total current assets	<u>5,225,385</u>	<u>7,688,146</u>			
Capital assets:			Long-term liabilities:		
Land and improvements	723,714	723,714	Accrued compensated absences	324,757	297,946
Buildings	1,029,594	1,029,594	Contracts payable	—	—
Water and sewer systems	127,093,820	117,868,768	Total long-term liabilities	324,757	297,946
Automotive equipment	1,904,140	2,276,817	Total liabilities	2,954,118	5,649,203
Maintenance equipment	3,468,479	3,301,932			
Office equipment	1,967,979	1,967,979			
Construction in progress	128,476	7,610,360			
	<u>136,316,202</u>	<u>134,779,164</u>			
Less, accumulated depreciation	(55,152,630)	(52,779,916)			
Net capital assets	<u>81,163,572</u>	<u>81,999,248</u>			
Other assets:			Net Position:		
Cost of purchased water/sewer rights	27,934,862	27,934,862	Net investment in capital assets	81,163,572	81,999,248
Less, accumulated amortizations	(21,545,958)	(20,709,421)	Restricted for debt service, capacity and deposits	—	—
Net other assets	6,388,904	7,225,441	Unrestricted	8,660,171	9,264,384
Total assets	<u>\$ 92,777,861</u>	<u>\$ 96,912,835</u>	Total net position	89,823,743	91,263,632
			Total liabilities and net position	<u>\$ 92,777,861</u>	<u>\$ 96,912,835</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
 SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020
 (With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Water usage fees	\$ 8,300,000	\$ 7,950,191	\$ (349,809)	\$ 7,843,655
Sewer usage fees	6,250,000	5,871,490	(378,510)	5,917,208
Water taps	75,000	97,815	22,815	72,700
Sewer taps	30,000	14,900	(15,100)	25,500
Late payment penalties and service charges	155,000	114,073	(40,927)	132,433
Miscellaneous	2,500	3,595	1,095	6,877
Total operating revenue	14,812,500	14,052,064	(760,436)	13,998,373
Operating Expenses				
General government administration				
Overhead allocation –				
General services	666,488	705,476	(38,988)	634,863
Legislative	169,489	160,329	9,160	168,387
Administrative	319,245	250,838	68,407	239,371
Legal	191,456	306,711	(115,255)	214,368
Personnel	110,607	139,806	(29,199)	119,263
Total general government administration	1,457,285	1,563,160	(105,875)	1,376,252
Finance				
Overhead allocation –				
Accounting	297,062	258,983	38,079	301,680
Utility billing:				
Personal services	630,541	631,349	(808)	616,184
Operating expenses	225,625	214,193	11,432	209,976
Less, overhead allocation	(153,425)	(126,831)	(26,594)	(127,811)
Total finance	999,803	977,694	22,109	1,000,029
Information services				
Overhead allocation	415,203	412,034	3,169	360,122
Public safety				
Overhead allocation –				
Communications	70,707	69,536	1,171	64,787

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Expenses (Continued)				
Planning/Development				
Overhead allocation –				
Code enforcement	47,931	43,897	4,034	42,230
Public works				
Administrative:				
Personal services	1,084,563	1,049,727	34,836	950,249
Operating expenses	121,200	177,454	(56,254)	90,141
Less, overhead allocation	(341,152)	(441,065)	99,913	(296,702)
	864,611	786,116	78,495	743,688
Wastewater treatment:				
Personal services	615,799	581,847	33,952	586,902
Operating expenses	1,675,000	1,267,807	407,193	2,089,581
	2,290,799	1,849,654	441,145	2,676,483
Wells/lifts maintenance:				
Personal services	746,144	1,072,764	(326,620)	683,106
Operating expenses	1,433,950	1,230,682	203,268	1,245,681
	2,180,094	2,303,446	(123,352)	1,928,787
Construction/maintenance:				
Personal services	1,587,280	1,885,270	(297,990)	1,471,867
Operating expenses	3,468,904	2,942,499	526,405	3,291,720
Less, overhead allocation	(200,000)	—	(200,000)	—
	4,856,184	4,827,769	28,415	4,763,587
Streets/drainage:				
Overhead allocation	166,397	165,689	708	166,197
Total public works	10,358,085	9,932,674	425,411	10,278,742
Support services				
Overhead allocation –				
Custodial services	81,457	88,244	(6,787)	89,756
Purchasing	177,841	114,211	63,630	143,903
Fleet management	84,477	86,087	(1,610)	78,655
Custodial/fleet management	162,923	196,178	(33,255)	222,666
Total support services	506,698	484,720	21,978	534,980
Depreciation and amortization expense	3,202,500	3,695,317	(492,817)	3,563,485
Total operating expenses	17,058,212	17,179,032	(120,820)	17,220,627
Operating income (loss)	(2,245,712)	(3,126,968)	(881,256)	(3,222,254)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
 SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
 BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Non-operating Revenue (Expenses)				
Interest earned on investments	125,000	38,950	(86,050)	163,414
Interest expense	(44,275)	(44,275)	—	(113,859)
Bond agent fees	(2,000)	—	2,000	—
Insurance reimbursement	—	—	—	1,350
Tower rental and other	185,000	362,879	177,879	210,318
Restricted intergovernmental:				
Grants	—	32,077	32,077	—
Total non-operating revenue (expenses)	<u>263,725</u>	<u>389,631</u>	<u>125,906</u>	<u>261,223</u>
Income (loss) before contributions and transfers	<u>(1,981,987)</u>	<u>(2,737,337)</u>	<u>(755,350)</u>	<u>(2,961,031)</u>
Capital Contributions				
Impact fees:				
Water	1,400,000	610,376	(789,624)	968,611
Sewer	1,200,000	492,444	(707,556)	814,315
Developer contributions	—	870,398	870,398	550,785
Extension fees and construction for public use	50,000	74,230	24,230	60,069
Total capital contributions	<u>2,650,000</u>	<u>2,047,448</u>	<u>(602,552)</u>	<u>2,393,780</u>
Transfers				
Transfers (out) – Insurance Reserves Fund	—	(750,000)	(750,000)	—
Change in net position	668,013	(1,439,889)	(2,107,902)	(567,251)
Net position, beginning of year	91,263,632	91,263,632	—	91,830,883
Net position, end of year	<u>\$ 91,931,645</u>	<u>\$ 89,823,743</u>	<u>\$ (2,107,902)</u>	<u>\$ 91,263,632</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 2,253,649	\$ 2,104,922
Accounts receivable, net:		
Accounts	191,795	412,357
Due from other governments	116,655	101,422
Total current assets	<u>2,562,099</u>	<u>2,618,701</u>
Capital assets:		
Buildings	313,200	313,200
Improvements	32,262	32,262
Machinery, equipment and vehicles	8,764,046	7,921,925
Construction-in-progress	19,014	7,799
	<u>9,128,522</u>	<u>8,275,186</u>
Less, accumulated depreciation	<u>(6,761,999)</u>	<u>(6,183,809)</u>
Net capital assets	<u>2,366,523</u>	<u>2,091,377</u>
Total assets	<u>\$ 4,928,622</u>	<u>\$ 4,710,078</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 81,041	\$ 90,721
Accrued payroll and related taxes	42,813	32,588
Total current liabilities	<u>123,854</u>	<u>123,309</u>
Long-term liabilities:		
Accrued compensated absences	154,186	152,935
Total long-term liabilities	<u>154,186</u>	<u>152,935</u>
Total liabilities	<u>278,040</u>	<u>276,244</u>
Net position:		
Net investment in capital assets	2,366,523	2,091,377
Unrestricted	2,284,059	2,342,457
Total net position	<u>4,650,582</u>	<u>4,433,834</u>
Total liabilities and net position	<u>\$ 4,928,622</u>	<u>\$ 4,710,078</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Solid waste user fees and penalties	\$ 5,227,500	\$ 5,225,820	\$ (1,680)	\$ 5,177,140
Trash bags and miscellaneous	—	—	—	200
Total operating revenue	5,227,500	5,225,820	(1,680)	5,177,340
Operating Expenses				
General government administration				
Overhead allocation –				
General services	114,255	120,939	(6,684)	108,834
Legislative	25,423	24,049	1,374	25,258
Administration	47,887	37,626	10,261	35,906
Legal	28,718	46,007	(17,289)	32,155
Personnel	44,243	55,922	(11,679)	47,705
Total general government administration	260,526	284,543	(24,017)	249,858
Finance				
Overhead allocation –				
Accounting	59,412	51,797	7,615	60,336
Utility billings	85,617	84,554	1,063	82,616
Total finance	145,029	136,351	8,678	142,952
Information services				
Overhead allocation	83,041	82,407	634	72,024
Public works				
Administration – overhead allocation	180,864	184,077	(3,213)	172,752
Commercial collection:				
Personal services	342,226	355,259	(13,033)	331,477
Operating	155,000	97,917	57,083	117,013
	497,226	453,176	44,050	448,490
Transfer station:				
Personal services	231,175	285,397	(54,222)	228,332
Operating	840,000	717,633	122,367	771,796
	1,071,175	1,003,030	68,145	1,000,128
Residential collection:				
Personal services	920,473	863,537	56,936	893,373
Operating	189,000	211,510	(22,510)	186,791
	1,109,473	1,075,047	34,426	1,080,164

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Expenses (Continued)				
Public works (Continued)				
Trash/litter collections:				
Personal services	256,148	249,877	6,271	240,892
Operating	103,700	78,158	25,542	81,809
	<u>359,848</u>	<u>328,035</u>	<u>31,813</u>	<u>322,701</u>
Beach cleaning:				
Personal services	187,823	115,181	72,642	150,599
Operating	69,500	55,901	13,599	58,063
	<u>257,323</u>	<u>171,082</u>	<u>86,241</u>	<u>208,662</u>
Recycling:				
Personal services	278,339	278,666	(327)	266,756
Operating	139,500	166,202	(26,702)	229,141
	<u>417,839</u>	<u>444,868</u>	<u>(27,029)</u>	<u>495,897</u>
Total public works	<u>3,893,748</u>	<u>3,659,315</u>	<u>234,433</u>	<u>3,728,794</u>
Support services				
Overhead allocation --				
Custodial services	13,033	14,118	(1,085)	14,361
Purchasing	13,948	8,958	4,990	11,287
Fleet management	105,596	107,609	(2,013)	98,319
Custodial/facility maint.	26,068	31,388	(5,320)	35,626
Total support services	<u>158,645</u>	<u>162,073</u>	<u>(3,428)</u>	<u>159,593</u>
Depreciation and amortization	<u>550,000</u>	<u>578,191</u>	<u>(28,191)</u>	<u>558,826</u>
Total operating expenses	<u>5,090,989</u>	<u>4,902,880</u>	<u>188,109</u>	<u>4,912,047</u>
Operating income (loss)	<u>136,511</u>	<u>322,940</u>	<u>(186,429)</u>	<u>265,293</u>
Non-operating Revenue (Expenses)				
Interest made on investments	—	1,532	1,532	3,317
Insurance reimbursements	—	21,006	21,006	—
Restricted intergovernmental:				
Grant – Federal and State	—	67,364	67,364	101,422
Grant – Horry County	—	10,000	10,000	10,000
Total non-operating revenue (expenses)	<u>—</u>	<u>99,902</u>	<u>99,902</u>	<u>114,739</u>
Transfers				
Transfers in – State Accommodations (2%) Tax Fund	193,833	168,906	(24,927)	178,959
Transfers (out) – Insurance Reserves Fund	—	(375,000)	(375,000)	—
Total transfers	<u>193,833</u>	<u>(206,094)</u>	<u>(399,927)</u>	<u>178,959</u>
Change in net position	<u>330,344</u>	<u>216,748</u>	<u>(113,596)</u>	<u>558,991</u>
Net position, beginning of year	<u>4,433,834</u>	<u>4,433,834</u>	<u>—</u>	<u>3,874,843</u>
Net position, end of year	<u>\$ 4,764,178</u>	<u>\$ 4,650,582</u>	<u>\$ (113,596)</u>	<u>\$ 4,433,834</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC/FITNESS CENTER
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 695	\$ 695
Equity in pooled cash	—	50,331
Receivables, net	17,648	13,086
Total current assets	<u>18,343</u>	<u>64,112</u>
Capital assets:		
Buildings	9,700,878	9,700,878
Improvements	89,204	89,204
Furniture and equipment	492,752	954,507
	<u>10,282,834</u>	<u>10,744,589</u>
Less, accumulated depreciation	(3,899,704)	(4,107,455)
Net capital assets	<u>6,383,130</u>	<u>6,637,134</u>
Total assets	<u>\$ 6,401,473</u>	<u>\$ 6,701,246</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 16,480	\$ 22,439
Accrued payroll and related taxes	22,504	17,006
Due to Stormwater Drainage Fund	163,019	—
Accrued interest payable	54,977	67,459
Current portion of note obligation	531,342	511,447
Unearned revenue and gift certificates	353,359	320,535
Total current liabilities	<u>1,141,681</u>	<u>938,886</u>
Long-term liabilities:		
Accrued compensated absences	35,240	46,357
Note payable	1,721,289	2,252,631
Total long-term liabilities	<u>1,756,529</u>	<u>2,298,988</u>
Total liabilities	<u>2,898,210</u>	<u>3,237,874</u>
Net position:		
Net investment in capital assets	4,130,499	3,873,056
Unrestricted (deficit)	(627,236)	(409,684)
Total net position	<u>3,503,263</u>	<u>3,463,372</u>
Total liabilities and net position	<u>\$ 6,401,473</u>	<u>\$ 6,701,246</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC/FITNESS CENTER
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020
(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Membership fees	\$ 1,700,000	\$ 1,274,638	\$ (425,362)	\$ 1,598,453
Day membership fees	59,000	40,165	(18,835)	54,865
Employee membership fees	—	113,000	113,000	135,830
Enrollment fees	60,000	53,171	(6,829)	67,751
Program fees	250,000	202,317	(47,683)	276,077
Merchandise sales	47,500	8,361	(39,139)	8,523
Food sales	—	37,903	37,903	48,172
Less, sales and hospitality taxes	—	(4,084)	(4,084)	(5,147)
Miscellaneous	2,000	1,351	(649)	4,248
Total operating revenue	2,118,500	1,726,822	(391,678)	2,188,772
Operating Expenses				
General government administration				
Overhead allocation –				
General services	38,085	40,313	(2,228)	36,278
Legislative	8,474	8,016	458	8,419
Administration	15,962	12,542	3,420	11,969
Legal	9,573	15,336	(5,763)	10,718
Personnel	22,121	27,961	(5,840)	23,853
Total general government administration	94,215	104,168	(9,953)	91,237
Finance				
Overhead allocation	39,608	34,531	5,077	40,224
Information services				
Overhead allocation	27,680	27,469	211	24,008
Parks and recreation				
Overhead allocation –				
Recreation administration	30,418	31,678	(1,260)	32,070
Aquatic administration:				
Personnel services	484,303	398,494	85,809	441,337
Operations and maintenance	452,298	491,224	(38,926)	563,454
	936,601	889,718	46,883	1,004,791
Aquatic programs:				
Personnel services	221,788	179,060	42,728	220,525
Operations and maintenance	93,370	77,519	15,851	61,919
	315,158	256,579	58,579	282,444
Activity specialist:				
Personnel services	180,066	167,844	12,222	164,019
Operations and maintenance	14,400	10,893	3,507	12,940
	194,466	178,737	15,729	176,959

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC/FITNESS CENTER
 SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
 BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance	2019
	Budget	Actual	Positive (Neg.)	Actual
Operating Expenses (continued)				
Parks and recreation (continued)				
Fitness:				
Personnel services	204,265	175,727	28,538	201,471
Operations and maintenance	75,561	52,906	22,655	57,318
	<u>279,826</u>	<u>228,633</u>	<u>51,193</u>	<u>258,789</u>
Custodians:				
Personnel services	122,108	101,796	20,312	97,817
Operations and maintenance	36,120	34,866	1,254	37,894
	<u>158,228</u>	<u>136,662</u>	<u>21,566</u>	<u>135,711</u>
Total parks and recreation	<u>1,914,697</u>	<u>1,722,007</u>	<u>192,690</u>	<u>1,890,764</u>
Support services				
Overhead allocation –				
Custodial services	13,033	14,118	(1,085)	14,361
Purchasing	6,974	4,479	2,495	5,643
Custodial/facility maint.	26,068	31,388	(5,320)	35,627
Total support services	<u>46,075</u>	<u>49,985</u>	<u>(3,910)</u>	<u>55,631</u>
Depreciation and amortization	<u>295,000</u>	<u>298,147</u>	<u>(3,147)</u>	<u>294,596</u>
Total operating expenses	<u>2,417,275</u>	<u>2,236,307</u>	<u>180,968</u>	<u>2,396,460</u>
Operating income (loss)	<u>(298,775)</u>	<u>(509,485)</u>	<u>(210,710)</u>	<u>(207,688)</u>
Non-operating Revenue (Expenses)				
Grants	—	6,476	6,476	—
Interest earned on investments	—	310	310	345
Non-operating program fees and other	15,000	7,948	(7,052)	2,954
Interest expense	(107,522)	(95,040)	12,482	(114,658)
Total non-operating revenue (expenses)	<u>(92,522)</u>	<u>(80,306)</u>	<u>12,216</u>	<u>(111,359)</u>
Income (loss) before contributions and transfers	<u>(391,297)</u>	<u>(589,791)</u>	<u>(198,494)</u>	<u>(319,047)</u>
Transfers				
Transfers in:				
Local Accommodations (3%) Tax Fund	823,205	629,682	(193,523)	823,205
Total transfers	<u>823,205</u>	<u>629,682</u>	<u>(193,523)</u>	<u>823,205</u>
Change in net position	<u>431,908</u>	<u>39,891</u>	<u>(392,017)</u>	<u>504,158</u>
Net position, beginning of the year	<u>3,463,372</u>	<u>3,463,372</u>	<u>—</u>	<u>2,959,214</u>
Net position, end of year	<u>\$ 3,895,280</u>	<u>\$ 3,503,263</u>	<u>\$ (392,017)</u>	<u>\$ 3,463,372</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICES
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,000	\$ 7,500
Equity in pooled cash and cash equivalents	—	193,221
Receivables, net	26,908	137,219
Due from Local Accommodations (3%) Fund	183,700	241,147
Inventories	—	—
Total current assets	<u>215,608</u>	<u>579,087</u>
Capital assets:		
Buildings	434,405	434,405
Furniture, equipment and vehicles	1,298,324	1,742,896
	<u>1,732,729</u>	<u>2,177,301</u>
Less, accumulated depreciation	(1,041,495)	(1,665,789)
Net capital assets	<u>691,234</u>	<u>511,512</u>
Total assets	<u>\$ 906,842</u>	<u>\$ 1,090,599</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 56,039	\$ 85,269
Accrued payroll and related taxes	87,331	86,981
Due to Stormwater Drainage Fund	149,759	—
Total current liabilities	<u>293,129</u>	<u>172,250</u>
Long-term Liabilities:		
Accrued compensated absences	1,225	217
Total liabilities	<u>294,354</u>	<u>172,467</u>
Net position:		
Net investment in capital assets	691,234	511,512
Unrestricted (deficit)	(78,746)	406,620
Total net position	<u>612,488</u>	<u>918,132</u>
Total liabilities and net position	<u>\$ 906,842</u>	<u>\$ 1,090,599</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICES

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Beach service rentals and fees	\$ 2,660,000	\$ 2,182,255	\$ (477,745)	\$ 2,401,835
Water slide fees	75,000	16,959	(58,041)	48,134
Food, beverage, and other sales	310,000	208,743	(101,257)	361,137
Less, sales tax/hospitality fees	(185,000)	(178,899)	6,101	(213,173)
Miscellaneous	10,000	7,986	(2,014)	6,819
Total operating revenue	2,870,000	2,237,044	(632,956)	2,604,752
Operating Expenses				
General government administration				
Overhead allocation –				
General services	38,085	40,313	(2,228)	36,278
Legislative	8,474	8,016	458	8,419
Administration	15,962	12,542	3,420	11,969
Legal	9,573	15,336	(5,763)	10,718
Personnel	82,955	104,854	(21,899)	89,447
Total general government administration	155,049	181,061	(26,012)	156,831
Finance				
Overhead allocation	148,531	129,492	19,039	150,840
Information services				
Overhead allocation	41,520	41,203	317	36,012
Public safety				
Overhead allocation –				
Communication				38,872
Lifeguard services:	42,424	41,722	702	
Personnel services	683,337	685,335	(1,998)	672,679
Operations and maintenance	68,730	111,568	(42,838)	97,770
Total public safety	794,491	838,625	(44,134)	809,321
Parks and recreation				
Overhead allocation –				
Recreation administration	182,508	190,067	(7,559)	192,421
Concessions:				
Personnel services	748,779	680,040	68,739	615,401
Operations and maintenance	281,137	225,166	55,971	259,109
Total parks and recreation	1,212,424	1,095,273	117,151	1,066,931

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICES

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Overhead allocation —				
Custodial services	6,517	7,059	(542)	7,181
Purchasing	3,487	2,239	1,248	2,822
Fleet	21,119	21,522	(403)	19,664
Custodian/fleet maint.	13,034	15,694	(2,660)	17,813
Total support services	44,157	46,514	(2,357)	47,480
Depreciation and amortization	150,000	174,043	(24,043)	168,535
Total operating expenses	2,546,172	2,506,211	39,961	2,435,950
Operating income (loss)	323,828	(269,167)	(592,995)	168,802
Non-operating Revenue (Expenses)				
Grants	—	13,846	13,846	—
Interest earned on investments	—	522	522	77
Sponsorships and donations	—	6,350	6,350	4,431
Gain (loss) on sale/disposal capital assets	—	—	—	(980)
Total non-operating revenue (expenses)	—	20,718	20,718	3,528
Income (loss) before contributions and transfers	323,828	(248,449)	(572,277)	172,330
Transfers				
Transfers in (out):				
General Fund	—	(150,000)	(150,000)	—
State Accommodations (2%) Tax Fund	107,567	93,734	(13,833)	157,805
Local Accommodations (3%) Tax Fund	363,862	363,862	—	321,058
Sports and Tourism Park Fund	(300,000)	(350,000)	(50,000)	(200,000)
Insurance Reserves Fund	—	(14,791)	(14,791)	—
Total transfers	171,429	(57,195)	(228,624)	278,863
Change in net position	495,257	(305,644)	(800,901)	451,193
Net position, beginning of year	918,132	918,132	—	466,939
Net position, end of year	<u>\$ 1,413,389</u>	<u>\$ 612,488</u>	<u>\$ (800,901)</u>	<u>\$ 918,132</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SPORTS AND TOURISM PARK
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,000	\$ 3,000
Receivables, net	5,645	22,887
Due from General Fund	467,191	467,191
Prepaid items	—	3,039
Total current assets	<u>476,836</u>	<u>496,117</u>
Capital assets:		
Buildings	58,000	58,000
Machinery, fixtures, and equipment	2,096,390	1,441,414
Construction in progress	—	32,212
	<u>2,154,390</u>	<u>1,531,626</u>
Less, accumulated depreciation	<u>(1,227,861)</u>	<u>(868,026)</u>
Net capital assets	<u>926,529</u>	<u>663,600</u>
Total assets	<u>\$ 1,403,365</u>	<u>\$ 1,159,717</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 16,891	\$ 16,601
Accrued payroll and related taxes	4,880	2,310
Due to General Fund	—	131,175
Due to Stormwater Drainage Fund	514,769	—
Security deposits	23,120	29,145
Total current liabilities	<u>559,660</u>	<u>179,231</u>
Long-term liabilities:		
Accrued compensated absences	1,968	2,697
Total long-term liabilities	<u>1,968</u>	<u>2,697</u>
Total liabilities	<u>561,628</u>	<u>181,928</u>
Net position:		
Net investment in capital assets	926,529	663,600
Unrestricted (deficit)	<u>(84,792)</u>	<u>314,189</u>
Total net position	<u>841,737</u>	<u>977,789</u>
Total liabilities and net position	<u>\$ 1,403,365</u>	<u>\$ 1,159,717</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SPORTS AND TOURISM PARK
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020
(With comparative actual amounts for June 30, 2019)

	2020		Variance	2019
	Budget	Actual	Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Christmas Village admissions	\$ 450,000	\$ 323,730	\$ (126,270)	\$ 298,055
Rides and ice skating fees	100,000	66,326	(33,674)	57,098
Merchandise sales	15,000	10,282	(4,718)	13,422
Park and field, admissions and rentals	180,000	157,074	(22,926)	177,257
Races – registration fees and sales	—	18,555	18,555	14,740
Food, beverage, and other sales	330,500	304,537	(25,963)	395,862
Less, sales tax/hospitality fees	(30,000)	(53,363)	(23,363)	(46,861)
Miscellaneous	—	281	281	1,351
Total operating revenue	1,045,500	827,422	(218,078)	910,924
Operating Expenses				
General government administration				
Overhead allocation –				
General services	—	—	—	—
Legislative	—	—	—	—
Administration	—	—	—	—
Legal	—	—	—	—
Personnel	5,530	6,990	(1,460)	5,963
Total general government administration	5,530	6,990	(1,460)	5,963
Finance				
Overhead allocation	19,804	17,266	2,538	20,112
Information services				
Overhead allocation	13,840	13,734	106	12,004
Public safety				
Overhead allocation –				
Administration	—	—	—	—
Uniform patrol	—	—	—	—
Community services	—	—	—	—
Fire/rescue	—	—	—	—
Fire prevention/inspection	—	—	—	—
Total public safety	—	—	—	—
Parks and recreation				
Overhead allocation –				
Recreation administration	30,418	31,678	(1,260)	32,070
Parks and grounds	696,598	562,444	134,154	578,805
Concessions:				
Personnel services	200,185	207,456	(7,271)	189,229
Operations and maintenance	189,600	195,650	(6,050)	217,300
Christmas Village:				
Personnel services	—	7,540	(7,540)	6,215
Operations and maintenance	212,600	253,278	(40,678)	216,436
Other	67,155	—	67,155	—
Total parks and recreation	1,396,556	1,258,046	138,510	1,240,055

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SPORTS AND TOURISM PARK
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Overhead allocation —				
Custodial services	—	—	—	—
Purchasing	—	—	—	—
Fleet	—	—	—	—
Custodian/facility maint.	—	—	—	—
Total support services	—	—	—	—
Depreciation and amortization	350,000	359,835	(9,835)	346,007
Total operating expenses	1,785,730	1,655,871	129,859	1,624,141
Operating income (loss)	(740,230)	(828,449)	(88,219)	(713,217)
Non-operating Revenue (Expenses)				
Grants	—	5,645	5,645	—
Sponsorships and donations	205,000	138,119	(66,881)	179,184
Total non-operating revenue (expenses)	205,000	143,764	(61,236)	179,184
Income (loss) before contributions and transfers	(535,230)	(684,685)	(149,455)	(534,033)
Capital Contributions				
General capital assets	—	—	—	—
Transfers				
Transfers in (out):				
General Fund	290,000	125,000	(165,000)	150,000
State Accommodation (2%) Tax Fund	84,500	73,633	(10,867)	129,859
Beach Services Fund	300,000	350,000	50,000	200,000
Total transfers	674,500	548,633	(125,867)	479,859
Change in net position	139,270	(136,052)	(275,322)	(54,174)
Net position, beginning of year	977,789	977,789	—	1,031,963
Net position, end of year	<u>\$ 1,117,059</u>	<u>\$ 841,737</u>	<u>\$ (275,322)</u>	<u>\$ 977,789</u>

CITY OF NORTH MYRTLE BEACH

INTERNAL SERVICE FUNDS

Internal Service Funds are to be used to account for and report activity that provides goods and services to other funds and departments of the City on a cost—reimbursement basis.

Insurance Reserves:

To account for all revenues and expenses related to operating the City's risk financing activities of employee and retiree/non-employee health insurance.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

INTERNAL SERVICE FUND

INSURANCE RESERVES
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets and Deferred Outflows		
Current assets:		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Restricted cash and cash equivalents:		
HRA custodial account	1,783	91,728
Deposits with others	—	22,446
Receivables, net	231,806	267,038
Prepaid items	393,075	412,976
	<u>626,664</u>	<u>794,188</u>
Deferred outflows of resources:		
Deferred outflows – OPEB related	2,397,471	57,799
Total assets and deferred outflows	<u>\$ 3,024,135</u>	<u>\$ 851,987</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 158,311	\$ 407,552
Claims payable	202,328	299,684
Liabilities payable from restricted assets:		
Health reimbursement accounts payable	318,255	—
Due to General Fund	—	2,290,255
Due to Beach Renourishment Fund	830,602	—
Total current liabilities	<u>1,509,496</u>	<u>2,997,491</u>
Long-term liabilities:		
Total post-employment benefits (OPEB) liability	25,294,172	21,674,997
Total liabilities	<u>26,803,668</u>	<u>24,672,488</u>
Net position:		
Restricted for health insurance claims		—
Unrestricted (deficit)	(23,779,533)	(23,820,501)
Total net position	<u>(23,779,533)</u>	<u>(23,820,501)</u>
Total liabilities and net position	<u>\$ 3,024,135</u>	<u>\$ 851,987</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

INTERNAL SERVICE FUND

INSURANCE RESERVES
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020
(With comparative actual amounts for June 30, 2019)

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Property Liability and Workers				
Compensation premiums	\$ 525,500	\$ 510,000	\$ (15,500)	\$ 500,000
Health premiums –				
Employer/Employee charges	5,085,335	6,499,183	1,413,848	4,571,885
Dependent withholdings	646,000	694,214	48,214	641,944
Retiree/non-employee contributions	450,000	75,864	(374,136)	101,855
Cobra/non-employee contributions	—	487,106	487,106	499,367
Reinsurance reimbursements	—	223,524	223,524	1,549,498
Prescription rebates	—	90,535	90,535	121,968
Forfeitures, rebates and miscellaneous	—	70,390	70,390	19,762
Total operating revenue	6,706,835	8,650,816	1,943,981	8,006,279
Operating Expenses				
General government administration				
Non-employee health expenses –				
Misc. and aggregate premium cost	661,500	760,202	(98,702)	626,186
Dependents	473,531	1,732,240	(1,258,709)	2,587,054
Cobra	297,606	495,433	(197,827)	543,346
Retirees and dependents	32,253	300,338	(268,085)	378,170
Onsite clinic	156,000	308,103	(152,103)	213,620
OPEB liability expense	100,000	1,279,504	(1,179,504)	1,101,290
	1,720,890	4,875,820	(3,154,930)	5,449,666
Employee health expenses –				
Legislative	54,185	202,208	(148,023)	211,576
Administration	25,333	26,698	(1,365)	10,126
City court	42,222	32,903	9,319	27,200
Legal	25,333	6,260	19,073	9,722
Personnel	42,222	89,632	(47,410)	47,148
	189,295	357,701	(168,406)	305,772
Total general government administration	1,910,185	5,233,521	(3,323,336)	5,755,438
Finance				
Employee health expenses	177,332	142,539	34,793	304,247
Overhead allocation	39,608	34,531	5,077	40,224
	216,940	177,070	39,870	344,471
Information services				
Employee health expenses	67,555	28,130	39,425	51,130

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

INTERNAL SERVICE FUND

INSURANCE RESERVES

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Expenses (Continued)				
Public safety				
Employee health expenses –				
Administration	59,111	66,068	(6,957)	42,680
Uniform patrol	515,105	331,951	183,154	653,139
Community service	92,888	78,262	14,626	100,466
Detectives	84,444	48,909	35,535	47,052
Communications/detention	168,888	83,933	84,955	75,992
Records	42,222	31,242	10,980	13,971
Victim’s assistance	8,444	1,808	6,636	1,661
Police training	33,778	8,018	25,760	6,664
Fire/rescue	413,775	359,561	54,214	444,034
Fire prevention/inspection	33,778	23,437	10,341	16,069
Total public safety	1,452,433	1,033,189	419,244	1,401,728
Public works				
Employee health expenses –				
Administration	76,000	126,741	(50,741)	87,227
Streets/drainage	194,221	202,654	(8,433)	97,503
Water and sewer	320,888	162,701	158,187	220,762
Solid waste	227,999	349,305	(121,306)	179,288
Total public works	819,108	841,401	(22,293)	584,780
Planning/Development				
Employee health expenses –				
Administration	76,000	131,649	(55,649)	110,857
Building	76,000	40,810	35,190	84,023
Total planning/development	152,000	172,459	(20,459)	194,880
Parks and recreation				
Employee health expenses –				
Recreation and parks administration	59,111	21,906	37,205	27,987
Athletics	42,222	19,633	22,589	13,077
Programs and concessions	50,667	13,596	37,071	13,009
Parks and beach grounds	202,666	192,265	10,401	235,055
Aquatic center	84,444	133,669	(49,225)	144,402
Total parks and recreation	439,110	381,069	58,041	433,530

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

INTERNAL SERVICE FUND

INSURANCE RESERVES
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL

— CONTINUED —

	2020		Variance Positive (Neg.)	2019
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Employee health expenses –				
Purchasing	33,778	7,935	25,843	7,605
Fleet	50,666	40,196	10,470	147,413
Custodian/facility maintenance	25,333	4,874	20,459	5,406
Total support services	109,777	53,005	56,772	160,424
Total employee and non-employee health expenses	5,167,108	7,919,844	(2,752,736)	8,926,381
Workers compensation expenses –				
General government administration	239,063	219,211	19,852	208,027
Finance	10,637	—	10,637	—
Information services	1,732	—	1,732	—
Public safety	134,542	268,625	(134,083)	279,658
Public works	80,554	394,160	(313,606)	351,049
Planning/development	6,282	—	6,282	—
Parks and recreation	49,655	101,489	(51,834)	24,726
Support services	8,535	—	8,535	721
Total workers compensation	531,000	983,485	(452,485)	864,181
Property liability expenses —				
General government administration	530,000	557,763	(27,763)	523,093
Finance	—	—	—	—
Information services	—	—	—	—
Public safety	25,000	368,208	(343,208)	—
Public works	—	—	—	—
Planning/development	—	—	—	—
Parks/recreation	—	—	—	—
Support services	—	34,543	(34,543)	65,844
Total property liability insurance	555,000	960,514	(405,514)	588,937
Total operating expenses	6,253,108	9,863,843	(3,610,735)	10,379,499
Operating income (loss)	453,727	(1,213,027)	(1,666,754)	(2,373,220)
Non-operating Revenue (Expenses)				
Interest earned on investments	1,000	—	(1,000)	671
Sponsorships and donations – Wellness programs	40,000	14,204	(25,796)	37,250
Total non-operating revenue (expenses)	41,000	14,204	(26,796)	37,921
Transfers				
Transfers in (Out)	—	1,239,791	1,239,791	—
Change in net position	494,727	40,968	(453,759)	(2,335,299)
Net position (deficit), beginning of year	(23,820,501)	(23,820,501)	—	(21,485,202)
Net position (deficit), end of year	\$ (23,325,774)	\$ (23,779,533)	\$ (453,759)	\$ (23,820,501)

CITY OF NORTH MYRTLE BEACH

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 (Exclusive of Terminated Pension Plan)

- 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 NET POSITION

JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	2020	2019
Assets		
Cash and temporary investments	\$ 27,219,455	\$ 25,440,798
Participant loans	1,430,968	1,283,980
Total assets	\$ 28,650,423	\$ 26,724,778
 Net Position		
Held in trust for employee’s pension benefits	\$ 28,650,423	\$ 26,724,778

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

YEAR ENDED JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	2020	2019
Additions		
Employer contributions	\$ 1,118,630	\$ 1,067,943
Employee (member) contributions	283,409	259,081
Investment income gain/(loss)	1,471,789	1,437,891
Non-vested rollover	2,616	—
Total additions	2,876,444	2,764,915
Deductions		
Benefit payments	868,580	790,722
Trustee fees	26,078	22,235
Forfeitures	56,141	28,402
Total deductions	950,799	841,359
Change in net position	1,925,645	1,923,556
Net position held in trust for employee’s pension benefits:		
Beginning of year	26,724,778	24,801,222
End of year	\$ 28,650,423	\$ 26,724,778

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

JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	2020	2019
Assets		
Cash and temporary investments	\$ 1,174,874	\$ 1,029,235
Receivable – participant loan	621	3,248
	\$ 1,175,495	\$ 1,032,483
Net Position		
Held in trust for employee’s pension benefits	\$ 1,175,495	\$ 1,032,483

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

YEAR ENDED JUNE 30, 2020
(With comparative amounts for June 30, 2019)

	2020	2019
Additions		
Employer contributions	\$ 15,348	\$ 15,087
Employee (member) contributions	15,348	15,087
Investment income gain/(loss)	119,566	70,805
Total additions	150,262	100,979
Deductions		
Benefit payments	7,200	7,200
Trustee fees	50	50
Total deductions	7,250	7,250
Change in net position	143,012	93,729
Net position held in trust for employee's pension benefits:		
Beginning of year	1,032,483	938,754
End of year	\$ 1,175,495	\$ 1,032,483

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 AGENCY FUND
 FIREMEN'S FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2020

	<u>Ending Balance 6/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 6/30/20</u>
Assets				
Cash and cash equivalents	\$ 399,252	\$ 327,398	\$ (298,762)	\$ 427,888
Liabilities				
Due to Firemen's Association	\$ 399,252	\$ 327,398	\$ (298,762)	\$ 427,888

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, 2020
 (With comparative amounts for June 30, 2019)

	<u>2020</u>	<u>2019</u>
Governmental Funds Capital Assets		
Land	\$ 24,349,937	\$ 20,091,101
Land improvements	26,773,182	26,064,970
Buildings	27,724,406	27,027,196
Machinery and equipment	27,481,005	26,669,255
	<u>106,328,530</u>	<u>99,852,522</u>
 Infrastructure:		
Roads	35,063,586	31,828,150
Drainage systems	37,891,691	37,860,866
Developer contributions – roads	14,851,389	14,557,940
Sidewalks	2,328,155	2,307,435
Street lighting and other	747,554	747,554
	<u>90,882,375</u>	<u>87,301,945</u>
 Construction in progress	 3,863,132	 3,945,694
Total governmental funds capital assets	<u><u>\$ 201,074,037</u></u>	<u><u>\$ 191,100,161</u></u>
 Governmental Funds Capital Assets by Source		
General Obligation Bonds Notes and Lease – Purchase financing	\$ 34,041,688	\$ 29,782,852
General Fund and Capital Projects revenue and grants	129,780,734	124,359,143
Special Revenue Funds	19,016,840	19,016,840
Gifts and contributions from developers	18,234,775	17,941,326
Total governmental funds capital assets	<u><u>\$ 201,074,037</u></u>	<u><u>\$ 191,100,161</u></u>

VICTIM'S RIGHTS PROGRAM

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
 YEAR ENDED JUNE 30, 2020

	2020
Court Fines and Assessments	
Court fines and assessments collected	\$ 573,982
Court fines and assessments remitted to State Treasurer	(339,747)
Total court fines and assessments retained	\$ 234,235
 Surcharges and Assessments Retained for Victim's Service	
Total surcharges collected	\$ 9,728
Total assessments	28,377
Total surcharges and assessments retained	\$ 38,105
 Funds Allocated to Victim's Service	
Carryover funds from prior year	\$ 38,105
Surcharges and assessments retained	38,105
Expenditures for victim's service	(38,105)
Total unexpended victim's rights assistance funds	\$ —

TABLE I

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NET POSITION BY COMPONENT
(Accrual basis of accounting)
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$120,114,124	\$117,159,976	\$112,201,981	\$99,221,295	\$99,049,806	\$98,935,344	\$90,295,379	\$76,283,793	\$57,863,315	\$70,691,984
Restricted	2,474,471	2,448,154	3,492,178	4,857,344	1,120,128	1,252,242	1,528,723	6,563,965	4,570,958	4,364,806
Unrestricted	-20,065,116	-20,331,842	-20,785,478	-5,749,271	-6,168,576	-8,109,246	5,971,836	9,828,502	25,412,361	8,467,618
Total governmental activities net assets	<u>\$102,523,479</u>	<u>\$99,276,288</u>	<u>\$94,908,681</u>	<u>\$98,329,368</u>	<u>\$94,001,358</u>	<u>\$92,078,340</u>	<u>\$97,795,938</u>	<u>\$92,676,260</u>	<u>\$87,846,634</u>	<u>\$83,524,408</u>
Business-type Activities										
Invested in capital assets, net of related debt	\$89,278,357	\$89,138,793	\$84,077,050	\$75,588,375	\$75,141,498	\$75,173,169	\$74,144,078	\$74,440,570	\$74,694,366	\$75,857,901
Restricted	0	31,894	3,437	2,014,870	1,889,159	2,232,873	2,133,155	1,786,290	3,058,282	4,684,710
Unrestricted	5,154,997	6,879,002	11,567,164	19,147,589	18,148,009	16,413,083	15,502,679	15,396,364	13,868,758	10,303,150
Total business-type activities net assets	<u>\$94,433,354</u>	<u>\$96,049,689</u>	<u>\$95,647,651</u>	<u>\$96,750,834</u>	<u>\$95,178,666</u>	<u>\$93,819,125</u>	<u>\$91,779,912</u>	<u>\$91,623,224</u>	<u>\$91,621,406</u>	<u>\$90,845,761</u>
Primary Government										
Net investments in capital assets	\$209,392,481	\$206,298,769	\$196,279,031	\$174,809,670	\$174,191,304	\$174,108,513	\$164,439,457	\$150,724,363	\$132,557,681	\$146,549,885
Restricted	2,474,471	2,480,048	3,495,615	6,872,214	3,009,287	3,485,115	3,661,878	8,350,255	7,629,240	9,049,516
Unrestricted	-14,910,119	-13,452,840	-9,218,314	13,398,318	11,979,434	8,303,837	21,474,515	25,224,866	39,281,119	18,770,768
Total primary government net assets	<u>\$196,956,833</u>	<u>\$195,325,977</u>	<u>\$190,556,332</u>	<u>\$195,080,202</u>	<u>\$189,180,025</u>	<u>\$185,897,465</u>	<u>\$189,575,850</u>	<u>\$184,299,484</u>	<u>\$179,468,040</u>	<u>\$174,370,169</u>

TABLE II

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN NET POSITION

(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General Government	\$3,029,842	\$3,968,507	\$3,517,347	\$3,004,185	\$3,047,599	\$2,572,264	\$3,784,688	\$2,514,035	\$2,207,219	\$2,441,345
Information Services	657,082	396,832	180,605	906,155	339,912	632,013	538,150	843,764	794,118	552,729
Finance	1,341,504	1,006,700	873,339	596,059	774,629	904,344	765,254	626,799	630,853	853,129
Public Safety	19,242,482	17,769,519	15,803,114	15,255,789	14,373,749	13,673,961	12,056,285	12,431,410	12,461,512	12,256,306
Planning and Development	560,308	1,946,563	2,700,880	2,493,554	1,197,451	1,676,601	1,411,630	1,628,867	1,528,413	1,574,560
Public Works	11,273,711	8,056,354	13,093,698	13,843,442	9,454,346	6,030,984	4,224,995	4,793,492	4,872,278	6,142,162
Parks and Recreation	7,039,551	7,166,937	6,772,705	7,706,417	7,032,599	6,688,178	6,674,840	4,216,638	4,574,828	4,015,757
Support Services	939,941	1,245,616	1,750,626	1,282,379	969,515	1,005,675	989,966	1,040,604	2,143,354	883,701
Debt service - interest	59,509	335,632	43,756	457,819	247,289	293,753	503,633	342,328	494,544	176,685
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$44,143,930	\$41,892,660	\$44,736,070	\$45,545,799	\$37,437,089	\$33,477,773	\$30,949,441	\$28,437,937	\$29,707,119	\$28,896,374
Business-type activities:										
Water and sewer utility	\$17,905,623	\$17,639,937	\$16,754,026	\$16,485,510	\$14,875,662	\$15,231,344	\$15,004,253	\$14,038,718	\$13,449,246	\$13,599,320
Solid waste	5,097,613	4,995,870	4,689,235	5,665,168	4,320,924	4,186,046	3,910,649	3,869,768	3,733,699	3,671,633
Aquatic Center	2,420,169	2,529,958	2,616,721	2,639,909	2,300,222	2,437,895	2,329,002	2,189,548	2,185,319	2,167,517
Beach Services	2,605,753	2,467,404	2,418,998	2,327,243	2,332,493	2,375,543	2,136,232	2,044,683	1,959,723	1,886,846
Sports Park	1,721,638	1,675,452	1,480,029	552,813	-	-	-	-	-	-
Total business type-activities	\$29,750,796	\$29,308,621	\$27,959,009	\$27,670,643	\$23,829,301	\$24,230,828	\$23,380,136	\$22,142,717	\$21,327,987	\$21,325,316
Total primary government expenses	\$73,894,726	\$71,201,281	\$72,695,079	\$73,216,442	\$61,266,390	\$57,708,601	\$54,329,577	\$50,580,654	\$51,035,106	\$50,221,690
Program Revenue										
Governmental activities:										
Fees for services										
Storm Water	\$2,985,228	\$2,932,734	\$2,913,740	\$2,861,702	\$2,131,258	\$2,101,767	\$2,072,644	\$2,033,213	\$2,009,761	\$1,997,341
Fines	349,526	566,702	484,998	549,980	467,082	447,273	489,978	319,623	409,166	425,582
Building Permits	793,665	802,447	38,295	17,520	20,610	16,490	706,512	413,191	377,340	367,195
Other	1,391,161	741,159	606,799	1,219,065	1,035,781	1,109,744	727,194	544,301	483,759	398,874
Operating grants and contributions	171,769	103,798	152,203	85,177	244,173	24,203	16,678	284,415	1,133,814	2,919,065
Capital grants and contributions	6,286,288	6,254,967	11,243,224	11,598,107	3,045,556	3,870,478	2,344,400	623,186	2,456,082	644,989
Total primary government net assets	\$11,977,637	\$11,401,807	\$15,439,259	\$16,331,551	\$6,944,460	\$7,569,955	\$6,357,406	\$4,217,929	\$6,869,922	\$6,753,046

CONTINUED

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN NET POSITION
(Accrual basis of accounting)
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Transfers										
Business-type activities										
Fees for services										
Water & Sewer	\$14,052,064	\$13,998,373	\$13,428,986	\$13,143,657	\$12,587,396	\$12,229,279	\$12,048,522	\$11,768,081	\$11,958,083	\$11,607,077
Solid Waste	5,225,820	5,177,340	4,440,464	4,377,979	4,333,736	4,292,163	4,264,940	4,057,715	3,988,980	3,996,766
Other	4,791,288	5,704,448	5,586,261	4,814,457	4,353,813	4,148,770	3,844,421	3,421,130	3,451,870	3,343,444
Operating grants and contributions	671,710	509,659	590,695	689,905	218,564	-	-	-	-	-
Capital grants and contributions	2,047,448	2,393,780	3,329,879	4,066,847	2,410,017	4,018,655	2,240,057	1,441,531	1,151,020	1,312,519
Total business-type activities	\$26,788,330	\$27,783,600	\$27,376,285	\$27,092,845	\$23,903,526	\$24,688,867	\$22,397,940	\$20,688,457	\$20,549,953	\$20,259,806
Total primary government program revenue	\$38,765,967	\$39,185,407	\$42,815,544	\$43,424,396	\$30,847,986	\$32,258,822	\$28,755,346	\$24,906,386	\$27,419,875	\$27,012,852
Governmental activities:										
Property taxes	\$16,359,402	\$17,252,954	\$15,737,831	\$15,568,216	\$14,783,718	\$14,423,943	\$14,192,390	\$14,362,908	\$13,953,240	\$11,773,505
Accommodations and hospitality taxes	9,388,798	10,377,168	9,960,378	10,193,438	9,349,845	8,914,249	8,215,896	7,757,661	7,161,692	6,857,636
State shared taxes - unrestricted	802,845	932,021	1,160,581	953,621	817,472	924,763	805,341	943,614	920,270	745,289
Business licenses and franchise taxes	9,885,475	9,579,005	9,969,892	8,903,459	8,547,147	8,333,737	7,416,404	7,087,839	6,511,619	6,444,326
Unrestricted investment earnings	273,131	55,114	50,420	59,871	15,853	-	175,616	23,601	37,589	13,260
Miscellaneous	8,650	119,382	69,478	(49,406)	16	325,716	128,296	55,253	(260,745)	476,406
Transfers in/(out)	(1,304,817)	(1,760,886)	(1,861,720)	(2,086,941)	(1,098,403)	(1,403,969)	(1,222,230)	(1,181,242)	(1,164,242)	(1,083,158)
Total governmental activities	\$35,413,484	\$36,554,758	\$35,086,860	\$33,542,258	\$32,415,648	\$31,518,439	\$29,711,713	\$29,049,634	\$27,159,423	\$25,227,264
Business-type activities:										
Unrestricted investment earnings	\$41,314	\$166,173	\$69,200	\$36,493	\$48,313	\$64,689	\$75,692	\$58,506	\$86,779	\$140,633
Miscellaneous	-	-	(2)	26,532	138,602	112,516	246,852	216,330	302,658	218,127
Transfers in/(out)	1,304,817	1,760,886	1,861,720	2,086,941	1,098,403	1,403,969	1,222,230	1,181,242	1,164,242	1,083,158
Total business-type-activities	\$1,346,131	\$1,927,059	\$1,930,918	\$2,149,966	\$1,285,318	\$1,581,174	\$1,544,774	\$1,456,078	\$1,553,679	\$1,441,918
Total primary government general revenue and other changes	\$36,759,615	\$38,481,817	\$37,017,778	\$35,692,224	\$33,700,966	\$33,099,613	\$31,256,487	\$30,505,712	\$28,713,102	\$26,669,182
Changes in Net Position										
Governmental activities:	\$3,247,191	\$6,063,905	\$5,790,049	\$4,328,010	\$1,923,019	\$5,610,621	\$5,119,678	\$4,829,626	\$4,322,226	\$3,083,936
Business-type activities	(1,616,335)	402,038	1,348,194	1,572,168	1,359,543	2,039,213	562,578	1,818	775,645	376,408
Total primary government changes in net assets	\$1,630,856	\$6,465,943	\$7,138,243	\$5,900,178	\$3,282,562	\$7,649,834	\$5,682,256	\$4,831,444	\$5,097,871	\$3,460,344

TABLE III

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROGRAM REVENUE BY COMPONENT

(Accrual basis of accounting)
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/Program										
Governmental Activities:										
General Government	\$ 810,034	\$ 355,731	\$ 431,788	\$ 351,653	\$ 683,965	\$ 628,728	\$ 193,430	\$ 474,149	\$ 1,293,313	\$ 9,697
Information Services	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Public Safety	535,388	771,710	655,752	683,486	625,454	447,273	489,978	599,540	955,610	1,030,879
Planning and Development	793,665	802,447	38,295	17,520	20,610	16,490	706,512	413,191	377,340	367,195
Public Works	8,755,172	8,418,662	13,928,312	14,061,303	4,608,434	5,605,715	4,362,448	2,443,470	3,949,750	5,034,917
Parks and Recreation	1,083,378	1,053,257	385,112	1,217,589	1,005,996	871,749	605,038	287,579	293,909	310,358
Support Services	-	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-	-
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 11,977,637	\$ 11,401,807	\$ 15,439,259	\$ 16,331,551	\$ 6,944,459	\$ 7,569,955	\$ 6,357,406	\$ 4,217,929	\$ 6,869,922	\$ 6,753,046
Business-type activities										
Water and sewer utility	\$ 16,494,468	\$ 16,603,821	\$ 16,952,620	\$ 16,057,493	\$ 15,212,141	\$ 16,247,934	\$ 14,288,579	\$ 13,209,612	\$ 13,109,103	\$ 12,908,796
Solid waste	5,324,190	5,288,762	4,718,665	5,566,371	4,333,735	4,292,163	4,264,940	4,057,715	3,988,980	3,996,766
Aquatic Center	1,741,246	2,191,726	2,104,147	1,994,537	2,039,671	2,022,616	1,949,899	1,868,460	1,822,158	1,747,843
Beach Services	2,257,240	2,609,183	2,495,937	2,503,263	2,317,977	2,126,154	1,894,522	1,552,670	1,629,712	1,606,401
Sports Park	971,186	1,090,108	1,104,916	971,181	-	-	-	-	-	-
Total business-type activities	\$ 26,788,330	\$ 27,783,600	\$ 27,376,285	\$ 27,092,845	\$ 23,903,524	\$ 24,688,867	\$ 22,397,940	\$ 20,688,457	\$ 20,549,953	\$ 20,259,806
Total program revenues by function and program	\$ 38,765,967	\$ 39,185,407	\$ 42,815,544	\$ 43,424,396	\$ 30,847,983	\$ 32,258,822	\$ 28,755,346	\$ 24,906,386	\$ 27,419,875	\$ 27,012,852

TABLE IV

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 FUND BALANCES - GOVERNMENTAL FUNDS
 (Modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Non-spendable	\$ 205,402	\$ 211,636	\$ 214,952	\$ 268,532	\$ 433,674	\$ 259,296	\$ 278,806	\$ 250,073	\$ 274,416	\$ 432,554
Restricted by Others	119,614	159,669	74,248	22,869	46,878	289,208	311,946	464,401	508,682	501,116
Committed by Ordinance	-	-	392,500	392,500	392,500	392,500	392,500	392,500	392,500	392,500
Assigned by Management	-	-	-	-	-	-	-	-	-	-
Unassigned	11,750,453	11,676,294	11,215,198	10,506,670	10,307,596	10,695,070	10,853,581	10,860,908	10,117,180	8,756,419
Total General Fund	\$ 12,075,469	\$ 12,047,599	\$ 11,896,898	\$ 11,190,571	\$ 11,180,648	\$ 11,636,074	\$ 11,836,833	\$ 11,967,882	\$ 11,292,778	\$ 10,082,589
Stormwater Fund										
Restricted by Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Committed by Ordinance	-	-	-	-	-	-	-	2,323,528	2,237,295	2,142,295
Assigned by Management	6,854,871	-	-	-	-	-	-	1,001,089	86,233	95,000
Unassigned	-	3,350,023	-	(560,254)	(991,120)	(5,221,805)	(2,077,205)	-	-	-
Total Stormwater Fund	\$ 6,854,871	\$ 3,350,023	\$ -	\$ (560,254)	\$ (991,120)	\$ (5,221,805)	\$ (2,077,205)	\$ 6,324,617	\$ 5,323,528	\$ 5,237,295
Park Improvement Fund										
Assigned by Management	\$ -	\$ -	\$ -	\$ -	\$ 76,615	\$ -	\$ -	\$ 2,094,163	\$ 13,138,091	\$ -
Unassigned	(4,365,420)	-	-	-	-	-	(314,892)	2,597,021	-	(2,285,866)
Total Park Development Fund	\$ (4,365,420)	\$ -	\$ -	\$ -	\$ 76,615	\$ -	\$ (314,892)	\$ 4,691,184	\$ 13,138,091	\$ (2,285,866)
Street Improvement Fund										
Assigned by Management	\$ 395,433	\$ 343,247	\$ 1,209,710	\$ 3,656,043	\$ 1,913,006	\$ 2,967,662	\$ -	\$ -	\$ -	\$ -
Total Street Improvement Fund	\$ 395,433	\$ 343,247	\$ 1,209,710	\$ 3,656,043	\$ 1,913,006	\$ 2,967,662	\$ -	\$ -	\$ -	\$ -
State (2%) A-Tax Fund										
Restricted by Others	\$ (116,661)	\$ 25,719	\$ (1,286)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total State (2%) A-Tax Fund	\$ (116,661)	\$ 25,719	\$ (1,286)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ 455,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by Others	26,207	-	-	293	351	29,463	431,459	696,452	964,070	863,690
Committed by Ordinance	782,884	830,766	2,144,599	3,561,540	18,380	105,244	65,960	534,332	236,402	-
Assigned by Management	1,881,732	1,782,214	1,678,409	1,417,420	417,220	851,633	3,119,824	2,082,001	3,080,256	2,219,111
Unassigned	(116,362)	(39,353)	(350,374)	(594,753)	-	-	-	-	-	-
Total All Other Gov't Funds	\$ 2,574,461	\$ 2,573,627	\$ 3,472,634	\$ 4,839,500	\$ 435,951	\$ 986,340	\$ 3,617,243	\$ 3,312,785	\$ 4,280,728	\$ 3,082,801
Total Governmental Funds	\$ 17,418,153	\$ 18,340,215	\$ 16,577,956	\$ 19,125,860	\$ 12,615,100	\$ 10,368,271	\$ 13,061,979	\$ 26,296,468	\$ 34,035,125	\$ 16,116,819
Primary Government										
Net investment in Capital Assets	\$209,392,481	\$206,298,769	\$196,279,031	\$174,809,669	\$174,191,303	\$174,108,512	\$164,439,456	\$150,724,362	\$132,557,680	\$146,549,884
Restricted	2,474,471	2,480,048	3,495,615	6,698,349	3,009,287	3,485,115	3,661,878	8,350,255	7,629,240	9,049,516
Unrestricted	(14,910,119)	(13,452,840)	(9,218,314)	(13,572,183)	(11,979,433)	(8,303,837)	(21,474,515)	(25,224,866)	(39,281,119)	(18,770,768)
Total primary government net position	\$196,956,833	\$195,325,977	\$190,556,332	\$195,080,201	\$189,180,023	\$185,897,464	\$189,575,849	\$184,299,483	\$179,468,039	\$174,370,168

Note: The City did not previously prepare this schedule to this level of detail and chooses to implement such data prospective of implementing GASB Statement 54. Only totals readily available are shown for the years prior to categorizing Fund Balances at the new level of detail required.

TABLE V

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN FUND BALANCES
(Modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	2019	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenue										
Property taxes:										
Current property taxes	\$ 15,985,680	\$ 16,862,999	\$ 15,396,881	\$ 15,263,269	\$ 14,362,917	\$ 13,971,950	\$ 13,740,709	\$ 13,547,856	\$ 13,660,745	\$ 11,684,571
Delinquent property taxes	373,722	389,955	340,950	304,947	420,800	451,993	451,681	815,052	292,495	201,185
Special Assessments	1,311,167	1,307,402	1,674,522	2,501,605	-	-	-	-	-	-
Licenses and permits	10,658,336	10,371,262	9,969,892	8,903,459	8,547,147	8,333,737	8,111,216	7,500,430	6,888,599	6,811,281
Fines and forfeitures	281,126	456,877	366,246	401,856	373,506	338,717	377,226	319,623	409,166	425,582
Use of money and property	517,388	355,182	327,412	269,922	221,232	242,666	175,616	218,102	199,597	264,265
Unrestricted intergovernmental	1,019,873	1,163,319	1,160,581	1,189,690	1,029,271	1,127,271	991,176	943,614	920,270	889,898
Restricted intergovernmental	14,107,809	14,965,814	19,481,025	17,664,924	11,831,088	12,257,649	10,374,461	8,380,847	9,617,774	10,277,081
Sales and service charges	4,230,407	3,613,223	3,470,072	4,036,360	3,281,226	3,336,557	2,924,290	2,444,922	2,384,764	2,308,951
Miscellaneous	210,851	231,669	200,258	1,474,124	391,323	431,823	152,316	284,415	1,123,814	312,904
Total revenue	\$ 48,696,359	\$ 49,717,702	\$ 52,387,839	\$ 52,010,156	\$ 40,458,510	\$ 40,492,363	\$ 37,298,691	\$ 34,454,861	\$ 35,497,224	\$ 33,175,718
Expenditures										
Current:										
General Government/Admin.	\$ 3,118,772	\$ 2,596,753	\$ 2,596,471	\$ 2,600,326	\$ 2,409,751	\$ 2,299,321	\$ 2,112,275	\$ 2,111,814	\$ 2,065,118	\$ 2,195,564
Finance	1,565,387	880,974	837,850	848,593	823,982	837,556	775,994	786,086	783,125	777,367
Information Services	572,861	266,411	252,672	332,319	207,508	540,103	517,469	478,024	496,118	443,719
Public Safety	17,027,083	15,821,700	14,465,016	14,070,132	13,602,127	12,945,213	12,411,630	11,619,810	11,652,613	11,557,464
Planning and Development	1,916,201	1,762,261	1,659,680	1,707,321	1,703,051	1,621,962	1,488,171	1,536,643	1,506,101	1,500,942
Public Works	3,281,005	2,994,867	14,840,355	8,778,416	2,789,026	2,570,079	1,977,559	2,169,208	3,395,130	4,544,221
Parks and Recreation	5,321,886	5,524,920	5,297,693	6,137,899	6,210,905	5,530,716	4,660,823	4,072,781	4,453,727	8,613,758
Support Services	1,149,898	1,165,897	1,188,679	1,094,763	998,679	969,600	1,040,662	1,001,090	829,777	871,037
Debt service:										
Principal	5,451,836	3,962,677	3,768,186	6,847,810	5,230,270	2,612,790	2,216,130	2,499,824	3,446,423	2,131,238
Interest	151,069	166,269	414,216	514,796	471,814	551,079	638,513	656,142	506,985	262,740
NMB Capital outlay	9,973,876	9,852,019	6,618,073	5,408,657	4,898,854					
Other Non-Capital Infrastructure	2,896,883	520,495	1,085,726	1,364,017	2,733,241	11,303,683	21,854,891	14,080,854	3,775,940	253,521
Total expenditures	\$ 52,426,757	\$ 45,515,243	\$ 53,024,617	\$ 49,705,049	\$ 42,079,208	\$ 41,782,102	\$ 49,694,117	\$ 41,012,276	\$ 32,911,057	\$ 33,151,571

CONTINUED

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN FUND BALANCES
(Modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing Sources (Uses)										
Bond Issuance/Installment Note Transfers in	\$ 4,258,836	\$ -	\$ -	\$ 6,342,000	\$ 5,000,000	\$ -	\$ 383,167	\$ -	\$ 16,496,381	\$ -
Transfers (out)	9,981,652	10,907,816	9,539,895	9,832,486	8,715,607	9,504,204	10,046,746	9,223,278	8,570,421	7,936,960
Total other financing sources (uses)	<u>\$ (11,432,402)</u>	<u>(12,718,108)</u>	<u>(11,451,021)</u>	<u>(11,968,833)</u>	<u>(9,848,080)</u>	<u>(10,908,173)</u>	<u>(11,268,976)</u>	<u>(10,404,520)</u>	<u>(9,734,663)</u>	<u>(9,020,118)</u>
	\$ 2,808,086	\$ (1,810,292)	\$ (1,911,126)	\$ 4,205,653	\$ 3,867,527	\$ (1,403,969)	\$ (839,063)	\$ (1,181,242)	\$ 15,332,139	\$ (1,083,158)
Net change in fund balances	\$ (922,312)	\$ 2,392,167	\$ (2,547,904)	\$ 6,510,760	\$ 2,246,829	\$ (2,693,708)	\$ (13,234,489)	\$ (7,738,657)	\$ 17,918,306	\$ (1,059,011)
Cumulative effect of restatement	-	(629,658)	-	-	-	-	-	-	-	-
Fund balances, beginning of year	\$ 18,340,465	\$ 16,577,956	\$ 19,125,860	\$ 12,615,100	\$ 10,368,271	\$ 13,061,979	\$ 26,296,468	\$ 34,035,125	\$ 16,116,819	\$ 17,175,830
Fund balances, end of year	<u>\$ 17,418,153</u>	<u>\$ 18,340,465</u>	<u>\$ 16,577,956</u>	<u>\$ 19,125,860</u>	<u>\$ 12,615,100</u>	<u>\$ 10,368,271</u>	<u>\$ 13,061,979</u>	<u>\$ 26,296,468</u>	<u>\$ 34,035,125</u>	<u>\$ 16,116,819</u>
Ratio of Debt Service to General Government Noncapital Expenditure:	<u>15.05%</u>	<u>12.14%</u>	<u>7.47%</u>	<u>16.60%</u>	<u>18.08%</u>	<u>10.59%</u>	<u>10.59%</u>	<u>12.16%</u>	<u>13.83%</u>	<u>6.83%</u>

TABLE VI

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real and Personal Property</u>			<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed Value to Estimated Actual Value</u>
	<u>Real Estate</u>	<u>Personal</u>	<u>Less: Tax-Exempt</u>				
2011	351,371,679	30,443,376	3,317,086	378,497,969	0.0320	6,308,000,000	6.0
2012	352,718,128	30,544,440	3,322,000	379,940,568	0.0380	6,337,624,000	6.0
2013	343,042,000	43,177,328	3,325,000	382,894,328	0.0380	6,435,200,000	6.0
2014	331,177,842	42,866,000	3,320,000	370,723,842 ⁽¹⁾	0.0380	6,234,064,000	6.0
2015	325,236,513	43,200,000	3,310,000	365,126,513	0.0393	6,085,400,000	6.0
2016	333,290,173	36,867,947	4,213,130	365,944,990	0.0393	6,099,083,167	6.0
2017	343,684,218	38,373,811	4,410,770	377,647,259	0.0413	6,294,120,000	6.0
2018	352,269,244	33,592,626	4,953,081	380,908,789	0.0413	6,327,400,000	6.0
2019	363,567,180	39,070,514	5,155,022	397,482,672	0.0433	6,416,347,000	6.0
2020	413,821,481	35,490,920	5,729,991	443,582,410 ⁽¹⁾	0.0371	7,393,040,000	6.0

⁽¹⁾ Reassessment performed by Horry County.

Note: 1 mil is equal to \$443,582 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>
2011	32.0	44.2	132.2	0.7	209.1
2012	38.0	44.5	130.2	0.7	213.4
2013	38.0	44.5	130.2	0.7	213.4
2014	38.0	44.5	130.2	0.7	213.4
2015	39.3	51.7	133.1	0.7	224.8
2016	39.3	51.7	133.1	0.7	224.8
2017	41.3	52.4	133.1	0.7	227.5
2018	41.3	52.4	133.1	0.7	227.5
2019	43.3	50.0	139.3	0.7	233.3
2020	37.1	50.0	128.1	0.7	215.9

Note 1: Each mil for North Myrtle Beach is equal to \$443,582 in property taxes.

Note 2: Millage is expressed in thousands when used in Table VII.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 PRINCIPAL PROPERTY TAXPAYERS
 YEARS 2020 AND 2011

TAXPAYER	TYPE OF BUSINESS	2020			2011		
		ASSESSMENTS	Assessed Value	RANK	ASSESSMENTS	RANK	Percentage of Total Assessed Value
Frontier Communications	Commercial	3,587,210	0.81%	1	3,407,466	2	0.90%
Lawyers Title Insurance Corp	Commercial - Retail	2,714,580	0.61%	2	1,084,986	14	0.29%
Barefoot Landing Commercial LLC	Commercial - Retail	2,219,240	0.50%	3	2,043,498	5	0.54%
The Gator Hole Development LLC	Commercial - Timeshare	2,181,060	0.49%	4	2,161,746	4	0.57%
Fairfield Resorts, Inc.	Commercial - Timeshare	2,036,980	0.46%	5	2,308,886	3	0.61%
Bluegreen Vacations Unlimited Inc.	Commercial - Timeshare	1,677,000	0.38%	6	1,465,218	9	0.39%
Wyndham Vacation Resorts Inc.	Commercial/Retail	1,671,450	0.38%	7			
IREIT NMB Coastal North LLC	Condos	1,597,110	0.36%	8			
NGD Property II LLC	Commercial/Retail	1,500,000	0.34%	9			
SC NMB Retail 3 LLC	Condos	1,289,640	0.29%	10	1,890,276	7	0.50%
Towers on the Grove South LLC	Hotel	1,007,950	0.23%	11			
Worley Harold G TR ETAL	Commercial	989,480	0.22%	12			
Rosen Surfwood, LLC	Commercial	836,060	0.19%	13			
Cherry Grove SC LLC	Commercial - Timeshare	734,320	0.17%	14			
Peppertree Resorts, LTD	Condos - Timeshare	699,060	0.16%	15			
BRGC LLC	Commercial/Retail	668,610	0.15%	16	1,043,137	15	0.28%
Boulineau Holdings LLC	Hotel	665,060	0.15%	17			
AD1 Myrtle Hotels LLC	Commercial/Retail	662,570	0.15%	18			
HD Development of MD, Inc.	Commercial	611,070	0.14%	19			
Bircliffe RV Resort Inc.	Commercial - Timeshare	514,710	0.12%	20			
Peppertree Resort Villas Inc.	Residential Develop.				8,611,756	1	2.27%
Winchester N. Beach Towers LLC	Commercial - Retail				2,033,436	6	0.54%
Lakeside Festival Shopping	Telecommunications				1,541,700	8	0.41%
Verizon South	Residential Develop.				1,398,744	10	0.37%
Ocean Keyes	Condos				1,282,560	11	0.34%
Bahama Sands	Condos				1,153,080	12	0.30%
ETW Development Co. LLC	Residential Develop.				1,143,257	13	0.30%
Centex Homes					\$32,569,746		8.60%
		\$27,863,160	6.28%				

TABLE IX

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Estate Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Collections Amount	Percentage of Levy
2011	12,111,935	11,684,571	96.5%	381,938	12,066,509	99.6%
2012	14,311,506 ³	13,622,325	95.2%	637,760	14,260,085	99.6%
2013	14,048,920	13,547,855	96.4%	442,668	13,990,523	99.6%
2014	14,087,194	13,740,397	97.5%	296,543	14,036,940	99.6%
2015	14,349,472 ¹	13,971,950	97.4%	303,492	14,275,442	99.5%
2016	14,639,240	14,307,884	97.7%	263,024	14,570,908	99.5%
2017	15,596,832 ⁴	15,256,835	97.8%	257,892	15,514,727	99.5%
2018	15,781,533	15,396,881	97.6%	322,130	15,719,011	99.6%
2019	17,260,999 ⁵	16,844,233	97.6%	238,022	17,082,255	99.0%
2020	16,456,907 ²	16,048,603	97.5%	-	16,048,603	97.5%

⁽¹⁾ Millage rate increased to 39.3 from 38.0.

⁽²⁾ Millage rate decreased to 37.1 from 43.3.

⁽³⁾ Millage rate increased to 38.0 from 32.0 to cover debt on 2012 Park Improvement Bonds.

⁽⁴⁾ Millage rate increased to 41.3 from 39.3.

⁽⁵⁾ Millage rate increased to 43.3 from 41.3.

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 ⁽¹⁾
	General Obligation Bonds	Lease and Storm Water Revenue Bonds	Special Assessment Bonds	Installment Notes	Sewer Contracts Payable	Aquatic Center Enterprise Fund	Water and Sewer Contracts Payable	Aquatic Center Enterprise Fund			
2011	4,392,518	1,386,958	-	-	9,110,000	6,335,653	21,225,129	4.18%	1,545		
2012	17,052,815	280,238	-	-	8,253,333	5,846,327	31,432,713	5.90%	2,241		
2013	14,833,832	-	-	-	7,348,333	5,454,779	27,636,944	4.94%	1,930		
2014	12,549,071	383,167	-	-	6,398,333	5,048,000	24,378,571	4.22%	1,667		
2015	10,987,970	630,160	-	-	5,400,000	4,625,396	21,643,526	3.50%	1,450		
2016	7,760,143	319,667	6,342,000	-	4,346,667	4,186,357	22,954,834	2.56%	1,090		
2017	5,675,749	-	4,759,000	225,000	3,236,667	3,730,237	17,626,653	1.79%	786		
2018	2,666,709	-	3,514,000	112,500	2,068,334	3,256,374	11,617,917	1.11%	503		
2019	-	-	2,251,000	-	825,000	2,764,078	5,840,078	0.78%	360		
2020	-	-	971,000	-	-	2,252,631	3,223,631	0.41%	195		

⁽¹⁾ See "Demographic and Economic Statistics" Table XVI for personal income and per capita data.

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>
2011	4,392,518	1.16%	319.69
2012	17,052,815 ⁽¹⁾	4.49%	1,215.63
2013	14,833,832	3.87%	1,035.74
2014	12,549,071	3.39%	858.23
2015	10,987,970	3.01%	736.06
2016	7,760,143	2.12%	509.20
2017	5,675,749	1.39%	337.74
2018	2,666,709	0.70%	167.88
2019	-	0.00%	-
2020	-	0.00%	-

⁽¹⁾ Includes the 2012 General Obligation Park Improvement Bond in the amount of \$15,000,000.

TABLE XII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

TOTAL DIRECT AND OVERLAPPING DEBT

JUNE 30, 2020

<u>Jurisdiction</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		<u>Amount Applicable to the City of Outstanding ⁽²⁾</u>
		<u>General Obligation & Revenue Bond Principal Outstanding ⁽¹⁾</u>	<u>Percentage Applicable to the City of North Myrtle Beach</u>	
City of North Myrtle Beach	\$ 443,582,410	971,000	100.00%	971,000
Sub-Total Direct Debt		\$ 971,000		\$ 971,000
Horry County	2,589,976,000	73,206,000	17.13%	12,540,188
Horry County School District	2,589,976,000	383,850,000	17.13%	65,753,505
Sub-Total Overlapping Debt		\$ 457,056,000		\$ 78,293,693
Grand Total Direct & Overlapping Debt		\$ 458,027,000		\$ 79,264,693

⁽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.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Assessed Valuation	\$443,582	\$397,483	\$380,909	\$377,647	\$365,945	\$365,127	\$370,724	\$382,894	\$379,941	\$378,498
Maximum General Obligation Obligation Debt limited to 8% of total assessed valuation ⁽¹⁾	35,487	31,799	30,473	30,212	29,276	29,210	29,658	30,632	30,395	30,280
Outstanding bonds chargeable to bond limit ⁽²⁾	-	-	2,667	5,679	7,130	10,193	12,549	14,834	15,510	4,393
Legal debt margin	\$ 35,487	\$ 31,799	\$ 27,806	\$ 24,533	\$ 22,146	\$ 19,017	\$ 17,109	\$ 15,798	\$ 14,885	\$ 25,887
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	8.8%	18.8%	24.4%	34.9%	42.3%	48.4%	51.0%	14.5%

⁽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
 PLEDGED 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⁾		Debt Service Coverage	
				Principal	Interest		
2011	Water and Sewer 13,304,028	10,100,338	3,203,690	810,000	526,450	1,336,450	240%
	Stormwater 2,006,694	302,150	1,704,544	1,065,836	74,164	1,140,000	150%
2012	Water and Sewer 13,309,589	9,933,637	3,375,952	856,667	481,900	1,338,567	252%
	Stormwater 2,015,999	285,584	1,730,415	1,106,720	33,280	1,140,000	152%
2013	Water and Sewer 13,134,727	10,600,585	2,534,142	905,000	434,783	1,339,783	189%
	Stormwater 2,033,213	287,046	1,746,167	279,741	1,689	281,430	620%
2014	Water and Sewer 14,755,173	11,484,665	3,270,508	950,000	385,788	1,335,788	245%
2015	Water and Sewer 14,168,542	11,253,062	2,915,480	998,333	331,625	1,329,958	219%
2016	Water and Sewer 14,841,042	11,429,647	3,411,395	1,071,994	237,759	1,309,753	318%
2017	Water and Sewer 15,515,918	12,815,384	2,700,534	1,110,000	227,969	1,337,969	202%
2018	Water and Sewer 16,485,249	12,985,696	3,499,553	1,168,333	169,925	1,338,258	262%
2019	Water and Sewer 16,156,381	13,657,142	2,499,239	1,243,334	113,859	1,357,193	184%
2020	Water and Sewer 16,553,421	14,277,993	2,275,428	-	-	-	N/A

⁽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⁾ Stormwater Bonds paid off in 2013.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROPERTY VALUES AND CONSTRUCTION
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Total Estimated Actual Value Amounts in 000's ⁽¹⁾</u>	<u>Single Family Units ⁽²⁾</u>		<u>Multi- Family Construction</u>		<u>Commercial Construction</u>		<u>Total Construction</u>
		<u>Units</u>	<u>Construction</u>	<u>Units</u>	<u>Construction</u>	<u>Units</u>	<u>Construction</u>	
2011	6,308,000	144	33,999,105	59	7,740,133	5	1,764,856	43,504,094
2012	6,337,624	151	36,051,450	14	9,496,162	10	4,364,688	49,912,300
2013	6,435,200	181	47,217,835	18	12,818,173	3	1,049,445	61,085,453
2014	6,234,064 ⁽³⁾	196	52,374,133	24	18,663,691	11	25,916,588	96,954,412
2015	6,085,400	195	52,571,167	9	4,404,589	10	5,856,243	62,831,999
2016	6,099,083	225	61,549,300	12	10,090,916	9	6,658,244	78,298,460
2017	6,294,120	238	61,935,727	11	1,244,243	16	17,605,427	80,785,397
2018	6,327,400	250	73,656,054	38	4,669,539	11	19,152,423	97,478,016
2019	6,416,347	257	81,607,202	11	15,895,890	6	2,545,341	100,048,433
2020	7,393,040 ⁽³⁾	196	65,350,000	39	5,032,000	15	6,681,520	77,063,520

⁽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.

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>
2011	13,740	507,535	36,939	10.5%
2012	14,028	533,115	38,004	10.1%
2013	14,322	559,984	39,100	9.0%
2014	14,622	588,207	39,491	5.5%
2015	14,928	617,852	41,389	6.7%
2016	15,240	648,991	42,585	5.6%
2017	15,559	681,699	43,814	4.3%
2018	15,885	716,055	45,077	3.8%
2019	16,218	752,142	46,377	3.8%
2020	16,558	790,048	47,714	11.4%

2010			
<u>Horry County</u>		<u>North Myrtle Beach</u>	
<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
8,000	7.5%	425	5.4%
6,989	6.5%	286	3.6%
14,009	13.1%	993	12.6%
14,155	13.3%	860	10.9%
18,692	17.5%	1,359	17.2%
20,613	19.3%	1,640	20.8%
11,511	10.8%	878	11.1%
8,173	7.7%	923	11.7%
2,230	2.1%	352	4.5%
2,361	2.2%	172	2.2%
106,733	100.0%	7,888	100.0%

Median Household Income: \$50,264
 Per Capita Income: \$34,896
 Average Household Size: 1.95

NOTE: North Myrtle Beach population figures for 2011 through 2019 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 2010 Census.

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

TABLE XVII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PRINCIPAL EMPLOYERS

<u>Largest Employers in NMB - 2020 and 2011</u>			
<u>Rank</u>	<u>Employer</u>	<u>2020 # of Employees</u>	<u>2011 # of Employees</u>
1	CITY OF NORTH MYRTLE BEACH	590	0
2	WAL-MART	550	0
3	WYNDHAM SALES & MARKETING	505	0
4	BOULINEAU'S INC	275	0
5	HOMEGROWN HOSPITALITY GRC	226	0
6	LOWES	220	0
7	BAYWATCH RESORT	200	0
8	HOME DEPOT	170	0
9	PUBLIX	165	0
10	KROGER	130	0
11	BAREFOOT RESORT GOLF	120	0
12	CRACKER BARREL	115	0
13	OLIVE GARDEN	110	0
14	CHICK-FIL-A	105	0
15	BUFFALO WILD WING	100	0
16	BI-LO	95	0
17	AVISTA	92	0
18	BEACH COVE	70	0
19	GREG NORMAN'S AUSTRALIAN G	70	0
20	DICK'S LAST RESORT	65	0

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing the changes to the statistical section.

* 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

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

Employees by Function/Program	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Governmental Activities:</u>										
General Government										
Legislative	7.75	8	8	8	8	8	8	8	8	8
Administrative	11.25	10.75	11.5	11.5	11	11	11	11	12	14
City Court	5	5	5	5	5	5	5.5	5.5	5.5	5.5
Information Services	8	8	8	8	7.5	7.5	7	6	6	6
Finance										
Accounting/Revenue	12.5	12.25	12.25	13.75	12.75	12	12	12	12	12
Purchasing	3	4	4.25	4	4.75	4	4	4	6	7
Public Safety										
Administration	18.75	19.5	17	16.5	16.25	13	12	12	12	10
Detectives	10	11	11	10.5	10.5	11	11	10	10	9.5
Public Safety & Fire Officials	114	130	125	130.5	138	131	138	141	141	144
Planning & Community Development										
Administration	9	9	9	9	9	9	10	10	10	10
Inspection Services	9	9	9	9	9	9	9	9	9	9
Public Works										
Streets / Drainage	22	22.5	22	20.75	20	20	19	19	19	19
Fleet Maintenance	4.25	5	5	5	5	5	5	6	6	6
Facility Maintenance	2.5	3	3	3	3	3	3	3	2	2
Parks and Recreation										
Parks & Grounds	28.5	35	27.5	27.5	31.25	27	22.5	16.75	15.25	13
Custodians	5.5	4.75	5	5	5	5	5	6	6	6
Other Recreation Activities	19.5	24	23	23	24.5	22	15	9.75	9	8.8
<u>Business-type Activities:</u>										
Parks and Recreation										
Aquatic & Fitness Center	21.5	25	26	28.5	27.75	26	9	24.6	25	24
Beach Services	44.75	52	51.5	51.25	59	54	0	49	49	41.1
Water & Sewer Utility										
Administration	12.75	12.5	12.5	12.5	13	12	12	12	12	12.75
Wastewater Treatment	7	6.75	5.5	6.5	7	6	6	6	6	6
Wells/Lifts Maintenance	10	8.5	8	9	9	9	9	9	9	9
Construction Maintenance	20.5	21.75	20.75	19	17	18	19	19	19	19
Solid Waste Utility										
Administration	4.25	4	4	4	4	4	4	4	4	4.25
Sanitation Services	25.5	27.25	27.5	27.5	<u>26</u>	<u>28</u>	<u>27.6</u>	<u>29</u>	<u>29</u>	<u>29</u>
GRAND TOTALS	<u>436.75</u>	<u>478.5</u>	<u>461.3</u>	<u>468.3</u>	<u>483.3</u>	<u>459.5</u>	<u>383.6</u>	<u>441.6</u>	<u>441.8</u>	<u>434.9</u>

Source: City of North Myrtle Beach Finance Department

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

MISCELLANEOUS STATISTICAL DATA

June 30, 2020

Date of Incorporation	May 7, 1968
Form of Government	Council/Manager
Area - Square Miles	19
Miles of Shoreline on the Atlantic Ocean	9

WATER & SEWER SYSTEM

Number of Customer Billings for FY 2020	170,820
Daily Pumping Capacity - Gallons	13,200,000
Greatest Pumpage for a Single Day	8,750,000
Maximum Filtration Plant Capacity Per Day - Gallons	14,200,000
Maximum Wells Capacity Per Day - Gallons	2,000,000
Maximum Wastewater Capacity	10,400,000
Greatest Wastewater Treatment Day	8,020,000

PUBLIC SAFETY

Number of Stations	5
Annual Police Calls	31,090
Annual Fire Calls	4,570
Traffic Stops	7,208
Arrests	1,393

BUILDING

Permits Issued	3,860
Estimated Cost of Construction	\$155,995,969
Inspections	11,800

SOLID WASTE

Garbage - Tons	1,221
Construction Debris - Tons	121
Yard Waste - Tons	471
Recycling - Tons	195

AQUATIC & FITNESS CENTER

Member Packages	2,119
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BEACH SERVICES

Lifeguard Stands	54
Rental Boxes	48
Mobile Carts	12

CITY OF NORTH MYRTLE BEACH