

City of North Myrtle Beach

South Carolina



CAFR

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2021

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

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

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION

CITY OF NORTH MYRTLE BEACH



January 31, 2022

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, 2021. 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, 2021, 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 exceed 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 69 through 71 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 at its’ highest level in the last ten years. The tourism industry that is the main provider of economic activity for the City is functioning very well. Sports tourism has seen a significant jump over the previous fiscal year mostly due to the opening of the economy. 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 has progressed at a very rapid pace over the last year due to a growing retirement community in North Myrtle Beach. Significant residential developments have begun construction within the City that are entirely geared towards the retirement community. During the first part of FY 22 the value of new permits was \$104,213,067 which is 49% over the previous fiscal year that was the best in 10 years.

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.

Most governmental and enterprise fund were positive for FY 21 with increased revenue and decreased expenditures and expenses as a result of various project delays and hiring delays due to covid. The City continues to be very cautious on large projects due to the many increases in construction costs and labor costs. Currently the City has a very solid cash balance and will protect that balance into the future. Current projects will be undertaken when the construction environment stabilizes and costs can be predicted with some certainty into 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

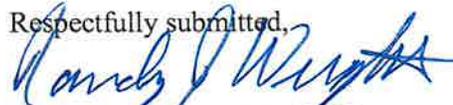
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Myrtle Beach, South Carolina for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2020.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

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of North Myrtle Beach, South Carolina

PRINCIPAL OFFICIALS

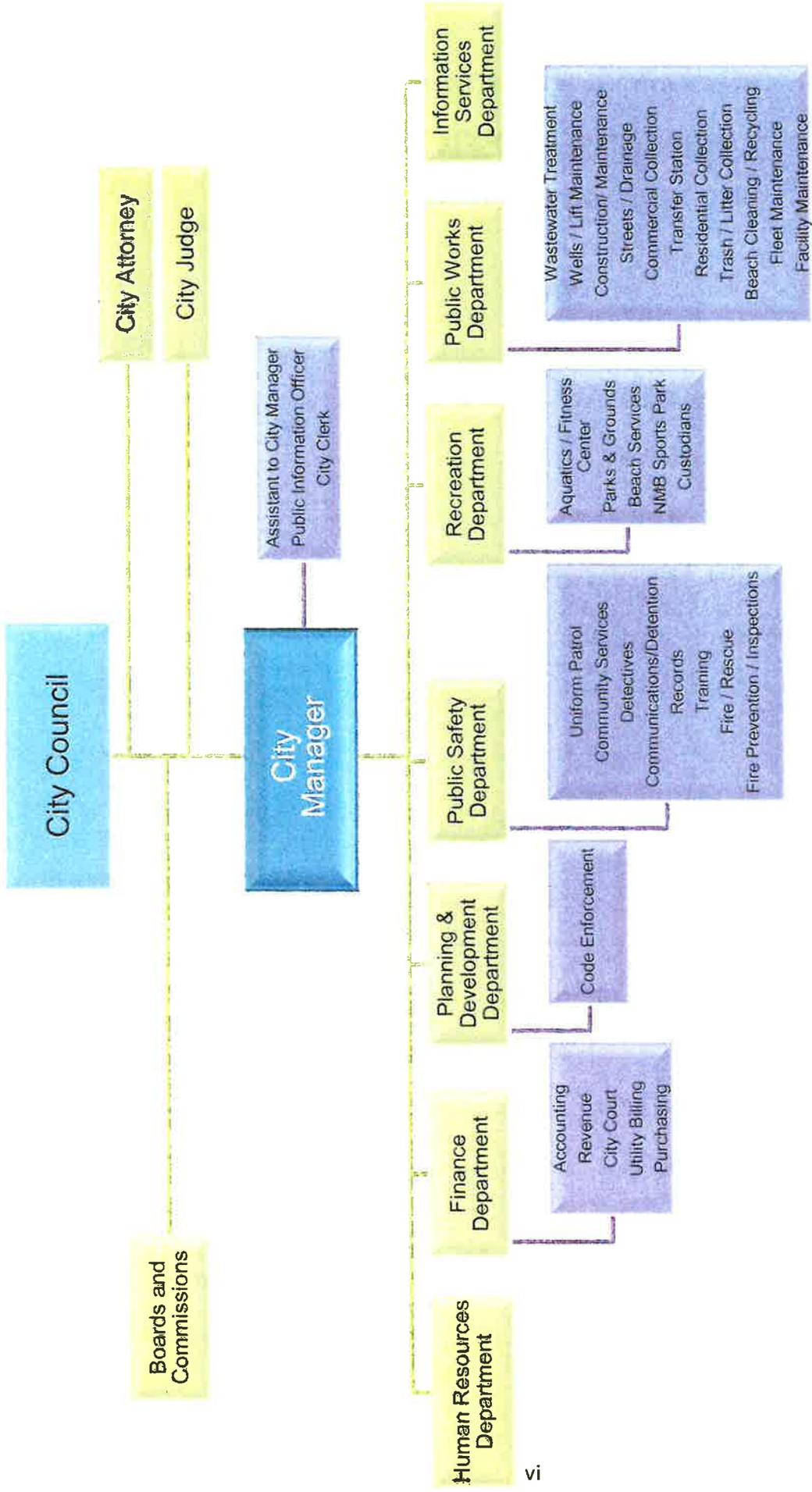
June 30, 2021

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
Police Chief..... Thomas G. Dennis
Fire Chief..... Garry G. Spain
Human Resources Director..... Tammy P. O’Berry



FINANCIAL SECTION

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

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

POST OFFICE BOX 1960, COLUMBIA, SOUTH CAROLINA 29202

Phone: (803) 772-5300

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 aggregate remaining fund information of the City of North Myrtle Beach, South Carolina (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management.

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.

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, 2021, 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, which consisted principally of inquires of management about comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

The prior year summarized comparative information presented in the 2020 individual fund financial statements and schedules has been derived from the City's 2020 audited financial statements, and in my report dated January 31, 2021, 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 21, 2022
Columbia, South Carolina

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

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, 2021. 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 (\$275.6 million) and deferred outflows of resources (\$7.0 million) collectively totaled \$282.6 million for the year end June 30, 2021, and exceeded total liabilities (\$67.7 million) and deferred inflows of resources (\$.7 million) by \$214.2 million. At June 30, 2021, total unrestricted net position resulted in a positive of \$.7 million and available to support short-term operations of the City.

Per the Government-Wide Statement of Activities, the City's total net position increased by \$17.3 million for the year ended June 30, 2021. The Governmental Activities contributed \$14.4 million and the Business-type Activities increased by \$2.9 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 Activities unrestricted net position at year ended June 30, 2021.

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 Annual Comprehensive Financial Report (ACFR), 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, 2021 (with comparative amounts of June 30, 2020) 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	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and cash equivalents:						
Unrestricted	\$ 27,720	\$ 16,060	\$ 9,025	\$ 3,192	\$ 36,745	\$ 19,252
Restricted	1,413	1,332	1,948	1,945	3,361	3,277
Other current assets	12,591	10,307	1,606	2,491	14,197	12,798
Capital assets, net of accumulated depreciation	125,192	121,085	90,680	91,531	215,872	212,616
Other assets, net of accumulated amortization	—	—	5,482	6,389	5,482	6,389
Total assets	166,916	148,784	108,741	105,548	275,657	254,332
Deferred Outflows of Resources	6,488	5,616	468	504	6,956	6,120
Liabilities:						
Current liabilities	12,204	11,953	4,382	4,063	16,586	16,016
Long term liabilities	43,600	39,074	7,473	7,556	51,073	46,630
Total liabilities	55,804	51,027	11,855	11,619	67,659	62,646
Deferred Inflows of Resources	694	850	—	—	694	850
Net Position:						
Net investment in capital assets	122,027	120,114	88,958	89,278	210,985	209,392
Restricted	2,583	2,474	—	—	2,583	2,474
Unrestricted (deficit)	(7,704)	(20,065)	8,396	5,155	692	(14,910)
Total net position	\$116,906	\$102,523	\$ 97,354	\$ 94,433	\$214,260	\$196,956

Governmental Activities – For 2021, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$41.7 million, or 25.0% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation) equaled \$125.2 million or 75.0% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$12.2 million, or 21.9% of total liabilities. Long-term (non-current) liabilities totaled \$43.6 million, or 78.1% of the respective total.

Business-type Activities – For 2021, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$12.8 million, or 11.6% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation and other assets) equaled \$96.2 million, or 88.4% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$4.4 million, or 37% of the respective total liabilities. Long-term (non-current) liabilities totaled \$7.5 million, or 63% 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, 2021 total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$214.2 million at the end of June 30, 2021 (or \$116.9 million for Governmental Activities and \$97.3 million for Business-type Activities).

By far the largest portion (\$210.9 million) of the City's 2021 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 2021 restricted net position (totaling \$2.6 million) consist of \$2.6 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 \$.7 million (consisting of Governmental Activities deficit \$7.7 million and Business-type Activities positive \$8.4 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 2021 and FY 2020 are illustrated in the following table (*with amounts shown in thousands*):

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue:						
Program Revenue:						
Charges for services	\$ 6,813	\$ 5,520	\$ 25,650	\$ 24,069	\$ 32,463	\$ 29,589
Operating grants and contributions	146	172	269	672	415	844
Capital grants and contributions	5,552	6,286	4,288	2,048	9,840	8,334
General revenue:						
Property taxes	20,246	16,359	—	—	20,246	16,359
State shared and other taxes	29,575	20,077	—	—	29,575	20,077
Investment earnings	94	273	118	41	212	314
Other	277	9	—	—	277	9
Total revenue	62,703	48,696	30,325	26,830	93,028	75,526
Expenses:						
General government	6,095	3,030	—	—	6,095	3,030
Finance	1,491	1,342	—	—	1,491	1,342
Information services	573	657	—	—	573	657
Public safety	19,606	19,242	—	—	19,606	19,242
Planning and development	3,764	560	—	—	3,764	560
Public works	6,390	11,274	—	—	6,390	11,274
Parks and recreation	7,269	7,040	—	—	7,269	7,040
Support services	1,054	940	—	—	1,054	940
Interest on general long-term debt	408	59	—	—	408	59
Water and Sewer Utility	—	—	17,148	17,906	17,148	17,906
Solid Waste	—	—	5,105	5,098	5,105	5,098
Aquatic Center	—	—	2,716	2,420	2,716	2,420
Beach Service	—	—	2,460	2,606	2,460	2,606
Sports and Tourism Park	—	—	1,645	1,721	1,645	1,721
Total expenses	46,650	44,144	29,074	29,751	75,724	73,895
Changes in net position before transfers	16,053	4,552	1,251	(2,921)	17,304	1,631
Transfers	(1,670)	(1,305)	1,670	1,305	—	—
Change in net position	14,383	3,247	2,921	(1,616)	17,304	1,631
Net position – beginning of year	102,523	99,276	94,433	96,049	196,956	195,325
Net position – end of year	\$ 116,906	\$ 102,523	\$ 97,354	\$ 94,433	\$ 214,260	\$ 196,956

Of total net position at June 30, 2021, \$116.9 million (and \$102.5 million at June 30, 2020) represents net position of the City's Governmental Activities, and \$97.4 million (and \$94.4 million in 2020) represents total net position of the City's Business-type Activities. At the end of fiscal year 2021, 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 increases primarily due to Enterprise Fund operations and accommodations and hospitality fees.

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)

	<u>Expenses</u>	<u>Total Program Revenue</u>	<u>Net Expenses</u>	<u>% Funded by Program Revenue</u>	<u>% Required to Funded by General Revenue</u>
General govt. admin.	\$ (6,095)	\$ 2,043	\$ (4,052)	33.5%	66.5%
Finance	(1,491)	—	(1,491)	0.0%	100.0%
Information services	(573)	—	(573)	0.0%	100.0%
Public safety	(19,606)	364	(19,242)	1.9%	98.1%
Planning and development	(3,764)	1,254	(2,510)	33.1%	66.9%
Public works	(6,390)	7,562	1,172	100.0%	0.0%
Parks and recreation	(7,269)	1,288	(5,981)	17.7%	82.3%
Support services	(1,054)	—	(1,054)	0.0%	100.0%
Debt service interest	(408)	—	(408)	0.0%	100.0%
Totals	<u>\$ (46,650)</u>	<u>\$ 12,511</u>	<u>\$ (34,139)</u>	<u>26.8%</u>	<u>73.2%</u>

Governmental Activities absorbed 78.98% of the net position deficit in the City's Insurance Reserves Internal Services Fund in 2021. The City also allocates its depreciation of capital assets to the City's functions (see *Note 6*), with Program Revenues covering 26.8% of expenses to fund 2021 Governmental Activities (as compared to 27.1% in 2020). General Revenues of 73.2% in 2021 (as compared to 72.9% in 2020) were required to fund the balance, which as shown below:

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

Property taxes	\$ 20,246
Accommodations/hospitality taxes	18,372
State shared taxes – unrestricted	1,038
Licenses and franchise taxes	10,165
Investment earnings	94
Other revenues	277
Total general revenue before transfers	<u>\$ 50,192</u>

Fund Financial Analysis

General Fund Budgetary Highlights

The General Fund final budgeted revenues were \$35.4 million, and achieved actual revenues of \$37.0 million or within \$1.6 million of budget. Final expenditures budgeted for the General Fund were \$33.6 million with actual expenditures of \$31.9 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 \$1.1 million. However, after considering Other Financing Sources and Uses, and transfers, the General Fund had an actual increase of \$4.4 million 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 \$1.67 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 2021.

The Water and Sewer Utility has been in operation for a number of years and resulted in an operating loss of \$1.8 million for the year ended June 30, 2021 (compared to \$3.1 million in 2020). While economic development continued to increase in 2021, related developer fees and other capital contributions decreased in 2021, and along with steady costs, the Utility Fund realized an increase of \$2.8 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 \$565,275 in 2021 (compared to income of \$322,942 in 2020). After non-operating revenue (expenses) and net transfers, the change in net position increased by \$752,399 in 2021.

The City's Aquatic/Fitness Center Enterprise Fund, in its 16th year of operations, incurred a net operating loss of \$776,562 in 2021 (compared to a loss of \$509,485 in 2020). After non-operating revenues (expenses) and net transfers, the change in net position totaled a decrease by \$22,832 in 2021, as the COVID-19 pandemic of 2020 caused a reduced use of the facilities for a period of time.

The City's Beach Service Enterprise Fund, in its 13th year of operations, incurred a net operating income of \$205,272 in 2021 (compared to a deficit of \$269,167 in 2020). After non-operating revenues (expenses) and net transfers, the change in net position totaled a positive \$792,133 in 2021, as the COVID-19 pandemic of 2020 caused an increase in beach-goers in 2021.

The City's Sports and Tourism Enterprise Fund, in its 6th year of operation, incurred a net operating loss of \$472,540 in 2021 (compared to a loss of \$828,449 in 2020). After recognizing non-operating revenue (expenses), and net transfers, a change in net position totaled a deficit of \$356,296 in 2021, as the COVID-19 pandemic of 2020 caused an increase in the use of the facilities in 2021.

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, 2021, amounts to \$215.9 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 \$122,027 million in 2021 compared to \$120,114 million in 2020. A major emphasis continued in 2021 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 \$88,958 million in 2021 compared to \$89,278 million in 2020. 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 Cherry Grove Dredge Capital Project bonds backed by Special Assessment revenue. The City incurred a new \$5.0 million installment note to acquire additional Sports Park Land. Enterprise Fund revenue-backed long-term debt consists of the Aquatic Center Fund bond totaling \$1.7 million. Additional information on the City's long-term debt can be found in *Note 7* of this report.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of North Myrtle Beach, South Carolina 29582.

AUDITED BASIC FINANCIAL STATEMENTS

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 6,737,746	\$ 4,645,218	\$ 11,382,964
Equity in pooled cash and cash equivalents	20,982,736	4,379,690	25,362,426
Receivables, net	6,456,640	2,116,359	8,572,999
Due from other governments	4,278,987	101,445	4,380,432
Internal balances, net	1,244,931	(1,244,931)	—
Inventories and prepaids	610,011	352,839	962,850
Restricted assets:			
Cash and cash equivalents	1,413,279	3,705	1,416,984
Equity in pooled cash and cash equivalents	—	1,944,456	1,944,456
Deposits held by others	—	280,000	280,000
Total current assets	41,724,330	12,578,781	54,303,111
Non-currents assets:			
Capital assets not subject to depreciation	30,634,615	1,717,646	32,352,261
Capital assets, net of depreciation	94,557,561	88,961,941	183,519,502
Other assets, net	—	5,482,656	5,482,656
Total non-current assets	125,192,176	96,162,243	221,354,419
Deferred outflows of resources:			
Pension plan related, net	4,728,917	—	4,728,917
OPEB related, net	1,758,669	468,058	2,226,727
Total deferred outflows of resources	6,487,586	468,058	6,955,644
Total Assets and Deferred Outflows	\$ 173,404,092	\$ 109,209,082	\$ 282,613,174
Liabilities, Deferred Inflows, and Net Position			
Current liabilities:			
Accounts payable	\$ 1,707,315	\$ 743,978	\$ 2,451,293
Accrued payroll and related taxes	596,140	312,058	908,198
Accrued interest payable	26,901	42,009	68,910
Due to other governments	9,554	—	9,554
Bonds, contracts and notes payable – current portion	2,521,233	552,011	3,073,244
Unearned revenue and deposits	6,379,908	2,604,956	8,984,864
Insurance reserves and claims payable	203,223	54,086	257,309
Liabilities payable from restricted assets	759,884	72,371	832,255
Total current liabilities	12,204,158	4,381,469	16,585,627
Long-term (non-current) liabilities:			
Accrued compensated absences	1,835,869	559,059	2,394,928
Note payable	643,984	1,169,277	1,813,261
Net pension liabilities	19,533,346	—	19,533,346
Total other post-employment benefits (OPEB) liability	21,586,626	5,745,137	27,331,763
Total long-term liabilities	43,599,825	7,473,473	51,073,298
Total liabilities	55,803,983	11,854,942	67,658,925

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities, Deferred Inflows, and Net Position (continued)			
Deferred inflows of resources:			
Pension plan related, net	694,083	—	694,083
Total deferred inflows of resources	694,083	—	694,083
Net position:			
Net investment in capital assets	122,026,959	88,958,299	210,985,258
Restricted for:			
Tourism related	283,411	—	283,411
Public safety pensions	1,640,420	—	1,640,420
Cherry Grove District improvements	581,908	—	581,908
Public safety assistance	77,400	—	77,400
Unrestricted (deficit)	(7,704,072)	8,395,841	691,769
Total net position	116,906,026	97,354,140	214,260,166
Total Liabilities, Deferred Inflows, and Net Position	\$ 173,404,092	\$ 109,209,082	\$ 282,613,174

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government				Net (Expense) Revenue and Changes in	
	Program Revenue		Capital Grants and Contributions	Net Position		
	Fees for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
Functions and Programs						
Governmental Activities:						
General government admin.	\$ (6,095,276)	\$ —	\$ 945,968	\$ (4,052,036)	\$ —	\$ (4,052,036)
Finance	(1,491,231)	—	—	(1,491,231)	—	(1,491,231)
Information Services	(573,155)	—	—	(573,155)	—	(573,155)
Public safety	(19,605,998)	—	—	(19,242,415)	—	(19,242,415)
Planning and development	(3,763,752)	146,391	—	(2,509,945)	—	(2,509,945)
Public works	(6,389,526)	—	4,563,764	1,172,799	—	1,172,799
Parks and recreation	(7,268,947)	—	41,960	(5,980,593)	—	(5,980,593)
Support services	(1,054,134)	—	—	(1,054,134)	—	(1,054,134)
Debt service – interest	(408,841)	—	—	(408,841)	—	(408,841)
Total governmental activities	(46,650,860)	146,391	5,551,692	(34,139,551)	—	(34,139,551)
Business-type Activities:						
Water and Sewer Utility	(17,148,690)	220,535	4,288,410	—	2,107,378	2,107,378
Solid Waste	(5,105,026)	(8,016)	—	—	359,633	359,633
Aquatic Center	(2,716,404)	1,719,482	—	—	(995,124)	(995,124)
Beach Service	(2,459,936)	2,590,724	—	—	119,325	119,325
Sports and Tourism Park	(1,645,168)	1,119,891	—	—	(459,033)	(459,033)
Total business-type activities	(29,075,224)	269,098	4,288,410	—	1,132,179	1,132,179
Total functions and programs	\$ (75,726,084)	\$ 32,463,121	\$ 9,840,102	(34,139,551)	1,132,179	(33,007,372)
General Revenue and Transfers						
General Revenue:						
Property taxes				20,246,371	—	20,246,371
Accommodations and hospitality taxes				18,372,096	—	18,372,096
State shared taxes – unrestricted				1,037,695	—	1,037,695
Business licenses and franchise taxes				10,164,994	—	10,164,994
Unrestricted investment earnings				93,884	118,551	212,435
Miscellaneous				277,114	—	277,114
Transfers:						
Transfers in/(out)				(1,670,056)	1,670,056	—
Total general revenue and transfers				48,522,098	1,788,607	50,310,705
Changes in net position				14,382,547	2,920,786	17,303,333
Net position, beginning of year				102,523,479	94,433,354	196,956,833
Net position, end of year				\$ 116,906,026	\$ 97,354,140	\$ 214,260,166

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2021

	General Fund	Street Improvement Fund	Stormwater Drainage Fund	State (2%) A-Tax Fund	Local (3%) A-Tax Fund	Local (2%) Hospitality Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 6,591,800	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 145,946	\$ 6,737,746
Equity in pooled cash and cash equivalents	792,092	3,884,787	10,181,178	—	312,457	2,730,080	3,082,142	20,982,736
Receivables, net	3,275,201	203,331	76,917	—	1,818,769	872,238	—	6,246,456
Due from other funds	7,528,319	—	—	—	—	—	92,469	7,620,788
Due from other governments	691,310	1,806,977	—	1,780,700	—	—	—	4,278,987
Inventories and prepaids	275,907	—	—	—	—	—	—	275,907
Restricted assets:								
Cash and cash equivalents	566,557	—	—	—	—	—	832,803	1,399,360
Total assets	\$ 19,721,186	\$ 5,895,095	\$ 10,258,095	\$ 1,780,700	\$ 2,131,226	\$ 3,602,318	\$ 4,153,360	\$ 47,541,980
Liabilities and Fund Balances								
Liabilities:								
Accounts and retainage payable	\$ 828,337	\$ 115,737	\$ 7,944	\$ 642,801	\$ —	\$ —	\$ 34,513	\$ 1,629,332
Accrued payroll and withholdings payable	596,140	—	—	—	—	—	—	596,140
Deposits and performance bonds	898,887	—	—	—	—	—	—	898,887
Insurance claims	—	—	—	—	—	—	—	—
Due to other funds	467,191	—	—	854,488	912,231	461,479	844,702	3,540,091
Due to other governments	9,554	—	—	—	—	—	—	9,554
Unearned revenue	—	—	—	—	2,980,633	2,261,991	238,397	5,481,021
Payable from restricted assets	487,959	—	—	—	—	—	—	487,959
Total liabilities	3,288,068	115,737	7,944	1,497,289	3,892,864	2,723,470	1,117,612	12,642,984
Fund balances:								
Non-spendable	275,906	—	—	—	—	—	—	275,906
Restricted by others	77,400	—	—	283,411	—	—	—	362,009
Committed by ordinance	—	—	—	—	—	878,848	2,970,137	3,848,985
Assigned by management	—	—	—	—	—	—	533,003	533,003
Unassigned (deficit) reported in:								
General Fund	16,079,812	—	—	—	(1,761,638)	—	—	16,078,614
Special Revenue Fund	—	5,779,358	10,250,151	—	—	—	—	(1,761,638)
Debt and Capital Service Fund	—	5,779,358	10,250,151	283,411	(1,761,638)	878,848	(467,392)	15,562,117
Total fund balances	16,433,118	11,558,716	20,500,302	283,411	(1,761,638)	878,848	3,035,748	34,898,996
Total liabilities and fund balances	\$ 19,721,186	\$ 5,895,095	\$ 10,258,095	\$ 1,780,700	\$ 2,131,226	\$ 3,602,318	\$ 4,153,360	\$ 47,541,980

— 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	\$ 34,898,996
Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.	125,192,176
Internal service funds are used by management to charge the costs of health insurance to individual funds and are not reported in these funds.	(22,658,647)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(24,561,333)
Deferral outflows and inflows of resources are not financial uses or resources, respectively, and therefore are not reported in these funds.	4,034,834
	<u>82,007,030</u>
Net position, end of year – Governmental Activities	<u>\$ 116,906,026</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, 2021

Revenue	General Fund	Street Improvement Fund	Stormwater Drainage Fund	State (2%) A-Tax Fund	Local (3%) A-Tax Fund	Local (2%) Hospitality Fund	Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 20,246,371	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,312,248	\$ 20,246,371
Special assessments	—	—	—	—	—	—	—	1,312,248
Licenses and permits	11,171,650	—	—	—	—	—	—	11,171,650
Fines and forfeitures	196,653	—	—	—	—	—	—	196,653
Use of money and property	236,919	—	—	—	—	—	62,076	298,995
Unrestricted intergovernmental	1,293,511	—	—	—	—	—	—	1,293,511
Restricted intergovernmental	1,381,833	1,829,082	1,000,000	4,385,508	7,814,966	5,915,806	28,529	22,355,724
Sales and service charges	1,654,032	—	2,986,672	—	—	—	100,760	4,741,464
Miscellaneous	809,733	277,114	—	—	—	—	—	1,086,847
Total revenue	36,990,702	2,106,196	3,986,672	4,385,508	7,814,966	5,915,806	1,503,613	62,703,463
Expenditures								
Current:								
General government administration	2,820,088	—	—	—	47,314	47,314	—	2,914,716
Finance	1,518,972	—	54,940	—	—	—	—	1,573,912
Information services	471,272	—	—	—	—	—	—	471,272
Public safety	16,712,710	—	—	—	—	—	—	16,712,710
Planning/development	1,857,506	—	—	—	—	—	—	1,857,506
Public works	2,531,232	4,316,271	427,920	—	—	—	110,897	7,386,320
Parks and recreation	3,434,133	—	—	1,869,704	—	—	—	5,303,837
Support services	1,065,625	—	—	—	—	—	—	1,065,625
Debt service	700	—	—	—	—	—	—	700
Capital outlay	1,464,447	—	224,632	—	—	—	3,191,521	3,192,221
Total expenditures	31,876,685	4,316,271	707,492	1,869,704	47,314	47,314	9,643,587	48,508,367
Excess (deficiency) of revenue over (under) expenditures	5,114,017	(2,210,075)	3,279,180	2,515,804	7,767,652	5,868,492	(8,139,974)	14,195,096
Other Financing Sources (Uses)								
Note proceeds	—	—	—	—	—	—	5,000,000	5,000,000
Transfers in	6,767,829	7,594,000	116,100	—	—	—	9,825,083	24,303,012
Transfers (out)	(7,524,197)	—	—	(2,258,600)	(9,412,928)	(4,872,983)	(1,948,557)	(26,017,265)
Total other financing sources (uses)	(756,368)	7,594,000	116,100	(2,258,600)	(9,412,928)	(4,872,983)	12,876,526	3,285,747
Net change in fund balances	4,357,649	5,383,925	3,395,280	257,204	(1,645,276)	995,509	4,736,552	17,480,843
Fund balances, beginning of year	12,075,469	395,433	6,854,871	26,207	(116,362)	(116,661)	(1,700,804)	17,418,153
Fund balances, end of year	\$ 16,433,118	\$ 5,779,358	\$ 10,250,151	\$ 283,411	\$ (1,761,638)	\$ 878,848	\$ 3,035,748	\$ 34,898,996

— 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	<u>\$ 17,480,843</u>
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.	4,107,052
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.	(3,877,572)
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.	(1,133,559)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(2,194,2147)</u> <u>(3,098,296)</u>
Change in Net Position – Governmental Activities	<u><u>\$ 14,382,547</u></u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET
PROPRIETARY FUNDS

JUNE 30, 2021

	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	\$ 4,634,523	\$ —	\$ 695	\$ 6,000	\$ 4,000	\$ 4,645,218	\$ —	
Equity in pooled cash and cash equivalents	139,230	3,582,994	—	657,466	—	4,379,690	—	
Receivables, net	1,829,497	206,570	14,648	9,025	680	2,060,420	266,123	
Due from other funds	—	—	—	302,179	467,191	769,370	—	
Due from other governments	—	101,445	—	—	—	101,445	—	
Inventories and prepaid items	263,920	—	—	—	—	263,920	423,024	
Restricted assets:								
Cash and cash equivalents	—	—	—	—	—	—	17,624	
Equity in pooled cash and cash equivalents	1,944,456	—	—	—	—	1,944,456	—	
Deposits with others	280,000	—	—	—	—	280,000	—	
Total current assets	9,091,626	3,891,009	15,343	974,670	471,871	14,444,519	706,771	
Non-current assets:								
Capital assets, not subject to depreciation	1,701,397	22,134	—	—	—	1,723,531	—	
Capital assets, subject to depreciation, net	79,693,453	1,780,051	6,134,179	623,796	724,577	88,956,056	—	
Total capital assets, net	81,394,850	1,802,185	6,134,179	623,796	724,577	90,679,587	—	
Other assets, net	5,482,656	—	—	—	—	5,482,656	—	
Total non-current assets	86,877,506	1,802,185	6,134,179	623,796	724,577	96,162,243	—	
Total assets	95,969,132	5,693,194	6,149,522	1,598,466	1,196,448	110,606,762	—	
Deferred outflows of resources:								
Deferred outflows – OPEB related	—	—	—	—	—	—	2,226,727	
Total assets and deferred outflows	\$ 95,969,132	\$ 5,693,194	\$ 6,149,522	\$ 1,598,466	\$ 1,196,448	\$ 110,606,762	\$ 2,933,498	

— 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	\$ 538,940	\$ 86,439	\$ 21,770	\$ 67,064	\$ 9,010	\$ 723,223	\$ 98,738
Accrued payroll and related taxes	96,885	55,946	29,416	124,085	5,726	312,058	—
Due to other funds	—	—	584,827	—	674,754	1,259,581	3,590,486
Accrued interest payable	—	—	42,009	—	—	42,009	—
Contracts and note payable -- current portion	—	—	552,011	—	—	552,011	—
Unearned revenue and deposits	2,374,926	—	211,270	—	18,760	2,604,956	—
Insurance reserves and claims payable	—	—	—	—	—	—	257,309
Liabilities payable from restricted assets	—	—	—	—	—	—	344,296
Total current liabilities	3,010,751	142,385	1,441,303	191,149	708,250	5,493,838	4,290,829
Long-term (non-current) liabilities:							
Accrued compensated absences	347,267	147,828	58,511	2,696	2,757	559,059	—
Contracts payable	—	—	—	—	—	—	—
Note payable	—	—	1,169,277	—	—	1,169,277	—
Other post-employment benefits (OPEB)	—	—	—	—	—	—	27,331,763
Total long-term liabilities	347,267	147,828	1,227,788	2,696	2,757	1,169,277	27,331,763
Total liabilities	3,358,018	290,213	2,669,091	193,845	711,007	7,222,174	31,622,592
Net position:							
Net investment in capital assets	81,394,850	1,802,185	4,412,891	623,796	724,577	88,958,299	—
Restricted for:							
Future capacity and deposits	—	—	—	—	—	—	(28,689,094)
Health insurance claims	—	—	—	—	—	—	—
Unrestricted (deficit)	11,216,264	3,600,796	(932,460)	780,825	(239,136)	14,426,289	—
Total net position	92,611,114	5,402,981	3,480,431	1,404,621	485,441	103,384,588	(28,689,094)
Total liabilities and net position	\$ 95,969,132	\$ 5,693,194	\$ 6,149,522	\$ 1,598,466	\$ 1,196,448	\$ 110,606,762	\$ 2,933,498

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.

(6,030,448)

\$ 97,354,140

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2021

	Water and Sewer Utility	Business-type Activities – Enterprise Funds				Totals	Internal Service Fund
		Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
Operating Revenue	\$ 14,747,123	\$ 5,472,675	\$ 1,719,482	\$ 2,590,724	\$ 1,119,891	\$ 25,649,895	\$ 6,961,952
Sales and service charges	14,747,123	5,472,675	1,719,482	2,590,724	1,119,891	25,649,895	6,961,952
Total operating revenue							
Operating Expenses							
General government administration	1,618,997	294,359	107,803	187,695	7,263	2,216,117	7,576,648
Finance	907,647	123,051	26,340	98,775	13,170	1,168,983	99,412
Information services	288,350	57,670	19,223	28,835	9,612	403,690	14,074
Public safety	74,977	—	—	760,131	—	835,108	2,064,643
Planning/development	46,570	—	—	—	—	46,570	1,165,516
Public works	9,294,619	3,723,964	1,998,474	1,076,273	1,283,676	13,018,583	273,730
Parks and recreation	469,625	140,898	50,746	42,533	—	703,802	62,666
Support services	3,886,464	567,458	293,458	191,210	278,710	4,358,423	621,165
Depreciation and amortization	16,587,249	4,907,400	2,496,044	2,385,452	1,592,431	5,217,300	62,666
Total operating expenses							
Operating income (loss)	(1,840,126)	565,275	(776,562)	205,272	(472,540)	(2,318,681)	(4,915,902)
Non-Operating Revenue (Expenses)							
Interest earned on investments	118,552	—	—	—	—	118,552	—
Interest expense	—	—	(74,660)	—	—	(74,660)	—
Non-operating program fees and other	245,914	—	2,575	760	66,475	315,724	6,341
Restricted intergovernmental grants (expenses)	(25,379)	(8,016)	(777)	(12,223)	(231)	(46,626)	—
Total non-operating revenue (expenses)	<u>339,087</u>	<u>(8,016)</u>	<u>(72,862)</u>	<u>(11,463)</u>	<u>66,244</u>	<u>312,990</u>	<u>6,341</u>
Income (loss) before contributions and transfers	(1,501,039)	557,259	(849,424)	193,809	(406,296)	(2,005,691)	(4,909,561)
Capital Contributions	4,288,410	—	—	—	—	4,288,410	—
Transfers – in (out)	—	195,140	826,592	598,324	50,000	1,670,056	—
Change in net position	2,787,371	752,399	(22,832)	792,133	(356,296)	3,952,775	(4,909,561)
Net position, beginning of year	89,823,743	4,650,582	3,503,263	612,488	841,737	99,431,813	(23,779,533)
Net position, end of year	\$ 92,611,114	\$ 5,402,981	\$ 3,480,431	\$ 1,404,621	\$ 485,441	\$ 103,384,588	\$ (28,689,094)
<i>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):</i>							
Change in Net Position of Business-type Activities	<i>Internal</i>						
See accompanying notes to financial statements.	\$ 2,920,786						

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2021

	Water and Sewer Utility	Business-type Activities – Enterprise Fund					Totals	Internal Service Fund
		Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park			
Cash flows from operating activities								
Cash received from:								
User fees	\$ 14,263,403	\$ 5,473,110	\$ 1,716,482	\$ 2,572,841	\$ 1,124,856	\$ 25,150,692	\$ 6,927,635	
Tap fees	229,447	—	—	—	—	229,447	—	
Service and miscellaneous charges	232,753	—	—	—	—	232,753	—	
Cash paid to (for):								
Employee salaries and related costs	(4,447,058)	(2,108,847)	(1,117,666)	(1,275,182)	(173,605)	(9,122,358)	—	
Water and sewer system costs	(4,979,985)	—	—	—	—	(4,979,985)	—	
Garbage collection services	—	(1,423,789)	—	—	—	(1,423,789)	—	
Aquatic Center operations	—	—	(950,002)	—	—	(950,002)	—	
Beach Service operations	—	—	—	(242,688)	—	(242,688)	—	
Sports and Tourism Park operations	—	—	—	—	(481,676)	(481,676)	—	
Insurance claims costs	—	—	—	—	—	—	(9,651,678)	
Overhead and miscellaneous costs	(2,868,998)	(795,133)	(235,534)	(591,356)	(669,046)	(5,160,067)	(26,341)	
Net cash provided by (used in) operating activities	2,429,562	1,145,341	(586,720)	463,615	(199,471)	3,252,327	(2,750,384)	
Cash flows from non-capital and related financing activities								
Inter-fund borrowing/payments, net	—	—	421,808	(268,238)	159,985	313,555	2,759,884	
Tower rental and other	245,914	—	—	—	—	245,914	—	
Intergovernmental grants	—	—	—	—	—	—	—	
Local accommodation/hospitality taxes and other transfers	—	195,140	826,592	598,324	50,000	1,670,056	—	
Non-operating fees, donations/fundraisers	(25,379)	(8,016)	(1,798)	(11,463)	66,244	19,588	6,341	
Net cash provided by (used in) non-capital and related financing activities	220,535	187,124	1,246,602	318,623	276,229	2,249,113	2,766,225	
Cash flows from capital and related financing activities								
Acquisition and construction of capital assets	(3,211,494)	(3,120)	(44,507)	(123,772)	(76,758)	(3,459,651)	—	
Principal paid on bonds, notes, and contracts	—	—	(531,342)	—	—	(531,342)	—	
Interest and bond agent fees on long-term debt	—	—	(84,033)	—	—	(84,033)	—	
Capital contributions – impact fees, grants and other cash contributions	4,288,410	—	—	—	—	4,288,410	—	
Net cash provided by (used in) capital and related financing activities	1,076,916	(3,120)	(659,882)	(123,772)	(76,758)	213,384	—	

— 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	118,552	—	—	—	—	118,552	—
Net cash provided by (used in) investing activities	118,552	—	—	—	—	118,552	—
Net increase (decrease) in cash and cash equivalents	3,845,565	1,329,345	—	658,466	—	5,833,376	15,841
Cash and cash equivalents, beginning of year (of which \$1,946,239 is restricted)	928,188	2,253,649	695	5,000	4,000	3,191,532	1,783
Cash and cash equivalents, end of year (of which \$1,962,080 is restricted)	\$ 4,773,753	\$ 3,582,994	\$ 695	\$ 663,466	\$ 4,000	\$ 9,024,908	\$ 17,624
Reconciliation of operating income (loss) to net cash from operating activities							
Operating income (loss)	\$ (1,840,126)	\$ 565,275	\$ (776,562)	\$ 205,272	\$ (472,540)	\$ (2,318,681)	\$ (4,915,902)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	3,886,464	567,458	293,458	191,210	278,710	5,217,300	—
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(21,520)	435	3,000	17,883	4,965	4,763	(34,317)
(Increase) decrease in inventories and prepaid items	844	—	—	—	—	844	(29,949)
Increase (decrease) in accounts and other payables	287,689	5,398	5,290	11,025	(7,881)	301,521	(59,573)
Increase (decrease) in payroll and accrued liabilities	34,408	6,775	30,183	38,225	1,635	111,226	—
Increase (decrease) in unearned revenue/deposit	81,803	—	(142,089)	—	(4,360)	(64,646)	—
Increase (decrease) in other post-employment benefits (OPEB) and deferred outflows	—	—	—	—	—	—	2,289,357
Net cash provided by (used in) operating activities	\$ 2,429,562	\$ 1,145,341	\$ (586,720)	\$ 463,615	\$ (199,471)	\$ 3,252,327	\$ (2,750,384)
Supplemental disclosure of non-cash capital and related financing activities							
System contributions by developers	\$ 1,483,100	\$ —	\$ —	\$ —	\$ —	\$ 1,483,100	\$ —

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2021

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
	<u>Money Purchase Pension Plans</u>	<u>Firemen's (1%) Fund</u>
Assets		
Cash and cash equivalents	\$ —	\$ 145,971
Cash and temporary investments – mutual funds	35,405,317	—
Receivables – Participant loans	1,236,770	—
Total assets	<u>\$ 36,642,087</u>	<u>\$ 145,971</u>
Liabilities		
Accounts payable	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
Net Position		
Restricted for employee's pension benefits	\$ 36,642,087	\$ —
Accounts held for City Firemen's Association	—	145,971
Total net position	<u>36,642,087</u>	<u>145,971</u>
Total liabilities and net position	<u>\$ 36,642,087</u>	<u>\$ 145,971</u>

See accompanying notes to financial statements.

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

YEAR ENDED JUNE 30, 2021

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
	<u>Money Purchase Pension Plans</u>	<u>Firemen's (1%) Fund</u>
Additions		
Contributions:		
Employer contributions	\$ 1,123,276	\$ —
Employee (member) contributions	283,561	—
Investment income and net appreciation in fair value of investments	7,084,578	—
Non-vested rollover	—	—
Other:		
Amounts collected from the State	—	342,031
Total additions	<u>8,491,415</u>	<u>342,031</u>
Deductions		
Benefit payments and loan issuance costs	1,600,780	—
Trustee fees	30,591	—
Forfeitures	43,845	—
Payment for City firemen's association activities	—	623,948
Total deductions	<u>1,675,216</u>	<u>623,948</u>
Change in net position	6,816,169	(281,917)
Net position, beginning of year	<u>29,825,918</u>	<u>427,888</u>
Net position, end of year	<u>\$ 36,642,087</u>	<u>\$ 145,971</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, 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, State A-Tax (2%) Fund, Local A-Tax (3%) Fund, Local Hospitality (2%) Fees Fund, and Stormwater Drainage 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 and Park Land Note.

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 custodial 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 Custodial Funds to account for the City's Firemen's (1%) Fund.

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*.

Custodial Funds – Custodial Fund is used to account for assets held by the City for individuals, private organizations, other governments, and/or other funds and are custodial in nature. The City's Firemen's (1%) 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. 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, 2021, ‘final budgeted’ expenditures/expenses and other financing sources and uses exceeded estimated revenues as follows: Local Hospitality (2%) Fees Fund by \$2,995,000; Capital Improvement Fund by \$1,676,350; Beach Renourishment Fund by \$57,124; Stormwater Drainage Fund by \$6,244,296; and Cherry Grove Dredge Fund by \$650,000. 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 \$17.7 million, \$5.3 million, \$2.6 million, \$2.8 million, and \$1.8 million, respectively. At June 30, 2021, deficit fund balances/net position resulted in the following: Local A-Tax (3%) Fund by \$1,761,638; Capital Improvement Fund by \$467,392; and Insurance Reserves Internal Service Fund by \$28,689,094. 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 have historically been reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. However, and pursuant to GASB #89, material capitalized interest costs are no longer capitalized.

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, 2021, 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, 2021. 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, 2021:

General Fund:	
Inventories and prepaid items	\$ 275,906
Total Non-spendable	<u>\$ 275,906</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	\$ 7,427
Public Safety Scholarship	69,973
	77,400
Special Revenue Fund:	
State (2%) A-tax	283,411
Total restricted by others	\$ 360,811

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:

Special Revenue Funds:	
Local (2%) Hospitality	\$ 878,848
Debt Service Funds:	
Cherry Grove Municipal Improvement District Bonds	104,863
Park Land Note	634,606
Capital Projects Funds:	
Cherry Grove dredge project	581,908
Total committed by ordinance	\$ 2,210,225

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	\$ —
Street Improvement repairs and underground utilities projects	5,779,358
Beach Renourishment projects	1,648,760
Park Development	533,003
Stormwater Drainage projects	10,250,151
Total assigned by management	\$ 18,211,272

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 licensees). 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 2020 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, 2021, the carrying amount of the City’s cash deposits with financial institutions was \$2,213,374 and the financial institution’s balances totaled \$3,955,258. Of this balance, \$1,522,073 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, 2021, 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, 2021, the City had the following investment types:

	<u>Fair Value</u>	<u>Weight Average Maturity (years)</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 26,656,439		n/a
Certificates of deposit	10,205,560		n/a
Money Market funds	1,159,145	n/a	Aa1
Mutual funds	35,405,309	n/a	AAA
Total carrying value	<u>\$ 73,426,453</u>		

At June 30, 2021, 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 36.3%, 13.9%, 1.6%, and 48.2% 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, 2021 are as follows:

Cash on hand	\$ 18,295
Carrying amount of cash deposits	2,213,370
Carrying amount of investments	<u>73,426,453</u>
Total	<u>\$ 75,658,118</u>
Government-wide Statement of Net Position:	
Cash and cash equivalents	\$ 11,382,964
Equity in pooled cash and cash equivalents	25,362,426
Cash and cash equivalents-restricted	1,416,986
Equity in pooled cash and cash equivalents-restricted	1,944,456
Statement of Fiduciary Net Position:	
Cash and cash equivalents – Agency Fund	145,971
Investments – Pension Trust Funds:	
Money Purchase Retirement Plan #1	33,730,938
Money Purchase Retirement Plan #2	<u>1,674,379</u>
Total	<u>\$ 75,658,118</u>

3. Receivables

Receivables at June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 1,233,214	\$ —
Franchise fees	797,233	—
Grants	1,108,563	—
Street improvement fees	203,331	—
Stormwater fees	76,917	—
Local accommodation and hospitality fees	2,691,007	—
Water and sewer accounts	—	1,829,497
Solid waste user fees	—	206,570
Aquatic Center	—	14,648
Beach Service	—	9,025
Sports tourism fees	—	680
Insurance reimbursements	—	266,123
Other	<u>1,369,405</u>	<u>—</u>
Gross receivables	7,478,670	2,326,543
Less: allowance for uncollectibles	<u>(1,022,030)</u>	<u>(210,184)</u>
Net total receivables	<u>\$ 6,456,640</u>	<u>\$ 2,116,359</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, 2021, 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	\$ 7,528,319	\$ (467,191)	\$ 6,767,829	\$ (7,524,197)
Special Revenue Funds:				
State Accommodations (2%) Tax Funds	—	(854,488)	—	(2,258,600)
Local Accommodations (3%) Tax Fund	—	(912,231)	—	(9,412,928)
Local Hospitality (2%) Fees Fund	—	(461,479)	—	(4,872,983)
Debt Service:				
Park Bonds	—	—	1,948,557	—
Cherry Grove Bonds	—	(92,469)	—	—
Capital Projects Funds:				
Park Improvement Fund	—	—	4,555,000	(1,948,557)
Capital Improvement Fund	—	(502,090)	2,953,650	—
Street Improvement Fund	—	—	7,594,000	—
Beach Renourishment Fund	—	—	367,876	—
Stormwater Drainage Fund	—	—	116,100	—
Cherry Grove Dredge Fund	92,469	(250,143)	—	—
<u>Business-type Activities</u>				
Enterprise Funds:				
Water and Sewer Fund	—	—	—	—
Solid Waste Fund	—	—	195,140	—
Aquatic Center Fund	—	(584,827)	826,592	—
Beach Services Fund	302,179	—	598,324	—
Sports and Tourism Park Fund	467,191	(674,754)	50,000	—
Internal Service Insurance Reserve Fund	—	(3,590,486)	—	—
<u>Fiduciary Funds</u>				
Pension Trust Fund	—	—	44,197	—
	<u>\$ 8,390,158</u>	<u>\$ (8,390,158)</u>	<u>\$ 26,017,265</u>	<u>\$ (26,017,265)</u>

Net internal balances shown on the Statement of Net Position between Governmental and Business-type activities equaled \$1,244,931. Net transfers between Governmental and Business-type Activities totaled \$1,670,056 and resulted from short-term loans between individual funds. The General Fund contributed \$44,197 to the Terminated Pension Plan Trust Fund during the year ended June 30, 2021.

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	\$ 522,458	\$ (9,554)
Horry County	168,852	—
Special Revenue Fund:		
State Accommodations (2%) Tax Fund	1,780,700	—
Capital Projects Fund:		
Street Improvement Grant	1,806,977	—
	<u>\$ 4,278,987</u>	<u>\$ (9,554)</u>
<u>Business-type Activities</u>		
Solid Waste Enterprise Fund grants	\$ 101,445	\$ —

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, 2021, are as follows:

Governmental Activities:

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 24,349,937	\$ 3,006,170	\$ —	\$ —	\$ 27,356,107
Construction in progress	3,863,132	6,259,708	—	(6,844,332)	3,278,508
Total capital assets not being depreciated	<u>28,213,069</u>	<u>9,265,878</u>	<u>—</u>	<u>(6,844,332)</u>	<u>30,634,615</u>
Capital assets being depreciated:					
Buildings	27,724,406	46,715	—	3,902,593	31,673,714
Improvements	26,773,182	78,888	—	107,026	26,959,096
Machinery and equipment	27,481,005	1,256,883	(2,807,149)	1,164,854	27,095,593
Infrastructure	90,882,375	564,737	—	1,669,859	93,116,971
Total capital assets being depreciated	<u>172,860,968</u>	<u>1,947,223</u>	<u>(2,807,149)</u>	<u>6,844,332</u>	<u>178,845,374</u>
Less, accumulated depreciation for:					
Buildings	(13,260,059)	(832,480)	—	—	(14,092,539)
Improvements	(10,196,819)	(1,069,885)	—	—	(11,266,704)
Machinery and equipment	(20,173,542)	(1,992,034)	2,807,149	—	(19,358,427)
Infrastructure	(36,358,493)	(3,211,650)	—	—	(39,570,143)
Total accumulated depreciation	<u>(79,988,913)</u>	<u>(7,106,049)</u>	<u>2,807,149</u>	<u>—</u>	<u>(84,287,813)</u>
Total capital assets being depreciated, net	<u>92,872,055</u>	<u>(5,158,826)</u>	<u>—</u>	<u>6,844,332</u>	<u>94,557,561</u>
Net capital assets – Governmental Activities	<u>\$ 121,085,124</u>	<u>\$ 4,107,052</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 125,192,176</u>

For the year ended June 30, 2021, 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	\$ 1,908,235
Finance	52,743
Information services	257,854
Public safety	1,170,402
Planning and development	45,769
Public works	3,393,139
Parks and recreation	203,479
Support services	74,428
	<u>\$ 7,106,049</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

Business-type Activities:

	Balance				Balance
	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
Capital assets not being depreciated:					
Land	\$ 717,829	\$ —	\$ —	\$ —	\$ 717,829
Construction in progress	147,490	852,327	—	—	999,817
Total capital assets not being depreciated	865,319	852,327	—	—	1,717,646
Capital assets being depreciated:					
Buildings	11,536,077	—	—	—	11,536,077
Water and sewer systems	127,093,821	1,972,983	—	—	129,066,804
Improvements	127,351	—	—	—	127,351
Machinery and equipment	19,992,110	634,339	(1,189,861)	—	19,436,588
Total capital assets being depreciated	158,749,359	2,607,322	(1,189,861)	—	160,166,820
Less, accumulated depreciation:					
Buildings	(4,677,545)	(315,795)	—	—	(4,993,340)
Water and sewer systems	(49,389,239)	(2,493,620)	—	—	(51,882,859)
Improvements	(54,344)	(2,783)	—	—	(57,127)
Machinery and equipment	(13,962,561)	(1,498,853)	1,189,861	—	(14,271,553)
Total accumulated depreciation	(68,083,689)	(4,311,051)	1,189,861	—	(71,204,879)
Total capital assets being depreciated, net	90,665,670	(1,703,729)	—	—	88,961,941
Net capital assets – Business-type Activities	\$ 91,530,989	\$ (851,402)	\$ —	\$ —	\$ 90,679,587

A summary of Proprietary Fund Type capital assets at June 30, 2021, 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	129,066,804	—	—	—	—	129,066,804
Other improvements	5,885	32,262	89,204	—	—	127,351
Machinery and equipment	7,289,355	8,027,863	537,259	1,408,963	2,173,148	19,436,588
Construction in progress	977,683	22,134	—	—	—	999,817
Totals	139,087,150	8,395,459	10,327,341	1,843,368	2,231,148	161,884,466
Less, accumulated depreciation	(57,692,300)	(6,593,274)	(4,193,162)	(1,219,572)	(1,506,571)	(71,204,879)
Net capital assets – Proprietary Funds	\$81,394,850	\$1,802,185	\$6,134,179	\$ 623,796	\$ 724,577	\$90,679,587

For the year ended June 30, 2021, depreciation expenses were charged to Business-type activities totaling \$4,311,051 (Water and Sewer Utility \$2,980,215; Solid Waste \$567,458; Aquatic Center \$293,458; Beach Service \$191,210; and Sports and Tourism Park \$278,710, 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, 2021, 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>Installment Note</u>				
Park land (Sports Park)	7/2/20	3.40%	\$ 3,165,217	July 2, 2022
Less, current portions (payable within one year)			<u>(2,521,233)</u>	
Total special assessment revenue bond			<u>\$ 643,984</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 1,835,869</u>	
Total Long-Term Debt – Governmental Activities			<u>\$ 2,479,853</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%	\$ 1,721,289	November 13, 2023
Less, current portions (payable within one year)			<u>(552,011)</u>	
			<u>\$ 1,169,278</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 559,059</u>	
Total Long-Term Debt – Business-type Activities			<u>\$ 1,728,337</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, 2021, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/21</u>
Governmental Activities					
<u>Special Assessment Revenue Bond</u>					
Cherry Grove dredge	7/29/16	\$ 971,000	\$ —	\$ (971,000)	\$ —
<u>Installment Note</u>					
Park land purchase (Sports Park)	7/2/20	\$ —	\$ 5,000,000	\$ (1,834,783)	\$ 3,165,217
<u>Accrued Compensated Absences</u>					
		\$ 1,781,608	\$ 54,261	\$ —	\$ 1,835,869
Business-type Activities					
<u>Note Payable</u>					
Aquatic and fitness center note obligation	11/13/03	\$ 2,252,631	\$ —	\$ (531,342)	\$ 1,721,289
<u>Accrued Compensated Absences</u>					
		\$ 517,376	\$ 41,683	\$ —	\$ 559,059

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 Requirements</u>	<u>Principal Requirements</u>	<u>Total Requirements</u>
Park Land Note			
2022	\$ 76,844	\$ 2,521,233	\$ 2,598,077
2023	5,535	643,984	649,519
	\$ 82,379	\$ 3,165,217	\$ 3,247,596
<u>Business-type Activities</u>	<u>Interest Requirements</u>	<u>Principal Requirements</u>	<u>Total Requirements</u>
Aquatic Center Note Payable:			
2022 (Due within one year)	\$ 66,958	\$ 552,011	\$ 618,969
2023	45,485	573,484	618,969
2024	23,173	595,794	618,969
	\$ 135,616	\$ 1,721,289	\$ 1,856,907

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, 2021, 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, 2021.

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, 2021, the City maintained the contractual rights (other assets) equaled \$18,930,804 with accumulated amortization expense equaling \$18,494,173, for a net carrying value of \$436,631. For 2021, amortization expense equaled \$662,389. 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, 2021, (\$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 2022.

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, 2021, maintained the contractual rights (other assets) equal to \$9,004,058 with accumulated amortization expense equaling \$3,958,033, for a net carrying value of \$5,046,025. For 2021, amortization expense equaled \$243,860.

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, 2021, were as follows:

Utility system impact fees	\$ 2,624,568
Extension fees	180,742
System contributions by developers	1,483,100
Total capital contributions	<u>\$ 4,288,410</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	\$ 125,192,176	\$ 90,679,587
Less, G.O., revenue bonds, and note payable	<u>(3,165,217)</u>	<u>(1,721,288)</u>
Total net investment in capital assets	<u>\$ 122,026,959</u>	<u>\$ 88,958,299</u>
<u>Restricted:</u>		
Restricted net position:		
Public safety:		
Pensions – employer contribution	\$ 1,640,420	\$ —
Drug enforcement programs	7,427	—
Scholarship program	69,973	—
Public Works:		
Cherry Grove Dredge project	581,908	—
Parks and recreation:		
State Accommodations (2%) Tourism related	283,411	—
Future capacity of utility	—	—
Total restricted net position	<u>\$ 2,583,139</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, 2021. Investments of the Trust at June 30, 2021, 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, 2021, 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, 2021, the plans' participants equaled 233 employees. The gross payroll for the employees covered by the plans for the year ended June 30, 2021, approximated \$14,227,842. The City's total payroll, without adjustment for accruals, was approximately \$25,833,522. Employer contributions to Plan #1 and Plan #2 for the year ended June 30, 2021, equaled \$1,118,630 and \$15,235, respectively, and represented approximately 8% and 12%, respectively, of covered payroll. Employee contributions to Plan #1 and #2 for the year ended June 30, 2021, equaled \$283,409 and \$15,235 respectively.

D. Condensed Financial Information

**Combining Statement of Plan Net Position
June 30, 2021**

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Assets			
Cash and temporary investments	\$ 33,730,938	\$ 1,674,379	\$ 35,405,317
Receivables – Participant loans	1,236,770	—	1,236,770
Total assets	<u>\$ 34,967,708</u>	<u>\$ 1,674,379</u>	<u>\$ 36,642,087</u>
Net Position			
Held in trust for employee's pension benefits	<u>\$ 34,967,708</u>	<u>\$ 1,674,379</u>	<u>\$ 36,642,087</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, 2021**

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Additions			
Employer contributions	\$ 1,108,041	\$ 15,235	\$ 1,123,276
Employee (member) contributions	268,296	15,235	283,531
Investment income (loss)	6,608,914	475,664	7,084,578
Non-vested rollover	—	—	—
Total additions	<u>7,985,251</u>	<u>506,134</u>	<u>8,491,385</u>
Deductions			
Benefit payments/loan issuance costs	1,593,580	7,200	1,600,780
Trustee fees	30,541	50	30,591
Forfeitures	43,845	—	43,845
Total deductions	<u>1,667,966</u>	<u>7,250</u>	<u>1,675,216</u>
Change in net position			
Net position, beginning of year	<u>28,650,423</u>	<u>1,175,495</u>	<u>29,825,918</u>
Net position, end of year	<u>\$ 34,967,708</u>	<u>\$ 1,674,379</u>	<u>\$ 36,642,087</u>

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 \$9,195,181, \$8,664,610, and \$8,503,565 for the years ended June 30, 2021, 2020, and 2019, respectively. For the year ended June 30, 2021, employees were required to contribute 9.75% of their earnable compensation to the Plan. Employee contributions totaled \$896,530, \$844,799, and \$829,098, for the years ended June 30, 2021, 2020, and 2019, respectively.

Employers are required to contribute to the Plan at an actuarially determined rate, which for the year ended June 30, 2021 was 17.84%. Based on the COVID-19 pandemic, the General Assembly passed a resolution suspending the statutory employer rate increase in fiscal year 2021. Accordingly, the City made its PORS employer required contributions at a rate of 17.24 percent plus .2 percent to provide group life insurance and .2 percent to provide accidental death benefits for a total contribution rate of 18.24%. The City's contributions to the PORS for the years ending June 30, 2021, 2020 and 2019 were \$1,640,420, \$1,545,766, and \$1,432,000, respectively, and were equal to the required contributions for each year.

The City's (employer) contribution during the year ended June 30, 2021 is being reported as part of deferred outflows of resources due to the pension plan's measurement date of June 30, 2020. This amount will be recognized by the City as part of its pension expense in fiscal year 2021-2022, as further described below. Effective July 1, 2021, the employee contribution rate will remain at 9.75% and the employer total contribution rate will be 19.24%.

Payables to PORS

At June 30, 2021, the City had employee deductions and employer contributions payable to PEBA totaling \$71,637 and \$134,016, 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, 2021, the City reported a liability of \$19,020,776 for the measurement period June 30, 2020 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, 2020, and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2019, rolled forward to June 30, 2020. 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, 2020, PEBA reported the City's proportion share percentage of the collective net pension liability was 0.573569% for PORS.

For the year ended June 30, 2021, the City recognized pension expense of \$2,731,974 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, 2020) follows:

Pension expense:	
Service cost	\$ 1,139,936
Interest on total pension liability	3,145,761
Changes in plan benefits	—
Plan administrative costs	14,159
Plan member contributions	—
Expected return on plan assets	(870,880)
Recognition of net amortization:	(2,001,237)
Plan performance, net	180,278
Assumption changes, net	434,170
Investment experience, net	675,436
Allocated proportion change, net	(79,183)
Other	93,534
Total pension expense	<u>2,731,974</u>
PEBA reported contributions	(1,502,356)
Non-member contribution	(78,069)
Changes in deferred items (net of amortization):	
Outflows – Plan performance	58,745
Outflows – Assumption changes	(434,170)
Outflows – Investment experience	1,506,083
Outflows – Allocated proportion change	(219,076)
Inflows – Plan performance	40,455
Inflows – Assumption changes	—
Inflows – Investment experience	228,562
Inflows – Allocated proportion change	(113,437)
	<u>(513,263)</u>
Total change in net pension liability	<u>\$ 2,218,711</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, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources.

	PORS Outstanding Balances at June 30, 2021		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Plan performance	\$ 404,231	\$ (83,725)	\$ 320,506
Assumption changes	232,116	—	232,116
Investment experience	2,192,304	(244,620)	1,947,684
Proportion changes	259,846	(365,738)	(105,892)
	3,088,497	(694,083)	2,394,414
Subsequent employer contributions	1,640,420	—	1,640,420
Totals	<u>\$ 4,728,917</u>	<u>\$ (694,083)</u>	<u>\$ 4,034,834</u>

The \$1,640,420 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, 2022.

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
2022	\$ 1,126,598	\$ (326,499)	\$ 800,099
2023	804,788	(233,361)	571,427
2024	663,316	(116,871)	546,445
2025	493,795	(17,352)	476,443
Totals	<u>\$ 3,088,497</u>	<u>\$ (694,083)</u>	<u>\$ 2,394,414</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, 2020 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, 2019 rolled forward through June 30, 2020.

	<u>PORS</u>
Actuarial cost method	Entry-age normal
Asset Valuation Method	5-year Smoothed
Amortization Method	Level percent of pay
Amortization Period	Maximum of 29 years, closed period
Inflation	2.25 percent
Projected Salary Increases	3.0 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, 2020 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%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Estate	12.0%		
Real Estate (private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (private)	2.0%	4.88%	0.10%
Infrastructure (public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Conservative Fixed Income	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (net)	1.0%	56.00%	0.01%
Total expected real return	<u>100.0%</u>		<u>5.80%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u>8.05%</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, 2020, 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	\$ 25,180,305	\$ 19,020,776	\$ 14,075,070

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 annual comprehensive 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 annual comprehensive 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, 2021, 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, 2021, 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	44,197
Expected contribution made from the trust	(44,197)
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 who have reached normal retirement age. 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. 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 \$10,602 for the retiree and \$4,919 for the spouse of the retired employee for the year ended June 30, 2021.

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 ended June 30, 2021, based on an actuarial valuation as of July 1, 2019, rolled-forwarded, the City had 71 retired employees with an average age of 64.02 years covered by the program with monthly premium costs averaging \$727 per participant. Total expenses incurred for this program for the year ended June 30, 2021 were \$575,849 (or 26%) of the annual total OPEB cost of \$2,208,335. These expenses 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 2020 and 2019, total expenses incurred were \$582,651 (or 29%) of the annual total OPEB cost of \$2,041,939, and \$596,813 (or 34%) of the annual total OPEB cost of \$1,745,415, respectively. Total covered payroll equaled \$23,776,625 for the year ended June 30, 2021, \$20,885,926 and \$18,929,023, for the years ended June 30, 2020 and 2019, 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, 2021, the City's total OPEB liability equaled \$27,331,763, of which \$21,586,626 was for the Governmental Activities (General Fund) and \$5,745,137 was for the Business-type Activities (Proprietary Funds). This amount was based on an actuarial valuation as of June 30, 2019, using data as of July 1, 2018, rolled forward to June 30, 2021, resulting in a net change in the total OPEB liability of \$2,037,591. The City's total OPEB liability for the years ended June 30, 2020 and 2019 totaled \$25,294,172 and \$21,674,997, respectively. The Governmental Activities share equaled \$19,977,337 and \$17,118,913 for the years 2020 and 2019, respectively, and the Business-type Activities (and Proprietary Funds) share equaled \$5,316,835 and \$4,556,084 for the years 2020 and 2019, 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	\$ 25,294,172
Changes in total OPEB liability:	
Service cost	1,093,644
Interest	943,947
Changes of benefit terms	—
Differences between expected and actual experience	—
Changes in assumptions or other inputs	—
Contributions – employer	—
Contributions – active and inactive employees	—
Net investment income	—
Benefit payments	—
Other changes	—
Net changes	<u>2,037,591</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u>\$ 27,331,763</u>

OPEB Expense

For the year ended June 30, 2021, the City recognized OPEB expense of \$2,208,335, of which \$1,609,289 was for the Governmental Activities (General Fund) and \$599,046 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	170,744
Changes of assumptions and other inputs	—
Total OPEB expense	<u>\$ 2,208,335</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, 2021, 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	\$ 2,226,727	\$ —	\$ 2,226,727
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on OPEB Investments	—	—	—
Total	\$ 2,226,727	\$ —	\$ 2,226,727

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
2022	\$ 170,744	\$ —	\$ 170,744
2023	170,744	—	170,744
2024	170,744	—	170,744
2025	170,744	—	170,744
2026	170,744	—	170,744
Thereafter	1,373,007	—	1,373,007
Total	\$ 2,226,727	\$ —	\$ 2,226,727

Employees Covered By Benefit Terms

At the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	66
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	390
	<u>456</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, 2020 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, 2021.

There have been no changes to assumptions since the last actuarial valuation.

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	\$ 31,979,508	\$ 27,331,763	\$ 23,850,751

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	\$ 22,935,274	\$ 27,331,763	\$ 32,986,177

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, 2019, 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 I.O.A. (Insurance Office of America) Billy McQuancy, for administration and excess coverage were \$144,131 for the year ended June 30, 2021.

Effective January 1, 2019, 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 Causality Corporation. Benefit Source Inc. is the claims handler for the City. Premiums paid to I.O.A., Inc., for administration and excess coverage were \$579,030 for the year ended June 30, 2021.

Change in the aggregate liability are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unpaid claims at beginning of year	\$ 202,328	\$ 299,684	\$ 145,212
Incurred claims for current and prior year events where the City has retained risk of loss	7,543,149	6,390,470	5,995,593
Payments on claims for current and prior year events where the City has retained risk of loss	<u>(7,488,168)</u>	<u>(6,487,826)</u>	<u>(5,841,121)</u>
Unpaid claims at end of year	<u>\$ 257,309</u>	<u>\$ 202,328</u>	<u>\$ 299,684</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	\$ 209,479,989
Less, accumulated depreciation	(84,287,813)
Net amount reported	<u>\$ 125,192,176</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	\$ 210,184
Receivables	334,104
Prepaid items	13,919
Deferred outflows – OPEB related	1,758,669
Claim liabilities and payables	(3,388,897)
Total other post-employment benefits payable (OPEB) liability	<u>(21,586,626)</u>
Net amount reported	<u>\$ (22,658,647)</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>\$ 4,728,917</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	\$ (26,901)
Special assessment bonds payable	(3,165,217)
Accrued compensated absences	(1,835,869)
Net pension liabilities – PORS and old police plan	<u>(19,533,346)</u>
Net amount reported	<u>\$ (24,561,333)</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>\$ (694,083)</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	\$ 11,213,101
Depreciation expense	<u>(7,106,049)</u>
Net amount reported	<u>\$ 4,107,052</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	\$ 5,503,558
Insurance claims paid and reserves	<u>(9,381,130)</u>
Net amount reported	<u>\$ (3,877,572)</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:

Accrued interest expense	\$ (22,403)
Accrued compensated absences expense	(54,261)
Pension expense, net	<u>(1,056,895)</u>
Net amount reported	<u>\$ (1,133,559)</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	\$ (5,000,000)
Principal repayments – G.O. Bonds, special assessment bonds and installment note obligation	<u>2,805,783</u>
Net amount reported	<u>\$ (2,194,217)</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	\$ 3,705
Receivables	55,938
Claim deposits and prepaid items	88,920
Deferred outflows – OPEB related	468,058
Accounts payable	(93,126)
Due to other funds	(754,720)
Claim liabilities and payables	(54,086)
Total other post-employment benefits payable (OPEB) liability	<u>(5,745,137)</u>
Net amount reported	<u>\$ (6,030,448)</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	\$ 1,464,736
Insurance claims paid and reserves	<u>(2,496,725)</u>
Net amount reported	<u>\$ (1,031,989)</u>

16. Subsequent Events

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

During the year FY 2020 and 2021, 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 2021 and 2022 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 2020, 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 2020, 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, 2021

(With comparative actual amounts for June 30, 2020)

	2021			Variance Positive (Neg.)	2020
	Budget		Actual		Actual
	Original	Final			
Revenue					
Current property taxes	\$ 20,300,000	\$ 20,300,000	\$ 19,811,180	\$ (488,820)	\$ 15,985,680
Delinquent property taxes and penalties	410,000	410,000	435,191	25,191	373,722
Licenses and permits	11,282,500	11,282,500	11,171,650	(110,850)	10,658,336
Fines and forfeitures	346,000	346,000	196,653	(149,347)	281,126
Use of money and property	272,000	272,000	236,919	(35,081)	426,259
Unrestricted intergovernmental	1,152,900	1,152,900	1,293,511	140,611	1,019,873
Restricted intergovernmental	521,960	521,960	1,381,833	859,873	847,291
Sales and service charges	1,027,252	1,027,252	1,654,032	626,780	1,251,603
Miscellaneous	95,000	95,000	809,733	714,733	171,769
Total revenue	35,407,612	35,407,612	36,990,702	1,583,090	31,015,659
Expenditures					
General Government Administration					
General services	1,078,412	1,078,412	1,115,448	(37,036)	1,108,606
Legislative	225,121	225,121	223,265	1,856	200,411
Administrative	344,951	344,951	287,981	56,970	313,547
City Court	572,877	572,877	401,663	171,214	516,300
Legal	250,546	250,546	443,412	(192,866)	383,389
Human resources	416,492	416,492	377,672	38,820	363,496
Total	2,888,399	2,888,399	2,849,441	38,958	2,885,749
Less, capital outlay	(25,000)	(25,000)	(29,353)	(4,353)	—
Net general government administration	2,863,399	2,863,399	2,820,088	43,311	2,885,749
Finance					
Accounting	387,576	387,576	243,644	143,932	319,413
Revenue	953,322	953,322	1,286,328	(333,006)	1,245,074
Total	1,340,898	1,340,898	1,529,972	(189,074)	1,564,487
Less, capital outlay	—	—	(11,000)	(11,000)	(58,643)
Net finance	1,340,898	1,340,898	1,518,972	(178,074)	1,505,844
Information Services					
Total	540,838	540,838	834,133	(293,295)	665,380
Less, capital outlay	(164,500)	(164,500)	(362,861)	(198,361)	(92,519)
Net information services	376,338	376,338	471,272	(94,934)	572,861
Public Safety					
Administrative	1,325,698	1,325,698	1,237,385	88,313	1,105,348
Uniform patrol	6,015,160	6,015,160	5,924,506	90,654	6,535,682
Community services	1,121,023	1,121,023	1,015,439	105,584	1,110,928
Detectives	1,082,912	1,082,912	1,290,356	(207,444)	1,219,354
Communications/Detention	1,508,469	1,508,469	1,379,577	128,892	1,279,469
Records	383,874	383,874	332,831	51,043	370,178
Victim's assistance	94,636	94,636	92,227	2,409	94,405
Police training	564,654	564,654	383,977	180,677	437,243
Fire suppression	5,306,909	5,306,909	5,341,421	(34,512)	5,265,703
Fire prevention	432,325	432,325	301,258	131,067	361,608
Total	17,835,660	17,835,660	17,298,977	536,683	17,779,918
Less, capital outlay	(606,500)	(606,500)	(586,267)	(20,233)	(752,835)
Net public safety	17,229,160	17,229,160	16,712,710	516,450	17,027,083

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2021			Variance Positive (Neg.)	2020
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Planning/Development					
Planning/zoning administration	1,181,729	1,181,729	972,675	209,054	1,113,966
Code enforcement-building	986,370	986,370	884,831	101,539	834,045
Total	2,168,099	2,168,099	1,857,506	310,593	1,948,011
Less, capital outlay	(105,000)	(105,000)	—	(105,000)	(31,810)
Net planning/development	2,063,099	2,063,099	1,857,506	205,593	1,916,201
Public Works					
Streets/drainage	2,565,392	2,565,392	2,805,635	(240,243)	2,845,769
Less, capital outlay	(115,000)	(115,000)	(274,403)	(159,403)	(78,905)
Net public works	2,450,392	2,450,392	2,531,232	(80,840)	2,766,864
Parks and Recreation					
Recreation administration	384,278	384,278	377,065	7,213	380,134
Athletics	1,067,562	1,067,562	679,069	388,493	723,833
Programs	951,760	951,760	498,259	453,501	755,398
Row maintenance	625,444	625,444	508,025	117,419	533,586
Sports Park	362,178	362,178	326,709	35,469	290,927
Landscaping	404,593	404,593	337,581	67,012	308,136
Parks and Beach	652,231	652,231	450,095	202,136	483,763
Administration	557,010	557,010	420,813	136,197	421,316
Total	5,005,056	5,005,056	3,597,616	1,407,440	3,897,093
Less, capital outlay	(288,100)	(288,100)	(163,483)	(124,617)	(160,122)
Net parks and recreation	4,716,956	4,716,956	3,434,133	1,282,823	3,736,971
Support Services					
Custodial services	290,061	290,061	250,611	39,450	222,952
Purchasing	138,321	138,321	91,443	46,878	94,056
Fleet maintenance	391,524	391,524	257,390	134,134	322,828
Facility Maintenance	465,697	465,697	503,261	(37,564)	510,062
Total	1,285,603	1,285,603	1,102,705	182,898	1,149,898
Less, capital outlay	(180,000)	(180,000)	(37,080)	(142,920)	—
Net support services	1,105,603	1,105,603	1,065,625	39,978	1,149,898
Debt Service					
Principal retirement	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—
Agent fees	—	—	700	(700)	1,250
Total debt service	—	—	700	(700)	1,250
Capital Outlay	1,484,100	1,484,100	1,464,447	19,653	1,174,834
Total expenditures	33,629,945	33,629,945	31,876,685	1,753,260	32,737,555
Excess (deficiency) of revenue over (under) expenditures	1,777,667	1,777,667	5,114,017	3,336,350	(1,721,896)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2021			Variance Positive (Neg.)	2020
	Budget		Actual		Actual
	Original	Final		Actual	Actual
Other Financing Sources (Uses)					
Transfers in:					
From State Accommodations (2%) Tax Fund	935,713	935,713	1,027,753	92,040	841,007
From Local Accommodations (3%) Tax Fund	2,471,650	2,471,650	2,617,093	145,443	2,002,469
From Local Hospitality (2%) Fee Fund	2,995,000	2,995,000	3,122,983	127,983	2,527,223
From Beach Services Fund	—	—	—	—	150,000
From Sports and Tourism Park Fund	75,000	75,000	—	(75,000)	75,000
From Debt Service Fund	—	—	—	—	—
Total transfers in	<u>6,477,363</u>	<u>6,477,363</u>	<u>6,767,829</u>	<u>290,466</u>	<u>5,595,699</u>
Transfers (out):					
To Park Improvement Fund	(3,555,000)	(3,555,000)	(3,555,000)	—	—
To Insurance Reserves Fund	(2,775,000)	(2,775,000)	(2,775,000)	—	(100,000)
To Capital Improvement Fund	(1,100,000)	(1,100,000)	(1,100,000)	—	(2,700,000)
To Street Improvement Fund	—	—	—	—	(800,000)
To Sports and Tourism Park	(50,000)	(50,000)	(44,197)	5,803	(200,000)
To Pension Trust Fund	(50,000)	(50,000)	(50,000)	—	(45,933)
Total Transfers (out)	<u>(7,530,000)</u>	<u>(7,530,000)</u>	<u>(7,524,197)</u>	<u>5,803</u>	<u>(3,845,933)</u>
Total other financing sources (uses)	<u>(1,052,637)</u>	<u>(1,052,637)</u>	<u>(756,368)</u>	<u>296,269</u>	<u>1,749,766</u>
Net change in fund balance	725,030	725,030	4,357,649	3,632,619	27,870
Fund balance, beginning of year	12,075,469	12,075,469	12,075,469	—	12,047,599
Fund balance, end of year	<u>\$ 12,800,499</u>	<u>\$ 12,800,499</u>	<u>\$ 16,433,118</u>	<u>\$ 3,632,619</u>	<u>\$ 12,075,469</u>

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City' s proportion of the net pension liability	N/A	0.5735690	0.586267%	0.566464%	0.572550%	0.595610%	0.561770%	0.563150%	N/A	N/A
City' s proportion share of the net pension liability	N/A	\$ 19,020,776	\$ 16,802,065	\$ 16,050,991	\$ 15,685,465	\$ 15,107,522	\$ 12,243,757	\$ 10,781,098	\$ 11,673,945	N/A
City' s covered-payroll (pensionable wages)	\$ 9,195,181	\$ 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
City' s proportion share of the net pension liability as a percentage of its covered-payroll	N/A	219.5%	197.59%	204.2%	202.6%	198.9%	175.9%	159.2%	175.7%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%	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⁾

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contributions	\$ 1,640,420	\$ 1,545,766	\$ 1,432,000	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965	\$ 798,388	N/A
Contributions in relation to the contractually required contributions	\$ 1,640,420	\$ 1,545,766	\$ 1,432,000	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965	\$ 798,388	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
City's covered payroll (pensionable wages)	\$ 9,195,181	\$ 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
Contributions as a percentage of covered payroll	17.8%	17.8%	16.8%	16.2%	14.2%	13.7%	13.4%	12.8%	12.0%	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

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

LAST TEN FISCAL YEARS ⁽¹⁾

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost	\$ 1,093,644	\$ 1,093,644	\$ 931,956	\$ 857,523	N/A	N/A	N/A	N/A	N/A	N/A
Interest	943,947	943,947	809,111	797,447	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	—	2,344,020	—	62,147	N/A	N/A	N/A	N/A	N/A	N/A
Changes in assumptions or other inputs	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Contributions – employer	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Contributions – active and inactive employees	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	—	(762,435)	(581,978)	(554,265)	N/A	N/A	N/A	N/A	N/A	N/A
Other changes	—	—	—	—	N/A	N/A	N/A	N/A	N/A	N/A
Net changes in total OPEB liability	2,037,591	3,619,175	1,159,089	1,162,852	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability – beginning	25,294,172	21,674,997	20,515,908	19,353,056	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability – ending	\$27,331,763	\$25,294,172	\$21,674,997	\$20,515,908	N/A	N/A	N/A	N/A	N/A	N/A
Covered – employee payroll	\$ 23,776,625	\$ 20,885,926	\$ 18,929,023	\$ 18,929,021	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered – employee payroll	115%	121%	145%	84%	N/A	N/A	N/A	N/A	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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Other Post-Employment Benefits

1. Changes in benefit terms: 2021-2018 – None.
2. Changes of assumptions: 2021-2018 – None.

Employee Retirement - PORS

1. Changes in benefit terms: 2021-2017 – None.
2. Changes of assumptions:

Investments: 2021-2018 – None. 2017 – the assumed investment return was changed from 7.5% to 7.25% effective July 1, 2017.

Mortality: 2021-2018 – 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: 2021-2018 – None. 2017 – changed to 3.5% - 9.5% for members with less than 25 years of service.

Asset Valuation Method: 2021-2018 – None. 2017 – changed to 5-year smoothed from 20% difference recognition.

Inflation: 2021-2018 – 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, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalent	\$ —	\$ —	\$ 145,946	\$ 145,946
Equity in pooled cash and cash equivalents	—	831,234	2,250,908	3,082,142
Restricted cash and cash equivalent	—	770	832,033	832,803
Receivables, net	—	—	—	—
Due from other governments	—	—	—	—
Due from other funds	—	—	92,469	92,469
Prepaid items	—	—	—	—
Total assets	\$ —	\$ 832,004	\$ 3,321,356	\$ 4,153,360
Liabilities and Fund Balances				
Liabilities:				
Accounts and retainage payable	\$ —	\$ 66	\$ 34,447	\$ 34,513
Unearned revenue	—	—	238,397	238,397
Due to other funds	—	92,469	752,233	844,702
Total liabilities	—	92,535	1,025,077	1,117,612
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	—	—	—	—
Committed by ordinance	—	739,469	2,230,668	2,970,137
Assigned by management	—	—	533,003	533,003
Unassigned (deficit)	—	—	(467,392)	(467,392)
Total fund balances	—	739,469	2,296,279	3,035,748
Total liabilities and fund balances	\$ —	\$ 832,004	\$ 3,321,356	\$ 4,153,360

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, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenue				
Special assessments	\$ —	\$ 1,312,248	\$ —	\$ 1,312,248
Use of money and property	—	26	62,050	62,076
Restricted intergovernmental	—	—	28,529	28,529
Sales and service charges	—	—	100,760	100,760
Miscellaneous	—	—	—	—
Total revenue	<u>—</u>	<u>1,312,274</u>	<u>191,339</u>	<u>1,503,613</u>
Expenditures				
Current:				
General government activities	—	—	—	—
Finance	—	—	—	—
Public works	—	—	110,897	110,897
Parks and recreation	—	—	—	—
Debt service	—	3,191,521	—	3,191,521
Capital outlay	—	—	6,341,169	6,341,169
Total expenditures	<u>—</u>	<u>3,191,521</u>	<u>6,452,066</u>	<u>9,643,587</u>
Excess (deficiency) of revenue over (under) expenditures	<u>—</u>	<u>(1,879,247)</u>	<u>(6,260,727)</u>	<u>(8,139,974)</u>
Other Financing Sources (Uses)				
Note proceeds	—	5,000,000	—	5,000,000
Transfers in	—	1,948,557	7,876,526	9,825,083
Transfers (out)	—	—	(1,948,557)	(1,948,557)
Total other financing sources (uses)	<u>—</u>	<u>6,948,557</u>	<u>5,927,969</u>	<u>12,876,526</u>
Net change in fund balances	<u>—</u>	<u>5,069,310</u>	<u>(332,758)</u>	<u>4,736,552</u>
Fund balances, beginning of year	<u>—</u>	<u>(4,329,841)</u>	<u>2,629,037</u>	<u>(1,700,804)</u>
Fund balances, end of year	<u>\$ —</u>	<u>\$ 739,469</u>	<u>\$ 2,296,279</u>	<u>\$ 3,035,748</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, 2021
(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 6,591,800	\$ 9,625,457
Equity in pooled cash and cash equivalents	792,092	—
Collateral deposits held by others	—	—
Receivables:		
Property taxes	1,232,214	1,219,591
Less, allowance for doubtful accounts	(1,232,214)	(1,145,997)
Water and sewer utility bills	357	435
Franchise fees	797,233	828,200
Grants	1,108,563	1,013,253
Cobra insurance	3,713	4,672
Other receivables	1,365,335	767,509
Due from other governments:		
State of South Carolina	522,458	591,246
Horry County	168,852	187,133
Due from other funds:		
State Accommodations (2%) Tax Fund	854,488	585,224
Local Accommodations (3%) Tax Fund	610,052	370,157
Hospitality (2%) Fees Fund	461,479	297,782
Beach Renourishment Fund	—	—
North Myrtle Beach Enterprise Fund	674,754	—
Cherry Grove Dredge Fund	250,143	—
Aquatic Center Fund	584,827	—
Beach Service Fund	—	—
Sports and Tourism Park Fund	—	—
Insurance Reserves Fund	3,590,486	—
Capital Improvement Fund	502,090	—
Inventories and prepaid items	275,907	205,402
Restricted assets:		
Cash and cash equivalents:		
Court (bail bond) account	359,269	187,752
Drug enforcement account	7,427	21,358
Police seizures held	129,888	129,888
Public safety scholarship fund	69,973	98,256
Total assets	<u>\$ 19,721,186</u>	<u>\$ 14,987,318</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

— CONTINUED —

	<u>2021</u>	<u>2020</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 828,337	\$ 720,953
Accrued payroll and withholdings payable	596,140	500,080
Due to other funds:		
Sports and Tourism Park Fund	467,191	467,191
Due to other governments:		
State of SC – abandoned property	9,554	7,098
Deposits and Performance bonds	898,887	898,887
Payable from restricted assets:		
Bail bonds	358,070	187,752
Police seizures held	129,889	129,888
Total liabilities	<u>3,288,068</u>	<u>2,911,849</u>
Fund Balance:		
Non-spendable	275,906	205,402
Restricted by others	77,400	119,614
Committed by ordinance	—	—
Assigned by management	—	—
Unassigned	<u>16,079,812</u>	<u>11,750,453</u>
Total fund balance	<u>16,433,118</u>	<u>12,075,469</u>
Total liabilities and fund balance	<u>\$ 19,721,186</u>	<u>\$ 14,987,318</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Current property taxes	\$ 20,300,000	\$ 19,867,024	\$ (432,976)	\$ 16,048,603
Less, Horry County Collection fee	—	(55,844)	55,844	(62,923)
	<u>20,300,000</u>	<u>19,811,180</u>	<u>(488,820)</u>	<u>15,985,680</u>
Delinquent property taxes:				
Real and personal property	300,000	285,138	(14,862)	250,581
Penalties	110,000	150,053	40,053	123,141
	<u>410,000</u>	<u>435,191</u>	<u>25,191</u>	<u>373,722</u>
	<u>20,710,000</u>	<u>20,246,371</u>	<u>463,629</u>	<u>16,359,402</u>
Licenses and permits:				
Business licenses	7,800,000	7,710,840	(89,160)	7,437,539
Business license penalties	75,000	80,375	5,375	101,238
Building permits	750,000	986,557	236,557	740,175
Inspection fees	7,500	6,594	(906)	4,161
Other permits	15,000	9,905	(5,095)	14,575
Tree bank	—	3,600	3,600	13,950
Franchise fee – electricity	1,825,000	1,534,030	(290,970)	1,509,685
Franchise fee – cable TV	600,000	625,761	25,761	625,679
Franchise fee – telephone	110,000	128,424	18,424	115,125
Franchise fee – gas	100,000	85,564	(14,436)	96,209
	<u>11,282,500</u>	<u>11,171,650</u>	<u>110,850</u>	<u>10,658,336</u>
Fines and forfeitures:				
Fines	700,000	408,002	(291,998)	526,817
Seizures	5,000	—	(5,000)	8,312
Improper parking	12,000	—	(12,000)	475
Victim's assistance	48,000	30,293	(17,707)	85,269
Bail Bondsman Fee	1,000	—	(1,000)	—
Less, remittances to State Treasurer	(420,000)	(241,642)	178,358	(339,747)
	<u>346,000</u>	<u>196,653</u>	<u>(149,347)</u>	<u>281,126</u>
Use of money and property:				
Interest on investments	50,000	20,516	(29,484)	182,002
Property rental	210,000	205,111	(4,889)	235,186
Purchasing card rebate	12,000	11,292	(708)	9,071
	<u>272,000</u>	<u>236,919</u>	<u>(35,081)</u>	<u>426,259</u>
Unrestricted intergovernmental:				
Local government	315,300	332,302	17,002	326,052
Homestead exemption tax	250,000	297,313	47,313	225,430
Business inventory tax	36,600	37,113	513	36,787
Accommodations tax	241,000	255,816	14,816	217,028
Admissions tax	—	—	—	11,535
Motor carrier tax	90,000	68,951	(21,049)	15,565
Heavy equipment tax	—	1,473	1,473	3,254
TNC local assessment fee	20,000	8,463	(11,537)	11,812
Alcoholic beverage permit fees	200,000	292,080	92,080	172,410
	<u>1,152,900</u>	<u>1,293,511</u>	<u>140,611</u>	<u>15,985,680</u>

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue (Continued)				
Restricted intergovernmental:				
Federal FEMA	470,000	392,860	(77,140)	327,619
State SCEMD	—	—	—	159,862
Federal CARES	—	(62,962)	(62,962)	75,091
State SC CARES	—	31,608	31,608	213,431
Federal Fiscal Recovery Act	—	977,322	977,322	26,000
State misc. funds	—	1,045	1,045	3,328
Horry County recreation	51,960	41,960	(10,000)	41,960
	<u>521,960</u>	<u>1,381,833</u>	<u>(859,873)</u>	<u>847,291</u>
Sales and service charges:				
City codes and ordinances	10,000	3,575	(6,425)	6,200
Fire protection – contracts	118,752	166,930	48,178	68,400
Street work	6,000	11,889	5,889	27,228
Beach services franchise	125,000	152,831	27,831	137,272
Parking lots – collections	490,000	992,700	502,700	756,133
Recreation fees	225,000	100,863	(124,137)	148,013
GIS Data	500	—	(500)	—
Credit Card service charge	12,000	33,543	21,543	34,869
Miscellaneous	40,000	191,701	151,701	73,488
	<u>1,027,252</u>	<u>1,654,032</u>	<u>(626,780)</u>	<u>1,251,603</u>
Miscellaneous:				
Insurance reimbursements	40,000	63,152	23,152	25,522
Forfeitures – 401	30,000	43,845	13,845	56,141
Grant/fees from private entities	25,000	26,827	1,827	48,653
Canine program donations	—	10,300	10,300	1,500
Parkway Group PDD fee	—	663,342	663,342	—
Donation – Private citizens	—	400	400	—
PS Scholarship Fund donation	—	1,867	1,867	39,953
	<u>95,000</u>	<u>809,733</u>	<u>714,733</u>	<u>171,769</u>
Total revenue	<u>35,407,612</u>	<u>36,990,702</u>	<u>1,583,090</u>	<u>31,015,659</u>
Expenditures				
General Government Administration				
General Services:				
Personal services	513,500	532,228	(18,728)	591,660
Operating expenditures	1,447,250	1,495,860	(48,610)	1,423,987
Less, overhead allocation	(882,338)	(912,640)	30,301	(907,041)
	<u>1,078,412</u>	<u>1,115,448</u>	<u>(37,037)</u>	<u>1,108,606</u>
Legislative:				
Personal services	383,843	340,057	43,785	336,975
Operating expenditures	60,600	49,715	16,685	63,847
Less, overhead allocation	(225,121)	(166,507)	58,616	(200,411)
	<u>225,121</u>	<u>223,265</u>	<u>1,856</u>	<u>200,411</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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
General Government Administration (Cont.)				
Administrative:				
Personal services	570,051	599,031	(28,980)	566,040
Operating expenditures	119,850	33,890	85,960	61,054
Less, overhead allocation	(344,950)	(344,940)	10	(313,547)
	<u>344,951</u>	<u>287,981</u>	<u>56,970</u>	<u>313,547</u>
City Court:				
Personal services	523,452	372,796	150,656	484,914
Operating expenditures	49,425	28,867	20,558	31,386
Capital expenditures	—	—	—	—
	<u>572,877</u>	<u>401,663</u>	<u>171,214</u>	<u>516,300</u>
Legal:				
Personal services	308,843	286,470	22,373	277,586
Operating expenditures	192,250	600,354	(408,104)	489,192
Capital expenditures	—	—	—	—
Less, overhead allocation	(250,547)	(443,412)	(192,865)	(383,389)
	<u>250,546</u>	<u>443,412</u>	<u>(192,866)</u>	<u>383,389</u>
Human Resources:				
Personal services	703,446	629,023	74,423	649,929
Operating expenditures	72,500	67,971	4,583	49,101
Capital expenditures	25,000	29,353	(4,353)	—
Less, overhead allocation	(384,454)	(348,621)	35,833	(335,534)
	<u>416,492</u>	<u>377,672</u>	<u>38,820</u>	<u>363,496</u>
Total general government administration	2,888,399	2,849,441	38,958	2,885,749
Less, total capital outlay	(25,000)	(29,353)	(4,353)	(363,496)
Net general government administration	<u>2,863,399</u>	<u>2,820,088</u>	<u>43,311</u>	<u>2,552,253</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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
Finance				
Accounting:				
Personal services	850,352	534,458	315,894	693,107
Operating expenditures	197,150	124,039	73,111	170,171
Capital expenditures	—	11,000	(11,000)	—
Less, overhead allocation	(659,926)	(414,853)	245,073	(543,865)
	<u>387,576</u>	<u>243,644</u>	<u>143,932</u>	<u>319,413</u>
Revenue:				
Personal services	631,947	493,592	138,355	519,307
Operating expenditures	321,375	792,736	(471,361)	667,124
Capital expenditures	—	—	—	58,643
	<u>953,322</u>	<u>1,286,328</u>	<u>(333,006)</u>	<u>1,245,074</u>
Total finance	<u>1,340,898</u>	<u>1,529,972</u>	<u>(189,074)</u>	<u>1,564,487</u>
Less, total capital outlay	—	(11,000)	(11,000)	(58,643)
Net finance	<u>1,340,898</u>	<u>1,518,972</u>	<u>(178,074)</u>	<u>1,505,844</u>
Information Services				
Personal services	794,520	693,730	100,790	739,179
Operating services	490,700	513,458	(22,758)	541,750
Capital expenditures	164,500	362,861	(198,361)	92,519
Less, overhead allocation	(908,882)	(735,916)	172,966	(708,068)
	<u>540,838</u>	<u>834,133</u>	<u>(293,295)</u>	<u>665,380</u>
Total information services	<u>540,838</u>	<u>834,133</u>	<u>(293,295)</u>	<u>665,380</u>
Less, total capital outlay	(164,500)	(362,861)	(198,361)	(92,519)
Net information services	<u>376,338</u>	<u>471,272</u>	<u>(94,934)</u>	<u>572,861</u>
Public Safety				
Administrative:				
Personal services	853,098	924,140	(71,042)	856,377
Operating expenditures	437,600	313,245	124,355	248,971
Capital expenditures	35,000	—	35,000	—
	<u>1,325,698</u>	<u>1,237,385</u>	<u>88,313</u>	<u>1,105,348</u>
Uniform patrol:				
Personal services	5,231,777	4,888,381	343,396	5,451,303
Operating expenditures	425,383	609,253	(183,870)	658,482
Capital expenditures	388,000	456,872	(68,872)	425,897
Less, total overhead allocation	(30,000)	(30,000)	—	—
	<u>6,015,160</u>	<u>5,924,506</u>	<u>90,654</u>	<u>6,535,682</u>
Community services:				
Personal services	866,723	801,319	65,404	867,734
Operating expenditures	177,800	182,226	(4,426)	175,793
Capital expenditures	76,500	31,894	44,606	67,401
Less, overhead allocation	—	—	—	—
	<u>1,121,023</u>	<u>1,015,439</u>	<u>105,584</u>	<u>1,110,928</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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
Public Safety (Cont.)				
Detectives:				
Personal services	989,552	1,123,249	(133,697)	1,026,545
Operating expenditures	72,360	69,606	2,754	92,820
Capital expenditures	31,000	97,501	(66,501)	99,989
Less, overhead allocation	(10,000)	—	(10,000)	—
	<u>1,082,912</u>	<u>1,290,356</u>	<u>(207,444)</u>	<u>1,219,354</u>
Communications/Detention:				
Personal services	1,551,705	1,440,985	110,720	1,315,979
Operating expenditures	87,935	58,555	29,380	74,748
Capital expenditures	—	—	—	—
Less, overhead allocation	(131,171)	(119,963)	(11,208)	(111,258)
	<u>1,508,469</u>	<u>1,379,577</u>	<u>128,892</u>	<u>1,279,469</u>
Records:				
Personal services	352,703	302,837	49,866	341,160
Operating expenditures	31,171	29,994	1,177	29,018
Capital expenditures	—	—	—	—
	<u>383,874</u>	<u>332,831</u>	<u>51,043</u>	<u>370,178</u>
Victim's Assistance:				
Personal services	88,511	89,396	(885)	91,713
Operating expenditures	6,125	2,831	3,294	2,692
	<u>94,636</u>	<u>92,227</u>	<u>2,409</u>	<u>94,405</u>
Police Training:				
Personal services	537,504	355,473	182,031	399,693
Operating expenditures	27,150	28,504	(1,354)	37,550
Capital expenditures	—	—	—	—
	<u>564,654</u>	<u>383,977</u>	<u>180,677</u>	<u>437,243</u>
Fire Suppression/Rescue:				
Personal services	4,850,909	4,927,881	(76,972)	4,505,522
Operating expenditures	441,000	413,540	27,460	600,633
Capital expenditures	45,000	—	45,000	159,548
Less, overhead allocation	(30,000)	—	(30,000)	—
	<u>5,306,909</u>	<u>5,341,421</u>	<u>(34,512)</u>	<u>5,265,703</u>
Fire Prevention/Inspection:				
Personal services	368,326	281,518	86,808	333,474
Operating expenditures	32,999	19,740	13,259	28,134
Capital expenditures	31,000	—	31,000	—
	<u>432,325</u>	<u>301,258</u>	<u>131,067</u>	<u>361,608</u>
Total Public Safety	17,835,660	17,298,977	536,683	17,779,918
Less, total capital outlay	(606,500)	(586,267)	(20,233)	(752,835)
Net public safety	<u>17,229,160</u>	<u>16,712,710</u>	<u>516,450</u>	<u>17,027,083</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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
Planning/Development				
Planning/Zoning Administration:				
Personal services	1,100,729	930,703	170,026	1,041,404
Operating expenditures	46,000	41,972	4,028	72,562
Capital expenditures	35,000	—	35,000	—
	<u>1,181,729</u>	<u>972,675</u>	<u>209,054</u>	<u>1,113,966</u>
Code Enforcement – Building:				
Personal services	906,634	836,945	69,689	800,553
Operating expenditures	61,650	94,456	(32,807)	45,579
Capital expenditures	70,000	—	70,000	31,810
Less, overhead allocation	(51,914)	(46,570)	(5,343)	(43,897)
	<u>986,370</u>	<u>884,831</u>	<u>101,539</u>	<u>834,045</u>
Total Planning/Development	2,168,099	1,857,506	310,593	1,948,011
Less, total capital outlay	(105,000)	—	(105,000)	(31,810)
Net planning/development	<u>2,063,099</u>	<u>1,857,506</u>	<u>205,593</u>	<u>1,916,201</u>
Public Works				
Streets/Drainage:				
Personal services	1,921,602	1,653,409	268,193	1,660,534
Operating expenditures	1,480,500	1,530,795	(50,295)	1,574,346
Capital expenditures	115,000	274,403	(159,403)	78,905
Less, overhead allocation	(951,710)	(652,972)	298,738	(468,016)
	<u>2,565,392</u>	<u>2,805,635</u>	<u>(240,243)</u>	<u>2,845,769</u>
Total Public Works	2,565,392	2,805,635	(240,243)	2,845,769
Less, total capital outlay	(115,000)	(274,403)	(159,403)	(78,905)
Net public works	<u>2,450,392</u>	<u>2,531,232</u>	<u>(80,840)</u>	<u>2,766,864</u>
Parks and Recreation				
Recreation Administration:				
Personal services	562,434	556,117	6,317	529,527
Operating expenditures	78,029	72,324	5,705	104,030
Capital expenditures	—	—	—	—
Less, overhead allocation	(256,185)	(251,376)	(4,809)	(253,423)
	<u>384,278</u>	<u>377,065</u>	<u>7,213</u>	<u>380,134</u>
Athletics:				
Personal services	626,409	502,787	123,622	471,674
Operating expenditures	419,653	155,900	263,753	252,159
Capital expenditures	21,500	20,382	1,118	—
	<u>1,067,562</u>	<u>679,069</u>	<u>388,493</u>	<u>723,833</u>
Programs:				
Personal services	341,891	361,970	(20,079)	395,882
Operating expenditures	589,869	136,289	453,480	359,516
Capital expenditures	20,000	—	20,000	—
	<u>951,760</u>	<u>498,259</u>	<u>453,501</u>	<u>755,398</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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
Parks and Recreation (continued)				
Row Maintenance:				
Personal services	377,487	322,189	55,298	278,021
Operating expenditures	186,721	161,713	25,008	209,241
Capital expenditures	74,000	34,491	39,509	57,214
Less, overhead allocation	(12,764)	(10,368)	(2,396)	(10,890)
	<u>625,444</u>	<u>508,025</u>	<u>117,419</u>	<u>533,586</u>
Sports Park:				
Personal services	510,820	460,908	49,912	414,366
Operating expenditures	320,625	290,621	30,004	263,448
Capital outlay	74,000	65,243	8,757	49,504
Less, overhead allocation	(543,267)	(490,063)	(53,204)	(436,391)
	<u>362,178</u>	<u>326,709</u>	<u>35,469</u>	<u>290,927</u>
Landscaping:				
Personal services	300,487	258,073	42,414	245,376
Operating expenditures	149,061	117,017	32,044	87,678
Capital outlay	—	—	—	18,938
Less, overhead allocation	(44,955)	(37,509)	(7,446)	(43,856)
	<u>404,593</u>	<u>337,581</u>	<u>67,012</u>	<u>308,136</u>
Parks and Beach:				
Personal services	337,182	300,451	36,731	321,489
Operating expenditures	342,519	199,654	142,865	192,269
Capital outlay	45,000	—	45,000	23,756
Less, overhead allocation	(72,470)	(50,010)	(22,460)	(53,751)
	<u>652,231</u>	<u>450,095</u>	<u>202,136</u>	<u>483,763</u>
Administration:				
Personal services	516,902	416,794	100,108	372,405
Operating expenditures	61,800	30,281	31,519	55,756
Capital outlay	53,600	43,367	10,233	10,710
Less, overhead allocation	(75,292)	(69,629)	(5,663)	(17,555)
	<u>557,010</u>	<u>420,813</u>	<u>136,197</u>	<u>421,316</u>
Total Parks and Recreation	5,005,056	3,597,616	1,407,440	3,897,093
Less, total capital outlay	(288,100)	(163,483)	(124,617)	(160,122)
Net parks and recreation	4,716,956	3,434,133	1,282,823	3,736,971

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

— CONTINUED —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
Support Services				
Custodial Services:				
Personnel services	310,448	324,696	(14,248)	299,972
Operating expenses	70,800	60,859	9,940	46,519
Capital outlay	65,000	—	65,000	—
Less, overhead allocation	(156,187)	(134,944)	(21,242)	(123,539)
	<u>290,061</u>	<u>250,611</u>	<u>39,450</u>	<u>222,952</u>
Purchasing:				
Personal services	301,785	161,144	140,641	206,664
Operating expenditures	27,550	19,498	8,052	17,279
Capital outlay	—	37,080	(37,080)	—
Less, overhead allocation	(191,014)	(126,279)	(64,735)	(129,887)
	<u>138,321</u>	<u>91,443</u>	<u>46,878</u>	<u>94,056</u>
Fleet management:				
Personal services	466,541	375,055	91,486	431,772
Operating expenditures	71,000	53,928	17,072	106,274
Capital outlay	115,000	—	115,000	—
Less, overhead allocation	(261,017)	(171,593)	(89,424)	(215,218)
	<u>391,524</u>	<u>257,390</u>	<u>134,134</u>	<u>322,828</u>
Custodial/Facility Maintenance:				
Personnel services	243,456	235,320	8,136	210,636
Operating expenses	473,000	538,928	(65,928)	574,074
Capital outlay	—	—	—	—
Less, overhead allocation	(250,759)	(270,987)	20,228	(274,648)
	<u>465,697</u>	<u>503,261</u>	<u>(37,564)</u>	<u>510,062</u>
Total Support Services	1,285,603	1,102,705	182,898	1,149,898
Less, total capital outlay	(180,000)	(37,080)	(142,920)	—
Net support services	<u>1,105,603</u>	<u>1,065,625</u>	<u>39,978</u>	<u>1,149,898</u>
Total Departmental Expenditures (net)	<u>32,145,845</u>	<u>30,411,538</u>	<u>1,734,307</u>	<u>31,561,471</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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Expenditures (Continued)				
Debt Service				
Principal retirement	—	—	—	—
Interest and fiscal charges	—	—	—	—
Agent fees	—	700	(700)	1,250
Total debt service	—	700	(700)	1,250
Capital Outlay	1,484,100	1,464,447	19,653	1,174,834
Total expenditures	33,629,945	31,876,685	1,753,260	32,737,555
Excess (deficiency) of revenue over (under) expenditures	1,777,667	5,114,017	3,336,350	(1,721,896)
Other Financing Sources (Uses)				
Transfers in:				
From State Accommodations (2%) Tax Fund	935,713	1,027,753	92,040	841,007
From Local (3%) Accommodations Tax Fund	2,471,650	2,617,093	145,443	2,002,469
From Local (2%) Hospitality Fee Fund	2,995,000	3,122,983	127,983	2,527,223
From Beach Services Fund	—	—	—	150,000
From Sports and Tourism Park Fund	75,000	—	(75,000)	75,000
Total transfers in:	6,477,363	6,767,829	290,466	5,595,699
Transfers (out):				
To Park Improvement Fund	(3,555,000)	(3,555,000)	—	—
To Capital Improvement Fund	(2,775,000)	(2,775,000)	—	(2,700,000)
To Street Improvement Fund	(1,100,000)	(1,100,000)	—	(800,000)
To Sports and Tourism Park Fund	—	—	—	(200,000)
To Pension Trust Fund	(50,000)	(44,197)	5,803	(45,933)
To NMB Enterprise Fund	(50,000)	(50,000)	—	—
To Insurance Reserve Fund	—	—	—	(100,000)
Total transfers (out)	(7,530,000)	(7,524,197)	5,803	(3,845,933)
Total other financing sources (uses)	(1,052,637)	(756,368)	296,269	1,749,766
Net change in fund balance	725,030	4,357,649	3,632,619	27,870
Fund balance, beginning of year	12,075,469	12,075,469	—	12,047,599
Fund balance, end of year	<u>\$ 12,800,499</u>	<u>\$ 16,433,118</u>	<u>\$ 3,632,619</u>	<u>\$ 12,075,469</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.

Local 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, 2021

	State (2%) A-Tax	Local (3%) A-Tax	Hospitality (2%) Fee	Totals
Assets				
Equity in pooled cash and cash equivalents	\$ —	\$ 312,457	\$ 2,730,080	\$ 3,042,537
Receivables, net	—	1,818,769	872,238	2,691,007
Due from other governments	1,780,700	—	—	1,780,700
Total assets	\$ 1,780,700	\$ 2,131,226	\$ 3,602,318	\$ 7,514,244
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 642,801	\$ —	\$ —	\$ 642,801
Due to other funds	854,488	912,231	461,479	2,228,198
Unearned revenues	—	2,980,633	2,261,991	5,242,624
Total liabilities	1,497,289	3,892,864	2,723,470	8,113,623
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	283,411	—	—	283,411
Committed by ordinance	—	—	878,848	878,848
Assigned by management	—	—	—	—
Unassigned (deficit)	—	(1,761,638)	—	(1,761,638)
Total fund balances	283,411	(1,761,638)	878,848	(599,379)
Total liabilities and fund balances	\$ 1,780,700	\$ 2,131,226	\$ 3,602,318	\$ 7,514,244

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	State (2%) A-Tax	Local (3%) A-Tax	Hospitality (2%) Fee	Totals
Revenue				
Use of money and property	\$ —	\$ —	\$ —	\$ —
Restricted intergovernmental	4,385,508	7,814,966	5,915,806	18,116,280
Total revenue	4,385,508	7,814,966	5,915,806	18,116,280
Expenditures				
Current:				
General government activities	—	47,314	47,314	94,628
Parks and recreation – tourism related	1,869,704	—	—	1,869,704
Total expenditures	1,869,704	47,314	47,314	1,964,332
Excess (deficiency) of revenue over (under) expenditures	2,515,804	7,767,652	5,868,492	16,151,948
Other Financing Sources (Uses)				
Transfers (out)	(2,258,600)	(9,412,928)	(4,872,983)	(16,544,511)
Total other financing sources (uses)	(2,258,600)	(9,412,928)	(4,872,983)	(16,544,511)
Net change in fund balances	257,204	(1,645,276)	995,509	(392,563)
Fund balances, (deficit) beginning of year	26,207	(116,362)	(116,661)	(206,816)
Fund balances (deficit), end of year	\$ 283,411	\$ (1,761,638)	\$ 878,848	\$ (599,379)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

STATE ACCOMMODATIONS (2%) TAX
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity (deficit) in pooled cash and cash equivalents	\$ —	\$ —
Receivables, net	—	49,742
Due from other governments	<u>1,780,700</u>	<u>832,424</u>
Total assets	<u>\$ 1,780,700</u>	<u>\$ 882,166</u>
 Liabilities and Fund Balance		
Accounts payable	\$ 642,801	\$ 270,735
Due to General Fund	<u>854,488</u>	<u>585,224</u>
Total liabilities	<u>1,497,289</u>	<u>855,959</u>
 Fund balance:		
Restricted by others	<u>283,411</u>	<u>26,207</u>
Total liabilities and fund balance	<u>\$ 1,780,700</u>	<u>\$ 822,166</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ 102
Restricted intergovernmental:				
State A-tax revenue	4,104,000	4,385,508	281,508	3,648,534
Total revenue	4,104,000	4,385,508	281,508	3,648,636
Expenditures				
Parks and recreation				
30% advertising allocation	1,296,000	822,571	473,429	1,152,169
North Myrtle Beach Chamber	519,600	1,030,826	(511,226)	399,988
Services to other agencies	29,800	16,307	13,493	32,758
Total expenditures	1,845,400	1,869,704	(24,304)	1,584,915
Excess of revenue over expenditures	2,258,600	2,515,804	257,204	2,063,721
Other Financing Sources (Uses)				
Transfers (out) –				
General Fund	(935,713)	(1,027,753)	(92,040)	(841,007)
Capital Improvement Fund	(178,650)	(178,650)	—	(166,328)
Street Improvement Fund	(244,000)	(244,000)	—	(234,363)
Beach Renourishment Fund	(367,876)	(367,876)	—	(421,831)
Stormwater Drainage Fund	(116,100)	(116,100)	—	(63,431)
Solid Waste Fund	(195,140)	(195,140)	—	(168,906)
Park Development Fund	(92,040)	—	92,040	(73,633)
Beach Services Fund	(129,081)	(129,081)	—	(93,734)
Total other financing sources (uses)	(2,258,600)	(2,258,600)	—	(2,063,233)
Net change in fund balance	—	257,204	257,204	488
Fund balance, beginning of year	26,207	26,207	—	25,719
Fund balance, end of year	\$ 26,207	\$ 283,411	\$ 257,204	\$ 26,207

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (3%) TAX
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 312,457	\$ 2,311,922
Receivables, net	<u>1,818,769</u>	<u>1,108,269</u>
Total assets	<u>\$ 2,131,226</u>	<u>\$ 3,420,191</u>
Liabilities and Fund Balance		
Accounts payable		\$ 2,063
Due to General Fund	610,052	370,157
Due to Beach Services Fund	302,179	183,700
Unearned revenue – court ordered escrow	<u>2,980,633</u>	<u>2,980,633</u>
Total liabilities	<u>3,892,864</u>	<u>3,536,553</u>
Fund balance:		
Unassigned (deficit)	<u>(1,761,638)</u>	<u>(116,362)</u>
Total liabilities and fund balance	<u>\$ 2,131,226</u>	<u>\$ 3,420,191</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Restricted intergovernmental:				
Local A-tax revenue	\$ 7,373,600	\$ 7,793,562	\$ 419,962	\$ 2,980,633
Penalties	12,000	21,404	9,404	15,380
Total revenue	7,385,600	7,814,966	429,366	2,996,013
Expenditures				
General government administration				
Professional services	—	47,314	(47,314)	116,362
Total expenditures	—	47,314	(47,314)	116,362
Excess of revenue over expenditures	7,385,600	7,767,652	382,052	2,879,651
Other Financing Sources (Uses)				
Transfers (out) –				
General Fund	(2,471,650)	(2,617,093)	(145,443)	(2,002,469)
Street Improvement Fund	—	(5,500,000)	(5,500,000)	—
Beach Services Fund	(397,150)	(469,243)	(72,093)	(363,862)
Aquatic Center Fund	(830,000)	(826,592)	3,408	(629,682)
Total other financing sources (uses)	(3,698,800)	(9,412,928)	(5,714,128)	(2,996,013)
Net change in fund balance	3,686,800	(1,645,276)	(5,332,076)	(116,362)
Fund balance, beginning of year	(116,362)	(116,362)	—	—
Fund balance (deficit), end of year	\$ 3,570,438	\$ (1,761,638)	\$ (5,332,076)	\$ (116,362)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL HOSPITALITY (2%) FEES
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 2,730,080	\$ 1,869,658
Receivables, net	872,238	575,516
Total assets	<u>\$ 3,602,318</u>	<u>\$ 2,445,174</u>
Liabilities and Fund Balance		
Accounts payable	\$ —	\$ 2,062
Due to General Fund	461,479	297,782
Unearned revenue – court ordered escrow	2,261,991	2,261,991
Total liabilities	<u>2,723,470</u>	<u>2,561,835</u>
Fund balance:		
Committed by ordinance	878,848	—
Unassigned (deficit)	—	(116,661)
Total liabilities and fund balance	<u>\$ 3,602,318</u>	<u>\$ 2,445,174</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL HOSPITALITY (2%) FEES
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2021
 (With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Restricted intergovernmental:				
Hospitality fees	\$ 5,984,000	\$ 5,873,765	\$ (110,235)	\$ 2,511,756
Penalties	6,000	42,041	36,041	15,467
Total revenue	5,990,000	5,915,806	(74,194)	2,527,223
Expenditures				
General government administration				
Professional services	—	47,314	(47,314)	116,661
Total expenditures	—	47,314	(47,314)	116,661
Excess of revenue over expenditures	5,990,000	5,868,492	(121,508)	2,410,562
Other Financing Sources (Uses)				
Transfers (out)				
General Fund	(2,995,000)	(3,122,983)	(127,983)	(2,527,223)
Park Improvement Fund	—	(1,000,000)	(1,000,000)	—
Street Improvement Fund	—	(750,000)	(750,000)	—
Total other financing sources (uses)	(2,995,000)	(4,872,983)	(1,877,983)	(2,527,223)
Net change in fund balance	(2,995,000)	995,509	(1,999,491)	(116,661)
Fund balance, beginning of year	(116,661)	(116,661)	—	—
Fund balance (deficit), end of year	\$ 2,878,339	\$ 878,848	\$ (1,999,491)	\$ (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 Land Note:

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, 2021

	<u>Park Land Note</u>	<u>Cherry Grove Bonds</u>	<u>Totals</u>
Assets			
Equity in pooled cash and cash equivalents	\$ 634,606	\$ 196,628	\$ 831,234
Restricted cash and cash equivalents	—	770	770
Receivables, net	—	—	—
Total assets	<u>\$ 634,606</u>	<u>\$ 197,398</u>	<u>\$ 832,004</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ —	\$ 66	\$ 66
Due other funds	—	92,469	92,469
Total liabilities	<u>—</u>	<u>92,535</u>	<u>92,535</u>
Fund Balance:			
Committed by ordinance	634,606	104,863	739,469
Unassigned (deficit)	—	—	—
Total fund balance	<u>634,606</u>	<u>104,863</u>	<u>739,469</u>
Total liabilities and fund balance	<u>\$ 634,606</u>	<u>\$ 197,398</u>	<u>\$ 832,004</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	<u>Park Land Note</u>	<u>Cherry Grove Bonds</u>	<u>Totals</u>
Revenue			
Property taxes	\$ —	\$ —	\$ —
Special assessments	—	1,312,248	1,312,248
Use of money and property:	—	—	—
Interest on investments	26	—	26
Total revenue	<u>26</u>	<u>1,312,248</u>	<u>1,312,274</u>
Expenditures			
Debt Service:			
Principal	1,835,490	1,209,000	3,044,490
Interest	113,067	16,805	129,872
Fiscal agent fees	—	17,159	17,159
Total expenditures	<u>1,948,557</u>	<u>1,242,964</u>	<u>3,191,521</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,948,531)</u>	<u>69,284</u>	<u>(1,879,247)</u>
Other Financing Sources (Uses)			
Land Note Proceeds	5,000,000	—	5,000,000
Transfers in (out):			
Park Development Fund	1,948,557	—	1,948,557
	<u>6,948,557</u>	<u>—</u>	<u>6,948,557</u>
Net change in fund balance	5,000,026	69,284	5,069,310
Fund balance (deficit), beginning of year	<u>(4,365,420)</u>	<u>35,579</u>	<u>(4,329,841)</u>
Fund balance (deficit), end of year	<u>\$ 634,606</u>	<u>\$ 104,863</u>	<u>\$ 739,469</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK LAND NOTE
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 634,606	\$ —
Receivables, net	<u>—</u>	<u>—</u>
Total assets	<u>\$ 634,606</u>	<u>\$ —</u>
Liabilities and Fund Balance		
Liabilities:		
Due to Stormwater Drainage Fund	\$ —	\$ 4,365,420
Total liabilities	<u>—</u>	<u>4,365,420</u>
Fund Balance:		
Committed by ordinance	634,606	—
Unassigned (deficit)	<u>—</u>	<u>(4,365,420)</u>
Total liabilities and fund balance	<u>\$ 634,606</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK LAND NOTE

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

YEAR ENDED JUNE 30, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Property taxes:				
Current	\$ —	\$ —	\$ —	\$ —
Delinquent and penalties	—	—	—	—
Use of money and property:				
Interest on investments	—	26	26	—
Total revenue	—	26	26	—
Expenditures				
Debt Service:				
Principal	—	1,835,490	1,835,490	4,258,836
Interest	—	113,067	113,067	106,584
Fiscal agent fees	—	—	—	—
Total expenditures	—	1,948,557	1,948,557	4,365,420
Excess of revenue over expenditures	—	(1,948,531)	(1,948,531)	(4,365,420)
Other Financing Sources (Uses)				
Park Land Note	—	5,000,000	5,000,000	—
Transfers in (out):				
Park Development Fund	—	1,948,557	1,948,557	—
	—	6,948,557	6,948,557	—
Net change in fund balance	—	5,000,000	5,000,026	(4,365,420)
Fund balance, beginning of year	(4,365,420)	(4,365,420)	—	—
Fund balance (deficit), end of year	\$ (4,365,420)	\$ 634,606	\$ 5,000,026	\$ (4,365,420)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

CHERRY GROVE MUNICIPAL IMPROVEMENT DISTRICT BONDS
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 196,628	\$ 129,695
Restricted cash and cash equivalents:		
Revenue funds	1	60,389
Interest account	—	—
Prepayment accounts	769	769
Sinking fund	—	—
Receivables – special assessments	9,600	14,400
Less, allowance for doubtful accounts	(9,600)	(14,400)
Total assets	<u>\$ 197,398</u>	<u>\$ 190,853</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 66	\$ 13
Deferred prepaid assessment	—	2,400
Due to Cherry Grove Dredge Capital Projects Fund	92,469	152,861
Total Liabilities	<u>\$ 92,535</u>	<u>\$ 155,274</u>
Fund Balance:		
Committed by ordinance	104,863	35,579
Unassigned (deficit)	—	—
Total liabilities and fund balance	<u>\$ 197,398</u>	<u>\$ 190,853</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, 2021
 (With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Special assessments:				
Current	\$ 1,350,000	\$ 1,306,104	\$ (43,896)	\$ 1,302,048
Delinquent and penalties	—	6,144	6,144	7,342
Pre-issuance assessments	—	—	—	—
Use of money and property:				
Interest on investments	—	—	—	1,777
Total revenue	1,350,000	1,312,248	(37,752)	1,311,167
Expenditures				
Debt Service:				
Principal	971,000	1,209,000	(238,000)	1,193,000
Interest	18,042	16,805	1,237	33,388
Fiscal agent fees	500	17,159	(16,659)	9,847
Total expenditures	989,542	1,242,964	(253,422)	1,236,235
Net change in fund balance	360,458	69,284	(291,174)	74,932
Fund balance, beginning of year	35,579	35,579	—	(39,353)
Fund balance, end of year	\$ 396,037	\$ 104,863	\$ (291,174)	\$ 35,579

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:	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, 2021

	Street Improvement	Stormwater Drainage	Capital Improvement	Beach Renourishment	Park Development	Cherry Grove Dredge	Totals
Assets							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 145,946	\$ 145,946
Equity in pooled cash and cash equivalents	3,884,787	10,181,178	59,294	1,658,611	533,003	—	2,250,908
Restricted – cash and cash equivalents	—	—	—	—	—	832,033	832,033
Receivables, net	203,331	76,917	—	—	—	—	—
Due from other governments	1,806,977	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	92,469	92,469
Prepaid items	—	—	—	—	—	—	—
Total assets	\$ 5,895,095	\$ 10,258,095	\$ 59,294	\$ 1,658,611	\$ 533,003	\$ 1,070,448	\$ 3,321,356
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 115,737	\$ 7,944	\$ 24,596	\$ 9,851	\$ —	\$ —	\$ 34,447
Retainage payable	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	238,397	238,397
Due to other funds	—	—	502,090	—	—	250,143	752,233
Total liabilities	115,737	7,944	526,686	9,851	—	488,540	1,025,077
Fund balances:							
Non-spendable	—	—	—	—	—	—	—
Restricted by others	—	—	—	—	—	—	—
Committed by ordinance	—	—	—	1,648,760	—	581,908	2,230,668
Assigned by management	5,779,358	10,250,151	(467,392)	—	533,003	—	533,003
Unassigned (deficit)	—	—	(467,392)	—	—	—	(467,392)
Total fund balances	5,779,358	10,250,151	(467,392)	1,648,760	533,003	581,908	2,296,279
Total liabilities and fund balances	\$ 5,895,095	\$ 10,258,095	\$ 59,294	\$ 1,658,611	\$ 533,003	\$ 1,070,448	\$ 3,321,356

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Street Improvement	Stormwater Drainage	Capital Improvement	Beach Renourishment	Park Development	Cherry Grove Dredge	Totals
Revenue							
Use of money and property	\$ —	\$ —	\$ 61,902	\$ —	\$ —	\$ 148	\$ 62,050
Restricted intergovernmental	1,829,082	1,000,000	—	28,529	—	—	28,529
Sales and service charges	—	2,986,672	100,760	—	—	—	100,760
Miscellaneous	277,114	—	—	—	—	—	—
Total revenue	2,106,196	3,986,672	162,662	28,529	—	148	191,339
Expenditures							
Current:							
Finance	—	54,940	—	—	—	—	—
Public works	—	427,920	—	110,897	—	—	110,897
Capital outlay:							
General government administration	—	—	376,159	—	—	—	376,159
Public safety	—	—	1,553,704	—	—	—	1,553,704
Public works	4,316,271	224,632	2,056,851	—	—	—	2,056,851
Parks and recreation	—	—	115,470	—	2,073,440	165,545	2,354,455
Debt service	—	—	—	—	—	—	—
Total expenditures	4,316,271	707,492	4,102,184	110,897	2,073,440	165,545	6,452,066
Excess (deficiency) of revenue over (under) expenditures	(2,210,075)	3,279,180	(3,939,522)	(82,368)	(2,073,440)	(165,397)	(6,260,727)
Other Financing Sources (Uses)							
Transfers in	7,594,000	116,100	2,953,650	367,876	4,555,000	—	7,876,526
Transfers (out)	—	—	—	—	(1,948,557)	—	(1,948,557)
Total other financing sources (uses)	7,594,000	116,100	2,953,650	367,876	2,606,443	—	5,927,969
Net change in fund balances	5,383,925	3,395,280	(985,872)	285,508	533,003	(165,397)	(332,758)
Fund balances, beginning of year	395,433	6,854,871	518,480	1,363,252	—	747,305	2,629,037
Fund balances, end of year	\$ 5,779,358	\$ 10,250,151	\$ (467,392)	\$ 1,648,760	\$ 533,003	\$ 581,908	\$ 2,296,279

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 59,294	\$ 769,398
Receivables, net	—	1,433
Due from other fund	—	—
Total assets	<u>\$ 59,294</u>	<u>\$ 770,831</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 24,596	\$ 162,600
Retainage payable	—	89,751
Due to General Fund	502,090	—
Total liabilities	<u>526,686</u>	<u>252,351</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	—	518,480
Unassigned (deficit)	(467,392)	—
Total fund balance	<u>(467,392)</u>	<u>518,480</u>
Total liabilities and fund balance	<u>\$ 59,294</u>	<u>\$ 770,831</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, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 8	\$ 8	\$ 222
Surplus sales	50,000	61,894	11,894	62,263
Restricted Intergovernmental:				
SCPRT grant	—	—	—	—
SC Conservation Bank grant	—	—	—	—
Sales and services:				
Development fees	5,000	100,760	95,760	20,804
Miscellaneous:				
Contributions – private entities	—	—	—	394
Total revenue	55,000	162,662	107,662	83,683
Expenditures				
Capital outlay –				
General government administration				
Professional/contractual services	90,000	50,000	40,000	339,128
Building improvement and IT projects	2,300,000	326,159	1,973,841	400,193
Public safety				
Access controls and generator	—	169,132	(169,132)	527,141
Fire rescue equipment/truck	692,000	845,118	(153,118)	164,226
Vehicles	103,000	—	103,000	9,791
EOC Building	—	539,454	(539,454)	—
Public works				
Building improvements	1,000,000	2,056,851	(1,056,851)	936,974
Parks and recreation				
Parks and parking				
renovations/improvements	—	67,731	(67,731)	111,348
Tennis Courts Rehab	—	43,500	(43,500)	—
Sports park buildings and improvements	—	—	—	710,788
Heritage Shores improvements	—	4,239	(4,239)	—
Contingency	500,000	—	500,000	—
Total expenditures	4,685,000	4,102,184	582,816	3,199,589
Excess (deficiency) of revenue over (under) expenditures	(4,630,000)	(3,939,522)	690,478	(3,115,906)
Other Financing Sources (Uses)				
Transfers in – General Fund	2,775,000	2,775,000	—	2,700,000
Transfers in – State Accommodation (2%) Tax Fund	178,650	178,650	—	166,328
Transfers in – Insurance Reserves Fund	—	—	—	—
Total other financing sources	2,953,650	2,953,650	—	2,866,328
Net change in fund balance	(1,676,350)	(985,872)	690,478	(249,578)
Fund balance, beginning of year	518,480	518,480	—	768,058
Fund balance, end of year	\$ (1,157,870)	\$ (467,392)	\$ 690,478	\$ 518,480

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 3,884,787	\$ —
Receivables, net	203,331	194,341
Due from other governments	<u>1,806,977</u>	<u>2,937,586</u>
Total assets	<u>\$ 5,895,095</u>	<u>\$ 3,131,927</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 115,737	\$ 1,314,633
Retainage payable	—	635,914
Due to General Fund	—	—
Due to Stormwater Drainage Fund	<u>—</u>	<u>785,947</u>
Total liabilities	<u>115,737</u>	<u>2,736,494</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	5,779,358	395,433
Unassigned	<u>—</u>	<u>—</u>
Total fund balance	<u>5,779,358</u>	<u>395,433</u>
Total liabilities and fund balance	<u>\$ 5,895,095</u>	<u>\$ 3,131,927</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, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ —
Restricted intergovernmental:				
Federal grants	50,000	—	(50,000)	—
State Grants – SCDOT	—	991,793	991,793	806,943
State Grants – SCDOT/C Fund	500,000	—	(500,000)	517,792
Local Grant – Horry County Road Fee	735,000	837,289	102,289	755,570
Other Grants – Santee Cooper/HTC	1,575,000	—	(1,575,000)	515,383
Horry County. Ride III Reimbs.	—	—	—	493,060
Misc. grants from developers and others	50,000	277,114	227,114	38,688
Total revenue	2,910,000	2,106,196	(803,804)	3,127,436
Expenditures				
Capital outlay – Public works				
Contractual services	15,000	15,000	—	—
Damage Claims	—	1,715	(1,715)	—
Beach access – parking lot improvement	—	35,388	(35,388)	—
Beach access H/C – OCRM grant	150,000	55,478	94,522	107,118
Sidewalks	150,000	—	150,000	20,720
Land	—	3,006,170	(3,006,170)	—
Road intersection improvements	1,200,000	—	1,200,000	—
Paving/road resurfacing	250,000	240,284	9,716	1,403,358
11 th Ave N widening	—	—	—	96,130
Underground utilities	1,750,000	39,782	1,710,218	—
Barefoot Bridge painting	80,000	79,500	500	79,500
Crescent Beach Rd. widening	—	720,790	(720,790)	1,739,633
Edge Parkway path	—	—	—	8,818
Contingency	200,000	—	200,000	—
Paving/Resurfacing in-house	300,000	105,245	194,755	136,637
Champion Blvd widening	—	1,829	(1,829)	174,556
Little River Neck bike path	—	15,090	(15,090)	11,129
Miscellaneous	—	—	—	332,014
Total expenditures	4,095,000	4,316,271	(221,271)	4,109,613
Excess (deficiency) of revenue over (under) expenditures	(1,185,000)	(2,210,075)	(1,025,075)	(982,177)
Other Financing Sources (Uses)				
Transfers in:				800,000
General Fund	1,100,000	1,100,000	—	—
State Accommodations (2%) Tax Fund	244,000	244,000	—	234,363
Local Accommodations (3%) Tax Fund	—	5,500,000	5,500,000	—
Local Hospitality (2%) Fee Fund	—	750,000	750,000	—
Total other financing sources (uses)	1,344,000	7,594,000	6,250,000	1,034,363
Net change in fund balance	159,000	5,383,925	5,224,925	52,186
Fund balance, beginning of year	395,433	395,433	—	343,247
Fund balance, end of year	\$ 554,433	\$ 5,779,358	\$ 5,224,925	\$ 395,433

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 1,658,611	\$ 548,767
Due from Insurance Reserves Fund	<u>—</u>	<u>830,602</u>
Total assets	<u>\$ 1,658,611</u>	<u>\$ 1,379,369</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 9,851	\$ 16,117
Due to General Fund	<u>—</u>	<u>—</u>
Total liabilities	<u>9,581</u>	<u>16,117</u>
Fund Balance:		
Non-spendable	<u>—</u>	<u>—</u>
Restricted by others	<u>—</u>	<u>—</u>
Committed by ordinance	<u>—</u>	<u>—</u>
Assigned by management	1,648,760	1,363,252
Unassigned	<u>—</u>	<u>—</u>
Total fund balance	<u>1,648,760</u>	<u>1,363,252</u>
Total liabilities and fund balance	<u>\$ 1,658,611</u>	<u>\$ 1,379,369</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, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ 642
Restricted intergovernmental:				
SCEMD Grant	—	28,529	28,529	—
Total revenue	—	28,529	28,529	642
Expenditures				
Public works				
Materials and supplies	300,000	2,007	297,993	17,271
Damage claims	—	437	(437)	—
Professional services	125,000	58,870	66,130	56,106
Beach drains	—	49,583	(49,583)	—
Total expenditures	425,000	110,897	314,103	73,377
Excess (deficiency) of revenue over (under) expenditures	(425,000)	(82,368)	342,632	(72,735)
Other Financing Sources (Uses)				
Transfers in – State				
Accommodations (2%)Tax Fund	367,876	367,876	—	421,831
Total other financing sources	367,876	367,876	—	421,831
Net change in fund balance	(57,124)	285,508	342,632	349,096
Fund balance, beginning of year	1,363,252	1,363,252	—	1,014,156
Fund balance, end of year	\$ 1,306,128	\$ 1,648,760	\$ 342,632	\$ 1,363,252

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

PARK DEVELOPMENT
BALANCE SHEET

YEAR ENDED JUNE 30, 2021
(With comparative amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ —
Special assessments:				
Pre-issuance assessments	—	—	—	—
Total revenue	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures				
Capital outlay – Park and Recreation:				
Land and improvements	8,000,000	2,073,440	5,926,560	—
Contingency	—	—	—	—
Debt service:				
Principal	2,147,452	—	2,147,452	—
Interest	65,607	—	65,607	—
Agent fees	—	—	—	—
Total expenditures	<u>10,213,059</u>	<u>2,073,440</u>	<u>8,139,619</u>	<u>—</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(10,213,059)</u>	<u>(2,073,440)</u>	<u>(8,139,619)</u>	<u>—</u>
Other Finances Sources (Uses)				
Transfers in (out):				
General Fund	3,555,000	3,555,000	—	—
State Accommodations (2%) Tax Fund	92,040	—	(92,040)	—
Local Hospitality (2%) Fee Fund	—	1,000,000	1,000,000	—
Park Land Note Debt Service Fund	—	(1,948,557)	(1,948,557)	—
Bonds proceeds	30,000,000	—	(30,000,000)	—
	<u>33,647,040</u>	<u>2,606,443</u>	<u>(31,040,597)</u>	<u>—</u>
Net change in fund balance	23,433,981	533,003	(22,900,978)	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ 23,433,981</u>	<u>\$ 533,003</u>	<u>\$(22,900,978)</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

PARK DEVELOPMENT

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

YEAR ENDED JUNE 30, 2021

(With comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 533,003	\$ —
Total assets	<u>\$ 533,003</u>	<u>\$ —</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	533,003	—
Unassigned	—	—
Total fund balance	<u>533,003</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 533,003</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STORMWATER DRAINAGE
BALANCE SHEET

YEAR ENDED JUNE 30, 2021
(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ —	\$ 472,593
Equity in pooled cash and cash equivalents	10,181,178	247,225
Receivables, net	76,917	91,136
Due from other funds:		
General Fund	—	—
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>\$ 10,258,095</u>	<u>\$ 6,874,467</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 7,944	\$ 19,596
Retainage payable	—	—
Total liabilities	<u>7,944</u>	<u>19,596</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	10,250,151	6,854,871
Unassigned	—	—
Total fund balance	<u>10,250,151</u>	<u>6,854,871</u>
Total liabilities and fund balance	<u>\$ 10,258,095</u>	<u>\$ 6,874,467</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, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ 14,299
Restricted intergovernmental:				
SCDHEC grant	1,000,000	1,000,000	—	1,000,000
Sales and service charges:				
Stormwater/drainage fees	2,970,000	2,977,971	7,971	2,948,811
Penalties	11,000	11,043	43	10,715
Less, adjustments/bad debts	—	(2,342)	(2,342)	(1,526)
Total revenue	3,981,000	3,986,672	5,672	3,972,299
Expenditures				
Finance				
Overhead allocation-				
Accounting	20,950	13,170	7,780	42,277
Utility billing	47,063	41,770	5,293	17,266
Public works				
Overhead allocation -				
Administration	64,278	59,718	4,560	61,359
Streets/drainage	175,855	172,930	2,925	165,689
Lobbying contractual services	60,000	50,000	10,000	60,000
Professional services	173,250	145,272	27,978	153,716
Capital outlay - drainage construction				
18 th Ave. drainage/out fall	9,500,000	43,730	9,456,270	20,162
Drainage in – house	300,000	172,802	127,198	10,663
Other drainage construction	—	8,100	(8,100)	—
Total expenditures	10,341,396	707,492	9,633,904	531,132
Excess (deficiency) of revenue over (under) expenditures	(6,360,396)	3,279,180	9,639,576	3,441,167
Other Financing Sources (Uses)				
Transfers in – State Accommodations (2%) Tax Fund	116,100	116,100	—	63,431
Total other financing sources (uses)	116,100	116,100	—	63,431
Net change in fund balance	(6,244,296)	3,395,280	9,639,576	3,504,598
Fund balance, beginning of year	6,854,871	6,854,871	—	3,350,273
Fund balance, end of year	\$ 610,575	\$ 10,250,151	\$ 9,639,576	\$ 6,854,871

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CHERRY GROVE DREDGE
BALANCE SHEET

YEAR ENDED JUNE 30, 2021
(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 145,946	\$ 85,536
Equity in pooled cash and cash equivalents	—	—
Restricted cash and cash equivalents:		
Pre-issuance payment funds	832,033	805,106
Cost of issuance fund	—	26,798
Due from Cherry Grove Debt Service Fund	92,469	152,861
Total assets	<u>\$ 1,070,448</u>	<u>\$ 1,070,301</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ —	\$ —
Unearned prepaid assessments	238,397	238,397
Due to Stormwater Drainage Fund	—	84,599
Due to General Fund	250,143	—
Total liabilities	<u>488,540</u>	<u>322,996</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	581,908	747,305
Assigned by management	—	—
Unassigned	—	—
Total fund balance	<u>581,908</u>	<u>747,305</u>
Total liabilities and fund balance	<u>\$ 1,070,448</u>	<u>\$ 1,070,301</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CHERRY GROVE DREDGE

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

YEAR ENDED JUNE 30, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 148	\$ 148	\$ 13,601
Special assessments:				
Pre-issuance assessments	—	—	—	—
Total revenue	<u>—</u>	<u>148</u>	<u>148</u>	<u>13,601</u>
Expenditures				
Capital outlay – Public works:				
Cherry Grove dredge project	600,000	165,545	434,455	97,062
Contingency	—	—	—	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Agent fees	5,000	—	5,000	—
Total expenditures	<u>605,000</u>	<u>165,545</u>	<u>439,455</u>	<u>97,062</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(605,000)</u>	<u>(165,397)</u>	<u>439,603</u>	<u>(83,461)</u>
Net change in fund balance	(605,000)	(165,397)	439,603	(83,461)
Fund balance, beginning of year	747,305	747,305	—	830,766
Fund balance, end of year	<u>\$ 142,305</u>	<u>\$ 581,908</u>	<u>\$ 439,603</u>	<u>\$ 747,305</u>

CITY OF NORTH MYRTLE BEACH

ENTERPRISE FUNDS

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

Water and Sewer Utility:	To account for all financial resources associated with supplying water and providing sewage services to domestic, business, and industrial customers within the North Myrtle Beach area.
Solid Waste:	To account for all revenues and expenses related to the City's solid waste activities.
Aquatic/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, 2021
(With comparative amounts for June 30, 2020)

	2021	2020		2021	2020
Assets					
Current assets:			Liabilities and Net Position		
Cash and cash equivalents	\$ 4,634,523	\$ 928,188	Current liabilities:		
Equity in pooled cash and cash equivalents	139,230	—	Accounts payable – trade and contract vendors	\$ 538,940	\$ 251,251
Accounts receivable, net	1,829,497	1,807,977	Accrued payroll and related taxes	96,885	84,987
Inventories	263,920	264,764	Contracts payable – current portion	—	—
	<u>6,867,170</u>	<u>3,000,929</u>		<u>635,825</u>	<u>336,238</u>
Restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Meter deposits and other	2,374,926	2,293,123
Impact fees	—	—	Total current liabilities payable from restricted assets	2,374,926	2,293,123
Equity in pooled cash and cash equivalents:			Total current liabilities	3,010,751	2,629,361
Customer meter deposits	1,944,456	1,944,456			
Deposits with the GSWSA	280,000	280,000			
Total restricted assets	<u>2,224,456</u>	<u>2,224,456</u>			
Total current assets	<u>9,091,626</u>	<u>5,225,385</u>			
Capital assets:			Long-term liabilities:		
Land and improvements	723,714	723,714	Accrued compensated absences	347,267	324,757
Buildings	1,029,594	1,029,594	Contracts payable	—	—
Water and sewer systems	129,066,804	127,093,820	Total long-term liabilities	347,267	324,757
Automotive equipment	1,884,540	1,904,140	Total liabilities	3,358,018	2,954,118
Maintenance equipment	3,244,888	3,468,479			
Office equipment	2,159,927	1,967,979			
Construction in progress	977,683	128,476			
Less, accumulated depreciation	<u>139,087,150</u>	<u>136,316,202</u>			
Net capital assets	<u>(57,692,300)</u>	<u>(55,152,630)</u>			
	81,394,850	81,163,572	Net Position:		
Other assets:			Net investment in capital assets	81,394,850	81,163,572
Cost of purchased water/sewer rights	27,934,862	27,934,862	Restricted for debt service, capacity and deposits	—	—
Less, accumulated amortizations	<u>(22,452,206)</u>	<u>(21,545,958)</u>	Unrestricted	11,216,264	8,660,171
Net other assets	5,482,656	6,388,904	Total net position	92,611,114	89,823,743
Total assets	<u>\$ 95,969,132</u>	<u>\$ 92,777,861</u>	Total liabilities and net position	<u>\$ 95,969,132</u>	<u>\$ 92,777,861</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Water usage fees	\$ 8,485,000	\$ 8,140,438	\$ (344,562)	\$ 7,950,191
Sewer usage fees	6,375,000	6,144,485	(230,515)	5,871,490
Water taps	75,000	194,281	119,281	97,815
Sewer taps	30,000	35,166	5,166	14,900
Late payment penalties and service charges	155,000	137,215	(17,785)	114,073
Miscellaneous	2,500	95,538	93,038	3,595
Total operating revenue	15,122,500	14,747,123	(375,377)	14,052,064
Operating Expenses				
General government administration				
Overhead allocation –				
General services	686,263	709,831	(23,568)	705,476
Legislative	180,097	155,909	24,188)	160,329
Administrative	275,960	253,268	22,692	250,838
Legal	200,437	354,730	(154,293)	306,711
Personnel	160,189	145,259	14,930	139,806
Total general government administration	1,502,946	1,618,997	(116,051)	1,563,160
Finance				
Overhead allocation –				
Accounting	314,251	197,549	116,702	258,983
Utility billing:				
Personal services	710,536	625,894	84,642	631,349
Operating expenses	230,725	209,515	21,210	214,193
Less, overhead allocation	(166,189)	(125,311)	(40,878)	(126,831)
Total finance	1,089,323	907,647	181,676	977,694
Information services				
Overhead allocation	434,916	288,350	146,566	412,034
Public safety				
Overhead allocation –				
Communications	81,982	74,977	7,005	69,536

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (Continued)				
Planning/Development				
Overhead allocation –				
Code enforcement	51,914	46,570	5,344	43,897
Public works				
Administrative:				
Personal services	1,164,362	1,131,240	33,122	1,049,727
Operating expenses	121,200	63,124	58,076	177,454
Less, overhead allocation	(357,112)	(428,130)	(71,018)	(441,065)
	928,450	766,234	162,216	786,116
Wastewater treatment:				
Personal services	631,128	596,375	34,753	581,847
Operating expenses	1,844,000	1,389,960	454,040	1,267,807
	2,475,128	1,986,335	488,793	1,849,654
Wells/lifts maintenance:				
Personal services	877,051	625,048	252,003	1,072,764
Operating expenses	1,433,950	1,153,973	279,977	1,230,682
	2,311,001	1,779,021	531,980	2,303,446
Construction/maintenance:				
Personal services	1,626,364	1,502,909	123,455	1,885,270
Operating expenses	3,252,904	3,087,190	165,714	2,942,499
Less, overhead allocation	(200,000)	—	(200,000)	—
	4,679,268	4,590,099	89,169	4,827,769
Streets/drainage:				
Overhead allocation	175,855	172,930	2,925	165,689
Total public works	10,569,702	9,294,619	1,275,083	9,932,674
Support services				
Overhead allocation –				
Custodial services	111,562	96,389	15,173	88,244
Purchasing	167,961	111,037	56,924	114,211
Fleet management	104,407	68,637	35,770	86,087
Custodial/fleet management	179,114	193,562	(14,448)	196,178
Total support services	563,044	469,625	93,419	484,720
Depreciation and amortization expense	3,436,537	3,886,464	(449,927)	3,695,317
Total operating expenses	17,730,364	16,587,249	1,143,115	17,179,032
Operating income (loss)	(2,607,864)	(1,840,126)	767,738	(3,126,968)

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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Non-operating Revenue (Expenses)				
Interest earned on investments	125,000	118,552	(6,448)	38,950
Interest expense	—	—	—	(44,275)
Insurance reimbursement	—	—	—	—
Tower rental and other	185,000	245,914	60,914	362,879
Restricted intergovernmental grants (expenses)	—	(25,379)	(25,379)	32,077
Total non-operating revenue (expenses)	310,000	339,087	29,087	389,631
Income (loss) before contributions and transfers	(2,297,864)	(1,501,039)	796,825	(2,737,337)
Capital Contributions				
Impact fees:				
Water	1,400,000	1,436,776	36,776	610,376
Sewer	1,200,000	1,187,792	(12,208)	492,444
Developer contributions	—	1,483,100	1,483,100	870,398
Extension fees and construction for public use	50,000	180,742	130,742	74,230
Total capital contributions	2,650,000	4,288,410	1,638,410	2,047,448
Transfers				
Transfers (out) – Insurance Reserves Fund	—	—	—	(750,000)
Change in net position	352,136	2,787,371	2,435,235	(1,439,889)
Net position, beginning of year	89,823,743	89,823,743	—	91,263,632
Net position, end of year	<u>\$ 90,175,879</u>	<u>\$ 92,611,114</u>	<u>\$ 2,435,235</u>	<u>\$ 89,823,743</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 3,582,994	\$ 2,253,649
Accounts receivable, net:		
Accounts	206,570	191,795
Due from other governments	101,445	116,655
Total current assets	<u>3,891,009</u>	<u>2,562,099</u>
Capital assets:		
Buildings	313,200	313,200
Improvements	32,262	32,262
Machinery, equipment and vehicles	8,027,863	8,764,046
Construction-in-progress	22,134	19,014
	<u>8,395,459</u>	<u>9,128,522</u>
Less, accumulated depreciation	<u>(6,593,274)</u>	<u>(6,761,999)</u>
Net capital assets	<u>1,802,185</u>	<u>2,366,523</u>
Total assets	<u>\$ 5,693,194</u>	<u>\$ 4,928,622</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 86,439	\$ 81,041
Accrued payroll and related taxes	55,946	42,813
Total current liabilities	<u>142,385</u>	<u>123,854</u>
Long-term liabilities:		
Accrued compensated absences	147,828	154,186
Total long-term liabilities	<u>147,828</u>	<u>154,186</u>
Total liabilities	<u>290,213</u>	<u>278,040</u>
Net position:		
Net investment in capital assets	1,802,185	2,366,523
Unrestricted	3,600,796	2,284,059
Total net position	<u>5,402,981</u>	<u>4,650,582</u>
Total liabilities and net position	<u>\$ 5,693,194</u>	<u>\$ 4,928,622</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, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Solid waste user fees and penalties	\$ 5,252,500	\$ 5,472,675	\$ 220,175	\$ 5,225,820
Trash bags and miscellaneous	—	—	—	—
Total operating revenue	5,252,500	5,472,675	220,175	5,225,820
Operating Expenses				
General government administration				
Overhead allocation –				
General services	117,645	121,685	(4,040)	120,939
Legislative	27,015	23,386	3,629	24,049
Administration	41,394	37,975	3,419	37,626
Legal	30,666	53,210	(22,544)	46,007
Personnel	64,076	58,103	5,973	55,922
Total general government administration	280,796	294,359	(13,563)	284,543
Finance				
Overhead allocation –				
Accounting	62,850	39,510	23,340	51,797
Utility billings	94,126	83,541	10,585	84,554
Total finance	156,976	123,051	33,925	136,351
Information services				
Overhead allocation	86,983	57,670	29,313	82,407
Public works				
Administration – overhead allocation	192,834	179,155	13,679	184,077
Commercial collection:				
Personal services	357,172	334,392	22,780	355,259
Operating	155,000	118,971	36,029	97,917
Total commercial collection	512,172	453,363	58,809	453,176
Transfer station:				
Personal services	230,885	179,317	51,568	285,397
Operating	840,000	854,104	(14,104)	717,633
Total transfer station	1,070,885	1,033,476	37,409	1,003,030
Residential collection:				
Personal services	946,658	934,939	11,719	863,537
Operating	205,000	177,092	27,908	211,510
Total residential collection	1,151,658	1,112,031	39,627	1,075,047

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (Continued)				
Public works (Continued)				
Trash/litter collections:				
Personal services	263,842	242,382	21,460	249,877
Operating	103,700	68,914	34,786	78,158
	<u>367,542</u>	<u>311,296</u>	<u>56,246</u>	<u>328,035</u>
Beach cleaning:				
Personal services	194,498	137,956	56,542	115,181
Operating	69,500	81,813	(12,313)	55,901
	<u>263,998</u>	<u>219,769</u>	<u>44,229</u>	<u>171,082</u>
Recycling:				
Personal services	286,147	286,636	(489)	278,666
Operating	139,500	128,238	11,262	166,202
	<u>425,647</u>	<u>414,874</u>	<u>10,773</u>	<u>444,868</u>
Total public works	<u>3,984,736</u>	<u>3,723,964</u>	<u>260,772</u>	<u>3,659,315</u>
Support services				
Overhead allocation –				
Custodial services	17,850	15,422	2,428	14,118
Purchasing	13,173	8,709	4,464	8,958
Fleet management	130,508	85,797	44,711	107,609
Custodial/facility maint.	28,658	30,970	(2,312)	31,388
Total support services	<u>190,189</u>	<u>140,898</u>	<u>49,291</u>	<u>162,073</u>
Depreciation and amortization	<u>570,000</u>	<u>567,458</u>	<u>2,542</u>	<u>578,191</u>
Total operating expenses	<u>5,269,680</u>	<u>4,907,400</u>	<u>362,280</u>	<u>4,902,880</u>
Operating income (loss)	<u>(17,180)</u>	<u>565,275</u>	<u>582,455</u>	<u>322,940</u>
Non-operating Revenue (Expenses)				
Interest made on investments	—	—	—	1,532
Insurance reimbursements	—	—	—	21,006
Restricted intergovernmental grants (expenses)	—	(8,016)	(8,016)	77,364
Total non-operating revenue (expenses)	<u>—</u>	<u>(8,016)</u>	<u>(8,016)</u>	<u>99,902</u>
Transfers				
Transfers in – State Accommodations (2%) Tax Fund	195,140	195,140	—	168,906
Transfers (out) – Insurance Reserves Fund	—	—	—	(375,000)
Total transfers	<u>195,140</u>	<u>195,140</u>	<u>—</u>	<u>(206,094)</u>
Change in net position	<u>177,960</u>	<u>752,399</u>	<u>574,439</u>	<u>216,748</u>
Net position, beginning of year	<u>4,650,582</u>	<u>4,650,582</u>	<u>—</u>	<u>4,433,834</u>
Net position, end of year	<u>\$ 4,828,542</u>	<u>\$ 5,402,981</u>	<u>\$ 574,439</u>	<u>\$ 4,650,582</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC/FITNESS CENTER
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 695	\$ 695
Equity in pooled cash	—	—
Receivables, net	14,648	17,648
Total current assets	<u>15,343</u>	<u>18,343</u>
Capital assets:		
Buildings	9,700,878	9,700,878
Improvements	89,204	89,204
Furniture and equipment	537,259	492,752
	<u>10,327,341</u>	<u>10,282,834</u>
Less, accumulated depreciation	<u>(4,193,162)</u>	<u>(3,899,704)</u>
Net capital assets	<u>6,134,179</u>	<u>6,383,130</u>
Total assets	<u>\$ 6,149,522</u>	<u>\$ 6,401,473</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 21,770	\$ 16,480
Accrued payroll and related taxes	29,416	22,504
Due to General Fund	584,827	—
Due to Stormwater Drainage Fund	—	163,019
Accrued interest payable	42,009	54,977
Current portion of note obligation	552,011	531,342
Unearned revenue and gift certificates	211,270	353,359
Total current liabilities	<u>1,441,303</u>	<u>1,141,681</u>
Long-term liabilities:		
Accrued compensated absences	58,511	35,240
Note payable	1,169,277	1,721,289
Total long-term liabilities	<u>1,227,788</u>	<u>1,756,529</u>
Total liabilities	<u>2,669,091</u>	<u>2,898,210</u>
Net position:		
Net investment in capital assets	4,412,891	4,130,499
Unrestricted (deficit)	<u>(932,460)</u>	<u>(627,236)</u>
Total net position	<u>3,480,431</u>	<u>3,503,263</u>
Total liabilities and net position	<u>\$ 6,149,522</u>	<u>\$ 6,401,473</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Membership fees	\$ 1,800,000	\$ 1,266,993	\$ (533,007)	\$ 1,274,638
Day membership fees	59,000	5,480	(53,520)	40,165
Employee membership fees	—	122,795	122,795	113,000
Enrollment fees	60,000	51,592	(8,408)	53,171
Program fees	250,000	219,102	(30,898)	202,317
Merchandise sales	47,500	4,681	(42,819)	8,361
Food sales	—	24,718	24,718	37,903
Less, sales and hospitality taxes	—	(2,574)	(2,574)	(4,084)
Miscellaneous	2,000	26,695	24,695	1,351
Total operating revenue	2,218,500	1,719,482	(499,018)	1,726,822
Operating Expenses				
General government administration				
Overhead allocation –				
General services	39,215	40,562	(1,347)	40,313
Legislative	9,005	7,795	1,210	8,016
Administration	13,798	12,658	1,140	12,542
Legal	10,022	17,736	(7,714)	15,336
Personnel	32,038	29,052	2,986	27,961
Total general government administration	104,078	107,803	(3,725)	104,168
Finance				
Overhead allocation	41,900	26,340	15,560	34,531
Information services				
Overhead allocation	28,994	19,223	9,771	27,469
Parks and recreation				
Overhead allocation –				
Recreation administration	32,023	31,422	601	31,678
Aquatic administration:				
Personnel services	546,035	475,639	70,396	398,494
Operations and maintenance	448,098	687,564	(239,466)	491,224
	994,133	1,163,203	(169,070)	889,718
Aquatic programs:				
Personnel services	235,337	210,107	25,230	179,060
Operations and maintenance	154,170	39,538	114,632	77,519
	389,507	249,645	139,862	256,579
Activity specialist:				
Personnel services	182,785	181,495	1,290	167,844
Operations and maintenance	34,100	14,779	19,321	10,893
	216,885	196,274	20,611	178,737

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (continued)				
Parks and recreation (continued)				
Fitness:				
Personnel services	209,111	170,596	38,515	175,727
Operations and maintenance	75,470	39,405	36,065	52,906
	<u>284,581</u>	<u>210,001</u>	<u>74,580</u>	<u>228,633</u>
Custodians:				
Personnel services	120,656	110,012	10,644	101,796
Operations and maintenance	36,000	37,917	(1,917)	34,866
	<u>156,656</u>	<u>147,929</u>	<u>8,727</u>	<u>136,662</u>
Total parks and recreation	<u>2,073,785</u>	<u>1,998,474</u>	<u>75,311</u>	<u>1,722,007</u>
Support services				
Overhead allocation –				
Custodial services	17,850	15,422	2,428	14,118
Purchasing	6,587	4,354	2,233	4,479
Custodial/facility maintenance	28,658	30,970	(2,312)	31,388
Total support services	<u>53,095</u>	<u>50,746</u>	<u>2,349</u>	<u>49,985</u>
Depreciation and amortization	<u>295,000</u>	<u>293,458</u>	<u>1,542</u>	<u>298,147</u>
Total operating expenses	<u>2,596,852</u>	<u>2,496,044</u>	<u>100,808</u>	<u>2,236,307</u>
Operating income (loss)	<u>(378,352)</u>	<u>(776,562)</u>	<u>(398,210)</u>	<u>(509,485)</u>
Non-operating Revenue (Expenses)				
Restricted intergovernmental grants (expenses)	—	(777)	(777)	6,476
Interest earned on investments	—	—	—	310
Non-operating program fees and other	15,000	2,575	(12,425)	7,948
Interest expense	(87,627)	(74,660)	12,967	(95,040)
Total non-operating revenue (expenses)	<u>(72,627)</u>	<u>(72,862)</u>	<u>(235)</u>	<u>(80,306)</u>
Income (loss) before contributions and transfers	<u>(450,979)</u>	<u>(849,424)</u>	<u>(398,445)</u>	<u>(589,791)</u>
Transfers				
Transfers in:				
Local Accommodations (3%) Tax Fund	830,000	826,592	(3,408)	629,682
Total transfers	<u>830,000</u>	<u>826,592</u>	<u>(3,408)</u>	<u>629,682</u>
Change in net position	<u>379,021</u>	<u>(22,832)</u>	<u>(401,853)</u>	<u>39,891</u>
Net position, beginning of the year	<u>3,503,263</u>	<u>3,503,263</u>	<u>—</u>	<u>3,463,372</u>
Net position, end of year	<u>\$ 3,882,284</u>	<u>\$ 3,480,431</u>	<u>\$ (401,853)</u>	<u>\$ 3,503,263</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICES
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,000	\$ 5,000
Equity in pooled cash and cash equivalents	657,466	—
Receivables, net	9,025	26,908
Due from Local Accommodations (3%) Fund	302,179	183,700
Inventories	—	—
Total current assets	<u>974,670</u>	<u>215,608</u>
Capital assets:		
Buildings	434,405	434,405
Furniture, equipment and vehicles	1,408,963	1,298,324
	<u>1,843,368</u>	<u>1,732,729</u>
Less, accumulated depreciation	(1,219,572)	(1,041,495)
Net capital assets	<u>623,796</u>	<u>691,234</u>
Total assets	<u>\$ 1,598,466</u>	<u>\$ 906,842</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 67,064	\$ 56,039
Accrued payroll and related taxes	124,085	87,331
Due to Stormwater Drainage Fund	—	149,759
Total current liabilities	<u>191,149</u>	<u>293,129</u>
Long-term Liabilities:		
Accrued compensated absences	2,696	1,225
Total liabilities	<u>193,845</u>	<u>294,354</u>
Net position:		
Net investment in capital assets	623,796	691,234
Unrestricted (deficit)	780,825	(78,746)
Total net position	<u>1,404,621</u>	<u>612,488</u>
Total liabilities and net position	<u>\$ 1,598,466</u>	<u>\$ 906,842</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, 2021

(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Beach service rentals and fees	\$ 2,810,000	\$ 2,744,521	\$ (65,479)	\$ 2,182,255
Water slide fees	—	—	—	16,959
Food, beverage, and other sales	310,000	42,235	(267,765)	208,743
Less, sales tax/hospitality fees	(185,000)	(205,783)	(20,783)	(178,899)
Miscellaneous	10,000	9,751	(249)	7,986
Total operating revenue	2,945,000	2,590,724	(354,276)	2,237,044
Operating Expenses				
General government administration				
Overhead allocation –				
General services	39,215	40,562	(1,347)	40,313
Legislative	9,005	7,795	1,210	8,016
Administration	13,798	12,658	1,140	12,542
Legal	10,022	17,736	(7,714)	15,336
Personnel	120,142	108,944	11,198	104,854
Total general government administration	192,182	187,695	4,487	181,061
Finance				
Overhead allocation	157,125	98,775	58,350	129,492
Information services				
Overhead allocation	43,492	28,835	14,657	41,203
Public safety				
Overhead allocation –				
Communication				
Lifeguard services:	49,189	44,986	4,203	41,722
Personnel services	683,337	605,538	77,799	685,335
Operations and maintenance	82,730	109,607	(26,877)	111,568
Total public safety	815,256	760,131	55,125	838,625
Parks and recreation				
Overhead allocation –				
Recreation administration	192,139	188,532	3,607	190,067
Concessions:				
Personnel services	801,070	707,869	93,201	680,040
Operations and maintenance	410,554	179,872	230,682	225,166
Total parks and recreation	1,403,763	1,076,273	327,490	1,095,273

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Overhead allocation —				
Custodial services	8,925	7,711	81,214	7,059
Purchasing	3,293	2,178	1,115	2,239
Fleet	26,102	17,159	8,943	21,522
Custodian/fleet maint.	14,329	15,485	(1,156)	15,694
Total support services	52,649	42,533	90,116	46,514
Depreciation and amortization	160,000	191,210	(31,210)	174,043
Total operating expenses	2,824,467	2,385,452	439,015	2,506,211
Operating income (loss)	120,533	205,272	84,739	(269,167)
Non-operating Revenue (Expenses)				
Restricted intergovernmental grants (expenses)	—	(12,223)	(12,223)	13,846
Interest earned on investments	—	—	—	522
Sponsorships and donations	—	760	760	6,350
Gain (loss) on sale/disposal capital assets	—	—	—	—
Total non-operating revenue (expenses)	—	(11,463)	(11,463)	20,718
Income (loss) before contributions and transfers	120,533	193,809	73,276	(248,449)
Transfers				
Transfers in (out):				
General Fund	—	—	—	(150,000)
State Accommodations (2%) Tax Fund	129,081	129,081	—	93,734
Local Accommodations (3%) Tax Fund	397,150	469,243	72,093	363,862
Sports and Tourism Park Fund	(300,000)	—	300,000	(350,000)
Insurance Reserves Fund	—	—	—	(14,791)
Total transfers	226,231	598,324	372,093	(57,195)
Change in net position	346,764	792,133	445,369	(305,644)
Net position, beginning of year	612,488	612,488	—	918,132
Net position, end of year	\$ 959,252	\$ 1,404,621	\$ 445,369	\$ 612,488

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SPORTS AND TOURISM PARK
BALANCE SHEET

JUNE 30, 2021

(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,000	\$ 4,000
Receivables, net	680	5,645
Due from General Fund	467,191	467,191
Prepaid items	—	—
Total current assets	<u>471,871</u>	<u>476,836</u>
Capital assets:		
Buildings	58,000	58,000
Machinery, fixtures, and equipment	2,173,148	2,096,390
Construction in progress	—	—
	<u>2,231,148</u>	<u>2,154,390</u>
Less, accumulated depreciation	<u>(1,506,571)</u>	<u>(1,227,861)</u>
Net capital assets	<u>724,577</u>	<u>926,529</u>
Total assets	<u>\$ 1,196,448</u>	<u>\$ 1,403,365</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 9,010	\$ 16,891
Accrued payroll and related taxes	5,726	4,880
Due to General Fund	674,754	—
Due to Stormwater Drainage Fund	—	514,769
Security deposits	18,760	23,120
Total current liabilities	<u>708,250</u>	<u>559,660</u>
Long-term liabilities:		
Accrued compensated absences	<u>2,757</u>	<u>1,968</u>
Total long-term liabilities	<u>2,757</u>	<u>1,968</u>
Total liabilities	<u>711,007</u>	<u>561,628</u>
Net position:		
Net investment in capital assets	724,577	926,529
Unrestricted (deficit)	<u>(239,136)</u>	<u>(84,792)</u>
Total net position	<u>485,441</u>	<u>841,737</u>
Total liabilities and net position	<u>\$ 1,196,448</u>	<u>\$ 1,403,365</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Christmas Village admissions	\$ 450,000	\$ 579,985	\$ 129,985	\$ 323,730
Rides and ice skating fees	—	44,862	44,862	66,326
Merchandise sales	15,000	45,836	30,836	10,282
Park and field, admissions and rentals	180,000	147,596	(32,404)	157,074
Races – registration fees and sales	—	11,300	11,300	18,555
Food, beverage, and other sales	400,500	360,434	(40,066)	304,537
Less, sales tax/hospitality fees	(30,000)	(71,770)	(41,770)	(53,363)
Miscellaneous	—	1,648	1,648	281
Total operating revenue	1,015,500	1,119,891	104,391	827,422
Operating Expenses				
General government administration				
Overhead allocation –				
General services	—	—	—	—
Legislative	—	—	—	—
Administration	—	—	—	—
Legal	—	—	—	—
Personnel	8,009	7,263	746	6,990
Total general government administration	8,009	7,263	746	6,990
Finance				
Overhead allocation	20,950	13,170	7,780	17,266
Information services				
Overhead allocation	14,497	9,612	4,885	13,734
Public safety				
Overhead allocation –				
Administration	—	—	—	—
Uniform patrol	—	—	—	—
Community services	—	—	—	—
Fire/rescue	—	—	—	—
Fire prevention/inspection	—	—	—	—
Total public safety	—	—	—	—
Parks and recreation				
Overhead allocation –				
Recreation administration	32,023	31,422	601	31,678
Parks and grounds	698,748	607,579	91,169	562,444
Concessions:		180,416		
Personnel services	210,149	175,240	34,909	207,456
Operations and maintenance	212,450		212,450	195,650
Christmas Village:				
Personnel services	—	—	—	7,540
Operations and maintenance	284,600	289,019	(4,419)	253,278
Other	—	—	—	—
Total parks and recreation	1,437,970	1,283,676	334,710	1,258,046

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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Overhead allocation —				
Custodial services	—	—	—	—
Purchasing	—	—	—	—
Fleet	—	—	—	—
Custodian/facility maint.	—	—	—	—
Total support services	—	—	—	—
Depreciation and amortization	300,000	278,710	21,290	359,835
Total operating expenses	1,781,426	1,592,431	369,411	1,655,871
Operating income (loss)	(765,926)	(472,540)	(293,386)	(828,449)
Non-operating Revenue (Expenses)				
Restricted intergovernmental grants (expenses)	—	(231)	(231)	5,645
Sponsorships and donations	205,000	66,475	(138,525)	138,119
Total non-operating revenue (expenses)	205,000	66,244	(138,756)	143,764
Income (loss) before contributions and transfers	(560,926)	(406,296)	(154,635)	(684,685)
Capital Contributions				
General capital assets	—	—	—	—
Transfers				
Transfers in (out):				
General Fund	50,000	50,000	—	125,000
General Fund	(75,000)	—	(75,000)	—
State Accommodations (2%) Tax Fund	—	—	—	73,633
Beach Services Fund	300,000	—	300,000	350,000
Total transfers	275,000	50,000	(225,000)	548,633
Change in net position	(285,926)	(356,296)	(70,370)	(136,052)
Net position, beginning of year	841,737	841,737	—	977,789
Net position, end of year	\$ 555,811	\$ 485,441	\$ (70,370)	\$ 841,737

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, 2021
(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets and Deferred Outflows		
Current assets:		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Restricted cash and cash equivalents:		
HRA custodial account	17,624	1,783
Deposits with others	—	—
Receivables, net	266,123	231,806
Prepaid items	423,024	393,075
	<u>706,771</u>	<u>626,664</u>
Deferred outflows of resources:		
Deferred outflows – OPEB related	2,226,727	2,397,471
Total assets and deferred outflows	<u>\$ 2,933,498</u>	<u>\$ 3,024,135</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 98,738	\$ 158,311
Claims payable	257,309	202,328
Liabilities payable from restricted assets:		
Health reimbursement accounts payable	344,296	318,255
Due to General Fund	3,590,486	—
Due to Beach Renourishment Fund	—	830,602
Total current liabilities	<u>4,290,829</u>	<u>1,509,496</u>
Long-term liabilities:		
Total post-employment benefits (OPEB) liability	27,331,763	25,294,172
Total liabilities	<u>31,622,592</u>	<u>26,803,668</u>
Net position:		
Restricted for insurance claims	—	—
Unrestricted (deficit)	(28,689,094)	(23,779,533)
Total net position	<u>(28,689,094)</u>	<u>(23,779,533)</u>
Total liabilities and net position	<u>\$ 2,933,498</u>	<u>\$ 3,024,135</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, 2021
(With comparative actual amounts for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Property Liability and Workers				
Compensation premiums	\$ 600,000	\$ 520,000	\$ (80,000)	\$ 510,000
Health premiums –				
Employer/Employee charges	5,546,021	4,732,380	(813,641)	6,499,183
Dependent withholdings	759,000	707,430	(51,570)	694,214
Retiree/non-employee contributions	532,000	101,182	(430,818)	75,864
Cobra/non-employee contributions	—	519,896	519,896	487,106
Reinsurance reimbursements	—	142,393	142,393	223,524
Prescription rebates	—	155,908	155,908	90,535
Forfeitures, rebates and miscellaneous	—	82,763	82,763	70,390
Total operating revenue	7,437,021	6,961,952	(475,069)	8,650,816
Operating Expenses				
General government administration				
Non-employee health expenses –				
Misc. and aggregate premium cost	767,350	774,222	(6,872)	760,202
Dependents	—	2,123,448	(2,123,448)	1,732,240
Cobra	—	594,801	(594,801)	495,433
Retirees and dependents	—	299,908	(299,908)	300,338
Onsite clinic	365,000	365,206	(206)	308,103
OPEB liability expense	100,000	2,208,335	(2,108,335)	1,279,504
	<u>1,232,350</u>	<u>6,365,920</u>	<u>(5,133,570)</u>	<u>4,875,820</u>
Employee health expenses –				
Legislative	—	56,961	(56,961)	202,208
Administration	—	9,323	(9,323)	26,698
City court	—	201,750	(201,750)	32,903
Legal	—	6,581	(6,581)	6,260
Personnel	—	79,673	(79,673)	89,632
	—	<u>354,288</u>	<u>(354,288)</u>	<u>357,701</u>
Total general government administration	1,232,350	6,720,208	(5,487,858)	5,233,521
Finance				
Employee health expenses	—	72,521	(72,521)	142,539
Overhead allocation	41,900	26,341	15,559	34,531
	<u>41,900</u>	<u>98,862</u>	<u>(56,962)</u>	<u>177,070</u>
Information services				
Employee health expenses	—	14,074	(14,074)	28,130

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (Continued)				
Public safety				
Employee health expenses –				
Administration	—	346,172	(346,172)	66,068
Uniform patrol	—	314,936	(314,936)	331,951
Community service	—	46,336	(46,336)	78,262
Detectives	—	29,436	(29,436)	48,909
Communications/detention	—	72,459	(72,459)	83,933
Records	—	16,656	(16,656)	31,242
Victim's assistance	—	1,738	(1,738)	1,808
Police training	—	17,548	(17,548)	8,018
Fire/rescue	—	313,525	(313,525)	359,561
Fire prevention/inspection	—	25,103	(25,103)	23,437
Total public safety	—	1,183,909	(1,183,909)	1,033,189
Public works				
Employee health expenses –				
Administration	—	118,071	(118,071)	126,741
Streets/drainage	—	209,950	(209,950)	202,654
Water and sewer	—	186,028	(186,028)	162,701
Solid waste	—	152,326	(152,326)	349,305
Total public works	—	666,375	(666,375)	841,401
Planning/Development				
Employee health expenses –				
Administration	—	156,838	(156,838)	131,649
Building	—	116,892	(116,892)	40,810
Total planning/development	—	273,730	(273,730)	172,459
Parks and recreation				
Employee health expenses –				
Recreation and parks administration	—	33,466	(33,466)	21,906
Athletics	—	30,686	(30,686)	19,633
Programs and concessions	—	13,556	(13,556)	13,596
Parks and beach grounds	—	126,325	(126,325)	192,265
Aquatic center	—	286,352	(286,352)	133,669
Total parks and recreation	—	490,385	(490,385)	381,069

— 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 —

	2021		Variance Positive (Neg.)	2020
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Employee health expenses –				
Purchasing	—	7,383	(7,383)	7,935
Fleet	—	30,101	(30,101)	40,196
Custodian/facility maintenance	—	25,182	(25,182)	4,874
Total support services	—	62,666	(62,666)	53,005
Total employee and non-employee health expenses	1,274,250	9,510,209	(8,235,959)	7,919,844
Workers compensation expenses –				
General government administration	—	259,426	(259,426)	219,211
Finance	—	550	(550)	—
Information services	—	—	—	—
Public safety	—	880,734	(880,734)	268,625
Public works	—	458,399	(458,399)	394,160
Planning/development	—	—	—	—
Parks and recreation	—	130,780	(130,780)	101,489
Support services	—	—	—	—
Total workers compensation	—	1,729,889	(1,729,889)	983,485
Property liability expenses —				
General government administration	560,000	597,014	(37,014)	557,763
Finance	—	—	—	—
Information services	—	—	—	—
Public safety	—	—	—	368,208
Public works	—	40,742	(40,742)	—
Planning/development	—	—	—	—
Parks/recreation	—	—	—	—
Support services	—	—	—	34,543
Total property liability insurance	560,000	637,756	(77,756)	960,514
Total operating expenses	1,834,250	11,877,854	(10,043,604)	9,863,843
Operating income (loss)	5,602,771	(4,915,902)	(10,518,673)	(1,213,027)
Non-operating Revenue (Expenses)				
Interest earned on investments	1,000	—	(1,000)	—
Sponsorships and donations – Wellness programs	20,000	6,341	(13,659)	14,204
Total non-operating revenue (expenses)	21,000	6,341	(14,659)	14,204
Transfers				
Transfers in (out)	—	—	—	1,239,791
Change in net position	5,623,771	(4,909,561)	(10,533,332)	40,968
Net position (deficit), beginning of year	(23,779,533)	(23,779,533)	—	(23,820,501)
Net position (deficit), end of year	\$ (18,155,762)	\$ (28,689,094)	\$ (10,533,332)	\$ (23,779,533)

CITY OF NORTH MYRTLE BEACH

FIDUCIARY FUNDS

Fiduciary Funds are trust and custodial 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 custodial 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.

Custodial Fund

- Firemen's (1%) 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, 2021
(With comparative amounts for June 30, 2020)

	2021	2020
Assets		
Cash and temporary investments	\$ 33,730,938	\$ 27,219,455
Participant loans	1,236,770	1,430,968
Total assets	\$ 34,967,708	\$ 28,650,423
Net Position		
Held in trust for employee’s pension benefits	\$ 34,967,708	\$ 28,650,423

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, 2021
(With comparative amounts for June 30, 2020)

	2021	2020
Additions		
Employer contributions	\$ 1,108,041	\$ 1,118,630
Employee (member) contributions	268,296	283,409
Investment income gain/(loss)	6,608,914	1,471,789
Non-vested rollover	—	2,616
Total additions	7,985,251	2,876,444
Deductions		
Benefit payments	1,593,580	868,580
Trustee fees	30,541	26,078
Forfeitures	43,845	56,141
Total deductions	1,667,966	950,799
Change in net position	6,317,285	1,925,645
Net position held in trust for employee’s pension benefits:		
Beginning of year	28,650,423	26,724,778
End of year	\$ 34,967,708	\$ 28,650,423

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

JUNE 30, 2021
(With comparative amounts for June 30, 2020)

	2021	2020
Assets		
Cash and temporary investments	\$ 1,674,379	\$ 1,174,874
Receivable – participant loan	—	621
Total assets	\$ 1,674,379	\$ 1,175,495
Net Position		
Held in trust for employee’s pension benefits	\$ 1,674,379	\$ 1,175,495

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, 2021
(With comparative amounts for June 30, 2020)

	2021	2020
Additions		
Employer contributions	\$ 15,235	\$ 15,348
Employee (member) contributions	15,235	15,348
Investment income gain/(loss)	475,664	119,566
Total additions	506,134	150,262
Deductions		
Benefit payments	7,200	7,200
Trustee fees	50	50
Total deductions	7,250	7,250
Change in net position	498,877	143,012
Net position held in trust for employee’s pension benefits:		
Beginning of year	1,175,495	1,032,483
End of year	\$ 1,674,372	\$ 1,175,495

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CUSTODIAL FUND
FIREMEN'S (1%) FUND
STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2021
(With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 145,971	\$ 427,888
Total assets	<u>\$ 145,971</u>	<u>\$ 427,888</u>
Net Position		
Held for benefit of City firemen	<u>\$ 145,971</u>	<u>\$ 427,888</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CUSTODIAL FUND
 FIREMEN'S (1%) FUND
 STATEMENT OF CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2021
 (With comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Additions		
Amounts collected from the State	\$ 342,031	\$ 327,398
Total additions	<u>342,031</u>	<u>327,398</u>
Deductions		
Payments for City firemen's association activities	<u>623,948</u>	<u>298,762</u>
Total deductions	<u>623,948</u>	<u>298,762</u>
Change in net position	(281,917)	28,636
Net position held for the benefit of City Firemen:		
Beginning of year	<u>427,888</u>	<u>399,252</u>
End of year	<u>\$ 145,971</u>	<u>\$ 427,888</u>

CITY OF NORTH MYRTLE BEACH

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, 2021
 (With comparative amounts for June 30, 2020)

	2021	2020
Governmental Funds Capital Assets		
Land	\$ 27,356,107	\$ 24,349,937
Land improvements	26,959,096	26,773,182
Buildings	31,673,714	27,724,406
Machinery and equipment	<u>27,095,593</u>	<u>27,481,005</u>
	<u>113,384,510</u>	<u>106,328,530</u>
 Infrastructure:		
Roads	36,812,473	35,063,586
Drainage systems	38,114,075	37,891,691
Developer contributions – roads	15,088,495	14,851,389
Sidewalks	2,354,373	2,328,155
Street lighting and other	<u>747,555</u>	<u>747,554</u>
	<u>93,116,971</u>	<u>90,882,375</u>
 Construction in progress	<u>3,278,508</u>	<u>3,863,132</u>
Total governmental funds capital assets	<u>\$ 209,479,989</u>	<u>\$ 201,074,037</u>
 Governmental Funds Capital Assets by Source		
General Obligation Bonds, Notes and Lease – Purchase financing	\$ 39,041,688	\$ 34,041,688
General Fund and Capital Projects revenue and grants	132,575,327	129,780,734
Special Revenue Funds	19,220,466	19,016,840
Gifts and contributions from developers	<u>18,642,508</u>	<u>18,234,775</u>
Total governmental funds capital assets	<u>\$ 209,479,989</u>	<u>\$ 201,074,037</u>

VICTIM'S RIGHTS PROGRAM

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
 YEAR ENDED JUNE 30, 2021

	2021
Court Fines and Assessments	
Court fines and assessments collected	\$ 408,002
Court fines and assessments remitted to State Treasurer	(241,642)
Total court fines and assessments retained	\$ 166,360
 Surcharges and Assessments Retained for Victim's Service	
Total surcharges collected	\$ 10,320
Total assessments	19,974
Total surcharges and assessments retained	\$ 30,294
 Funds Allocated to Victim's Service	
Carryover funds from prior year	\$ —
Surcharges and assessments retained	30,294
Expenditures for victim's service	(30,294)
Total unexpended victim's rights assistance funds	\$ —

STATISTICAL SECTION

Financial Trend – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. (Tables I-V)..... 145-151

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. (Tables VI-IX)..... 152-155

Debt Capacity – These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. (Tables X-XIV)..... 156-160

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments. (Tables XV-XVII)..... 161-163

Operating Information – These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs. (Tables XVIII-XIX) 164-165

CITY OF NORTH MYRTLE BEACH

TABLE I

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

	<u>2021</u>	<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>
Governmental Activities										
Invested in capital assets, net of related debt	\$122,026,959	\$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
Restricted	2,583,139	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
Unrestricted	<u>-7,704,072</u>	<u>-20,065,116</u>	<u>-20,331,842</u>	<u>-20,785,478</u>	<u>-5,749,271</u>	<u>-6,168,576</u>	<u>-8,109,246</u>	<u>5,971,836</u>	<u>9,828,502</u>	<u>25,412,361</u>
Total governmental activities net assets	<u>\$116,906,026</u>	<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>
Business-type Activities										
Invested in capital assets, net of related debt	\$88,958,299	\$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
Restricted	0	0	31,894	3,437	2,014,870	1,889,159	2,232,873	2,133,155	1,786,290	3,058,282
Unrestricted	<u>8,395,841</u>	<u>5,154,997</u>	<u>6,879,002</u>	<u>11,567,164</u>	<u>19,147,589</u>	<u>18,148,009</u>	<u>16,413,083</u>	<u>15,502,679</u>	<u>15,396,364</u>	<u>13,868,758</u>
Total business-type activities net assets	<u>\$97,354,140</u>	<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>
Primary Government										
Net investments in capital assets	\$210,985,258	\$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
Restricted	2,583,139	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
Unrestricted	<u>691,769</u>	<u>-14,910,119</u>	<u>-13,452,840</u>	<u>-9,218,314</u>	<u>13,398,318</u>	<u>11,979,434</u>	<u>8,303,837</u>	<u>21,474,515</u>	<u>25,224,866</u>	<u>39,281,119</u>
Total primary government net assets	<u>\$214,260,166</u>	<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>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 CHANGES IN NET POSITION
 (Accrual basis of accounting)
 LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General Government	\$6,095,276	\$3,029,843	\$3,968,507	\$3,517,347	\$3,004,185	\$3,047,599	\$2,572,264	\$3,784,688	\$2,514,035	\$2,207,219
Information Services	1,491,231	657,082	396,832	180,605	906,155	339,912	632,013	538,150	843,764	794,118
Finance	573,155	1,341,504	1,006,700	873,339	596,059	774,629	904,344	765,254	626,799	630,853
Public Safety	19,605,998	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
Planning and Development	3,763,752	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
Public Works	6,389,526	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
Parks and Recreation	7,268,947	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
Support Services	1,054,134	939,941	1,245,616	1,750,626	1,282,379	969,515	1,005,675	989,966	1,040,604	2,143,354
Debt service - interest	408,841	59,509	335,632	43,756	457,819	247,289	293,753	503,633	342,328	494,544
Depreciation (unallocated)										
Total governmental activities	\$46,650,860	\$44,143,931	\$41,892,660	\$44,736,070	\$45,545,799	\$37,437,089	\$33,477,773	\$30,949,441	\$28,437,937	\$29,707,119
Business-type activities:										
Water and sewer utility	\$17,148,690	\$17,905,624	\$17,639,937	\$16,754,026	\$16,485,510	\$14,875,662	\$15,231,344	\$15,004,253	\$14,038,718	\$13,449,246
Solid waste	5,105,026	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
Aquatic Center	2,716,404	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
Beach Services	2,459,936	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
Sports Park	1,645,168	1,721,638	1,675,452	1,480,029	552,813					
Total business type-activities	\$29,075,224	\$29,750,797	\$29,308,621	\$27,959,009	\$27,670,643	\$23,829,301	\$24,230,828	\$23,380,136	\$22,142,717	\$21,327,987
Total primary government expenses	\$75,726,084	\$73,894,728	\$71,201,281	\$72,695,079	\$73,216,442	\$61,266,390	\$57,708,601	\$54,329,577	\$50,580,654	\$51,035,106
Program Revenue										
Governmental activities:										
Fees for services										
Storm Water	\$2,998,561	\$2,985,229	\$2,932,734	\$2,913,740	\$2,861,702	\$2,131,258	\$2,101,767	\$2,072,644	\$2,033,213	\$2,009,761
Fines	363,583	349,526	566,702	484,998	549,980	467,082	447,273	489,978	319,623	409,166
Building Permits	1,107,416	793,665	802,447	38,295	17,520	20,610	16,490	706,512	413,191	377,340
Other	2,343,666	1,391,161	741,159	606,799	1,219,065	1,035,781	1,109,744	727,194	544,301	483,759
Operating grants and contributions	146,391	171,769	103,798	152,203	85,177	244,173	24,203	16,678	284,415	1,133,814
Capital grants and contributions	5,551,692	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
Total primary government net position	\$12,511,309	\$11,977,638	\$11,401,807	\$15,439,259	\$16,331,551	\$6,944,460	\$7,569,955	\$6,357,406	\$4,217,929	\$6,869,922

CONTINUED

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Transfers										
Business-type activities										
Fees for services	\$14,747,123	\$14,052,065	\$13,998,373	\$13,428,986	\$13,143,657	\$12,587,396	\$12,229,279	\$12,048,522	\$11,768,081	\$11,958,083
Water & Sewer	5,472,675	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
Solid Waste	5,430,097	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
Other	269,098	671,710	509,659	590,695	689,905	218,564	-	-	-	-
Operating grants and contributions	4,288,410	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
Capital grants and contributions	\$30,207,403	\$26,788,331	\$27,783,600	\$27,376,285	\$27,092,845	\$23,903,526	\$24,688,867	\$22,397,940	\$20,688,457	\$20,549,953
Total business-type activities	\$42,718,712	\$38,765,969	\$39,185,407	\$42,815,544	\$43,424,396	\$30,847,986	\$32,258,822	\$28,755,346	\$24,906,386	\$27,419,875
Total primary government program revenue	\$20,246,371	\$16,359,403	\$17,252,954	\$15,737,831	\$15,568,216	\$14,783,718	\$14,423,943	\$14,192,390	\$14,362,908	\$13,953,240
Governmental activities:	18,372,096	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
Property taxes	1,037,695	802,845	932,021	1,160,581	953,621	817,472	924,763	805,341	943,614	920,270
Accommodations and hospitality taxes	10,164,994	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
State shared taxes - unrestricted	93,884	273,131	55,114	50,420	59,871	15,853	-	175,616	23,601	37,589
Business licenses and franchise taxes	277,114	8,650	119,382	69,478	(49,406)	16	325,716	128,296	55,253	(260,745)
Unrestricted investment earnings	(1,670,056)	(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)
Miscellaneous	\$48,522,098	\$35,413,485	\$36,554,758	\$35,086,860	\$33,542,258	\$32,415,648	\$31,518,439	\$29,711,713	\$29,049,634	\$27,159,423
Transfers in/(out)	\$118,551	\$41,315	\$166,173	\$69,200	\$36,493	\$48,313	\$64,689	\$75,692	\$58,506	\$86,779
Total governmental activities	1,670,056	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
Business-type activities:	\$1,788,607	\$1,346,132	\$1,927,059	\$1,930,918	\$2,149,966	\$1,285,318	\$1,581,174	\$1,544,774	\$1,456,078	\$1,553,679
Unrestricted investment earnings	\$50,310,705	\$36,759,617	\$38,481,817	\$37,017,778	\$35,692,224	\$33,700,966	\$33,099,613	\$31,256,487	\$30,505,712	\$28,713,102
Miscellaneous				(2)	26,532	138,602	112,516	246,852	216,330	302,658
Transfers in/(out)										
Total business-type-activities	\$14,382,547	\$3,247,192	\$6,063,905	\$5,790,049	\$4,328,010	\$1,923,019	\$5,610,621	\$5,119,678	\$4,829,626	\$4,322,226
Total primary government general revenue and other changes	2,920,786	(1,616,334)	402,038	1,348,194	1,572,168	1,359,543	2,039,213	562,578	1,818	775,645
Changes in Net Position	\$17,303,333	\$1,630,858	\$6,465,943	\$7,138,243	\$5,900,178	\$3,282,562	\$7,649,834	\$5,682,256	\$4,831,444	\$5,097,871
Governmental activities:										
Business-type activities										
Total primary government changes in net position										

TABLE III

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROGRAM REVENUE BY COMPONENT
(Accrual basis of accounting)
LAST TEN FISCAL YEARS

	<u>2021</u>	<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>
Function/Program										
Governmental Activities:										
General Government	\$ 2,043,240	\$ 810,034	\$ 355,731	\$ 431,788	\$ 351,653	\$ 683,965	\$ 628,728	\$ 193,430	\$ 474,149	\$ 1,293,313
Information Services	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Public Safety	363,583	535,388	771,710	655,752	683,486	625,454	447,273	489,978	599,540	955,610
Planning and Development	1,253,807	793,665	802,447	38,295	17,520	20,610	16,490	706,512	413,191	377,340
Public Works	7,562,325	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
Parks and Recreation	1,288,354	1,083,378	1,053,257	385,112	1,217,589	1,005,996	871,749	605,038	287,579	293,909
Support Services	-	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-	-
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 12,511,309</u>	<u>\$ 11,977,637</u>	<u>\$ 11,401,807</u>	<u>\$ 15,439,259</u>	<u>\$ 16,331,551</u>	<u>\$ 6,944,459</u>	<u>\$ 7,569,955</u>	<u>\$ 6,357,406</u>	<u>\$ 4,217,929</u>	<u>\$ 6,869,922</u>
Business-type activities										
Water and sewer utility	\$ 19,256,068	\$ 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
Solid waste	5,464,659	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
Aquatic Center	1,721,280	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
Beach Services	2,579,261	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
Sports Park	1,186,135	971,186	1,090,108	1,104,916	971,181	-	-	-	-	-
Total business-type activities	<u>\$ 30,207,403</u>	<u>\$ 26,788,330</u>	<u>\$ 27,783,600</u>	<u>\$ 27,376,285</u>	<u>\$ 27,092,845</u>	<u>\$ 23,903,524</u>	<u>\$ 24,688,867</u>	<u>\$ 22,397,940</u>	<u>\$ 20,688,457</u>	<u>\$ 20,549,953</u>
Total program revenues by function and program	<u>\$ 42,718,712</u>	<u>\$ 38,765,967</u>	<u>\$ 39,185,407</u>	<u>\$ 42,815,544</u>	<u>\$ 43,424,396</u>	<u>\$ 30,847,983</u>	<u>\$ 32,258,822</u>	<u>\$ 28,755,346</u>	<u>\$ 24,906,386</u>	<u>\$ 27,419,875</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Non-spendable	\$ 275,906	\$ 205,402	\$ 211,636	\$ 214,952	\$ 268,532	\$ 433,674	\$ 259,296	\$ 278,806	\$ 250,073	\$ 274,416
Restricted by Others	77,400	119,614	159,669	74,248	22,869	46,878	289,208	311,946	464,401	508,682
Committed by Ordinance	-	-	-	392,500	392,500	392,500	392,500	392,500	392,500	392,500
Assigned by Management	-	-	-	-	-	-	-	-	-	-
Unassigned	16,079,812	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
Total General Fund	\$ 16,433,118	\$ 12,075,469	\$ 12,047,599	\$ 11,896,898	\$ 11,190,571	\$ 11,180,648	\$ 11,636,074	\$ 11,856,833	\$ 11,967,882	\$ 11,292,778
Stormwater Fund										
Restricted by Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
Committed by Ordinance	-	-	-	-	-	-	-	-	2,323,528	2,237,295
Assigned by Management	-	6,854,871	-	-	-	-	-	-	1,001,089	86,233
Unassigned	10,250,151	-	3,350,023	-	(560,254)	(991,120)	(5,221,805)	(2,077,205)	-	-
Total Stormwater Fund	\$ 10,250,151	\$ 6,854,871	\$ 3,350,023	\$ -	\$ (560,254)	\$ (991,120)	\$ (5,221,805)	\$ (2,077,205)	\$ 6,324,617	\$ 5,323,528
Park Improvement Fund										
Assigned by Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,615	\$ -	\$ -	\$ 2,094,163	\$ 13,138,091
Unassigned	-	(4,365,420)	-	-	-	-	-	(314,892)	2,597,021	-
Total Park Development Fund	\$ -	\$ (4,365,420)	\$ -	\$ -	\$ -	\$ 76,615	\$ -	\$ (314,892)	\$ 4,691,184	\$ 13,138,091
Street Improvement Fund										
Unassigned	\$ 5,779,358	\$ 395,433	\$ 343,247	\$ 1,209,710	\$ 3,656,043	\$ 1,913,006	\$ 2,967,662	\$ -	\$ -	\$ -
Total Street Improvement Fund	\$ 5,779,358	\$ 395,433	\$ 343,247	\$ 1,209,710	\$ 3,656,043	\$ 1,913,006	\$ 2,967,662	\$ -	\$ -	\$ -
State (2%) A-Tax Fund										
Restricted by Others	\$ 283,411	\$ (116,661)	\$ 25,719	\$ (1,286)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total State (2%) A-Tax Fund	\$ 283,411	\$ (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
Committed by Ordinance	3,848,985	782,884	830,766	2,144,599	3,561,540	18,380	105,244	65,960	534,332	236,402
Assigned by Management	533,003	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
Unassigned	(2,229,030)	(116,362)	(39,353)	(350,374)	(594,753)	-	-	-	-	-
Total All Other Gov't Funds	\$ 2,152,958	\$ 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
Total Governmental Funds	\$ 34,898,996	\$ 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
Primary Government										
Net investment in Capital Assets	\$210,985,258	\$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
Restricted	2,583,139	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
Unrestricted	691,769	(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
Total primary government net position	\$214,260,166	\$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

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

	<u>2021</u>	<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>
Revenue										
Property taxes:										
Current property taxes	\$ 19,811,180	\$ 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
Delinquent property taxes	435,191	373,722	389,955	340,950	304,947	420,800	451,993	451,681	815,052	292,495
Special Assessments	1,312,248	1,311,167	1,307,402	1,674,522	2,501,605	-	-	-	-	-
Licenses and permits	11,171,650	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
Fines and forfeitures	196,653	281,126	456,877	366,246	401,856	373,506	338,717	377,226	319,623	409,166
Use of money and property	298,995	517,388	355,182	327,412	269,922	221,232	242,666	175,616	218,102	199,597
Unrestricted intergovernmental	1,293,511	1,019,873	1,163,319	1,160,581	1,189,690	1,029,271	1,127,271	991,176	943,614	920,270
Restricted intergovernmental	22,355,724	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
Sales and service charges	4,741,464	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
Miscellaneous	1,086,847	210,851	231,669	200,258	1,474,124	391,323	431,823	152,316	284,415	1,123,814
Total revenue	\$ 62,703,463	\$ 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
Expenditures										
Current:										
General Government/Admin.	\$ 2,914,716	\$ 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
Finance	1,573,912	1,565,387	880,974	837,850	848,593	823,982	837,556	775,994	786,086	783,125
Information Services	471,272	572,861	266,411	252,672	332,319	207,508	540,103	517,469	478,024	496,118
Public Safety	16,712,710	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
Planning and Development	1,857,506	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
Public Works	7,386,320	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
Parks and Recreation	5,303,837	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
Support Services	1,065,625	1,149,898	1,165,897	1,188,679	1,094,763	998,679	969,600	1,040,662	1,001,090	829,777
Debt service:										
Principal	2,783,380	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
Interest	408,841	151,069	166,269	414,216	514,796	471,814	551,079	638,513	656,142	506,985
NMB Capital outlay	4,107,052	9,973,876	9,852,019	6,618,073	5,408,657	4,898,854				
Other Non-Capital Infrastructure	3,923,196	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
Total expenditures	\$ 48,508,367	\$ 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

CONTINUED

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

	<u>2021</u>	<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>
Other Financing Sources (Uses)										
Bond Issuance/Installment Note	\$ 5,000,000	\$ 4,258,836	\$ -	\$ -	\$ 6,342,000	\$ 5,000,000	\$ -	\$ 383,167	\$ -	\$ 16,496,381
Transfers in	24,303,012	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
Transfers (out)	(26,017,265)	(11,432,402)	(12,718,108)	(11,451,021)	(11,968,833)	(9,848,080)	(10,908,173)	(11,268,976)	(10,404,520)	(9,734,663)
Total other financing sources (uses)	\$ 3,285,747	\$ 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
Net change in fund balances	\$ 17,480,843	\$ (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
Cumulative effect of restatement	-	-	(629,658)	-	-	-	-	-	-	-
Fund balances, beginning of year	\$ 17,418,153	\$ 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
Fund balances, end of year	\$ 34,898,996	\$ 17,418,153	\$ 18,340,465	\$ 16,577,956	\$ 19,125,860	\$ 12,615,100	\$ 10,368,271	\$ 13,061,979	\$ 26,296,468	\$ 34,035,125
Ratio of Debt Service to General Government Noncapital Expenditure	<u>7.15%</u>	<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>

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 Estate</u>	<u>Real and Personal Property</u>	<u>Less: Tax-Exempt</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>
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
2021	419,681,352	37,120,214	5,815,000	450,986,566	0.0450	8,162,276,000	5.5

⁽¹⁾ Reassessment performed by Horry County.

Note: 1 mil is equal to \$450,987 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>
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
2021	45.0	52.5	128.1	0.7	226.3

Note 1: Each mil for North Myrtle Beach is equal to \$450,987 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 2021 AND 2012

		<u>2021</u>			<u>2012</u>		
		Percentage of Total			Percentage of Total		
<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSMENTS</u>	<u>Assessed Value</u>	<u>RANK</u>	<u>ASSESSMENTS</u>	<u>RANK</u>	<u>Assessed Value</u>
Frontier Communications							
IREIT NMB Coastal North LLC	Commercial/Retail	3,780,010	0.84%	1	3,407,466	-	0.90%
Lawyers Title Insurance Corp	Commercial	3,572,100	0.79%	2	1,084,986	2	0.29%
Barefoot Landing Commercial LLC	Commercial - Retail	2,931,280	0.65%	3	2,043,498	14	0.54%
The Gator Hole Development LLC	Commercial - Retail	2,219,240	0.49%	4	2,161,746	6	0.57%
Fairfield Resorts, Inc.	Commercial - Timeshare	2,181,060	0.48%	5	2,300,006	5	0.61%
Bluegreen Vacations Unlimited Inc.	Commercial - Timeshare	2,038,360	0.45%	6	1,588,029	4	0.42%
Wyndham Vacation Resorts Inc.	Commercial - Timeshare	1,670,910	0.37%	7		9	
NGD Property II LLC	Condos	1,531,560	0.34%	8			
SC NMB Retail 3 LLC	Commercial/Retail	1,500,000	0.33%	9	1,729,116	8	0.46%
Towers on the Grove South LLC	Condos	1,289,640	0.29%	10	671,125	18	0.18%
Worley Harold G TR ETAL	Hotel	1,007,950	0.22%	11			
Rosen Surfwood, LLC	Commercial	989,480	0.22%	12			
Cherry Grove SC LLC	Commercial	836,060	0.19%	13			
BRGC LLC	Condos - Timeshare	800,230	0.18%	14	1,080,556	11	0.28%
Peppertree Resorts, LTD	Commercial - Timeshare	734,320	0.16%	15	686,760	17	0.18%
SUSO 4 Barefoot LP	Commercial	732,000	0.16%	16	1,043,137	15	0.27%
Boulineau Holdings LLC	Commercial/Retail	668,610	0.15%	17			
AD1 Myrtle Hotels LLC	Hotel	667,780	0.15%	18			
HD Development of MD., Inc.	Commercial/Retail	662,570	0.15%	19	533,574	20	0.14%
Boulineaus Inc.	Commercial	631,060	0.14%	20	942,605	13	0.25%
Winchester N. Beach Towers LLC	Residential Develop.				6,270,816	1	1.65%
TLAS SC I SPE, LLC	Residential Develop.				3,180,281	3	0.84%
Lakeside Festival Shopping	Commercial - Retail				2,033,436	7	0.54%
Tiente Limited Partnership	Commercial/Residential				1,455,150	10	0.38%
ETW Development Co. LLC	Condos				952,718	12	0.25%
Ocean Keyes	Residential Develop.				937,958	14	0.25%
Frontier Communications	Telecommunications				932,800	15	0.25%
Bahama Sands	Condos				712,620	16	0.19%
		<u>\$30,444,220</u>	<u>6.75%</u>		<u>\$35,748,383</u>		<u>9.41%</u>

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
2012	14,311,506	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 ³	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 ⁴	16,844,233	97.6%	238,022	17,082,255	99.0%
2020	16,456,907 ²	16,048,603	97.5%	294,832	16,343,435	99.3%
2021	20,350,239 ⁵	19,811,180	97.4%	-	19,811,180	97.4%

(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 41.3 from 39.3.

(⁴) Millage rate increased to 43.3 from 41.3.

(⁵) Millage rate increased to 45.0 from 37.1.

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	Water and Aquatic Center Enterprise Fund							
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
2021	-	-	-	-	-	1,721,289					1,721,289	0.21%	102

⁽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>
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%	-
2021	-	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, 2021

<u>Jurisdiction</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>General Obligation & Revenue Bond Principal Outstanding</u> ⁽¹⁾	<u>Percentage Applicable to the City of North Myrtle Beach</u>	<u>Amount Applicable to the City of Outstanding</u> ⁽²⁾
City of North Myrtle Beach	\$ 450,986,566	-	100.00%	-
Sub-Total Direct Debt		\$ -		\$ -
Horry County	2,589,976,000	56,878	17.13%	9,743
Horry County School District	2,589,976,000	327,134	17.13%	56,038
Sub-Total Overlapping Debt		\$ 384,012		\$ 65,781
Grand Total Direct & Overlapping Debt		\$ 384,012		\$ 65,781

⁽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>2021</u>	<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>
Total Assessed Valuation	\$450,987	\$443,582	\$397,483	\$380,909	\$377,647	\$365,945	\$365,127	\$370,724	\$382,894	\$379,941
Maximum General Obligation Obligation Debt limited to 8% of total assessed valuation ⁽¹⁾	36,079	35,487	31,799	30,473	30,212	29,276	29,210	29,658	30,632	30,395
Outstanding bonds chargeable to bond limit ⁽²⁾	-	-	-	2,667	5,679	7,130	10,193	12,549	14,834	15,510
Legal debt margin	\$ 36,079	\$ 35,487	\$ 31,799	\$ 27,806	\$ 24,533	\$ 22,146	\$ 19,017	\$ 17,109	\$ 15,798	\$ 14,885
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	8.8%	18.8%	24.4%	34.9%	42.3%	48.4%	51.0%

⁽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		
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
2021	Water and Sewer 17,736,157	12,700,785	5,035,372	-	-	-	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

Fiscal Year Ended June 30	Total Estimated Actual Value Amounts in 000's ⁽¹⁾	Single Family Units ⁽²⁾		Multi- Family Construction		Commercial Construction		Total Construction
		Units	Construction	Units	Construction	Units	Construction	
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
2021	8,162,276	518	139,629,545	41	10,123,939	12	11,775,623	161,529,107

⁽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>
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%
2021	16,905	829,864	49,090	5.4%

<u>INCOME</u>	<u>2010</u>	
	<u>Horry County</u>	<u>North Myrtle Beach</u>
	<u>Number</u>	<u>Percentage</u>
\$0 - \$10,000	8,000	7.5%
10,000 - 14,999	6,989	6.5%
15,000 - 24,999	14,009	13.1%
25,000 - 34,999	14,155	13.3%
35,000 - 49,999	18,692	17.5%
50,000 - 74,999	20,613	19.3%
75,000 - 99,999	11,511	10.8%
100,000 - 149,999	8,173	7.7%
150,000 - 199,999	2,230	2.1%
200,000 and over	2,361	2.2%
Totals	106,733	100.0%
Median Household Income:	\$42,642	\$50,264
Per Capita Income:	\$24,790	\$34,896
Average Household Size	2.31	1.95

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

NOTE: North Myrtle Beach population figures for 2012 through 2021 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 - 2021 and 2012</u>			
<u>Rank</u>	<u>Employer</u>	<u>2021 # of Employees</u>	<u>2012 # of Employees</u>
1	CITY OF NORTH MYRTLE BEACH	617	0
2	WYNDHAM SALES & MARKETING	462	0
3	WAL-MART	432	0
4	BOULINEAU'S INC	242	0
5	BAYWATCH RESORT	225	0
6	HOUSE OF BLUES	210	0
7	LOWES	190	0
8	PUBLIX	165	0
9	BEACH COVE	150	0
10	HOME DEPOT	146	0
11	FOOD LION	128	0
12	BAREFOOT RESORT GOLF	119	0
13	KROGER	115	0
14	AVISTA	101	0
15	OLIVE GARDEN	96	0
16	FLYING FISH	95	0
17	CHICK-FIL-A	95	0
18	TACO MUNDO	89	0
19	DICK'S LAST RESORT	79	0
20	MIDCON	79	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, SOUTH CAROLINA
 FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Employees by Function/Program	<u>2021</u>	<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>Governmental Activities:</u>										
General Government										
Legislative	8	7.75	8	8	8	8	8	8	8	8
Administrative	11.5	11.25	10.75	11.5	11.5	11	11	11	11	12
City Court	5	5	5	5	5	5	5	5.5	5.5	5.5
Information Services	7.75	8	8	8	8	7.5	7.5	7	6	6
Finance										
Accounting/Revenue	10	12.5	12.25	12.25	13.75	12.75	12	12	12	12
Purchasing	2	3	4	4.25	4	4.75	4	4	4	6
Public Safety										
Administration	17.75	18.75	19.5	17	16.5	16.25	13	12	12	12
Detectives	9	10	11	11	10.5	10.5	11	11	10	10
Public Safety & Fire Officials	147.25	114	130	125	130.5	138	131	138	141	141
Planning & Community Development										
Administration	9	9	9	9	9	9	9	10	10	10
Inspection Services	9	9	9	9	9	9	9	9	9	9
Public Works										
Streets / Drainage	22	22	22.5	22	20.75	20	20	19	19	19
Fleet Maintenance	4.25	4.25	5	5	5	5	5	5	6	6
Facility Maintenance	3	2.5	3	3	3	3	3	3	3	2
Parks and Recreation										
Parks & Grounds	36.25	28.5	35	27.5	27.5	31.25	27	22.5	16.75	15.25
Custodians	6.25	5.5	4.75	5	5	5	5	5	6	6
Other Recreation Activities	19.75	19.5	24	23	23	24.5	22	15	9.75	9
<u>Business-type Activities:</u>										
Parks and Recreation										
Aquatic & Fitness Center	23.75	21.5	25	26	28.5	27.75	26	27	24.6	25
Beach Services	39.5	44.75	52	51.5	51.25	59	54	54	49	49
Other Recreation Activities	3.75	0	0	0	0	0	0	0	0	0
Water & Sewer Utility										
Administration	13.25	12.75	12.5	12.5	12.5	13	12	12	12	12
Wastewater Treatment	7	7	6.75	5.5	6.5	7	6	6	6	6
Wells/Lifts Maintenance	11	10	8.5	8	9	9	9	9	9	9
Construction Maintenance	21.75	20.5	21.75	20.75	19	17	18	19	19	19
Solid Waste Utility										
Administration	4.5	4.25	4	4	4	4	4	4	4	4
Sanitation Services	27.25	25.5	27.25	27.5	27.5	<u>26</u>	<u>28</u>	<u>27.6</u>	<u>29</u>	<u>29</u>
GRAND TOTALS	<u>479.5</u>	<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>455.6</u>	<u>441.6</u>	<u>441.8</u>

Source: City of North Myrtle Beach Finance Department

TABLE XIX

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	176,320
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	4,389
Estimated Cost of Construction	\$224,134,653
Inspections	20,148

SOLID WASTE

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

AQUATIC & FITNESS CENTER

Member Packages	2,496
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BEACH SERVICES

Lifeguard Stands	54
Rental Boxes	48
Mobile Carts	12