

# City of North Myrtle Beach

## South Carolina



# CAFR

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2022**

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2022

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

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2022

**CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	i
Certificate of Achievement for Excellence	
Financial Reporting .....	iv
List of Principal Officials .....	v
Organizational Charts .....	vi

---

**FINANCIAL SECTION**

Report of Independent Auditor .....	1-3
Management's Discussion and Analysis .....	4-9

**AUDITED BASIC FINANCIAL STATEMENTS**

<u>Government-Wide</u>	
Statement of Net Position .....	10-11
Statement of Activities .....	12
<u>Governmental Funds</u>	
Balance Sheet .....	13-14
Statement of Revenue, Expenditures and Changes in Fund Balances .....	15-16
<u>Proprietary Funds</u>	
Balance Sheet – Proprietary Funds .....	17-18
Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	19
Statement of Cash Flows – Proprietary Funds .....	20- 21
<u>Fiduciary Activities</u>	
Statement of Fiduciary Net Position .....	22
Statement of Changes in Fiduciary Net Position .....	23
Notes to Financial Statements .....	24-67

**REQUIRED SUPPLEMENTARY INFORMATION**

**(Other than Management's Discussion and Analysis)**

Budgetary Comparison Schedule – General Fund .....	68-70
Schedule of the City's Proportionate Share of Net Pension Liability – PORS .....	71
Schedule of the City's Contributions – PORS .....	72
Schedule of Change in the City's Total OPEB Liability and Related Ratio's .....	73
Notes to Required Supplementary Information .....	74

— CONTINUED —

## OTHER FINANCIAL INFORMATION

### COMBINING 'NON-MAJOR' GOVERNMENTAL FINANCIAL STATEMENTS

Combining Balance Sheet – Non-Major Governmental Funds .....	75
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds .....	76

### INDIVIDUAL FUND FINANCIAL STATEMENTS

#### General Fund

General Fund – Balance Sheet .....	77-78
General Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	79-87

#### Special Revenue Funds

Balance Sheets – Special Revenue Funds .....	88
Statements of Revenue, Expenditures and Changes in Fund Balances – Special Revenue Funds .....	89

#### State Accommodations (2%) Tax Fund

State Accommodations (2%) Tax Fund – Balance Sheet .....	90
State Accommodations (2%) Tax Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	91

#### Local Accommodations (1.5%) Tax Fund

Local Accommodations (1.5%) Tax Fund – Balance Sheet .....	92
Local Accommodations (1.5%) Tax Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	93

#### Local Hospitality (1%) Fees Fund

Local Hospitality (1%) Fees Fund – Balance Sheet .....	94
Local Hospitality (1%) Fees Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	95

#### Debt Service Funds

Balance Sheets – Debt Service Funds .....	96
Statements of Revenue, Expenditures and Changes in Fund Balances – Debt Service Funds .....	97

#### Park Land Note Fund

Park Land Note – Balance Sheet .....	98
Park Land Note – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	99

#### Cherry Grove Municipal Improvement District Bonds Fund

Cherry Grove Municipal Improvement District Bonds – Balance Sheet .....	100
Cherry Grove Municipal Improvement District Bonds – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	101

#### Capital Projects Funds

Balance Sheets – Capital Projects Funds .....	102
Statements of Revenue, Expenditures and Changes in Fund Balances – Capital Projects Funds .....	103

#### Capital Improvement Fund

Capital Improvement Fund – Balance Sheet .....	104
Capital Improvement Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	105

#### Street Improvement Fund

Street Improvement Fund – Balance Sheet .....	106
Street Improvement Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	107

**OTHER FINANCIAL INFORMATION (CONTINUED)**  
**INDIVIDUAL FUND FINANCIAL STATEMENTS (CONTINUED)**

**Capital Projects Funds (Continued)**

Beach Renourishment Fund

Beach Renourishment Fund – Balance Sheet .....	108
Beach Renourishment Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	109

Park Development Fund

Park Development Fund – Balance Sheet.....	110
Park Development Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	111

Stormwater Drainage Fund

Stormwater Drainage Fund – Balance Sheet .....	112
Stormwater Drainage Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	113

Cherry Grove Dredge Fund

Cherry Grove Dredge Fund – Balance Sheet.....	114
Cherry Grove Dredge Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	115

**Enterprise Funds**

Water and Sewer Utility Fund

Water and Sewer Utility Fund – Balance Sheet.....	116
Water and Sewer Utility Fund – Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	117-119

Solid Waste Fund

Solid Waste Fund – Balance Sheet .....	120
Solid Waste Fund – Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	121-122

Aquatic Center Fund

Aquatic Center Fund – Balance Sheet .....	123
Aquatic Center Fund – Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	124-125

Beach Service Fund

Beach Service Fund – Balance Sheet.....	126
Beach Service Fund – Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	127-128

Sports and Tourism Park Fund

Sports and Tourism Park Fund – Balance Sheet.....	129
Sports and Tourism Park Fund – Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	130-131

**Internal Service Funds**

Insurance Reserves Fund

Insurance Reserves Fund – Balance Sheet.....	132
Insurance Reserves Fund – Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	133-135

**OTHER FINANCIAL INFORMATION (CONTINUED)**  
**INDIVIDUAL FUND FINANCIAL STATEMENTS (CONTINUED)**

**Fiduciary Funds**

Pension Trust Funds

Pension Trust Funds – Money Purchase Retirement Plan #1 – Statement of Plan Net Position.....	136
Pension Trust Funds – Money Purchase Retirement Plan #1 – Statement of Changes in Plan Net Position.....	137
Pension Trust Funds – Money Purchase Retirement Plan #2 – Statement of Plan Net Position.....	138
Pension Trust Funds – Money Purchase Retirement Plan #2 – Statement of Changes in Plan Net Position.....	139

Custodial Funds

Custodial Fund – Firemen’s (1%) Fund– Statement of Net Position .....	140
Custodial Fund – Firemen’s (1%) Fund– Statement of Changes in Net Position .....	141

**Capital Assets Used in Operations of Governmental Funds**

Schedule of Capital Assets Used in Operations of Governmental Funds by Source.....	142
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**Victim’s Rights Program**

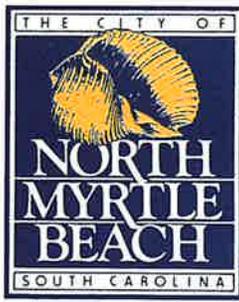
Schedule of Court Fines, Assessments and Surcharges.....	143
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**STATISTICAL SECTION (Unaudited and not covered by the Report of Independent Auditor)**

Net Position by Component – Last Ten Fiscal Years.....	144
Changes in Net Position – Last Ten Fiscal Years.....	145-146
Program – Revenue by Function or Component – Last Ten Fiscal Years .....	147
Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	148-150
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	151
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years .....	152
Principal Property Taxpayers – Years 2022 and 2011.....	153
Property Tax Levies and Collection – Last Ten Fiscal Years .....	154
Ratios of Outstanding Long-Term Debt by Type – Last Ten Fiscal Years .....	155
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	156
Direct and Overlapping Governmental Activities Debt .....	157
Legal Debt Margin Information.....	158
Pledged Revenue – Revenue Bond Coverage Water and Sewer Enterprise Fund and Storm Water Drainage Fund – Last Ten Fiscal Years .....	159
Property Values and Construction – Last Ten Fiscal Years .....	160
Demographic and Economic Statistics .....	161
Principal Employers.....	162
Full-Time Equivalent City Government Employees by Function/Program .....	163
Capital Assets Statistics by Function/Program.....	164

## INTRODUCTORY SECTION

CITY OF NORTH MYRTLE BEACH



August 28, 2023

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, 2022. 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, 2022, 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 2025. 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 2025. 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 68 through 70 as part of the basic financial statements for the governmental funds.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

As of this writing the City of North Myrtle Beach is growing with construction 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 FY 22 the value of new permits was \$364,461,864 which is 26.6% over the previous fiscal year that was the best in over 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 22 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**

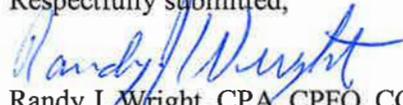
The annexation of the 1,350 acre and the 1,600 acre tracts of undeveloped land will greatly enhance the City's revenue picture over the long run. Few annexations are along a future interstate like these two tracts of land with an already existing interchange. These annexations will provide the City with 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.

### **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, 2022**

**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

City Council

Boards and Commissions

City Attorney

City Judge

City Manager

Assistant to City Manager  
Public Information Officer  
City Clerk

Human Resources Department

Finance Department

Planning & Development Department

Public Safety Department

Recreation Department

Public Works Department

Information Services Department

Accounting  
Revenue  
City Court  
Utility Billing  
Purchasing

Code Enforcement

Uniform Patrol  
Community Services  
Detectives  
Communications/Detention  
Records  
Training  
Fire / Rescue  
Fire Prevention / Inspections

Aquatics / Fitness Center  
Parks & Grounds  
Beach Services  
NMB Sports Park  
Custodians

Wastewater Treatment  
Wells / Lift Maintenance  
Construction/ Maintenance  
Streets / Drainage  
Commercial Collection  
Transfer Station  
Residential Collection  
Trash / Litter Collection  
Beach Cleaning / Recycling  
Fleet Maintenance  
Facility Maintenance

## FINANCIAL SECTION

CITY OF NORTH MYRTLE BEACH

# 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 Audited Financial Statements**

#### ***Unmodified opinion***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Myrtle Beach, South Carolina (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the 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, 2022, 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.

#### ***Basis for Opinion***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report. I am required to be independent of the City and to meet my other ethical responsibilities in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### ***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. Management's responsibility also 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date (June 30, 2022), including any currently known information that may raise substantial doubt shortly thereafter.

— CONTINUED —



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

### **Required Supplementary Information**

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

## Supplementary Information

### *Other Financial 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 as a whole. The accompanying supplementary information, of the combining and individual fund financial statements and schedules, as listed in the table of contents as Other Financial Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of North Myrtle Beach, South Carolina.

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

### *Summarized Comparative Information*

The prior year summarized comparative information presented in the 2021 individual fund financial statements and schedules has been derived from the City's 2021 audited financial statements, and in my report dated January 31, 2022, I expressed an unmodified opinion on those financial statements.

### **Other Matters**

#### *Emphasis of Matter*

As discussed in *Note 17* to the financial statements, the Governmental Activities and Business-type activities and the Proprietary Fund financial statements have been restated as a result of the City correcting errors of prior years. My opinion is not modified with respect to this matter.

#### *Introductory and Statistical Sections*

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.



August 10, 2023  
Columbia, South Carolina

**CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

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, 2022. 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 (\$301.9 million) and deferred outflows of resources (\$8.6 million) collectively totaled \$310.5 million for the year end June 30, 2022, and exceeded total liabilities (\$51.6 million) and deferred inflows of resources (\$11 million) by \$247.9 million. At June 30, 2022, total unrestricted net position resulted in a positive of \$30.1 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 \$26.1 million for the year ended June 30, 2022. The Governmental Activities contributed \$24.1 million and the Business-type Activities increased by \$2.0 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, 2022.

**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, 2022 (with comparative amounts of June 30, 2021) 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	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Cash and cash equivalents:						
Unrestricted	\$ 48,969	\$ 27,720	\$ 13,980	\$ 9,025	\$ 62,949	\$ 36,745
Restricted	1,535	1,413	2,444	1,948	3,979	3,361
Other current assets	12,271	12,591	2,358	1,606	14,629	14,197
Capital assets, net of accumulated depreciation	126,038	125,192	89,525	90,680	215,563	215,872
Other assets, net of accumulated amortization	—	—	4,821	5,482	4,821	5,482
<b>Total assets</b>	<b>188,813</b>	<b>166,916</b>	<b>113,128</b>	<b>108,741</b>	<b>301,941</b>	<b>275,657</b>
Deferred Outflows of Resources	8,102	6,488	532	468	8,634	6,956
<b>Liabilities:</b>						
Current liabilities	5,902	12,204	6,122	4,382	12,024	16,586
Long term liabilities	34,145	43,600	5,436	7,473	39,581	51,073
<b>Total liabilities</b>	<b>40,047</b>	<b>55,804</b>	<b>11,558</b>	<b>11,855</b>	<b>51,605</b>	<b>67,659</b>
Deferred Inflows of Resources	9,887	694	1,168	—	11,055	694
<b>Net Position:</b>						
Net investment in capital assets	125,394	122,027	88,356	88,958	213,750	210,985
Restricted	4,040	2,583	—	—	4,040	2,583
Unrestricted (deficit)	17,547	(7,704)	12,578	8,396	30,125	692
<b>Total net position</b>	<b>\$146,981</b>	<b>\$116,906</b>	<b>\$100,934</b>	<b>\$ 97,354</b>	<b>\$247,915</b>	<b>\$214,260</b>

*Governmental Activities* – For 2022, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$62.3 million, or 33.0% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation) equaled \$126.0 million or 67.0% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$5.9 million, or 15.0% of total liabilities. Long-term (non-current) liabilities totaled \$34.1 million, or 85.0% of the respective total.

*Business-type Activities* – For 2022, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$18.8 million, or 16.0% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation and other assets) equaled \$94.3 million, or 84.0% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$6.1 million, or 53.0% of the respective total liabilities. Long-term (non-current) liabilities totaled \$5.4 million, or 47.0% 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, 2022 total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$247.8 million at the end of June 30, 2022 (or \$146.9 million for Governmental Activities and \$100.9 million for Business-type Activities).

By far the largest portion (\$213.7 million) of the City’s 2022 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 2022 restricted net position (totaling \$4,040 million) consist of \$4,040 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 \$30.1 million (consisting of Governmental Activities deficit \$17.5 million and Business-type Activities positive \$12.6 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 2022 and FY 2021 are illustrated in the following table (*with amounts shown in thousands*):

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenue:</b>						
Program Revenue:						
Charges for services	\$ 7,098	\$ 6,813	\$ 28,861	\$ 25,650	\$ 35,959	\$ 32,463
Operating grants and contributions	269	146	515	269	784	415
Capital grants and contributions	2,914	5,552	3,045	4,288	5,959	9,840
General revenue:						
Property taxes	20,934	20,246	—	—	20,934	20,246
State shared and other taxes	47,623	29,575	—	—	47,623	29,575
Investment earnings	43	94	80	118	123	212
Other	209	277	—	—	209	277
<b>Total revenue</b>	<b>79,090</b>	<b>62,703</b>	<b>32,501</b>	<b>30,325</b>	<b>111,591</b>	<b>93,028</b>
<b>Expenses:</b>						
General government	11,786	6,095	—	—	11,786	6,095
Finance	1,641	1,491	—	—	1,641	1,491
Information services	771	573	—	—	771	573
Public safety	19,011	19,606	—	—	19,011	19,606
Planning and development	580	3,764	—	—	580	3,764
Public works	8,895	6,390	—	—	8,895	6,390
Parks and recreation	8,450	7,269	—	—	8,450	7,269
Support services	1,194	1,054	—	—	1,194	1,054
Interest on general long-term debt	117	408	—	—	117	408
Water and Sewer Utility	—	—	19,392	17,148	19,392	17,148
Solid Waste	—	—	5,873	5,105	5,873	5,105
Aquatic Center	—	—	2,397	2,716	2,397	2,716
Beach Service	—	—	3,228	2,460	3,228	2,460
Sports and Tourism Park	—	—	2,099	1,645	2,099	1,645
<b>Total expenses</b>	<b>52,445</b>	<b>46,650</b>	<b>32,989</b>	<b>29,074</b>	<b>85,434</b>	<b>75,724</b>
Changes in net position before transfers	26,645	16,053	(488)	1,251	26,157	17,304
Transfers in (out)	(2,492)	(1,670)	2,492	1,670	—	—
<b>Change in net position</b>	<b>24,153</b>	<b>14,383</b>	<b>2,004</b>	<b>2,921</b>	<b>26,157</b>	<b>17,304</b>
Net position – beginning of year	116,906	102,523	97,354	94,433	214,260	196,956
Cumulative effect of restatement	5,922	—	1,576	—	7,498	—
<b>Net position – end of year</b>	<b>\$ 146,981</b>	<b>\$ 116,906</b>	<b>\$ 100,934</b>	<b>\$ 97,354</b>	<b>\$ 247,915</b>	<b>\$ 214,260</b>

Of total net position of \$247.9 million at June 30, 2022, \$146.9 million (and \$116.9 million at June 30, 2021) represents net position of the City's Governmental Activities, and \$100.9 million (and \$97.4 million in 2021) represents total net position of the City's Business-type Activities. At the end of fiscal year 2022, 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. The prior year restatement of \$7.5 million resulted from correction by the Actuary for other post-employment benefits (OPEB) liabilities (*see Note 17*).

## 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.	\$ (11,786)	\$ 1,707	\$ (10,079)	14.5%	85.5%
Finance	(1,641)	—	(1,641)	0.0%	100.0%
Information services	(771)	—	(771)	0.0%	100.0%
Public safety	(19,011)	519	(18,492)	2.7%	97.3%
Planning and development	(580)	1,572	992	100.0%	0.0%
Public works	(8,895)	4,944	(3,951)	55.6%	44.4%
Parks and recreation	(8,450)	1,539	(6,911)	18.2%	81.8%
Support services	(1,194)	—	(1,194)	0.0%	100.0%
Debt service interest	(117)	—	(117)	0.0%	100.0%
Totals	<u>\$ (52,445)</u>	<u>\$ 10,281</u>	<u>\$ (42,164)</u>	<u>19.6%</u>	<u>80.4%</u>

Governmental Activities absorbed 78.98% of the net position deficit in the City's Insurance Reserves Internal Services Fund in 2022. The City also allocates its depreciation of capital assets to the City's functions (see *Note 6*), with Program Revenues covering 19.6% of expenses to fund 2022 Governmental Activities (as compared to 26.8% in 2021). General Revenues of 80.4% in 2022 (as compared to 73.2% in 2021) were required to fund the balance, which as shown below:

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

Property taxes	\$ 20,934
Accommodations/hospitality taxes	34,392
State shared taxes – unrestricted	1,116
Licenses and franchise taxes	12,115
Investment earnings	43
Other revenues	<u>209</u>
Total general revenue before transfers	<u>\$ 68,809</u>

## Fund Financial Analysis

### General Fund Budgetary Highlights

The General Fund final budgeted revenues were \$36.0 million, and achieved actual revenues of \$40.3 million or within \$4.3 million of budget. Final expenditures budgeted for the General Fund were \$35.3 million with actual expenditures of \$37.0 million, before other financing sources and uses. The City budgeted a deficiency of estimated revenues over its appropriated expenditures and other financing sources and uses totaling \$0.7 million. However, after considering Other Financing Sources and Uses, and transfers, the General Fund had an actual increase of \$4.1 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 2022.

The Water and Sewer Utility has been in operation for a number of years and resulted in an operating loss of \$3.3 million for the year ended June 30, 2022 (compared to \$1.8 million in 2021). While economic development continued to increase in 2022, related developer fees and other capital contributions increased in 2022, and along with steady costs, the Utility Fund realized an increase of \$0.1 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 \$675,357 in 2022 (compared to income of \$565,275 in 2021). After non-operating revenue (expenses) and net transfers, the change in net position increased by \$884,448 in 2022.

The City’s Aquatic/Fitness Center Enterprise Fund, in its 17<sup>th</sup> year of operations, incurred a net operating loss of \$194,549 in 2022 (compared to a loss of \$776,562 in 2021). After non-operating revenues (expenses) and net transfers, the change in net position totaled an increase by \$727,444 in 2022.

The City’s Beach Service Enterprise Fund, in its 14<sup>th</sup> year of operations, incurred a net operating income of \$345,309 in 2022 (compared to a income of \$205,272 in 2021). After non-operating revenues (expenses) and net transfers, the change in net position totaled a positive \$1,161,309 in 2022.

The City’s Sports and Tourism Enterprise Fund, in its 7<sup>th</sup> year of operation, incurred a net operating loss of \$614,593 in 2022 (compared to a loss of \$472,540 in 2021). After recognizing non-operating revenue (expenses), and net transfers, a change in net position totaled a deficit of \$98,092 in 2022.

Business-type Activities absorbed 21.02% of the net position deficit in the City’s Insurance Reserves Internal Services Fund in 2022.

## **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, 2022, amounts to \$215.5 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 \$125,395 million in 2022 compared to \$122,027 million in 2021. A major emphasis continued in 2022 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 \$88,356 million in 2022 compared to \$88,958 million in 2021. 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. In 2020, the City incurred a new \$5.0 million installment note to acquire additional Sports Park Land and has \$643,9984 outstanding principal balance remaining. Enterprise Fund revenue-backed long-term debt consists of the Aquatic Center Fund with an outstanding principal balance remaining of \$1,169,278. 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, 2022

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets and Deferred Outflows</b>			
Current assets:			
Cash and cash equivalents	\$ 6,596,546	\$ 4,712,435	\$ 11,308,981
Equity in pooled cash and cash equivalents	42,372,553	9,267,353	51,639,906
Receivables, net	7,796,249	2,203,628	9,999,877
Due from other governments	2,939,465	101,445	3,040,910
Internal balances, net	754,595	(754,595)	—
Inventories and prepaids	780,499	526,582	1,307,081
Restricted assets:			
Cash and cash equivalents	1,535,067	2,278	1,537,345
Equity in pooled cash and cash equivalents	—	2,442,393	2,442,393
Deposits held by others	—	280,000	280,000
<b>Total current assets</b>	<b>62,774,974</b>	<b>18,781,519</b>	<b>81,556,493</b>
Non-currents assets:			
Capital assets not subject to depreciation	35,974,241	1,291,953	37,266,194
Capital assets, net of depreciation	90,064,377	88,233,201	178,297,578
Other assets, net	—	4,820,923	4,820,923
<b>Total non-current assets</b>	<b>126,038,618</b>	<b>94,346,077</b>	<b>220,384,695</b>
Deferred outflows of resources:			
Pension plan related, net	6,101,699	—	6,101,699
OPEB related, net	2,000,276	532,360	2,532,636
<b>Total deferred outflows of resources</b>	<b>8,101,975</b>	<b>532,360</b>	<b>8,634,335</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$196,915,567</b>	<b>\$113,659,956</b>	<b>\$310,575,523</b>
<b>Liabilities, Deferred Inflows, and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 2,927,840	\$ 2,223,351	\$ 5,151,191
Accrued payroll and related taxes	898,313	381,383	1,279,696
Accrued interest payable	1,935	28,537	30,472
Due to other governments	6,040	—	6,040
Bonds, contracts and notes payable – current portion	643,984	804,690	1,448,674
Unearned revenue and deposits	277,973	89,387	367,360
Insurance reserves and claims payable	246,912	65,717	312,629
Liabilities payable from restricted assets	899,256	2,529,165	3,428,421
<b>Total current liabilities</b>	<b>5,902,253</b>	<b>6,122,230</b>	<b>12,024,483</b>
Long-term (non-current) liabilities:			
Accrued compensated absences	1,918,780	568,217	2,486,997
Note payable	—	595,793	595,793
Net pension liabilities	16,176,225	—	16,176,225
Total other post-employment benefits (OPEB) liability	16,050,183	4,271,649	20,321,832
<b>Total long-term liabilities</b>	<b>34,145,188</b>	<b>5,435,659</b>	<b>39,580,847</b>
<b>Total liabilities</b>	<b>40,047,441</b>	<b>11,557,889</b>	<b>51,605,330</b>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Liabilities, Deferred Inflows, and Net Position (continued)</b>			
Deferred inflows of resources:			
Pension plan related, net	5,498,034	—	5,498,034
OPEB related, net	4,389,401	1,168,210	5,557,611
Total deferred inflows of resources	<u>9,887,435</u>	<u>1,168,210</u>	<u>11,055,645</u>
Net position:			
Net investment in capital assets	125,394,634	88,355,876	213,750,510
Restricted for:			
Tourism related	1,367,439	—	1,367,439
Public safety pensions	1,744,355	—	1,744,355
Cherry Grove District improvements	835,262	—	835,262
Public safety assistance	91,755	—	91,755
Unrestricted (deficit)	<u>17,547,246</u>	<u>12,577,981</u>	<u>30,125,227</u>
Total net position	<u>146,980,691</u>	<u>100,933,857</u>	<u>247,914,548</u>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b><u>\$ 196,915,567</u></b>	<b><u>\$ 113,659,956</u></b>	<b><u>\$ 310,575,523</u></b>

*See accompanying notes to financial statements.*

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

Functions and Programs	Primary Government						
	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General government admin.	\$ (11,786,458)	\$ 730,143	\$ —	\$ 977,321	\$ (10,078,994)	\$ —	\$ (10,078,994)
Finance	(1,641,270)	—	—	—	(1,641,270)	—	(1,641,270)
Information Services	(771,010)	—	—	—	(771,010)	—	(771,010)
Public safety	(19,010,627)	518,549	—	—	(18,492,078)	—	(18,492,078)
Planning and development	(579,603)	1,302,512	269,071	—	991,980	—	991,980
Public works	(8,895,640)	3,049,434	—	1,894,969	(3,951,237)	—	(3,951,237)
Parks and recreation	(8,449,806)	1,496,979	—	41,960	(6,910,867)	—	(6,910,867)
Support services	(1,194,043)	—	—	—	(1,194,043)	—	(1,194,043)
Debt service – interest	(116,603)	—	—	—	(116,603)	—	(116,603)
<b>Total governmental activities</b>	<b>(52,445,060)</b>	<b>7,097,617</b>	<b>269,071</b>	<b>2,914,250</b>	<b>(42,164,122)</b>	<b>—</b>	<b>(42,164,122)</b>
<b>Business-type Activities:</b>							
Water and Sewer Utility	(19,391,981)	15,548,104	301,354	3,044,913	—	(497,610)	(497,610)
Solid Waste	(5,873,437)	6,352,077	—	—	—	478,640	478,640
Aquatic Center	(2,396,856)	2,165,354	25	—	—	(231,477)	(231,477)
Beach Service	(3,227,531)	3,409,783	820	—	—	183,072	183,072
Sports and Tourism Park	(2,098,979)	1,385,600	212,685	—	—	(500,694)	(500,694)
<b>Total business-type activities</b>	<b>(32,988,784)</b>	<b>28,860,918</b>	<b>514,884</b>	<b>3,044,913</b>	<b>—</b>	<b>(568,069)</b>	<b>(568,069)</b>
Total functions and programs	\$ (85,433,844)	\$ 35,958,535	\$ 783,955	\$ 5,959,163	(42,164,122)	(568,069)	(42,732,191)
<b>General Revenue and Transfers</b>							
General Revenue:							
Property taxes					20,933,792	—	20,933,792
Accommodations and hospitality taxes					34,392,219	—	34,392,219
State shared taxes – unrestricted					1,115,973	—	1,115,973
Business licenses and franchise taxes					12,114,783	—	12,114,783
Unrestricted investment earnings					43,140	79,474	122,614
Miscellaneous					209,269	—	209,269
Transfers:							
Transfers in/(out)					(2,492,249)	2,492,249	—
Total general revenue and transfers					66,316,927	2,571,723	68,888,650
<b>Changes in net position</b>							
Net position, beginning of year					116,906,026	97,354,140	214,260,166
Cumulative effect of restatement (Note 17)					5,921,860	1,576,063	7,497,923
Net position, end of year					\$ 146,980,691	\$100,933,857	\$ 247,914,548

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	Street Improvement Fund	Stormwater Drainage Fund	State (2%) A-Tax Fund	Local (1.5%) A-Tax Fund	Local (1.0%) Hospitality Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 6,596,546	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,596,546
Equity in pooled cash and cash equivalents	7,263,627	3,566,863	14,214,835	—	4,064,964	7,471,374	5,790,890	42,372,553
Receivables, net	3,464,495	—	87,979	—	2,264,575	1,737,257	—	7,554,306
Due from other funds	4,688,474	—	—	—	—	—	—	4,688,474
Due from other governments	653,239	—	—	2,286,226	—	—	—	2,939,465
Inventories and prepaids	324,430	—	—	—	—	—	—	324,430
Restricted assets:								
Cash and cash equivalents	695,592	—	—	—	—	—	830,915	1,526,507
<b>Total assets</b>	<b>\$23,686,403</b>	<b>\$ 3,566,863</b>	<b>\$14,302,814</b>	<b>\$ 2,286,226</b>	<b>\$ 6,329,539</b>	<b>\$ 9,208,631</b>	<b>\$ 6,621,805</b>	<b>\$ 66,002,281</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts and retainage payable	\$ 1,046,480	\$ 559,714	\$ 12,126	\$ 889,427	\$ —	\$ —	\$ 220,335	\$ 2,728,082
Accrued payroll and withholdings payable	898,313	—	—	—	—	—	—	898,313
Deposits and performance bonds	39,576	—	—	—	—	—	—	39,576
Insurance claims	—	—	—	—	—	—	—	—
Due to other funds	467,191	—	—	29,360	878,625	450,180	—	1,825,356
Due to other governments	6,040	—	—	—	—	—	—	6,040
Unearned revenue	—	—	—	—	—	—	238,397	238,397
Payable from restricted assets	604,463	—	—	—	—	—	—	604,463
<b>Total liabilities</b>	<b>3,062,063</b>	<b>559,714</b>	<b>12,126</b>	<b>918,787</b>	<b>878,625</b>	<b>450,180</b>	<b>458,732</b>	<b>6,340,227</b>
<b>Fund balances:</b>								
Non-spendable	324,430	—	—	—	—	—	—	324,430
Restricted by others	91,755	—	—	1,367,439	—	—	—	1,459,194
Committed by ordinance	—	—	—	—	5,450,914	8,758,451	835,262	15,044,627
Assigned by management	—	3,007,149	14,290,688	—	—	—	5,327,811	22,625,648
Unassigned (deficit) reported in:								
General Fund	20,208,155	—	—	—	—	—	—	20,208,155
Special Revenue Fund	—	—	—	—	—	—	—	—
Debt and Capital Service Fund	—	—	—	—	—	—	—	—
<b>Total fund balances</b>	<b>20,624,340</b>	<b>3,007,149</b>	<b>14,290,688</b>	<b>1,367,439</b>	<b>5,450,914</b>	<b>8,758,451</b>	<b>6,163,073</b>	<b>59,662,054</b>
<b>Total liabilities and fund balances</b>	<b>\$23,686,403</b>	<b>\$ 3,566,863</b>	<b>\$14,302,814</b>	<b>\$ 2,286,226</b>	<b>\$ 6,329,539</b>	<b>\$ 9,208,631</b>	<b>\$ 6,621,805</b>	<b>\$ 66,002,281</b>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

	<u>Total Governmental Funds</u>
<b>Reconciliation to amounts reported for governmental activities in the Statement of Net Position (see Note 15):</b>	
Total fund balances – total governmental funds	\$ 59,662,054
Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.	126,038,618
Internal service funds are used by management to charge the costs of health insurance to individual funds and are not reported in these funds.	(20,582,722)
Defund outflows of resources related to pensions are not financial uses, and therefore are not reported in these funds.	6,101,699
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(18,740,924)
Deferral inflows of resources related to pensions are not financial resources, and therefore are not reported in these funds.	(5,498,034)
	<u>87,318,637</u>
Net position, end of year – Governmental Activities	<u>\$ 146,980,691</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, 2022

	General Fund	Street Improvement Fund	Stormwater Drainage Fund	State (2%) A-Tax Fund	Local (1.5%) A-Tax Fund	Local (1%) Hospitality Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenue</b>								
Property taxes	\$ 20,933,792	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 20,933,792
Special assessments	—	—	—	—	—	—	11,040	11,040
Licenses and permits	13,405,865	—	—	—	—	—	—	13,405,865
Fines and forfeitures	385,790	—	—	—	—	—	—	385,790
Use of money and property	265,659	5,442	14,143	566	—	—	11,482	297,292
Unrestricted intergovernmental	1,478,797	—	—	—	—	—	—	1,478,797
Restricted intergovernmental	1,434,093	30,883	1,500,000	6,418,655	10,149,580	9,802,446	—	29,273,891
Sales and service charges	1,724,618	—	3,039,675	—	—	—	11,430	4,775,723
Miscellaneous	680,421	277,306	—	—	—	—	—	957,727
<b>Total revenue</b>	<b>40,309,035</b>	<b>251,865</b>	<b>4,553,818</b>	<b>6,419,221</b>	<b>10,149,580</b>	<b>9,802,446</b>	<b>33,952</b>	<b>71,519,917</b>
<b>Expenditures</b>								
Current:								
General government administration	4,087,534	—	—	—	—	—	—	4,087,534
Finance	1,478,463	—	64,875	—	7,747	7,748	—	1,558,833
Information services	609,997	—	—	—	—	—	—	609,997
Public safety	18,388,065	—	—	—	—	—	—	18,388,065
Planning/development	1,960,679	—	—	—	—	—	—	1,960,679
Public works	2,761,130	—	427,479	—	—	—	—	3,188,609
Parks and recreation	4,532,108	—	—	2,357,843	—	—	—	6,889,951
Support services	1,147,227	—	—	—	—	—	—	1,147,227
Debt service	—	—	—	—	—	—	2,612,870	2,612,870
Capital outlay	2,075,189	4,486,750	97,103	—	—	—	1,776,320	8,435,362
<b>Total expenditures</b>	<b>37,040,392</b>	<b>4,486,750</b>	<b>589,457</b>	<b>2,357,843</b>	<b>7,747</b>	<b>7,748</b>	<b>4,389,190</b>	<b>48,879,127</b>
Excess (deficiency) of revenue over (under) expenditures	3,268,643	(4,234,885)	3,964,361	4,061,378	10,141,833	9,794,698	(4,355,238)	22,640,790
<b>Other Financing Sources (Uses)</b>								
Note proceeds and escrow released	2,416,090	—	—	—	2,980,633	2,261,991	—	7,658,714
Transfers in	9,380,686	1,462,676	76,176	—	—	—	10,000,012	20,919,550
Transfers (out)	(10,874,197)	—	—	(2,977,350)	(5,909,914)	(4,177,086)	(2,517,449)	(26,455,996)
Total other financing sources (uses)	922,579	1,462,676	76,176	(2,977,350)	(2,929,281)	(1,915,095)	7,482,563	2,122,268
<b>Net change in fund balances</b>	<b>4,191,222</b>	<b>(2,772,209)</b>	<b>4,040,537</b>	<b>1,084,028</b>	<b>7,212,552</b>	<b>7,879,603</b>	<b>3,127,325</b>	<b>24,763,058</b>
Fund balances, beginning of year	16,433,118	5,779,358	10,250,151	283,411	(1,761,638)	878,848	3,035,748	34,898,996
Fund balances, end of year	\$ 20,624,340	\$ 3,007,149	\$ 14,290,688	\$ 1,367,439	\$ 5,450,914	\$ 8,758,451	\$ 6,163,073	\$ 59,662,054

— 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>\$ 24,763,058</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.	932,969
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.	(6,215,345)
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.	2,150,890
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>2,521,233</u> <u>(610,253)</u>
Change in Net Position – Governmental Activities	<u><u>\$ 24,152,805</u></u>

*See accompanying notes to financial statements.*

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET  
PROPRIETARY FUNDS

JUNE 30, 2022

Business-type Activities – Enterprise Funds

	<u>Water and Sewer Utility</u>	<u>Solid Waste</u>	<u>Aquatic/Fitness Center</u>	<u>Beach Service</u>	<u>Sports and Tourism Park</u>	<u>Totals</u>	<u>Internal Service Fund</u>
<b>Assets and Deferred Outflows</b>							
Current assets:							
Cash and cash equivalents	\$ 4,699,440	\$ —	\$ 695	\$ 7,100	\$ 5,200	\$ 4,712,435	\$ —
Equity in pooled cash and cash equivalents	2,578,064	4,678,563	—	2,010,726	—	9,267,353	—
Receivables, net	1,869,690	219,906	17,798	30,745	1,098	2,139,237	306,334
Due from other funds	—	—	—	292,608	467,191	759,799	—
Due from other governments	—	101,445	—	—	—	101,445	—
Inventories and prepaid items	405,202	—	—	—	—	405,202	577,449
Restricted assets:							
Cash and cash equivalents	—	—	—	—	—	—	—
Equity in pooled cash and cash equivalents	2,442,393	—	—	—	—	2,442,393	10,838
Deposits with others	280,000	—	—	—	—	280,000	—
Total current assets	<u>12,274,789</u>	<u>4,999,914</u>	<u>18,493</u>	<u>2,341,179</u>	<u>473,489</u>	<u>20,107,864</u>	<u>894,621</u>
Non-current assets:							
Capital assets, not subject to depreciation	1,291,953	—	—	—	—	1,291,953	—
Capital assets, subject to depreciation, net	79,302,426	1,779,862	5,894,994	459,457	796,462	88,233,201	—
Total capital assets, net	80,594,379	1,779,862	5,894,994	459,457	796,462	89,525,154	—
Other assets, net	4,820,923	—	—	—	—	4,820,923	—
Total non-current assets	<u>85,415,302</u>	<u>1,779,862</u>	<u>5,894,994</u>	<u>459,457</u>	<u>796,462</u>	<u>94,346,077</u>	<u>—</u>
Total assets	<u>97,690,091</u>	<u>6,779,776</u>	<u>5,913,487</u>	<u>2,800,636</u>	<u>1,269,951</u>	<u>114,453,941</u>	<u>894,621</u>
Deferred outflows of resources:							
Deferred outflows – OPEB related	—	—	—	—	—	—	2,532,636
Total assets and deferred outflows	<u>\$ 97,690,091</u>	<u>\$ 6,779,776</u>	<u>\$ 5,913,487</u>	<u>\$ 2,800,636</u>	<u>\$ 1,269,951</u>	<u>\$ 114,453,941</u>	<u>\$ 3,427,257</u>

17

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET  
PROPRIETARY FUNDS

— CONTINUED —

	Business-type Activities – Enterprise Funds					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
<b>Liabilities and Net Position</b>							
Current liabilities:							
Accounts payable	\$ 1,789,347	\$ 248,720	\$ 28,604	\$ 93,055	\$ 10,461	\$ 2,170,187	\$ 252,922
Accrued payroll and related taxes	119,739	74,138	37,647	141,219	8,640	381,383	—
Due to other funds	—	—	324,878	—	628,347	953,225	2,669,692
Accrued interest payable	—	—	28,537	—	—	28,537	—
Contracts and note payable – current portion	231,206	—	573,484	—	—	804,690	—
Unearned revenue and deposits	—	—	56,077	—	33,310	89,387	—
Insurance reserves and claims payable	—	—	—	—	—	—	312,639
Liabilities payable from restricted assets	2,450,708	—	—	—	—	2,450,708	373,250
Total current liabilities	<u>4,591,000</u>	<u>322,858</u>	<u>1,049,227</u>	<u>234,274</u>	<u>680,758</u>	<u>6,878,117</u>	<u>3,608,503</u>
Long-term (non-current) liabilities:							
Accrued compensated absences	332,045	169,489	60,591	432	5,660	568,217	—
Contracts payable	—	—	—	—	—	—	—
Note payable	—	—	595,794	—	—	595,794	—
Other post-employment benefits (OPEB)	—	—	—	—	—	—	20,321,832
Total long-term liabilities	<u>332,045</u>	<u>169,489</u>	<u>656,385</u>	<u>432</u>	<u>5,660</u>	<u>1,164,011</u>	<u>20,321,832</u>
Total liabilities	<u>4,923,045</u>	<u>492,347</u>	<u>1,705,612</u>	<u>234,706</u>	<u>686,418</u>	<u>8,042,128</u>	<u>23,930,335</u>
Deferred inflows of resources:							
Deferred inflows – OPEB related	—	—	—	—	—	—	5,557,611
Net position:							
Net investment in capital assets	80,594,379	1,779,862	4,725,717	459,457	796,462	88,355,877	—
Restricted for:							
Future capacity and deposits	—	—	—	—	—	—	—
Health insurance claims	—	—	—	—	—	—	—
Unrestricted (deficit)	12,172,667	4,507,567	(517,842)	2,106,473	(212,929)	18,055,936	(26,060,689)
Total net position	<u>92,767,046</u>	<u>6,287,429</u>	<u>4,207,875</u>	<u>2,565,930</u>	<u>583,533</u>	<u>106,411,813</u>	<u>(26,060,689)</u>
Total liabilities and net position	<u>\$ 97,690,091</u>	<u>\$ 6,779,776</u>	<u>\$ 5,913,487</u>	<u>\$ 2,800,636</u>	<u>\$ 1,269,951</u>		<u>\$ 3,427,257</u>

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 (5,477,956)  
\$ 100,933,857

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2022

	Business-type Activities – Enterprise Funds					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
<b>Operating Revenue</b>							
Sales and service charges	\$ 15,548,104	\$ 6,352,077	\$ 2,165,354	\$ 3,409,783	\$ 1,385,600	\$ 28,860,918	\$ 8,188,220
<b>Total operating revenue</b>	<u>15,548,104</u>	<u>6,352,077</u>	<u>2,165,354</u>	<u>3,409,783</u>	<u>1,385,600</u>	<u>28,860,918</u>	<u>8,188,220</u>
<b>Operating Expenses</b>							
General government administration	1,131,141	333,467	120,270	195,463	6,836	1,787,177	12,389,741
Finance	1,073,430	144,478	29,455	110,455	14,727	1,372,545	105,425
Information services	515,088	103,018	34,339	51,509	17,170	721,124	32,700
Public safety	84,612	—	—	1,027,489	—	1,112,101	1,590,713
Planning/development	45,481	—	—	—	—	45,481	168,989
Public works	11,708,454	4,460,259	—	—	—	16,168,713	1,206,986
Parks and recreation	—	—	1,829,070	1,465,785	1,757,200	5,052,055	464,057
Support services	503,554	114,130	58,203	49,434	—	725,321	100,423
Depreciation and amortization	3,748,675	521,368	288,566	164,339	204,260	4,927,208	—
<b>Total operating expenses</b>	<u>18,810,435</u>	<u>5,676,720</u>	<u>2,359,903</u>	<u>3,064,474</u>	<u>2,000,193</u>	<u>31,911,725</u>	<u>16,059,034</u>
Operating income (loss)	(3,262,331)	675,357	(194,549)	345,309	(614,593)	(3,050,807)	(7,870,814)
<b>Non-Operating Revenue (Expenses)</b>							
Interest earned on investments	71,996	5,586	275	1,615	—	79,472	—
Interest expense	—	—	(53,486)	—	—	(53,486)	—
Non-operating program fees and other	301,354	—	25	820	212,685	514,884	1,296
<b>Total non-operating revenue (expenses)</b>	<u>373,350</u>	<u>5,586</u>	<u>(53,186)</u>	<u>2,435</u>	<u>212,685</u>	<u>540,870</u>	<u>1,296</u>
Income (loss) before contributions and transfers	(2,888,981)	680,943	(247,735)	347,744	(401,908)	(2,509,937)	(7,869,518)
Capital Contributions	3,044,913	—	—	—	—	3,044,913	—
Transfers – in (out)	—	203,505	975,179	813,565	500,000	2,492,249	3,000,000
<b>Change in net position</b>	<b>155,932</b>	<b>884,448</b>	<b>727,444</b>	<b>1,161,309</b>	<b>98,092</b>	<b>3,027,225</b>	<b>(4,869,518)</b>
Net position, beginning of year	92,611,114	5,402,981	3,480,431	1,404,621	485,441	103,384,588	(28,689,094)
Cumulative effect of restatement (Note 17)	—	—	—	—	—	—	7,497,923
Net position, end of year	<u>\$ 92,767,046</u>	<u>\$ 6,287,429</u>	<u>\$ 4,207,875</u>	<u>\$ 2,565,930</u>	<u>\$ 583,533</u>	<u>106,411,813</u>	<u>\$ (26,060,689)</u>
<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>						(1,023,571)	
Change in Net Position of Business-type Activities						<u>\$ 2,003,654</u>	

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2022

20

	Business-type Activities – Enterprise Fund					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
<b>Cash flows from operating activities</b>							
Cash received from:							
User fees	\$ 15,141,522	\$ 6,338,741	\$ 2,115,124	\$ 3,535,004	\$ 934,495	\$ 28,064,886	\$ 8,148,009
Tap fees	225,880	—	—	—	—	225,880	—
Service and miscellaneous charges	140,509	—	47,080	(146,941)	436,137	476,785	—
Cash paid to (for):							
Employee salaries and related costs	(4,813,698)	(2,383,744)	(1,260,721)	(1,695,390)	(243,165)	(10,396,718)	—
Water and sewer system costs	(6,142,474)	—	—	—	—	(6,142,474)	—
Garbage collection services	—	(1,682,742)	—	—	—	(1,682,742)	—
Aquatic Center operations	—	—	(673,830)	—	—	(673,830)	—
Beach Service operations	—	—	—	(510,851)	—	(510,851)	—
Sports and Tourism Park operations	—	—	—	—	(567,238)	(567,238)	—
Insurance claims costs	—	—	—	—	—	—	(10,235,297)
Overhead and miscellaneous costs	(2,681,843)	(886,732)	(274,834)	(653,033)	(949,162)	(5,445,604)	—
Net cash provided by (used in) operating activities	1,869,896	1,385,523	(47,181)	528,789	(388,933)	3,348,094	(2,087,288)
<b>Cash flows from non-capital and related financing activities</b>							
Inter-fund borrowing/payments, net	—	—	(259,949)	9,571	(46,407)	(296,785)	(920,794)
Tower rental and other	301,354	—	—	—	—	301,354	—
Intergovernmental grants	—	—	—	—	—	—	—
Local accommodation/hospitality taxes and other transfers	—	203,505	975,179	813,565	500,000	2,492,249	3,000,000
Non-operating fees, donations/fundraisers	—	—	25	820	212,685	213,530	1,296
Net cash provided by (used in) non-capital and related financing activities	301,354	203,505	715,255	823,956	666,278	2,710,348	2,080,502
<b>Cash flows from capital and related financing activities</b>							
Acquisition and construction of capital assets	(1,445,193)	(499,045)	(49,381)	—	(276,145)	(2,269,764)	—
Principal paid on bonds, notes, and contracts	—	—	(552,010)	—	—	(552,010)	—
Interest and bond agent fees on long-term debt	—	—	(66,958)	—	—	(66,958)	—
Capital contributions – impact fees, grants and other cash contributions	2,203,635	—	—	—	—	2,203,635	—
Net cash provided by (used in) capital and related financing activities	758,442	(499,045)	(668,349)	—	(276,145)	(685,097)	—

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

— CONTINUED —

	Business-type Activities – Enterprise Fund					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
<b>Cash flows from investing activities</b>							
Interest received on investments	71,996	5,586	275	1,615	—	79,472	—
Net cash provided by (used in) investing activities	71,996	5,586	275	1,615	—	79,472	—
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,001,688</b>	<b>(1,095,569)</b>	<b>—</b>	<b>1,354,360</b>	<b>1,200</b>	<b>5,452,817</b>	<b>(6,786)</b>
Cash and cash equivalents, beginning of year (of which \$1,962,080 is restricted)	6,718,209	3,582,994	695	663,466	4,000	10,969,364	17,624
Cash and cash equivalents, end of year (of which \$2,453,231 is restricted)	<u>\$ 9,719,897</u>	<u>\$ 4,678,563</u>	<u>\$ 695</u>	<u>\$ 2,017,826</u>	<u>\$ 5,200</u>	<u>\$ 16,422,181</u>	<u>\$ 10,838</u>
<b>Reconciliation of operating income (loss) to net cash from operating activities</b>							
Operating income (loss)	\$ (3,262,331)	\$ 675,357	\$ (194,549)	\$ 345,309	\$ (614,593)	\$ (3,050,807)	\$ (7,870,814)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	3,748,675	521,368	288,566	164,339	204,260	4,927,208	—
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(40,193)	(13,336)	(3,150)	(21,720)	(418)	(78,817)	(40,211)
(Increase) decrease in inventories and prepaid items	(141,282)	—	—	—	—	(141,282)	—
Increase (decrease) in accounts and other payables	1,481,613	162,281	6,834	25,991	1,451	1,678,170	238,468
Increase (decrease) in payroll and accrued liabilities	7,632	39,853	10,311	14,870	5,817	78,483	—
Increase (decrease) in unearned revenue/deposit	75,782	—	(155,193)	—	14,550	(64,861)	—
Increase (decrease) in other post-employment benefits (OPEB), deferred outflows, and deferred inflows	—	—	—	—	—	—	5,585,269
Net cash provided by (used in) operating activities	<u>\$ 1,869,896</u>	<u>\$ 1,385,523</u>	<u>\$ (47,181)</u>	<u>\$ 528,789</u>	<u>\$ (388,933)</u>	<u>\$ 3,348,094</u>	<u>\$ (2,087,288)</u>
<b>Supplemental disclosure of non-cash capital and related financing activities</b>							
System contributions by developers	<u>\$ 841,278</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 841,278</u>	<u>\$ —</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

JUNE 30, 2022

	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
	<b>Money Purchase Pension Plans</b>	<b>Firemen's (1%) Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ —	\$ 78,529
Cash and temporary investments – mutual funds	31,917,295	—
Receivables – Participant loans	978,080	—
Total assets	<u>\$ 32,895,375</u>	<u>\$ 78,529</u>
<b>Liabilities</b>		
Accounts payable	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
<b>Net Position</b>		
Restricted for employee's pension benefits	32,895,375	—
Accounts held for City Firemen's Association	—	78,529
Total net position	<u>32,895,375</u>	<u>78,529</u>
Total liabilities and net position	<u>\$ 32,895,375</u>	<u>\$ 78,529</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, 2022

	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
	<b>Money Purchase Pension Plans</b>	<b>Firemen's (1%) Fund</b>
<b>Additions</b>		
Contributions:		
Employer contributions	\$ 1,119,111	\$ —
Employee (member) contributions	316,521	—
Investment income and net appreciation in fair value of investments	(4,284,871)	40
Non-vested rollover	798,930	—
Other:		
Amounts collected from the State	—	404,344
<b>Total additions</b>	<b>(1,970,309)</b>	<b>404,384</b>
<b>Deductions</b>		
Benefit payments and loan issuance costs	1,631,555	—
Trustee fees	44,442	—
Forfeitures	100,406	—
Payment for City firemen's association activities	—	471,826
<b>Total deductions</b>	<b>1,776,403</b>	<b>471,826</b>
<b>Change in net position</b>	<b>(3,746,712)</b>	<b>(67,442)</b>
Net position, beginning of year	36,642,087	145,971
Net position, end of year	<b>\$ 32,895,375</b>	<b>\$ 78,529</b>

*See accompanying notes to financial statements.*

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**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, 2022, 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 (1.5%) Fund, Local Hospitality (1%) 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 (1.5%) Tax Fund, and Local Hospitality (1%) 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, 2022, ‘final budgeted’ expenditures/expenses and other financing sources and uses exceeded estimated revenues as follows: — State Accommodation (2%) Tax by \$54,059; Local Accommodation (1.5%) by \$400,000; Local Hospitality (1%) Fees Fund by \$2,700,000; Street Improvement Fund by \$294,824; Beach Renourishment Fund by \$35,684; Park Development Fund by \$43,077; Stormwater Drainage Fund by \$6,756,434; and Cherry Grove Dredge Fund by \$575,000. 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 \$16.6 million, \$5.2 million, \$2.4 million, \$2.8 million, and \$1.7 million, respectively. At June 30, 2022, deficit fund balances/net position resulted in the following: Insurance Reserves Internal Service Fund by \$26,060,689. 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, 2022, 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, 2022. 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, 2022:

<b>General Fund:</b>	
Inventories and prepaid items	\$ 324,430
Total Non-spendable	<u>\$ 324,430</u>

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:

<b>General Fund:</b>	
Drug enforcement	\$ 18,143
Public Safety Scholarship	72,082
Jr. Canine Fund	1,530
<b>Special Revenue Fund:</b>	
State (2%) A-tax	<u>1,367,439</u>
Total restricted by others	<u>\$ 1,459,194</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)**

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:

<b>Special Revenue Funds:</b>	
Local (1.5%) A-Tax	\$ 5,450,914
Local (1%) Hospitality	8,758,451
<b>Debt Service Funds:</b>	
Cherry Grove Municipal Improvement District Bonds	101,306
<b>Capital Projects Funds:</b>	
Cherry Grove dredge project	<u>733,956</u>
Total committed by ordinance	<u>\$ 15,044,627</u>

Assigned Fund Balance

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

<b>Capital Projects Funds:</b>	
Capital Improvement projects	\$ 585,468
Street Improvement repairs and underground utilities projects	3,007,149
Beach Renourishment projects	2,520,252
Park Development	2,222,091
Stormwater Drainage projects	<u>14,290,688</u>
Total assigned by management	<u>\$ 22,625,648</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Unassigned Fund Balance

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

Program and General Revenues

The City charges public fees for building permits and inspections, participation fees for certain recreational activities and stormwater fees. These fees as well as fines for traffic violations and grant revenues are recorded as program revenue in the Statement of Activities. General revenues reported by the City include property taxes, state shared taxes, business licenses, accommodations and hospitality fees (which are meal and hotel imposed taxes), and franchise fees (which are general revenue fees in lieu of business licensees). The City has imposed a one and one-half (1.5%) percent local accommodations and a one (1%) 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 2021 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, 2022, the carrying amount of the City’s cash deposits with financial institutions was \$8,576,681 and the financial institution’s balances totaled \$7,402,232. Of this balance, \$1,731,092 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, 2022, 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, 2022, the City had the following investment types:

	<u>Fair Value</u>	<u>Weight Average Maturity (years)</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 47,043,862		n/a
Certificates of deposit	10,274,612		n/a
Money Market funds	1,091,804	n/a	Aa1
Mutual funds	31,917,295	n/a	AAA
Total carrying value	<u>\$ 90,327,573</u>		

At June 30, 2022, 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 52%, 11%, 1%, and 36%, 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, 2022 are as follows:

Cash on hand	\$	20,195
Carrying amount of cash deposits		8,576,681
Carrying amount of investments		<u>90,327,573</u>
<b>Total</b>	<b>\$</b>	<b><u>98,924,449</u></b>
 Government-wide Statement of Net Position:		
Cash and cash equivalents	\$	11,308,981
Equity in pooled cash and cash equivalents		51,639,906
Cash and cash equivalents-restricted		1,537,345
Equity in pooled cash and cash equivalents-restricted		2,442,393
Statement of Fiduciary Net Position:		
Cash and cash equivalents – Agency Fund		78,529
Investments – Pension Trust Funds:		
Money Purchase Retirement Plan #1		30,301,817
Money Purchase Retirement Plan #2		<u>1,615,478</u>
<b>Total</b>	<b>\$</b>	<b><u>98,924,449</u></b>

**3. Receivables**

Receivables at June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 1,295,052	\$ —
Franchise fees	808,661	—
Grants	1,554,682	—
Street improvement fees		—
Stormwater fees	88,479	—
Local accommodation and hospitality fees	4,001,832	—
Water and sewer accounts	—	1,874,690
Solid waste user fees	—	221,406
Aquatic Center	—	17,798
Beach Service	—	30,745
Sports tourism fees	—	1,098
Insurance reimbursements	241,943	64,391
Other	<u>1,101,152</u>	—
Gross receivables	9,091,801	2,210,128
Less: allowance for uncollectibles	<u>(1,295,552)</u>	<u>(6,500)</u>
<b>Net total receivables</b>	<b><u>\$ 7,796,249</u></b>	<b><u>\$ 2,203,628</u></b>

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, 2022, 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>
<b><u>Governmental Activities</u></b>				
General Fund	\$ 4,688,474	\$ (467,191)	\$ 9,380,686	\$(10,874,197)
Special Revenue Funds:				
State Accommodations (2%) Tax Funds	—	(29,360)	—	(2,977,350)
Local Accommodations (1.5%) Tax Fund	—	(878,625)	—	(5,909,914)
Local Hospitality (1%) Fees Fund	—	(450,180)	—	(4,177,086)
Debt Service:				
Park Land Note	—	—	1,963,470	—
Cherry Grove Bonds	—	—	—	—
Capital Projects Funds:				
Park Improvement Fund	—	—	3,680,000	(1,963,470)
Capital Improvement Fund	—	—	2,864,247	(553,979)
Street Improvement Fund	—	—	1,462,676	—
Beach Renourishment Fund	—	—	938,316	—
Stormwater Drainage Fund	—	—	76,176	—
Cherry Grove Dredge Fund	—	—	553,979	—
<b><u>Business-type Activities</u></b>				
Enterprise Funds:				
Water and Sewer Fund	—	—	—	—
Solid Waste Fund	—	—	203,505	—
Aquatic Center Fund	—	(324,878)	975,179	—
Beach Services Fund	292,608	—	1,113,565	(300,000)
Sports and Tourism Park Fund	467,191	(628,347)	500,000	—
Internal Service Insurance Reserve Fund	—	(2,669,692)	3,000,000	—
<b><u>Fiduciary Funds</u></b>				
Pension Trust Fund	—	—	44,197	—
	<u>\$ 5,448,273</u>	<u>\$ (5,448,273)</u>	<u>\$ 26,755,996</u>	<u>\$ (26,755,996)</u>

Net internal balances shown on the Statement of Net Position between Governmental and Business-type activities equaled \$754,595. Net transfers between Governmental and Business-type Activities totaled 2,492,249 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, 2022.

**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>
<b><u>Governmental Activities</u></b>		
General Fund:		
State of South Carolina	\$ 501,898	\$ 6,040
Horry County	151,341	—
Special Revenue Fund:		
State Accommodations (2%) Tax Fund	2,286,226	—
	<u>\$ 2,939,465</u>	<u>\$ 6,040</u>
<b><u>Business-type Activities</u></b>		
Solid Waste Enterprise Fund grants	<u>\$ 101,445</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Capital Assets**

A summary of the changes in the City’s capital assets during the year ended June 30, 2022, are as follows:

**Governmental Activities:**

	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance June 30, 2022</b>
<b><u>Capital assets not being depreciated:</u></b>					
Land	\$ 27,356,107	\$ 3,285,871	\$ —	\$ —	\$ 30,641,978
Construction in progress	3,278,508	2,141,985	—	(88,230)	5,332,263
Total capital assets not being depreciated	<u>30,634,615</u>	<u>5,427,856</u>	<u>—</u>	<u>(88,230)</u>	<u>35,974,241</u>
<b><u>Capital assets being depreciated:</u></b>					
Buildings	31,673,714	159,050	—	—	31,832,764
Improvements	26,959,096	45,386	—	—	27,004,482
Machinery and equipment	27,095,593	2,268,624	(190,606)	88,230	29,261,841
Infrastructure	93,116,971	336,903	—	—	93,453,874
Total capital assets being depreciated	<u>178,845,374</u>	<u>2,809,963</u>	<u>(190,606)</u>	<u>88,230</u>	<u>181,552,961</u>
<b><u>Less, accumulated depreciation for:</u></b>					
Buildings	(14,092,539)	(904,611)	—	—	(14,997,150)
Improvements	(11,266,704)	(1,068,954)	—	—	(12,335,658)
Machinery and equipment	(19,358,427)	(2,078,018)	104,079	—	(21,332,366)
Infrastructure	(39,570,143)	(3,253,267)	—	—	(42,823,410)
Total accumulated depreciation	<u>(84,287,813)</u>	<u>(7,304,850)</u>	<u>104,079</u>	<u>—</u>	<u>(91,488,584)</u>
Total capital assets being depreciated, net	<u>94,557,561</u>	<u>(4,494,887)</u>	<u>(86,527)</u>	<u>88,230</u>	<u>90,064,377</u>
Net capital assets – Governmental Activities	<u>\$ 125,192,176</u>	<u>\$ 932,969</u>	<u>\$ (86,527)</u>	<u>\$ —</u>	<u>\$ 126,038,618</u>

For the year ended June 30, 2022, depreciation expenses charged to Governmental Activities totaled \$7,304,850, which has been allocated to the respective departmental functions, in the Statement of Activities as follows:

General government administration	\$ 1,981,750
Finance	61,360
Information services	269,944
Public safety	1,242,299
Planning and development	44,275
Public works	3,456,216
Parks and recreation	220,190
Support services	28,816
	<u>\$ 7,304,850</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

**Business-type Activities:**

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
<u>Capital assets not being depreciated:</u>					
Land	\$ 717,829	\$ —	\$ —	\$ —	\$ 717,829
Construction in progress	999,817	685,800	—	(1,095,245)	590,372
Total capital assets not being depreciated	<u>1,717,646</u>	<u>685,800</u>	<u>—</u>	<u>(1,095,245)</u>	<u>1,308,201</u>
<u>Capital assets being depreciated:</u>					
Buildings	11,536,077	—	—	—	11,536,077
Water and sewer systems	129,066,804	1,352,144	—	1,095,245	131,514,193
Improvements	127,351	—	—	—	127,351
Machinery and equipment	19,436,588	1,073,089	(19,390)	—	20,490,287
Total capital assets being depreciated	<u>160,166,820</u>	<u>2,425,233</u>	<u>(19,390)</u>	<u>1,095,245</u>	<u>163,667,908</u>
<u>Less, accumulated depreciation:</u>					
Buildings	(4,993,340)	(1,151,345)	—	—	(6,144,685)
Water and sewer systems	(51,882,859)	(1,733,364)	—	—	(53,616,223)
Improvements	(57,127)	(2,783)	—	—	(59,910)
Machinery and equipment	(14,271,553)	(1,377,974)	19,390	—	(15,630,137)
Total accumulated depreciation	<u>(71,204,879)</u>	<u>(4,265,466)</u>	<u>19,390</u>	<u>—</u>	<u>(75,450,955)</u>
Total capital assets being depreciated, net	<u>88,961,941</u>	<u>(1,840,233)</u>	<u>—</u>	<u>1,095,245</u>	<u>88,216,953</u>
Net capital assets – Business-type Activities	<u>\$ 90,679,587</u>	<u>\$ (1,154,433)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 89,525,154</u>

A summary of Proprietary Fund Type capital assets at June 30, 2022, 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	131,514,193	—	—	—	—	131,514,193
Other improvements	5,885	32,262	89,204	—	—	127,351
Machinery and equipment	7,537,881	8,526,908	567,244	1,408,962	2,449,292	20,490,287
Construction in progress	568,239	22,133	—	—	—	590,372
Totals	<u>141,373,621</u>	<u>8,894,503</u>	<u>10,357,326</u>	<u>1,843,367</u>	<u>2,507,292</u>	<u>164,976,109</u>
Less, accumulated depreciation	<u>(60,779,242)</u>	<u>(7,114,641)</u>	<u>(4,462,332)</u>	<u>(1,383,910)</u>	<u>(1,710,830)</u>	<u>(75,450,955)</u>
Net capital assets – Proprietary Funds	<u>\$ 80,594,379</u>	<u>\$ 1,779,862</u>	<u>\$ 5,894,994</u>	<u>\$ 459,457</u>	<u>\$ 796,462</u>	<u>\$ 89,525,154</u>

For the year ended June 30, 2022, depreciation expenses were charged to Business-type activities totaling \$4,265,466 (Water and Sewer Utility \$3,086,942; Solid Waste \$521,368; Aquatic Center \$288,566; Beach Service \$164,339; and Sports and Tourism Park \$204,260, 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, 2022, 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%	\$ 643,984	July 2, 2022
Less, current portions (payable within one year)			(643,984)	
Total installment note			<u>\$ —</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 1,918,780</u>	
Total Long-Term Debt – Governmental Activities			<u>\$ 1,918,780</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%	\$ 1,169,278	November 13, 2023
Less, current portions (payable within one year)			(573,484)	
			<u>\$ 595,784</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 568,217</u>	
Total Long-Term Debt – Business-type Activities			<u>\$ 1,164,011</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, 2022, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/22</u>
<b>Governmental Activities</b>					
<u>Installment Note</u>					
Park land purchase (Sports Park)	7/2/20	\$ 3,165,217	\$ —	\$ (2,521,233)	\$ 643,984
<u>Accrued Compensated Absences</u>		\$ 1,835,869	\$ 82,911	\$ —	\$ 1,918,780
<b>Business-type Activities</b>					
<u>Note Payable</u>					
Aquatic and fitness center note obligation	11/13/03	\$ 1,721,289	\$ —	\$ (522,011)	\$ 1,169,278
<u>Accrued Compensated Absences</u>		\$ 559,059	\$ 9,158	\$ —	\$ 568,217

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.

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			
2023	\$ 5,535	\$ 643,984	\$ 649,519
	\$ 5,535	\$ 643,984	\$ 649,519
<u>Business-type Activities</u>	<u>Interest Requirements</u>	<u>Principal Requirements</u>	<u>Total Requirements</u>
Aquatic Center Note Payable:			
2023	\$ 45,485	\$ 573,484	\$ 618,969
2024	23,173	595,794	618,967
	\$ 68,658	\$ 1,169,278	\$ 1,237,936

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, 2022, 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, 2022.

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 2022 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, 2022, the City maintained the contractual rights (other assets) equaled \$18,930,804 with accumulated amortization expense equaling \$18,930,804, for a net carrying value of zero. For 2022, amortization expense equaled \$436,631. 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, 2022, (\$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, 2022, maintained the contractual rights (other assets) equal to \$9,004,058 with accumulated amortization expense equaling \$4,183,134, for a net carrying value of \$4,820,924. For 2022, amortization expense equaled \$225,101.

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, 2022, were as follows:

Utility system impact fees	\$ 2,157,810
Extension fees	45,825
System contributions by developers	<u>841,278</u>
Total capital contributions	<u>\$ 3,044,913</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>
<b><u>Net Investment in Capital Assets:</u></b>		
Net capital assets	\$ 126,038,618	\$ 89,525,154
Less, G.O., revenue bonds, and note payable	<u>(643,984)</u>	<u>(1,169,278)</u>
Total net investment in capital assets	<u>\$ 125,394,634</u>	<u>\$ 88,355,876</u>
<b><u>Restricted:</u></b>		
Restricted net position:		
Public safety:		
Pensions – employer contribution	\$ 1,744,355	\$ —
Drug enforcement programs	18,143	—
Scholarship program and Canine Fund	73,612	—
Public Works:		
Cherry Grove Dredge project	835,262	—
Parks and recreation:		
State Accommodations (2%) Tourism related	1,367,439	—
Future capacity of utility	<u>—</u>	<u>—</u>
Total restricted net position	<u>\$ 4,038,811</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, 2022. Investments of the Trust at June 30, 2022, 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, 2022, 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, 2022, the plans' participants equaled 233 employees. The gross payroll for the employees covered by the plans for the year ended June 30, 2022, approximately \$14,925,408. The City's total payroll, without adjustment for accruals, was approximately \$27.5 million. Employer contributions to Plan #1 and Plan #2 for the year ended June 30, 2022, equaled \$1,183,876 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, 2022, equaled \$301,286 and \$15,235, respectively.

D. Condensed Financial Information

**Combining Statement of Plan Net Position  
June 30, 2022**

	<b>Pension Trust Funds</b>		
	<b>Money Purchase Retirement Plan #1</b>	<b>Money Purchase Retirement Plan #2</b>	<b>Combined Total</b>
<b>Assets</b>			
Cash and temporary investments	\$ 30,301,817	\$ 1,615,478	\$ 31,917,295
Receivables – Participant loans	978,080	—	978,080
Total assets	<u>\$ 31,279,897</u>	<u>\$ 1,615,478</u>	<u>\$ 32,895,375</u>
<b>Net Position</b>			
Held in trust for employee's pension benefits	<u>\$ 31,279,897</u>	<u>\$ 1,615,478</u>	<u>\$ 32,895,375</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, 2022

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
<b>Additions</b>			
Employer contributions	\$ 1,183,876	\$ 15,235	\$ 1,199,111
Employee (member) contributions	301,286	15,235	316,521
Investment income (loss)	(4,202,713)	(82,158)	(4,284,871)
Non-vested rollover	798,930	—	798,930
Total additions	<u>(1,918,621)</u>	<u>(51,688)</u>	<u>(1,970,309)</u>
<b>Deductions</b>			
Benefit payments/loan issuance costs	1,624,355	7,200	1,631,555
Trustee fees	44,429	13	44,442
Forfeitures	100,406	—	100,406
Total deductions	<u>1,769,190</u>	<u>7,213</u>	<u>1,776,403</u>
<b>Change in net position</b>	<b>(3,687,811)</b>	<b>(58,901)</b>	<b>(3,746,712)</b>
Net position, beginning of year	34,967,708	1,674,379	36,642,087
Net position, end of year	<u>\$ 31,279,897</u>	<u>\$ 1,615,478</u>	<u>\$ 32,895,375</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 \$9,258,786, \$9,195,181, and \$8,664,610, for the years ended June 30, 2022, 2021, and 2020, respectively. For the year ended June 30, 2022, employees were required to contribute 9.75% of their earnable compensation to the Plan. Employee contributions totaled \$902,731, \$896,530, and \$844,799, for the years ended June 30, 2022, 2021, and 2020, respectively.

Employers are required to contribute to the Plan at an actuarially determined rate, which for the year ended June 30, 2022 was 18.84%. Based on the COVID-19 pandemic, the General Assembly passed a resolution suspending the statutory employer rate increase in fiscal year 2022. Accordingly, the City made its PORS employer required contributions at a rate of 18.84 percent plus .2 percent to provide group life insurance and .2 percent to provide accidental death benefits for a total contribution rate of 19.24%. The City's contributions to the PORS for the years ending June 30, 2022, 2021 and 2020 were \$1,744,355, \$1,640,420, and \$1,545,766, respectively, and were equal to the required contributions for each year.

The City's (employer) contribution during the year ended June 30, 2022 is being reported as part of deferred outflows of resources due to the pension plan's measurement date of June 30, 2021. This amount will be recognized by the City as part of its pension expense in fiscal year 2022-2023, 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, 2022, the City had employee deductions and employer contributions payable to PEBA totaling \$77,164 and \$151,603, 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, 2022, the City reported a liability of \$15,733,575 for the measurement period June 30, 2021 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, 2021, and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2020, rolled forward to June 30, 2021. 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, 2021, PEBA reported the City's proportion share percentage of the collective net pension liability was 0.611508% for PORS.

For the year ended June 30, 2022, the City recognized pension expense of \$1,925,102 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, 2021) follows:

Pension expense:	
Service cost	\$ 1,264,186
Interest on total pension liability	3,512,204
Changes in plan benefits	—
Plan administrative costs	19,083
Plan member contributions	(930,401)
Expected return on plan assets	(2,090,473)
Recognition of net amortization:	
Plan performance, net	280,504
Assumption changes, net	590,644
Investment experience, net	(1,062,013)
Allocated proportion change, net	203,847
Other	137,521
Total pension expense	<u>1,925,102</u>
PEBA reported contributions	(1,599,130)
Non-member contribution	(78,069)
Changes in deferred items (net of amortization):	
Outflows – Plan performance	131,012
Outflows – Assumption changes	890,077
Outflows – Investment experience	(459,605)
Outflows – Allocated proportion change	707,363
Inflows – Plan performance	34,725
Inflows – Assumption changes	—
Inflows – Investment experience	(5,015,476)
Inflows – Allocated proportion change	176,800
	<u>(5,212,303)</u>
Total change in net pension liability	<u>\$ (3,287,201)</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, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources.

	<b>PORS Outstanding Balances at June 30, 2022</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Plan performance	\$ 535,243	\$ (49,000)	\$ 486,243
Assumption changes	1,122,193	—	1,122,193
Investment experience	1,732,699	(5,260,096)	(3,527,397)
Proportion changes	967,209	(188,938)	778,271
	<u>4,357,344</u>	<u>(5,498,034)</u>	<u>(1,140,690)</u>
Subsequent employer contributions	1,744,355	—	1,744,355
Totals	<u>\$ 6,101,699</u>	<u>\$ (5,498,034)</u>	<u>\$ 603,665</u>

The \$1,744,355 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, 2023.

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

<b><u>Fiscal Year ended June 30,</u></b>	<b>PORS Amortization of Outstanding Balances</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
2023	\$ 1,534,806	\$ (1,466,793)	\$ 68,013
2024	1,268,972	(1,416,404)	(147,432)
2025	1,458,666	(1,307,419)	151,247
2026	94,900	(1,307,418)	(1,212,518)
Totals	<u>\$ 4,357,344</u>	<u>\$ (5,498,034)</u>	<u>\$ (1,140,690)</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, 2021 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 July1, 2020 rolled forward through June 30, 2021.

	<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 28 years, closed period
Inflation	2.25 percent
Projected Salary Increases	3.0 to 11.0 percent for members with less than 21 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 2020 Public Retirees of South Carolina Mortality Table for Males and Females; based on Scale UMP projected from 2020. Public Safety and Fire Fighters are adjusted using 2016 PRSC with males multiplied by 127% and females multiplied by 107%.

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, 2021 actuarial valuation, was based upon 20-year capital market assumptions which are updated at least annually no later than April 1<sup>st</sup> 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) using an arithmetic building block approach. 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 return represents best estimates of developed using real rates of return for each major asset class, reflecting observable inflation and interest rate information available in the fixed income markets as well as consensus Economics forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

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>
<b>Public Equity</b>	<b>46.0%</b>	6.87%	3.16%
<b>Bonds</b>	<b>26.0%</b>	0.27%	0.07%
<b>Private Equity</b>	<b>9.0%</b>	9.68%	0.87%
<b>Private Debt</b>	<b>7.0%</b>	5.47%	0.39%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total expected real return	<u>100.0%</u>		5.18%
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u>7.43%</u>

For actuarial purposes, the 7.0 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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, 2021, was 7.0%. 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 7.0%, 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 (6.0%) or one percentage point higher (8.0%) than the current rate:

	<b>City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate</b>		
	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
PORS	\$ 22,827,404	\$ 15,733,575	\$ 9,922,643

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](http://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, 2022, 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, 2022, 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, 2022.

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, 2022, based on an actuarial valuation as of July 1, 2021, rolled-forwarded, the City had 95 retired employees with an average age of 60.89 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, 2022 were \$575,849 (or 26%) of the annual total OPEB cost of \$1,108,294. 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 2021 and 2020, total expenses incurred were \$575,849 (or 36%) of the annual total OPEB cost of \$1,603,465 (*restated*), and \$582,651, (or 34%) of the annual total OPEB cost of \$1,745,415, respectively. Total covered payroll equaled \$21,085,900 for the year ended June 30, 2022, \$22,550,440 (*restated*) and \$20,885,926, for the years ended June 30, 2021 and 2020, 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, 2022, the City's total OPEB liability equaled \$20,321,832, of which \$16,050,183 was for the Governmental Activities (General Fund) and \$4,271,649 was for the Business-type Activities (Proprietary Funds). This amount was based on an actuarial valuation as of June 30, 2022, using data as of July 1, 2021, resulting in a net change in the total OPEB liability of \$487,992. The City's total OPEB liability for the years ended June 30, 2021 and 2020 totaled \$19,833,840 (as restated *See Note 17*), and \$25,294,172, respectively. The Governmental Activities share equaled \$15,664,767 and \$19,977,337 for the years 2021 (as restated *See Note 17*) and 2020, respectively, and the Business-type Activities (and Proprietary Funds) share equaled \$4,169,073 and \$5,316,835 for the years 2021 (as restated *See Note 17*) and 2020, 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:

	2022	2021 Restated
Total other post-employment benefit (OPEB) obligation		
– beginning of year (as restated for 2021)	\$ 19,833,840	\$ 25,294,172
Changes in total OPEB liability:		
Service cost	675,476	682,047
Interest	772,087	750,674
Changes of benefit terms	—	—
Differences between expected and actual experience	476,643	(6,067,624)
Changes in assumptions or other inputs	—	—
Contributions – employer	—	—
Contributions – active and inactive employees	—	—
Net investment income	—	—
Benefit payments	(1,436,214)	(825,429)
Other changes	—	—
Net changes	<u>487,992</u>	<u>(5,460,332)</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u>\$ 20,321,832</u>	<u>\$ 19,833,840</u>

OPEB Expense

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,108,294, of which \$875,331 was for the Governmental Activities (General Fund) and \$232,963 was for the Business-type Activities (Proprietary Funds) as follows:

Service cost	\$ 675,476
Interest on service cost	772,087
Total	<u>1,447,563</u>
Interest cost	—
Difference between expected and actual experience	—
Changes of assumptions and other inputs	—
Total OPEB expense	<u>\$ 1,108,294</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, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>OPEB Related</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Differences between expected and actual plan experience	\$ 2,532,636	\$ 5,557,611	\$ (3,024,975)
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on OPEB Investments	—	—	—
<b>Total</b>	<b>\$ 2,532,636</b>	<b>\$ 5,557,611</b>	<b>\$ (3,024,975)</b>

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

<b>Fiscal Year Ending June 30, :</b>	<b>Future Recognition of OPEB Related Deferrals</b>		
	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>	<b>Net</b>
2023	\$ (257,610)	\$ 555,761	\$ (298,151)
2024	(257,610)	555,761	(298,151)
2025	(257,610)	555,761	(298,151)
2026	(257,610)	555,761	(298,151)
2027	(257,610)	555,761	(298,151)
Thereafter	(1,244,586)	2,778,806	(1,534,220)
<b>Total</b>	<b>\$ (2,532,636)</b>	<b>\$ 5,557,611</b>	<b>\$ (3,024,975)</b>

Employees Covered By Benefit Terms

At the valuation date of July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	95
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	381
	<u>476</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, 2021 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	N/A
Retirement 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 - \$6,669 Average Medicare cost - \$2,816 Projected to ages 55-59 - \$11,412 Retiree co-pay percentage if < 20 years – 58.61% Spousal co-pay percentage – 58.61%

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, 2022.

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:

	<b>City's Total OPEB Liability sensitivity to changes in the discount rate</b>		
	<b>1% Increase (3.00%)</b>	<b>Valuation Rate (4.00%)</b>	<b>1% Decrease (5.00%)</b>
Total OPEB liability	\$ 23,459,601	\$ 20,321,832	\$ 17,770,471

*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:

	<b>City's Health Care Trend sensitivity to changes in the discount rate</b>		
	<b>1% Increase (4.00%)</b>	<b>Valuation Rate (5.00%)</b>	<b>1% Decrease (6.00%)</b>
Health care trend	\$ 17,306,193	\$ 20,321,832	\$ 24,175,244

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, 2020, 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. PMA Companies, 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 \$252,846 for the year ended June 30, 2022.

Effective January 1, 2020, 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 \$750,243 for the year ended June 30, 2022.

Change in the aggregate liability are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Unpaid claims at beginning of year	\$ 257,309	\$ 202,328	\$ 299,684
Incurred claims for current and prior year events where the City has retained risk of loss	7,667,109	7,543,149	6,390,470
Payments on claims for current and prior year events where the City has retained risk of loss	<u>(7,611,779)</u>	<u>(7,488,168)</u>	<u>(6,487,826)</u>
Unpaid claims at end of year	<u>\$ 312,639</u>	<u>\$ 257,309</u>	<u>\$ 202,328</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	\$ 217,527,202
Less, accumulated depreciation	(91,488,584)
Net amount reported	<u>\$ 126,038,618</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	\$ 8,560
Receivables	241,943
Prepaid items	456,069
Deferred outflows – OPEB related	2,000,276
Claim liabilities and payables	(2,849,996)
Deferred inflows – OPEB related	(4,389,401)
Total other post-employment benefits payable (OPEB) liability	(16,050,183)
Net amount reported	<u>\$ (20,582,722)</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>	
Pension	\$ 6,101,699
Net amount reported	<u>\$ 6,101,699</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	\$ (1,935)
Special assessment bonds payable	(643,984)
Accrued compensated absences	(1,918,780)
Net pension liabilities - PORS	(15,733,575)
Net pension liabilities - old police retirement plan	(442,650)
Net amount reported	<u>\$ (18,740,924)</u>
 <i>Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the fund financial statements.</i>	
Pension	\$ (5,498,034)
Net amount reported	<u>\$ (5,498,034)</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	\$ 8,237,819
Depreciation expense	(7,304,850)
Net amount reported	<u>\$ 932,969</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	\$ 6,468,080
Insurance claims paid and reserves	(12,683,425)
Net amount reported	<u>\$ (6,215,345)</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	\$ 24,966
Accrued compensated absences expense	(82,911)
Loss on disposal of capital assets	(86,527)
Pension expense, net	2,295,362
Net amount reported	<u>\$ 2,150,890</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	\$ —
Principal repayments – G.O. Bonds, special assessment bonds and installment note obligation	2,521,233
Net amount reported	<u>\$ 2,521,233</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	\$ 2,278
Receivables	64,391
Claim deposits and prepaid items	121,380
Deferred outflows – OPEB related	532,360
Accounts payable	(53,163)
Due to other funds	(561,169)
Claim liabilities and payables	(144,174)
Total other post-employment benefits payable (OPEB) liability	(4,271,649)
Deferred inflows – OPEB related	(1,168,210)
Net amount reported	<u>\$ (5,477,956)</u>

**D. Explanations 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	\$ 1,721,436
Insurance claims paid and reserves	(2,745,007)
Net amount reported	<u>\$ (1,023,571)</u>

**16. Subsequent Events**

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**17. Restatement of Prior Year Balances**

The City restated its 2021 balances associated with its other post-employment benefit actuary-determined liability as a correction of an error. The following summarizes the changes:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Internal Service Fund</u>
Net Position balances as previously reported at 6/30/21	\$ 116,906,026	\$ 97,354,140	\$ (28,689,094)
Net Adjustments	<u>5,921,860</u>	<u>1,576,063</u>	<u>7,497,923</u>
Net Position balances at 6/30/21 as restated	<u>\$ 122,827,886</u>	<u>\$ 108,930,203</u>	<u>\$ (21,191,171)</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2022

(With comparative actual amounts for June 30, 2021)

	2022			Variance Positive (Neg.)	2021
	Budget		Actual		Actual
	Original	Final			
<b>Revenue</b>					
Current property taxes	\$20,450,000	\$20,450,000	\$20,461,922	\$ 11,922	\$ 19,811,180
Delinquent property taxes and penalties	410,000	410,000	471,870	61,870	435,191
Licenses and permits	10,958,649	10,958,649	13,405,865	2,447,216	11,171,650
Fines and forfeitures	346,000	346,000	385,790	39,790	196,653
Use of money and property	272,000	272,000	265,659	(6,341)	236,919
Unrestricted intergovernmental	1,156,900	1,156,900	1,478,797	321,897	1,293,511
Restricted intergovernmental	521,960	521,960	1,434,093	912,133	1,381,833
Sales and service charges	1,337,252	1,337,252	1,724,618	387,366	1,654,032
Miscellaneous	570,000	570,000	680,421	110,421	809,733
<b>Total revenue</b>	<b>36,022,761</b>	<b>36,022,761</b>	<b>40,309,035</b>	<b>4,286,274</b>	<b>36,990,702</b>
<b>Expenditures</b>					
<b>General Government Administration</b>					
General services	1,360,287	1,360,287	1,447,072	(86,785)	1,115,448
Legislative	351,333	351,333	369,245	(17,912)	223,265
Administrative	499,220	499,220	522,118	(22,898)	287,981
City Court	513,033	513,033	612,648	(99,615)	401,663
Legal	366,602	366,602	848,844	(482,242)	443,412
Human resources	407,809	407,809	355,462	52,347	377,672
Total	3,498,284	3,498,284	4,155,389	(657,105)	2,849,441
Less, capital outlay	(25,000)	(25,000)	(67,855)	(42,855)	(29,353)
Net general government administration	3,473,284	3,473,284	4,087,534	(614,250)	2,820,088
<b>Finance</b>					
Accounting	329,092	329,092	272,454	56,638	243,644
Revenue	1,266,084	1,266,084	1,253,885	12,199	1,286,328
Total	1,595,176	1,595,176	1,526,339	68,837	1,529,972
Less, capital outlay	—	—	(47,876)	(47,876)	(11,000)
Net finance	1,595,176	1,595,176	1,478,463	116,713	1,518,972
<b>Information Services</b>					
Total	597,055	597,055	879,365	(282,310)	834,133
Less, capital outlay	(175,000)	(175,000)	(269,368)	(94,368)	(362,861)
Net information services	422,055	422,055	609,997	(187,942)	471,272
<b>Public Safety</b>					
Administrative	1,551,956	1,551,956	1,418,541	133,415	1,237,385
Uniform patrol	6,008,972	6,008,972	7,250,289	(1,241,317)	5,924,506
Community services	1,162,856	1,162,856	1,143,818	19,038	1,015,439
Detectives	1,116,223	1,116,223	1,202,318	(86,095)	1,290,356
Communications/Detention	1,583,310	1,583,310	1,556,867	26,443	1,379,577
Records	382,730	382,730	392,733	(10,003)	332,831
Victim's assistance	99,661	99,661	97,363	2,298	92,227
Police training	481,832	481,832	444,007	37,825	383,977
Fire suppression	5,315,330	5,315,330	5,676,902	(361,572)	5,341,421
Fire prevention	426,174	426,174	576,351	(150,177)	301,258
Total	18,129,044	18,129,044	19,759,189	(1,630,145)	17,298,977
Less, capital outlay	(605,765)	(605,765)	(1,371,124)	(765,359)	(586,267)
Net public safety	17,523,279	17,523,279	18,388,065	(864,786)	16,712,710

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2022			Variance Positive (Neg.)	2021
	Budget		Actual		Actual
	Original	Final			
<b>Expenditures (Continued)</b>					
<b>Planning/Development</b>					
Planning/zoning administration	1,071,365	1,071,365	1,130,471	(59,106)	972,675
Code enforcement-building	837,691	837,691	864,145	(26,454)	884,831
Total	1,909,056	1,909,056	1,994,616	(85,560)	1,857,506
Less, capital outlay	—	—	(33,937)	(33,937)	—
Net planning/development	1,909,056	1,909,056	1,960,679	(51,623)	1,857,506
<b>Public Works</b>					
Streets/drainage	2,578,204	2,578,204	3,046,159	(467,955)	2,805,635
Less, capital outlay	(135,000)	(135,000)	(285,029)	(150,029)	(274,403)
Net public works	2,443,204	2,443,204	2,761,130	(317,926)	2,531,232
<b>Parks and Recreation</b>					
Recreation administration	548,840	548,840	423,377	125,463	377,065
Athletics	860,256	860,256	787,668	72,588	679,069
Programs	909,150	909,150	840,379	68,771	498,259
Row maintenance	527,720	527,720	577,659	(49,939)	508,025
Sports Park	289,943	289,943	360,094	(70,151)	326,709
Landscaping	474,485	474,485	433,726	40,759	337,581
Parks and Beach	607,539	607,539	738,917	(131,378)	450,095
Administration	428,931	428,931	370,288	58,643	420,813
Total	4,646,864	4,646,864	4,532,108	114,756	3,597,616
Less, capital outlay	(100,000)	(100,000)	—	(100,000)	(163,483)
Net parks and recreation	4,546,864	4,546,864	4,532,108	14,756	3,434,133
<b>Support Services</b>					
Custodial services	273,162	273,162	271,443	1,719	250,611
Purchasing	138,733	138,733	100,509	38,224	91,443
Fleet maintenance	291,347	291,347	178,685	112,662	257,390
Facility Maintenance	509,806	509,806	596,590	(86,784)	503,261
Total	1,213,048	1,213,048	1,147,227	65,821	1,102,705
Less, capital outlay	(40,000)	(40,000)	—	(40,000)	(37,080)
Net support services	1,173,048	1,173,048	1,147,227	25,821	1,065,625
<b>Contingency</b>	1,157,350	1,157,350	—	1,157,350	—
<b>Total departmental expenditures (net)</b>	<b>34,243,316</b>	<b>34,243,316</b>	<b>34,965,203</b>	<b>(721,887)</b>	<b>30,411,538</b>
<b>Debt Service</b>					
Principal retirement	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—
Agent fees	—	—	—	—	700
Total debt service	—	—	—	—	700
Capital Outlay	1,080,765	1,080,765	2,075,189	(994,424)	1,464,447
<b>Total expenditures</b>	<b>35,324,081</b>	<b>35,324,081</b>	<b>37,040,392</b>	<b>(1,716,311)</b>	<b>31,876,685</b>
Excess (deficiency) of revenue over (under) expenditures	698,680	698,680	3,268,643	2,569,963	5,114,017

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2022			Variance Positive (Neg.)	2021
	Budget		Actual		Actual
	Original	Final			
<b>Other Financing Sources (Uses)</b>					
Horry County partial settlement	—	—	2,416,090	2,416,090	—
Transfers in:					
From State Accommodations (2%) Tax Fund	1,161,622	1,161,622	1,161,622	—	1,027,753
From Local Accommodations (1.5%) Tax Fund	2,512,000	2,512,000	4,041,978	1,529,978	2,617,093
From Local Hospitality (1%) Fee Fund	3,306,000	3,306,000	4,177,086	871,086	3,122,983
From Sports and Tourism Park Fund	75,000	75,000	—	(75,000)	—
Total Transfers in	7,054,622	7,054,622	9,380,686	2,326,064	6,767,829
Transfers (out):					
To Park Improvement Fund	(3,680,000)	(3,680,000)	(3,680,000)	—	(3,555,000)
To Capital Improvement Fund	(2,750,000)	(2,750,000)	(2,750,000)	—	(2,775,000)
To Street Improvement Fund	(1,200,000)	(1,200,000)	(1,200,000)	—	(1,100,000)
To Sports and Tourism Park	—	—	(200,000)	(200,000)	(50,000)
To Pension Trust Fund	(50,000)	(50,000)	(44,197)	5,803	(44,197)
To Insurance Reserves Fund	—	—	(3,000,000)	(3,000,000)	—
Total Transfers (out)	(7,680,000)	(7,680,000)	(10,874,197)	(3,194,197)	(7,524,197)
Total other financing sources (uses)	(625,378)	(625,378)	922,579	1,547,957	(756,368)
<b>Net change in fund balance</b>	<b>73,302</b>	<b>73,302</b>	<b>4,191,222</b>	<b>4,117,920</b>	<b>4,357,649</b>
Fund balance, beginning of year	16,433,118	16,433,118	16,433,118	—	12,075,469
Fund balance, end of year	\$ 16,506,420	\$ 16,506,420	\$ 20,624,340	\$ 4,117,920	\$ 16,433,118

**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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability	N/A	0.611508%	0.573569%	0.586267%	0.566464%	0.572550%	0.595610%	0.561770%	0.563150%	N/A
City's proportion share of the net pension liability	N/A	\$ 15,733,575	\$ 19,020,776	\$ 16,802,065	\$ 16,050,991	\$ 15,685,465	\$ 15,107,522	\$ 12,243,757	\$ 10,781,098	\$ 11,673,945
City's covered-payroll (pensionable wages)	\$ 9,258,786	\$ 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
City's proportion share of the net pension liability as a percentage of its covered-payroll	N/A	171.1%	219.5%	197.59%	204.2%	202.6%	198.9%	175.9%	159.2%	175.7%
Plan fiduciary net position as a percentage of the total pension liability	N/A	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%	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<sup>(1)</sup>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 1,744,355	\$ 1,640,420	\$ 1,545,766	\$ 1,432,000	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965	\$ 798,388
Contributions in relation to the contractually required contributions	\$ 1,744,355	\$ 1,640,420	\$ 1,545,766	\$ 1,432,000	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965	\$ 798,388
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll (pensionable wages)	\$ 9,258,786	\$ 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
Contributions as a percentage of covered payroll	18.8%	17.8%	17.8%	16.8%	16.2%	14.2%	13.7%	13.4%	12.8%	12.0%

<sup>(1)</sup> 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 <sup>(1)</sup>

	2022	2021 <sup>(2)</sup>	2020	2019	2018	2017	2016	2015	2014	2013
Service Cost	\$ 675,476	\$ 682,047	\$ 1,093,644	\$ 931,956	\$ 857,523	N/A	N/A	N/A	N/A	N/A
Interest	772,087	750,674	943,947	809,111	797,447	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	476,643	(6,067,624)	2,344,020	—	62,147	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
Contributions – employer	—	—	—	—	—	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
Net investment income	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Benefit payments	(1,436,214)	(825,429)	(762,435)	(581,978)	(554,265)	N/A	N/A	N/A	N/A	N/A
Other changes	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Net changes in total OPEB liability	487,992	(5,460,332)	3,619,175	1,159,089	1,162,852	N/A	N/A	N/A	N/A	N/A
Total OPEB liability – beginning	19,833,840	25,294,172	21,674,997	20,515,908	19,353,056	N/A	N/A	N/A	N/A	N/A
Total OPEB liability – ending	<u>\$ 20,321,832</u>	<u>\$19,833,840</u>	<u>\$25,294,172</u>	<u>\$21,674,997</u>	<u>\$20,515,908</u>	N/A	N/A	N/A	N/A	N/A
Covered – employee payroll	<u>\$ 21,085,990</u>	<u>\$ 22,550,440</u>	<u>\$20,885,926</u>	<u>\$ 18,929,023</u>	<u>\$ 18,929,021</u>	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%	0.0%	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered – employee payroll	96%	83%	121%	145%	84%	N/A	N/A	N/A	N/A	N/A

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

<sup>(2)</sup> Fiscal year 2021 was restated by Actuary.

N/A – Not available

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022

**Other Post-Employment Benefits**

1. Changes in benefit terms: 2022-2019 – None.
2. Changes of assumptions: 2022-2019 – None.

**Employee Retirement - PORS**

1. Changes of benefit terms: Plan measurement years: 2022 – N/A. 2017-2021 – None.
2. Changes to assumptions:

Investments: Plan measurement years 2022 – N/A. 2021 – the assumed investment return was changed from 7.25% to 7.0% effective July 1, 2021. 2020 – None. 2019 – None. 2018 – the assumed investment return was changed from 7.5% to 7.25% effective July 1, 2017.

Mortality: Plan measurement years 2022 – N/A. 2021 – the mortality tables were changed from the 2016 Public Retirees of South Carolina Mortality Tables to the newly developed 2020 Public Retirees of South Carolina Mortality Tables with future improvements in mortality adjusted at 80% of Scale UMP projected from the next plan year. 2020 – None. 2019 – None. 2018 – 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: Plan measurement years 2022 – N/A. 2021 – changed to 3.0% to 11.0% for members with less than 21 years of service from 3.0% to 12.5% for members with less than 21 years of service. 2020 – None. 2019 – None. 2018 – changed to 3.0% to 12.5% for members with less than 21 years of service from 3.5% to 12.5% for members with less than 25 years of service.

Asset Valuation Method: Plan measurement years 2022 – N/A. 2021 – None. 2020 - None. 2019 – None. 2018 – changed to 5-year smoothed from 20% difference recognition.

Inflation: Plan measurement years 2022 – N/A. 2021 – None. 2020 – None. 2019 – None. 2018 – None. 2018 – 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, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalent	\$ —	\$ —	\$ —	\$ —
Equity in pooled cash and cash equivalents	—	102,687	5,688,203	5,790,890
Restricted cash and cash equivalent	—	770	830,145	830,915
Receivables, net	—	—	—	—
Due from other governments	—	—	—	—
Due from other funds	—	—	—	—
Prepaid items	—	—	—	—
<b>Total assets</b>	<b>\$ —</b>	<b>\$ 103,457</b>	<b>\$ 6,518,348</b>	<b>\$ 6,621,805</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts and retainage payable	\$ —	\$ 2,151	\$ 218,184	\$ 220,335
Unearned revenue	—	—	238,397	238,397
Due to other funds	—	—	—	—
<b>Total liabilities</b>	<b>—</b>	<b>2,151</b>	<b>456,581</b>	<b>458,732</b>
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	—	—	—	—
Committed by ordinance	—	101,306	733,956	835,262
Assigned by management	—	—	5,327,811	5,327,811
Unassigned (deficit)	—	—	—	—
<b>Total fund balances</b>	<b>—</b>	<b>101,306</b>	<b>6,061,767</b>	<b>6,163,073</b>
<b>Total liabilities and fund balances</b>	<b>\$ —</b>	<b>\$ 103,457</b>	<b>\$ 6,518,348</b>	<b>\$ 6,621,805</b>

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, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
<b>Revenue</b>				
Special assessments	\$ —	\$ 11,040	\$ —	\$ 11,040
Use of money and property	—	197	11,285	11,482
Restricted intergovernmental	—	—	—	—
Sales and service charges	—	—	11,430	11,430
Miscellaneous	—	—	—	—
<b>Total revenue</b>	<u>—</u>	<u>11,237</u>	<u>22,715</u>	<u>33,952</u>
<b>Expenditures</b>				
Current:				
General government activities	—	—	—	—
Finance	—	—	—	—
Public works	—	—	—	—
Parks and recreation	—	—	—	—
Debt service	—	2,612,870	—	2,612,870
Capital outlay	—	—	1,776,320	1,776,320
<b>Total expenditures</b>	<u>—</u>	<u>2,612,870</u>	<u>1,776,320</u>	<u>4,389,190</u>
Excess (deficiency) of revenue over (under) expenditures	<u>—</u>	<u>(2,601,633)</u>	<u>(1,753,605)</u>	<u>(4,355,238)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	1,963,470	8,036,542	10,000,012
Transfers (out)	—	—	(2,517,449)	(2,517,449)
<b>Total other financing sources (uses)</b>	<u>—</u>	<u>1,963,470</u>	<u>5,519,093</u>	<u>7,482,563</u>
<b>Net change in fund balances</b>	<u>—</u>	<u>(638,163)</u>	<u>3,765,488</u>	<u>3,127,325</u>
Fund balances, beginning of year	<u>—</u>	<u>739,469</u>	<u>2,296,279</u>	<u>3,035,748</u>
Fund balances, end of year	<u>\$ —</u>	<u>\$ 101,306</u>	<u>\$ 6,061,767</u>	<u>\$ 6,163,073</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, 2022  
(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,596,546	\$ 6,591,800
Equity in pooled cash and cash equivalents	7,263,627	792,092
Collateral deposits held by others	—	—
Receivables:		
Property taxes	1,295,052	1,232,214
Less, allowance for doubtful accounts	(1,295,052)	(1,232,214)
Water and sewer utility bills	465	357
Park revenue	9,718	—
Franchise fees	808,661	797,233
Grants	1,554,682	1,108,563
Cobra insurance	15,363	3,713
Other receivables	1,075,606	1,365,335
Due from other governments:		
State of South Carolina	501,898	522,458
Horry County	151,341	168,852
Due from other funds:		
State Accommodations (2%) Tax Fund	29,360	854,488
Local Accommodations (1.5%) Tax Fund	586,017	610,052
Local Hospitality (1%) Fee Fund	450,180	461,479
Beach Renourishment Fund	—	—
North Myrtle Beach Enterprise Fund	—	674,754
Cherry Grove Dredge Fund	—	250,143
Aquatic Center Fund	324,878	584,827
Beach Service Fund	—	—
Sports and Tourism Park Fund	628,347	—
Insurance Reserves Fund	2,669,692	3,590,486
Capital Improvement Fund	—	502,090
Inventories and prepaid items	324,430	275,907
Restricted assets:		
Cash and cash equivalents:		
Court (bail bond) account	467,906	359,269
Drug enforcement account	18,143	7,427
Police seizures held	135,931	129,888
Jr. Canine fund	1,530	—
Public safety scholarship fund	72,082	69,973
Total assets	<u>\$ 23,686,403</u>	<u>\$ 19,721,186</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND  
BALANCE SHEET

— CONTINUED —

	<u>2022</u>	<u>2021</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 1,046,480	\$ 828,337
Accrued payroll and withholdings payable	898,313	596,140
Due to other funds:		
Sports and Tourism Park Fund	467,191	467,191
Due to other governments:		
State of SC – abandoned property	6,040	9,554
Deposits and Performance bonds	39,576	898,887
Payable from restricted assets:		
Bail bonds	468,532	358,070
Police seizures held	135,931	129,889
Total liabilities	<u>3,062,063</u>	<u>3,288,068</u>
Fund Balance:		
Non-spendable	324,430	275,906
Restricted by others	91,755	77,400
Committed by ordinance	—	—
Assigned by management	—	—
Unassigned	<u>20,208,155</u>	<u>16,079,812</u>
Total fund balance	<u>20,624,340</u>	<u>16,433,118</u>
Total liabilities and fund balance	<u>\$ 23,686,403</u>	<u>\$ 19,721,186</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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Current property taxes	\$ 20,450,000	\$ 20,526,178	\$ 76,178	\$ 19,867,024
Less, Horry County Collection fee	—	(64,256)	(64,256)	(55,844)
	<u>20,450,000</u>	<u>20,461,922</u>	<u>11,922</u>	<u>19,811,180</u>
Delinquent property taxes:				
Real and personal property	300,000	338,783	38,783	285,138
Penalties	110,000	133,087	23,087	150,053
	<u>410,000</u>	<u>471,870</u>	<u>61,870</u>	<u>435,191</u>
	<u>20,860,000</u>	<u>20,933,792</u>	<u>73,792</u>	<u>20,246,371</u>
Licenses and permits:				
Business licenses	7,476,149	9,613,890	2,137,741	7,710,840
Business license penalties	75,000	49,730	(25,270)	80,375
Building permits	750,000	1,202,802	452,802	986,557
Inspection fees	7,500	7,555	55	6,594
Other permits	15,000	13,250	(1,750)	9,905
Tree bank	—	67,475	67,475	3,600
Franchise fee – electricity	1,825,000	1,607,501	(217,499)	1,534,030
Franchise fee – cable TV	600,000	628,618	28,618	625,761
Franchise fee – telephone	110,000	98,756	(11,244)	128,424
Franchise fee – gas	100,000	116,288	16,288	85,564
	<u>10,958,649</u>	<u>13,405,865</u>	<u>2,447,216</u>	<u>11,171,650</u>
Fines and forfeitures:				
Fines	700,000	780,740	80,740	408,002
Seizures	5,000	12,392	7,392	—
Improper parking	12,000	—	(12,000)	—
Victim’s assistance	48,000	53,403	5,403	30,293
Bail Bondsman Fee	1,000	—	(1,000)	—
Less, remittances to State Treasurer	(420,000)	(460,745)	(40,745)	(241,642)
	<u>346,000</u>	<u>385,790</u>	<u>39,790</u>	<u>196,653</u>
Use of money and property:				
Interest on investments	50,000	19,497	(30,503)	20,516
Property rental	210,000	233,672	23,672	205,111
Purchasing card rebate	12,000	12,490	490	11,292
	<u>272,000</u>	<u>265,659</u>	<u>(6,341)</u>	<u>236,919</u>
Unrestricted intergovernmental:				
Local government	315,300	425,698	110,398	332,302
Homestead exemption tax	250,000	314,803	64,803	297,313
Business inventory tax	36,600	37,150	550	37,113
Accommodations tax	245,000	362,824	117,824	255,816
Admissions tax	—	—	—	—
Motor carrier tax	90,000	94,047	4,047	68,951
Heavy equipment tax	—	—	—	1,473
TNC local assessment fee	20,000	19,755	(245)	8,463
Alcoholic beverage permit fees	200,000	224,520	24,520	292,080
	<u>1,156,900</u>	<u>1,478,797</u>	<u>321,897</u>	<u>1,293,511</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue (Continued)</b>				
Restricted intergovernmental:				
Federal FEMA	470,000	446,119	(23,881)	392,860
State SCEMD	—	(35,532)	(35,532)	—
Federal CARES	—	—	—	(62,962)
State SC CARES	—	—	—	31,608
Federal Fiscal Recovery Act	—	977,321	977,321	977,322
State misc. funds	—	4,225	4,225	1,045
Horry County recreation	51,960	41,960	(10,000)	41,960
	<u>521,960</u>	<u>1,434,093</u>	<u>912,133</u>	<u>1,381,833</u>
Sales and service charges:				
City codes and ordinances	10,000	4,075	(5,925)	3,575
Fire protection – contracts	118,752	132,759	14,007	166,930
Street work	6,000	9,759	3,759	11,889
Beach services franchise	125,000	161,808	36,808	152,831
Parking lots – collections	800,000	1,068,032	268,032	992,700
Recreation fees	225,000	267,139	42,139	100,863
GIS Data	500	—	(500)	—
Credit Card service charge	12,000	33,559	21,559	33,543
Miscellaneous	40,000	47,487	7,487	191,701
	<u>1,337,252</u>	<u>1,724,618</u>	<u>387,366</u>	<u>1,654,032</u>
Miscellaneous:				
Insurance reimbursements	40,000	23,365	(16,635)	63,152
Forfeitures – 401	30,000	100,272	70,272	43,845
Grant/fees from private entities	—	28,435	28,435	26,827
Canine program donations	—	14,765	14,765	10,300
Parkway Group PDD fee	500,000	411,350	(88,650)	663,342
Donation – Private citizens	—	100,125	100,125	400
PS Scholarship Fund donation	—	2,109	2,109	1,867
	<u>570,000</u>	<u>680,421</u>	<u>110,421</u>	<u>809,733</u>
<b>Total revenue</b>	<b>36,022,761</b>	<b>40,309,035</b>	<b>4,286,274</b>	<b>36,990,702</b>
<b>Expenditures</b>				
<b>General Government Administration</b>				
General Services:				
Personal services	553,500	632,795	(79,295)	532,228
Operating expenditures	1,539,250	1,591,157	(51,907)	1,495,860
Capital	—	2,311	(2,311)	—
Less, overhead allocation	(732,463)	(779,191)	46,728	(912,640)
	<u>1,360,287</u>	<u>1,447,072</u>	<u>(86,785)</u>	<u>1,115,448</u>
Legislative:				
Personal services	372,766	420,032	(47,266)	340,057
Operating expenditures	66,400	41,524	24,876	49,715
Less, overhead allocation	(87,833)	(92,311)	4,478	(166,507)
	<u>351,333</u>	<u>369,245</u>	<u>(17,912)</u>	<u>223,265</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>General Government Administration (Cont.)</b>				
Administrative:				
Personal services	593,320	658,674	(65,354)	599,031
Operating expenditures	119,850	87,209	32,641	33,890
Less, overhead allocation	(213,950)	(223,765)	(9,815)	(344,940)
	<u>499,220</u>	<u>522,118</u>	<u>(22,898)</u>	<u>287,981</u>
City Court:				
Personal services	463,608	494,796	(31,188)	372,796
Operating expenditures	49,425	52,308	(2,883)	28,867
Capital expenditures	—	65,544	(65,544)	—
	<u>513,033</u>	<u>612,648</u>	<u>(99,615)</u>	<u>401,663</u>
Legal:				
Personal services	306,466	300,445	6,021	286,470
Operating expenditures	217,250	912,190	(694,940)	600,354
Capital expenditures	—	—	—	—
Less, overhead allocation	(157,114)	(363,791)	206,677	(443,412)
	<u>366,602</u>	<u>848,844</u>	<u>(482,242)</u>	<u>443,412</u>
Human Resources:				
Personal services	682,248	582,084	100,164	629,023
Operating expenditures	77,000	101,497	(24,497)	67,971
Capital expenditures	25,000	—	25,000	29,353
Less, overhead allocation	(376,439)	(328,119)	(48,320)	(348,621)
	<u>407,809</u>	<u>355,462</u>	<u>52,347</u>	<u>377,672</u>
Total general government administration	3,498,284	4,155,389	(657,105)	2,849,441
Less, total capital outlay	(25,000)	(67,855)	(42,855)	(29,353)
<b>Net general government administration</b>	<u>3,473,284</u>	<u>4,087,534</u>	<u>(614,250)</u>	<u>2,820,088</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>Finance</b>				
Accounting:				
Personal services	687,786	549,610	138,176	534,458
Operating expenditures	201,650	138,878	62,772	124,039
Capital expenditures	—	47,876	(47,876)	11,000
Less, overhead allocation	(560,344)	(463,910)	(96,434)	(414,853)
	<u>329,092</u>	<u>272,454</u>	<u>56,638</u>	<u>243,644</u>
Revenue:				
Personal services	590,709	467,014	123,695	493,592
Operating expenditures	675,375	786,871	(111,496)	792,736
Capital expenditures	—	(47,876)	(47,876)	—
	<u>1,266,084</u>	<u>1,253,885</u>	<u>12,199</u>	<u>1,286,328</u>
Total finance	<u>1,595,176</u>	<u>1,526,339</u>	<u>68,837</u>	<u>1,529,972</u>
Less, total capital outlay	—	(47,876)	(47,876)	(11,000)
<b>Net finance</b>	<u>1,595,176</u>	<u>1,478,463</u>	<u>116,713</u>	<u>1,518,972</u>
<b>Information Services</b>				
Personal services	780,946	812,001	(31,055)	693,730
Operating services	590,700	635,590	(44,890)	513,458
Capital expenditures	175,000	269,368	(94,368)	362,861
Less, overhead allocation	(949,591)	(837,594)	(111,997)	(735,916)
	<u>597,055</u>	<u>879,365</u>	<u>(282,310)</u>	<u>834,133</u>
Total information services	<u>597,055</u>	<u>879,365</u>	<u>(282,310)</u>	<u>834,133</u>
Less, total capital outlay	(175,000)	(269,368)	(94,368)	(362,861)
<b>Net information services</b>	<u>422,055</u>	<u>609,997</u>	<u>(187,942)</u>	<u>471,272</u>
<b>Public Safety</b>				
Administrative:				
Personal services	1,081,356	957,452	123,904	924,140
Operating expenditures	437,600	424,463	13,137	313,245
Capital expenditures	33,000	36,626	(3,626)	—
	<u>1,551,956</u>	<u>1,418,541</u>	<u>133,415</u>	<u>1,237,385</u>
Uniform patrol:				
Personal services	5,215,589	5,366,471	(150,882)	4,888,381
Operating expenditures	435,383	859,968	(424,585)	609,253
Capital expenditures	388,000	1,023,850	(635,850)	456,872
Less, total overhead allocation	(30,000)	—	(30,000)	(30,000)
	<u>6,008,972</u>	<u>7,250,289</u>	<u>(1,241,317)</u>	<u>5,924,506</u>
Community services:				
Personal services	896,556	818,114	78,442	801,319
Operating expenditures	182,300	197,032	(14,732)	182,226
Capital expenditures	84,000	128,672	(44,672)	31,894
Less, overhead allocation	—	—	—	—
	<u>1,162,856</u>	<u>1,143,818</u>	<u>19,038</u>	<u>1,015,439</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>Public Safety (Cont.)</b>				
Detectives:				
Personal services	1,020,863	1,119,887	(99,024)	1,123,249
Operating expenditures	72,360	82,431	(10,071)	69,606
Capital expenditures	33,000	—	33,000	97,501
Less, overhead allocation	(10,000)	—	(10,000)	—
	<u>1,116,223</u>	<u>1,202,318</u>	<u>(86,095)</u>	<u>1,290,356</u>
Communications/Detention:				
Personal services	1,633,054	1,604,474	28,580	1,440,985
Operating expenditures	87,935	87,773	162	58,555
Capital expenditures	—	—	—	—
Less, overhead allocation	(137,679)	(135,380)	(2,299)	(119,963)
	<u>1,583,310</u>	<u>1,556,867</u>	<u>26,443</u>	<u>1,379,577</u>
Records:				
Personal services	351,559	341,133	10,426	302,837
Operating expenditures	31,171	51,600	(20,429)	29,994
Capital expenditures	—	—	—	—
	<u>382,730</u>	<u>392,733</u>	<u>(10,003)</u>	<u>332,831</u>
Victim's Assistance:				
Personal services	93,536	94,434	(898)	89,396
Operating expenditures	6,125	2,929	3,196	2,831
	<u>99,661</u>	<u>97,363</u>	<u>2,298</u>	<u>92,227</u>
Police Training:				
Personal services	454,382	351,081	103,301	355,473
Operating expenditures	27,450	32,870	(5,420)	28,504
Capital expenditures	—	60,056	(60,056)	—
	<u>481,832</u>	<u>444,007</u>	<u>37,825</u>	<u>383,977</u>
Fire Suppression/Rescue:				
Personal services	4,867,565	4,961,393	(93,828)	4,927,881
Operating expenditures	441,000	715,509	(274,509)	413,540
Capital expenditures	36,765	—	36,765	—
Less, overhead allocation	(30,000)	—	(30,000)	—
	<u>5,315,330</u>	<u>5,676,902</u>	<u>(361,572)</u>	<u>5,341,421</u>
Fire Prevention/Inspection:				
Personal services	362,175	415,449	(53,274)	281,518
Operating expenditures	32,999	38,982	(5,983)	19,740
Capital expenditures	31,000	121,920	(90,920)	—
	<u>426,174</u>	<u>576,351</u>	<u>(150,177)</u>	<u>301,258</u>
Total Public Safety	18,129,044	19,759,189	(1,630,145)	17,298,977
Less, total capital outlay	(605,765)	(1,371,124)	(765,359)	(586,267)
<b>Net public safety</b>	<u>17,523,279</u>	<u>18,388,065</u>	<u>(864,786)</u>	<u>16,712,710</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>Planning/Development</b>				
Planning/Zoning Administration:				
Personal services	1,025,365	1,042,946	(17,581)	930,703
Operating expenditures	46,000	53,588	(7,588)	41,972
Capital expenditures	—	33,937	(33,937)	—
	<u>1,071,365</u>	<u>1,130,471</u>	<u>(59,106)</u>	<u>972,675</u>
Code Enforcement – Building:				
Personal services	835,130	820,678	14,452	836,945
Operating expenditures	46,650	88,948	(42,298)	94,456
Capital expenditures	—	—	—	—
Less, overhead allocation	(44,089)	(45,481)	1,392	(46,570)
	<u>837,691</u>	<u>864,145</u>	<u>(26,454)</u>	<u>884,831</u>
Total Planning/Development	1,909,056	1,994,616	(85,560)	1,857,506
Less, total capital outlay	—	(33,937)	(33,937)	—
<b>Net planning/development</b>	<u>1,909,056</u>	<u>1,960,679</u>	<u>(51,623)</u>	<u>1,857,506</u>
<b>Public Works</b>				
Streets/Drainage:				
Personal services	1,843,282	1,745,523	97,759	1,653,409
Operating expenditures	1,497,500	1,590,585	(93,085)	1,530,795
Capital expenditures	135,000	285,029	(150,029)	274,403
Less, overhead allocation	(897,578)	(574,978)	(322,600)	(652,972)
	<u>2,578,204</u>	<u>3,046,159</u>	<u>(467,955)</u>	<u>2,805,635</u>
Total Public Works	2,578,204	3,046,159	(467,955)	2,805,635
Less, total capital outlay	(135,000)	(285,029)	(150,029)	(274,403)
<b>Net public works</b>	<u>2,443,204</u>	<u>2,761,130</u>	<u>(317,926)</u>	<u>2,531,232</u>
<b>Parks and Recreation</b>				
Recreation Administration:				
Personal services	653,510	584,042	69,468	556,117
Operating expenditures	190,859	67,307	123,552	72,324
Capital expenditures	—	—	—	—
Less, overhead allocation	(295,529)	(227,972)	(67,557)	(251,376)
	<u>548,840</u>	<u>423,377</u>	<u>125,463</u>	<u>377,065</u>
Athletics:				
Personal services	562,606	500,140	62,466	502,787
Operating expenditures	297,650	287,528	10,122	155,900
Capital expenditures	—	—	—	20,382
	<u>860,256</u>	<u>787,668</u>	<u>72,588</u>	<u>679,069</u>
Programs:				
Personal services	343,019	291,526	51,493	361,970
Operating expenditures	566,131	536,947	29,184	136,289
Capital expenditures	—	11,906	(11,906)	—
	<u>909,150</u>	<u>840,379</u>	<u>68,771</u>	<u>498,259</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>Parks and Recreation (continued)</b>				
Row Maintenance:				
Personal services	344,305	348,978	(4,673)	322,189
Operating expenditures	183,415	195,560	(12,145)	161,713
Capital expenditures	—	33,121	(33,121)	34,491
Less, overhead allocation	—	—	—	(10,368)
	<u>527,720</u>	<u>577,659</u>	<u>(49,939)</u>	<u>508,025</u>
Sports Park:				
Personal services	522,451	481,203	41,248	460,908
Operating expenditures	311,907	354,097	(42,190)	290,621
Capital outlay	—	64,935	(64,935)	65,243
Less, overhead allocation	(544,415)	(540,141)	(4,274)	(490,063)
	<u>289,943</u>	<u>360,094</u>	<u>(70,151)</u>	<u>326,709</u>
Landscaping:				
Personal services	286,874	324,766	(37,892)	258,073
Operating expenditures	147,611	108,960	38,651	117,017
Capital outlay	40,000	—	40,000	—
Less, overhead allocation	—	—	—	(37,509)
	<u>474,485</u>	<u>433,726</u>	<u>40,759</u>	<u>337,581</u>
Parks and Beach:				
Personal services	303,241	333,114	(29,873)	300,451
Operating expenditures	304,298	348,284	(43,986)	199,654
Capital outlay	—	57,519	(57,519)	—
Less, overhead allocation	—	—	—	(50,010)
	<u>607,539</u>	<u>738,917</u>	<u>(131,378)</u>	<u>450,095</u>
Administration:				
Personal services	365,531	695,660	(330,129)	416,794
Operating expenditures	53,400	44,916	8,484	30,281
Capital outlay	60,000	—	60,000	43,367
Less, overhead allocation	(50,000)	(370,288)	320,288	(69,629)
	<u>428,931</u>	<u>370,288</u>	<u>58,643</u>	<u>420,813</u>
Total Parks and Recreation	4,646,864	4,532,108	114,756	3,597,616
Less, total capital outlay	(100,000)	—	(100,000)	(163,483)
<b>Net parks and recreation</b>	<u>4,546,864</u>	<u>4,532,108</u>	<u>14,756</u>	<u>3,434,133</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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>Support Services</b>				
Custodial Services:				
Personnel services	356,053	332,791	23,262	324,696
Operating expenses	64,196	84,813	(20,617)	60,859
Capital outlay	—	—	—	—
Less, overhead allocation	(147,087)	(146,161)	(926)	(134,944)
	<u>273,162</u>	<u>271,443</u>	<u>1,719</u>	<u>250,611</u>
Purchasing:				
Personal services	302,766	192,760	110,006	161,144
Operating expenditures	27,550	46,546	(18,996)	19,498
Capital outlay	—	—	—	37,080
Less, overhead allocation	(191,583)	(138,797)	(52,786)	(126,279)
	<u>138,733</u>	<u>100,509</u>	<u>38,224</u>	<u>91,443</u>
Fleet management:				
Personal services	374,577	227,017	147,560	375,055
Operating expenditures	71,000	70,792	208	53,928
Capital outlay	40,000	—	40,000	—
Less, overhead allocation	(194,230)	(119,124)	(75,106)	(171,593)
	<u>291,347</u>	<u>178,685</u>	<u>112,662</u>	<u>257,390</u>
Custodial/Facility Maintenance:				
Personnel services	311,318	249,745	61,573	235,320
Operating expenses	473,000	668,086	(195,086)	538,928
Capital outlay	—	—	—	—
Less, overhead allocation	(274,512)	(321,241)	46,729	(270,987)
	<u>509,806</u>	<u>596,590</u>	<u>(86,784)</u>	<u>503,261</u>
Total Support Services	1,213,048	1,147,227	65,821	1,102,705
Less, total capital outlay	(40,000)	—	(40,000)	(37,080)
<b>Net support services</b>	<u>1,173,048</u>	<u>1,147,227</u>	<u>25,821</u>	<u>1,065,625</u>
Contingency:				
Personnel services	1,157,350	—	1,157,350	—
<b>Net Contingency</b>	<u>1,157,350</u>	<u>—</u>	<u>1,157,350</u>	<u>—</u>
<b>Total Departmental Expenditures (net)</b>	<u><b>34,243,316</b></u>	<u><b>37,040,392</b></u>	<u><b>(1,716,311)</b></u>	<u><b>30,411,538</b></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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Expenditures (Continued)</b>				
<b>Debt Service</b>				
Principal retirement	—	—	—	—
Interest and fiscal charges	—	—	—	—
Agent fees	—	—	—	700
<b>Total debt service</b>	—	—	—	700
Capital Outlay	1,080,765	2,075,189	(994,424)	1,464,447
<b>Total expenditures</b>	<b>35,324,081</b>	<b>37,040,392</b>	<b>(1,716,311)</b>	<b>31,876,685</b>
Excess (deficiency) of revenue over (under) expenditures	698,680	3,268,643	2,569,963	5,114,017
<b>Other Financing Sources (Uses)</b>				
Horry County partial settlement	—	2,416,090	2,416,090	—
Transfers in:				
From State Accommodations (2%) Tax Fund	1,161,622	1,161,622	—	1,027,753
From Local (1.5%) Accommodations Tax Fund	2,512,000	4,041,978	1,529,978	2,617,093
From Local (1%) Hospitality Fee Fund	3,306,000	4,177,086	871,086	3,122,983
From Sports and Tourism Park Fund	75,000	—	(75,000)	—
<b>Total transfers in:</b>	<b>7,054,622</b>	<b>9,380,686</b>	<b>2,326,064</b>	<b>6,767,829</b>
Transfers (out):				
To Park Improvement Fund	(3,680,000)	(3,680,000)	—	(3,555,000)
To Capital Improvement Fund	(2,750,000)	(2,750,000)	—	(2,775,000)
To Street Improvement Fund	(1,200,000)	(1,200,000)	—	(1,100,000)
To Sports and Tourism Park Fund	—	(200,000)	(200,000)	—
To Pension Trust Fund	(50,000)	(44,197)	5,803	(44,197)
To Insurance Reserve Fund	—	(3,000,000)	(3,000,000)	—
<b>Total transfers (out)</b>	<b>(7,680,000)</b>	<b>(10,874,197)</b>	<b>(3,194,197)</b>	<b>(7,524,197)</b>
<b>Total other financing sources (uses)</b>	<b>(625,378)</b>	<b>922,579</b>	<b>1,547,957</b>	<b>(756,368)</b>
<b>Net change in fund balance</b>	<b>73,302</b>	<b>4,191,222</b>	<b>4,117,920</b>	<b>4,357,649</b>
Fund balance, beginning of year	16,433,118	16,433,118	—	12,075,469
Fund balance, end of year	<u>\$ 16,506,420</u>	<u>\$ 20,624,340</u>	<u>\$ 4,117,920</u>	<u>\$ 16,433,118</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 (1.5%) Tax:**

To account for the City's share of a 1.5% local accommodations tax levied on the rental of transient accommodations. Use of the revenue is restricted for the beach, infrastructure and capital purchases.

**Local Hospitality (1.0%) Fees:**

To account for the City's share of a 1% tax on amusements and prepared foods. Use of the revenue is restricted for the beach, infrastructure and capital purchases.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

BALANCE SHEETS

JUNE 30, 2022

	<b>State (2%) A-Tax</b>	<b>Local (1.5%) A-Tax</b>	<b>Hospitality (1.0%) Fee</b>	<b>Totals</b>
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ —	\$ 4,064,964	\$ 7,471,374	\$ 11,536,338
Receivables, net	—	2,264,575	1,737,257	4,001,832
Due from other governments	2,286,226	—	—	2,286,226
<b>Total assets</b>	<b>\$ 2,286,226</b>	<b>\$ 6,329,539</b>	<b>\$ 9,208,631</b>	<b>\$ 17,824,396</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 889,427	\$ —	\$ —	\$ 889,427
Due to other funds	29,360	878,625	450,180	1,358,165
Unearned revenues	—	—	—	—
<b>Total liabilities</b>	<b>918,787</b>	<b>878,625</b>	<b>450,180</b>	<b>2,247,592</b>
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	1,367,439	—	—	1,367,439
Committed by ordinance	—	5,450,914	8,758,451	14,209,365
Assigned by management	—	—	—	—
Unassigned (deficit)	—	—	—	—
<b>Total fund balances</b>	<b>1,367,439</b>	<b>5,450,914</b>	<b>8,758,451</b>	<b>15,576,804</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,286,226</b>	<b>\$ 6,329,539</b>	<b>\$ 9,208,631</b>	<b>\$ 17,824,396</b>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	State (2%) A-Tax	Local (1.5%) A-Tax	Hospitality (1.0%) Fee	Totals
<b>Revenue</b>				
Use of money and property	\$ 566	\$ —	\$ —	\$ 566
Restricted intergovernmental	6,418,655	10,149,580	9,802,446	26,370,681
<b>Total revenue</b>	<b>6,419,221</b>	<b>10,149,580</b>	<b>9,802,446</b>	<b>26,371,247</b>
<b>Expenditures</b>				
Current:				
General government activities	—	7,747	7,748	15,495
Parks and recreation – tourism related	2,357,843	—	—	2,357,843
<b>Total expenditures</b>	<b>2,357,843</b>	<b>7,747</b>	<b>7,748</b>	<b>2,373,338</b>
Excess (deficiency) of revenue over (under) expenditures	4,061,378	10,141,833	9,794,698	23,997,909
<b>Other Financing Sources (Uses)</b>				
Release of court ordered escrow	—	2,980,633	2,261,991	5,242,624
Transfers (out)	(2,977,350)	(5,909,914)	(4,177,086)	(13,064,350)
Total other financing sources (uses)	(2,977,350)	(2,929,281)	(1,915,095)	(7,821,726)
<b>Net change in fund balances</b>	<b>1,084,028</b>	<b>7,212,552</b>	<b>7,879,603</b>	<b>16,176,183</b>
Fund balances, (deficit) beginning of year	283,411	(1,761,638)	878,848	(599,379)
Fund balances (deficit), end of year	<u>\$ 1,367,439</u>	<u>\$ 5,450,914</u>	<u>\$ 8,758,451</u>	<u>\$ 15,576,804</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

STATE ACCOMMODATIONS (2%) TAX  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity (deficit) in pooled cash and cash equivalents	\$ —	\$ —
Receivables, net	—	—
Due from other governments	<u>2,286,226</u>	<u>1,780,700</u>
Total assets	<u><u>2,286,226</u></u>	<u><u>\$ 1,780,700</u></u>
 <b>Liabilities and Fund Balance</b>		
Accounts payable	\$ 889,427	\$ 642,801
Due to General Fund	<u>29,360</u>	<u>854,488</u>
Total liabilities	<u><u>918,787</u></u>	<u><u>1,497,289</u></u>
 Fund balance:		
Restricted by others	<u>1,367,439</u>	<u>283,411</u>
Total liabilities and fund balance	<u><u>\$ 2,286,226</u></u>	<u><u>\$ 1,780,700</u></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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ 566	\$ 566	\$ —
Restricted intergovernmental:				
State A-tax revenue	4,032,750	6,418,655	2,385,905	4,385,508
<b>Total revenue</b>	<b>4,032,750</b>	<b>6,419,221</b>	<b>2,386,471</b>	<b>4,385,508</b>
<b>Expenditures</b>				
<b>Parks and recreation</b>				
30% advertising allocation	1,273,500	2,026,943	(753,443)	822,571
North Myrtle Beach Chamber	311,000	311,000	—	1,030,826
Services to other agencies	19,900	19,900	—	16,307
<b>Total expenditures</b>	<b>1,604,400</b>	<b>2,357,843</b>	<b>(753,443)</b>	<b>1,869,704</b>
Excess of revenue over expenditures	2,428,350	4,061,378	1,633,028	2,515,804
<b>Other Financing Sources (Uses)</b>				
Transfers (out) –				
General Fund	(1,215,681)	(1,161,622)	54,059	(1,027,753)
Capital Improvement Fund	(114,247)	(114,247)	—	(178,650)
Street Improvement Fund	(262,676)	(262,676)	—	(244,000)
Beach Renourishment Fund	(389,316)	(938,316)	(549,000)	(367,876)
Stormwater Drainage Fund	(76,176)	(76,176)	—	(116,100)
Solid Waste Fund	(203,505)	(203,505)	—	(195,140)
Park Development Fund	—	—	—	—
Beach Services Fund	(220,808)	(220,808)	—	(129,081)
Total other financing sources (uses)	(2,482,409)	(2,977,350)	(494,941)	(2,258,600)
<b>Net change in fund balance</b>	<b>(54,059)</b>	<b>1,084,028</b>	<b>1,138,087</b>	<b>257,204</b>
Fund balance, beginning of year	283,411	283,411	—	26,207
Fund balance, end of year	\$ 229,352	\$ 1,367,439	\$ 1,138,087	\$ 283,411

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (1.5%) TAX  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 4,064,964	\$ 312,457
Receivables, net	2,264,575	1,818,769
Total assets	<u>\$ 6,329,539</u>	<u>\$ 2,131,226</u>
<b>Liabilities and Fund Balance</b>		
Accounts payable	\$ —	\$ —
Due to General Fund	586,017	610,052
Due to Beach Services Fund	292,608	302,179
Unearned revenue – court ordered escrow	—	2,980,633
Total liabilities	<u>878,625</u>	<u>3,892,864</u>
Fund balance:		
Committed by ordinance	5,450,914	—
Unassigned (deficit)	—	(1,761,638)
Total liabilities and fund balance	<u>\$ 6,329,539</u>	<u>\$ 2,131,226</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Restricted intergovernmental:				
Local A-tax revenue	\$ 7,200,000	\$10,118,375	\$ 2,918,375	\$ 7,793,562
Penalties	12,000	31,205	19,205	21,404
<b>Total revenue</b>	<b>7,212,000</b>	<b>10,149,580</b>	<b>2,937,580</b>	<b>7,814,966</b>
<b>Expenditures</b>				
<b>General government administration</b>				
Professional services	—	7,747	(7,747)	47,314
<b>Total expenditures</b>	<b>—</b>	<b>7,747</b>	<b>(7,747)</b>	<b>47,314</b>
Excess of revenue over expenditures	7,212,000	10,141,833	2,929,833	7,767,652
<b>Other Financing Sources (Uses)</b>				
Release of court ordered escrow	—	2,980,633	2,980,633	—
Transfers (out) –				
General Fund	(2,512,000)	(4,041,978)	(1,529,978)	(2,617,093)
Capital Improvement Fund	(4,000,000)	—	4,000,000	—
Street Improvement Fund	—	—	—	(5,500,000)
Beach Services Fund	(300,000)	(892,757)	(592,757)	(469,243)
Aquatic Center Fund	(800,000)	(975,179)	(175,179)	(826,592)
<b>Total other financing sources (uses)</b>	<b>(7,612,000)</b>	<b>(2,929,281)</b>	<b>4,682,719</b>	<b>(9,412,928)</b>
<b>Net change in fund balance</b>	<b>(400,000)</b>	<b>7,212,552</b>	<b>7,612,552</b>	<b>(1,645,276)</b>
Fund balance, beginning of year	(1,761,638)	(1,761,638)	—	(116,362)
Fund balance, end of year	<u><u>\$(2,161,638)</u></u>	<u><u>\$ 5,450,914</u></u>	<u><u>\$ 7,612,552</u></u>	<u><u>\$(1,761,638)</u></u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL HOSPITALITY (1.0%) FEES  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 7,471,374	\$ 2,730,080
Receivables, net	<u>1,737,257</u>	<u>872,238</u>
Total assets	<u>\$ 9,208,631</u>	<u>\$ 3,602,318</u>
<b>Liabilities and Fund Balance</b>		
Accounts payable	\$ —	\$ —
Due to General Fund	450,180	461,479
Unearned revenue – court ordered escrow	<u>—</u>	<u>2,261,991</u>
Total liabilities	<u>450,180</u>	<u>2,723,470</u>
Fund balance:		
Committed by ordinance	8,758,451	878,848
Unassigned	<u>—</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 9,208,631</u>	<u>\$ 3,602,318</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance	2021
	Budget	Actual	Positive (Neg.)	Actual
<b>Revenue</b>				
Restricted intergovernmental:				
Hospitality fees, net	\$ 6,600,000	\$ 9,764,831	\$ 3,164,831	\$ 5,873,765
Penalties	6,000	37,615	31,615	42,041
<b>Total revenue</b>	<b>6,606,000</b>	<b>9,802,446</b>	<b>3,196,446</b>	<b>5,915,806</b>
<b>Expenditures</b>				
<b>General government administration</b>				
Professional services	—	7,748	(7,748)	47,314
<b>Total expenditures</b>	<b>—</b>	<b>7,748</b>	<b>(7,748)</b>	<b>47,314</b>
Excess of revenue over expenditures	6,606,000	9,794,698	3,188,698	5,868,492
<b>Other Financing Sources (Uses)</b>				
Release of court ordered escrow	—	2,261,991	2,261,991	
Transfers (out)				
General Fund	(3,306,000)	(4,177,086)	(871,086)	(3,122,983)
Park Improvement Fund	(6,000,000)	—	6,000,000	(1,000,000)
Street Improvement Fund	—	—	—	(750,000)
<b>Total other financing sources (uses)</b>	<b>(9,306,000)</b>	<b>(1,915,095)</b>	<b>7,390,905</b>	<b>(4,872,983)</b>
<b>Net change in fund balance</b>	<b>(2,700,000)</b>	<b>7,879,603</b>	<b>10,579,603</b>	<b>995,509</b>
Fund balance, beginning of year	878,848	878,848	—	(116,661)
Fund balance, end of year	<u>\$(1,821,152)</u>	<u>\$ 8,758,451</u>	<u>\$ 10,579,603</u>	<u>\$ 878,848</u>

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, 2022

	<b>Park Land Note</b>	<b>Cherry Grove Bonds</b>	<b>Totals</b>
<b>Assets</b>			
Equity in pooled cash and cash equivalents	\$ —	\$ 102,687	\$ 102,687
Restricted cash and cash equivalents	—	770	770
Receivables, net	—	—	—
Total assets	<u>\$ —</u>	<u>\$ 103,457</u>	<u>\$ 103,457</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ —	\$ 2,151	\$ 2,151
Due other funds	—	—	—
Total liabilities	<u>—</u>	<u>2,151</u>	<u>2,151</u>
Fund Balance:			
Committed by ordinance	—	101,306	101,306
Unassigned (deficit)	—	—	—
Total fund balance	<u>—</u>	<u>101,306</u>	<u>101,306</u>
Total liabilities and fund balance	<u>\$ —</u>	<u>\$ 103,457</u>	<u>\$ 103,457</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	<b>Park Land Note</b>	<b>Cherry Grove Bonds</b>	<b>Totals</b>
<b>Revenue</b>			
Property taxes	\$ —	\$ —	\$ —
Special assessments	—	11,040	11,040
Use of money and property:			
Interest on investments	—	197	197
<b>Total revenue</b>	<u>—</u>	<u>11,237</u>	<u>11,237</u>
<b>Expenditures</b>			
Debt Service:			
Principal	2,522,588	—	2,522,588
Interest	75,488	—	75,488
Fiscal agent fees	—	14,794	14,794
<b>Total expenditures</b>	<u>2,598,076</u>	<u>14,794</u>	<u>2,612,870</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,598,076)</u>	<u>(3,557)</u>	<u>(2,601,633)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out):			
Park Development Fund	1,963,470	—	1,963,470
	<u>1,963,470</u>	<u>—</u>	<u>1,963,470</u>
<b>Net change in fund balance</b>	<b>(634,606)</b>	<b>(3,557)</b>	<b>(638,163)</b>
Fund balance (deficit), beginning of year	<u>634,606</u>	<u>104,863</u>	<u>739,469</u>
Fund balance (deficit), end of year	<u>\$ —</u>	<u>\$ 101,306</u>	<u>\$ 101,306</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK LAND NOTE  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ —	\$ 634,606
Receivables, net	—	—
Total assets	<u>\$ —</u>	<u>\$ 634,606</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to Stormwater Drainage Fund	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
Fund Balance:		
Committed by ordinance	—	634,606
Unassigned (deficit)	—	—
Total liabilities and fund balance	<u>\$ —</u>	<u>\$ 634,606</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Property taxes:				
Current	\$ —	\$ —	\$ —	\$ —
Delinquent and penalties	—	—	—	—
Use of money and property:				
Interest on investments	—	—	—	26
<b>Total revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>26</b>
<b>Expenditures</b>				
Debt Service:				
Principal	—	2,522,588	(2,522,588)	1,835,490
Interest	—	75,488	(75,488)	113,067
Fiscal agent fees	—	—	—	—
<b>Total expenditures</b>	<b>—</b>	<b>2,598,076</b>	<b>(2,598,076)</b>	<b>1,948,557</b>
Excess of revenue over expenditures	—	(2,598,076)	(2,598,076)	(1,948,531)
<b>Other Financing Sources (Uses)</b>				
Park Land Note	—	—	—	5,000,000
Transfers in (out):				
Park Development Fund	—	1,963,470	1,963,470	1,948,557
	—	1,963,470	1,963,470	6,948,557
<b>Net change in fund balance</b>	<b>—</b>	<b>(634,606)</b>	<b>(634,606)</b>	<b>5,000,000</b>
Fund balance, beginning of year	634,606	634,606	—	(4,365,420)
Fund balance (deficit), end of year	\$ 634,606	\$ —	\$ (634,606)	\$ 634,606

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA  
DEBT SERVICE FUND  
CHERRY GROVE MUNICIPAL IMPROVEMENT DISTRICT BONDS  
BALANCE SHEET

JUNE 30, 2022  
(With comparative amounts for June 30, 2021)

	2022	2021
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 102,687	\$ 196,628
Restricted cash and cash equivalents:		
Revenue funds	1	1
Interest account	—	—
Prepayment accounts	769	769
Sinking fund	—	—
Receivables – special assessments	—	9,600
Less, allowance for doubtful accounts	—	(9,600)
Total assets	\$ 103,457	\$ 197,398
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 2,151	\$ 66
Deferred prepaid assessment	—	—
Due to Cherry Grove Dredge Capital Projects Fund	—	92,469
Total Liabilities	\$ 2,151	\$ 92,535
Fund Balance:		
Committed by ordinance	101,306	104,863
Unassigned (deficit)	—	—
Total liabilities and fund balance	\$ 103,457	\$ 197,398

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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Special assessments:				
Current	\$ —	\$ —	\$ —	\$ 1,306,104
Delinquent and penalties	—	11,040	11,040	6,144
Pre-issuance assessments	—	—	—	—
Use of money and property:				
Interest on investments	—	197	197	—
<b>Total revenue</b>	<b>—</b>	<b>11,237</b>	<b>11,237</b>	<b>1,312,248</b>
<b>Expenditures</b>				
Debt Service:				
Principal	—	—	—	1,209,000
Interest	—	—	—	16,805
Fiscal agent fees	—	14,794	(14,794)	17,159
<b>Total expenditures</b>	<b>—</b>	<b>14,794</b>	<b>(14,794)</b>	<b>1,242,964</b>
<b>Net change in fund balance</b>	<b>—</b>	<b>(3,557)</b>	<b>(3,557)</b>	<b>69,284</b>
Fund balance, beginning of year	104,863	104,863	—	35,579
Fund balance, end of year	\$ 104,863	\$ 101,306	\$ (3,557)	\$ 104,863

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.

<b>Capital Improvement:</b>	To account for financial resources to be used for general capital asset acquisitions and replacements.
<b>Street Improvement:</b>	To account for financial resources to be used for paving streets and relocating utilities in the City.
<b>Beach Renourishment:</b>	To account for financial resources to be used for renourishing the beach.
<b>Park Development:</b>	To account for financial resources to be used for land acquisition and development of parks.
<b>Stormwater Drainage:</b>	To account for revenues and expenditures associated with the City's Stormwater management program and drainage improvements.
<b>Cherry Grove Dredge:</b>	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, 2022

	Street Improvement	Stormwater Drainage	Capital Improvement	Beach Renourishment	Park Development	Cherry Grove Dredge	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Equity in pooled cash and cash equivalents	3,566,863	14,214,835	705,148	2,522,489	2,222,170	238,396	5,688,203
Restricted – cash and cash equivalents	—	—	—	—	—	830,145	830,145
Receivables, net	—	87,979	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—
<b>Total assets</b>	<b>\$ 3,566,863</b>	<b>\$ 14,302,814</b>	<b>\$ 705,148</b>	<b>\$ 2,522,489</b>	<b>\$ 2,222,170</b>	<b>\$ 1,068,541</b>	<b>\$ 6,518,348</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 557,887	\$ 12,126	\$ 119,680	\$ 2,237	\$ 79	\$ 96,188	\$ 218,184
Retainage payable	1,827	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	238,397	238,397
Due to other funds	—	—	—	—	—	—	—
<b>Total liabilities</b>	<b>559,714</b>	<b>12,126</b>	<b>119,680</b>	<b>2,237</b>	<b>—</b>	<b>334,585</b>	<b>456,581</b>
<b>Fund balances:</b>							
Non-spendable	—	—	—	—	—	—	—
Restricted by others	—	—	—	—	—	—	—
Committed by ordinance	—	—	—	—	—	733,956	733,956
Assigned by management	3,007,149	14,290,688	585,468	2,520,252	2,222,091	—	5,327,811
Unassigned (deficit)	—	—	—	—	—	—	—
<b>Total fund balances</b>	<b>3,007,149</b>	<b>14,290,688</b>	<b>585,468</b>	<b>2,520,252</b>	<b>2,222,091</b>	<b>733,956</b>	<b>6,061,767</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,566,863</b>	<b>\$ 14,302,814</b>	<b>\$ 705,148</b>	<b>\$ 2,522,489</b>	<b>\$ 2,222,170</b>	<b>\$ 1,068,541</b>	<b>\$ 6,518,348</b>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Street Improvement	Stormwater Drainage	Capital Improvement	Beach Renourishment	Park Development	Cherry Grove Dredge	Totals
<b>Revenue</b>							
Use of money and property	\$ 5,442	\$ 14,143	\$ 7,990	\$ 2,047	\$ 636	\$ 612	\$ 11,285
Restricted intergovernmental	(30,883)	1,500,000	—	—	—	—	—
Sales and service charges	—	3,039,675	11,430	—	—	—	11,430
Miscellaneous	277,306	—	—	—	—	—	—
<b>Total revenue</b>	<b>251,865</b>	<b>4,553,818</b>	<b>19,420</b>	<b>2,047</b>	<b>636</b>	<b>612</b>	<b>22,715</b>
<b>Expenditures</b>							
Current:							
Finance	—	64,875	—	—	—	—	—
Public works	—	427,479	—	—	—	—	—
Capital outlay:							
General government administration	—	—	184,610	—	—	—	184,610
Public safety	—	—	771,741	—	—	—	771,741
Public works	4,486,750	97,103	38,930	68,871	—	402,543	510,344
Parks and recreation	—	—	281,547	—	28,078	—	309,625
Debt service	—	—	—	—	—	—	—
<b>Total expenditures</b>	<b>4,486,750</b>	<b>589,457</b>	<b>1,276,828</b>	<b>68,871</b>	<b>28,078</b>	<b>402,543</b>	<b>1,776,320</b>
Excess (deficiency) of revenue over (under) expenditures	(4,234,885)	3,964,361	(1,257,408)	(66,824)	(27,442)	(401,931)	(1,753,605)
<b>Other Financing Sources (Uses)</b>							
Transfers in	1,462,676	76,176	2,864,247	938,316	3,680,000	553,979	8,036,542
Transfers (out)	—	—	(553,979)	—	(1,963,470)	—	(2,517,449)
<b>Total other financing sources (uses)</b>	<b>1,462,676</b>	<b>76,176</b>	<b>2,310,268</b>	<b>938,316</b>	<b>1,716,530</b>	<b>553,979</b>	<b>5,519,093</b>
<b>Net change in fund balances</b>	<b>(2,772,209)</b>	<b>4,040,537</b>	<b>1,052,860</b>	<b>871,492</b>	<b>1,689,088</b>	<b>152,048</b>	<b>3,765,488</b>
Fund balances, beginning of year	5,779,358	10,250,151	(467,392)	1,648,760	533,033	581,908	2,296,309
Fund balances, end of year	\$ 3,007,149	\$14,290,688	\$ 585,468	\$ 2,520,252	\$ 2,222,091	\$ 733,956	\$ 6,061,767

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 705,148	\$ 59,294
Receivables, net	—	—
Due from other fund	—	—
Total assets	<u>\$ 705,148</u>	<u>\$ 59,294</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 119,680	\$ 24,596
Retainage payable	—	—
Due to General Fund	—	502,090
Total liabilities	<u>119,680</u>	<u>526,686</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	585,468	—
Unassigned (deficit)	—	(467,392)
Total fund balance	<u>585,468</u>	<u>(467,392)</u>
Total liabilities and fund balance	<u>\$ 705,148</u>	<u>\$ 59,294</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ 8
Surplus sales	50,000	7,990	(42,010)	61,894
Restricted Intergovernmental:				
SCPRT grant	—	—	—	—
SC Conservation Bank grant	—	—	—	—
Sales and services:				
Development fees	25,000	11,430	(13,570)	100,760
Miscellaneous:				
Contributions – private entities	—	—	—	—
<b>Total revenue</b>	<b>75,000</b>	<b>19,420</b>	<b>(55,580)</b>	<b>162,662</b>
<b>Expenditures</b>				
Capital outlay –				
<b>General government administration</b>				
Professional/contractual services	90,000	50,000	40,000	50,000
Building improvement and IT projects	300,000	134,610	165,390	326,159
<b>Public safety</b>				
City-wide camera system	—	384,464	(384,464)	—
Access controls and generator	—	—	—	169,132
Fire rescue equipment/truck	—	—	—	845,118
Vehicles	—	172,250	(172,250)	—
EOC Building	—	215,027	(215,027)	539,454
<b>Public works</b>				
Building improvements and repairs	—	38,930	(38,930)	2,056,851
<b>Parks and recreation</b>				
Parks and parking				
renovations/improvements	—	277,735	(277,735)	67,731
Tennis Courts Rehab	—	—	—	43,500
Sports park buildings and improvements	—	—	—	—
Heritage Shores improvements	—	3,812	(3,812)	4,239
Contingency	2,000,000	—	2,000,000	—
<b>Total expenditures</b>	<b>2,390,000</b>	<b>1,276,828</b>	<b>1,113,172</b>	<b>4,102,184</b>
Excess (deficiency) of revenue over (under) expenditures	(2,315,000)	(1,257,408)	1,057,592	(3,939,522)
<b>Other Financing Sources (Uses)</b>				
Transfers in – General Fund	2,750,000	2,750,000	—	2,775,000
Transfers in – State Accommodation (2%) Tax Fund	114,247	114,247	—	178,650
Transfers in – Local Accommodations (1.5%) Tax Fund	800,000	—	(800,000)	—
Transfers (out) – CG Dredge Fund	—	(553,979)	(553,979)	—
<b>Total other financing sources</b>	<b>3,664,247</b>	<b>2,310,268</b>	<b>(1,353,979)</b>	<b>2,953,650</b>
<b>Net change in fund balance</b>	<b>1,349,247</b>	<b>1,052,860</b>	<b>(296,387)</b>	<b>(985,872)</b>
Fund balance, beginning of year	(467,392)	(467,392)	—	518,480
Fund balance, end of year	\$ 881,855	\$ 585,468	\$ (296,387)	\$ (467,392)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 3,566,863	\$ 3,884,787
Receivables, net	—	203,331
Due from other governments	—	1,806,977
Total assets	<u>\$ 3,566,863</u>	<u>\$ 5,895,095</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 557,887	\$ 115,737
Retainage payable	1,827	—
Due to General Fund	—	—
Due to Stormwater Drainage Fund	—	—
Total liabilities	<u>559,714</u>	<u>115,737</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	3,007,149	5,779,358
Unassigned	—	—
Total fund balance	<u>3,007,149</u>	<u>5,779,358</u>
Total liabilities and fund balance	<u>\$ 3,566,863</u>	<u>\$ 5,895,095</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive (Neg.)	Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ 5,442	\$ 5,442	\$ —
Restricted intergovernmental:				
Federal grants	50,000	—	(50,000)	—
State Grants – SCDOT	—	(30,883)	(30,883)	991,793
State Grants – SCDOT/C Fund	500,000	—	(500,000)	—
Local Grant – Horry County Road Fee	750,000	—	(750,000)	837,289
Other Grants – Santee Cooper/HTC	1,575,000	—	(1,575,000)	—
Horry County. Ride III Reimbs.	—	—	—	—
Misc. grants from developers and others	50,000	277,306	227,306	277,114
<b>Total revenue</b>	<b>2,925,000</b>	<b>251,865</b>	<b>(2,673,135)</b>	<b>2,106,196</b>
<b>Expenditures</b>				
<b>Capital outlay – Public works</b>				
Professional and contractual services	50,000	50,000	—	15,000
Damage Claims	—	—	—	1,715
Beach access – parking lot improvement	—	—	—	35,388
Beach access H/C – OCRM grant	150,000	—	150,000	55,478
Sidewalks	150,000	—	150,000	—
Land	—	3,285,871	(3,285,871)	3,006,170
Road intersection improvements	1,450,000	—	1,450,000	—
Paving/road resurfacing	—	824,194	(824,194)	240,284
North Ocean Blvd underground utilities	—	16,575	(16,575)	—
Underground utilities	1,750,000	—	1,750,000	39,782
Barefoot Bridge painting	82,500	79,500	3,000	79,500
Crescent Beach Rd. widening	—	6,264	(6,264)	720,790
Contingency	300,000	45,386	254,614	—
Paving/Resurfacing in-house	250,000	141,116	108,884	105,245
Champion Blvd widening	500,000	17,572	482,428	1,829
Little River Neck bike path	—	20,272	(20,272)	15,090
<b>Total expenditures</b>	<b>4,682,500</b>	<b>4,486,750</b>	<b>195,750</b>	<b>4,316,271</b>
Excess (deficiency) of revenue over (under) expenditures	(1,757,500)	(4,234,885)	(2,477,385)	(2,210,075)
<b>Other Financing Sources (Uses)</b>				
Transfers in:				
General Fund	1,200,000	1,200,000	—	1,100,000
State Accommodations (2%) Tax Fund	262,676	262,676	—	244,000
Local Accommodations (1.5%) Tax Fund	—	—	—	5,500,000
Local Hospitality (1%) Fee Fund	—	—	—	750,000
<b>Total other financing sources (uses)</b>	<b>1,462,676</b>	<b>1,462,676</b>	<b>—</b>	<b>7,594,000</b>
<b>Net change in fund balance</b>	<b>(294,824)</b>	<b>(2,772,209)</b>	<b>(2,477,385)</b>	<b>5,383,925</b>
Fund balance, beginning of year	5,779,358	5,779,358	—	395,433
Fund balance, end of year	\$ 5,484,534	\$ 3,007,149	\$ (2,477,385)	\$ 5,779,358

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 2,522,489	\$ 1,658,611
Due from Insurance Reserves Fund	<u>—</u>	<u>—</u>
Total assets	<u>\$ 2,522,489</u>	<u>\$ 1,658,611</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 2,237	\$ 9,851
Due to General Fund	<u>—</u>	<u>—</u>
Total liabilities	<u>2,237</u>	<u>9,581</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	2,520,252	1,648,760
Unassigned	<u>—</u>	<u>—</u>
Total fund balance	<u>2,520,252</u>	<u>1,648,760</u>
Total liabilities and fund balance	<u>\$ 2,522,489</u>	<u>\$ 1,658,611</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ 2,047	\$ 2,047	\$ —
Restricted intergovernmental:				
SCEMD Grant	—	—	—	28,529
<b>Total revenue</b>	<b>—</b>	<b>2,047</b>	<b>2,047</b>	<b>28,529</b>
<b>Expenditures</b>				
<b>Public works</b>				
Professional services	125,000	62,286	62,714	58,870
Materials and supplies	300,000	—	300,000	2,007
Damage claims	—	6,585	(6,585)	437
Beach drains	—	—	—	49,583
<b>Total expenditures</b>	<b>425,000</b>	<b>68,871</b>	<b>356,129</b>	<b>110,897</b>
Excess (deficiency) of revenue over (under) expenditures	(425,000)	(66,824)	358,176	(82,368)
<b>Other Financing Sources (Uses)</b>				
Transfers in – State				
Accommodations (2% )Tax Fund	389,316	938,316	(549,000)	367,876
<b>Total other financing sources</b>	<b>389,316</b>	<b>938,316</b>	<b>(549,000)</b>	<b>367,876</b>
<b>Net change in fund balance</b>	<b>(35,684)</b>	<b>871,492</b>	<b>(907,176)</b>	<b>285,508</b>
Fund balance, beginning of year	1,648,760	1,648,760	—	1,363,252
Fund balance, end of year	\$ 1,613,076	\$ 2,520,252	\$ (907,176)	\$ 1,648,760

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

PARK DEVELOPMENT  
BALANCE SHEET

JUNE 30, 2022

(With comparative actual amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 2,222,170	\$ 533,003
Total assets	<u>\$ 2,222,170</u>	<u>\$ 533,003</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 79	\$ —
Total liabilities	<u>79</u>	<u>—</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	2,222,091	533,003
Unassigned	<u>—</u>	<u>—</u>
Total fund balance	<u>2,222,091</u>	<u>533,003</u>
Total liabilities and fund balance	<u>\$ 2,222,170</u>	<u>\$ 533,003</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ 636	\$ 636	\$ —
Special assessments:				
Pre-issuance assessments	—	—	—	—
<b>Total revenue</b>	<u>—</u>	<u>636</u>	<u>636</u>	<u>—</u>
<b>Expenditures</b>				
Capital outlay – Park and Recreation:				
Land and improvements	1,000,000	28,078	971,922	2,073,440
Contingency	—	—	—	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Agent fees	—	—	—	—
<b>Total expenditures</b>	<u>1,000,000</u>	<u>28,078</u>	<u>971,922</u>	<u>2,073,440</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,000,000)</u>	<u>(27,442)</u>	<u>972,558</u>	<u>(2,073,440)</u>
<b>Other Finances Sources (Uses)</b>				
Transfers in (out):				
General Fund	3,555,000	3,680,000	125,000	3,555,000
State Accommodations (2%) Tax Fund	—	—	—	—
Local Hospitality (1%) Fee Fund	—	—	—	1,000,000
Park Land Note Debt Service Fund	(2,598,077)	(1,963,470)	634,607	(1,948,557)
	<u>956,923</u>	<u>1,716,530</u>	<u>759,607</u>	<u>2,606,443</u>
<b>Net change in fund balance</b>	<b>(43,077)</b>	<b>1,689,088</b>	<b>1,732,165</b>	<b>533,003</b>
Fund balance, beginning of year	<u>533,003</u>	<u>533,033</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ 489,926</u>	<u>\$ 2,222,091</u>	<u>\$ 1,732,165</u>	<u>\$ 533,003</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STORMWATER DRAINAGE  
BALANCE SHEET

YEAR ENDED JUNE 30, 2022  
(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ —	\$ —
Equity in pooled cash and cash equivalents	14,214,835	10,181,178
Receivables, net	87,979	76,917
Due from other funds:		
General Fund	—	—
Street Improvement Fund	—	—
Cherry Grove Dredge Fund	—	—
Beach Services Fund	—	—
Aquatic/Fitness Center Fund	—	—
Sports Park Tourism Fund	—	—
Total assets	<u>\$ 14,302,814</u>	<u>\$ 10,258,095</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 12,126	\$ 7,944
Retainage payable	—	—
Total liabilities	<u>12,126</u>	<u>7,944</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	14,290,688	10,250,151
Unassigned	—	—
Total fund balance	<u>14,290,688</u>	<u>10,250,151</u>
Total liabilities and fund balance	<u>\$ 14,302,814</u>	<u>\$ 10,258,095</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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive (Neg.)	Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ 14,143	\$ 14,143	\$ —
Restricted intergovernmental:				
SCDHEC grant	1,000,000	1,500,000	500,000	1,000,000
Sales and service charges:				
Stormwater/drainage fees	2,990,000	3,027,747	37,747	2,977,971
Penalties	11,000	11,718	718	11,043
Less, adjustments/bad debts	—	210	210	(2,342)
<b>Total revenue</b>	<b>4,001,000</b>	<b>4,553,818</b>	<b>552,818</b>	<b>3,986,672</b>
<b>Expenditures</b>				
<b>Finance</b>				
Overhead allocation-				
Accounting	17,789	14,727	3,062	13,170
Utility billing	46,313	50,148	(3,835)	41,770
<b>Public works</b>				
Overhead allocation -				
Administration	62,469	63,880	(1,411)	59,718
Streets/drainage	173,789	181,057	(7,268)	172,930
Lobbying contractual services	60,000	50,000	10,000	50,000
Professional services	173,250	132,542	40,708	145,272
Capital outlay - drainage construction				
18 <sup>th</sup> Ave. drainage/out fall	9,000,000	25,355	8,974,645	43,730
Drainage in – house	300,000	71,748	228,252	172,802
Other drainage construction	1,000,000	—	1,000,000	8,100
<b>Total expenditures</b>	<b>10,833,610</b>	<b>589,457</b>	<b>10,244,153</b>	<b>707,492</b>
Excess (deficiency) of revenue over (under) expenditures	(6,832,610)	3,964,361	10,796,971	3,279,180
<b>Other Financing Sources (Uses)</b>				
Transfers in – State Accommodations (2%) Tax Fund	76,176	76,176	—	116,100
Total other financing sources (uses)	76,176	76,176	—	116,100
<b>Net change in fund balance</b>	<b>(6,756,434)</b>	<b>4,040,537</b>	<b>10,796,971</b>	<b>3,395,280</b>
Fund balance, beginning of year	10,250,151	10,250,151	—	6,854,871
Fund balance, end of year	\$ 3,493,717	\$ 14,290,688	\$ 10,796,971	\$ 10,250,151

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CHERRY GROVE DREDGE  
BALANCE SHEET

YEAR ENDED JUNE 30, 2022  
(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 238,396	\$ 145,946
Equity in pooled cash and cash equivalents	—	—
Restricted cash and cash equivalents:		
Pre-issuance payment funds	830,145	832,033
Cost of issuance fund	—	—
Due from Cherry Grove Debt Service Fund	—	92,469
Total assets	<u>\$ 1,068,541</u>	<u>\$ 1,070,448</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 96,188	\$ —
Unearned prepaid assessments	238,397	238,397
Due to Stormwater Drainage Fund	—	—
Due to General Fund	—	250,143
Total liabilities	<u>334,585</u>	<u>488,540</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	733,956	581,908
Assigned by management	—	—
Unassigned	—	—
Total fund balance	<u>733,956</u>	<u>581,908</u>
Total liabilities and fund balance	<u>\$ 1,068,541</u>	<u>\$ 1,070,448</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Revenue</b>				
Use of money and property:				
Interest on investments	\$ —	\$ 612	\$ 612	\$ 148
Special assessments:				
Pre-issuance assessments	—	—	—	—
<b>Total revenue</b>	<u>—</u>	<u>612</u>	<u>612</u>	<u>148</u>
<b>Expenditures</b>				
Capital outlay – Public works:				
Cherry Grove dredge project	550,000	402,543	147,457	165,545
Contingency	—	—	—	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Agent fees	25,000	—	25,000	—
<b>Total expenditures</b>	<u>575,000</u>	<u>402,543</u>	<u>172,457</u>	<u>165,545</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(575,000)</u>	<u>(401,931)</u>	<u>173,069</u>	<u>(165,397)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out):				
Capital Improvement Fund	—	553,979	553,979	—
<b>Total other financing sources (uses)</b>	<u>—</u>	<u>553,979</u>	<u>553,979</u>	<u>—</u>
<b>Net change in fund balance</b>	<b>(575,000)</b>	<b>152,048</b>	<b>727,048</b>	<b>(165,397)</b>
Fund balance, beginning of year	581,908	581,908	—	747,305
Fund balance, end of year	<u>\$ 6,908</u>	<u>\$ 733,956</u>	<u>\$ 727,048</u>	<u>\$ 581,908</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, 2022  
(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
<b>Assets</b>			<b>Liabilities and Net Position</b>		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 4,699,440	\$ 4,634,523	Accounts payable – trade and contract vendors	\$ 1,789,347	\$ 538,940
Equity in pooled cash and cash equivalents	2,578,064	139,230	Accrued payroll and related taxes	119,739	96,885
Accounts receivable, net	1,869,690	1,829,497	Contracts payable – current portion	231,206	—
Inventories and prepaids	405,202	263,920		<u>2,140,292</u>	<u>635.825</u>
	<u>9,552,396</u>	<u>6,867,170</u>			
Restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Meter deposits and other	2,450,708	2,374,926
Impact fees	—	—	Total current liabilities payable from restricted assets	<u>2,450,708</u>	<u>2,374,926</u>
Equity in pooled cash and cash equivalents:			Total current liabilities	<u>4,591,000</u>	<u>3,010,751</u>
Customer meter deposits	2,442,393	1,944,456			
Deposits with the GSWSA	280,000	280,000			
Total restricted assets	<u>2,722,393</u>	<u>2,224,456</u>			
Total current assets	<u>12,274,789</u>	<u>9,091,626</u>			
Capital assets:			Long-term liabilities:		
Land and improvements	723,714	723,714	Accrued compensated absences	332,045	347,267
Buildings	1,029,594	1,029,594	Contracts payable	—	—
Water and sewer systems	131,514,193	129,066,804	Total long-term liabilities	<u>332,045</u>	<u>347,267</u>
Automotive equipment	1,932,880	1,884,540	Total liabilities	<u>4,923,045</u>	<u>3,358,018</u>
Maintenance equipment	3,394,249	3,244,888			
Office equipment	2,210,752	2,159,927			
Construction in progress	568,239	977,683			
	<u>141,373,621</u>	<u>139,087,150</u>			
Less, accumulated depreciation	<u>(60,779,242)</u>	<u>(57,692,300)</u>			
Net capital assets	<u>80,594,379</u>	<u>81,394,850</u>			
Other assets:			Net Position:		
Cost of purchased water/sewer rights	27,934,862	27,934,862	Net investment in capital assets	80,594,379	81,394,850
Less, accumulated amortizations	<u>(23,113,939)</u>	<u>(22,452,206)</u>	Restricted for debt service, capacity and deposits	—	—
Net other assets	<u>4,820,923</u>	<u>5,482,656</u>	Unrestricted	12,172,667	11,216,264
Total assets	<u>\$ 97,690,091</u>	<u>\$ 95,969,132</u>	Total net position	<u>92,767,046</u>	<u>92,611,114</u>
			Total liabilities and net position	<u>\$ 97,690,091</u>	<u>\$ 95,969,132</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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Revenue</b>				
Sales and service charges:				
Water usage fees	\$ 8,550,000	\$ 8,677,677	\$ 127,677	\$ 8,140,438
Sewer usage fees	6,425,000	6,504,038	79,038	6,144,485
Water taps	75,000	183,380	108,380	194,281
Sewer taps	30,000	42,500	12,500	35,166
Late payment penalties and service charges	155,000	138,169	(16,831)	137,215
Miscellaneous	22,500	2,340	(20,160)	95,538
<b>Total operating revenue</b>	<b>15,257,500</b>	<b>15,548,104</b>	<b>290,604</b>	<b>14,747,123</b>
<b>Operating Expenses</b>				
<b>General government administration</b>				
Overhead allocation –				
General services	523,188	556,566	(33,378)	709,831
Legislative	43,917	46,156	(2,239)	155,909
Administrative	142,634	149,176	(6,542)	253,268
Legal	104,743	242,527	(137,784)	354,730
Personnel	156,850	136,716	20,134	145,259
Total general government administration	971,332	1,131,141	(159,809)	1,618,997
<b>Finance</b>				
Overhead allocation –				
Accounting	266,831	220,910	45,921	197,549
Utility billing:				
Personal services	694,539	720,556	(26,017)	625,894
Operating expenses	231,725	282,408	(50,683)	209,515
Less, overhead allocation	(148,939)	(150,444)	(1,505)	(125,311)
Total finance	1,044,156	1,073,430	(29,274)	907,647
<b>Information services</b>				
Overhead allocation	463,994	515,088	(51,094)	288,350
<b>Public safety</b>				
Overhead allocation –				
Communications	86,049	84,612	1,437	74,977

— 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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Expenses (Continued)</b>				
<b>Planning/Development</b>				
Overhead allocation –				
Code enforcement	44,089	45,481	(1,392)	46,570
<b>Public works</b>				
Administrative:				
Personal services	1,164,837	1,154,180	10,657	1,131,240
Operating expenses	84,550	123,416	(38,866)	63,124
Less, overhead allocation	(399,877)	(255,519)	(144,358)	(428,130)
	849,510	1,022,077	(172,567)	766,234
Wastewater treatment:				
Personal services	621,080	618,870	2,210	596,375
Operating expenses	1,671,900	2,533,322	(861,422)	1,389,960
	2,292,980	3,152,192	(859,212)	1,986,335
Wells/lifts maintenance:				
Personal services	813,622	744,053	69,569	625,048
Operating expenses	1,185,500	1,294,370	(108,870)	1,153,973
	1,999,122	2,038,423	(39,301)	1,779,021
Construction/maintenance:				
Personal services	1,624,392	1,583,671	40,721	1,502,909
Operating expenses	2,967,500	3,731,034	(763,534)	3,087,190
Less, overhead allocation	(100,000)	—	(100,000)	—
	4,491,892	5,314,705	(822,813)	4,590,099
Streets/drainage:				
Overhead allocation	173,789	181,057	(7,268)	172,930
Total public works	9,807,293	11,708,454	(1,901,161)	9,294,619
<b>Support services</b>				
Overhead allocation –				
Custodial services	105,062	104,401	661	96,389
Purchasing	168,461	122,046	46,415	111,037
Fleet management	77,692	47,649	30,043	68,637
Custodial/fleet management	196,080	229,458	(33,378)	193,562
Total support services	547,295	503,554	43,741	469,625
Depreciation and amortization expense	3,612,686	3,748,675	(135,989)	3,886,464
<b>Total operating expenses</b>	<b>16,576,894</b>	<b>18,810,435</b>	<b>(2,233,541)</b>	<b>16,587,249</b>
Operating income (loss)	(1,319,394)	(3,262,331)	(1,942,937)	(1,840,126)

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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Non-operating Revenue (Expenses)</b>				
Interest earned on investments	125,000	71,996	(53,004)	118,552
Interest expense	—	—	—	—
Insurance reimbursement	—	9,369	9,369	—
Tower rental and other	360,000	291,985	(68,015)	245,914
Restricted intergovernmental grants (expenses)	—	—	—	(25,379)
Total non-operating revenue (expenses)	485,000	373,350	(111,650)	339,087
Income (loss) before contributions and transfers	(834,394)	(2,888,981)	(2,054,587)	(1,501,039)
<b>Capital Contributions</b>				
Impact fees:				
Water	1,400,000	1,197,354	(202,646)	1,436,776
Sewer	1,100,000	960,456	(139,544)	1,187,792
Developer contributions	—	841,278	841,278	1,483,100
Extension fees and construction for public use	50,000	45,825	(4,175)	180,742
Total capital contributions	2,550,000	3,044,913	494,913	4,288,410
<b>Transfers</b>				
Transfers (out) – Insurance Reserves Fund	—	—	—	—
<b>Change in net position</b>	<b>1,715,606</b>	<b>155,932</b>	<b>(1,559,674)</b>	<b>2,787,371</b>
Net position, beginning of year	92,611,114	92,611,114	—	89,823,743
Net position, end of year	\$ 94,326,720	\$ 92,767,046	\$ (1,559,674)	\$ 92,611,114

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 4,678,563	\$ 3,582,994
Accounts receivable, net:		
Accounts	219,906	206,570
Due from other governments	101,445	101,445
Total current assets	<u>4,999,914</u>	<u>3,891,009</u>
Capital assets:		
Buildings	313,200	313,200
Improvements	32,262	32,262
Machinery, equipment and vehicles	8,526,908	8,027,863
Construction-in-progress	22,133	22,134
	<u>8,894,503</u>	<u>8,395,459</u>
Less, accumulated depreciation	<u>(7,114,641)</u>	<u>(6,593,274)</u>
Net capital assets	<u>1,779,862</u>	<u>1,802,185</u>
Total assets	<u>\$ 6,779,776</u>	<u>\$ 5,693,194</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 248,720	\$ 86,439
Accrued payroll and related taxes	74,138	55,946
Total current liabilities	<u>322,858</u>	<u>142,385</u>
Long-term liabilities:		
Accrued compensated absences	169,489	147,828
Total long-term liabilities	<u>169,489</u>	<u>147,828</u>
Total liabilities	<u>492,347</u>	<u>290,213</u>
Net position:		
Net investment in capital assets	1,779,862	1,802,185
Unrestricted	4,507,567	3,600,796
Total net position	<u>6,287,429</u>	<u>5,402,981</u>
Total liabilities and net position	<u>\$ 6,779,776</u>	<u>\$ 5,693,194</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Revenue</b>				
Sales and service charges:				
Solid waste user fees and penalties	\$ 5,312,500	\$ 6,352,077	\$ 1,039,577	\$ 5,472,675
Trash bags and miscellaneous	—	—	—	—
<b>Total operating revenue</b>	<b>5,312,500</b>	<b>6,352,077</b>	<b>1,039,577</b>	<b>5,472,675</b>
<b>Operating Expenses</b>				
<b>General government administration</b>				
Overhead allocation –				
General services	125,565	133,576	(8,011)	121,685
Legislative	26,350	27,693	(1,343)	23,386
Administration	42,790	44,753	(1,963)	37,975
Legal	31,423	72,758	(41,335)	53,210
Personnel	62,740	54,687	8,053	58,103
<b>Total general government administration</b>	<b>288,868</b>	<b>333,467</b>	<b>(44,599)</b>	<b>294,359</b>
<b>Finance</b>				
Overhead allocation –				
Accounting	53,366	44,182	9,184	39,510
Utility billings	92,626	100,296	(7,670)	83,541
<b>Total finance</b>	<b>145,992</b>	<b>144,478</b>	<b>1,514</b>	<b>123,051</b>
<b>Information services</b>				
Overhead allocation	92,799	103,018	(10,219)	57,670
<b>Public works</b>				
Administration – overhead allocation	187,408	191,639	(4,231)	179,155
Commercial collection:				
Personal services	360,117	369,708	(9,591)	334,392
Operating	145,000	158,158	(13,158)	118,971
	505,117	527,866	(22,749)	453,363
Transfer station:				
Personal services	203,562	220,917	(17,355)	179,317
Operating	850,000	854,548	(4,548)	854,104
	1,053,562	1,075,465	(21,903)	1,033,476
Residential collection:				
Personal services	961,938	945,562	16,376	934,939
Operating	205,000	283,742	(78,742)	177,092
	1,166,938	1,229,304	(62,366)	1,112,031

— 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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Expenses (Continued)</b>				
<b>Public works (Continued)</b>				
Trash/litter collections:				
Personal services	268,001	325,724	(57,723)	242,382
Operating	103,700	216,820	(113,120)	68,914
	<u>371,701</u>	<u>542,544</u>	<u>(170,843)</u>	<u>311,296</u>
Beach cleaning:				
Personal services	188,844	238,900	(50,056)	137,956
Operating	64,500	157,255	(92,755)	81,813
	<u>253,344</u>	<u>396,155</u>	<u>(142,811)</u>	<u>219,769</u>
Recycling:				
Personal services	288,243	322,786	(34,543)	286,636
Operating	139,500	174,500	(35,000)	128,238
	<u>427,743</u>	<u>497,286</u>	<u>(69,543)</u>	<u>414,874</u>
Total public works	<u>3,965,813</u>	<u>4,460,259</u>	<u>(494,446)</u>	<u>3,723,964</u>
<b>Support services</b>				
Overhead allocation –				
Custodial services	16,810	16,704	106	15,422
Purchasing	13,213	8,662	4,551	8,709
Fleet management	97,115	52,051	45,064	85,797
Custodial/facility maint.	31,373	36,713	(5,340)	30,970
Total support services	<u>158,511</u>	<u>114,130</u>	<u>44,381</u>	<u>140,898</u>
Depreciation and amortization	<u>580,000</u>	<u>521,368</u>	<u>58,632</u>	<u>567,458</u>
<b>Total operating expenses</b>	<b><u>5,231,983</u></b>	<b><u>5,676,720</u></b>	<b><u>(444,737)</u></b>	<b><u>4,907,400</u></b>
Operating income (loss)	<u>80,517</u>	<u>675,357</u>	<u>594,840</u>	<u>565,275</u>
<b>Non-operating Revenue (Expenses)</b>				
Interest made on investments	—	5,586	5,586	—
Insurance reimbursements	—	—	—	—
Restricted intergovernmental grants (expenses)	—	—	—	(8,016)
Total non-operating revenue (expenses)	<u>—</u>	<u>5,586</u>	<u>5,586</u>	<u>(8,016)</u>
<b>Transfers</b>				
Transfers in – State Accommodations (2%) Tax Fund	203,505	203,505	—	195,140
Total transfers	<u>203,505</u>	<u>203,505</u>	<u>—</u>	<u>195,140</u>
<b>Change in net position</b>	<b><u>284,022</u></b>	<b><u>884,448</u></b>	<b><u>600,426</u></b>	<b><u>752,399</u></b>
Net position, beginning of year	<u>5,402,981</u>	<u>5,402,981</u>	<u>—</u>	<u>4,650,582</u>
Net position, end of year	<u><u>\$ 5,687,003</u></u>	<u><u>\$ 6,287,429</u></u>	<u><u>\$ 600,426</u></u>	<u><u>\$ 5,402,981</u></u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC/FITNESS CENTER  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 695	\$ 695
Equity in pooled cash	—	—
Receivables, net	17,798	14,648
Total current assets	<u>18,493</u>	<u>15,343</u>
Capital assets:		
Buildings	9,700,878	9,700,878
Improvements	89,204	89,204
Furniture and equipment	567,244	537,259
	<u>10,357,326</u>	<u>10,327,341</u>
Less, accumulated depreciation	(4,462,332)	(4,193,162)
Net capital assets	<u>5,894,994</u>	<u>6,134,179</u>
Total assets	<u>\$ 5,913,487</u>	<u>\$ 6,149,522</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 28,604	\$ 21,770
Accrued payroll and related taxes	37,647	29,416
Due to General Fund	324,878	584,827
Due to Stormwater Drainage Fund	—	—
Accrued interest payable	28,537	42,009
Current portion of note obligation	573,484	552,011
Unearned revenue and gift certificates	56,077	211,270
Total current liabilities	<u>1,049,227</u>	<u>1,441,303</u>
Long-term liabilities:		
Accrued compensated absences	60,591	58,511
Note payable	595,794	1,169,277
Total long-term liabilities	<u>656,385</u>	<u>1,227,788</u>
Total liabilities	<u>1,705,612</u>	<u>2,669,091</u>
Net position:		
Net investment in capital assets	4,725,717	4,412,891
Unrestricted (deficit)	(517,842)	(932,460)
Total net position	<u>4,207,875</u>	<u>3,480,431</u>
Total liabilities and net position	<u>\$ 5,913,487</u>	<u>\$ 6,149,522</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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance	2021
	Budget	Actual	Positive (Neg.)	Actual
<b>Operating Revenue</b>				
Sales and service charges:				
Membership fees	\$ 1,650,000	\$ 1,589,080	\$ (60,920)	\$ 1,266,993
Day membership fees	59,000	57,545	(1,455)	5,480
Employee membership fees	—	125,525	125,525	122,795
Enrollment fees	60,000	61,778	1,778	51,592
Program fees	250,000	284,346	34,346	219,102
Merchandise sales	47,500	5,865	(41,635)	4,681
Food sales	—	44,885	44,885	24,718
Less, sales and hospitality taxes	—	(4,629)	(4,629)	(2,574)
Miscellaneous	2,000	959	(1,041)	26,695
<b>Total operating revenue</b>	<b>2,068,500</b>	<b>2,165,354</b>	<b>96,854</b>	<b>1,719,482</b>
<b>Operating Expenses</b>				
<b>General government administration</b>				
Overhead allocation –				
General services	41,855	44,525	(2,670)	40,562
Legislative	8,783	9,231	(448)	7,795
Administration	14,263	14,918	(655)	12,658
Legal	10,474	24,253	(13,779)	17,736
Personnel	31,370	27,343	4,027	29,052
Total general government administration	106,745	120,270	(13,525)	107,803
<b>Finance</b>				
Overhead allocation	35,577	29,455	6,122	26,340
<b>Information services</b>				
Overhead allocation	30,933	34,339	(3,406)	19,223
<b>Parks and recreation</b>				
Overhead allocation –				
Recreation administration	42,218	32,567	9,651	31,422
Aquatic administration:				
Personnel services	499,120	530,421	(31,301)	475,639
Operations and maintenance	420,775	343,184	77,591	687,564
	919,895	873,605	46,290	1,163,203
Aquatic programs:				
Personnel services	226,776	236,123	(9,347)	210,107
Operations and maintenance	53,145	67,255	(14,110)	39,538
	279,921	303,378	(23,457)	249,645
Activity specialist:				
Personnel services	182,614	173,742	8,872	181,495
Operations and maintenance	14,600	16,522	(1,922)	14,779
	197,214	190,264	6,950	196,274

— 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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Expenses (continued)</b>				
<b>Parks and recreation (continued)</b>				
Fitness:				
Personnel services	211,995	201,060	10,935	170,596
Operations and maintenance	73,380	53,260	20,120	39,405
	<u>285,375</u>	<u>254,320</u>	<u>31,055</u>	<u>210,001</u>
Custodians:				
Personnel services	121,718	129,686	(7,968)	110,012
Operations and maintenance	41,000	45,250	(4,250)	37,917
	<u>162,718</u>	<u>174,936</u>	<u>(12,218)</u>	<u>147,929</u>
Total parks and recreation	<u>1,887,341</u>	<u>1,829,070</u>	<u>58,271</u>	<u>1,998,474</u>
<b>Support services</b>				
Overhead allocation –				
Custodial services	16,810	16,704	106	15,422
Purchasing	6,606	4,786	1,820	4,354
Custodial/facility maintenance	31,373	36,713	(5,340)	30,970
Total support services	<u>54,789</u>	<u>58,203</u>	<u>(3,414)</u>	<u>50,746</u>
Depreciation and amortization	<u>295,000</u>	<u>288,566</u>	<u>6,434</u>	<u>293,458</u>
<b>Total operating expenses</b>	<b><u>2,410,385</u></b>	<b><u>2,359,903</u></b>	<b><u>50,482</u></b>	<b><u>2,496,044</u></b>
Operating income (loss)	<u>(341,885)</u>	<u>(194,549)</u>	<u>147,336</u>	<u>(776,562)</u>
<b>Non-operating Revenue (Expenses)</b>				
Restricted intergovernmental grants (expenses)	—	—	—	(777)
Interest earned on investments	—	275	275	—
Non-operating program fees and other	15,000	25	(14,975)	2,575
Interest expense	(66,958)	(53,486)	13,472	(74,660)
Total non-operating revenue (expenses)	<u>(51,958)</u>	<u>(53,186)</u>	<u>(1,228)</u>	<u>(72,862)</u>
Income (loss) before contributions and transfers	<u>(393,843)</u>	<u>(247,735)</u>	<u>146,108</u>	<u>(849,424)</u>
<b>Transfers</b>				
Transfers in:				
Local Accommodations (1.5%) Tax Fund	800,000	975,179	175,179	826,592
Total transfers	<u>800,000</u>	<u>975,179</u>	<u>175,179</u>	<u>826,592</u>
<b>Change in net position</b>	<b><u>406,157</u></b>	<b><u>727,444</u></b>	<b><u>321,287</u></b>	<b><u>(22,832)</u></b>
Net position, beginning of the year	<u>3,480,431</u>	<u>3,480,431</u>	<u>—</u>	<u>3,503,263</u>
Net position, end of year	<u>\$ 3,886,588</u>	<u>\$ 4,207,875</u>	<u>\$ 321,287</u>	<u>\$ 3,480,431</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICES  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,100	\$ 6,000
Equity in pooled cash and cash equivalents	2,010,726	657,466
Receivables, net	30,745	9,025
Due from Local Accommodations (1.5%) Fund	292,608	302,179
Inventories	—	—
Total current assets	<u>2,341,179</u>	<u>974,670</u>
Capital assets:		
Buildings	434,405	434,405
Furniture, equipment and vehicles	1,408,962	1,408,963
	<u>1,843,367</u>	<u>1,843,368</u>
Less, accumulated depreciation	(1,383,910)	(1,219,572)
Net capital assets	<u>459,457</u>	<u>623,796</u>
Total assets	<u>\$ 2,800,636</u>	<u>\$ 1,598,466</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 93,055	\$ 67,064
Accrued payroll and related taxes	141,219	124,085
Due to Stormwater Drainage Fund	—	—
Total current liabilities	<u>234,274</u>	<u>191,149</u>
Long-term Liabilities:		
Accrued compensated absences	432	2,696
Total liabilities	<u>234,706</u>	<u>193,845</u>
Net position:		
Net investment in capital assets	459,457	623,796
Unrestricted	2,106,473	780,825
Total net position	<u>2,565,930</u>	<u>1,404,621</u>
Total liabilities and net position	<u>\$ 2,800,636</u>	<u>\$ 1,598,466</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, 2022

(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Revenue</b>				
Sales and service charges:				
Beach service rentals and fees	\$ 2,685,000	\$ 3,556,724	\$ 871,724	\$ 2,744,521
Food, beverage, and other sales	210,000	113,514	(96,486)	42,235
Less, sales tax/hospitality fees	(185,000)	(271,378)	(86,378)	(205,783)
Miscellaneous	10,000	10,923	923	9,751
<b>Total operating revenue</b>	<b>2,720,000</b>	<b>3,409,783</b>	<b>689,783</b>	<b>2,590,724</b>
<b>Operating Expenses</b>				
<b>General government administration</b>				
Overhead allocation –				
General services	41,855	44,524	(2,669)	40,562
Legislative	8,783	9,231	(448)	7,795
Administration	14,263	14,918	(655)	12,658
Legal	10,474	24,253	(13,779)	17,736
Personnel	117,637	102,537	15,100	108,944
<b>Total general government administration</b>	<b>193,012</b>	<b>195,463</b>	<b>(2,451)</b>	<b>187,695</b>
<b>Finance</b>				
Overhead allocation	133,415	110,455	22,960	98,775
<b>Information services</b>				
Overhead allocation	46,399	51,509	(5,110)	28,835
<b>Public safety</b>				
Overhead allocation –				
Communication	51,630	50,767	863	44,986
Lifeguard services:				
Personnel services	765,575	799,888	(34,313)	605,538
Operations and maintenance	91,400	176,834	(85,434)	109,607
<b>Total public safety</b>	<b>908,605</b>	<b>1,027,489</b>	<b>(118,884)</b>	<b>760,131</b>
<b>Parks and recreation</b>				
Overhead allocation –				
Recreation administration	253,311	195,405	57,906	188,532
Concessions:				
Personnel services	797,882	910,372	(112,490)	707,869
Operations and maintenance	273,422	360,008	(86,586)	179,872
<b>Total parks and recreation</b>	<b>1,324,615</b>	<b>1,465,785</b>	<b>(141,170)</b>	<b>1,076,273</b>

— 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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Expenses (Continued)</b>				
<b>Support services</b>				
Overhead allocation —				
Custodial services	8,405	8,352	53	7,711
Purchasing	3,303	3,303	—	2,178
Fleet	19,423	19,423	—	17,159
Custodian/fleet maint.	15,686	18,356	(2,670)	15,485
Total support services	46,817	49,434	(2,617)	42,533
Depreciation and amortization	160,000	164,339	(4,339)	191,210
<b>Total operating expenses</b>	<b>2,812,863</b>	<b>3,064,474</b>	<b>(251,611)</b>	<b>2,385,452</b>
Operating income (loss)	(92,863)	345,309	438,172	205,272
<b>Non-operating Revenue (Expenses)</b>				
Restricted intergovernmental grants (expenses)				(12,223)
Interest earned on investments	—	1,615	1,615	—
Sponsorships and donations	—	820	820	760
Total non-operating revenue (expenses)	—	2,435	2,435	(11,463)
Income (loss) before contributions and transfers	(92,863)	347,744	440,607	193,809
<b>Transfers</b>				
Transfers in (out):				
General Fund	—	—	—	—
State Accommodations (2%) Tax Fund	220,808	220,808	—	129,081
Local Accommodations (1.5%) Tax Fund	300,000	892,757	592,757	469,243
Sports and Tourism Park Fund	(300,000)	(300,000)	—	—
Total transfers	220,808	813,565	592,757	598,324
<b>Change in net position</b>	<b>127,945</b>	<b>1,161,309</b>	<b>1,033,364</b>	<b>792,133</b>
Net position, beginning of year	1,404,621	1,404,621	—	612,488
Net position, end of year	\$ 1,532,566	\$ 2,565,930	\$ 1,033,364	\$ 1,404,621

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SPORTS AND TOURISM PARK  
BALANCE SHEET

JUNE 30, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,200	\$ 4,000
Receivables, net	1,098	680
Due from General Fund	467,191	467,191
Prepaid items	—	—
Total current assets	<u>473,489</u>	<u>471,871</u>
Capital assets:		
Buildings	58,000	58,000
Machinery, fixtures, and equipment	2,449,292	2,173,148
Construction in progress	—	—
	<u>2,507,292</u>	<u>2,231,148</u>
Less, accumulated depreciation	<u>(1,710,830)</u>	<u>(1,506,571)</u>
Net capital assets	<u>796,462</u>	<u>724,577</u>
Total assets	<u>\$ 1,269,951</u>	<u>\$ 1,196,448</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 10,461	\$ 9,010
Accrued payroll and related taxes	8,640	5,726
Due to General Fund	628,347	674,754
Due to Stormwater Drainage Fund	—	—
Security deposits	33,310	18,760
Total current liabilities	<u>680,758</u>	<u>708,250</u>
Long-term liabilities:		
Accrued compensated absences	5,660	2,757
Total long-term liabilities	<u>5,660</u>	<u>2,757</u>
Total liabilities	<u>686,418</u>	<u>711,007</u>
Net position:		
Net investment in capital assets	796,462	724,577
Unrestricted (deficit)	<u>(212,929)</u>	<u>(239,136)</u>
Total net position	<u>583,533</u>	<u>485,441</u>
Total liabilities and net position	<u>\$ 1,269,951</u>	<u>\$ 1,196,448</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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Revenue</b>				
Sales and service charges:				
Christmas Village admissions	\$ 667,000	\$ 584,055	\$ (82,945)	\$ 579,985
Rides and ice skating fees	—	46,188	46,188	44,862
Merchandise sales	15,500	75,371	59,871	45,836
Park and field, admissions and rentals	180,000	199,611	19,611	147,596
Races – registration fees and sales	—	29,688	29,688	11,300
Food, beverage, and other sales	400,000	529,713	129,713	360,434
Less, sales tax/hospitality fees	(30,000)	(101,927)	(71,927)	(71,770)
Miscellaneous	—	22,901	22,901	1,648
<b>Total operating revenue</b>	<b>1,232,500</b>	<b>1,385,600</b>	<b>153,100</b>	<b>1,119,891</b>
<b>Operating Expenses</b>				
<b>General government administration</b>				
Overhead allocation –				
General services	—	—	—	—
Legislative	—	—	—	—
Administration	—	—	—	—
Legal	—	—	—	—
Personnel	7,842	6,836	(1,006)	7,263
<b>Total general government administration</b>	<b>7,842</b>	<b>6,836</b>	<b>(1,006)</b>	<b>7,263</b>
<b>Finance</b>				
Overhead allocation	17,789	14,727	3,062	13,170
<b>Information services</b>				
Overhead allocation	15,466	17,170	(1,704)	9,612
<b>Public safety</b>				
Overhead allocation –				
Administration	—	—	—	—
Uniform patrol	—	—	—	—
Community services	—	—	—	—
Fire/rescue	—	—	—	—
Fire prevention/inspection	—	—	—	—
<b>Total public safety</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Parks and recreation</b>				
Overhead allocation –				
Recreation administration	544,415	540,141	4,274	31,422
Parks and grounds	—	370,288	(370,288)	607,579
Concessions:				
Personnel services	210,149	241,609	(31,460)	180,416
Operations and maintenance	212,450	270,342	(57,892)	175,240
Christmas Village:				
Personnel services	—	7,373	(7,373)	—
Operations and maintenance	212,600	327,492	(114,892)	289,019
Other	291,084	(45)	291,129	—
<b>Total parks and recreation</b>	<b>1,470,698</b>	<b>1,757,200</b>	<b>(286,502)</b>	<b>1,283,676</b>

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 —

	2022		Variance Positive (Neg.)	2021
	Budget	Actual		Actual
<b>Operating Expenses (Continued)</b>				
<b>Support services</b>				
Overhead allocation —				
Custodial services	—	—	—	—
Purchasing	—	—	—	—
Fleet	—	—	—	—
Custodian/facility maint.	—	—	—	—
Total support services	—	—	—	—
Depreciation and amortization	200,000	204,260	(4,260)	278,710
<b>Total operating expenses</b>	<b>1,711,795</b>	<b>2,000,193</b>	<b>(288,398)</b>	<b>1,592,431</b>
Operating income (loss)	(479,295)	(614,593)	(135,298)	(472,540)
<b>Non-operating Revenue (Expenses)</b>				
Restricted intergovernmental grants (expenses)	—	—	—	(231)
Sponsorships and donations	180,000	212,685	32,685	66,475
Total non-operating revenue (expenses)	180,000	212,685	32,685	66,244
Income (loss) before contributions and transfers	(299,295)	(401,908)	(102,613)	(406,296)
<b>Capital Contributions</b>				
General capital assets	—	—	—	—
<b>Transfers</b>				
Transfers in (out):				
General Fund	(75,000)	200,000	275,000	50,000
Beach Services Fund	300,000	300,000	—	—
Total transfers	225,000	500,000	275,000	50,000
<b>Change in net position</b>	<b>(74,295)</b>	<b>98,092</b>	<b>172,387</b>	<b>(356,296)</b>
Net position, beginning of year	485,441	485,441	—	841,737
Net position, end of year	\$ 411,146	\$ 583,533	\$ 172,387	\$ 485,441

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, 2022

(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>Restated 2021</u>
<b>Assets and Deferred Outflows</b>		
Current assets:		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Restricted cash and cash equivalents:		
HRA custodial account	10,838	17,624
Deposits with others	—	—
Receivables, net	306,334	266,123
Prepaid items	577,449	423,024
	<u>894,621</u>	<u>706,771</u>
Deferred outflows of resources:		
Deferred outflows – OPEB related	2,532,636	2,226,727
Total assets and deferred outflows	<u>\$ 3,427,257</u>	<u>\$ 2,933,498</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 252,922	\$ 98,738
Claims payable	312,639	257,309
Liabilities payable from restricted assets:		
Health reimbursement accounts payable	373,250	344,296
Due to General Fund	2,669,692	3,590,486
Due to Beach Renourishment Fund	—	—
Total current liabilities	<u>3,608,503</u>	<u>4,290,829</u>
Long-term liabilities:		
Total post-employment benefits (OPEB) liability	20,321,832	19,833,840
Total liabilities	<u>23,930,335</u>	<u>24,124,669</u>
Deferred inflows of resources:		
Deferred inflows – OPEB related	5,557,611	—
Net position:		
Restricted for insurance claims	—	—
Unrestricted (deficit)	(26,060,689)	(21,191,171)
Total net position	<u>(26,060,689)</u>	<u>(21,191,171)</u>
Total liabilities and net position	<u>\$ 3,427,257</u>	<u>\$ 2,933,498</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, 2022  
(With comparative actual amounts for June 30, 2021)

	2022			Restated 2021
	Budget	Actual	Variance Positive (Neg.)	Actual
<b>Operating Revenue</b>				
Sales and service charges:				
Property Liability and Workers Premiums/reimbursements	\$ 610,000	\$ 610,000	\$ —	\$ 520,000
Health premiums –				
Employer/Employee charges	5,546,021	5,672,341	126,320	4,732,380
Dependent withholdings	646,000	737,894	91,894	707,430
Retiree/non-employee contributions	450,000	137,642	(312,358)	101,182
Cobra/non-employee contributions	—	649,382	649,382	519,896
Reinsurance reimbursements	—	235,197	235,197	142,393
Prescription rebates	—	131,812	131,812	155,908
Forfeitures, rebates and miscellaneous	—	13,952	13,952	82,763
<b>Total operating revenue</b>	<b>7,252,021</b>	<b>8,188,220</b>	<b>936,199</b>	<b>6,961,952</b>
<b>Operating Expenses</b>				
<b>General government administration</b>				
Non-employee health expenses –				
Misc. and aggregate premium cost	840,000	881,708	(41,708)	774,222
Dependents	—	2,179,587	(2,179,587)	2,123,448
Cobra	—	953,061	(953,061)	594,801
Retirees and dependents	—	564,860	(564,860)	299,908
Onsite clinic	275,000	501,685	(226,685)	365,206
OPEB liability expense	100,000	5,910,759	(5,810,759)	2,208,335
	<u>1,215,000</u>	<u>10,991,660</u>	<u>(9,776,650)</u>	<u>6,365,920</u>
Employee health expenses –				
Legislative	—	84,793	(84,793)	56,961
Administration	—	122,378	(122,378)	9,323
City court	—	17,021	(17,021)	201,750
Legal	—	5,244	(5,244)	6,581
Personnel	—	100,325	(100,325)	79,673
	<u>—</u>	<u>329,761</u>	<u>(329,761)</u>	<u>354,288</u>
<b>Total general government administration</b>	<b>1,215,000</b>	<b>11,321,421</b>	<b>(4,195,662)</b>	<b>6,720,208</b>
<b>Finance</b>				
Employee health expenses	—	72,849	(72,849)	72,521
Overhead allocation	35,577	29,455	6,122	26,341
Risk Management	—	3,121	(3,121)	—
	<u>35,577</u>	<u>105,425</u>	<u>(69,848)</u>	<u>98,862</u>
<b>Information services</b>				
Employee health expenses	—	32,700	(32,700)	14,074

— 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 —

	2022		Variance	Restated
	Budget	Actual	Positive (Neg.)	2021 Actual
<b>Operating Expenses (Continued)</b>				
<b>Public safety</b>				
Employee health expenses –				
Administration	—	156,849	(156,849)	346,172
Uniform patrol	—	506,767	(506,767)	314,936
Community service	—	32,128	(32,128)	46,336
Detectives	—	71,384	(71,384)	29,436
Communications/detention	—	145,664	(145,664)	72,459
Records	—	53,051	(53,051)	16,656
Victim’s assistance	—	3,530	(3,530)	1,738
Police training	—	19,272	(19,272)	17,548
Fire/rescue	—	171,139	(171,139)	313,525
Fire prevention/inspection	—	37,120	(37,120)	25,103
<b>Total public safety</b>	<b>—</b>	<b>1,196,904</b>	<b>(1,196,904)</b>	<b>1,183,909</b>
<b>Public works</b>				
Employee health expenses –				
Administration	—	329,511	(329,511)	118,071
Streets/drainage	—	133,082	(133,082)	209,950
Water and sewer	—	296,514	(296,514)	186,028
Solid waste	—	302,836	(302,836)	152,326
<b>Total public works</b>	<b>—</b>	<b>1,061,943</b>	<b>(1,061,943)</b>	<b>666,375</b>
<b>Planning/Development</b>				
Employee health expenses –				
Administration	—	65,784	(65,784)	156,838
Building	—	103,205	(103,205)	116,892
<b>Total planning/development</b>	<b>—</b>	<b>168,989</b>	<b>(168,989)</b>	<b>273,730</b>
<b>Parks and recreation</b>				
Employee health expenses –				
Recreation and parks administration	—	34,104	(34,104)	33,466
Athletics and programs	—	32,881	(32,881)	30,686
Concessions and custodial	—	66,422	(66,422)	13,556
Parks and beach grounds	—	201,106	(201,106)	126,325
Aquatic center	—	111,220	(111,220)	286,352
<b>Total parks and recreation</b>	<b>—</b>	<b>445,733</b>	<b>(334,513)</b>	<b>490,385</b>

— 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 —

	2022		Variance Positive (Neg.)	Restated 2021
	Budget	Actual		Actual
<b>Operating Expenses (Continued)</b>				
<b>Support services</b>				
Employee health expenses –				
Purchasing	—	10,378	(10,378)	7,383
Fleet	—	70,167	(70,167)	30,101
Custodian/facility maintenance	—	6,297	(6,297)	25,182
Total support services	—	86,842	(86,842)	62,666
Total employee and non-employee health expenses	1,250,577	14,419,957	(13,164,380)	9,510,209
Workers compensation expenses –				
General government administration	262,500	313,577	(51,077)	259,426
Finance	—	—	—	550
Information services	—	—	—	—
Public safety	—	393,809	(393,809)	880,734
Public works	—	145,009	(145,009)	458,399
Planning/development	—	—	—	—
Parks and recreation	—	18,324	(18,324)	130,780
Support services	—	36	(36)	—
Total workers compensation	262,500	870,755	(608,255)	1,729,889
Property liability expenses —				
General government administration	600,000	754,743	(154,743)	597,014
Finance	—	—	—	—
Information services	—	—	—	—
Public safety	—	—	—	—
Public works	—	34	(34)	40,742
Planning/development	—	—	—	—
Parks/recreation	—	—	—	—
Support services	—	13,545	(13,545)	—
Total property liability insurance	600,000	768,322	(168,322)	637,756
<b>Total operating expenses</b>	<b>2,113,077</b>	<b>16,059,034</b>	<b>(13,945,957)</b>	<b>11,877,854</b>
Operating income (loss)	5,138,944	(7,870,814)	(13,009,758)	(4,915,902)
<b>Non-operating Revenue (Expenses)</b>				
Interest earned on investments	1,000	—	(1,000)	—
Sponsorships and donations – Wellness programs	40,000	1,296	(38,704)	6,341
Total non-operating revenue (expenses)	41,000	1,296	(39,704)	6,341
<b>Transfers</b>				
Transfers in (out) – General Fund	—	3,000,000	3,000,000	—
<b>Change in net position</b>	<b>5,179,944</b>	<b>(4,869,518)</b>	<b>(10,049,462)</b>	<b>(4,909,561)</b>
Net position (deficit), beginning of year	(21,191,171)	(21,191,171)	—	(23,779,533)
Cumulative effect of OPEB restatement	—	—	—	7,497,923
Net position (deficit), end of year	\$ (16,011,227)	\$ (26,060,689)	\$ 10,049,462	\$ (21,191,171)

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, 2022  
 (With comparative amounts for June 30, 2021)

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and temporary investments	\$ 30,301,817	\$ 33,730,938
Participant loans	978,080	1,236,770
Total assets	\$ 31,279,897	\$ 34,967,708
 <b>Net Position</b>		
Held in trust for employee’s pension benefits	\$ 31,279,897	\$ 34,967,708

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, 2022  
(With comparative amounts for June 30, 2021)

	2022	2021
<b>Additions</b>		
Employer contributions	\$ 1,183,876	\$ 1,108,041
Employee (member) contributions	301,286	268,296
Investment income gain/(loss)	(4,202,713)	6,608,914
Non-vested rollover	798,930	—
Total additions	(1,918,621)	7,985,251
<b>Deductions</b>		
Benefit payments	1,624,355	1,593,580
Trustee fees	44,429	30,541
Forfeitures	100,406	43,845
Total deductions	1,769,190	1,667,966
<b>Change in net position</b>	<b>(3,687,811)</b>	<b>6,317,285</b>
<b>Net position held in trust for employee’s pension benefits:</b>		
Beginning of year	34,967,708	28,650,423
End of year	\$ 31,279,897	\$ 34,967,708

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

JUNE 30, 2022  
(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and temporary investments	\$ 1,615,478	\$ 1,674,379
Receivable – participant loan	<u>—</u>	<u>—</u>
Total assets	<u>\$ 1,615,478</u>	<u>\$ 1,674,379</u>
<b>Net Position</b>		
Held in trust for employee’s pension benefits	<u>\$ 1,615,478</u>	<u>\$ 1,674,379</u>

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, 2022  
(With comparative amounts for June 30, 2021)

	2022	2021
<b>Additions</b>		
Employer contributions	\$ 15,235	\$ 15,235
Employee (member) contributions	15,235	15,235
Investment income gain/(loss)	(82,158)	475,664
Total additions	(51,688)	506,134
<b>Deductions</b>		
Benefit payments	7,200	7,200
Trustee fees	13	50
Total deductions	7,213	7,250
<b>Change in net position</b>	<b>(58,901)</b>	<b>498,877</b>
<b>Net position held in trust for employee’s pension benefits:</b>		
Beginning of year	1,674,379	1,175,495
End of year	\$ 1,615,478	\$ 1,674,372

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

JUNE 30, 2022  
(With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and temporary investments	\$ 78,529	\$ 145,971
Total assets	<u>\$ 78,529</u>	<u>\$ 145,971</u>
<b>Net Position</b>		
Held for benefit of City firemen	<u>\$ 78,529</u>	<u>\$ 145,971</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2022  
 (With comparative amounts for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Additions</b>		
Interest on investments	\$ 40	\$ —
Amounts collected from the State	404,344	342,031
Total additions	<u>404,384</u>	<u>342,031</u>
<b>Deductions</b>		
Payments for City firemen's association activities	471,826	623,948
Total deductions	<u>471,826</u>	<u>623,948</u>
<b>Change in net position</b>	<b>(67,442)</b>	<b>(281,917)</b>
<b>Net position held for the benefit of City Firemen:</b>		
Beginning of year	145,971	427,888
End of year	<u>\$ 78,529</u>	<u>\$ 145,971</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, 2022  
 (With comparative amounts for June 30, 2021)

	2022	2021
<b>Governmental Funds Capital Assets</b>		
Land	\$ 30,641,978	\$ 27,356,107
Land improvements	27,004,482	26,959,096
Buildings	31,832,764	31,673,714
Machinery and equipment	29,261,841	27,095,593
	118,741,065	113,384,510
 Infrastructure:		
Roads	36,953,589	36,812,473
Drainage systems	38,185,823	38,114,075
Developer contributions – roads	15,212,534	15,088,495
Sidewalks	2,354,373	2,354,373
Street lighting and other	747,555	747,555
	93,453,874	93,116,971
 Construction in progress	 5,332,263	 3,278,508
Total governmental funds capital assets	\$ 217,527,202	\$ 209,479,989
 <b>Governmental Funds Capital Assets by Source</b>		
General Obligation Bonds, Notes and Lease – Purchase financing	\$ 29,782,852	\$ 39,041,688
General Fund and Capital Projects revenue and grants	149,509,461	132,575,327
Special Revenue Funds	19,292,214	19,220,466
Gifts and contributions from developers	18,942,675	18,642,508
Total governmental funds capital assets	\$ 217,527,202	\$ 209,479,989

## VICTIM'S RIGHTS PROGRAM

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA  
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES  
 YEAR ENDED JUNE 30, 2022

	<b>2022</b>
<b>Court Fines and Assessments</b>	
Court fines and assessments collected	\$ 780,740
Court fines and assessments remitted to State Treasurer	(460,746)
Total court fines and assessments retained	\$ 319,994
 <b>Surcharges and Assessments Retained for Victim's Service</b>	
Total surcharges collected	\$ 15,258
Total assessments	38,146
Total surcharges and assessments retained	\$ 53,404
 <b>Funds Allocated to Victim's Service</b>	
Carryover funds from prior year	\$ —
Surcharges and assessments retained	53,404
Expenditures for victim's service	(53,404)
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).... 144-150

**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)..... 151-154

**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)..... 155-159

**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)..... 160-162

**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) ..... 163-164

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>2022</u>	<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>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$125,394,634	\$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
Restricted	4,038,811	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
Unrestricted	<u>17,547,246</u>	<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>
Total governmental activities net assets	<u>\$146,980,691</u>	<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>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	\$88,355,876	\$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
Restricted	0	0	0	31,894	3,437	2,014,870	1,889,159	2,232,873	2,133,155	1,786,290
Unrestricted	<u>12,577,981</u>	<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>
Total business-type activities net assets	<u>\$100,933,857</u>	<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>
<b>Primary Government</b>										
Net investments in capital assets	\$213,750,510	\$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
Restricted	4,038,811	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
Unrestricted	<u>30,125,227</u>	<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>
Total primary government net assets	<u>\$247,914,548</u>	<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>

TABLE II

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

	<u>2022</u>	<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>
<b>Expenses</b>										
Governmental activities:										
General Government	\$11,786,458	\$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
Information Services	771,010	1,491,231	657,082	396,832	180,605	906,155	339,912	632,013	538,150	843,764
Finance	1,641,270	573,155	1,341,504	1,006,700	873,339	596,059	774,629	904,344	765,254	626,799
Public Safety	19,010,627	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
Planning and Development	579,603	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
Public Works	8,895,640	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
Parks and Recreation	8,449,806	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
Support Services	1,194,043	1,054,134	939,941	1,245,616	1,750,626	1,282,379	969,515	1,005,675	989,966	1,040,604
Debt service - interest	116,603	408,841	59,509	335,632	43,756	457,819	247,289	293,753	503,633	342,328
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$52,445,060</u>	<u>\$46,650,860</u>	<u>\$44,143,931</u>	<u>\$41,892,660</u>	<u>\$44,736,070</u>	<u>\$45,545,799</u>	<u>\$37,437,089</u>	<u>\$33,477,773</u>	<u>\$30,949,441</u>	<u>\$28,437,937</u>
Business-type activities:										
Water and sewer utility	\$19,391,981	\$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
Solid waste	5,873,437	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
Aquatic Center	2,396,856	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
Beach Services	3,227,531	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
Sports Park	2,098,979	1,645,168	1,721,638	1,675,452	1,480,029	552,813	-	-	-	-
Total business type-activities	<u>\$32,988,784</u>	<u>\$29,075,224</u>	<u>\$29,750,797</u>	<u>\$29,308,621</u>	<u>\$27,959,009</u>	<u>\$27,670,643</u>	<u>\$23,829,301</u>	<u>\$24,230,828</u>	<u>\$23,380,136</u>	<u>\$22,142,717</u>
Total primary government expenses	<u>\$85,433,844</u>	<u>\$75,726,084</u>	<u>\$73,894,728</u>	<u>\$71,201,281</u>	<u>\$72,695,079</u>	<u>\$73,216,442</u>	<u>\$61,266,390</u>	<u>\$57,708,601</u>	<u>\$54,329,577</u>	<u>\$50,580,654</u>
<b>Program Revenue</b>										
Governmental activities:										
Fees for services										
Storm Water	\$3,049,434	\$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
Fines	518,549	363,583	349,526	566,702	484,998	549,980	467,082	447,273	489,978	319,623
Building Permits	1,302,512	1,107,416	793,665	802,447	38,295	17,520	20,610	16,490	706,512	413,191
Other	2,227,122	2,343,666	1,391,161	741,159	606,799	1,219,065	1,035,781	1,109,744	727,194	544,301
Operating grants and contributions	269,071	146,391	171,769	103,798	152,203	85,177	244,173	24,203	16,678	284,415
Capital grants and contributions	2,914,250	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
Total primary government net position	<u>\$10,280,938</u>	<u>\$12,511,309</u>	<u>\$11,977,638</u>	<u>\$11,401,807</u>	<u>\$15,439,259</u>	<u>\$16,331,551</u>	<u>\$6,944,460</u>	<u>\$7,569,955</u>	<u>\$6,357,406</u>	<u>\$4,217,929</u>

\*\*\*CONTINUED\*\*\*

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN NET POSITION

(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	<u>2022</u>	<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>
<b>General Revenues and Transfers</b>										
Business-type activities										
Fees for services										
Water & Sewer	\$15,548,104	\$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
Solid Waste	6,352,077	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
Other	6,960,737	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
Operating grants and contributions	514,884	269,098	671,710	509,659	590,695	689,905	218,564	-	-	-
Capital grants and contributions	3,044,913	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
Total business-type activities	<u>\$32,420,715</u>	<u>\$30,207,403</u>	<u>\$26,788,331</u>	<u>\$27,783,600</u>	<u>\$27,376,285</u>	<u>\$27,092,845</u>	<u>\$23,903,526</u>	<u>\$24,688,867</u>	<u>\$22,397,940</u>	<u>\$20,688,457</u>
Total primary government program revenue	<u>\$42,701,653</u>	<u>\$42,718,712</u>	<u>\$38,765,969</u>	<u>\$39,185,407</u>	<u>\$42,815,544</u>	<u>\$43,424,396</u>	<u>\$30,847,986</u>	<u>\$32,258,822</u>	<u>\$28,755,346</u>	<u>\$24,906,386</u>
Governmental activities:										
Property taxes	\$20,933,792	\$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
Accommodations and hospitality taxes	34,392,219	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
State shared taxes - unrestricted	1,115,973	1,037,695	802,845	932,021	1,160,581	953,621	817,472	924,763	805,341	943,614
Business licenses and franchise taxes	12,114,783	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
Unrestricted investment earnings	43,140	93,884	273,131	55,114	50,420	59,871	15,853	-	175,616	23,601
Miscellaneous	209,269	277,114	8,650	119,382	69,478	(49,406)	16	325,716	128,296	55,253
Transfers in/(out)	(2,492,249)	(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)
Total governmental activities	<u>\$66,316,927</u>	<u>\$48,522,098</u>	<u>\$35,413,485</u>	<u>\$36,554,758</u>	<u>\$35,086,860</u>	<u>\$33,542,258</u>	<u>\$32,415,648</u>	<u>\$31,518,439</u>	<u>\$29,711,713</u>	<u>\$29,049,634</u>
Business-type activities:										
Unrestricted investment earnings	\$79,474	\$118,551	\$41,315	\$166,173	\$69,200	\$36,493	\$48,313	\$64,689	\$75,692	\$58,506
Miscellaneous	-	-	-	-	(2)	26,532	138,602	112,516	246,852	216,330
Transfers in/(out)	2,492,249	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
Total business type-activities	<u>\$2,571,723</u>	<u>\$1,788,607</u>	<u>\$1,346,132</u>	<u>\$1,927,059</u>	<u>\$1,930,918</u>	<u>\$2,149,966</u>	<u>\$1,285,318</u>	<u>\$1,581,174</u>	<u>\$1,544,774</u>	<u>\$1,456,078</u>
Total primary government general revenue and other changes	<u>\$68,888,650</u>	<u>\$50,310,705</u>	<u>\$36,759,617</u>	<u>\$38,481,817</u>	<u>\$37,017,778</u>	<u>\$35,692,224</u>	<u>\$33,700,966</u>	<u>\$33,099,613</u>	<u>\$31,256,487</u>	<u>\$30,505,712</u>
<b>Changes in Net Position</b>										
Governmental activities:	\$24,152,805	\$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
Business-type activities	2,003,654	2,920,786	(1,616,334)	402,038	1,348,194	1,572,168	1,359,543	2,039,213	562,578	1,818
Total primary government changes in net position	<u>\$26,156,459</u>	<u>\$17,303,333</u>	<u>\$1,630,858</u>	<u>\$6,465,943</u>	<u>\$7,138,243</u>	<u>\$5,900,178</u>	<u>\$3,282,562</u>	<u>\$7,649,834</u>	<u>\$5,682,256</u>	<u>\$4,831,444</u>

TABLE III

## CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

## PROGRAM REVENUE BY COMPONENT

(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	<u>2022</u>	<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>
<b>Function/Program</b>										
Governmental Activities:										
General Government	\$ 1,707,464	\$ 2,043,240	\$ 810,034	\$ 355,731	\$ 431,788	\$ 351,653	\$ 683,965	\$ 628,728	\$ 193,430	\$ 474,149
Information Services	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Public Safety	518,549	363,583	535,388	771,710	655,752	683,486	625,454	447,273	489,978	599,540
Planning and Development	1,571,583	1,253,807	793,665	802,447	38,295	17,520	20,610	16,490	706,512	413,191
Public Works	4,944,403	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
Parks and Recreation	1,538,939	1,288,354	1,083,378	1,053,257	385,112	1,217,589	1,005,996	871,749	605,038	287,579
Support Services	-	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-	-
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 10,280,938</u>	<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>
Business-type activities										
Water and sewer utility	\$ 18,894,371	\$ 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
Solid waste	6,352,077	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
Aquatic Center	2,165,379	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
Beach Services	3,410,603	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
Sports Park	1,598,285	1,186,135	971,186	1,090,108	1,104,916	971,181	-	-	-	-
Total business-type activities	<u>\$ 32,420,715</u>	<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>
Total program revenues by function and program	<u>\$ 42,701,653</u>	<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>

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

	<u>2022</u>	<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>
<b>General Fund</b>										
Non-spendable	\$ 324,430	\$ 275,906	\$ 205,402	\$ 211,636	\$ 214,952	\$ 268,532	\$ 433,674	\$ 259,296	\$ 278,806	\$ 250,073
Restricted by Others	91,755	77,400	119,614	159,669	74,248	22,869	46,878	289,208	311,946	464,401
Committed by Ordinance	-	-	-	-	392,500	392,500	392,500	392,500	392,500	392,500
Assigned by Management	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>20,208,155</u>	<u>16,079,812</u>	<u>11,750,453</u>	<u>11,676,294</u>	<u>11,215,198</u>	<u>10,506,670</u>	<u>10,307,596</u>	<u>10,695,070</u>	<u>10,853,581</u>	<u>10,860,908</u>
Total General Fund	<u>\$ 20,624,340</u>	<u>\$ 16,433,118</u>	<u>\$ 12,075,469</u>	<u>\$ 12,047,599</u>	<u>\$ 11,896,898</u>	<u>\$ 11,190,571</u>	<u>\$ 11,180,648</u>	<u>\$ 11,636,074</u>	<u>\$ 11,836,833</u>	<u>\$ 11,967,882</u>
<b>Stormwater Fund</b>										
Restricted by Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Committed by Ordinance	-	-	-	-	-	-	-	-	-	2,323,528
Assigned by Management	14,290,688	-	6,854,871	-	-	-	-	-	-	1,001,089
Unassigned	<u>-</u>	<u>10,250,151</u>	<u>-</u>	<u>3,350,023</u>	<u>-</u>	<u>(560,254)</u>	<u>(991,120)</u>	<u>(5,221,805)</u>	<u>(2,077,205)</u>	<u>-</u>
Total Stormwater Fund	<u>\$ 14,290,688</u>	<u>\$ 10,250,151</u>	<u>\$ 6,854,871</u>	<u>\$ 3,350,023</u>	<u>\$ -</u>	<u>\$ (560,254)</u>	<u>\$ (991,120)</u>	<u>\$ (5,221,805)</u>	<u>\$ (2,077,205)</u>	<u>\$ 6,324,617</u>
<b>Park Improvement Fund</b>										
Assigned by Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,615	\$ -	\$ -	\$ 2,094,163
Unassigned	<u>-</u>	<u>-</u>	<u>(4,365,420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(314,892)</u>	<u>2,597,021</u>
Total Park Development Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,365,420)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,615</u>	<u>\$ -</u>	<u>\$ (314,892)</u>	<u>\$ 4,691,184</u>
<b>Street Improvement Fund</b>										
Assigned by Management	\$ 3,007,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>-</u>	<u>5,779,358</u>	<u>395,433</u>	<u>343,247</u>	<u>1,209,710</u>	<u>3,656,043</u>	<u>1,913,006</u>	<u>2,967,662</u>	<u>-</u>	<u>-</u>
Total Street Improvement Fund	<u>\$ 3,007,149</u>	<u>\$ 5,779,358</u>	<u>\$ 395,433</u>	<u>\$ 343,247</u>	<u>\$ 1,209,710</u>	<u>\$ 3,656,043</u>	<u>\$ 1,913,006</u>	<u>\$ 2,967,662</u>	<u>\$ -</u>	<u>\$ -</u>
<b>State (2%) A-Tax Fund</b>										
Restricted by Others	\$ 1,367,439	\$ 283,411	\$ (116,661)	\$ 25,719	\$ (1,286)	\$ -	\$ -	\$ -	\$ -	\$ -
Total State (2%) A-Tax Fund	<u>\$ 1,367,439</u>	<u>\$ 283,411</u>	<u>\$ (116,661)</u>	<u>\$ 25,719</u>	<u>\$ (1,286)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>All Other Governmental Funds</b>										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,000	\$ -	\$ -	\$ -	\$ -
Restricted by Others	-	-	26,207	-	-	293	351	29,463	431,459	696,452
Committed by Ordinance	15,044,627	3,848,985	782,884	830,766	2,144,599	3,561,540	18,380	105,244	65,960	534,332
Assigned by Management	5,327,811	533,003	1,881,732	1,782,214	1,678,409	1,417,420	417,220	851,633	3,119,824	2,082,001
Unassigned	<u>-</u>	<u>(2,229,030)</u>	<u>(116,362)</u>	<u>(39,353)</u>	<u>(350,374)</u>	<u>(594,753)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Gov't Funds	<u>\$ 20,372,438</u>	<u>\$ 2,152,958</u>	<u>\$ 2,574,461</u>	<u>\$ 2,573,627</u>	<u>\$ 3,472,634</u>	<u>\$ 4,839,500</u>	<u>\$ 435,951</u>	<u>\$ 986,340</u>	<u>\$ 3,617,243</u>	<u>\$ 3,312,785</u>
Total Governmental Funds	<u>\$ 59,662,054</u>	<u>\$ 34,898,996</u>	<u>\$ 17,418,153</u>	<u>\$ 18,340,215</u>	<u>\$ 16,577,956</u>	<u>\$ 19,125,860</u>	<u>\$ 12,615,100</u>	<u>\$ 10,368,271</u>	<u>\$ 13,061,979</u>	<u>\$ 26,296,468</u>
<b>Primary Government</b>										
Net investment in Capital Assets	\$213,750,510	\$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
Restricted	4,038,811	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
Unrestricted	<u>30,125,227</u>	<u>691,769</u>	<u>-14,910,119</u>	<u>-13,452,840</u>	<u>-9,218,314</u>	<u>13,572,183</u>	<u>11,979,433</u>	<u>8,303,837</u>	<u>21,474,515</u>	<u>25,224,866</u>
Total primary government net position	<u>\$247,914,548</u>	<u>\$214,260,166</u>	<u>\$196,956,833</u>	<u>\$195,325,977</u>	<u>\$190,556,332</u>	<u>\$195,080,201</u>	<u>\$189,180,023</u>	<u>\$185,897,464</u>	<u>\$189,575,849</u>	<u>\$184,299,483</u>

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.

## CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

## CHANGES IN FUND BALANCES

(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	<u>2022</u>	<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>
<b>Revenue</b>										
Property taxes:										
Current property taxes	\$ 20,461,922	\$ 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
Delinquent property taxes	471,870	435,191	373,722	389,955	340,950	304,947	420,800	451,993	451,681	815,052
Special Assessments	11,040	1,312,248	1,311,167	1,307,402	1,674,522	2,501,605	-	-	-	-
Licenses and permits	13,405,865	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
Fines and forfeitures	385,790	196,653	281,126	456,877	366,246	401,856	373,506	338,717	377,226	319,623
Use of money and property	297,292	298,995	517,388	355,182	327,412	269,922	221,232	242,666	175,616	218,102
Unrestricted intergovernmental	1,478,797	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
Restricted intergovernmental	29,273,891	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
Sales and service charges	4,775,723	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
Miscellaneous	957,727	1,086,847	210,851	231,669	200,258	1,474,124	391,323	431,823	152,316	284,415
Total revenue	<u>\$ 71,519,917</u>	<u>\$ 62,703,463</u>	<u>\$ 48,696,359</u>	<u>\$ 49,717,702</u>	<u>\$ 52,387,839</u>	<u>\$ 52,010,156</u>	<u>\$ 40,458,510</u>	<u>\$ 40,492,363</u>	<u>\$ 37,298,691</u>	<u>\$ 34,454,861</u>
<b>Expenditures</b>										
Current:										
General Government/Admin.	\$ 4,087,534	\$ 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
Finance	1,558,833	1,573,912	1,565,387	880,974	837,850	848,593	823,982	837,556	775,994	786,086
Information Services	609,997	471,272	572,861	266,411	252,672	332,319	207,508	540,103	517,469	478,024
Public Safety	18,388,065	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
Planning and Development	1,960,679	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
Public Works	3,188,609	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
Parks and Recreation	6,889,951	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
Support Services	1,147,227	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
Debt service:										
Principal	2,522,588	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
Interest	90,282	408,841	151,069	166,269	414,216	514,796	471,814	551,079	638,513	656,142
NMB Capital outlay	7,979,094	4,107,052	9,973,876	9,852,019	6,618,073	5,408,657	4,898,854			
Other Non-Capital Infrastructure	456,268	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
Total expenditures	<u>\$ 48,879,127</u>	<u>\$ 48,508,367</u>	<u>\$ 52,426,757</u>	<u>\$ 45,515,243</u>	<u>\$ 53,024,617</u>	<u>\$ 49,705,049</u>	<u>\$ 42,079,208</u>	<u>\$ 41,782,102</u>	<u>\$ 49,694,117</u>	<u>\$ 41,012,276</u>

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CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

	<u>2021</u>	<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>
<b>Other Financing Sources (Uses)</b>										
Bond Issuance/Installment Note	\$ 7,658,714	\$ 5,000,000	\$ 4,258,836	\$ -	\$ -	\$ 6,342,000	\$ 5,000,000	\$ -	\$ 383,167	\$ -
Transfers in	20,919,550	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
Transfers (out)	(26,455,996)	(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)
Total other financing sources (uses)	<u>\$ 2,122,268</u>	<u>\$ 3,285,747</u>	<u>\$ 2,808,086</u>	<u>\$ (1,810,292)</u>	<u>\$ (1,911,126)</u>	<u>\$ 4,205,653</u>	<u>\$ 3,867,527</u>	<u>\$ (1,403,969)</u>	<u>\$ (839,063)</u>	<u>\$ (1,181,242)</u>
Net change in fund balances	\$ 24,763,058	\$ 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)
Cumulative effect of restatement	-	-	-	(629,658)	-	-	-	-	-	-
Fund balances, beginning of year	<u>\$ 34,898,996</u>	<u>\$ 17,418,153</u>	<u>\$ 18,340,465</u>	<u>\$ 16,577,956</u>	<u>\$ 19,125,860</u>	<u>\$ 12,615,100</u>	<u>\$ 10,368,271</u>	<u>\$ 13,061,979</u>	<u>\$ 26,296,468</u>	<u>34,035,125</u>
Fund balances, end of year	<u>\$ 59,662,054</u>	<u>\$ 34,898,996</u>	<u>\$ 17,418,153</u>	<u>\$ 18,340,465</u>	<u>\$ 16,577,956</u>	<u>\$ 19,125,860</u>	<u>\$ 12,615,100</u>	<u>\$ 10,368,271</u>	<u>\$ 13,061,979</u>	<u>\$ 26,296,468</u>
Ratio of Debt Service to General Government Noncapital Expenditures	<u>6.37%</u>	<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>

TABLE VI

## CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real and Personal Property</u>			<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed Value to Estimated Actual Value</u>
	<u>Real Estate</u>	<u>Personal</u>	<u>Less: Tax-Exempt</u>				
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 <sup>(1)</sup>	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 <sup>(1)</sup>	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
2022	436,521,900	38,609,384	6,048,000	469,083,284	0.0450	8,229,531,000	5.7

<sup>(1)</sup> Reassessment performed by Horry County.

Note: 1 mil is equal to \$469,083 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
2022	45.0	52.5	128.1	0.7	226.3

Note 1: Each mil for North Myrtle Beach is equal to \$469,083 in property taxes.

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

TABLE VIII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
YEARS 2022 AND 2013

Frontier Communications		<b>2022</b>			<b>2013</b>		
<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSMENTS</u>	Percentage of Total <u>Assessed Value</u>	<u>RANK</u>	<u>ASSESSMENTS</u>	<u>RANK</u>	Percentage of Total <u>Assessed Value</u>
IREIT NMB Coastal North LLC	Commercial/Retail	3,780,010	0.81%	1	-	-	-
Lawyers Title Insurance Corp	Commercial	3,585,180	0.76%	2	2,540,646	2	0.66%
Barefoot Landing Commercial LLC	Commercial - Retail	2,904,090	0.62%	3	729,050	15	0.19%
The Gator Hole Development LLC	Commercial - Retail	2,219,240	0.47%	4	2,043,498	4	0.53%
Fairfield Resorts, Inc.	Commercial - Timeshare	2,181,060	0.46%	5	2,161,746	3	0.56%
Bluegreen Vacations Unlimited Inc.	Commercial - Timeshare	2,038,930	0.43%	6	1,778,260	6	0.46%
Wyndham Vacation Resorts Inc.	Commercial - Timeshare	1,670,910	0.36%	7	1,595,808	7	0.42%
NGD Property II LLC	Condos	1,531,560	0.33%	8			
SC NMB Retail 3 LLC	Commercial/Retail	1,500,000	0.32%	9			
Towers on the Grove South LLC	Condos	1,289,640	0.27%	10	1,362,180	8	0.36%
Worley Harold G TR ETAL	Hotel	1,007,950	0.21%	11	865,754	12	0.23%
Rosen Surfwood, LLC	Commercial	989,480	0.21%	12	653,676	18	0.17%
Cherry Grove SC LLC	Commercial	836,060	0.18%	13			
BRGC LLC	Condos - Timeshare	810,160	0.17%	14	1,078,526	9	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			
AD1 Myrtle Hotels LLC	Hotel	670,780	0.14%	17			
Boulineau Holdings LLC	Commercial/Retail	668,610	0.14%	18	1,043,137	15	0.27%
HD Development of MD., Inc.	Commercial/Retail	662,570	0.14%	19			
Briarcliffe RV Resort Inc.	Commercial	617,070	0.13%	20			
100 North Beach Blvd. LLC	Residential Develop.				4,760,737	1	1.24%
Lakeside Festival Shopping	Commercial - Retail				2,033,436	5	0.53%
Frontier Communications	Telecommunications				947,170	10	0.25%
Centex Homes	Residential Develop.				777,100	13	0.20%
ETW Development Co. LLC	Condos				752,400	14	0.20%
Ocean Keys	Residential Develop.				724,824	16	0.19%
Oprock Myrtle Fee, LLC	Hotel/Motel				510,000	19	0.13%
Barefoot Commons, LLC	Retail				503,982	20	0.13%
		<u>\$30,429,620</u>	<u>6.49%</u>		<u>\$27,548,690</u>		<u>7.19%</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
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 <sup>1</sup>	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 <sup>3</sup>	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 <sup>4</sup>	16,844,233	97.6%	238,022	17,082,255	99.0%
2020	16,456,907 <sup>2</sup>	16,048,603	97.5%	294,832	16,343,435	99.3%
2021	20,350,239 <sup>5</sup>	19,811,180	97.4%	275,690	20,086,870	98.7%
2022	21,108,748	20,461,922	96.9%	0	20,461,922	96.9%

<sup>(1)</sup> Millage rate increased to 39.3 from 38.0.

<sup>(2)</sup> Millage rate decreased to 37.1 from 43.3.

<sup>(3)</sup> Millage rate increased to 41.3 from 39.3.

<sup>(4)</sup> Millage rate increased to 43.3 from 41.3.

<sup>(5)</sup> 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

<u>Fiscal Year</u>	<u>General Activities</u>				<u>Business-Type Activities</u>			<u>Percentage of Personal Income</u>	<u>Per Capita</u> <sup>(1)</sup>
	<u>General Obligation Bonds</u>	<u>Lease and Storm Water Revenue Bonds</u>	<u>Special Assessment Bonds</u>	<u>Installment Notes</u>	<u>Water and Sewer Contracts Payable</u>	<u>Aquatic Center Enterprise Fund</u>	<u>Total Primary Government</u>		
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
2022	-	-	-	-	-	1,169,278	1,169,278	0.13%	68

<sup>(1)</sup> 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>
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%	-
2022	-	0.00%	-

TABLE XII

## CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

## TOTAL DIRECT AND OVERLAPPING DEBT

JUNE 30, 2022

<u>Jurisdiction</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>General Obligation &amp; Revenue Bond Principal Outstanding</u> <sup>(1)</sup>	<u>Percentage Applicable to the City of North Myrtle Beach</u>	<u>Amount Applicable to the City of Outstanding</u> <sup>(2)</sup>
City of North Myrtle Beach	\$ 469,083,284	-	100.00%	-
Sub-Total Direct Debt		\$ -		\$ -
Horry County	2,844,645,000	53,218	16.49%	8,776
Horry County School District	2,844,645,000	228,417	16.49%	37,666
Sub-Total Overlapping Debt		\$ 281,635		\$ 46,442
Grand Total Direct & Overlapping Debt		\$ 281,635		\$ 46,442

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

<sup>(2)</sup> 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)

158

	<u>2022</u>	<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>
<b>Total Assessed Valuation</b>	\$469,083	\$450,987	\$443,582	\$397,483	\$380,909	\$377,647	\$365,945	\$365,127	\$370,724	\$382,894
Maximum General Obligation Obligation Debt limited to 8% of total assessed valuation <sup>(1)</sup>	37,527	36,079	35,487	31,799	30,473	30,212	29,276	29,210	29,658	30,632
Outstanding bonds chargeable to bond limit <sup>(2)</sup>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,667</u>	<u>5,679</u>	<u>7,130</u>	<u>10,193</u>	<u>12,549</u>	<u>14,834</u>
Legal debt margin	<u>\$ 37,527</u>	<u>\$ 36,079</u>	<u>\$ 35,487</u>	<u>\$ 31,799</u>	<u>\$ 27,806</u>	<u>\$ 24,533</u>	<u>\$ 22,146</u>	<u>\$ 19,017</u>	<u>\$ 17,109</u>	<u>\$ 15,798</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>8.8%</u>	<u>18.8%</u>	<u>24.4%</u>	<u>34.9%</u>	<u>42.3%</u>	<u>48.4%</u>

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

<sup>(2)</sup> 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

<u>Fiscal Year</u>		<u>Gross Revenue</u> <sup>(1)</sup>	<u>Operating and Maintenance Expenses</u> <sup>(2)</sup>	<u>Net Revenue Available for Debt Service</u>	<u>Total Debt Service Requirements</u> <sup>(3)</sup>			<u>Debt Service Coverage</u>
					<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2022	Water and Sewer	18,125,089	15,061,760	3,063,329	-	-	-	N/A

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

<sup>(2)</sup> Operating and Maintenance expenses exclude Depreciation and Interest.

<sup>(3)</sup> Stormwater Bonds paid off in 2013.

TABLE XV

## CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

## PROPERTY VALUES AND CONSTRUCTION

## LAST TEN FISCAL YEARS

<b>Fiscal Year Ended June 30</b>	<b>Total Estimated Actual Value Amounts in 000's <sup>(1)</sup></b>	<b>Single Family Units <sup>(2)</sup></b>	<b>Construction</b>	<b>Units</b>	<b>Multi- Family Construction</b>	<b>Units</b>	<b>Commercial Construction</b>	<b>Total Construction</b>
2013	6,435,200	181	47,217,835	18	12,818,173	3	1,049,445	61,085,453
2014	6,234,064 <sup>(3)</sup>	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 <sup>(3)</sup>	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
2022	8,229,531	331	118,540,319	19	44,618,932	15	14,494,142	177,653,393

<sup>(1)</sup> Estimated actual value - Horry County Assessment Office.

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

<sup>(3)</sup> 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</u> <sup>(1)</sup>	<u>Horry County Unemployment Rate</u> <sup>(2)</sup>
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%
2022	17,259	871,687	50,506	3.8%

<u>INCOME</u>	<b>2010</b>			
	<u>Horry County</u>		<u>North Myrtle Beach</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
\$0 - \$10,000	8,000	7.5%	425	5.4%
10,000 - 14,999	6,989	6.5%	286	3.6%
15,000 - 24,999	14,009	13.1%	993	12.6%
25,000 - 34,999	14,155	13.3%	860	10.9%
35,000 - 49,999	18,692	17.5%	1,359	17.2%
50,000 - 74,999	20,613	19.3%	1,640	20.8%
75,000 - 99,999	11,511	10.8%	878	11.1%
100,000 - 149,999	8,173	7.7%	923	11.7%
150,000 - 199,999	2,230	2.1%	352	4.5%
200,000 and over	2,361	2.2%	172	2.2%
Totals	106,733	100.0%	7,888	100.0%

Median Household Income:	\$42,642	\$50,264
Per Capita Income:	\$24,790	\$34,896
Average Household Size	2.31	1.95

NOTE: North Myrtle Beach population figures for 2013 through 2022 are calculated using the previous year's growth rate due to the fact that no published figures are available for these years.

<sup>(1)</sup> Based on 2010 Census.

<sup>(2)</sup> County information per S.C. Employment Security Commission.

TABLE XVII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA  
 PRINCIPAL EMPLOYERS

**Largest Employers in NMB - 2022 and 2013**

<b><u>Rank</u></b>	<b><u>Employer</u></b>	<b><u>2022 # of Employees</u></b>	<b><u>2013 # of Employees</u></b>
1	CITY OF NORTH MYRTLE BEACH	697	0
2	WYNDHAM SALES & MARKETING	641	0
3	WAL-MART	413	0
4	BOULINEAU'S INC	240	0
5	LOWES	196	0
6	HOUSE OF BLUES	182	0
7	BAYWATCH RESORT	156	0
8	PUBLIX	150	0
9	KROGER	149	0
10	AVISTA	143	0
11	HOME DEPOT	139	0
12	BEACH COVE	137	0
13	FOOD LION	130	0
14	BAREFOOT RESORT GOLF	125	0
15	ALABAMA THEATRE	110	0
16	PRINCE RESORTS	110	0
17	OLIVE GARDEN	105	0
18	CHICK-FIL-A	96	0
19	CRACKER BARREL	95	0
20	FLYING FISH	91	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

<b>Employees by Function/Program</b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Governmental Activities:</u></b>										
General Government										
Legislative	7.75	8	7.75	8	8	8	8	8	8	8
Administrative	12.25	11.5	11.25	10.75	11.5	11.5	11	11	11	11
City Court	6	5	5	5	5	5	5	5	5.5	5.5
Information Services	8.25	7.75	8	8	8	8	7.5	7.5	7	6
Finance										
Accounting/Revenue	9.25	10	12.5	12.25	12.25	13.75	12.75	12	12	12
Purchasing	2.5	2	3	4	4.25	4	4.75	4	4	4
Risk Management	1.5	0	0	0	0	0	0	0	0	0
Public Safety										
Administration	23.5	17.75	18.75	19.5	17	16.5	16.25	13	12	12
Detectives	10	9	10	11	11	10.5	10.5	11	11	10
Public Safety & Fire Officials	157.5	147.25	114	130	125	130.5	138	131	138	141
Planning & Community Development										
Administration	10	9	9	9	9	9	9	9	10	10
Inspection Services	9	9	9	9	9	9	9	9	9	9
Public Works										
Streets / Drainage	23.25	22	22	22.5	22	20.75	20	20	19	19
Fleet Maintenance	3	4.25	4.25	5	5	5	5	5	5	6
Facility Maintenance	4	3	2.5	3	3	3	3	3	3	3
Parks and Recreation										
Parks & Grounds	37	36.25	28.5	35	27.5	27.5	31.25	27	22.5	16.75
Custodians	6.5	6.25	5.5	4.75	5	5	5	5	5	6
Other Recreation Activities	18.5	19.75	19.5	24	23	23	24.5	22	15	9.75
<b><u>Business-type Activities:</u></b>										
Parks and Recreation										
Aquatic & Fitness Center	26.5	23.75	21.5	25	26	28.5	27.75	26	27	24.6
Beach Services	54	39.5	44.75	52	51.5	51.25	59	54	54	49
Other Recreation Activities	5	3.75	0	0	0	0	0	0	0	0
Water & Sewer Utility										
Administration	15	13.25	12.75	12.5	12.5	12.5	13	12	12	12
Wastewater Treatment	7.5	7	7	6.75	5.5	6.5	7	6	6	6
Wells/Lifts Maintenance	10.5	11	10	8.5	8	9	9	9	9	9
Construction Maintenance	23.75	21.75	20.5	21.75	20.75	19	17	18	19	19
Solid Waste Utility										
Administration	5.25	4.5	4.25	4	4	4	4	4	4	4
Sanitation Services	34.75	27.25	25.5	27.25	27.5	27.5	<u>26</u>	<u>28</u>	<u>27.6</u>	<u>29</u>
GRAND TOTALS	<u>532</u>	<u>479.5</u>	<u>436.75</u>	<u>478.5</u>	<u>461.3</u>	<u>468.3</u>	<u>483.25</u>	<u>459.5</u>	<u>455.6</u>	<u>441.6</u>

Source: City of North Myrtle Beach Finance Department

## CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

## MISCELLANEOUS STATISTICAL DATA

June 30, 2022

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 2022	182,400
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	31,820
Annual Fire Calls	5,470
Traffic Stops	7,506
Arrests	1,430

BUILDING

Permits Issued	4,913
Estimated Cost of Construction	\$364,461,864
Inspections	28,068

SOLID WASTE

Garbage - Tons	1,102
Construction Debris - Tons	117
Yard Waste - Tons	406
Recycling - Tons	195

AQUATIC & FITNESS CENTER

Member Packages	2,969
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BEACH SERVICES

Lifeguard Stands	54
Rental Boxes	48
Mobile Carts	12