

City of North Myrtle Beach South Carolina



**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

Issued by: Department of Finance
Jamie Baker, Acting Director

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

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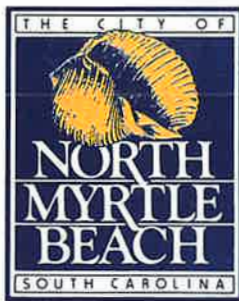
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INTRODUCTORY SECTION

CITY OF NORTH MYRTLE BEACH



May 9, 2025

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

We are pleased to present the Annual Comprehensive Financial Report of the City of North Myrtle Beach, South Carolina for the Fiscal Year Ended June 30, 2023. 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, 2023, 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 2027. 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 2025 while the other will be November 2027. 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 in April. The Council then makes any suggestion or changes in programs and policy and instructs staff to provide a budget document by the end of May, thirty 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

The long-term economic outlook for the City of North Myrtle Beach is positive despite current volatility in economic conditions. The community continues to be a highly visited vacation spot that offers popular attractions such as golf, the beach, entertainment, and shopping. As of this writing, construction continues to provide growth west of the waterway and in 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 has been used to start the expansion of the Sports & Tourism Park. The current park is providing sports tourism to the City, and when the park is expansion is completed 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 on a year round basis.

Most governmental and enterprise fund were positive for FY 23 with increased revenue and decreased expenditures and expenses as a result of various project delays. Currently many of the projects that have been delayed have started in FY 25 or are projected to start in FY 26.

Long-Term Financial Planning

The City has been able to maintain consistent growth over the last five years and is projected to experience moderate growth in the future. 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 still remain favorable, and the City has maintained a very solid cash balance and will protect that balance into the future.

ACKNOWLEDGEMENTS

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,

A handwritten signature in black ink, appearing to read "Jamie Baker", written in a cursive style.

Jamie Baker, CPA
Acting Finance Director

City of North Myrtle Beach, South Carolina

PRINICIPAL OFFICIALS

June 30, 2023

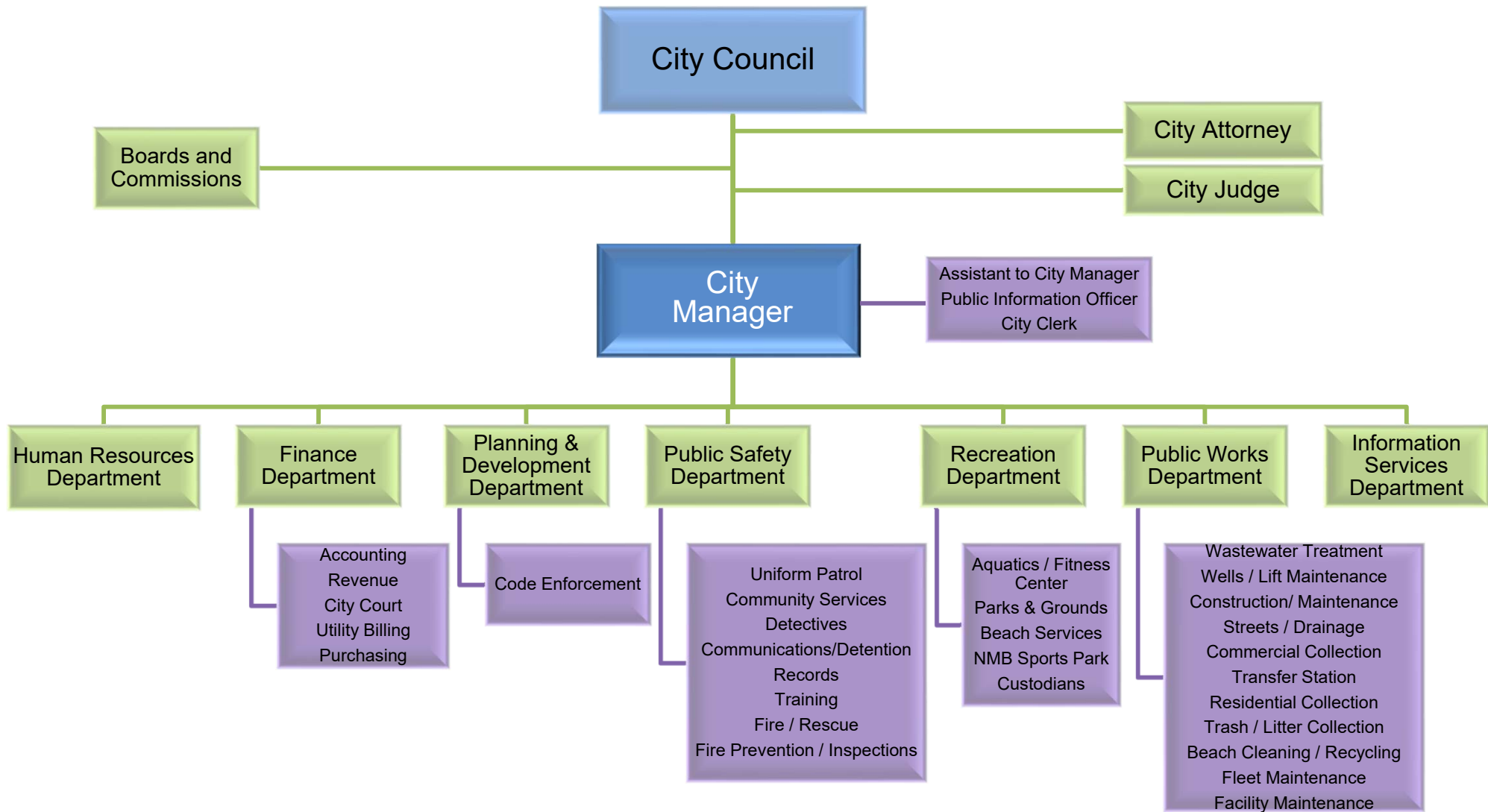
Elected

Mayor Marilyn B. Hatley
Councilmember, Cherry Grove Ward Fred Coyne
Councilmember, Crescent Beach Ward Jay Baldwin
Councilmember, Ocean Drive Ward Bubba Collins
Councilmember, Windy Hill Ward Nicole Fontana
Councilmember, At-Large..... Trey Skidmore
Councilmember, At-Large..... Hank Thomas

Appointed

City Manager Michael Mahaney
Finance Director Randy Wright
Information Services Director Robert Foor
Parks and Recreation Director Matt Gibbons
Planning and Development Director James Wood
City Engineer/Public Works Director Kevin Blayton
Chief of Police..... Dana Crowell
Chief of Fire Rescue/Emergency Preparedness Director..... Billy Floyd
Human Resources Director..... Tammy O’Berry

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CITY OF NORTH MYRTLE BEACH

FINANCIAL SECTION

CITY OF NORTH MYRTLE BEACH

REPORT OF INDEPENDENT AUDITOR

CITY OF NORTH MYRTLE BEACH

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

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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, 2023, 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, 2023, 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, 2023), 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 2022 individual fund financial statements and schedules has been derived from the City's 2022 audited financial statements, and in my report dated August 10, 2023, I expressed an unmodified opinion on those financial statements.

Other Matters

Emphasis of Matter

As discussed in *Note 18* to the financial statements, the governmental activities, the business-type activities and the proprietary fund financial statements have been restated as a result of the City implementing new accounting standards. 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.



April 30, 2025
Columbia, South Carolina

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

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, 2023. 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 (\$349.7 million) and deferred outflows of resources (\$9.8 million) collectively totaled \$359.5 million for the year end June 30, 2023, and exceeded total liabilities (\$62.6 million) and deferred inflows of resources (\$14.3 million) by \$282.6 million. At June 30, 2023, total unrestricted net position resulted in a positive of \$37.0 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 \$34.8 million for the year ended June 30, 2023. The Governmental Activities contributed \$31.6 million and the Business-type Activities increased by \$3.2 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, 2023.

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, 2023 (with comparative amounts of June 30, 2022) 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	
	2023	2022	2023	2022	2023	2022
<u>Assets:</u>						
Cash and cash equivalents:						
Unrestricted	\$ 54,302	\$ 48,969	\$ 13,446	\$ 13,980	\$ 67,748	\$ 62,949
Restricted	6,470	1,535	2,532	2,444	9,002	3,979
Other current assets	17,374	12,271	6,709	2,358	24,083	14,629
Capital assets, net of accumulated depreciation	151,619	126,038	92,660	89,525	244,279	215,563
Other assets, net of accumulated amortization	—	—	4,596	4,821	4,596	4,821
Total assets	229,765	188,813	119,943	113,128	349,708	301,941
Deferred Outflows of Resources	9,317	8,102	478	532	9,795	8,634
<u>Liabilities:</u>						
Current liabilities	12,303	5,902	5,827	6,122	18,130	12,024
Long term liabilities	39,389	34,145	5,141	5,436	44,530	39,581
Total liabilities	51,692	40,047	10,968	11,558	62,660	51,605
Deferred Inflows of Resources	8,907	9,887	5,384	1,168	14,291	11,055
<u>Net Position:</u>						
Net investment in capital/right-to-use assets	149,996	125,394	92,322	88,356	242,318	213,750
Restricted	3,212	4,040	—	—	3,212	4,040
Unrestricted (deficit)	25,275	17,547	11,747	12,578	37,022	30,125
Total net position	\$178,483	\$146,981	\$104,069	\$100,934	\$282,552	\$247,915

Governmental Activities – For 2023, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$78.1 million, or 34.0% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation; right-use assets, net of accumulated amortization) equaled \$151.6 million or 66.0% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$12.3 million, or 23.8% of total liabilities. Long-term (non-current) liabilities totaled \$39.4 million, or 76.2% of the respective total.

Business-type Activities – For 2023, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$22.7 million, or 18.9% of total assets. Non-current assets (consisting of capital assets, net of accumulated depreciation and other assets) equaled \$97.2 million, or 81.1% of total assets. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$5.8 million, or 53.1% of the respective total liabilities. Long-term (non-current) liabilities totaled \$5.1 million, or 46.9% 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, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$282.6 million at the end of June 30, 2023 (or \$178.5 million for Governmental Activities and \$104.1 million for Business-type Activities).

By far the largest portion (\$242.3 million) of the City’s 2023 total net position reflects its investment in capital/right-to-use assets (e.g., land, buildings, machinery, equipment, infrastructure and leased assets), less any related debt used to acquire those assets that are still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital/right-to-use 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/right-to-use assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (Continued)

The City's 2023 restricted net position, totaling \$3.2 million, consists entirely in the Governmental Activities, zero dollars 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 \$37.0 million (consisting of Governmental Activities deficit \$25.3 million and Business-type Activities positive \$11.7 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 2023 and FY 2022 are illustrated in the following table (*with amounts shown in thousands*):

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program Revenue:						
Charges for services	\$ 7,682	\$ 7,098	\$ 29,609	\$ 28,861	\$ 37,291	\$ 35,959
Operating grants and contributions	1,952	269	452	515	2,404	784
Capital grants and contributions	15,077	2,914	5,143	3,045	20,220	5,959
General revenue:						
Property taxes	22,568	20,934	—	—	22,568	20,934
State shared and other taxes	42,424	47,623	—	—	42,424	47,623
Investment earnings	578	43	174	80	752	123
Other	138	209	—	—	138	209
Total revenue	90,419	79,090	35,378	32,501	125,797	111,591
Expenses:						
General government	2,130	11,786	—	—	2,130	11,786
Finance	2,228	1,641	—	—	2,228	1,641
Information services	782	771	—	—	782	771
Public safety	23,699	19,011	—	—	23,699	19,011
Planning and development	2,413	580	—	—	2,413	580
Public works	14,312	8,895	—	—	14,312	8,895
Parks and recreation	6,731	8,450	—	—	6,731	8,450
Support services	1,335	1,194	—	—	1,335	1,194
Interest on general long-term debt	2,808	117	—	—	2,808	117
Water and Sewer Utility	—	—	19,243	19,392	19,243	19,392
Solid Waste	—	—	6,557	5,873	6,557	5,873
Aquatic Center	—	—	3,063	2,397	3,063	2,397
Beach Service	—	—	3,607	3,228	3,607	3,228
Sports and Tourism Park	—	—	2,044	2,099	2,044	2,099
Total expenses	56,437	52,445	34,514	32,989	90,951	85,434
Changes in net position before transfers	33,982	26,645	864	(488)	34,846	26,157
Transfers in (out)	(2,357)	(2,492)	2,357	2,492	—	—
Change in net position	31,625	24,153	3,221	2,004	34,846	26,157
Net position – beginning of year	146,981	116,906	100,934	97,354	247,915	214,260
Cumulative effect of restatement	(123)	5,922	(86)	1,576	(209)	7,498
Net position – end of year	\$ 178,483	\$ 146,981	\$ 104,069	\$ 100,934	\$ 282,552	\$ 247,915

Of total net position of \$282.6 million at June 30, 2023, \$178.5 million (and \$146.9 million at June 30, 2022) represents net position of the City's Governmental Activities, and \$104.1 million (and \$100.9 million in 2022) represents total net position of the City's Business-type Activities. At the end of fiscal year 2023, the City is able to report 'positive' changes in net position even with the accounting of GASB Statements No. 68 (pension) and No. 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 accommodation and hospitality fees. The prior year restatements resulted from implementation of new GASB standards for the right-to-use assets (leases and subscription-based information technology arrangements) (*see Notes 3 and 7*).

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.

<i>(amounts shown in thousands)</i>					
	Expenses	Total Program Revenue	Net Expenses	% Funded by Program Revenue	% Required to Funded by General Revenue
General govt. admin.	\$ (2,130)	\$ 337	\$ (1,793)	15.8%	84.2%
Finance	(2,228)	—	(2,228)	—	100.0%
Information services	(782)	—	(782)	—	100.0%
Public safety	(23,699)	754	(22,945)	3.2%	96.8%
Planning and development	(2,413)	1,598	(815)	66.2%	33.8%
Public works	(14,312)	20,265	5,953	100.0%	—
Parks and recreation	(6,731)	1,758	(4,973)	26.1%	73.9%
Support services	(1,334)	—	(1,334)	—	100.0%
Debt service interest	(2,808)	—	(2,808)	—	100.0%
Totals	\$ (56,437)	\$ 24,712	\$ (31,725)	43.8%	56.2%

Governmental Activities absorbed 78.98% of the net position deficit in the City's Insurance Reserves Internal Services Fund in 2023. The City also allocates its depreciation of capital/right-to-use assets to the City's functions (see *Note 6*), its Program Revenues covered 43.8% of expenses to fund 2023 Governmental Activities (as compared to 19.6% in 2022). General Revenues of 56.2% in 2023 (as compared to 80.4% in 2022) were required to fund the balance, which are shown below:

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

Property taxes	\$ 22,568
Accommodation/hospitality taxes	27,397
State shared taxes – unrestricted	1,581
Licenses and franchise taxes	13,446
Investment earnings	578
Other revenues	138
Total general revenue before transfers	\$ 65,708

Fund Financial Analysis

General Fund Budgetary Highlights

The General Fund final budgeted revenues were \$38.9 million and achieved actual revenues of \$42.9 million, or within \$4.0 million of budget. Final expenditures budgeted for the General Fund were \$37.4 million with actual expenditures of \$41.9 million, before other financing sources and uses. The City budgeted a surplus in FY 22-23 of estimated revenues over its appropriated expenditures and other financing sources and uses totaling \$2.4 million. However, after considering Other Financing Sources and Uses, and transfers, the General Fund had an actual increase of \$2.6 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 \$3.5 million more transferred in than out to others, 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 2023.

The Water and Sewer Utility has been in operation for a number of years and resulted in an operating loss of \$3.8 million for the year ended June 30, 2023 (compared to \$3.3 million in 2022). While economic development continued to increase in 2023, related developer fees and other capital contributions increased in 2023, and along with steady costs, the Utility Fund realized a net position increase of \$1.7 million in 2023 compared to \$0.2 million in 2022.

The City's Solid Waste Enterprise Fund has been operating for a number of years and achieved an operating income of \$49,568 in 2023 (compared to \$675,357 in 2022). After non-operating revenue (expenses) and net transfers, the change in net position increased by \$497,477 in 2023 compared to \$884,448 in 2022.

The City's Aquatic/Fitness Center Enterprise Fund, in its 18th year of operations, incurred a net operating loss of \$611,105 in 2023 (compared to a loss of \$194,549 in 2022). After non-operating revenues (expenses) and net transfers, the change in net position increased by \$672,490 in 2023 compared to \$727,444 in 2022.

The City's Beach Service Enterprise Fund, in its 15th year of operations, incurred a net operating income of \$189,088 in 2023 (compared to \$345,309 in 2022). After non-operating revenues (expenses) and net transfers, the change in net position increased by \$458,887 in 2023 compared to \$1,161,309 in 2022.

The City's Sports and Tourism Enterprise Fund, in its 8th year of operation, incurred a net operating loss of \$548,907 in 2023 (compared to a loss of \$614,593 in 2022). After recognizing non-operating revenue (expenses), and net transfers, a change in net position increased by \$26,486 in 2023 compared to \$98,092 in 2022.

Capital Asset, Right-to-Use Assets and Debt Administration

Capital Assets – The City's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2023, amounts to \$242.5 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 \$150.1 million in 2023 compared to \$125.4 million in 2022. A major emphasis continued in 2023 with the City's multi-million dollar park and sports complex, roads and stormwater infrastructure. Net investment in Business-type Activities (Enterprise Fund) capital assets totaled \$92.4 million in 2023 compared to \$88.4 million in 2022. Additional information on the City's capital assets can be found in *Note 6* of this report.

Right-to-Use Assets – The City's investment in both leased assets and subscription-based information technology arrangements (SBITA) as of June 30, 2023, amounted to \$1.8 million (net of accumulated amortization). The Governmental Activities' net investment in right-to-use assets equaled \$1,555,408 and for Business-type Activities equaled \$252,000. Additional information on the City's right-to-use assets can be found in *Note 7* of this report.

Long-Term Debt – During 2023, the City issued a new \$3,242,000 Cherry Grove Improvement District Bonds (Capital Project Dredge Fund) backed by special assessment revenue. Business-type activities long-term debt is in the Aquatic Center Fund with an outstanding principal balance of \$595,793 at June 30, 2023. Additional information on the City's long-term debt can be found in *Note 8* 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 6,837,334	\$ 4,713,435	\$ 11,550,769
Equity in pooled cash and cash equivalents	47,464,772	8,732,897	56,197,669
Accounts receivables, net	9,795,871	2,230,509	12,026,380
Leases receivables – current portion	192,962	139,421	332,383
Due from other governments	5,049,400	104,478	5,153,878
Internal balances, net	865,405	(865,405)	—
Inventories and prepaids	1,442,890	618,619	2,061,509
Restricted assets:			
Cash and cash equivalents	6,469,673	16,312	6,485,985
Equity in pooled cash and cash equivalents	—	2,516,099	2,516,099
Deposits held by others	27,643	287,357	315,000
Total current assets	78,145,950	18,493,722	96,639,672
Non-currents assets:			
Capital assets not subject to depreciation	58,700,996	765,419	59,466,415
Capital assets, net of depreciation	91,363,022	91,643,273	183,006,295
Right-to-use assets, net	1,555,408	252,000	1,807,408
Leases receivables, non-current	—	4,192,935	4,192,935
Other assets, net	—	4,595,822	4,595,822
Total non-current assets	151,619,426	101,449,449	253,068,875
Total assets	229,765,376	119,943,171	349,708,547
Deferred outflows of resources:			
Pension plan related, net	7,520,034	—	7,520,034
OPEB related, net	1,796,808	478,208	2,275,016
Total deferred outflows of resources	9,316,842	478,208	9,795,050
Total Assets and Deferred Outflows	\$ 239,082,218	\$ 120,421,379	\$ 359,503,597
Liabilities, Deferred Inflows, and Net Position			
Current liabilities:			
Accounts payable	\$ 8,197,913	\$ 1,469,224	\$ 9,667,137
Accrued payroll and related taxes	873,672	506,608	1,380,280
Accrued interest payable	27,180	14,541	41,721
Due to other governments	16,450	—	16,450
Leases payable – current	812,915	14,756	827,671
Bonds, contracts and notes payable – current	605,782	976,122	1,581,904
Unearned revenue and deposits	332,970	129,091	462,061
Insurance reserves and claims payable	383,999	102,199	486,198
Liabilities payable from restricted assets	1,052,393	2,614,509	3,666,902
Total current liabilities	12,303,274	5,827,050	18,130,324

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities, Deferred Inflows, and Net Position (continued)			
Long-term (non-current) liabilities:			
Accrued compensated absences	2,180,700	600,980	2,781,680
Leases payable	740,104	323,911	1,064,015
Bonds/notes payable	2,636,218	—	2,636,218
Net pension liabilities	17,987,847	—	17,987,847
Other post-employment benefits (OPEB) liability	15,844,212	4,216,831	20,061,043
Total long-term liabilities	39,389,081	5,141,722	44,530,803
Total liabilities	51,692,355	10,968,772	62,661,127
Deferred inflows of resources:			
Lease receivables	192,962	4,332,356	4,525,318
Pension plan related, net	4,763,790	—	4,763,790
OPEB related, net	3,950,461	1,051,389	5,001,850
Total deferred inflows of resources	8,907,213	5,383,745	14,290,958
Net position:			
Net investment in capital/right-to-use assets	149,995,985	92,322,025	242,318,010
Restricted for:			
Tourism related	1,013,481	—	1,013,481
Public safety pensions	2,101,320	—	2,101,320
Cherry Grove District improvements	—	—	—
Public safety assistance	97,289	—	97,289
Unrestricted (deficit)	25,274,575	11,746,837	37,021,412
Total net position	178,482,650	104,068,862	282,551,512
Total Liabilities, Deferred Inflows, and Net Position	\$ 239,082,218	\$ 120,421,379	\$ 359,503,597

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions and Programs	Primary Government						
	Program Revenue				Net (Expense) Revenue and Changes in		
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:							
General government admin.	\$ (2,129,753)	\$ 337,107	\$ —	\$ —	\$ (1,792,646)	\$ —	\$ (1,792,646)
Finance	(2,228,329)	—	—	—	(2,228,329)	—	(2,228,329)
Information Services	(782,056)	—	—	—	(782,056)	—	(782,056)
Public safety	(23,699,189)	446,322	9,710	297,658	(22,945,499)	—	(22,945,499)
Planning and development	(2,412,685)	1,598,241	—	—	(814,444)	—	(814,444)
Public works	(14,312,482)	3,661,428	1,942,628	14,660,619	5,952,193	—	5,952,193
Parks and recreation	(6,730,617)	1,639,272	—	119,048	(4,972,297)	—	(4,972,297)
Support services	(1,334,510)	—	—	—	(1,334,510)	—	(1,334,510)
Debt service – interest	(2,807,751)	—	—	—	(2,807,751)	—	(2,807,751)
Total governmental activities	(56,437,372)	7,682,370	1,952,338	15,077,325	(31,725,339)	—	(31,725,339)
Business-type Activities:							
Water and Sewer Utility	(19,243,068)	15,519,927	271,736	5,143,412	—	1,692,007	1,692,007
Solid Waste	(6,557,158)	6,514,328	3,741	—	—	(39,089)	(39,089)
Aquatic Center	(3,062,060)	2,337,900	—	—	—	(724,160)	(724,160)
Beach Service	(3,607,043)	3,736,721	882	—	—	130,560	130,560
Sports and Tourism Park	(2,044,330)	1,500,558	175,393	—	—	(368,379)	(368,379)
Total business-type activities	(34,513,659)	29,609,434	451,752	5,143,412	—	690,939	690,939
Total functions and programs	\$ (90,951,031)	\$ 37,291,804	\$ 2,404,090	\$ 20,220,737	(31,725,339)	690,939	(31,034,400)
General Revenue and Transfers							
General Revenue:							
Property taxes					22,568,464	—	22,568,464
Accommodations and hospitality taxes					27,397,172	—	27,397,172
State shared taxes – unrestricted					1,580,771	—	1,580,771
Business licenses and franchise taxes					13,445,689	—	13,445,689
Unrestricted investment earnings					577,500	173,348	750,848
Miscellaneous					137,527	—	137,527
Transfers:							
Transfers - in (out)					(2,357,385)	2,357,385	—
Total general revenue and transfers					63,349,738	2,530,733	65,880,471
Changes in net position					31,624,399	3,221,672	34,846,071
Net position, beginning of year					146,980,691	100,933,857	247,914,548
Cumulative effect of restatement (Note 18)					(122,400)	(86,667)	(209,107)
Net position, end of year					<u>\$ 178,482,650</u>	<u>\$ 104,068,862</u>	<u>\$ 282,551,512</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Cherry Grove Dredge Fund	Stormwater Drainage Fund	Local (1.5%) A-Tax Fund	Local (1.0%) Hospitality Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 6,609,235	\$ 228,099	\$ —	\$ —	\$ —	\$ —	\$ 6,837,334
Equity in pooled cash and cash equivalents	1,196,307	—	15,092,360	6,845,034	13,174,344	11,156,727	47,464,772
Receivables, net	4,542,832	99	66,036	2,226,905	1,835,034	177,176	8,848,082
Due from other funds	12,869,072	—	650,392	—	—	—	13,519,464
Due from other governments	860,033	—	—	—	—	4,189,367	5,049,400
Inventories and prepaids	466,562	—	—	—	—	134,700	601,262
Restricted assets:							
Cash and cash equivalents	860,584	5,482,801	—	—	—	65,000	6,408,385
Total assets	<u>\$ 27,404,625</u>	<u>\$ 5,710,999</u>	<u>\$ 15,808,788</u>	<u>\$ 9,071,939</u>	<u>\$ 15,009,378</u>	<u>\$ 15,722,970</u>	<u>\$ 88,728,699</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts and retainage payable	\$ 1,776,384	\$ 129,400	\$ 4,782,963	\$ —	\$ —	\$ 1,404,417	\$ 8,093,164
Accrued payroll and withholdings payable	869,083	—	—	—	—	—	869,083
Deposits and performance bonds	332,970	—	—	—	—	—	332,970
Insurance claims	—	—	—	—	—	—	—
Due to other funds	467,191	5,254,124	—	893,464	510,342	1,166,441	8,291,562
Due to other governments	16,450	—	—	—	—	—	16,450
Unearned revenue	—	—	—	—	—	—	—
Payable from restricted assets	763,295	—	—	—	—	—	763,295
Total liabilities	<u>4,225,373</u>	<u>5,383,524</u>	<u>4,782,963</u>	<u>893,464</u>	<u>510,342</u>	<u>2,570,858</u>	<u>18,366,524</u>
Fund balances:							
Non-spendable	466,562	—	—	—	—	134,700	601,262
Restricted by others	97,289	—	—	—	—	1,013,481	1,110,770
Committed by ordinance	—	327,475	—	8,178,475	14,499,036	1,911,414	24,916,400
Assigned by management	—	—	11,025,825	—	—	10,742,909	21,768,734
Unassigned (deficit) reported in:							
General Fund	22,615,401	—	—	—	—	—	22,615,401
Special Revenue Fund	—	—	—	—	—	—	—
Debt and Capital Service Fund	—	—	—	—	—	(650,392)	(650,392)
Total fund balances	<u>23,179,252</u>	<u>327,475</u>	<u>11,025,825</u>	<u>8,178,475</u>	<u>14,499,036</u>	<u>13,152,112</u>	<u>70,362,175</u>
Total liabilities and fund balances	<u>\$ 27,404,625</u>	<u>\$ 5,710,999</u>	<u>\$ 15,808,788</u>	<u>\$ 9,071,939</u>	<u>\$ 15,009,378</u>	<u>\$ 15,722,970</u>	<u>\$ 88,728,699</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

	Total Governmental Funds
Reconciliation to amounts reported for governmental activities in the Statement of Net Position (see Note 16):	
Total fund balances – total governmental funds	\$ 70,362,175
Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.	151,619,426
Internal service funds are used by management to charge the costs of health insurance to individual funds and are not reported in these funds.	(21,268,222)
Defund outflows of resources related to pensions are not financial uses, and therefore are not reported in these funds.	7,520,034
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(24,986,973)
Deferral inflows of resources related to pensions are not financial resources, and therefore are not reported in these funds.	(4,763,790)
	<u>108,120,475</u>
Net position, end of year – Governmental Activities	<u>\$ 178,482,650</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, 2023

	General Fund	Cherry Grove Dredge Fund	Stormwater Drainage Fund	Local (1.5%) A-Tax Fund	Local (1%) Hospitality Fund	Other Governmental Funds	Total Governmental Funds
Revenue							
Property taxes	\$ 22,568,464	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 22,568,464
Special assessments	—	—	—	—	—	1,942,628	1,942,628
Licenses and permits	14,996,500	—	—	—	—	—	14,996,500
Fines and forfeitures	324,999	—	—	—	—	—	324,999
Use of money and property	476,276	74,926	125,369	—	—	154,065	830,636
Unrestricted intergovernmental	1,580,771	—	—	—	—	—	1,580,771
Restricted intergovernmental	447,936	—	11,000,000	10,488,588	10,323,814	9,129,842	41,390,180
Sales and service charges	1,845,016	—	3,096,575	—	—	47,430	4,989,021
Miscellaneous	711,650	—	—	—	—	1,084,317	1,795,967
Total revenue	42,951,612	74,926	14,221,944	10,488,588	10,323,814	12,358,282	90,419,166
Expenditures							
Current:							
General government administration	5,771,723	—	—	—	—	—	5,771,723
Finance	1,554,627	—	71,916	—	—	—	1,626,543
Information services	676,552	—	—	—	—	—	676,552
Public safety	21,994,981	—	—	—	—	—	21,994,981
Planning/development	2,133,247	—	—	—	—	—	2,133,247
Public works	3,476,368	—	—	—	—	—	3,476,368
Parks and recreation	4,886,648	—	—	—	—	2,454,450	7,341,098
Support services	1,383,366	—	—	—	—	—	1,383,366
Debt service	—	—	—	—	—	791,412	791,412
Capital outlay	2,025,052	3,723,407	17,534,141	—	—	12,081,573	35,364,173
Total expenditures	43,902,564	3,723,407	17,606,057	—	—	15,327,435	80,559,463
Excess (deficiency) of revenue over (under) expenditures	(950,952)	(3,648,481)	(3,384,113)	10,488,588	10,323,814	(2,969,153)	9,859,703
Other Financing Sources (Uses)							
Bond proceeds	—	3,242,000	—	—	—	—	3,242,000
Transfers in	10,680,061	—	119,250	—	—	10,816,700	21,616,011
Transfers (out)	(7,174,197)	—	—	(7,761,027)	(4,583,229)	(4,499,140)	(24,017,593)
Total other financing sources (uses)	3,505,864	3,242,000	119,250	(7,761,027)	(4,583,229)	6,317,560	840,418
Net change in fund balances	2,554,912	(406,481)	(3,264,863)	2,727,561	5,740,585	3,348,407	10,700,121
Fund balances, beginning of year	20,624,340	733,956	14,290,688	5,450,914	8,758,451	9,803,705	59,662,054
Fund balances, end of year	\$ 23,179,252	\$ 327,475	\$ 11,025,825	\$ 8,178,475	\$ 14,499,036	\$ 13,152,112	\$ 70,362,175

— 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 16):**

Net change in fund balances – total governmental funds	\$ 10,700,121
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.	24,416,784
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.	(685,489)
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.	(28,373)
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.	(2,778,644)
	<u>20,924,278</u>
Change in Net Position – Governmental Activities	<u>\$ 31,624,399</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUNDS

JUNE 30, 2023

	Business-type Activities – Enterprise Funds					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
Assets and Deferred Outflows							
Current assets:							
Cash and cash equivalents	\$ 4,699,440	\$ —	\$ 695	\$ 8,100	\$ 5,200	\$ 4,713,435	\$ —
Equity in pooled cash and cash equivalents	2,064,463	4,722,296	50,142	1,895,996	—	8,732,897	—
Accounts receivables, net	1,679,575	173,454	21,516	38,951	64,766	1,978,262	1,200,037
Lease receivables – current portion	129,401	—	—	—	10,020	139,421	—
Due from other funds	—	—	—	296,745	467,191	763,936	—
Due from other governments	—	104,478	—	—	—	104,478	—
Inventories and prepaid items	394,624	—	—	—	—	394,624	1,065,621
Restricted assets:							
Cash and cash equivalents	—	—	—	—	—	—	77,600
Equity in pooled cash and cash equivalents	2,516,099	—	—	—	—	2,516,099	—
Deposits with others	280,000	—	—	—	—	280,000	35,000
Total current assets	11,763,602	5,000,228	72,353	2,239,792	547,177	19,623,152	2,378,258
Non-current assets:							
Capital assets, not subject to depreciation	765,419	223,524	—	—	—	988,943	—
Capital assets, subject to depreciation, net	81,937,091	2,005,621	5,654,371	1,130,899	691,767	91,419,749	—
Total capital assets, net	82,702,510	2,229,145	5,654,371	1,130,899	691,767	92,408,692	—
Right-to-use assets, net	252,000	—	—	—	—	252,000	—
Lease receivables, non-current	3,866,562	—	—	—	326,373	4,192,935	—
Other assets, net	4,595,822	—	—	—	—	4,595,822	—
Total non-current assets	91,416,894	2,229,145	5,654,371	1,130,899	1,018,140	101,449,449	—
Total assets	103,180,496	7,229,373	5,726,724	3,370,691	1,565,317	121,072,601	2,378,258
Deferred outflows of resources:							
Deferred outflows – OPEB related	—	—	—	—	—	—	2,275,016
Total assets and deferred outflows	<u>\$103,180,496</u>	<u>\$ 7,229,373</u>	<u>\$ 5,726,724</u>	<u>\$ 3,370,691</u>	<u>\$ 1,565,317</u>	<u>\$121,072,601</u>	<u>\$ 4,653,274</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2023

	Business-type Activities – Enterprise Funds					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
Liabilities and Net Position							
Current liabilities:							
Accounts payable	\$ 1,024,351	\$ 176,944	\$ 21,239	\$ 116,654	\$ 102,157	\$ 1,441,345	\$ 132,627
Accrued payroll and related taxes	129,670	87,475	50,634	226,110	11,498	505,387	5,810
Due to other funds	—	—	—	—	468,292	468,292	5,523,546
Accrued interest payable	—	—	14,541	—	—	14,541	—
Leases payable – current portion	14,756	—	—	—	—	14,756	—
Contracts and note payable – current portion	380,329	—	595,793	—	—	976,122	—
Unearned revenue and deposits	—	—	95,011	—	34,080	129,091	—
Insurance reserves and claims payable	—	—	—	—	—	—	486,198
Liabilities payable from restricted assets	2,537,568	—	—	—	—	2,537,568	366,039
Total current liabilities	4,086,674	264,419	777,218	342,764	616,027	6,087,102	6,514,220
Long-term (non-current) liabilities:							
Accrued compensated absences	344,799	180,048	69,141	3,110	2,878	599,976	4,776
Leases payable – non-current	323,911	—	—	—	—	323,911	—
Note payable	—	—	—	—	—	—	—
Other post-employment benefits (OPEB)	—	—	—	—	—	—	20,061,043
Total long-term liabilities	668,710	180,048	69,141	3,110	2,878	923,887	20,065,819
Total liabilities	4,755,384	444,467	846,359	345,874	618,905	7,010,989	26,580,039
Deferred inflows of resources:							
Deferred inflows – Leases receivable	3,995,963	—	—	—	336,393	4,338,356	—
Deferred inflows – OPEB related	—	—	—	—	—	—	5,001,850
	3,995,963	—	—	—	336,393	4,338,356	5,001,850
Net position:							
Net investment in capital/right-to-use assets	82,954,510	2,229,145	5,058,578	1,130,899	691,767	92,064,899	—
Restricted for:							
Future capacity and deposits	—	—	—	—	—	—	—
Health insurance claims	—	—	—	—	—	—	—
Unrestricted (deficit)	11,474,639	4,555,761	(178,213)	1,893,918	(81,748)	17,664,357	(26,928,615)
Total net position	94,429,149	6,784,906	4,880,365	3,024,817	610,019	109,729,256	(26,928,615)
Total liabilities and net position	\$103,180,496	\$ 7,229,373	\$ 5,726,724	\$ 3,370,691	\$ 1,565,317		\$ 4,653,274
<i>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 16):</i>						(5,660,394)	
Net Position of Business-type Activities						\$ 104,068,862	

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, 2023

	Business-type Activities – Enterprise Funds						
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park	Totals	Internal Service Fund
Operating Revenue							
Sales and service charges	\$ 15,519,927	\$ 6,514,328	\$ 2,337,900	\$ 3,736,721	\$ 1,500,558	\$ 29,609,434	\$ 11,127,998
Total operating revenue	15,519,927	6,514,328	2,337,900	3,736,721	1,500,558	29,609,434	11,127,998
Operating Expenses							
General government administration	1,649,380	480,558	171,088	261,029	11,076	2,573,131	6,816,181
Finance	1,192,814	158,706	29,750	111,563	14,875	1,507,708	381,031
Information services	582,765	116,553	38,851	58,276	19,425	815,870	20,114
Public safety	97,465	—	—	946,312	—	1,043,777	1,533,785
Planning/development	47,901	—	—	—	—	47,901	268,835
Public works	11,752,860	5,047,261	—	—	—	16,800,121	2,418,011
Parks and recreation	—	—	2,350,179	1,952,153	1,807,211	6,109,543	556,737
Support services	608,992	154,421	68,645	50,270	—	882,328	24,092
Depreciation and amortization	3,356,693	507,261	290,492	168,030	196,878	4,519,354	—
Total operating expenses	19,288,870	6,464,760	2,949,005	3,547,633	2,049,465	34,299,733	12,018,786
Operating income (loss)	(3,768,943)	49,568	(611,105)	189,088	(548,907)	(4,690,299)	(890,788)
Non-operating Revenue (Expenses)							
Interest earned on investments	102,565	46,268	2,398	22,117	—	173,348	(820)
Interest expense	—	—	(31,488)	—	—	(31,488)	—
Non-operating program fees and other	271,736	3,741	—	882	175,393	451,752	23,682
Total non-operating revenue (expenses)	374,301	50,009	(29,090)	22,999	175,393	593,612	22,862
Income (loss) before contributions and transfers	(3,394,642)	99,577	(640,195)	212,087	(373,514)	(4,096,687)	(867,926)
Capital Contributions	5,143,412	—	—	—	—	5,143,412	—
Transfers – in (out)	—	397,900	1,312,685	246,800	400,000	2,357,385	—
Change in net position	1,748,770	497,477	672,490	458,887	26,486	3,404,110	(867,926)
Net position, beginning of year	92,767,046	6,287,429	4,207,875	2,565,930	583,533	106,411,813	(26,060,689)
Cumulative effect of restatement (<i>Note 18</i>)	(86,667)	—	—	—	—	(86,667)	—
Net position, end of year	\$ 94,429,149	\$ 6,784,906	\$ 4,880,365	\$ 3,024,817	\$ 610,019	109,729,256	\$ (26,928,615)

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 16):

(182,438)

Change in Net Position of Business-type Activities

\$ 3,221,672

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2023

	Business-type Activities – Enterprise Fund					Totals	Internal Service Fund
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park		
Cash flows from operating activities							
Cash received from:							
User fees	\$ 14,915,846	\$ 6,470,909	\$ 2,295,248	\$ 3,728,515	\$ 1,436,890	\$28,847,408	\$ 10,234,295
Tap fees	230,496	—	—	—	—	230,496	—
Service and miscellaneous charges	183,470	—	—	—	—	183,470	—
Cash paid to (for):							
Employee salaries and related costs	(5,139,258)	(2,623,171)	(1,429,889)	(1,777,062)	(279,168)	(11,248,548)	—
Water and sewer system costs	(7,555,835)	—	—	—	—	(7,555,835)	—
Garbage collection services	—	(2,183,243)	—	—	—	(2,183,243)	—
Aquatic Center operations	—	—	(801,088)	—	—	(801,088)	—
Beach Service operations	—	—	—	(737,486)	—	(737,486)	—
Sports and Tourism Park operations	—	—	—	—	(523,506)	(523,506)	—
Insurance claims costs	—	—	—	—	—	—	(13,014,499)
Overhead and miscellaneous costs	(3,439,464)	(1,112,126)	(344,046)	(753,887)	(957,371)	(6,606,894)	(29,750)
Net cash provided by (used in) operating activities	(804,745)	552,369	(279,775)	460,080	(323,155)	(395,226)	(2,809,954)
Cash flows from non-capital and related financing activities							
Inter-fund borrowing/payments, net	—	—	(324,878)	(4,137)	(160,055)	(489,070)	2,853,854
Tower rental and other	240,426	—	—	—	—	240,426	—
Intergovernmental grants	—	—	—	—	—	—	—
Local accommodation/hospitality taxes and other transfers	—	397,900	1,312,685	246,800	400,000	2,357,385	—
Non-operating fees, donations/fundraisers	31,310	3,741	—	882	175,393	211,326	23,682
Net cash provided by (used in) non-capital and related financing activities	271,736	401,641	987,807	243,545	415,338	2,320,067	2,877,536
Cash flows from capital and related financing activities							
Acquisition and construction of capital assets	(3,194,489)	(956,545)	(49,869)	(839,472)	(92,183)	(5,132,558)	—
Principal paid on bonds, notes, and contracts	—	—	(573,485)	—	—	(573,485)	—
Interest and bond agent fees on long-term debt	—	—	(36,934)	—	—	(36,934)	—
Capital contributions – impact fees, grants and other cash contributions	3,185,038	—	—	—	—	3,185,038	—
Net cash provided by (used in) capital and related financing activities	(9,451)	(956,545)	(660,288)	(839,472)	(92,183)	(2,557,939)	—

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

— CONTINUED —

	Business-type Activities – Enterprise Fund						Internal
	Water and Sewer Utility	Solid Waste	Aquatic/Fitness Center	Beach Service	Sports and Tourism Park	Totals	Service Fund
Cash flows from investing activities							
Interest received on investments	102,565	46,268	2,398	22,117	—	173,348	(820)
Net cash provided by (used in) investing activities	102,565	46,268	2,398	22,117	—	173,348	(820)
Net increase (decrease) in cash and cash equivalents	(439,895)	43,733	50,142	(113,730)	—	(459,750)	66,762
Cash and cash equivalents, beginning of year (of which \$2,442,393 is restricted)	9,719,897	4,678,563	695	2,017,826	5,200	16,422,181	10,838
Cash and cash equivalents, end of year (of which \$2,561,099 is restricted)	<u>\$ 9,280,002</u>	<u>\$ 4,722,296</u>	<u>\$ 50,837</u>	<u>\$ 1,904,096</u>	<u>\$ 5,200</u>	<u>\$15,962,431</u>	<u>\$77,600</u>
Reconciliation of operating income (loss) to net cash from operating activities							
Operating income (loss)	\$ (3,768,943)	\$ 49,568	\$ (611,105)	\$ 189,088	\$ (548,907)	\$ (4,690,299)	\$(890,788)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	3,356,693	507,261	290,492	168,030	196,878	4,519,354	—
Changes in assets and liabilities:							(893,703)
(Increase) decrease in accounts receivable	190,115	43,419	(3,718)	(8,206)	(63,668)	157,942	(523,172)
(Increase) decrease in inventories and prepaid items	10,578	—	—	—	—	10,578	54,275
Increase (decrease) in accounts and other payables	(615,873)	(71,775)	(7,365)	23,599	91,696	(579,718)	2,364
Increase (decrease) in payroll and accrued liabilities	22,685	23,896	12,987	87,569	76	147,213	—
Increase (decrease) in unearned revenue/deposit	—	—	38,934	—	770	39,704	—
Increase (decrease) in other post-employment benefits (OPEB), deferred outflows, and deferred inflows	—	—	—	—	—	—	(558,930)
Net cash provided by (used in) operating activities	<u>\$ (804,745)</u>	<u>\$ 552,369</u>	<u>\$ (279,775)</u>	<u>\$ 460,080</u>	<u>\$ (323,155)</u>	<u>\$ (395,226)</u>	<u>\$ (2,809,954)</u>
Supplemental disclosure of non-cash capital and related financing activities							
System contributions by developers	<u>\$ 1,958,374</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,958,374</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, 2023

	Pension Trust Funds	Custodial Fund
	Money Purchase Pension Plans	Firemen's (1%) Fund
Assets		
Cash and cash equivalents	\$ —	\$ 506,067
Cash and temporary investments – mutual funds	34,824,227	—
Receivables – Participant loans	913,705	—
Total assets	<u>\$ 35,737,932</u>	<u>\$ 506,067</u>
Liabilities		
Accounts payable	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
Net Position		
Restricted for employee's pension benefits	35,737,932	—
Accounts held for City Firemen's Association	—	506,067
Total net position	<u>35,737,932</u>	<u>506,067</u>
Total liabilities and net position	<u>35,737,932</u>	<u>\$ 506,067</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, 2023

	Pension Trust Funds	Custodial Fund
	Money Purchase Pension Plans	Firemen's (1%) Fund
Additions		
Contributions:		
Employer contributions	\$ 1,292,453	\$ —
Employee (member) contributions	325,000	—
Investment income and net appreciation in fair value of investments	3,488,604	597
Non-vested rollover	68,695	—
Other:		
Amounts collected from the State	—	456,280
Total additions	<u>5,174,752</u>	<u>456,877</u>
Deductions		
Benefit payments and loan issuance costs	2,273,635	—
Trustee fees	37,736	—
Forfeitures	20,824	—
Payment for City firemen's association activities	—	29,339
Total deductions	<u>2,332,195</u>	<u>29,339</u>
Change in net position	2,842,557	427,538
Net position, beginning of year	<u>32,895,375</u>	<u>78,529</u>
Net position, end of year	<u><u>\$ 35,737,932</u></u>	<u><u>\$ 506,067</u></u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023, 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, Cherry Grove Dredge 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 Cherry Grove Improvement District (Special Assessment) Bonds.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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

Proprietary Funds

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

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City uses the Water and Sewer Utility Fund to account for all financial resources associated with furnishing water and sewer service to domestic, business and industrial users; the Solid Waste Fund to account for all revenues and expenses related to the City's solid waste activities; the Aquatic Center Fund to account for all revenues and expenses associated with the operation of the City's Aquatic and Fitness Center; the Beach Service Fund to account for all revenues and expenses related to the City's beach service activities; and the Sports and Tourism Park Fund to account for related activities.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position, and is used to report assets held in a trustee or 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 No. 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.

Budget Deficits and Fund Balances

For the year ended June 30, 2023, 'final budgeted' expenditures/expenses and other financing sources and uses exceeded estimated revenues as follows: – Capital Improvement Fund by \$1,813,900. 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, \$5.7 million, \$2.7 million, \$3.2 million, and \$2.0 million, respectively. At June 30, 2023, deficit fund balances/net position resulted in the following: Insurance Reserves Internal Service Fund by \$26,928,615. 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.

Lease Receivables

Pursuant to GASB #87, *Leases*, the City (as lessor/landlord) leases certain of its facilities to third-parties on both short and long-term lease basis. The long-term contracts are deemed to be 'leased assets' where 'lease receivables' and 'deferred inflows of resources' have been reported in the Statement of Net Assets at the present value of the future minimum lease payments as of the date of inception, or contract amendment. Lease revenue is recognized on a systemic and rational basis over the life of the respective lease.

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 No. 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, 2023, 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, 2023. 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 participate 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)

Right-to-use Leased Assets

Pursuant to GASB Statement No. 87, *Leases*, GASB requires entities to account for leases as exchange-like transactions for the ‘right-to-use’ the asset over the lease term or the underlying assets respective useful life. A lease is defined as a contract that conveys control of the right to use another entity’s non-financial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Accordingly, leased assets are reported as non-current right-to-use assets in the Statement of Net Position at the present value of the minimum obligation as of the date of inception, then amortized to expenses annually. The related lease debt is reported at the present value of the future minimum lease payments and is recognized as principal reduction and interest expense.

Subscription-Based Information Technology Arrangements

Pursuant to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), GASB requires entities to account for SBITA as exchange-like transactions for the ‘right-to-use’ the asset over the contract term or the underlying assets respective useful life. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Accordingly, contract assets are reported as non-current assets in the Statement of Net Position and then amortized to expenses annually. The related contract debt is reported at the present value of the future minimum contract payments and payments are recognized as principal reduction and interest expense annually.

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, 2023:

General Fund:	
Inventories and prepaid items	\$ 466,562
Street Improvement Capital Projects Fund:	
Inventories and prepaid items	134,700
Total Non-spendable	<u>\$ 601,262</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Restricted Fund Balance

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

General Fund:

Court-Bail bond	\$ 2,927
Drug enforcement	34,819
Public Safety Scholarship	50,385
Jr. Canine Fund	9,158
	<u>97,289</u>

Special Revenue Fund:

State (2%) A-tax	<u>1,013,481</u>
Total restricted by others	<u>\$ 1,110,770</u>

Committed Fund Balance

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

Special Revenue Funds:

Local (1.5%) A-Tax	\$ 8,178,475
Local (1%) Hospitality	14,499,036

Debt Service Funds:

Cherry Grove Improvement District Bonds	1,911,414
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Capital Projects Funds:

Cherry Grove dredge project	<u>327,475</u>
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Total committed by ordinance	<u>\$ 24,916,400</u>
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Assigned Fund Balance

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

Capital Projects Funds:

Capital Improvement projects	\$ 1,042,890
Street Improvement repairs and underground utilities	1,662,959
Beach Renourishment projects	2,144,756
Park Development projects	5,892,304
Stormwater Drainage projects	<u>11,025,825</u>

Total assigned by management	<u>\$ 21,768,734</u>
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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 2022 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, 2023, the carrying amount of the City's cash deposits with financial institutions was \$11,398,836 and the financial institution's balances totaled \$14,038,285. Of this balance, \$2,219,751 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, 2023, 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, 2023, the City had the following investment types:

	Fair Value	Weight Average Maturity (years)	Credit Rating
Repurchase agreements	\$ 54,140,441	n/a	n/a
Certificates of deposit	10,287,199	1 year	n/a
Money Market funds	1,408,018	n/a	Aa1
Mutual funds	34,824,227	n/a	AAA
Total carrying value	<u>\$ 100,659,885</u>		

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. At June 30, 2023, the City's investments were not materially exposed to custodial credit risk.

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 54%, 10%, 1%, and 35%, 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, 2023 are as follows:

Cash on hand	\$ 22,095
Carrying amount of cash deposits	11,398,836
Carrying amount of investments	<u>100,659,885</u>
Total	<u>\$ 112,080,816</u>
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 11,550,769
Equity in pooled cash and cash equivalents	56,197,669
Cash and cash equivalents-restricted	6,485,985
Equity in pooled cash and cash equivalents-restricted	<u>2,516,099</u>
Statement of Fiduciary Net Position:	
Cash and cash equivalents – Agency Fund	506,067
Investments – Pension Trust Funds:	
Money Purchase Retirement Plan #1	33,147,264
Money Purchase Retirement Plan #2	<u>1,676,963</u>
Total	<u>\$ 112,080,816</u>

3. Receivables

A. Accounts Receivable

Receivables at June 30, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 1,329,819	\$ —
Franchise fees	759,374	—
Grants	1,925,759	—
Cherry Grove Dredge projects	99	—
Capital improvements fees	65,000	—
Stormwater fees	66,036	—
Local accommodation and hospitality fees	4,061,939	—
Water and sewer accounts	—	1,684,575
Solid waste user fees	—	174,954
Aquatic Center	—	21,516
Beach Service	—	38,951
Sports tourism fees	—	64,766
Insurance reimbursements (\$1,200,037 before allocation)	947,790	252,247
Other	<u>1,969,574</u>	<u>—</u>
Gross receivables	11,125,690	2,237,09
Less: allowance for uncollectibles	<u>(1,329,819)</u>	<u>(6,500)</u>
Net accounts receivables	<u>\$ 9,795,871</u>	<u>\$ 2,230,509</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

3. Receivables (continued)

B. Lease Receivables

The City (as lessor/landlord) leases certain of its facilities to third-parties on both short and long-term lease basis. The short-term contracts are deemed not material to the financial statements. The long-term contracts are deemed to be ‘leased assets’ pursuant to GASB #87 where ‘lease receivables’ and ‘deferred inflows of resources’ have been reported in the Statement of Net Assets at the present value of the future minimum lease payments as of the date of inception, or contract amendment. Lease revenue is recognized on a systemic and rational basis over the life of the respective lease.

Governmental Activities

The City leases ground and building space in its community center and recreation facilities, including athletic fields and related building/event room facilities. Typically, rental of the community center, recreational/event facilities, athletic fields, etc., are on a short-term basis. The following outlines the long-term building lease contract for the General Fund.

Escod Building Lease

MIDCON Cables Co., contract dated April 1, 2014, with the initial term of five (5) years and extension options with the term ending April 2024. Lessee is required to pay the City annual rent based on contract rates. The present value of the MIDCON lease receivables equaled \$1,653,802 as of April 1, 2014, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$192,962.

Changes in the City’s Governmental Activities lease receivables at June 30, 2023 follows:

	Restated Balances			Balances
General Fund:	June 30, 2022	Additions	Deductions	June 30, 2023
Building Lease	\$ 374,684	\$ —	\$ (181,722)	\$ 192,962
Totals	\$ 374,684	\$ —	\$ (181,722)	192,962
Less, current portion				(192,962)
Long-term portion				\$ —

Business-type Activities

The City leases antenna space on its water tank towers along with certain ground leases. The following outlines the lease contracts for the Water and Sewer Utility Fund:

2nd Ave.

AT&T Mobility/Cingular Wireless, as successor to HTC Communications, Inc., contract dated March 17, 2009, with the initial term of five (5) years and four - five (5) year extension options. Lessee is required to pay the City monthly rent based on contract rates. Per lease amendment, dated June 27, 2014, monthly rent increases upon each renewal period (15% per option period) with the term ending March 2033. The present value of the AT&T/Cingular lease receivables equaled \$622,057 as of March 17, 2009, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$433,420.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

3. Receivables (continued)

B. Lease Receivables (continued)

Business-type Activities (continued)

41st Ave.

American Towers LLC (41st Ave Ground Lease), dated September 9, 2011, with the initial term of five (5) years and four - five (5) year extension options. Lessee is required to pay the City monthly rent based on contract rates. Per lease amendment dated September 9, 2014, lessee required to pay the City a percentage of annual gross revenues in lieu of rent based on 50% of sub-lease's contract rates with the term ending September 2029. The present value of the American Towers/Verizon lease receivables equaled \$296,275 as of September 9, 2014, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$150,125.

Bay St.

ATC South, LLC. (Bay St. Ground Lease), dated June 8, 2001, with the initial term of five (5) years and four - five (5) year extension options. Lessee is required to pay the City monthly rent based on contract rates. Per lease amendment dated June 12, 2013, term of lease extended through June 2056 with annual rent based on contract rates plus 3% annual escalation increases. The present value of the ATC lease receivables equaled \$959,904 as of June 13, 2013, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$967,523.

Church View Ln.

HTC Communications, Inc. (Church View Ln. Water Tank Antenna Space Lease), dated September 14, 2000, with the initial term of five (5) years and four - five (5) year extension options, term ending September 2024. Lessee is required to pay the City monthly rent based on contract rates plus escalation increases (15% per option period). The present value of the HTC lease receivables equaled \$349,184 as of September 14, 2000, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$50,200.

Church View Ln.

Verizon Wireless (Church View Ln. Water Tank Antenna Space Lease), dated June 2, 2015, with the initial term of five (5) years and four - five (5) year extension options, with the term ending June 2049. Lessee is required to pay the City monthly rent based on contract rates with annual rent based on contract rates plus 3% annual escalation increases. The present value of the VERIZON lease receivables equaled \$798,458 as of June 15, 2015, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$751,372.

Duffy St.

T-Mobile South LLC (formerly Vanguard Cellular Systems of SC) (Duffy St. Water Tank Antenna Space Lease.), dated May 20, 1996, with the initial term of five (5) years and five - five (5) year extension options. Lessee is required to pay the City monthly rent based on contract rates. Per 1st lease amendment dated May 20, 2021, term of lease extended through May 2050 with annual rent based on contract rates plus 3% annual escalation increases (15% per option period). The present value of the T-MOBILE lease receivables equaled \$724,056 as of May 20, 2021, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$687,371.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

3. Receivables (continued)

B. Lease Receivables (continued)

Business-type Activities (continued)

Edge Dr.

American Towers LLC (Edge Dr. Ground Lease), dated November 1, 2011, with the initial term of five (5) years and four - five (5) year extension options. Lessee required to pay the City a percentage of annual gross revenues in lieu of rent, where sub-lessee New Cingular (per amendment dated November 1, 2011) pays the City annual rent based on contract rates plus 3% annual escalation increases, with term ending November 2038. The present value of the American Towers/ New Cingular lease receivables equaled \$1,103,720 as of November 1, 2011, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$955,953.

The City leases its park lake along with certain ground leases for water-park activities. The following outlines the lease contract for the Sports and Tourism Fund:

Sports Complex Lake and Ground Lease

The City entered in a lease contract with Apex Water Park, Inc., dated September 24, 2015, as amended September 2, 2016, for the operation of a cable wake-board amenity on the lake located in the City's Park and Sports Complex (Sports Park and Tourism Fund) and to also include ground lease for pro shop, restaurant or grill/concession area. The initial term is ten (10) years, ending September 2, 2026, with two – ten (10) year optional renewal periods. Lessee is required to pay the City a percentage of annual gross revenues in lieu of rent, but at a minimum of \$20,000 per year. The minimum rent is to paid in 4 equal quarterly installments, due and payable on the first day of each calendar quarter beginning January 1, 2017. The present value of the minimum lease receivables equaled \$397,669 as of January 1, 2017, at an estimated (implicit) interest rate of three (3%) percent per annum. At June 30, 2023, outstanding lease receivables and deferred inflows of resources equaled \$336,393.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

3. Receivables (continued)

B. Lease Receivables (continued)

Summary

Changes in the City's Business-type Activities lease receivables at June 30, 2023 follows:

Water and Sewer Utility Fund:	Restated Balances June 30, 2022	Additions	Deductions	Balances June 30, 2023
Water Tank antenna space and related ground leases	\$ 4,111,534	\$ —	\$ (115,571)	\$ 3,995,963
Totals	\$ 4,111,534	\$ —	\$ (115,571)	3,995,963
Less, current portion				(129,401)
Long-term portion				\$ 3,866,562

Sports and Tourism Park Fund:	Restated Balances June 30, 2022	Additions	Deductions	Balances June 30, 2023
Sports Complex lake and ground lease	\$ 346,118	\$ —	\$ (9,725)	\$ 336,393
Totals	\$ 346,118	\$ —	\$ (9,725)	336,393
Less, current portion				(10,020)
Long-term portion				\$ 326,373

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, 2023, along with interfund transfers which occurred during the fiscal year were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
<u>Governmental Activities</u>				
General Fund	\$ 12,869,072	\$ (467,191)	\$ 10,680,061	\$ (7,174,197)
Special Revenue Funds:				
State Accommodations (2%) Tax Funds	—	(516,049)	—	(4,499,140)
Local Accommodations (1.5%) Tax Fund	—	(893,464)	—	(7,761,027)
Local Hospitality (1%) Fees Fund	—	(510,342)	—	(4,583,229)
Debt Service:				
Park Land Note	—	—	—	—
Cherry Grove Bonds	650,392	—	—	—
Capital Projects Funds:				
Park Improvement Fund	—	—	3,680,000	—
Capital Improvement Fund	—	—	5,120,400	—
Street Improvement Fund	—	—	1,510,000	—
Beach Renourishment Fund	—	—	506,300	—
Stormwater Drainage Fund	—	(650,392)	119,250	—
Cherry Grove Dredge Fund	—	(5,254,124)	—	—
<u>Business-type Activities</u>				
Enterprise Funds:				
Water and Sewer Fund	—	—	—	—
Solid Waste Fund	—	—	397,900	—
Aquatic Center Fund	—	—	1,312,685	—
Beach Services Fund	296,745	—	646,800	(400,000)
Sports and Tourism Park Fund	467,191	(468,292)	400,000	—
Internal Service Insurance Reserve	—	(5,523,546)	—	—
<u>Fiduciary Funds</u>				
Pension Trust Fund	—	—	44,197	—
	<u>\$ 14,203,400</u>	<u>\$ (14,283,400)</u>	<u>\$ 24,417,593</u>	<u>\$ (24,417,593)</u>

Net internal balances shown on the Statement of Net Position between Governmental and Business-type activities equaled \$865,405 and result from short-term loans between individual funds. Net transfers between Governmental and Business-type Activities totaled \$2,357,385. The General Fund contributed \$44,197 to the Terminated Pension Plan Trust Fund during the year ended June 30, 2023.

5. Due To/From Other Governments

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

	Due From	Due To
<u>Governmental Activities</u>		
General Fund:		
State of South Carolina	\$ 647,251	\$ 16,450
Horry County	212,782	—
Special Revenue Fund:		
State Accommodations (2%) Tax Fund	2,329,280	—
Capital Projects Fund:		
Capital Improvement Fund - Grants	119,048	—
Street Improvement Fund - Grants	1,741,039	—
	<u>\$ 5,049,400</u>	<u>\$ 16,450</u>
<u>Business-type Activities</u>		
Solid Waste Enterprise Fund grants	<u>\$ 104,478</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, 2023, are as follows:

Governmental Activities:

	Balance June 30, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 30,641,978	\$ 2,155,616	\$ —	\$ —	\$ 32,797,594
Construction in progress	5,332,263	23,810,966	—	(3,239,827)	25,903,402
Total capital assets not being depreciated	35,974,241	25,966,582	—	(3,239,827)	58,700,996
Capital assets being depreciated:					
Buildings	31,832,764	—	—	330,170	32,162,934
Improvements	27,004,482	913,039	(634,749)	1,056,768	28,339,540
Machinery and equipment	29,261,841	2,434,212	(1,330,540)	195,766	30,561,279
Infrastructure	93,453,874	344,041	—	1,657,123	95,455,038
Total capital assets being depreciated	181,552,961	3,691,292	(1,965,289)	3,239,827	186,518,791
Less, accumulated depreciation for:					
Buildings	(14,997,150)	(892,809)	—	—	(15,889,959)
Improvements	(12,335,658)	(1,122,800)	634,750	—	(12,823,708)
Machinery and equipment	(21,332,366)	(2,104,563)	1,242,081	—	(22,194,848)
Infrastructure	(42,823,410)	(3,300,675)	—	—	(46,124,085)
Total accumulated depreciation	(91,488,584)	(7,420,847)	1,876,831	—	(97,032,600)
Total capital assets being depreciated, net	90,064,377	(3,729,555)	(88,458)	3,239,827	89,486,191
Net capital assets – Governmental Activities	<u>\$ 126,038,618</u>	<u>\$ 22,237,027</u>	<u>\$ (88,458)</u>	<u>\$ —</u>	<u>\$ 148,187,187</u>

For the year ended June 30, 2023, depreciation expenses charged to Governmental Activities totaled \$7,420,847, which has been allocated to the respective departmental functions, in the Statement of Activities as follows:

General government administration	\$ 2,033,893
Finance	75,805
Information services	252,391
Public safety	1,171,894
Planning and development	51,225
Public works	3,557,331
Parks and recreation	265,235
Support services	13,073
	<u>\$ 7,420,847</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

Business-type Activities:

	Balance June 30, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 717,829	\$ —	\$ —	\$ —	\$ 717,829
Construction in progress	590,372	2,835,360	—	(3,154,618)	271,114
Total capital assets not being depreciated	1,308,201	2,835,360	—	(3,154,618)	988,943
Capital assets being depreciated:					
Buildings	11,536,078	713,168	—	—	12,249,246
Water and sewer systems	131,514,193	2,214,413	—	3,154,618	136,883,224
Improvements	127,350	—	—	—	127,350
Machinery and equipment	20,490,290	1,417,750	(1,842,646)	—	20,065,394
Total capital assets being depreciated	163,667,911	4,345,331	(1,842,646)	3,154,618	169,325,214
Less, accumulated depreciation:					
Buildings	(5,842,602)	(333,628)	—	—	(6,176,230)
Water and sewer systems	(51,689,710)	(2,627,535)	—	—	(54,317,245)
Improvements	(58,799)	(2,783)	—	—	(61,582)
Machinery and equipment	(17,859,847)	(1,333,207)	(1,842,646)	—	(21,035,700)
Total accumulated depreciation	(75,450,958)	(4,297,153)	(1,842,646)	—	(81,590,757)
Total capital assets being depreciated, net	88,216,953	48,178	—	3,154,618	91,419,749
Net capital assets – Business-type Activities	<u>\$ 89,525,154</u>	<u>\$ 2,883,538</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 92,408,692</u>

A summary of Proprietary Fund Type capital assets at June 30, 2023, is as follows:

	Water and Sewer Utility	Solid Waste	Aquatic Center	Beach Service	Sports and Tourism Park	Total
Land	\$ 717,829	\$ —	\$ —	\$ —	\$ —	\$ 717,829
Buildings	1,213,360	313,200	9,700,878	963,808	58,000	12,249,246
Water and sewer systems	136,883,224	—	—	—	—	136,883,224
Other improvements	5,885	32,262	89,203	—	—	127,350
Machinery and equipment	7,005,714	8,809,013	565,319	1,140,973	2,544,375	20,065,394
Construction in progress	47,590	223,524	—	—	—	271,114
Totals	145,873,602	9,377,999	10,355,400	2,104,781	2,602,375	170,314,157
Less, accumulated depreciation	(63,171,092)	(7,148,854)	(4,701,029)	(973,882)	(1,910,608)	(77,905,465)
Net capital assets – Proprietary Funds	<u>\$ 82,702,510</u>	<u>\$ 2,229,145</u>	<u>\$ 5,654,371</u>	<u>\$ 1,130,899</u>	<u>\$ 691,767</u>	<u>\$ 92,408,692</u>

For the year ended June 30, 2023, depreciation expenses were charged to Business-type activities totaling \$4,297,153 (Water and Sewer Utility \$3,134,492; Solid Waste \$507,261; Aquatic Center \$290,492; Beach Service \$168,030; and Sports and Tourism Park \$196,878, respectively).

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations

Pursuant to GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), entities are required to account for leases and SBITA as exchange-like transactions for the ‘right-to-use’ the asset over the lease/contract term or the underlying assets’ respective useful life. Accordingly, these intangible assets are reported as non-current assets in the Statement of Net Position and then amortized on a straight-line basis to expenses annually. The related debt is reported at the sum of the present value of the respective lease/contract obligation as of the date of inception, and payments are recognized as principal reduction and interest expense.

Right-to-Use Assets and Accumulated Amortization Summary

Changes in the City’s right-to-use assets and accumulated amortization for the year ended June 30, 2023, are as follows:

	Restated Balances 6/30/2022	Additions	Deductions	Balances 6/30/2023
<u>Right-to-use assets</u>				
Leased assets:				
Governmental Activities:				
Santee Cooper building	\$ —	\$ 152,323	\$ —	\$ 152,323
Business-type Activities:				
Sewer System land	450,000	—	—	450,000
	<u>450,000</u>	<u>152,323</u>	<u>—</u>	<u>602,323</u>
SBITA (Governmental Activities):				
EGROUP	1,874,927	—	—	1,874,927
SHI	—	—	—	—
ESRI	—	154,722	—	154,722
HTC	—	574,038	—	574,038
SAMSARA	—	202,340	—	202,340
	<u>1,874,927</u>	<u>931,100</u>	<u>—</u>	<u>2,806,027</u>
Total right-to-use assets	<u>2,324,927</u>	<u>1,083,423</u>	<u>—</u>	<u>3,408,350</u>
<u>Less, accumulated amortization</u>				
Governmental Activities:				
Santee Cooper building	—	(15,232)	—	(15,232)
Business-type Activities:				
Sewer System land	(180,000)	(18,000)	—	(198,000)
	<u>(180,000)</u>	<u>(33,232)</u>	<u>—</u>	<u>(213,232)</u>
SBITA (Governmental Activities):				
EGROUP	(624,976)	(624,976)	—	(1,249,952)
SHI	—	—	—	—
ESRI	—	(25,787)	—	(25,787)
HTC	—	(95,673)	—	(95,673)
SAMSARA	—	(16,298)	—	(16,298)
	<u>(624,976)</u>	<u>(762,734)</u>	<u>—</u>	<u>(1,387,710)</u>
Total accumulated amortization	<u>(804,976)</u>	<u>(795,966)</u>	<u>—</u>	<u>(1,600,942)</u>
Right-to-use assets, net	<u>\$ 1,519,951</u>	<u>\$ 287,457</u>	<u>\$ —</u>	<u>\$ 1,807,408</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

Right-to-Use Assets and Accumulated Amortization Summary (continued)

Total amortization expenses of right-to-use assets equaled \$795,966 for the year ended June 30, 2023. (Governmental Activities \$777,966; Business-type Activities \$18,000). The descriptions and related long-term liabilities (obligations) for right-to-use assets are described below.

A. Leased Assets

The City has entered into agreements to lease certain vehicles (police motorcycles) and office equipment (copiers, postage meter, etc.). These leases are for short-term periods and/or have been deemed not material as of June 30, 2023. A summary of the City's material right-to-use leased assets follows:

Sewer System Land

In an agreement with Horry County, SC and its Department of Airports, dated October 1, 2012, the City leases certain real estate for its Crescent Beach Sewer Treatment System. The initial term is for fifteen (15) years with 2-five-year renewal options. The City plans to exercise the option terms. Annual lease rates increase based on a CPI formula, which has been estimated to be 3% per annum, and are as follows:

Sewer System Land	Initial Term	Optional Term	Totals
Year 1	\$ 18,000	\$ —	\$ 18,000
Year 2	\$ 18,450	\$ —	\$ 18,450
Year 3	\$ 19,096	\$ —	\$ 19,096
Year 4	\$ 19,669	\$ —	\$ 19,669
Year 5	\$ 20,259	\$ —	\$ 20,259
Years 6-10	\$ 110,785	\$ —	\$ 110,785
Years 11-15	\$ 128,431	\$ —	\$ 128,431
Years 16-20	\$ —	\$ 148,886	\$ 148,886
Years 21-25	\$ —	\$ 172,600	\$ 172,600
	\$ 334,690	\$ 321,486	\$ 656,176

The total present value of these lease obligations equaled \$450,000 as of October 1, 2012, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$24,190, resulting in a principal amount of \$13,622 and an effective interest amount of \$10,568.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

A. Leased Assets (continued)

The amortization of the remaining future minimum lease payments as of June 30, 2023 follows:

Year Ended June 30,	PV Future Minimum Lease Payments		
	Principal	Interest	Total
2024	\$ 14,756	\$ 10,160	\$ 24,916
2025	15,946	9,717	25,663
2026	17,195	9,239	26,434
2027	18,504	8,722	27,226
2028	19,875	8,169	28,044
2029-2033	122,351	31,002	153,353
2034-2037	130,040	10,050	140,090
	338,667	<u>\$ 87,059</u>	<u>\$ 425,726</u>
Less, current portion	(14,756)		
Long-term portion	<u>\$ 323,911</u>		

Santee Cooper Building

In an agreement with SC Public Service Authority (Santee Cooper), dated December 22, 2022, the City leases an office building on 2nd Avenue. The initial term is for five (5) years ending December 2027. Annual lease rates increase by \$1,250, payable quarterly, and are as follows:

Santee Cooper	Initial Term	Optional Term	Totals
Year 1	\$ 30,250	\$ —	\$ 30,250
Year 2	\$ 31,500	\$ —	\$ 31,500
Year 3	\$ 32,750	\$ —	\$ 32,750
Year 4	\$ 34,000	\$ —	\$ 34,000
Year 5	\$ 35,250	\$ —	\$ 35,250
	<u>\$ 163,750</u>	<u>\$ —</u>	<u>\$ 163,750</u>

The total present value of the Santee Cooper lease obligation equaled \$152,323 as of December 22, 2022, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$30,188 (\$22,688+\$7,500 from prior lease), resulting in a principal amount of \$28,065 and an effective interest amount of \$2,123.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

A. Leased Assets (continued)

The amortization of the remaining future minimum contract payments as of June 30, 2023 follows:

Year Ended June 30,	PV Future Minimum Contract Payments		
	Principal	Interest	Total
2024	\$ 27,539	\$ 3,648	\$ 31,187
2025	29,639	2,799	32,438
2026	31,802	1,885	33,687
2027	34,031	907	34,938
2028	8,747	65	8,812
	131,758	\$ 9,304	\$ 141,062
Less, current portion	(27,539)		
Long-term portion	\$ 104,219		

A summary of the changes in right-to-use leased asset obligations for the year ended June 30, 2023 are as follows:

Leased Assets	Restated Balances			Balances June 30, 2023
	June 30, 2022	Additions	Deductions	
Sewer System Land	\$ 352,289	\$ —	\$ (13,622)	\$ 338,667
Santee Cooper Building	—	152,323	(20,565)	131,758
Total	\$ 352,289	\$ 152,323	\$ (34,187)	\$ 470,423

B. Subscription-Based Information Technology Arrangements (SBITA)

The City has entered into agreements to use information technology (IT) software platforms alone or in combination with tangible capital assets. These contracts qualify as ‘right-to-use assets’ and have been reported at the present value of the future minimum contract obligations as of the date of their inception using an estimated (imputed) interest rate of three (3%) percent per annum. Certain other SBITA contracts are for short-term periods and have been deemed not material as of June 30, 2023. A summary of the City’s material SBITA follows:

EGROUP Holding Company, LLC (EGROUP) - provides volume licensing of Microsoft Windows-based software products for the City’s servers, computers, emails, and cloud-based backup and storage systems. The initial contract is dated July 1, 2021, with the initial term of three (3) years ending June 30, 2024. At June 30, 2023, the City does not plan to exercise any option terms. Contract rates are as follows:

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

B. Subscription-Based Information Technology Arrangements (SBITA) (continued)

EGROUP	Initial Fee	Annual Fees	Totals
Year 1	\$ 21,762	\$ 525,097	\$ 546,859
Year 2	\$ 29,925	\$ 732,141	\$ 762,066
Year 3	\$ —	\$ 651,548	\$ 651,548
	<u>\$ 51,687</u>	<u>\$ 1,908,786</u>	<u>\$ 1,960,473</u>

The total present value of EGROUP obligations equaled \$1,874,927 as of July 1, 2021, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$762,066, resulting in a principal amount of \$731,308 and an effective interest amount of \$30,758.

SHI International Corp. (SHI) - provides volume licensing of Microsoft Windows-based software products for the City's servers, computers, emails, and cloud-based backup and storage systems. The initial contract is dated June 1, 2024, with the initial term of three (3) years ending May 31, 2027. A three (3) year contract extension option may be exercised at new rates, which are unknown at June 30, 2023. Current contract rates are as follows:

SHI	Annual Fees	Totals
Year 1	\$ 216,360	\$ 216,360
Year 2	\$ 216,360	\$ 216,360
Year 3	\$ 216,360	\$ 216,360
	<u>\$ 649,080</u>	<u>\$ 649,080</u>

The total present value of SHI obligations equaled \$630,357 as of June 1, 2024, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$0.0, resulting in a principal amount of \$0.0 and an effective interest amount of \$0.0. Accordingly, this contract will be reported in FY 2024.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

B. Subscription-Based Information Technology Arrangements (SBITA) (continued)

Environmental Systems Research Institute, Inc. (ESRI) - provides licensing and platforms for GIS software products for the City's Public Works department. The contract is dated April 22, 2022, with an effective date beginning July 19, 2022, of the initial term of three (3) years ending July 18, 2027. A three (3) year contract extension option may be exercised at new rates. At June 30, 2023, if the new rates are similar, the City anticipates to exercise the optional term. Current contract rates are as follows:

ESRI	Initial Term	Optional Term	Totals
Year 1	\$ 27,500	\$ —	\$ 27,500
Year 2	\$ 27,500	\$ —	\$ 27,500
Year 3	\$ 27,500	\$ —	\$ 27,500
Year 4	\$ —	\$ 28,400	\$ 28,400
Year 5	\$ —	\$ 28,400	\$ 28,400
Year 6	\$ —	\$ 28,400	\$ 28,400
	<u>\$ 82,500</u>	<u>\$ 85,200</u>	<u>\$ 167,700</u>

The total present value of the ESRI obligations equaled \$154,722 as of July 19, 2022, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$27,500, resulting in a principal amount of \$26,380 and an effective interest amount of \$1,120.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

B. Subscription-Based Information Technology Arrangements (SBITA) (continued)

Horry Telephone Cooperative, Inc. (HTC) - provides dedicated fiber optic strands on the HTC Network and lateral extension platforms for communication and camera systems for the City's Public Safety departments. The initial contract is dated July 29, 2022, with the initial term of five (5) years ending July 29, 2027. A one (1) year contract extension option may be exercised at new rates. At June 30, 2023, if the new rates are similar, the City anticipates to exercise the optional term. Current contract rates are as follows:

HTC	Initial Term	Optional Term	Totals
Year 1	\$ 104,400	\$ —	\$ 104,400
Year 2	\$ 104,400	\$ —	\$ 104,400
Year 3	\$ 104,400	\$ —	\$ 104,400
Year 4	\$ 104,400	\$ —	\$ 104,400
Year 5	\$ 104,400	\$ —	\$ 104,400
Year 6	\$ —	\$ 104,400	\$ 104,400
	<u>\$ 522,000</u>	<u>\$ 104,400</u>	<u>\$ 626,400</u>

The total present value of the HTC obligations equaled \$574,038 as of July 29, 2022, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$104,400, resulting in a principal amount of \$89,863 and an effective interest amount of \$14,537.

Samsara, Inc. (SAMSARA) - provides hardware and software for dual-facing vehicle cameras, fleet-tracking software, gateway platforms, and cloud services for the City's Sanitation and Street departments. The initial contract is dated January 5, 2023, with the initial term of three (3) years ending January 4, 2027. A three (3) year contract extension option may be exercised at a 5% annual increase rates. At June 30, 2023, if the new rates are similar, the City anticipates to exercise the optional term. Current contract rates are as follows:

SAMSARA	Initial Term	Optional Term	Totals
Year 1	\$ 34,679	\$ —	\$ 34,679
Year 2	\$ 34,551	\$ —	\$ 34,551
Year 3	\$ 34,551	\$ —	\$ 34,551
Year 4	\$ —	\$ 36,279	\$ 36,279
Year 5	\$ —	\$ 38,093	\$ 38,093
Year 6	\$ —	\$ 39,998	\$ 39,998
	<u>\$ 103,781</u>	<u>\$ 114,300</u>	<u>\$ 218,151</u>

The total present value of the SAMSARA obligations equaled \$202,340 as of January 5, 2023, at an estimated (implicit) interest rate of three (3%) percent per annum. For the year ended June 30, 2023, total lease payments equaled \$34,679, resulting in a principal amount of \$34,679 and an effective interest amount of \$0.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

B. Subscription-Based Information Technology Arrangements (SBITA) (continued)

A summary of the changes for the year ended June 30, 2023, in the City's SBITA long-term obligations are as follows:

SBITA	Restated Balances June 30, 2022	Additions	Deductions	Balances June 30, 2023
EGROUP	\$ 1,372,391	\$ —	\$ (731,308)	\$ 641,083
SHI	—	—	—	—
ESRI	—	154,722	(26,380)	128,342
HTC	—	574,038	(89,863)	484,175
SAMSARA	—	202,340	(34,679)	167,661
Total	\$ 1,372,391	\$ 931,100	\$ (882,230)	\$ 1,421,261

The amortization of the remaining future minimum contract payments (including future SHI contract) as of June 30, 2023 follows:

Year Ended June 30,	PV Future Minimum Contract Payments		
	Principal	Interest	Total
2024	\$ 785,376	\$ 32,623	\$ 817,999
2025	365,018	17,793	382,811
2026	359,725	25,714	385,439
2027	372,371	14,882	387,253
2028	169,129	3,669	172,798
	2,051,619	\$ 94,681	\$ 2,146,300
Less, future SHI contract	(630,358)		
Long-term portion	\$ 1,421,261		

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

7. Right-to-Use Assets and Long-Term Obligations (continued)

C. Summary of Right-to-Use Long-Term Obligations

Collectively, total changes in the City's right-to-use (leased assets and SBITA) long-term obligations at June 30, 2023 follows:

	Restated Balances June 30, 2022	Additions	Deductions	Balances June 30, 2023
<u>Governmental Activities</u>				
Leased assets	\$ —	\$ 152,323	\$ (20,565)	\$ 131,758
SBITA	1,372,391	931,100	(882,230)	1,421,261
	1,372,391	1,083,423	(902,795)	1,553,019
Less, current portions				(812,915)
Long-term portions				740,104
<u>Business-type Activities</u>				
Leased assets	352,289	—	(13,622)	338,667
Less, current portion				(14,756)
Long-term portion				428,130
Totals- Government-wide	\$ 1,724,680	\$ 1,083,423	\$ (916,417)	\$ 1,891,686
Less, current portions				(827,671)
Long-term portions				\$ 1,064,015

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

8. Long-Term Debt

Long-term debt, other than Right-to-use assets (*See Note 7*), pension retirement (see *Note 11*) and post-employment benefits (see *Note 12*), of the City at June 30, 2023, consisted of the following:

A. Governmental Activities

Cherry Grove Improvement District Assessment Bond

The City issued Series 2022 Cherry Grove Improvement District Assessment Bond, dated November 17, 2022, in the amount of \$3,242,000 at 3.40% interest per annum (the “Bond”). The bond proceeds are for the purpose of paying (i) bond cost of issuance, (ii) certain dredging project costs relating to phase 2, and (iii) reimbursing the City for pre-issuance project costs. Debt service is payable from annual assessments (reported as “Special Assessment” revenue) against applicable parcels through the approved apportionment of assessments.

	Date of Issue	Interest Rate	Amount Outstanding	Final Maturity Dates
<u>Special Assessment Bond</u>				
Cherry Grove Improvement District Bond	11/17/22	3.40%	\$ 3,242,000	April 1, 2028
Less, current portions (payable within one year)			(605,782)	
Total long-term bond payable			<u>\$ 2,636,218</u>	
<u>Accrued Compensated Absences</u>			<u>\$ 2,176,928</u>	
Total Long-Term Debt – Governmental Activities			<u>\$ 4,813,046</u>	

B. Business-type Activities

	Date of Issue	Interest Rate	Amount Outstanding	Final Maturity Dates
<u>Note Payable - Aquatic Center Enterprise Fund</u>				
Aquatic and Fitness Center Note	11/13/03	3.89%	\$ 595,793	November 13, 2023
Less, current portions (payable within one year)			(595,793)	
			<u>\$ —</u>	
<u>Accrued Compensated Absences</u>				
Water and Sewer Utility Fund			\$ 344,799	
Solid Waste Fund			180,048	
Aquatic/Fitness Center Fund			69,141	
Beach Services Fund			3,110	
Sports and Tourism Park Fund			2,878	
Total Accrued Compensated Absences			<u>\$ 599,976</u>	

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. 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, 2023, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/23</u>
Governmental Activities					
<u>Special Assessment Bond</u>					
Cherry Grove Improvement District (Capital Projects Dredge Funds)	11/17/22	\$ —	\$ 3,242,000	\$ —	\$ 3,242,000
<u>Accrued Compensated Absences</u>					
		\$ 1,918,780	\$ 258,148	\$ —	\$ 2,176,928
Business-type Activities					
<u>Note Payable</u>					
Aquatic and fitness center note obligation	11/13/03	\$ 1,169,278	\$ —	\$ (573,485)	\$ 595,793
<u>Accrued Compensated Absences</u>					
		\$ 568,217	\$ 31,759	\$ —	\$ 599,976

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Long-Term Debt (Continued)

D. Annual Requirements for Long-term Debt

The annual debt service requirements to amortize of the City's long-term bond and note payable debt, by fiscal years, are summarized below:

Governmental Activities

Cherry Grove Improvement District
Bonds

Year Ended June 30,	Principal	Interest	Total
2024	\$ 605,782	\$ 110,228	\$ 716,010
2025	626,379	89,631	716,010
2026	647,676	68,334	716,010
2027	669,697	46,313	716,010
2028	692,466	23,544	716,010
	<u>\$3,242,000</u>	<u>\$ 338,050</u>	<u>\$ 3,580,050</u>

Business-type Activities

Aquatic/Fitness Center Note Payable:	\$ 595,793	\$ 23,174	\$ 618,967
2024	<u>\$ 595,793</u>	<u>\$ 23,174</u>	<u>\$ 618,967</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. 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 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, 2023, 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, 2023.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. 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 2023 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, 2023, 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 2023, amortization expense equaled zero. 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 8*). 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, 2023, (\$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 2023.

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, 2023, maintained the contractual rights (other assets) equal to \$9,004,058 with accumulated amortization expense equaling \$4,408,236, for a net carrying value of \$4,595,822. For 2023, amortization expense equaled \$225,102.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. 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, 2023, were as follows:

Utility system impact fees	\$ 3,055,804
Extension fees	129,234
System contributions by developers	<u>1,958,374</u>
Total capital contributions	<u><u>\$ 5,143,412</u></u>

11. 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:

	Governmental Activities	Business-type Activities
<u>Net Investment in Capital/Right-to-Use Assets:</u>		
Net capital/right-to-use assets	\$ 149,993,596	\$ 92,408,692
Less, G.O., revenue bonds, and note payable	—	—
Right-to-use assets, net	1,555,408	252,000
Less, leases payable	<u>(1,553,019)</u>	<u>(338,667)</u>
Total net investment in capital/right-to-use assets	<u><u>\$ 149,995,985</u></u>	<u><u>\$ 92,322,025</u></u>
<u>Restricted:</u>		
Restricted net position:		
Public safety:		
Pensions – employer contribution	\$ 2,101,320	\$ —
Drug enforcement programs	37,746	—
Scholarship program and Canine Fund	59,543	—
Public Works:		
Cherry Grove Dredge project	—	—
Parks and recreation:		
State Accommodations (2%) Tourism related	1,013,481	—
Future capacity of utility	<u>—</u>	<u>—</u>
Total restricted net position	<u><u>\$ 3,212,090</u></u>	<u><u>\$ —</u></u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. 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, 2023. Investments of the Trust at June 30, 2023, 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, 2023, 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 —

12. 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, 2023, the plans' participants equaled 233 employees. The gross payroll for the employees covered by the plans for the year ended June 30, 2023, approximately \$15,996,480. 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, 2023, equaled \$1,277,801 and \$14,652, respectively, and represented approximately 8% and 12%, respectively, of covered payroll. Employee contributions to Plan #1 and #2 for the year ended June 30, 2023, equaled \$310,348 and \$14,652, respectively.

D. Condensed Financial Information

**Combining Statement of Plan Net Position
June 30, 2023**

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Assets			
Cash and temporary investments	\$ 33,147,264	\$ 1,676,963	\$ 34,824,227
Receivables – Participant loans	913,705	—	913,705
Total assets	<u>\$ 34,060,969</u>	<u>\$ 1,676,963</u>	<u>\$ 35,737,932</u>
Net Position			
Held in trust for employee's pension benefits	<u>\$ 34,060,969</u>	<u>\$ 1,676,963</u>	<u>\$ 35,737,932</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Retirement Plans (Continued)

Money Purchase Retirement Plans (Continued)

**Combining Statement of Changes of Plan Net Position
Year Ended June 30, 2023**

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Additions			
Employer contributions	\$ 1,277,801	\$ 14,652	\$ 1,292,453
Employee (member) contributions	310,348	14,652	325,000
Investment income (loss)	3,449,223	39,381	3,488,604
Non-vested rollover	68,695	—	68,695
Total additions	<u>5,106,067</u>	<u>68,685</u>	<u>5,174,752</u>
Deductions			
Benefit payments/loan issuance costs	2,266,435	7,200	2,273,635
Trustee fees	37,736	—	37,736
Forfeitures	20,824	—	20,824
Total deductions	<u>2,324,995</u>	<u>7,200</u>	<u>2,332,195</u>
Change in net position	2,781,072	61,485	2,842,557
Net position, beginning of year	<u>31,279,897</u>	<u>1,615,478</u>	<u>32,895,375</u>
Net position, end of year	<u><u>\$ 34,060,969</u></u>	<u><u>\$ 1,676,963</u></u>	<u><u>\$ 35,737,932</u></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 —

12. 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.

Effective July 1, 2019, the South Carolina General Assembly passed legislation where the employee required contribution rate would remain at 9 percent and the employer required contribution rate would annually increase by 1 percent for five years to reach an ultimate rate of 21.84 percent plus 0.2 percent to provide group life insurance and 0.2 percent to provide accidental death benefits, for a total rate of 22.24 percent, by July 2023 (subsequently deferred to July 2024).

The City's total pensionable wages ("covered payroll") for PORS employees equaled \$10,591,329, \$9,258,786, and \$9,195,181, for the years ended June 30, 2023, 2022, and 2021, respectively. For the year-ended June 30, 2023, employees were required to contribute 9.75% of their earnable compensation to the Plan. Employee contributions totaled \$1,032,655, \$902,731, and \$896,530, for the years ended June 30, 2023, 2022, and 2021, respectively.

Employers are required to contribute to the Plan at an actuarially determined rate, which for the year ended June 30, 2023 was 19.84% plus 0.2 percent to provide group life insurance and 0.2 percent to provide accidental death benefits, for a total rate of 20.24 percent. The City made its PORS employer required contributions at a rate of 19.84 percent plus .2 percent to provide group life insurance and .2 percent to provide accidental death benefits for a total contribution rate of 20.24%. The City's contributions to the PORS for the years ending June 30, 2023, 2022 and 2021 were \$2,101,319, \$1,744,355, and \$1,640,420, respectively, and were equal to the required contributions for each year.

Effective July 1, 2023, the employee contribution rate will remain at 9.75% and the employer contribution rate will increase to 20.84% plus 0.2 percent to provide group life insurance and 0.2 percent to provide accidental death benefits, for a total rate of 21.24 percent.

The City's (employer) contribution during the year ended June 30, 2023 is being reported as part of deferred outflows of resources due to the pension plan's measurement date of June 30, 2022. This amount will be recognized by the City as part of its pension expense in fiscal year 2023-2024, as further described below.

Payables to PORS

At June 30, 2023, the City had payables to PEBA totaling \$277,741 (for employee deductions and employer contributions totaling \$90,296 and \$187,445, respectively).

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Retirement Plans(Continued)

South Carolina Police Officers Retirement System (continued)

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

At June 30, 2023, the City reported a liability of \$17,545,197 for the measurement period June 30, 2022 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, 2022, 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, 2022, PEBA reported the City's proportion share percentage of the collective net pension liability was 0.585039% for PORS.

For the year ended June 30, 2023, the City recognized pension expense of \$1,797,401 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, 2022) follows:

Pension expense:	
Service cost	\$ 1,275,750
Interest on total pension liability	3,501,846
Changes in plan benefits	—
Plan administrative costs	19,054
Plan member contributions	(956,748)
Expected return on plan assets	(2,499,349)
Recognition of net amortization:	
Plan performance, net	84,054
Assumption changes, net	391,583
Investment experience, net	(274,671)
Allocated proportion change, net	92,060
Other	163,822
Total pension expense	<u>1,797,401</u>
PEBA reported contributions	(1,703,324)
Non-member contributions	(78,069)
Total contributions	<u>(1,781,393)</u>
Changes in deferred items (net of amortization):	
Outflows – Plan performance	(240,870)
Outflows – Assumption changes	(391,583)
Outflows – Investment experience	2,074,470
Outflows – Allocated proportion change	(380,647)
Inflows – Plan performance	(297,839)
Inflows – Assumption changes	—
Inflows – Investment experience	1,505,909
Inflows – Allocated proportion change	(473,826)
	<u>1,795,614</u>
Total change in net pension liability	<u>\$ 1,811,622</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Retirement Plans(Continued)

South Carolina Police Officers Retirement System (continued)

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

At June 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources.

	PORS Outstanding Balances at June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Plan performance	\$ 294,373	\$ (346,839)	\$ (52,466)
Assumption changes	730,610	—	730,610
Investment experience	3,807,169	(3,754,187)	52,982
Proportion changes	586,562	(662,764)	(76,202)
	5,418,714	(4,763,790)	654,924
Subsequent employer contributions	2,101,320	—	2,101,320
Totals	<u>\$ 7,520,034</u>	<u>\$ (4,763,790)</u>	<u>\$ 2,756,244</u>

The \$2,101,320 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:

	PORS Amortization of Outstanding Balances		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
<u>Fiscal Year ended June 30,</u>			
2024	\$ 1,930,114	\$ (1,732,854)	\$ 197,260
2025	2,118,518	(1,623,869)	494,649
2026	708,942	(1,407,067)	(698,125)
2027	661,140	—	661,140
Totals	<u>\$ 5,418,714</u>	<u>\$ (4,763,790)</u>	<u>\$ 654,924</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Retirement Plans(Continued)

South Carolina Police Officers Retirement System (continued)

Actuarial Assumptions

The total pension liabilities in the PORS June 30, 2022 measurement year 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, 2021 rolled forward through measurement year June 30, 2022.

	PORS
Actuarial cost method	Entry-age normal
Asset Valuation Method	5-year Smoothed
Amortization Method	Level percent of pay
Amortization Period	Maximum of 27 years, closed period
Inflation	2.25 percent
Projected Salary Increases	3.0 to 10.5 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 2020 PRSC with males multiplied by 127% and females multiplied by 107%.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. 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 measurement year June 30, 2022 actuarial valuation, was based upon 20-year capital market assumptions which are updated at least annually no later than April 1st of each year (in accordance with Section 9-16-340 of the South Carolina Code of Laws). These assumptions are developed a separate agency of the State of South Carolina: the Retirement Systems Investment Commission (RSIC), in collaboration with investment consultant(s) 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 economic 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>
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	(0.35)%	(0.09)%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total expected real return	<u>100.0%</u>		4.79%
Inflation for actuarial purposes			2.25%
Total expected nominal return			<u>7.04%</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 —

12. 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, 2022, 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:

City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate			
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PORS	\$ 24,465,720	\$ 17,545,197	\$ 11,880,097

Pension Plan Fiduciary Net Position

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. 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, 2023, 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, 2023, the City reported in the Governmental Activities an actuarially determined net pension liability of \$442,650 for the terminated plan. Changes in the terminated plan liability follows:

Net pension liability, beginning of year	\$	442,650
Expected benefit payments		44,197
Expected contribution made from the trust		(44,197)
Interest and mortality changes		—
Net pension liability, end of year	\$	<u>442,650</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 —

13. 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, 2023.

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, 2023, based on an estimated valuation computed from an actuarial valuation as of July 1, 2021 rolled-forward to June 30, 2022 by the actuary). 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. The City portion of the premium expenses incurred for this program for the year ended June 30, 2023 were \$727,896 (or 41%) of the annual total OPEB cost of \$1,771,706. These expenses were funded in part by the General Fund (\$545,892) and the Proprietary (Enterprise) Funds (\$372,413) 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 2022 and 2021, total expenses incurred were \$618,585 (or 56%) of the annual total OPEB cost of \$1,108,294 and \$372,413, (or 36%) of the annual total OPEB cost of \$1,603,465 (restated), respectively. Total covered payroll equaled \$23,410,476 for the year ended June 30, 2023, and \$21,085,900 and \$22,550,440 for the years ended June 30, 2022 and 2021, respectively.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Total OPEB Liability

At June 30, 2023, the City's total OPEB liability equaled \$20,061,043, of which \$15,844,212 was for the Governmental Activities (General Fund) and \$4,216,831 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 decrease in the total OPEB liability of \$260,789. The City's total OPEB liability for the years ended June 30, 2023, 2022 and 2021 totaled \$20,061,043, \$20,321,832, and \$19,833,840, respectively. The Governmental Activities share equaled \$15,844,212, \$16,050,183, and \$15,664,767 for the years 2023, 2022 and 2021, respectively, and the Business-type Activities (and Proprietary Funds) share equaled \$4,216,831, \$4,271,649, and \$4,169,073 for the years 2023, 2022 and 2021, 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:

	<u>2023</u>
Total other post-employment benefit (OPEB) obligation – beginning of year	\$ 20,321,832
Changes in total OPEB liability:	
Service cost	692,095
Interest	781,470
Changes of benefit terms	—
Differences between expected and actual experience	—
Changes in assumptions or other inputs	—
Contributions – employer	—
Contributions – active and inactive employees	—
Net investment income	—
Benefit payments	(1,734,354)
Other changes	—
Net changes	<u>(260,789)</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u><u>\$ 20,061,043</u></u>

OPEB Expense

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,771,716, of which \$1,399,293 was for the Governmental Activities (General Fund) and \$372,413 was for the Business-type Activities (Proprietary Funds) as follows:

Service cost	\$ 692,095
Interest on service cost	781,470
Total	<u>1,473,565</u>
Interest cost	—
Amortization of deferrals:	298,151
Difference between expected and actual experience	—
Changes of assumptions and other inputs	—
Total OPEB expense	<u><u>\$ 1,771,716</u></u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

At June 30, 2023, the City's total deferred outflows of resources related to OPEB equaled \$2,275,016, of which \$1,796,808 was for Governmental Activities (General Fund) and \$478,208 was for the Business-type Activities (Proprietary Funds). At June 30, 2023, the City's total inflows of resources related to OPEB equaled \$5,001,850, of which \$3,950,461 was for the Governmental Activities (General Fund) and \$1,051,389 was for the Business-type Activities (Proprietary Fund). June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Related		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual plan experience	\$ 2,275,016	\$ (5,001,850)	\$ (2,726,834)
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on OPEB Investments	—	—	—
Total	\$ 2,275,016	\$ (5,001,850)	\$ (2,726,834)

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

	Future Recognition of OPEB Related Deferrals		
Fiscal Year Ending June 30, :	Outflows of Resources	Inflows of Resources	Net
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)
2028	(257,610)	555,761	(298,151)
Thereafter	(986,966)	2,223,045	(236,079)
Total	\$ 2,275,016	\$ (5,001,850)	\$ (2,726,834)

Employees Covered By Benefit Terms

At the last 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 —

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the last actuarial valuation, July 1, 2021, 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 —

13. 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, 2023, as a new actuarial valuation was not obtained.

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.

Sensitivity Analysis

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

City's Total OPEB Liability sensitivity to changes in the discount rate			
	1% Increase (3.00%)	Valuation Rate (4.00%)	1% Decrease (5.00%)
Total OPEB liability	\$ 23,158,545	\$ 20,061,043	\$ 17,542,423

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

City's Health Care Trend sensitivity to changes in the discount rate			
	1% Increase (4.00%)	Valuation Rate (5.00%)	1% Decrease (6.00%)
Health care trend	\$ 17,084,104	\$ 20,085,990	\$ 23,865,004

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Sensitivity Analysis (continued)

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.

14. 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 Insurance Office of America (IOA), for administration and excess coverage equaled \$315,874 for the year ended June 30, 2023.

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 Casualty Corporation. Benefit Source Inc. is the claims handler for the City. Premiums paid to I.O.A., Inc., for administration and excess coverage were \$1,349,191 for the year ended June 30, 2023.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Risk Management (continued)

Change in the aggregate liability are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Unpaid claims at beginning of year	\$ 312,639	\$ 257,309	\$ 202,328
Incurred claims for current and prior year events where the City has retained risk of loss	9,574,917	7,667,109	7,543,149
Payments on claims for current and prior year events where the City has retained risk of loss	<u>(9,401,358)</u>	<u>(7,611,779)</u>	<u>(7,488,168)</u>
Unpaid claims at end of year	<u>\$ 486,198</u>	<u>\$ 312,639</u>	<u>\$ 257,309</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.

15. 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 —

16. 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. Details of the reconciled amounts are as follows:

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

Capital assets	\$ 247,185,076
Less, accumulated depreciation	(97,121,058)
Right-to-use assets	2,958,350
Less, accumulated amortization	(1,402,942)
Net amount reported	<u>\$ 151,619,426</u>

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:

Equity in pooled cash and restricted cash and cash equivalents	\$ 61,288
Receivables	947,789
Prepaid items	869,270
Deferred outflows – OPEB related	1,796,808
Claim liabilities and payables	(5,148,704)
Deferred inflows – OPEB related	(3,950,461)
Total other post-employment benefits payable (OPEB) liability	(15,844,212)
Net amount reported	<u>\$ (21,268,222)</u>

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:

Pension	\$ 7,250,034
Net amount reported	<u>\$ 7,520,034</u>

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

Accrued interest expense	\$ (27,180)
Leases payable	(1,553,019)
Special assessment bonds payable	(3,242,000)
Accrued compensated absences	(2,180,700)
Net pension liabilities – PORS	(17,545,197)
Net pension liabilities – old police retirement plan	(442,650)
Net amount reported	<u>\$ (24,990,746)</u>

Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the fund financial statements.

Pension	\$ (4,763,790)
Net amount reported	<u>\$ (4,763,790)</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

16. 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	\$ 30,738,765
Depreciation and amortization expense	(6,321,981)
Net amount reported	<u>\$ 24,416,784</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	\$ 8,807,597
Insurance claims paid and reserves	(9,493,086)
Net amount reported	<u>\$ (685,489)</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	\$ 25,245
Accrued compensated absences expense	(261,920)
Loss on disposal of capital assets	(88,458)
Pension expense, net	296,760
Net amount reported	<u>\$ (28,373)</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 bond payable	\$ (3,242,000)
Principal repayments – G.O. Bonds, special assessment bonds and installment note obligation	463,356
Net amount reported	<u>\$ (2,778,644)</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

16. 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	\$ 16,312
Receivables	252,248
Claim deposits and prepaid items	231,351
Deferred outflows – OPEB related	478,208
Accounts payable	(30,104)
Due to other funds	(1,161,049)
Claim liabilities and payables	(179,140)
Total other post-employment benefits payable (OPEB) liability	(4,216,831)
Deferred inflows – OPEB related	(1,051,389)
Net amount reported	<u>\$ (5,660,394)</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	\$ 2,343,911
Insurance claims paid and reserves	(2,526,349)
Net amount reported	<u>\$ (182,438)</u>

17. 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 —

18. Restatement of Prior Year Balances

The City restated its 2022 balances associated with its implementation of new GASB standards – GASB Statement #87, *Leases*, (see *Notes 3 and 7*), and GASB Statement #96, *Subscription-Based Information Technology Arrangements* (SBITA), (see *Note 7*). The following summarizes the changes:

	Governmental Activities	Business-type Activities	Totals
Net Position balances as previously reported, June 30, 2022	\$ 146,980,691	\$ 100,933,857	\$ 247,914,548
<u>Right-to-use assets:</u>			
Leased assets	—	450,000	450,000
Less, amortization	—	(180,000)	(180,000)
SBITA	1,874,927	—	1,874,927
Less, amortization	(624,976)	—	(624,976)
<u>Leases payable</u>	(1,372,391)	(356,667)	(1,729,058)
<u>Lessor Leases:</u>			
Lease receivables	374,684	4,457,652	4,832,336
Less, deferred inflows	(374,684)	(4,457,652)	(4,832,336)
Net Adjustments	(122,440)	(86,667)	(209,107)
Net Position balances. June 30, 2022, as restated	<u>\$ 146,858,251</u>	<u>\$ 100,847,190</u>	<u>\$ 247,705,441</u>

CITY OF NORTH MYRTLE BEACH

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022	
	Budget Original	Budget Final	Actual	Variance Positive (Neg.)	Actual
Revenue					
Current property taxes	\$ 20,950,000	\$ 20,950,000	\$ 22,141,605	\$ 1,191,605	\$ 20,461,922
Delinquent property taxes and penalties	460,000	460,000	426,859	(33,141)	471,870
Licenses and permits	11,903,500	11,903,500	14,996,500	3,093,000	13,405,865
Fines and forfeitures	346,000	346,000	324,999	(21,001)	385,790
Use of money and property	407,000	407,000	476,276	69,276	265,659
Unrestricted intergovernmental	1,429,100	1,429,100	1,580,771	151,671	1,478,797
Restricted intergovernmental	1,101,960	1,101,960	447,936	(654,024)	1,434,093
Sales and service charges	1,697,252	1,697,252	1,845,016	147,764	1,724,618
Miscellaneous	660,000	660,000	711,650	51,650	680,421
Total revenue	38,954,812	38,954,812	42,951,612	3,996,800	40,309,035
Expenditures					
General Government Administration					
General services	1,466,926	1,466,926	2,008,876	(541,950)	1,447,072
Legislative	416,354	416,354	419,972	(3,618)	369,245
Administrative	491,322	491,322	573,610	(82,288)	522,118
City Court	505,488	505,488	605,212	(99,724)	612,648
Legal	422,816	422,816	1,738,875	(1,316,059)	848,844
Human resources	417,716	417,716	425,178	(7,462)	355,462
Total	3,720,622	3,720,622	5,771,723	(2,051,101)	4,155,389
Less, capital outlay	—	—	—	—	(67,855)
Net general government administration	3,720,622	3,720,622	5,771,723	(2,051,101)	4,087,534
Finance					
Accounting	350,370	350,370	275,188	75,182	272,454
Revenue	1,263,073	1,263,073	1,312,739	(49,666)	1,253,885
Total	1,613,443	1,613,443	1,587,927	25,516	1,526,339
Less, capital outlay	—	—	(33,300)	33,300	(47,876)
Net finance	1,613,443	1,613,443	1,554,627	58,816	1,478,463
Information Services					
Total	761,373	761,373	904,602	(143,229)	879,365
Less, capital outlay	(210,000)	(210,000)	(228,050)	18,050	(269,368)
Net information services	551,373	551,373	676,552	(125,179)	609,997
Public Safety					
Administrative	1,334,605	1,334,605	1,677,373	(342,768)	1,418,541
Uniform patrol	7,629,389	7,629,389	7,974,105	(344,716)	7,250,289
Community services	1,060,019	1,060,019	1,633,447	(573,428)	1,143,818
Detectives	1,157,332	1,157,332	1,357,583	(200,251)	1,202,318
Communications/Detention	1,784,772	1,784,772	1,793,354	(8,582)	1,556,867
Records	417,960	417,960	440,952	(22,992)	392,733
Victim's assistance	108,251	108,251	109,491	(1,240)	97,363
Police training	631,802	631,802	754,716	(122,914)	444,007
Fire suppression	5,804,918	5,804,918	6,403,526	(598,608)	5,676,902
Fire prevention	491,018	491,018	552,890	(61,872)	576,351
Total	20,420,066	20,420,066	22,697,437	(2,277,371)	19,759,189
Less, capital outlay	(749,215)	(749,215)	(702,456)	(46,759)	(1,371,124)
Net public safety	19,670,851	19,670,851	21,994,981	(2,324,130)	18,388,065

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

Expenditures (Continued)	2023			2022	
	Budget		Actual	Variance Positive (Neg.)	Actual
	Original	Final			
Planning/Development					
Planning/zoning administration	1,253,995	1,253,995	1,305,797	(51,802)	1,130,471
Code enforcement-building	901,956	901,956	910,119	(8,163)	864,145
Total	2,155,951	2,155,951	2,215,916	(59,965)	1,994,616
Less, capital outlay	—	—	(82,669)	82,669	(33,937)
Net planning/development	2,155,951	2,155,951	2,133,247	22,704	1,960,679
Public Works					
Streets/drainage	3,136,263	3,136,263	3,867,404	(731,141)	3,046,159
Less, capital outlay	(160,000)	(160,000)	(391,036)	231,036	(285,029)
Net public works	2,976,263	2,976,263	3,476,368	(500,105)	2,761,130
Parks and Recreation					
Recreation administration	442,053	442,053	464,251	(22,198)	423,377
Athletics	1,007,631	1,007,631	978,442	29,189	787,668
Programs	921,503	921,503	897,750	23,753	840,379
Row maintenance	718,013	718,013	970,357	(252,344)	577,659
Sports Park	396,279	396,279	396,253	26	360,094
Landscaping	547,937	547,937	624,082	(76,145)	433,726
Parks and Beach	746,529	746,529	666,630	79,899	738,917
Administration	441,443	441,443	476,424	(34,981)	370,288
Total	5,221,388	5,221,388	5,474,189	(252,801)	4,532,108
Less, capital outlay	(297,000)	(297,000)	(587,541)	290,541	—
Net parks and recreation	4,924,388	4,924,388	4,886,648	37,740	4,532,108
Support Services					
Custodial services	281,637	281,637	280,570	1,067	271,443
Purchasing	146,333	146,333	126,732	19,601	100,509
Fleet maintenance	341,950	341,950	239,224	102,726	178,685
Facility Maintenance	542,822	542,822	736,840	(194,018)	596,590
Total	1,312,742	1,312,742	1,383,366	(70,624)	1,147,227
Less, capital outlay	(114,500)	(114,500)	—	(114,500)	—
Net support services	1,198,242	1,198,242	1,383,366	(185,124)	1,147,227
Contingency	1,200,000	1,200,000	—	1,200,000	—
Total departmental expenditures (net)	38,011,133	38,011,133	41,877,512	(3,866,379)	34,965,203
Debt Service					
Principal retirement	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—
Fiscal agent fees	—	—	—	—	—
Total debt service	—	—	—	—	—
Capital Outlay	1,530,715	1,530,715	2,025,052	(494,337)	2,075,189
Total expenditures	39,541,848	39,541,848	43,902,564	(4,360,716)	37,040,392
Excess (deficiency) of revenue over (under) expenditures	(587,036)	(587,036)	(950,952)	(363,916)	3,268,643

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2023		Variance Positive (Neg.)	2022
	Budget Original	Budget Final		Actual
Other Financing Sources (Uses)				
Horry County partial settlement	—	—	—	2,416,090
Transfers in:				
From State Accommodations (2%) Tax Fund	1,253,051	1,253,051	2,048,490	795,439
From Local Accommodations (1.5%) Tax Fund	3,500,000	3,500,000	4,048,342	548,342
From Local Hospitality (1%) Fee Fund	3,703,000	3,703,000	4,583,229	880,229
From Sports and Tourism Park Fund	75,000	75,000	(75,000)	—
Total Transfers in	8,531,051	8,531,051	10,680,061	2,149,010
Transfers (out):				
To Park Improvement Fund	(3,680,000)	(3,680,000)	(3,680,000)	—
To Capital Improvement Fund	(2,750,000)	(2,750,000)	(2,750,000)	—
To Street Improvement Fund	(1,200,000)	(1,200,000)	(700,000)	500,000
To Sports and Tourism Park	—	—	—	(200,000)
To Pension Trust Fund	(50,000)	(50,000)	(44,197)	5,803
To Insurance Reserves Fund	—	—	—	(3,000,000)
Total Transfers (out)	(7,680,000)	(7,680,000)	(7,174,197)	505,803
Total other financing sources (uses)	851,051	851,051	3,505,864	2,654,813
Net change in fund balance	264,015	264,015	2,554,912	2,290,897
Fund balance, beginning of year	20,624,340	20,624,340	20,624,340	—
Fund balance, end of year	\$ 20,888,355	\$ 20,888,355	\$ 23,179,252	\$ 2,290,897
	\$ 20,624,340	\$ 20,624,340	\$ 20,624,340	\$ 20,624,340

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*

	<u>2023</u>	<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>
City’s proportion of the net pension liability	N/A	0.585039%	0.611508%	0.573569%	0.586267%	0.566464%	0.572550%	0.595610%	0.561770%	0.563150%
City’s proportion share of the net pension liability	N/A	\$17,545,197	\$ 15,733,575	\$ 19,020,776	\$16,802,065	\$16,050,991	\$ 15,685,465	\$ 15,107,522	\$ 12,243,757	\$ 10,781,098
City’s covered-payroll (pensionable wages)	\$ 10,591,329	\$ 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
City’s proportion share of the net pension liability as a percentage of its covered-payroll	N/A	189.5%	171.1%	219.5%	197.59%	204.2%	202.6%	198.9%	175.9%	159.2%
Plan fiduciary net position as a percentage of the total pension liability	N/A	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

*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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,179,389	\$ 1,822,424	\$ 1,718,489	\$ 1,623,835	\$ 1,510,069	\$ 1,273,331	\$ 1,098,777	\$ 1,040,642	\$ 933,571	\$ 866,965
Less:										
Contributions in relation to the contractually required contribution ⁽¹⁾	(78,069)	(78,069)	(78,069)	(78,069)	(78,069)	—	—	—	—	—
Contributions in relation to the contractually required contributions	\$ 2,101,320	\$ 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
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll (pensionable wages)	\$ 10,591,329	\$ 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
Contributions as a percentage of covered payroll	19.8%	18.8%	17.8%	17.8%	16.8%	16.2%	14.2%	13.7%	13.4%	12.8%

⁽¹⁾ In 2017, the South Carolina General Assembly created a separate line item in the annual appropriations bill to fund approximately 1% of the new 2% increase in required employer retirement contributions. Credits are computed annually at the end of the fiscal year and provided to employers to offset the required contribution in the following 12-month period.

N/A – Not available

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS ⁽¹⁾

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 692,095	\$ 675,476	\$ 682,047	\$ 1,093,644	\$ 931,956	\$ 857,523	N/A	N/A	N/A	N/A
Interest	781,470	772,087	750,674	943,947	809,111	797,447	N/A	N/A	N/A	N/A
Changes in benefit terms	—	—	—	—	—	—	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
Changes in assumptions or other inputs	—	—	—	—	—	—	N/A	N/A	N/A	N/A
Contributions – employer	—	—	—	—	—	—	N/A	N/A	N/A	N/A
Contributions – active and inactive employees	—	—	—	—	—	—	N/A	N/A	N/A	N/A
Net investment income	—	—	—	—	—	—	N/A	N/A	N/A	N/A
Benefit payments	(1,734,354)	(1,436,214)	(825,429)	(762,435)	(581,978)	(554,265)	N/A	N/A	N/A	N/A
Other changes	—	—	—	—	—	—	N/A	N/A	N/A	N/A
Net changes in total OPEB liability	(260,789)	487,992	(5,460,332)	3,619,175	1,159,089	1,162,852	N/A	N/A	N/A	N/A
Total OPEB liability – beginning	20,321,832	19,833,840	25,294,172	21,674,997	20,515,908	19,353,056	N/A	N/A	N/A	N/A
Total OPEB liability – ending	<u>\$ 20,061,043</u>	<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>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered – employee payroll	<u>\$ 23,410,476</u>	<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>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered – employee payroll	86%	96%	83%	121%	145%	84%	N/A	N/A	N/A	N/A

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

⁽²⁾ Fiscal year 2022 was restated by Actuary.

N/A – Not available

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Employee Retirement – PORS

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

Investments: Plan measurement years 2022 – the assumed investment return was changed from 7.25% to 7.0% effective July 1, 2022. 2021 – 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 – 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. 2021 – 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 – 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. 2021 – 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 – None. 2021 – None. 2019 – None. 2018 – changed to 5-year smoothed from 20% difference recognition.

Inflation: Plan measurement years 2022 – None. 2021 – None. 2019 – None. 2018 – None. 2018 – changed to 2.25% from 2.75%.

Other Post-Employment Benefits

1. Changes in benefit terms: 2023-2019 – None.
2. Changes of assumptions: 2023-2019 – None.

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, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents - unrestricted	\$ —	\$ —	\$ —	\$ —
Equity in pooled cash and cash equivalents	—	1,734,404	9,422,323	11,156,727
Cash and cash equivalents - restricted	—	177,176	—	177,176
Receivables, net	—	—	65,000	65,000
Due from other governments	2,329,280	—	1,860,087	4,189,367
Due from other funds	—	—	—	—
Prepaid items	—	—	134,700	134,700
Total assets	<u>\$ 2,329,280</u>	<u>\$ 1,911,580</u>	<u>\$ 11,482,110</u>	<u>\$ 15,722,970</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts and retainage payable	\$ 799,750	\$ 166	\$ 604,501	\$ 1,404,417
Unearned revenue	—	—	—	—
Due to other funds	516,049	650,392	—	1,166,441
Total liabilities	<u>1,315,799</u>	<u>650,558</u>	<u>604,501</u>	<u>2,570,858</u>
Fund balances:				
Non-spendable	—	—	134,700	134,700
Restricted by others	1,013,481	—	—	1,013,481
Committed by ordinance	—	1,911,414	—	1,911,414
Assigned by management	—	—	10,742,909	10,742,909
Unassigned (deficit)	—	(650,392)	—	(650,392)
Total fund balances	<u>1,013,481</u>	<u>1,261,022</u>	<u>10,877,609</u>	<u>13,152,112</u>
Total liabilities and fund balances	<u>\$ 2,329,280</u>	<u>\$ 1,911,580</u>	<u>\$ 11,482,110</u>	<u>\$ 15,722,970</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenue				
Special assessments	\$ —	\$ 1,942,628	\$ —	\$ 1,942,628
Use of money and property	14,862	8,500	130,703	154,065
Restricted intergovernmental	6,584,770	—	2,545,072	9,129,842
Sales and service charges	—	—	47,430	47,430
Miscellaneous	—	—	1,084,317	1,084,317
Total revenue	<u>6,599,632</u>	<u>1,951,128</u>	<u>3,807,522</u>	<u>12,358,282</u>
Expenditures				
Current:				
General government activities	—	—	—	—
Finance	—	—	—	—
Public safety	—	—	—	—
Public works	—	—	—	—
Parks and recreation	2,454,450	—	—	2,454,450
Debt service	—	791,412	—	791,412
Capital outlay	—	—	12,081,573	12,081,573
Total expenditures	<u>2,454,450</u>	<u>791,412</u>	<u>12,081,573</u>	<u>15,327,435</u>
Excess (deficiency) of revenue over (under) expenditures	<u>4,145,182</u>	<u>1,159,716</u>	<u>(8,274,051)</u>	<u>(2,969,153)</u>
Other Financing Sources (Uses)				
Transfers in	—	—	10,816,700	10,816,700
Transfers (out)	(4,499,140)	—	—	(4,499,140)
Total other financing sources (uses)	<u>(4,499,140)</u>	<u>—</u>	<u>10,816,700</u>	<u>6,317,560</u>
Net change in fund balances	(353,958)	1,159,716	2,542,649	3,348,407
Fund balances, beginning of year	<u>1,367,439</u>	<u>101,306</u>	<u>8,334,960</u>	<u>9,803,705</u>
Fund balances, end of year	<u>\$ 1,013,481</u>	<u>\$ 1,261,022</u>	<u>\$ 10,877,609</u>	<u>\$ 13,152,112</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, 2023
(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ 6,609,235	\$ 6,596,546
Equity in pooled cash and cash equivalents	1,196,307	7,263,627
Collateral deposits held by others	—	—
Receivables:		
Property taxes	1,329,819	1,295,052
Less, allowance for doubtful accounts	(1,329,819)	(1,295,052)
Water and sewer utility bills	452	465
Park revenue	9,535	9,718
Franchise fees	759,374	808,661
Grants	1,925,759	1,554,682
Cobra insurance	23,389	15,363
Other receivables	1,824,323	1,075,606
Due from other governments:		
State of South Carolina	647,251	501,898
Horry County	212,782	151,341
Due from other funds:		
State Accommodations (2%) Tax Fund	516,049	29,360
Local Accommodations (1.5%) Tax Fund	596,719	586,017
Local Hospitality (1%) Fee Fund	510,342	450,180
Beach Renourishment Fund	—	—
North Myrtle Beach Enterprise Fund	—	—
Cherry Grove Dredge Fund	5,254,124	—
Aquatic Center Fund	—	324,878
Beach Service Fund	—	—
Sports and Tourism Park Fund	468,292	628,347
Insurance Reserves Fund	5,523,546	2,669,692
Inventories and prepaid items	466,562	324,430
Restricted assets:		
Cash and cash equivalents:		
Court (bail bond) account	626,278	467,906
Drug enforcement account	34,819	18,143
Police seizures held	139,944	135,931
Jr. Canine fund	9,158	1,530
Public safety scholarship fund	50,385	72,082
Total assets	<u>\$ 27,404,625</u>	<u>\$ 23,686,403</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

— CONTINUED —

	<u>2023</u>	<u>2022</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,776,384	\$ 1,046,480
Accrued payroll and withholdings payable	869,083	898,313
Due to other funds:		
Sports and Tourism Park Fund	467,191	467,191
Due to other governments:		
State of SC – abandoned property	16,450	6,040
Deposits and Performance bonds	332,970	39,576
Payable from restricted assets:		
Bail bonds	623,351	468,532
Police seizures held	139,944	135,931
Total liabilities	<u>4,225,373</u>	<u>3,062,063</u>
Fund Balance:		
Non-spendable	466,562	324,430
Restricted by others	97,289	91,755
Committed by ordinance	—	—
Assigned by management	—	—
Unassigned	22,615,401	20,208,155
Total fund balance	<u>23,179,252</u>	<u>20,624,340</u>
Total liabilities and fund balance	<u><u>\$ 27,404,625</u></u>	<u><u>\$ 23,686,403</u></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, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Current property taxes	\$ 20,950,000	\$ 22,209,089	\$ 1,259,089	\$ 20,526,178
Less, Horry County Collection fee	—	(67,484)	(67,484)	(64,256)
	20,950	22,141,605	1,191,605	20,461,922
Delinquent property taxes:				
Real and personal property	310,000	275,690	(34,310)	338,783
Penalties	150,000	151,169	1,169	133,087
	460,000	426,859	(33,141)	471,870
	21,410,000	22,568,464	1,158,464	20,933,792
Licenses and permits:				
Business licenses	8,150,000	10,968,219	2,818,219	9,613,890
Business license penalties	81,000	69,499	(11,501)	49,730
Building permits	950,000	1,519,881	569,881	1,202,802
Inspection fees	7,500	7,660	160	7,555
Other permits	15,000	19,370	4,370	13,250
Tree bank	—	3,900	3,900	67,475
Franchise fee – electricity	1,825,000	1,515,298	(309,702)	1,607,501
Franchise fee – cable TV	625,000	607,183	(17,817)	628,618
Franchise fee – telephone	150,000	138,695	(11,305)	98,756
Franchise fee – gas	100,000	146,795	46,795	116,288
	11,903,500	14,996,500	3,093,000	13,405,865
Fines and forfeitures:				
Fines	700,000	758,449	58,449	780,740
Seizures	5,000	16,859	11,859	12,392
Improper parking	12,000	—	(12,000)	—
Victim's assistance	48,000	48,910	910	53,403
Bail Bondsman Fee	1,000	—	(1,000)	—
Less, remittances to State Treasurer	(420,000)	(499,219)	(79,219)	(460,745)
	346,000	324,999	(21,001)	385,790
Use of money and property:				
Interest on investments	160,000	205,601	45,601	19,497
Property rental	235,000	253,136	18,136	233,672
Purchasing card rebate	12,000	17,539	5,539	12,490
	407,000	476,276	69,276	265,659
Unrestricted intergovernmental:				
Local government	420,000	445,863	25,863	425,698
Homestead exemption tax	325,000	326,777	1,777	314,803
Business inventory tax	36,600	36,616	16	37,150
Accommodations tax	335,000	371,567	36,567	362,824
Motor carrier tax	75,000	73,677	(1,323)	94,047
TNC local assessment fee	12,500	30,171	17,671	19,755
Alcoholic beverage permit fees	225,000	296,100	71,100	224,520
	1,429,100	1,580,771	151,671	1,478,797

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue (Continued)				
Restricted intergovernmental:				
Federal FEMA /SAFER	—	125,609	125,609	446,119
State SCEMD	—	24,169	24,169	(35,532)
Federal USDOJ/SCDPS	1,050,000	297,658	(752,342)	—
State SC CARES	—	—	—	—
Federal Fiscal Recovery Act	—	—	—	977,321
State misc. funds	—	500	500	4,225
Horry County recreation	51,960	—	(51,960)	41,960
	<u>1,101,960</u>	<u>447,936</u>	<u>(654,024)</u>	<u>1,434,093</u>
Sales and service charges:				
City codes and ordinances	10,000	2,850	(7,150)	4,075
Fire protection – contracts	118,752	121,323	2,571	132,759
Street work	6,000	450	(5,550)	9,759
Beach services franchise	150,000	168,661	18,661	161,808
Parking lots – collections	1,150,000	1,192,674	42,674	1,068,032
Recreation fees	210,000	277,937	67,937	267,139
GIS Data	500	—	(500)	—
Credit Card service charge	12,000	46,504	34,504	33,559
Miscellaneous	40,000	34,617	(5,383)	47,487
	<u>1,697,252</u>	<u>1,845,016</u>	<u>147,764</u>	<u>1,724,618</u>
Miscellaneous:				
Insurance reimbursements	50,000	14,336	(35,664)	23,365
Forfeitures – 401	60,000	20,869	(39,131)	100,272
Grant/fees from private entities	—	35,643	35,643	28,435
Canine program donations	—	4,907	4,907	14,765
Parkway Group PDD fee	550,000	564,403	14,403	411,350
Donation – Private citizens	—	4,500	4,500	100,125
PS Scholarship Fund donation	—	4,803	4,803	2,109
Event donations	—	62,189	62,189	—
	<u>660,000</u>	<u>711,650</u>	<u>51,650</u>	<u>680,421</u>
Total revenue	<u>38,954,812</u>	<u>42,951,612</u>	<u>3,996,800</u>	<u>40,309,035</u>
Expenditures				
General Government Administration				
General Services:				
Personal services	558,500	738,418	(179,918)	632,795
Operating expenditures	1,698,310	2,352,160	(653,850)	1,591,157
Capital	—	—	—	2,311
Less, overhead allocation	(789,884)	(1,081,702)	291,818	(779,191)
	<u>1,466,926</u>	<u>2,008,876</u>	<u>(541,950)</u>	<u>1,447,072</u>
Legislative:			-	
Personal services	454,043	477,315	(23,272)	420,032
Operating expenditures	66,400	47,649	18,751	41,524
Less, overhead allocation	(104,089)	(104,992)	903	(92,311)
	<u>416,354</u>	<u>419,972</u>	<u>(3,618)</u>	<u>369,245</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 —

	2023		Variance Positive (Neg.)	2022
	Budget	Actual		Actual
Expenditures (Continued)				
General Government Administration (Cont.)				
Administrative:				
Personal services	582,039	611,402	(29,363)	658,674
Operating expenditures	119,850	208,041	(88,191)	87,209
Less, overhead allocation	(210,567)	(245,833)	35,266	(223,765)
	491,322	573,610	(82,288)	522,118
City Court:				
Personal services	445,563	528,998	(83,435)	494,796
Operating expenditures	59,925	76,214	(16,289)	52,308
Capital expenditures	—	—	—	65,544
	505,488	605,212	(99,724)	612,648
Legal:				
Personal services	314,771	302,235	12,536	300,445
Operating expenditures	289,250	2,181,872	(1,892,622)	912,190
Capital expenditures	—	—	—	—
Less, overhead allocation	(181,205)	(745,232)	564,027	(363,791)
	422,816	1,738,875	(1,316,059)	848,844
Human Resources:				
Personal services	695,800	675,610	20,190	582,084
Operating expenditures	107,500	142,040	(34,540)	101,497
Capital expenditures	—	—	—	—
Less, overhead allocation	(385,584)	(392,472)	6,888	(328,119)
	417,716	425,178	(7,462)	355,462
Total general government administration	3,720,622	5,771,723	(2,051,101)	4,155,389
Less, total capital outlay	—	—	—	(67,855)
Net general government administration	3,720,622	5,771,723	(2,051,101)	4,087,534

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

— CONTINUED —

	2023		Variance Positive (Neg.)	2022
	Budget	Actual		Actual
Expenditures (Continued)				
Finance				
Accounting:				
Personal services	743,297	594,500	148,797	549,610
Operating expenditures	203,650	149,252	54,398	138,878
Capital expenditures	—	—	—	47,876
Less, overhead allocation	(596,577)	(468,564)	(128,013)	(463,910)
	350,370	275,188	75,182	272,454
Revenue:				
Personal services	560,198	571,748	(11,550)	467,014
Operating expenditures	702,875	707,691	(4,816)	786,871
Capital expenditures	—	33,300	(33,300)	—
	1,263,073	1,312,739	(49,666)	1,253,885
Total finance	1,613,443	1,587,927	25,516	1,526,339
Less, total capital outlay	—	(33,300)	33,300	(47,876)
Net finance	1,613,443	1,554,627	58,816	1,478,463
Information Services				
Personal services	998,455	927,238	71,217	812,001
Operating services	621,500	787,261	(165,761)	635,590
Capital expenditures	210,000	228,050	(18,050)	269,368
Less, overhead allocation	(1,068,582)	(1,037,947)	(30,635)	(837,594)
	761,373	904,602	(143,229)	879,365
Total information services	761,373	904,602	(143,229)	879,365
Less, total capital outlay	(210,000)	(228,050)	18,050	(269,368)
Net information services	551,373	676,552	(125,179)	609,997
Public Safety				
Administrative:				
Personal services	1,107,355	1,084,009	23,346	957,452
Operating expenditures	227,250	544,514	(317,264)	424,463
Capital expenditures	—	48,849	(48,849)	36,626
	1,334,605	1,677,373	(342,768)	1,418,541
Uniform patrol:				
Personal services	6,278,027	6,060,718	217,309	5,366,471
Operating expenditures	871,362	1,593,722	(722,360)	859,968
Capital expenditures	510,000	319,665	190,335	1,023,850
Less, total overhead allocation	(30,000)	—	(30,000)	—
	7,629,389	7,974,105	(344,716)	7,250,289
Community services:				
Personal services	789,729	1,271,300	(481,571)	818,114
Operating expenditures	186,290	271,653	(85,363)	197,032
Capital expenditures	84,000	90,494	(6,494)	128,672
Less, overhead allocation	—	—	—	—
	1,060,019	1,633,447	(573,428)	1,143,818

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

— CONTINUED —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Expenditures (Continued)				
Public Safety (Cont.)				
Detectives:				
Personal services	1,089,172	1,149,181	(60,009)	1,119,887
Operating expenditures	78,160	118,573	(40,413)	82,431
Capital expenditures	—	89,829	(89,829)	—
Less, overhead allocation	(10,000)	—	(10,000)	—
	<u>1,157,332</u>	<u>1,357,583</u>	<u>(200,251)</u>	<u>1,202,318</u>
 Communications/Detention:				
Personal services	1,852,034	1,739,908	112,126	1,604,474
Operating expenditures	87,935	209,389	(121,454)	87,773
Capital expenditures	—	—	—	—
Less, overhead allocation	(155,197)	(155,943)	746	(135,380)
	<u>1,784,772</u>	<u>1,793,354</u>	<u>(8,582)</u>	<u>1,556,867</u>
 Records:				
Personal services	386,789	412,119	(25,330)	341,133
Operating expenditures	31,171	28,833	2,338	51,600
Capital expenditures	—	—	—	—
	<u>417,960</u>	<u>440,952</u>	<u>(22,992)</u>	<u>392,733</u>
 Victim's Assistance:				
Personal services	102,126	104,652	(2,526)	94,434
Operating expenditures	6,125	4,839	1,286	2,929
	<u>108,251</u>	<u>109,491</u>	<u>(1,240)</u>	<u>97,363</u>
 Police Training:				
Personal services	559,652	642,250	(82,598)	351,081
Operating expenditures	32,150	46,260	(14,110)	32,870
Capital expenditures	40,000	66,206	(26,206)	60,056
	<u>631,802</u>	<u>754,716</u>	<u>(122,914)</u>	<u>444,007</u>
 Fire Suppression/Rescue:				
Personal services	5,258,053	5,616,140	(358,087)	4,961,393
Operating expenditures	471,650	699,973	(228,323)	715,509
Capital expenditures	105,215	87,413	17,802	—
Less, overhead allocation	(30,000)	—	(30,000)	—
	<u>5,804,918</u>	<u>6,403,526</u>	<u>(598,608)</u>	<u>5,676,902</u>
 Fire Prevention/Inspection:				
Personal services	448,019	469,393	(21,374)	415,449
Operating expenditures	32,999	83,497	(50,498)	38,982
Capital expenditures	10,000	—	10,000	121,920
	<u>491,018</u>	<u>552,890</u>	<u>(61,872)</u>	<u>576,351</u>
 Total Public Safety	20,420,066	22,697,437	(2,277,371)	19,759,189
Less, total capital outlay	(749,215)	(702,456)	(46,759)	(1,371,124)
Net public safety	<u>19,670,851</u>	<u>21,994,981</u>	<u>2,324,130</u>	<u>18,388,065</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 —

	2023		Variance Positive (Neg.)	2022
	Budget	Actual		Actual
Expenditures (Continued)				
Planning/Development				
Planning/Zoning Administration:				
Personal services	1,204,795	1,204,359	436	1,042,946
Operating expenditures	49,200	51,812	(2,612)	53,588
Capital expenditures	—	49,626	(49,626)	33,937
	1,253,995	1,305,797	(51,802)	1,130,471
Code Enforcement – Building:				
Personal services	883,727	835,702	48,025	820,678
Operating expenditures	65,700	89,274	(23,574)	88,948
Capital expenditures	—	33,043	(33,043)	—
Less, overhead allocation	(47,471)	(47,900)	429	(45,481)
	901,956	910,119	(8,163)	864,145
Total Planning/Development	2,155,951	2,215,916	(59,965)	1,994,616
Less, total capital outlay	—	(82,669)	82,669	(33,937)
Net planning/development	2,155,951	2,133,247	22,704	1,960,679
Public Works				
Streets/Drainage:				
Personal services	2,521,569	2,252,782	268,787	1,745,523
Operating expenditures	1,636,500	1,955,496	(318,996)	1,590,585
Capital expenditures	160,000	391,036	(231,036)	285,029
Less, overhead allocation	(1,181,806)	(731,910)	(449,896)	(574,978)
	3,136,263	3,867,404	(731,141)	3,046,159
Total Public Works	3,136,263	3,867,404	(731,141)	3,046,159
Less, total capital outlay	(160,000)	(391,036)	231,036	(285,029)
Net public works	2,976,263	3,476,368	(500,105)	2,761,130
Parks and Recreation				
Recreation Administration:				
Personal services	601,777	602,859	(1,082)	584,042
Operating expenditures	78,305	111,373	(33,068)	67,307
Capital expenditures	—	—	—	—
Less, overhead allocation	(238,029)	(249,981)	11,952	(227,972)
	442,053	464,251	(22,198)	423,377
Athletics:				
Personal services	630,481	505,748	124,733	500,140
Operating expenditures	362,650	453,470	(90,820)	287,528
Capital expenditures	14,500	19,224	(4,724)	—
	1,007,631	978,442	29,189	787,668
Programs:				
Personal services	290,557	306,016	(15,459)	291,526
Operating expenditures	630,946	591,734	39,212	536,947
Capital expenditures	—	—	—	11,906
	921,503	897,750	23,753	840,379

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

— CONTINUED —

	2023		Variance Positive (Neg.)	2022
	Budget	Actual		Actual
Expenditures (Continued)				
Parks and Recreation (continued)				
Row Maintenance:				
Personal services	389,658	327,913	61,745	348,978
Operating expenditures	191,855	258,030	(66,175)	195,560
Capital expenditures	136,500	384,414	(247,914)	33,121
Less, overhead allocation	—	—	—	—
	718,013	970,357	(252,344)	577,659
Sports Park:				
Personal services	577,090	527,232	49,858	481,203
Operating expenditures	365,607	397,878	(32,271)	354,097
Capital outlay	48,000	65,522	(17,522)	64,935
Less, overhead allocation	(594,418)	(594,379)	(39)	(540,141)
	396,279	396,253	26	360,094
Landscaping:				
Personal services	312,855	346,065	(33,210)	324,766
Operating expenditures	163,082	159,636	3,446	108,960
Capital outlay	72,000	118,381	(46,381)	—
Less, overhead allocation	—	—	—	—
	547,937	624,082	(76,145)	433,726
Parks and Beach:				
Personal services	377,218	430,206	(52,988)	333,114
Operating expenditures	343,311	236,424	106,887	348,284
Capital outlay	26,000	—	26,000	57,519
Less, overhead allocation	—	—	—	—
	746,529	666,630	79,899	738,917
Administration:				
Personal services	411,810	728,198	(316,388)	695,660
Operating expenditures	79,633	65,841	13,792	44,916
Capital outlay	—	—	—	—
Less, overhead allocation	(50,000)	(317,615)	267,615	(370,288)
	441,443	476,424	(34,981)	370,288
Total Parks and Recreation	5,221,388	5,474,189	(252,801)	4,532,108
Less, total capital outlay	(297,000)	(587,541)	290,541	—
Net parks and recreation	4,924,388	4,886,648	37,740	4,532,108

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

— CONTINUED —

	2023		Variance Positive (Neg.)	2022
	Budget	Actual		Actual
Expenditures (Continued)				
Support Services				
Custodial Services:				
Personnel services	355,339	343,897	11,442	332,791
Operating expenses	67,448	87,749	(20,301)	84,813
Capital outlay	10,500	—	10,500	—
Less, overhead allocation	(151,650)	(151,076)	(574)	(146,161)
	281,637	280,570	1,067	271,443
Purchasing:				
Personal services	320,861	273,112	47,749	192,760
Operating expenditures	27,550	28,630	(1,080)	46,546
Capital outlay	—	—	—	—
Less, overhead allocation	(202,078)	(175,010)	(27,068)	(138,797)
	146,333	126,732	19,601	100,509
Fleet management:				
Personal services	394,918	310,260	84,658	227,017
Operating expenditures	71,000	88,446	(17,446)	70,792
Capital outlay	104,000	—	104,000	—
Less, overhead allocation	(227,968)	(159,482)	(68,486)	(119,124)
	341,950	239,224	102,726	178,685
Custodial/Facility Maintenance:				
Personnel services	347,110	320,395	26,715	249,745
Operating expenses	488,000	813,205	(325,205)	668,086
Capital outlay	—	—	—	—
Less, overhead allocation	(292,288)	(396,760)	104,472	(321,241)
	542,822	736,840	(194,018)	596,590
Total Support Services	1,312,742	1,383,366	(70,624)	1,147,227
Less, total capital outlay	(114,500)	—	(114,500)	—
Net support services	1,198,242	1,383,366	(185,124)	1,147,227
Contingency:				
Personnel services	1,200,000	—	1,200,000	—
Net Contingency	1,200,000	—	1,200,000	—
Total Departmental Expenditures (net)	38,011,133	41,877,512	(3,866,379)	34,965,203

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

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

— CONTINUED —

	2023		Variance Positive (Neg.)	2022
	Budget	Actual		Actual
Expenditures (Continued)				
Debt Service				
Principal retirement	—	—	—	—
Interest and fiscal charges	—	—	—	—
Agent fees	—	—	—	—
Total debt service	—	—	—	—
Capital Outlay	1,530,715	2,025,052	(494,337)	2,075,189
Total expenditures	39,541,848	43,902,564	(4,360,716)	37,040,392
Excess (deficiency) of revenue over (under) expenditures	(587,036)	(950,952)	(363,916)	3,268,643
Other Financing Sources (Uses)				
Horry County partial settlement	—	—	—	2,416,090
Transfers in:				
From State Accommodations (2%) Tax Fund	1,253,051	2,048,490	795,439	1,161,622
From Local (1.5%) Accommodations Tax Fund	3,500,000	4,048,342	548,342	4,041,978
From Local (1%) Hospitality Fee Fund	3,703,000	4,583,229	880,229	4,177,086
From Sports and Tourism Park Fund	75,000	—	(75,000)	—
Total transfers in:	8,531,051	10,680,061	2,149,010	9,380,686
Transfers (out):				
To Park Improvement Fund	(3,680,000)	(3,680,000)	—	(3,680,000)
To Capital Improvement Fund	(2,750,000)	(2,750,000)	—	(2,750,000)
To Street Improvement Fund	(1,200,000)	(700,000)	500,000	(1,200,000)
To Sports and Tourism Park Fund	—	—	—	(200,000)
To Pension Trust Fund	(50,000)	(44,197)	5,803	(44,197)
To Insurance Reserve Fund	—	—	—	(3,000,000)
Total transfers (out)	(7,680,000)	(7,174,197)	505,803	(10,874,197)
Total other financing sources (uses)	851,051	3,505,864	2,654,813	(1,493,511)
Net change in fund balance	264,015	2,554,912	2,290,897	4,191,222
Fund balance, beginning of year	20,624,340	20,624,340	—	16,433,118
Fund balance, end of year	<u>\$ 20,888,355</u>	<u>\$ 23,179,252</u>	<u>\$ 2,290,897</u>	<u>\$ 20,624,340</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, 2023

	Local (1.5%) A-Tax	Hospitality (1.0%) Fee	State (2%) A-Tax	Non-Major Totals
Assets				
Equity in pooled cash and cash equivalents	\$ 6,845,034	\$ 13,174,344	\$ —	\$ —
Receivables, net	2,226,905	1,835,034	—	—
Due from other governments	—	—	2,329,280	2,329,280
Total assets	<u>\$ 9,071,939</u>	<u>\$ 15,009,378</u>	<u>\$ 2,329,280</u>	<u>\$ 2,329,280</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 596,719	\$ —	\$ 799,750	\$ 799,750
Due to other funds	296,745	510,342	516,049	516,049
Unearned revenues	—	—	—	—
Total liabilities	<u>893,464</u>	<u>510,342</u>	<u>1,315,799</u>	<u>1,315,799</u>
Fund balances:				
Non-spendable	—	—	—	—
Restricted by others	—	—	1,013,481	1,013,481
Committed by ordinance	8,178,475	14,499,036	—	—
Assigned by management	—	—	—	—
Unassigned (deficit)	—	—	—	—
Total fund balances	<u>8,178,475</u>	<u>14,499,036</u>	<u>1,013,481</u>	<u>1,013,481</u>
Total liabilities and fund balances	<u>\$ 9,071,939</u>	<u>\$ 15,009,378</u>	<u>\$ 2,329,280</u>	<u>\$ 2,329,280</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Local (1.5%) A-Tax	Hospitality (1.0%) Fee	State (2%) A-Tax	Non-Major Totals
Revenue				
Use of money and property	\$ —	\$ —	\$ 14,862	\$ 14,862
Restricted intergovernmental	10,488,588	10,323,814	6,584,770	6,584,770
Total revenue	10,488,588	10,323,814	6,599,632	6,599,632
Expenditures				
Current:				
General government activities	—	—	—	—
Parks and recreation – tourism related	—	—	2,454,450	2,454,450
Total expenditures	—	—	2,454,450	2,454,450
Excess (deficiency) of revenue over (under) expenditures	10,488,588	10,323,814	4,145,182	4,145,182
Other Financing Sources (Uses)				
Release of court ordered escrow	—	—	—	—
Transfers in (out)	(7,761,027)	(4,583,229)	(4,499,140)	(4,499,140)
Total other financing sources (uses)	(7,761,027)	(4,583,229)	(4,499,140)	(4,499,140)
Net change in fund balances	2,727,561	5,740,585	(353,958)	(353,958)
Fund balances, beginning of year	5,450,914	8,758,451	1,367,439	1,367,439
Fund balances, end of year	<u>\$ 8,178,475</u>	<u>\$ 14,499,036</u>	<u>\$ 1,013,481</u>	<u>\$ 1,013,481</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

STATE ACCOMMODATIONS (2%) TAX
BALANCE SHEET

JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Equity (deficit) in pooled cash and cash equivalents	\$ —	\$ —
Receivables, net	—	—
Due from other governments	<u>2,329,280</u>	<u>2,286,226</u>
Total assets	<u><u>\$ 2,329,280</u></u>	<u><u>2,286,226</u></u>
 Liabilities and Fund Balance		
Accounts payable	\$ 799,750	\$ 889,427
Due to General Fund	<u>516,049</u>	<u>29,360</u>
Total liabilities	<u>1,315,799</u>	<u>918,787</u>
 Fund balance:		
Restricted by others	1,013,481	1,367,439
Unassigned (deficit)	—	—
Total Fund balance	<u>1,013,481</u>	<u>1,367,439</u>
Total liabilities and fund balance	<u><u>\$ 2,329,280</u></u>	<u><u>\$ 2,286,226</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 ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 14,862	\$ 14,862	\$ 566
Restricted intergovernmental:				
State A-Tax revenue	5,125,250	6,584,770	1,459,520	6,418,655
Total revenue	5,125,250	6,599,632	1,474,382	6,419,221
Expenditures				
Parks and recreation				
30% advertising allocation	1,618,500	2,079,401	(460,901)	2,026,943
North Myrtle Beach Chamber	334,400	334,400	—	311,000
Services to other agencies	40,649	40,649	—	19,900
Total expenditures	1,993,549	2,454,450	(460,901)	2,357,843
Excess of revenue over expenditures	3,131,701	4,145,182	1,013,481	4,061,378
Other Financing Sources (Uses)				
Transfers in (out):				
General Fund	(1,253,051)	(2,048,490)	(795,439)	(1,161,622)
Capital Improvement Fund	(271,100)	(370,400)	(99,300)	(114,247)
Street Improvement Fund	(337,300)	(810,000)	(472,700)	(262,676)
Beach Renourishment Fund	(506,300)	(506,300)	—	(938,316)
Stormwater Drainage Fund	(119,250)	(119,250)	—	(76,176)
Solid Waste Fund	(397,900)	(397,900)	—	(203,505)
Beach Services Fund	(246,800)	(246,800)	—	(220,808)
Total other financing sources (uses)	(3,131,701)	(4,499,140)	(1,367,439)	(2,977,350)
Net change in fund balance	—	(353,958)	(353,958)	1,084,028
Fund balance, beginning of year	1,367,439	1,367,439	—	283,411
Fund balance, end of year	<u>\$1,367,439</u>	<u>\$1,013,481</u>	<u>\$ (353,958)</u>	<u>\$ 1,367,439</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (1.5%) TAX
BALANCE SHEET

JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 6,845,034	\$ 4,064,964
Receivables, net	2,226,905	2,264,575
Total assets	<u>\$ 9,071,939</u>	<u>\$ 6,329,539</u>
Liabilities and Fund Balance		
Accounts payable	\$ —	\$ —
Due to General Fund	596,719	586,017
Due to Beach Services Fund	296,745	292,608
Unearned revenue – court ordered escrow	—	—
Total liabilities	<u>893,464</u>	<u>878,625</u>
Fund balance:		
Committed by ordinance	8,178,475	5,450,914
Unassigned (deficit)	—	—
Total fund balance	<u>8,178,475</u>	<u>5,450,914</u>
Total liabilities and fund balance	<u>\$ 9,071,939</u>	<u>\$ 6,329,539</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, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Restricted intergovernmental:				
Local A-Tax revenue, net	\$12,300,000	\$10,438,448	\$ (1,861,552)	\$10,118,375
Penalties	25,000	50,140	25,140	31,205
Total revenue	12,325,000	10,488,588	(1,836,412)	10,149,580
Expenditures				
General government administration				
Professional services	—	—	—	7,747
Total expenditures	—	—	—	7,747
Excess of revenue over expenditures	12,325,000	10,488,588	(1,836,412)	10,141,833
Other Financing Sources (Uses)				
Release of court ordered escrow	—	—	—	2,980,633
Transfers in (out):				
General Fund	(3,500,000)	(4,048,342)	(548,342)	(4,041,978)
Capital Improvement Fund	(7,000,000)	(2,000,000)	5,000,000	—
Sports and Tourism Park Fund	(500,000)	—	500,000	—
Beach Services Fund	(300,000)	(400,000)	(100,000)	(892,757)
Aquatic Center Fund	(800,000)	(1,312,685)	(512,685)	(975,179)
Total other financing sources (uses)	(12,100,000)	(7,761,027)	4,338,973	(2,929,281)
Net change in fund balance	225,000	2,727,561	2,502,561	7,212,552
Fund balance, beginning of year	5,450,914	5,450,914	—	(1,761,638)
Fund balance, end of year	<u>\$ 5,675,914</u>	<u>\$ 8,178,475</u>	<u>\$ 2,502,561</u>	<u>\$ 5,450,914</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL HOSPITALITY (1.0%) FEES
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 13,174,344	\$ 7,471,374
Receivables, net	<u>1,835,034</u>	<u>1,737,257</u>
Total assets	<u><u>\$ 15,009,378</u></u>	<u><u>\$ 9,208,631</u></u>
Liabilities and Fund Balance		
Accounts payable	\$ —	\$ —
Due to General Fund	510,342	450,180
Unearned revenue – court ordered escrow	<u>—</u>	<u>—</u>
Total liabilities	<u>510,342</u>	<u>450,180</u>
Fund balance:		
Committed by ordinance	14,499,036	8,758,451
Unassigned	<u>—</u>	<u>—</u>
Total fund balance	<u>14,499,036</u>	<u>8,758,451</u>
Total liabilities and fund balance	<u><u>\$ 15,009,378</u></u>	<u><u>\$ 9,208,631</u></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, 2023
 (With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Restricted intergovernmental:				
Hospitality fees, net	\$ 9,450,000	\$10,294,737	\$ 844,737	\$ 9,764,831
Penalties	25,000	29,077	4,077	37,615
Total revenue	9,475,000	10,323,814	848,814	9,802,446
Expenditures				
General government administration				
Professional services	—	—	—	7,748
Total expenditures	—	—	—	7,748
Excess of revenue over expenditures	9,475,000	10,323,814	848,814	9,794,698
Other Financing Sources (Uses)				
Release of court ordered escrow	—	—	—	2,261,991
Transfers (out):				
General Fund	(3,703,000)	(4,583,229)	(880,229)	(4,177,086)
Park Improvement Fund	—	—	—	—
Street Improvement Fund	(1,500,000)	—	1,500,000	—
Total other financing sources (uses)	(5,203,000)	(4,583,229)	619,771	(1,915,095)
Net change in fund balance	4,272,000	5,740,585	1,468,585	7,879,603
Fund balance, beginning of year	8,758,451	8,758,451	—	878,848
Fund balance, end of year	<u>\$ 13,030,451</u>	<u>\$14,499,036</u>	<u>\$ 1,468,585</u>	<u>\$ 8,758,451</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 Improvement
District Bonds:**

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUNDS

BALANCE SHEETS

JUNE 30, 2023

	Park Land Note	Cherry Grove Bonds	Non-Major Totals
Assets			
Equity in pooled cash and cash equivalents - restricted	\$ —	\$ 1,734,404	\$ 1,734,404
Cash and cash equivalents - restricted	—	177,176	177,176
Receivables, net	—	—	—
Total assets	<u>\$ —</u>	<u>\$ 1,911,580</u>	<u>\$ 1,911,580</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ —	\$ 166	\$ 166
Due other funds	650,392	—	650,392
Total liabilities	<u>650,392</u>	<u>166</u>	<u>650,558</u>
Fund Balance:			
Committed by ordinance	—	1,911,414	1,911,414
Unassigned (deficit)	(650,392)	—	(650,392)
Total fund balance	<u>(650,392)</u>	<u>1,911,414</u>	<u>1,261,022</u>
Total liabilities and fund balance	<u>\$ —</u>	<u>\$ 1,911,580</u>	<u>\$ 1,911,580</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Park Land Note	Cherry Grove Bonds	Non-Major Totals
Revenue			
Property taxes	\$ —	\$ —	\$ —
Special assessments	—	1,942,628	1,942,628
Use of money and property:			
Interest on investments	—	8,500	8,500
Total revenue	—	1,951,128	1,951,128
Expenditures			
Debt Service:			
Principal	645,212	—	645,212
Interest	5,180	41,029	46,209
Fiscal agent fees	—	99,991	99,991
Total expenditures	650,392	141,020	791,412
Excess (deficiency) of revenue over (under) expenditures	(650,392)	1,810,108	1,159,716
Other Financing Sources (Uses)			
Transfers in (out):			
Park Development Fund	—	—	—
Net change in fund balance	(650,392)	1,810,108	1,159,716
Fund balance (deficit), beginning of year	—	101,306	101,306
Fund balance (deficit), end of year	\$ (650,392)	\$ 1,911,414	\$ 1,261,022

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK LAND NOTE
BALANCE SHEET

JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Receivables, net	—	—
Total assets	<u>\$ —</u>	<u>\$ —</u>
Liabilities and Fund Balance		
Liabilities:		
Due to Stormwater Drainage Fund	\$ 650,392	\$ —
Total liabilities	<u>650,392</u>	<u>—</u>
Fund Balance:		
Committed by ordinance	—	—
Unassigned (deficit)	(650,392)	—
Total liabilities and fund balance	<u>\$ —</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

PARK LAND NOTE

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

YEAR ENDED JUNE 30, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Property taxes:				
Current	\$ —	\$ —	\$ —	\$ —
Delinquent and penalties	—	—	—	—
Use of money and property:				
Interest on investments	—	—	—	—
Total revenue	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures				
Debt Service:				
Principal	—	645,212	(645,212)	2,522,588
Interest	—	5,180	(5,180)	75,488
Fiscal agent fees	—	—	—	—
Total expenditures	<u>—</u>	<u>650,392</u>	<u>(650,392)</u>	<u>2,598,076</u>
Excess of revenue over expenditures	<u>—</u>	<u>(650,392)</u>	<u>(650,392)</u>	<u>(2,598,076)</u>
Other Financing Sources (Uses)				
Transfers in (out):				
Park Development Fund	—	—	—	1,963,470
	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,963,470</u>
Net change in fund balance	<u>—</u>	<u>(650,392)</u>	<u>(650,392)</u>	<u>(634,606)</u>
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>634,606</u>
Fund balance (deficit), end of year	<u>\$ —</u>	<u>\$ (650,392)</u>	<u>\$ (650,392)</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

CHERRY GROVE IMPROVEMENT DISTRICT BONDS
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Equity in pooled cash and cash equivalents	\$ 1,734,404	\$ 102,687
Restricted cash and cash equivalents:		
Revenue funds	—	1
Cost of issuance account	30,171	—
Prepayment accounts	—	769
Sinking fund	147,005	—
Receivables – special assessments	—	—
Less, allowance for doubtful accounts	—	—
Total assets	<u>\$ 1,911,580</u>	<u>\$ 103,457</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 166	\$ 2,151
Deferred prepaid assessment	—	—
Due to Cherry Grove Dredge Capital Projects Fund	—	—
Total liabilities	<u>\$ 166</u>	<u>\$ 2,151</u>
Fund Balance:		
Committed by ordinance	1,911,414	101,306
Unassigned (deficit)	—	—
Total liabilities and fund balance	<u>\$ 1,911,580</u>	<u>\$ 103,457</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

CHERRY GROVE IMPROVEMENT DISTRICT BONDS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Special assessments:				
Current assessments	\$ —	\$ 1,942,788	\$ 1,942,788	\$ —
Delinquent and penalties	—	(160)	(160)	11,040
Use of money and property:				
Interest on investments	—	8,500	8,500	197
Total revenue	—	1,951,128	1,951,128	11,237
Expenditures				
Debt Service:				
Principal	—	—	—	—
Interest	—	41,029	(41,029)	—
Fiscal agent fees	—	99,991	(99,991)	14,794
Total expenditures	—	141,020	(141,020)	14,794
Net change in fund balance	—	1,810,108	1,810,108	(3,557)
Fund balance, beginning of year	101,306	101,306	—	104,863
Fund balance, end of year	<u>\$ 101,306</u>	<u>\$ 1,911,414</u>	<u>\$ 1,810,108</u>	<u>\$ 101,306</u>

CITY OF NORTH MYRTLE BEACH

CAPITAL PROJECTS FUNDS

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

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

BALANCE SHEETS

JUNE 30, 2023

	Cherry Grove Dredge	Stormwater Drainage	Capital Improvement	Beach Renourishment	Park Development	Street Improvement	Non-Major Totals
Assets							
Cash and cash equivalents	\$ 228,099	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Equity in pooled cash and cash equivalents	—	15,092,360	946,948	2,153,746	5,892,550	429,079	9,422,323
Restricted – cash and cash equivalents	5,482,801	—	—	—	—	—	—
Receivables, net	99	66,036	65,000	—	—	—	65,000
Due from other governments	—	—	119,048	—	—	1,741,039	1,860,087
Due from other funds	—	650,392	—	—	—	—	—
Prepaid items	—	—	—	—	—	134,700	134,700
Total assets	\$ 5,710,999	\$ 15,808,788	\$ 1,130,996	\$ 2,153,746	\$ 5,892,550	\$ 2,304,818	\$11,482,110
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 129,400	\$ 3,113,030	\$ 64,198	\$ 8,990	\$ 246	\$ 269,279	\$ 342,713
Retainage payable	—	1,669,933	23,908	—	—	237,880	261,788
Unearned revenue	—	—	—	—	—	—	—
Due to other funds	5,254,124	—	—	—	—	—	—
Total liabilities	5,383,524	4,782,963	88,106	8,990	246	507,159	604,501
Fund balances:							
Non-spendable	—	—	—	—	—	134,700	134,700
Restricted by others	—	—	—	—	—	—	—
Committed by ordinance	327,475	—	—	—	—	—	—
Assigned by management	—	11,025,825	1,042,890	2,144,756	5,892,304	1,662,959	10,742,909
Unassigned (deficit)	—	—	—	—	—	—	—
Total fund balances	327,475	11,025,825	1,042,890	2,144,756	5,892,304	1,797,659	10,877,609
Total liabilities and fund balances	\$ 5,710,999	\$ 15,808,788	\$ 1,130,996	\$ 2,153,746	\$ 5,892,550	\$ 2,304,818	\$11,482,110

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Cherry Grove Dredge	Stormwater Drainage	Capital Improvement	Beach Renourishment	Park Development	Street Improvement	Non-Major Totals
Revenue							
Use of money and property	\$ 74,926	\$ 125,369	\$ 80,514	\$ 19,052	\$ 15,355	\$ 15,782	\$ 130,703
Restricted intergovernmental	—	11,000,000	119,048	—	—	2,426,024	2,545,072
Sales and service charges	—	3,096,575	47,430	—	—	—	47,430
Miscellaneous	—	—	65,000	—	—	1,019,317	1,084,317
Total revenue	74,926	14,221,944	311,992	19,052	15,355	3,461,123	3,807,522
Expenditures							
Current:							
Finance	—	71,916	—	—	—	—	—
Public works	—	—	—	—	—	—	—
Capital outlay:							
General government administration	3,723,407	—	272,077	—	—	—	272,077
Public safety	—	—	3,232,888	—	—	—	3,232,888
Public works	—	17,534,141	65,178	900,848	—	6,180,613	7,146,639
Parks and recreation	—	—	1,404,827	—	25,142	—	1,429,969
Debt service	—	—	—	—	—	—	—
Total expenditures	3,723,407	17,606,057	4,974,970	900,848	25,142	6,180,613	12,081,573
Excess (deficiency) of revenue over (under) expenditures	(3,648,481)	(3,384,113)	(4,662,978)	(881,796)	(9,787)	(2,719,490)	(8,274,051)
Other Financing Sources (Uses)							
Bonds proceeds	3,242,000	—	—	—	—	—	—
Transfers in	—	119,250	5,120,400	506,300	3,680,000	1,510,000	10,816,700
Transfers (out)	—	—	—	—	—	—	—
Total other financing sources (uses)	3,242,000	119,250	5,120,400	506,300	3,680,000	1,510,000	10,816,700
Net change in fund balances	(406,481)	(3,264,863)	457,422	(375,496)	3,670,213	(1,209,490)	2,542,649
Fund balances, beginning of year	733,956	14,290,688	585,468	2,520,252	2,222,091	3,007,149	8,334,960
Fund balances, end of year	\$ 327,475	\$ 11,025,825	\$ 1,042,890	\$ 2,144,756	\$ 5,892,304	\$ 1,797,659	\$ 10,877,609

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Equity in pooled cash and cash equivalents	\$ 946,948	\$ 705,148
Receivables, net	65,000	—
Due from other governments	119,048	—
Total assets	<u>\$ 1,130,996</u>	<u>\$ 705,148</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 64,198	\$ 119,680
Retainage payable	23,908	—
Due to General Fund	—	—
Total liabilities	<u>88,106</u>	<u>119,680</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	1,042,890	585,468
Unassigned (deficit)	—	—
Total fund balance	<u>1,042,890</u>	<u>585,468</u>
Total liabilities and fund balance	<u>\$ 1,130,996</u>	<u>\$ 705,148</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 ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 40,000	\$ —	\$ (40,000)	\$ —
Surplus sales	50,000	80,514	30,514	7,990
Restricted Intergovernmental:				
FEMA grant	—	119,048	119,048	—
Sales and services:				
Development fees	25,000	47,430	22,430	11,430
Miscellaneous:				
Contributions – private entities	490,000	—	(490,000)	—
Insurance reimbursements	—	65,000	65,000	—
Total revenue	605,000	311,992	(293,008)	19,420
Expenditures				
Capital outlay –				
General government administration				
Professional/contractual services	90,000	50,000	40,000	50,000
IT projects	300,000	222,077	77,923	134,610
Public safety				
City-wide camera system	1,500,000	1,224,076	275,924	384,464
EV Charging Station	—	9,494	(9,494)	—
Fire rescue equipment/truck	2,100,000	1,743,683	356,317	—
Vehicles and equipment	450,000	255,635	194,365	172,250
EOC Building	8,000,000	—	8,000,000	215,027
Public works				
Building improvements and repairs	—	65,178	(65,178)	38,930
Parks and recreation				
Parks and parking				
renovations/improvements	—	1,001,301	(1,001,301)	277,735
Heritage Shores improvements	—	403,526	(403,526)	3,812
Total expenditures	12,440,000	4,974,970	7,465,030	1,276,828
Excess (deficiency) of revenue over (under) expenditures	(11,835,000)	(4,662,978)	7,172,022	(1,257,408)
Other Financing Sources (Uses)				
Transfers in – General Fund	2,750,000	2,750,000	—	2,750,000
Transfers in – State Accommodation (2%) Tax Fund	271,100	370,400	99,300	114,247
Transfers in – Local Accommodations (1.5%) Tax Fund	7,000,000	2,000,000	(5,000,000)	—
Transfers (out) – CG Dredge Fund	—	—	—	(553,979)
Total other financing sources	10,021,100	5,120,400	(4,900,700)	2,310,268
Net change in fund balance	(1,813,900)	457,422	2,271,322	1,052,860
Fund balance, beginning of year	585,468	585,468	—	(467,392)
Fund balance, end of year	\$ (1,228,432)	\$ 1,042,890	\$ 2,271,322	\$ 585,468

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Equity in pooled cash and cash equivalents	\$ 429,079	\$ 3,566,863
Receivables, net	—	—
Due from other governments	1,741,039	—
Inventory	134,700	—
Total assets	<u>\$ 2,304,818</u>	<u>\$ 3,566,863</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 269,279	\$ 557,887
Retainage payable	237,880	1,827
Due to General Fund	—	—
Due to Stormwater Drainage Fund	—	—
Total liabilities	<u>507,159</u>	<u>559,714</u>
Fund balance:		
Non-spendable	134,700	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	1,662,959	3,007,149
Unassigned	—	—
Total fund balance	<u>1,797,659</u>	<u>3,007,149</u>
Total liabilities and fund balance	<u>\$ 2,304,818</u>	<u>\$ 3,566,863</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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 15,782	\$ 15,782	\$ 5,442
Restricted intergovernmental:				
Federal grants	—	—	—	—
State Grants – SCDOT	1,400,000	—	(1,400,000)	(30,883)
State Grants – SCDOT/C Fund	—	1,066,344	1,066,344	—
Local Grant – Horry County Road Fee	—	924,170	924,170	—
Other Grants – Santee Cooper/HTC	1,600,000	435,510	(1,164,490)	—
Horry County. Ride III Reimb.	—	—	—	—
Misc. grants from developers and others	80,000	1,019,317	939,317	277,306
Total revenue	3,080,000	3,461,123	381,123	251,865
Expenditures				
Capital outlay – Public works				
Professional and contractual services	60,000	125,300	(65,300)	50,000
Damage claims	—	—	—	—
Beach access – parking lot improvement	—	—	—	—
Beach access - H/C OCRM grant	100,000	—	100,000	—
Sidewalks	150,000	—	150,000	—
Land	—	2,155,616	(2,155,616)	3,285,871
Road intersection improvements	250,000	—	250,000	—
Paving/road resurfacing	1,200,000	832,929	367,071	824,194
North Ocean Blvd underground utilities	—	494,225	(494,225)	16,575
Underground utilities	1,750,000	—	1,750,000	—
Barefoot Bridge painting	90,000	122,000	(32,000)	79,500
Crescent Beach Rd. widening	1,200,000	626,278	573,722	6,264
Contingency	—	—	—	45,386
Paving/Resurfacing in—house	500,000	173,227	326,773	141,116
Champion Blvd widening	1,500,000	754,174	745,826	17,572
Little River Neck bike path	—	896,864	(896,864)	20,272
Total expenditures	6,800,000	6,180,613	619,387	4,486,750
Excess (deficiency) of revenue over (under) expenditures	(3,720,000)	(2,719,490)	1,000,510	(4,234,885)
Other Financing Sources (Uses)				
Transfers in:				
General Fund	1,200,000	700,000	(500,000)	1,200,000
State Accommodations (2%) Tax Fund	337,300	810,000	472,700	262,676
Local Accommodations (1.5%) Tax Fund	—	—	—	—
Local Hospitality (1%) Fee Fund	1,500,000	—	(1,500,000)	—
Total other financing sources (uses)	3,037,300	1,510,000	(1,527,300)	1,462,676
Net change in fund balance	(682,700)	(1,209,490)	(526,790)	(2,772,209)
Fund balance, beginning of year	3,007,149	3,007,149	—	5,779,358
Fund balance, end of year	\$ 2,324,449	\$ 1,797,659	\$ (526,790)	\$ 3,007,149

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Equity in pooled cash and cash equivalents	\$ 2,153,746	\$ 2,522,489
Due from Insurance Reserves Fund	—	—
Total assets	<u>\$ 2,153,746</u>	<u>\$ 2,522,489</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 8,990	\$ 2,237
Due to General Fund	—	—
Total liabilities	<u>8,990</u>	<u>2,237</u>
Fund Balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	2,144,756	2,520,252
Unassigned	—	—
Total fund balance	<u>2,144,756</u>	<u>2,520,252</u>
Total liabilities and fund balance	<u>\$ 2,153,746</u>	<u>\$ 2,522,489</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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 19,052	\$ 19,052	\$ 2,047
Restricted intergovernmental:				
SCEMD Grant	—	—	—	—
Total revenue	—	19,052	19,052	2,047
Expenditures				
Public works				
Professional services	125,000	33,368	91,632	62,286
Materials and supplies	300,000	19,460	280,540	—
Damage claims	—	184,882	(184,882)	6,585
Beach drains	—	663,138	(663,138)	—
Total expenditures	425,000	900,848	(475,848)	68,871
Excess (deficiency) of revenue over (under) expenditures	(425,000)	(881,796)	(456,796)	(66,824)
Other Financing Sources (Uses)				
Transfers in – State				
Accommodations (2%)Tax Fund	506,300	506,300	—	938,316
Total other financing sources	506,300	506,300	—	938,316
Net change in fund balance	81,300	(375,496)	(456,796)	871,492
Fund balance, beginning of year	2,520,252	2,520,252	—	1,648,760
Fund balance, end of year	\$ 2,601,552	\$ 2,144,756	\$ (456,796)	\$ 2,520,252

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

PARK DEVELOPMENT
BALANCE SHEET

JUNE 30, 2023

(With comparative actual amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 5,892,550	\$ 2,222,170
Total assets	<u>\$ 5,892,550</u>	<u>\$ 2,222,170</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 246	\$ 79
Total liabilities	<u>246</u>	<u>— 79</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	5,892,304	2,222,091
Unassigned	—	—
Total fund balance	<u>5,892,304</u>	<u>2,222,091</u>
Total liabilities and fund balance	<u>\$ 5,892,550</u>	<u>\$ 2,222,170</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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 15,355	\$ 15,355	\$ 636
Special assessments:				
Pre-issuance assessments	—	—	—	—
Total revenue	—	15,355	15,355	636
Expenditures				
Park and Recreation	—	22,920	(22,920)	—
Professional service	—	—	—	—
Capital outlay – Park and Recreation:				
Land and improvements	25,000,000	2,222	24,997,778	28,078
Contingency	1,000,000	—	1,000,000	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Fiscal agent fees	—	—	—	—
Total expenditures	26,000,000	25,142	25,974,858	28,078
Excess (deficiency) of revenue over (under) expenditures	(26,000,000)	(9,787)	25,990,213	(27,442)
Other Finances Sources (Uses)				
Bond proceeds	22,000,000	—	(22,000,000)	—
Transfers in (out):				
General Fund	3,700,000	3,680,000	(20,000)	3,680,000
Park Land Note Debt Service Fund	(649,250)	—	649,250	(1,963,470)
	25,050,750	3,680,000	(21,370,750)	1,716,530
Net change in fund balance	(949,250)	3,670,213	4,619,463	1,689,088
Fund balance, beginning of year	2,222,091	2,222,091	—	533,033
Fund balance, end of year	\$ 1,272,841	\$ 5,892,304	\$ 4,619,463	\$ 2,222,091

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STORMWATER DRAINAGE
BALANCE SHEETYEAR ENDED JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ —	\$ —
Equity in pooled cash and cash equivalents	15,092,360	14,214,835
Receivables, net	66,036	87,979
Due from other funds:		
General Fund	—	—
Street Improvement Fund	—	—
Cherry Grove Dredge Fund	—	—
Beach Services Fund	—	—
Aquatic/Fitness Center Fund	—	—
Debt Service Fund	650,392	—
Sports Park Tourism Fund	—	—
Total assets	<u>\$ 15,808,788</u>	<u>\$ 14,302,814</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 3,113,030	\$ 12,126
Retainage payable	1,669,933	—
Total liabilities	<u>4,782,963</u>	<u>12,126</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	—	—
Assigned by management	11,025,825	14,290,688
Unassigned	—	—
Total fund balance	<u>11,025,825</u>	<u>14,290,688</u>
Total liabilities and fund balance	<u>\$ 15,808,788</u>	<u>\$ 14,302,814</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 ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 125,369	\$ 125,369	\$ 14,143
Restricted intergovernmental:				
SCDHEC grant	1,000,000	11,000,000	10,000,000	1,500,000
Sales and service charges:				
Stormwater/drainage fees	3,015,000	3,086,860	71,860	3,027,747
Penalties	11,000	12,170	1,170	11,718
Less, adjustments/bad debts	—	(2,455)	(2,455)	210
Total revenue	4,026,000	14,221,944	10,195,944	4,553,818
Expenditures				
Finance				
Overhead allocation—				
Accounting	18,939	14,875	4,064	14,727
Utility billing	53,458	57,041	(3,583)	50,148
Public works				
Overhead allocation —				
Administration	64,781	67,296	(2,515)	63,880
Streets/drainage	215,903	229,835	(13,932)	181,057
Lobbying contractual services	60,000	50,000	10,000	50,000
Professional services	173,250	153,250	20,000	132,542
Capital outlay – drainage construction				
18 th Ave. drainage/outfall	15,000,000	16,862,947	(1,862,947)	25,355
Drainage in – house	250,000	99,014	150,986	71,748
Other drainage construction	1,500,000	71,799	1,428,201	—
Total expenditures	17,336,331	17,606,057	(269,726)	589,457
Excess (deficiency) of revenue over (under) expenditures	(13,310,331)	(3,384,113)	9,926,218	3,964,361
Other Financing Sources (Uses)				
Transfers in – State Accommodations (2%) Tax Fund	3,000,000	—	(3,000,000)	76,176
Transfers in – Local Hospitality (1%) Tax Fund	119,250	119,250	—	—
Total other financing sources (uses)	3,119,250	119,250	(3,000,000)	76,176
Net change in fund balance	(10,191,081)	(3,264,863)	6,926,218	4,040,537
Fund balance, beginning of year	14,290,688	14,290,688	—	10,250,151
Fund balance, end of year	\$ 4,099,607	\$ 11,025,825	\$ 6,926,218	\$ 14,290,688

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CHERRY GROVE DREDGE
BALANCE SHEETYEAR ENDED JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Restricted cash and cash equivalents:		
Cash and cash equivalents	228,099	238,396
Pre-issuance payment funds	1,527,523	830,145
Project fund	3,955,278	—
Receivables, net	99	—
Total assets	<u>\$ 5,710,999</u>	<u>\$ 1,068,541</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 129,400	\$ 96,188
Unearned prepaid assessments	—	238,397
Due to General Fund	5,254,124	—
Total liabilities	<u>5,383,524</u>	<u>334,585</u>
Fund balance:		
Non-spendable	—	—
Restricted by others	—	—
Committed by ordinance	327,475	733,956
Assigned by management	—	—
Unassigned	—	—
Total fund balance	<u>327,475</u>	<u>733,956</u>
Total liabilities and fund balance	<u>\$ 5,710,999</u>	<u>\$ 1,068,541</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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 74,926	\$ 74,926	\$ 612
Special assessments:				
Pre-issuance assessments	—	—	—	—
Total revenue	—	74,926	74,926	612
Expenditures				
Capital outlay – Public works:				
Cherry Grove dredge project	4,250,000	3,734,331	515,669	402,543
Contingency	—	(10,924)	10,924	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Fiscal agent fees	250,000	—	250,000	—
Total expenditures	4,500,000	3,723,407	776,593	402,543
Excess (deficiency) of revenue over (under) expenditures	(4,500,000)	(3,648,481)	851,519	(401,931)
Other Financing Sources (Uses)				
Bond proceeds	4,500,000	3,242,000	(1,258,000)	—
Transfers in (out):				
Capital Improvement Fund	—	—	—	553,979
Total other financing sources (uses)	4,500,000	3,242,000	(1,258,000)	553,979
Net change in fund balance	—	(406,481)	(406,481)	152,048
Fund balance, beginning of year	733,956	733,956	—	581,908
Fund balance, end of year	\$ 733,956	\$ 327,475	\$ (406,481)	\$ 733,956

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, 2023

(With comparative amounts for June 30, 2022, as restated)

	2023	2022		2023	2022
Assets			Liabilities and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 4,699,440	\$ 4,699,440	Accounts payable – trade and contract vendors	\$ 1,024,351	\$ 1,789,347
Equity in pooled cash and cash equivalents	2,064,463	2,578,064	Accrued payroll and related taxes	129,670	119,739
Accounts receivable, net	1,679,575	1,869,690	Contracts payable – current portion	380,329	231,206
Leases receivables – current portion	129,401	115,571	Leases payable – current portion	14,756	13,622
Inventories and prepaids	394,624	405,202		1,549,106	2,153,914
	<u>8,967,503</u>	<u>9,667,967</u>			
Restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Meter deposits and other	2,537,568	2,450,708
Impact fees	—	—	Total current liabilities payable from restricted assets	<u>2,537,568</u>	<u>2,450,708</u>
Equity in pooled cash and cash equivalents:			Total current liabilities	<u>4,086,674</u>	<u>4,604,622</u>
Customer meter deposits	2,516,099	2,442,393			
Deposits with the GSWSA	280,000	280,000	Long-term liabilities:		
Total restricted assets	<u>2,796,099</u>	<u>2,722,393</u>	Accrued compensated absences	344,799	332,045
Total current assets	<u>11,763,602</u>	<u>12,390,360</u>	Leases payable	323,911	338,667
Capital assets:			Total long-term liabilities	<u>688,710</u>	<u>670,712</u>
Land and improvements	723,714	723,714	Total liabilities	<u>4,775,384</u>	<u>5,275,334</u>
Buildings	1,213,360	1,029,594			
Water and sewer systems	136,883,224	131,514,193	Deferred inflows of resources:		
Automotive equipment	1,908,924	1,932,880	Lease receivables	3,995,963	4,111,534
Maintenance equipment	2,886,038	3,394,249	Total deferred inflows of resources	<u>3,995,963</u>	<u>4,111,534</u>
Office equipment	2,210,752	2,210,752			
Construction in progress	47,590	568,239			
	<u>145,873,602</u>	<u>141,373,621</u>			
Less, accumulated depreciation	<u>(63,171,092)</u>	<u>(60,779,242)</u>			
Net capital assets	<u>82,702,510</u>	<u>80,594,379</u>			
Right-to-use leased assets:					
Right-to-use leased asset	450,000	450,000			
Less, accumulated amortization	<u>(198,000)</u>	<u>(180,000)</u>			
Net right-to-use leased assets:	<u>252,000</u>	<u>270,000</u>			
Other assets:			Net Position		
Lease receivables – long-term	3,866,562	3,995,963	Net investment in capital/right-to-use assets	82,954,510	80,864,379
Cost of purchased water/sewer rights	27,934,862	27,934,862	Restricted for debt service, capacity and deposits	—	—
Less, accumulated amortizations	<u>(23,339,040)</u>	<u>(23,113,939)</u>	Unrestricted	11,474,639	11,820,378
Net other assets	<u>8,462,384</u>	<u>8,816,886</u>	Total net position	<u>94,429,149</u>	<u>92,684,757</u>
Total assets	<u>\$ 103,180,496</u>	<u>\$ 102,071,625</u>	Total liabilities and net position	<u>\$ 103,180,496</u>	<u>\$ 102,071,625</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 ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022, as restated)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Water usage fees	\$ 9,025,000	\$ 8,563,683	\$ (461,317)	\$ 8,677,677
Sewer usage fees	6,866,000	6,542,278	(323,722)	6,504,038
Water taps	75,000	190,956	115,956	183,380
Sewer taps	30,000	39,540	9,540	42,500
Late payment penalties and service charges	155,000	142,597	(12,403)	138,169
Miscellaneous	72,500	40,873	(31,627)	2,340
Total operating revenue	16,223,500	15,519,927	(703,573)	15,548,104
Operating Expenses				
General government administration				
Overhead allocation –				
General services	564,203	772,644	(208,441)	556,566
Legislative	52,044	52,496	(452)	46,156
Administrative	140,378	163,888	(23,510)	149,176
Legal	120,804	496,822	(376,018)	242,527
Personnel	160,660	163,530	(2,870)	136,716
Total general government administration	1,038,089	1,649,380	(611,291)	1,131,141
Finance				
Overhead allocation –				
Accounting	284,084	223,126	60,958	220,910
Utility billing:				
Personal services	830,836	842,557	(11,721)	720,556
Operating expenses	238,325	298,252	(59,927)	282,408
Less, overhead allocation	(165,374)	(171,121)	5,747	(150,444)
Total finance	1,187,871	1,192,814	(4,943)	1,073,430
Information services				
Overhead allocation	548,987	582,765	(33,778)	515,088
Public safety				
Overhead allocation –				
Communications	96,998	97,465	(467)	84,612

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (Continued)				
Planning/Development				
Overhead allocation –				
Code enforcement	47,471	47,901	(430)	45,481
Public works				
Administrative:				
Personal services	1,211,060	1,206,344	4,716	1,154,180
Operating expenses	84,550	139,576	(55,026)	123,416
Less, overhead allocation	(409,123)	(458,376)	49,253	(255,519)
	886,487	887,544	(1,057)	1,022,077
Wastewater treatment:				
Personal services	704,068	618,879	85,189	618,870
Operating expenses	1,416,900	1,930,121	(513,221)	2,533,322
	2,120,968	2,549,000	(428,032)	3,152,192
Wells/lifts maintenance:				
Personal services	901,913	767,898	134,015	744,053
Operating expenses	1,185,500	1,708,547	(523,047)	1,294,370
	2,087,413	2,476,445	(389,032)	2,038,423
Construction/maintenance:				
Personal services	1,777,983	1,726,265	51,718	1,583,671
Operating expenses	2,887,500	3,883,771	(996,271)	3,731,034
Less, overhead allocation	—	—	—	—
	4,665,483	5,610,036	(944,553)	5,314,705
Streets/drainage:				
Overhead allocation	215,903	229,835	(13,932)	181,057
Total public works	9,976,254	11,752,860	(1,776,606)	11,708,454
Support services				
Overhead allocation –				
Custodial services	108,322	107,911	411	104,401
Purchasing	177,690	153,888	23,802	122,046
Fleet management	91,187	63,793	27,394	47,649
Custodial/fleet management	208,778	283,400	(74,622)	229,458
Total support services	585,977	608,992	(23,015)	503,554
Depreciation and amortization expense	3,150,101	3,356,693	(206,592)	3,748,675
Total operating expenses	16,631,748	19,288,870	(2,657,122)	18,810,435
Operating income (loss)	(408,248)	(3,768,943)	(3,360,695)	(3,262,331)

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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Non-operating Revenue (Expenses)				
Interest earned on investments	125,000	102,565	(22,435)	71,996
Interest expense	(150,000)	—	150,000	—
Insurance reimbursement	—	—	—	9,369
Tower rental and other	360,000	240,426	(119,574)	291,985
Restricted intergovernmental grants (expenses)	—	31,310	31,310	—
Total non-operating revenue (expenses)	335,000	374,301	39,301	373,350
Income (loss) before contributions and transfers	(73,248)	(3,394,642)	(3,321,394)	(2,888,981)
Capital Contributions				
Impact fees:				
Water	1,100,000	1,625,084	525,084	1,197,354
Sewer	900,000	1,430,720	530,720	960,456
Developer contributions	—	1,958,374	1,958,374	841,278
Extension fees and construction for public use	—	129,234	129,234	45,825
Total capital contributions	2,000,000	5,143,412	3,143,412	3,044,913
Transfers				
Transfers (out) – Insurance Reserves Fund	—	—	—	—
Change in net position	1,926,752	1,748,770	(177,982)	155,932
Net position, beginning of year	92,767,046	92,767,046	—	92,611,114
Cumulative effect of restatement (<i>See Notes 3 and 7</i>)	—	(86,667)	(86,667)	(82,289)
Net position, end of year	<u>\$ 94,693,798</u>	<u>\$ 94,429,149</u>	<u>\$ (264,649)</u>	<u>\$ 92,684,757</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 4,722,296	\$ 4,678,563
Accounts receivable, net	173,454	219,906
Due from other governments	104,478	101,445
Total current assets	<u>5,000,228</u>	<u>4,999,914</u>
Capital assets:		
Buildings	313,200	313,200
Improvements	32,262	32,262
Machinery, equipment and vehicles	8,809,013	8,526,908
Construction in progress	223,524	22,133
	<u>9,377,999</u>	<u>8,894,503</u>
Less, accumulated depreciation	(7,148,854)	(7,114,641)
Net capital assets	<u>2,229,145</u>	<u>1,779,862</u>
Total assets	<u><u>\$ 7,229,373</u></u>	<u><u>\$ 6,779,776</u></u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 176,944	\$ 248,720
Accrued payroll and related taxes	87,475	74,138
Total current liabilities	<u>264,419</u>	<u>322,858</u>
Long-term liabilities:		
Accrued compensated absences	180,048	169,489
Total long-term liabilities	<u>180,048</u>	<u>169,489</u>
Total liabilities	<u>444,467</u>	<u>492,347</u>
Net position:		
Net investment in capital assets	2,229,145	1,779,862
Unrestricted	4,555,761	4,507,567
Total net position	<u>6,784,906</u>	<u>6,287,429</u>
Total liabilities and net position	<u><u>\$ 7,229,373</u></u>	<u><u>\$ 6,779,776</u></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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Solid waste user fees and penalties	\$ 6,377,500	\$ 6,514,328	\$ 136,828	\$ 6,352,077
Trash bags and miscellaneous	—	—	—	—
Total operating revenue	6,377,500	6,514,328	136,828	6,352,077
Operating Expenses				
General government administration				
Overhead allocation –				
General services	135,409	185,435	(50,026)	133,576
Legislative	31,227	31,498	(271)	27,693
Administration	42,113	49,167	(7,054)	44,753
Legal	36,241	149,046	(112,805)	72,758
Personnel	64,264	65,412	(1,148)	54,687
Total general government administration	309,254	480,558	(171,304)	333,467
Finance				
Overhead allocation –			—	
Accounting	56,817	44,625	12,192	44,182
Utility billings	106,916	114,081	(7,165)	100,296
Total finance	163,733	158,706	5,027	144,478
Information services				
Overhead allocation	109,797	116,553	(6,756)	103,018
Public works				
Administration – overhead allocation	194,342	201,888	(7,546)	191,639
Commercial collection:				
Personal services	378,168	390,684	(12,516)	369,708
Operating	145,000	219,571	(74,571)	158,158
	523,168	610,255	(87,087)	527,866
Transfer station:				
Personal services	228,293	226,882	1,411	220,917
Operating	870,000	1,070,938	(200,938)	854,548
	1,098,293	1,297,820	(199,527)	1,075,465
Residential collection:				
Personal services	1,028,716	993,039	35,677	945,562
Operating	207,000	485,755	(278,755)	283,742
	1,235,716	1,478,794	(243,078)	1,229,304

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (Continued)				
Public works (Continued)				
Trash/litter collections:				
Personal services	308,721	318,134	(9,413)	325,724
Operating	103,700	144,503	(40,803)	216,820
	412,421	462,637	(50,216)	542,544
Beach cleaning:				
Personal services	352,460	425,412	(72,952)	238,900
Operating	74,000	93,087	(19,087)	157,255
	426,460	518,499	(92,039)	396,155
Recycling:				
Personal services	363,341	292,916	70,425	322,786
Operating	139,500	184,452	(44,952)	174,500
	502,841	477,368	25,473	497,286
Total public works	4,393,241	5,047,261	(654,020)	4,460,259
Support services				
Overhead allocation –				
Custodial services	17,331	17,266	65	16,704
Purchasing	13,936	12,070	1,866	8,662
Fleet management	113,984	79,741	34,243	52,051
Custodial/facility maint.	33,404	45,344	(11,940)	36,713
Total support services	178,655	154,421	24,234	114,130
Depreciation and amortization	580,000	507,261	72,739	521,368
Total operating expenses	5,734,680	6,464,760	(730,080)	5,676,720
Operating income (loss)	642,820	49,568	(593,252)	675,357
Non-operating Revenue (Expenses)				
Interest made on investments	—	46,268	46,268	5,586
Insurance reimbursements/other	—	289	289	—
Restricted intergovernmental grants (expenses)	—	3,452	3,452	—
Total non-operating revenue (expenses)	—	50,009	50,009	5,586
Transfers				
Transfers in – State Accommodations (2%) Tax Fund	397,900	397,900	—	203,505
Total transfers	397,900	397,900	—	203,505
Change in net position	1,040,720	497,477	(543,243)	884,448
Net position, beginning of year	6,287,429	6,287,429	—	5,402,981
Net position, end of year	\$ 7,328,149	\$ 6,784,906	\$ (543,243)	\$ 6,287,429

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC/FITNESS CENTER
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 695	\$ 695
Equity in pooled cash and cash equivalents	50,142	—
Receivables, net	21,516	17,798
Total current assets	<u>72,353</u>	<u>18,493</u>
Capital assets:		
Buildings	9,700,878	9,700,878
Improvements	89,203	89,204
Furniture and equipment	565,319	567,244
	<u>10,355,400</u>	<u>10,357,326</u>
Less, accumulated depreciation	(4,701,029)	(4,462,332)
Net capital assets	<u>5,654,371</u>	<u>5,894,994</u>
Total assets	<u>\$ 5,726,724</u>	<u>\$ 5,913,487</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 21,239	\$ 28,604
Accrued payroll and related taxes	50,634	37,647
Due to General Fund	—	324,878
Accrued interest payable	14,541	28,537
Current portion of note obligation	595,793	573,484
Unearned revenue and gift certificates	95,011	56,077
Total current liabilities	<u>777,218</u>	<u>1,049,227</u>
Long-term liabilities:		
Accrued compensated absences	69,141	60,591
Note payable	—	595,794
Total long-term liabilities	<u>69,141</u>	<u>656,385</u>
Total liabilities	<u>846,359</u>	<u>1,705,612</u>
Net position:		
Net investment in capital assets	5,058,578	4,725,717
Unrestricted (deficit)	(178,213)	(517,842)
Total net position	<u>4,880,365</u>	<u>4,207,875</u>
Total liabilities and net position	<u>\$ 5,726,724</u>	<u>\$ 5,913,487</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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Membership fees	\$ 1,725,000	\$ 1,577,212	\$ (147,788)	\$ 1,589,080
Day membership fees	59,000	83,175	24,175	57,545
Employee membership fees	—	133,194	133,194	125,525
Enrollment fees	60,000	76,823	16,823	61,778
Program fees	250,000	388,778	138,778	284,346
Merchandise sales	—	7,616	7,616	5,865
Food sales	47,500	68,548	21,048	44,885
Less, sales and hospitality taxes	—	(7,065)	(7,065)	(4,629)
Miscellaneous	2,000	9,619	7,619	959
Total operating revenue	2,143,500	2,337,900	194,400	2,165,354
Operating Expenses				
General government administration				
Overhead allocation –				
General services	45,136	61,812	(16,676)	44,525
Legislative	10,409	10,499	(90)	9,231
Administration	14,038	16,389	(2,351)	14,918
Legal	12,080	49,682	(37,602)	24,253
Personnel	32,132	32,706	(574)	27,343
Total general government administration	113,795	171,088	(57,293)	120,270
Finance				
Overhead allocation	37,878	29,750	8,128	29,455
Information services				
Overhead allocation	36,599	38,851	(2,252)	34,339
Parks and recreation				
Overhead allocation –				
Recreation administration	34,004	35,712	(1,708)	32,567
Aquatic administration:				
Personnel services	549,049	567,105	(18,056)	530,421
Operations and maintenance	425,825	356,161	69,664	343,184
	974,874	923,266	51,608	873,605
Aquatic programs:				
Personnel services	258,024	284,008	(25,984)	236,123
Operations and maintenance	174,400	376,387	(201,987)	67,255
	432,424	660,395	(227,971)	303,378
Activity specialist:				
Personnel services	219,787	244,274	(24,487)	173,742
Operations and maintenance	18,200	25,187	(6,987)	16,522
	237,987	269,461	(31,474)	190,264

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (continued)				
Parks and recreation (continued)				
Fitness:				
Personnel services	250,502	214,960	35,542	201,060
Operations and maintenance	77,560	59,608	17,952	53,260
	<u>328,062</u>	<u>274,568</u>	<u>53,494</u>	<u>254,320</u>
Custodians:				
Personnel services	140,058	132,529	7,529	129,686
Operations and maintenance	41,000	54,248	(13,248)	45,250
	<u>181,058</u>	<u>186,777</u>	<u>(5,719)</u>	<u>174,936</u>
Total parks and recreation	<u>2,188,409</u>	<u>2,350,179</u>	<u>(161,770)</u>	<u>1,829,070</u>
Support services				
Overhead allocation –				
Custodial services	17,331	17,266	65	16,704
Purchasing	6,968	6,035	933	4,786
Custodial/facility maintenance	33,404	45,344	(11,940)	36,713
Total support services	<u>57,703</u>	<u>68,645</u>	<u>(10,942)</u>	<u>58,203</u>
Depreciation and amortization	<u>295,000</u>	<u>290,492</u>	<u>4,508</u>	<u>288,566</u>
Total operating expenses	<u>2,729,384</u>	<u>2,949,005</u>	<u>(219,621)</u>	<u>2,359,903</u>
Operating income (loss)	<u>(585,884)</u>	<u>(611,105)</u>	<u>(25,221)</u>	<u>(194,549)</u>
Non-operating Revenue (Expenses)				
Restricted intergovernmental grants (expenses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Interest earned on investments	<u>—</u>	<u>2,398</u>	<u>2,398</u>	<u>275</u>
Non-operating program fees and other	<u>15,000</u>	<u>—</u>	<u>(15,000)</u>	<u>25</u>
Interest expense	<u>(45,485)</u>	<u>(31,488)</u>	<u>13,997</u>	<u>(53,486)</u>
Total non-operating revenue (expenses)	<u>(30,485)</u>	<u>(29,090)</u>	<u>1,395</u>	<u>(53,186)</u>
Income (loss) before contributions and transfers	<u>(616,369)</u>	<u>(640,195)</u>	<u>(23,826)</u>	<u>(247,735)</u>
Transfers				
Transfers in:				
Local Accommodations (1.5%) Tax Fund	<u>800,000</u>	<u>1,312,685</u>	<u>512,685</u>	<u>975,179</u>
Total transfers	<u>800,000</u>	<u>1,312,685</u>	<u>512,685</u>	<u>975,179</u>
Change in net position	<u>183,631</u>	<u>672,490</u>	<u>488,859</u>	<u>727,444</u>
Net position, beginning of the year	<u>4,207,875</u>	<u>4,207,875</u>	<u>—</u>	<u>3,480,431</u>
Net position, end of year	<u><u>\$ 4,391,506</u></u>	<u><u>\$ 4,880,365</u></u>	<u><u>\$ 488,859</u></u>	<u><u>\$ 4,207,875</u></u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICES
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,100	\$ 7,100
Equity in pooled cash and cash equivalents	1,895,996	2,010,726
Receivables, net	38,951	30,745
Due from Local Accommodations (1.5%) Fund	296,745	292,608
Inventories	—	—
Total current assets	<u>2,239,792</u>	<u>2,341,179</u>
Capital assets:		
Buildings	963,808	434,405
Furniture, equipment and vehicles	1,140,973	1,408,962
	2,104,781	1,843,367
Less, accumulated depreciation	(973,882)	(1,383,910)
Net capital assets	<u>1,130,899</u>	<u>459,457</u>
Total assets	<u><u>\$ 3,370,691</u></u>	<u><u>\$ 2,800,636</u></u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 116,654	\$ 93,055
Accrued payroll and related taxes	226,110	141,219
Total current liabilities	342,764	234,274
Long-term liabilities:		
Accrued compensated absences	3,110	432
Total liabilities	345,874	234,706
Net position:		
Net investment in capital assets	1,130,899	459,457
Unrestricted	1,893,918	2,106,473
Total net position	<u>3,024,817</u>	<u>2,565,930</u>
Total liabilities and net position	<u><u>\$ 3,370,691</u></u>	<u><u>\$ 2,800,636</u></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, 2023

(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Beach service rentals and fees	\$ 3,279,000	\$ 3,720,254	\$ (441,254)	\$ 3,556,724
Food, beverage, and other sales	360,000	306,072	53,928	113,514
Less, sales tax/hospitality fees	(272,200)	(300,554)	28,354	(271,378)
Miscellaneous	20,000	10,949	9,051	10,923
Total operating revenue	3,386,800	3,736,721	(349,921)	3,409,783
Operating Expenses				
General government administration				
Overhead allocation –				
General services	45,136	61,812	(16,676)	44,524
Legislative	10,409	10,499	(90)	9,231
Administration	14,038	16,389	(2,351)	14,918
Legal	12,080	49,682	(37,602)	24,253
Personnel	120,495	122,647	(2,152)	102,537
Total general government administration	202,158	261,029	(58,871)	195,463
Finance				
Overhead allocation	142,042	111,563	30,479	110,455
Information services				
Overhead allocation	54,899	58,276	(3,377)	51,509
Public safety				
Overhead allocation –				
Communication	58,199	58,479	(280)	50,767
Lifeguard services:				
Personnel services	765,575	755,326	10,249	799,888
Operations and maintenance	96,900	132,507	(35,607)	176,834
Total public safety	920,674	946,312	(25,638)	1,027,489
Parks and recreation				
Overhead allocation –				
Recreation administration	204,025	214,270	(10,245)	195,405
Concessions:				
Personnel services	965,356	1,109,305	(143,949)	910,372
Operations and maintenance	512,618	628,578	(115,960)	360,008
Total parks and recreation	1,681,999	1,952,153	(270,154)	1,465,785

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (Continued)				
Support services				
Overhead allocation -				
Custodial services	8,666	8,633	33	8,352
Purchasing	3,484	3,017	467	3,303
Fleet	22,797	15,948	6,849	19,423
Custodian/fleet maint.	16,702	22,672	(5,970)	18,356
Total support services	51,649	50,270	1,379	49,434
Depreciation and amortization	160,000	168,030	(8,030)	164,339
Total operating expenses	3,213,421	3,547,633	(334,212)	3,064,474
Operating income (loss)	173,379	189,088	15,709	345,309
Non-operating Revenue (Expenses)				
Restricted intergovernmental grants (expenses)	—	—	—	—
Interest earned on investments	—	22,117	22,117	1,615
Sponsorships and donations	—	882	882	820
Total non-operating revenue (expenses)	—	22,999	22,999	2,435
Income (loss) before contributions and transfers	173,379	212,087	38,708	347,744
Transfers				
Transfers in (out):				
General Fund	—	—	—	—
State Accommodations (2%) Tax Fund	246,800	246,800	—	220,808
Local Accommodations (1.5%) Tax Fund	300,000	400,000	(100,000)	892,757
Sports and Tourism Park Fund	(300,000)	(400,000)	100,000	(300,000)
Total transfers	246,800	246,800	—	813,565
Change in net position	420,179	458,887	38,708	1,161,309
Net position, beginning of year	2,565,930	2,565,930	—	1,404,621
Net position, end of year	\$ 2,986,109	\$ 3,024,817	\$ 38,708	\$ 2,565,930

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SPORTS AND TOURISM PARK
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,200	\$ 5,200
Receivables, net:		
Accounts	64,766	1,098
Leases – current portion	10,020	9,725
Due from General Fund	467,191	467,191
Prepaid items	—	—
Total current assets	<u>537,157</u>	<u>473,489</u>
Capital assets:		
Buildings	58,000	58,000
Machinery, fixtures, and equipment	2,544,375	2,449,292
Construction in progress	—	—
	<u>2,602,375</u>	<u>2,507,292</u>
Less, accumulated depreciation	<u>(1,910,608)</u>	<u>(1,710,830)</u>
Net capital assets	<u>691,767</u>	<u>796,462</u>
Other assets:		
Lease receivables – long-term	<u>326,373</u>	<u>336,393</u>
Total assets	<u><u>\$ 1,565,317</u></u>	<u><u>\$ 1,616,069</u></u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 102,157	\$ 10,461
Accrued payroll and related taxes	11,498	8,640
Due to General Fund	468,292	628,347
Security deposits	34,080	33,310
Total current liabilities	<u>616,027</u>	<u>680,758</u>
Long-term liabilities:		
Accrued compensated absences	<u>2,878</u>	<u>5,660</u>
Total long-term liabilities	<u>2,878</u>	<u>5,660</u>
Total liabilities	<u>618,905</u>	<u>686,418</u>
Deferred inflows of resources:		
Lease receivables	<u>336,393</u>	<u>346,118</u>
Total deferred inflows of resources	<u>336,393</u>	<u>346,118</u>
Net position:		
Net investment in capital assets	691,767	796,462
Unrestricted (deficit)	<u>(81,748)</u>	<u>(212,929)</u>
Total net position	<u>610,019</u>	<u>583,533</u>
Total liabilities and net position	<u><u>\$ 1,565,317</u></u>	<u><u>\$ 1,616,069</u></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 ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Christmas Village admissions	\$ 807,000	\$ 590,525	\$ (216,475)	\$ 584,055
Rides and ice skating fees	—	69,291	69,291	46,188
Merchandise sales	15,000	80,690	65,690	75,371
Park and field, admissions and rentals	180,000	183,129	3,129	199,611
Races – registration fees and sales	50,000	31,120	(18,880)	29,688
Food, beverage, and other sales	400,500	656,807	256,307	529,713
Less, sales tax/hospitality fees	(30,000)	(120,208)	(90,208)	(101,927)
Miscellaneous	—	9,204	9,204	22,901
Total operating revenue	1,422,500	1,500,558	78,058	1,385,600
Operating Expenses				
General government administration				
Overhead allocation –				
General services	—	2,900	(2,900)	—
Legislative	—	—	—	—
Administration	—	—	—	—
Legal	—	—	—	—
Personnel	8,033	8,176	(143)	6,836
Total general government administration	8,033	11,076	(3,043)	6,836
Finance				
Overhead allocation	18,939	14,875	4,064	14,727
Information services				
Overhead allocation	18,300	19,425	(1,125)	17,170
Public safety				
Overhead allocation –				
Administration	—	—	—	—
Uniform patrol	—	—	—	—
Community services	—	—	—	—
Fire/rescue	—	—	—	—
Fire prevention/inspection	—	—	—	—
Total public safety	—	—	—	—
Parks and recreation				
Overhead allocation –				
Recreation administration	594,379	594,379	—	540,141
Parks and grounds	—	317,616	(317,616)	370,288
Concessions:				
Personnel services	222,004	279,218	(57,214)	241,609
Operations and maintenance	276,155	342,893	(66,738)	270,342
Christmas Village:				
Personnel services	—	720	(720)	7,373
Operations and maintenance	276,500	272,385	4,115	327,492
Other	392,428	—	392,428	(45)
Total parks and recreation	1,761,466	1,807,211	(45,745)	1,757,200

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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (Continued)				
Support services				
Overhead allocation -				
Custodial services	—	—	—	—
Purchasing	—	—	—	—
Fleet	—	—	—	—
Custodian/facility maint.	—	—	—	—
Total support services	—	—	—	—
Depreciation and amortization	200,000	196,878	3,122	204,260
Total operating expenses	2,006,738	2,049,465	(42,727)	2,000,193
Operating income (loss)	(584,238)	(548,907)	35,331	(614,593)
Non-operating Revenue (Expenses)				
Restricted intergovernmental grants (expenses)	—	258	258	—
Sponsorships and donations	130,000	175,135	45,135	212,685
Total non-operating revenue (expenses)	130,000	175,393	45,393	212,685
Income (loss) before contributions and transfers	(454,238)	(373,514)	80,724	(401,908)
Capital Contributions				
General capital assets	—	—	—	—
Transfers				
Transfers in (out):				
General Fund	—	—	—	200,000
Local Accommodations (1.5%) Tax Fund	500,000	—	(500,000)	—
Beach Services Fund	300,000	400,000	100,000	300,000
Total transfers	800,000	400,000	(400,000)	500,000
Change in net position	345,762	26,486	(319,276)	98,092
Net position, beginning of year	583,533	583,533	—	485,441
Net position, end of year	<u>\$ 929,295</u>	<u>\$ 610,019</u>	<u>\$ (319,276)</u>	<u>\$ 583,533</u>

CITY OF NORTH MYRTLE BEACH

INTERNAL SERVICE FUNDS

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

Insurance Reserves:

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

INTERNAL SERVICE FUND

INSURANCE RESERVES
BALANCE SHEET

JUNE 30, 2023

(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets and Deferred Outflows		
Current assets:		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Restricted cash and cash equivalents:		
HRA custodial account	77,600	10,838
Deposits with others	35,000	—
Receivables, net	1,200,037	306,334
Prepaid items	1,065,621	577,449
	<u>2,378,258</u>	<u>894,621</u>
Deferred outflows of resources:		
Deferred outflows – OPEB related	2,275,016	2,532,636
Total assets and deferred outflows	<u>\$ 4,653,274</u>	<u>\$ 3,427,257</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 132,627	\$ 244,700
Accrued payroll and related taxes	5,810	4,691
Claims payable	486,198	312,639
Liabilities payable from restricted assets:		
Health reimbursement accounts payable	366,039	373,250
Due to General Fund	5,523,546	2,669,692
Due to Beach Renourishment Fund	—	—
Total current liabilities	<u>6,514,220</u>	<u>3,604,972</u>
Long-term liabilities:		
Accrued compensated absences	4,776	3,531
Other post-employment benefits (OPEB) liability	20,061,043	20,321,832
Total long-term liabilities	<u>20,065,819</u>	<u>20,325,363</u>
Total liabilities	<u>26,580,039</u>	<u>23,930,335</u>
Deferred inflows of resources:		
Deferred inflows – OPEB related	5,001,850	5,557,611
Net position:		
Restricted for insurance claims	—	—
Unrestricted (deficit)	(26,928,615)	(26,060,689)
Total net position	<u>(26,928,615)</u>	<u>(26,060,689)</u>
Total liabilities and net position	<u>\$ 4,653,274</u>	<u>\$ 3,427,257</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 ACTUALYEAR ENDED JUNE 30, 2023
(With comparative actual amounts for June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Revenue				
Sales and service charges:				
Property Liability and Workers				
Premiums/reimbursements	\$ 750,000	\$ 1,349,191	\$ 599,191	\$ 610,000
Health premiums –				
Employer/Employee charges	6,870,890	6,842,220	(28,670)	5,672,341
Dependent withholdings	650,392	753,046	103,046	737,894
Retiree/Non-employee contributions	—	126,964	126,964	137,642
Cobra/Non-employee contributions	525,000	741,862	216,862	649,382
Reinsurance reimbursements	108,000	1,002,133	894,133	235,197
Prescription rebates	170,000	264,165	94,165	131,812
Forfeitures, rebates and miscellaneous	—	48,417	48,417	13,952
Total operating revenue	9,073,890	11,127,998	2,054,108	8,188,220
Operating Expenses				
General government administration				
Non-employee health expenses –				
Misc. and aggregate premium cost	882,000	572,185	309,815	881,708
Dependents	492,088	2,518,234	(2,026,146)	2,179,587
Cobra	—	16,377	(16,377)	953,061
Retirees and dependents	397,456	1,595,187	(1,197,731)	564,860
Onsite clinic	435,000	488,308	(53,308)	501,685
OPEB liability expense	100,000	(558,929)	658,929	5,910,759
	2,306,544	4,631,362	(2,324,818)	10,991,660
Employee health expenses –				
Legislative	81,762	178,991	(97,229)	84,793
Administration	20,441	104,484	(84,043)	122,378
City court	51,101	15,481	35,620	17,021
Legal	30,661	7,733	22,928	5,244
Personnel	61,322	189,013	(127,691)	100,325
	245,287	495,702	(250,415)	329,761
Total general government administration	2,551,831	5,127,064	(2,575,233)	11,321,421
Finance				
Employee health expenses	224,847	123,109	101,738	72,849
Overhead allocation	—	29,750	(29,750)	29,455
Risk Management	20,441	4,734	15,707	3,121
Personnel services	185,177	200,505	(15,328)	—
Operations and Maintenance	16,050	22,933	(6,883)	—
	446,515	381,031	65,484	105,425
Information services				
Employee health expenses	91,983	20,114	71,869	32,700

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (Continued)				
Public safety				
Employee health expenses –				
Administration	81,762	27,352	54,410	156,849
Uniform patrol	694,980	233,000	461,980	506,767
Community service	81,762	160,829	(79,067)	32,128
Detectives	102,203	115,762	(13,559)	71,384
Communications/detention	255,507	141,508	113,999	145,664
Records	51,101	30,159	20,942	53,051
Victim's assistance	10,220	1,800	8,420	3,530
Police training	61,322	19,041	42,281	19,272
Fire/rescue	613,218	473,111	140,107	171,139
Fire prevention/inspection	40,881	34,891	5,990	37,120
Total public safety	1,992,956	1,237,453	755,503	1,196,904
Public works				
Employee health expenses –				
Administration	91,983	123,030	(31,047)	329,511
Streets/drainage	347,490	1,452,257	(1,104,767)	133,082
Water and sewer	408,812	305,513	103,299	296,514
Solid waste	306,608	396,983	(90,375)	302,836
Total public works	1,154,893	2,277,783	(1,122,890)	1,061,943
Planning/Development				
Employee health expenses –				
Administration	112,423	225,997	(113,574)	65,784
Building	91,983	42,838	49,145	103,205
Total planning/development	204,406	268,835	(64,429)	168,989
Parks and recreation				
Employee health expenses –				
Recreation and parks administration	122,643	59,288	63,355	34,104
Athletics and programs	91,983	27,467	64,516	32,881
Concessions and custodial	91,983	28,938	63,045	66,422
Parks and beach grounds	183,964	118,147	65,817	201,106
Aquatic center	102,203	125,438	(23,235)	111,220
Total parks and recreation	592,776	359,278	233,498	445,733

— 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 —

	2023			2022
	Budget	Actual	Variance Positive (Neg.)	Actual
Operating Expenses (Continued)				
Support services				
Employee health expenses –				
Purchasing	40,881	7,115	33,766	10,378
Fleet	51,101	6,691	44,410	70,167
Custodian/facility maintenance	40,881	9,551	31,330	6,297
Total support services	132,863	23,357	109,506	86,842
Total employee and non-employee health expenses	4,616,392	9,694,915	(5,078,523)	14,419,957
Workers compensation expenses –				
General government administration	275,625	339,926	(64,301)	313,577
Finance	—	—	—	—
Information services	—	—	—	—
Public safety	247,377	296,332	(48,955)	393,809
Public works	91,090	140,228	(49,138)	145,009
Planning/development	—	—	—	—
Parks and recreation	11,511	197,459	(185,948)	18,324
Support services	23	735	(712)	36
Total workers compensation	625,626	974,680	(349,054)	870,755
Property liability expenses –				
General government administration	720,000	1,349,191	(629,191)	754,743
Finance	—	—	—	—
Information services	—	—	—	—
Public safety	25,000	—	25,000	—
Public works	—	—	—	34
Planning/development	—	—	—	—
Parks/recreation	—	—	—	—
Support services	—	—	—	13,545
Total property liability insurance	745,000	1,349,191	(604,191)	768,322
Total operating expenses	5,987,018	12,018,786	(6,031,768)	16,059,034
Operating income (loss)	3,086,872	(890,788)	(3,977,660)	(7,870,814)
Non-operating Revenue (Expenses)				
Interest earned on investments	1,000	(820)	(1,820)	—
Sponsorships and donations – Wellness programs	40,000	23,682	(16,318)	1,296
Total non-operating revenue (expenses)	41,000	22,862	(18,138)	1,296
Transfers				
Transfers in (out) – General Fund	—	—	—	3,000,000
Change in net position	3,127,872	(867,926)	(3,995,798)	(4,869,518)
Net position (deficit), beginning of year	(26,060,689)	(26,060,689)	—	(21,191,171)
Cumulative effect of OPEB restatement	—	—	—	—
Net position (deficit), end of year	\$ (22,932,817)	\$ (26,928,615)	\$ (3,995,798)	\$ (26,060,689)

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 38-7-210 of the Code of Laws of South Carolina and to be expended for the sole benefit of the City's firemen.
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CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PENSION TRUST FUNDS – MONEY PURCHASE PENSION PLAN #1
STATEMENT OF NET POSITION

JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and temporary investments	\$ 33,147,264	\$ 30,301,817
Participant loans	<u>913,705</u>	<u>978,080</u>
Total assets	<u>\$ 34,060,969</u>	<u>\$ 31,279,897</u>
Net Position		
Held in trust for employee's pension benefits	<u>\$ 34,060,969</u>	<u>\$ 31,279,897</u>

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, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Additions		
Employer contributions	\$ 1,277,801	\$ 1,183,876
Employee (member) contributions	310,348	301,286
Investment income gain/(loss)	3,449,223	(4,202,713)
Non-vested rollover	68,695	798,930
Total additions	<u>5,106,067</u>	<u>(1,918,621)</u>
Deductions		
Benefit payments	2,266,435	1,624,355
Trustee fees	37,736	44,429
Forfeitures	20,824	100,406
Total deductions	<u>2,324,995</u>	<u>1,769,190</u>
Change in net position	2,781,072	(3,687,811)
Net position held in trust for employee's pension benefits:		
Beginning of year	31,279,897	34,967,708
End of year	<u><u>\$ 34,060,969</u></u>	<u><u>\$ 31,279,897</u></u>

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

JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and temporary investments	\$ 1,676,963	\$ 1,615,478
Receivable – participant loan	<u>—</u>	<u>—</u>
Total assets	<u>\$ 1,676,963</u>	<u>\$ 1,615,478</u>
Net Position		
Held in trust for employee’s pension benefits	<u>\$ 1,676,963</u>	<u>\$ 1,615,478</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, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Additions		
Employer contributions	\$ 14,652	\$ 15,235
Employee (member) contributions	14,652	15,235
Investment income gain/(loss)	39,381	(82,158)
Total additions	<u>68,685</u>	<u>(51,688)</u>
Deductions		
Benefit payments	7,200	7,200
Trustee fees	—	13
Total deductions	<u>7,200</u>	<u>7,213</u>
Change in net position	61,485	(58,901)
Net position held in trust for employee's pension benefits:		
Beginning of year	<u>1,615,478</u>	<u>1,674,379</u>
End of year	<u><u>\$ 1,676,963</u></u>	<u><u>\$ 1,615,478</u></u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CUSTODIAL FUND

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

JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and temporary investments	\$ 506,067	\$ 78,529
Total assets	<u>\$ 506,067</u>	<u>\$ 78,529</u>
Net Position		
Held for benefit of City firemen	<u>\$ 506,067</u>	<u>\$ 78,529</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CUSTODIAL FUND

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

YEAR ENDED JUNE 30, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Additions		
Interest on investments	\$ 258	\$ 40
Miscellaneous	569	—
Amounts collected from the State	456,280	404,344
Total additions	<u>457,107</u>	<u>404,384</u>
Deductions		
Payments for City firemen's association activities	29,339	471,826
Total deductions	<u>29,339</u>	<u>471,826</u>
Change in net position	427,768	(67,442)
Net position held for the benefit of City Firemen:		
Beginning of year	<u>78,529</u>	<u>145,971</u>
End of year	<u><u>\$ 506,297</u></u>	<u><u>\$ 78,529</u></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, 2023
(With comparative amounts for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Governmental Funds Capital Assets		
Land	\$ 32,797,594	\$ 30,641,978
Land improvements	28,339,540	27,004,482
Buildings	32,162,934	31,832,764
Machinery and equipment	30,561,279	29,261,841
	<u>123,861,347</u>	<u>118,741,065</u>
Infrastructure:		
Roads	38,783,940	36,953,589
Drainage systems	38,356,636	38,185,823
Developer contributions – roads	15,212,534	15,212,534
Sidewalks	2,354,373	2,354,373
Street lighting and other	747,555	747,555
	<u>95,455,038</u>	<u>93,453,874</u>
Construction in progress	<u>25,903,402</u>	<u>5,332,263</u>
Total governmental funds capital assets	<u><u>\$ 245,219,787</u></u>	<u><u>\$ 217,527,202</u></u>
Governmental Funds Capital Assets by Source		
General Obligation Bonds, Notes and Lease – Purchase financing	\$ 29,782,852	\$ 29,782,852
General Fund and Capital Projects revenue and grants	177,202,046	149,509,461
Special Revenue Funds	19,292,214	19,292,214
Gifts and contributions from developers	18,942,675	18,942,675
Total governmental funds capital assets	<u><u>\$ 245,219,787</u></u>	<u><u>\$ 217,527,202</u></u>

VICTIM'S RIGHTS PROGRAM

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2023

	<u>2023</u>
Court Fines and Assessments	
Court fines and assessments collected	\$ 758,449
Court fines and assessments remitted to State Treasurer	<u>(499,219)</u>
Total court fines and assessments retained	<u><u>\$ 259,230</u></u>
 Surcharges and Assessments Retained for Victim's Service	
Total surcharges collected	\$ 13,469
Total assessments	<u>41,433</u>
Total surcharges and assessments retained	<u><u>\$ 54,902</u></u>
 Funds Allocated to Victim's Service	
Carryover funds from prior year	\$ —
Surcharges and assessments retained	54,902
Expenditures for victim's service	<u>(54,902)</u>
Total unexpended victim's rights assistance funds	<u><u>\$ —</u></u>

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)..... 157-163

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)..... 164 -167

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)..... 168-172

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)..... 173-175

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) 176-177

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>2023</u>	<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>
Governmental Activities										
Invested in capital/right-to-use assets,										
net of related debt	\$149,995,985	\$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
Restricted	3,212,090	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
Unrestricted	<u>25,274,575</u>	<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>
Total governmental activities net assets	<u>\$178,482,650</u>	<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>
Business-type Activities										
Invested in capital/right-to-use assets,										
net of related debt	\$92,322,025	\$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
Restricted	0	0	0	0	31,894	3,437	2,014,870	1,889,159	2,232,873	2,133,155
Unrestricted	<u>11,746,837</u>	<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>
Total business-type activities net assets	<u>\$104,068,862</u>	<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>
Primary Government										
Net investments in capital/right-to-use assets	\$242,318,010	\$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
Restricted	3,212,090	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
Unrestricted	<u>37,021,412</u>	<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>
Total primary government net assets	<u>\$282,551,512</u>	<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>

TABLE II

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

	<u>2023</u>	<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>
Expenses										
Governmental activities:										
General Government	\$ 2,129,753	\$ 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
Information Services	2,228,329	771,010	1,491,231	657,082	396,832	180,605	906,155	339,912	632,013	538,150
Finance	782,056	1,641,270	573,155	1,341,504	1,006,700	873,339	596,059	774,629	904,344	765,254
Public Safety	23,699,189	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
Planning and Development	2,412,685	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
Public Works	14,312,482	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
Parks and Recreation	6,730,617	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
Support Services	1,334,510	1,194,043	1,054,134	939,941	1,245,616	1,750,626	1,282,379	969,515	1,005,675	989,966
Debt service - interest	2,807,751	116,603	408,841	59,509	335,632	43,756	457,819	247,289	293,753	503,633
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>56,437,372</u>	<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>
Business-type activities:										
Water and sewer utility	19,243,068	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
Solid waste	6,557,158	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
Aquatic Center	3,062,060	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
Beach Services	3,607,043	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
Sports Park	2,044,330	2,098,979	1,645,168	1,721,638	1,675,452	1,480,029	552,813	-	-	-
Total business type-activities	<u>34,513,659</u>	<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>
Total primary government expenses	<u>\$ 90,951,031</u>	<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>
Program Revenue										
Governmental activities:										
Fees for services										
Storm Water	\$ 3,661,428	\$ 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
Fines	446,322	518,549	363,583	349,526	566,702	484,998	549,980	467,082	447,273	489,978
Building Permits	1,598,241	1,302,512	1,107,416	793,665	802,447	38,295	17,520	20,610	16,490	706,512
Other	1,976,379	2,227,122	2,343,666	1,391,161	741,159	606,799	1,219,065	1,035,781	1,109,744	727,194
Operating grants and contributions	1,952,338	269,071	146,391	171,769	103,798	152,203	85,177	244,173	24,203	16,678
Capital grants and contributions	15,077,325	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
Total primary government net position	<u>\$ 24,712,033</u>	<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>

- Continued -

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN NET POSITION

(Accrual basis of accounting)

LAST TEN FISCAL YEARS

General Revenues and Transfers	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities										
Fees for services										
Water & Sewer	\$ 15,519,927	\$ 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
Solid Waste	6,514,328	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
Other	7,575,179	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
Operating grants and contributions	451,752	514,884	269,098	671,710	509,659	590,695	689,905	218,564	-	-
Capital grants and contributions	5,143,412	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
Total business-type activities	<u>35,204,598</u>	<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>
Total primary government program revenue	<u>\$ 59,916,631</u>	<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>
Governmental activities:										
Property taxes	\$ 22,568,464	\$ 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
Accommodations and hospitality taxes	27,397,172	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
State shared taxes - unrestricted	1,580,771	1,115,973	1,037,695	802,845	932,021	1,160,581	953,621	817,472	924,763	805,341
Business licenses and franchise taxes	13,445,689	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
Unrestricted investment earnings	577,500	43,140	93,884	273,131	55,114	50,420	59,871	15,853	-	175,616
Miscellaneous	137,527	209,269	277,114	8,650	119,382	69,478	(49,406)	16	325,716	128,296
Transfers in/(out)	(2,357,385)	(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)
Total governmental activities	<u>63,349,738</u>	<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>
Business-type activities:										
Unrestricted investment earnings	173,348	79,474	118,551	41,315	166,173	69,200	36,493	48,313	64,689	75,692
Miscellaneous	-	-	-	-	-	(2)	26,532	138,602	112,516	246,852
Transfers in/(out)	2,357,385	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
Total business type-activities	<u>2,530,733</u>	<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>
Total primary government general revenue and other changes	<u>\$ 65,880,471</u>	<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>
Changes in Net Position										
Governmental activities:	\$ 31,624,399	\$ 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
Business-type activities	<u>3,221,672</u>	<u>2,003,654</u>	<u>2,920,786</u>	<u>(1,616,334)</u>	<u>402,038</u>	<u>1,348,194</u>	<u>1,572,168</u>	<u>1,359,543</u>	<u>2,039,213</u>	<u>562,578</u>
Total primary government changes in net position	<u>\$ 34,846,071</u>	<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>

TABLE III

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION/PROGRAM

(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	<u>2023</u>	<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>
Function/Program										
Governmental Activities:										
General Government	\$ 337,107	\$ 1,707,464	\$ 2,043,240	\$ 810,034	\$ 355,731	\$ 431,788	\$ 351,653	\$ 683,965	\$ 628,728	\$ 193,430
Information Services	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Public Safety	753,690	518,549	363,583	535,388	771,710	655,752	683,486	625,454	447,273	489,978
Planning and Development	1,598,241	1,571,583	1,253,807	793,665	802,447	38,295	17,520	20,610	16,490	706,512
Public Works	20,264,675	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
Parks and Recreation	1,758,320	1,538,939	1,288,354	1,083,378	1,053,257	385,112	1,217,589	1,005,996	871,749	605,038
Support Services	-	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-	-
Depreciation (unallocated)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 24,712,033</u>	<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>
Business-type Activities:										
Water and sewer utility	\$ 20,935,075	\$ 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
Solid waste	6,518,069	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
Aquatic Center	2,337,900	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
Beach Services	3,736,721	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
Sports Park	<u>1,675,951</u>	<u>1,598,285</u>	<u>1,186,135</u>	<u>971,186</u>	<u>1,090,108</u>	<u>1,104,916</u>	<u>971,181</u>	-	-	-
Total business-type activities	<u>\$ 35,203,716</u>	<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>
Total program revenues by function and program	<u>\$ 59,915,749</u>	<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>

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

	<u>2023</u>	<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>
General Fund										
Non-spendable	\$ 466,562	\$ 324,430	\$ 275,906	\$ 205,402	\$ 211,636	\$ 214,952	\$ 268,532	\$ 433,674	\$ 259,296	\$ 278,806
Restricted by Others	97,289	91,755	77,400	119,614	159,669	74,248	22,869	46,878	289,208	311,946
Committed by Ordinance	-	-	-	-	-	392,500	392,500	392,500	392,500	392,500
Assigned by Management	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>22,615,401</u>	<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>
Total General Fund	<u>\$ 23,179,252</u>	<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>
Stormwater Fund										
Restricted by Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed by Ordinance	-	-	-	-	-	-	-	-	-	-
Assigned by Management	11,025,825	14,290,688	-	6,854,871	-	-	-	-	-	-
Unassigned	<u>-</u>	<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>
Total Stormwater Fund	<u>\$ 11,025,825</u>	<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>
Park Improvement Fund										
Assigned by Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,615	\$ -	\$ -
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,365,420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(314,892)</u>
Total Park Development Fund	<u>\$ -</u>	<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>
Street Improvement Fund										
Assigned by Management	\$ 1,797,659	\$ 3,007,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>-</u>	<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>
Total Street Improvement Fund	<u>\$ 1,797,659</u>	<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>
State (2%) A-Tax Fund										
Restricted by Others	\$ 1,013,481	\$ 1,367,439	\$ 283,411	\$ (116,661)	\$ 25,719	\$ (1,286)	\$ -	\$ -	\$ -	\$ -
Total State (2%) A-Tax Fund	<u>\$ 1,013,481</u>	<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>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,000	\$ -	\$ -	\$ -
Restricted by Others	-	-	-	26,207	-	-	293	351	29,463	431,459
Committed by Ordinance	24,266,088	15,044,627	3,848,985	782,884	830,766	2,144,599	3,561,540	18,380	105,244	65,960
Assigned by Management	9,079,870	5,327,811	533,003	1,881,732	1,782,214	1,678,409	1,417,420	417,220	851,633	3,119,824
Unassigned	<u>-</u>	<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>
Total All Other Gov't Funds	<u>\$ 33,345,958</u>	<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>
Total Governmental Funds	<u>\$ 70,362,175</u>	<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>

Note: The City did not previously prepare this schedule to this level of detail and chooses to implement such data prospective of implementing GASB Statement 54.

Only totals readily available are shown for the years prior to categorizing Fund Balances at the new level of detail required.

TABLE V

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

	<u>2023</u>	<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>
Revenue										
Property taxes:										
Current property taxes	\$ 22,141,605	\$ 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
Delinquent property taxes	426,859	471,870	435,191	373,722	389,955	340,950	304,947	420,800	451,993	451,681
Special Assessments	1,942,628	11,040	1,312,248	1,311,167	1,307,402	1,674,522	2,501,605	-	-	-
Licenses and permits	14,996,500	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
Fines and forfeitures	324,999	385,790	196,653	281,126	456,877	366,246	401,856	373,506	338,717	377,226
Use of money and property	830,636	297,292	298,995	517,388	355,182	327,412	269,922	221,232	242,666	175,616
Unrestricted intergovernmental	1,580,771	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
Restricted intergovernmental	41,390,180	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
Sales and service charges	4,989,021	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
Miscellaneous	<u>1,795,967</u>	<u>957,727</u>	<u>1,086,847</u>	<u>210,851</u>	<u>231,669</u>	<u>200,258</u>	<u>1,474,124</u>	<u>391,323</u>	<u>431,823</u>	<u>152,316</u>
Total revenue	<u>\$ 90,419,166</u>	<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>
Expenditures										
Current:										
General Government/Admin.	\$ 5,771,723	\$ 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
Finance	1,626,543	1,558,833	1,573,912	1,565,387	880,974	837,850	848,593	823,982	837,556	775,994
Information Services	676,552	609,997	471,272	572,861	266,411	252,672	332,319	207,508	540,103	517,469
Public Safety	21,994,981	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
Planning and Development	2,133,247	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
Public Works	3,476,368	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
Parks and Recreation	7,341,098	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
Support Services	1,383,366	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
Debt service:										
Principal	645,212	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
Interest	146,200	90,282	408,841	151,069	166,269	414,216	514,796	471,814	551,079	638,513
NMB Capital outlay	29,657,874	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	<u>5,706,299</u>	<u>456,268</u>	<u>3,923,196</u>	<u>2,896,883</u>	<u>520,495</u>	<u>1,085,726</u>	<u>1,364,017</u>	<u>2,733,241</u>	<u>11,303,683</u>	<u>21,854,891</u>
Total expenditures	<u>\$ 80,559,463</u>	<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>

- Continued -

TABLE V

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

	<u>2023</u>	<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>
Other Financing Sources (Uses)										
Bond Issuance/Installment Note	\$ 3,242,000	\$ 7,658,714	\$ 5,000,000	\$ 4,258,836	\$ -	\$ -	\$ 6,342,000	\$ 5,000,000	\$ -	\$ 383,167
Transfers in	21,616,011	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
Transfers (out)	<u>(24,017,593)</u>	<u>(26,455,996)</u>	<u>(26,017,265)</u>	<u>(11,432,402)</u>	<u>(12,718,108)</u>	<u>(11,451,021)</u>	<u>(11,968,833)</u>	<u>(9,848,080)</u>	<u>(10,908,173)</u>	<u>(11,268,976)</u>
Total other financing sources (uses)	<u>\$ 840,418</u>	<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>
Net change in fund balances	\$ 10,700,121	\$ 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)
Cumulative effect of restatement	-	-	-	-	(629,658)	-	-	-	-	-
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 70,362,175</u>	<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>
Ratio of Debt Service to General Government Noncapital Expenditures	<u>1.65%</u>	<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>

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>				
2014	\$ 331,177,842	\$ 42,866,000	\$ 3,320,000	\$ 370,723,842 ⁽¹⁾	0.0380	\$ 6,234,064,000	6.0
2015	\$ 325,236,513	\$ 43,200,000	\$ 3,310,000	\$ 365,126,513	0.0393	\$ 6,085,400,000	6.0
2016	\$ 333,290,173	\$ 36,867,947	\$ 4,213,130	\$ 365,944,990	0.0393	\$ 6,099,083,167	6.0
2017	\$ 343,684,218	\$ 38,373,811	\$ 4,410,770	\$ 377,647,259	0.0413	\$ 6,294,120,000	6.0
2018	\$ 352,269,244	\$ 33,592,626	\$ 4,953,081	\$ 380,908,789	0.0413	\$ 6,327,400,000	6.0
2019	\$ 363,567,180	\$ 39,070,514	\$ 5,155,022	\$ 397,482,672	0.0433	\$ 6,416,347,000	6.0
2020	\$ 413,821,481	\$ 35,490,920	\$ 5,729,991	\$ 443,582,410 ⁽¹⁾	0.0371	\$ 7,393,040,000	6.0
2021	\$ 419,681,352	\$ 37,120,214	\$ 5,815,000	\$ 450,986,566	0.0450	\$ 8,162,276,000	5.5
2022	\$ 436,521,900	\$ 38,609,384	\$ 6,048,000	\$ 469,083,284	0.0450	\$ 8,229,531,000	5.7
2023	\$ 476,438,500	\$ 43,913,636	\$ 10,427,930	\$ 509,924,206	0.0450	\$ 10,028,847,246	5.1

⁽¹⁾ Reassessment performed by Horry County.

Note: 1 mil is equal to \$509,924 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>
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
2023	45.0	55.5	128.1	0.7	229.3

Note 1: Each mil for North Myrtle Beach is equal to \$509,924 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 2023 AND 2014

TAXPAYER	2023			2014		
	ASSESSMENTS	Percentage of Total Assessed Value	RANK	ASSESSMENTS	RANK	Percentage of Total Assessed Value
IREIT NMB Coastal North LLC	\$ 3,780,010	0.74%	1	\$ -		
Lawyers Title Insurance Corp	3,585,180	0.70%	2	2,540,646	2	0.69%
Barefoot Landing Commercial LLC	3,032,800	0.59%	3	-		
Marina Cottages at Barefoot Landing	2,288,250	0.45%	4	-		
The Gator Hole Development LLC	2,219,240	0.44%	5	2,043,498	4	0.55%
Fairfield Resorts, Inc.	2,181,060	0.43%	6	2,161,746	3	0.58%
Horry Telephone Cooperative	2,151,930	0.42%	7	-		
Bluegreen Vacations Unlimited Inc.	2,039,290	0.40%	8	1,777,826	6	0.48%
Wyndham Vacation Resorts Inc.	1,670,910	0.33%	9	1,595,808	7	0.43%
SC NMB Retail 3 LLC	1,500,000	0.29%	10	-		
NGD Property II LLC	1,495,450	0.29%	11	-		
Pulte Home Company LLC	1,478,410	0.29%	12	-		
Towers on the Grove South LLC	1,289,640	0.25%	13	1,362,180	8	0.37%
Worley Harold G TR ETAL	1,007,950	0.20%	14	865,754	12	0.23%
Rosen Surfwood, LLC	989,480	0.19%	15	653,676	18	0.18%
Cherry Grove SC LLC	836,060	0.16%	16	-		
BRGC LLC	814,020	0.16%	17	1,078,526	9	0.29%
Peppertree Resorts, LTD	734,320	0.14%	18	-	17	0.00%
SUSO 4 Barefoot LP	732,000	0.14%	19	-		
AD1 Myrtle Hotels LLC	670,780	0.13%	20	-		
100 North Beach Blvd. LLC	-			4,760,737	1	1.28%
Lakeside Festival Shopping	-			2,033,436	5	0.55%
Frontier Communications	-			947,170	10	0.26%
Lawyers Title Insurance Corp	-			866,820	11	0.23%
Centex Homes	-			777,100	13	0.21%
ETW Development Co. LLC	-			752,400	14	0.20%
Barefoot Retail Partners LLC	-			729,050	15	0.20%
Ocean Keys	-			724,824	16	0.20%
Oprock Myrtle Fee, LLC	-			510,000	19	0.14%
Barefoot Commons, LLC	-			503,982	20	0.14%
	<u>\$ 34,496,780</u>	<u>6.77%</u>		<u>\$ 26,685,179</u>		<u>7.20%</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
2014	\$14,087,194	\$ 13,740,397	97.5%	\$ 296,543	\$ 14,036,940	99.6%
2015	\$14,349,472 ¹	\$ 13,971,950	97.4%	\$ 303,492	\$ 14,275,442	99.5%
2016	\$14,639,240	\$ 14,307,884	97.7%	\$ 263,024	\$ 14,570,908	99.5%
2017	\$15,596,832 ³	\$ 15,256,835	97.8%	\$ 257,892	\$ 15,514,727	99.5%
2018	\$15,781,533	\$ 15,396,881	97.6%	\$ 322,130	\$ 15,719,011	99.6%
2019	\$17,260,999 ⁴	\$ 16,844,233	97.6%	\$ 238,022	\$ 17,082,255	99.0%
2020	\$16,456,907 ²	\$ 16,048,603	97.5%	\$ 294,832	\$ 16,343,435	99.3%
2021	\$20,350,239 ⁵	\$ 19,811,180	97.4%	\$ 338,783	\$ 20,149,963	99.0%
2022	\$21,108,748	\$ 20,461,922	96.9%	\$ 275,690	\$ 20,737,612	98.2%
2022	\$22,946,589	\$ 22,141,605	96.5%	\$ 246,072	\$ 22,387,677	97.6%

⁽¹⁾ Millage rate increased to 39.3 from 38.0.

⁽²⁾ Millage rate decreased to 37.1 from 43.3.

⁽³⁾ Millage rate increased to 41.3 from 39.3.

⁽⁴⁾ Millage rate increased to 43.3 from 41.3.

⁽⁵⁾ Millage rate increased to 45.0 from 37.1.

TABLE X

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

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds	Lease and Storm Water Revenue Bonds	Special Assessment Bonds	Installment Notes	Water and Sewer Contracts Payable	Aquatic Center Enterprise Fund	Total Primary Government	Percentage of Personal Income	Per Capita ⁽¹⁾
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
2023	\$ -	\$ -	\$ 3,242,000	\$ -	\$ -	\$ 595,793	\$ 3,837,793	0.38%	198

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

TABLE XI

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total General Bonded Indebtedness</u>	<u>Percentage of Assessed Value of Taxable Property</u>	<u>Per Capita</u>
2014	\$ 12,549,071.00	3.39%	\$ 858.23
2015	\$ 10,987,970.00	3.01%	\$ 736.06
2016	\$ 7,760,143.00	2.12%	\$ 509.20
2017	\$ 5,675,749.00	1.39%	\$ 337.74
2018	\$ 2,666,709.00	0.70%	\$ 167.88
2019	\$ -	0.00%	\$ -
2020	\$ -	0.00%	\$ -
2021	\$ -	0.00%	\$ -
2022	\$ -	0.00%	\$ -
2023	\$ -	0.00%	\$ -

TABLE XII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

TOTAL DIRECT AND OVERLAPPING DEBT

JUNE 30, 2023

<u>Jurisdiction</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>General Obligation & Revenue Bond Principal Outstanding</u> ⁽¹⁾	<u>Percentage Applicable to the City of North Myrtle Beach</u>	<u>Amount Applicable to the City of Outstanding</u> ⁽²⁾
City of North Myrtle Beach	\$ 509,924,206	-	100.00%	-
Sub-Total Direct Debt		<u>\$ -</u>		<u>\$ -</u>
Horry County	\$ 2,844,645,000.00	53,218	17.93%	9,540
Horry County School District	\$ 2,844,645,000.00	228,417	17.93%	40,945
Sub-Total Overlapping Debt		<u>\$ 281,635</u>		<u>\$ 50,485</u>
Grand Total Direct & Overlapping Debt		<u><u>\$ 281,635</u></u>		<u><u>\$ 50,485</u></u>

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

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

TABLE XIII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(in thousands)

	<u>2023</u>	<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>
Total Assessed Valuation	\$509,924	\$469,083	\$450,987	\$443,582	\$397,483	\$380,909	\$377,647	\$365,945	\$365,127	\$370,724
Maximum General Obligation Obligation Debt limited to 8% of total assessed valuation ⁽¹⁾	40,794	37,527	36,079	35,487	31,799	30,473	30,212	29,276	29,210	29,658
Outstanding bonds chargeable to bond limit ⁽²⁾	<u>-</u>	<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>
Legal debt margin	<u>\$ 40,794</u>	<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>
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>0.0%</u>	<u>8.8%</u>	<u>18.8%</u>	<u>24.4%</u>	<u>34.9%</u>	<u>42.3%</u>

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

⁽²⁾ Includes only General Obligation Bonds.

TABLE XIV

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 PLEDGED REVENUE - REVENUE BOND COVERAGE WATER AND SEWER
 ENTERPRISE FUND
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>		<u>Gross Revenue</u> ⁽¹⁾	<u>Operating and Maintenance Expenses</u> ⁽²⁾	<u>Net Revenue Available for Debt Service</u>	<u>Total Debt Service Requirements</u>			<u>Debt Service Coverage</u>
					<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2023	Water and Sewer	\$ 19,079,266	\$ 15,932,177	\$ 3,147,089	\$ -	\$ -	\$ -	N/A

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

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

TABLE XV

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PROPERTY VALUES AND CONSTRUCTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Estimated Actual Value Amounts in 000's ⁽¹⁾	Single Family Units ⁽²⁾	<u>Construction</u>	<u>Units</u>	Multi- Family <u>Construction</u>	<u>Units</u>	<u>Commercial Construction</u>	<u>Total Construction</u>
2013	\$ 6,435,200	181	\$ 47,217,835	18	\$ 12,818,173	3	\$ 1,049,445	\$ 61,085,453
2014	\$ 6,234,064 ⁽³⁾	196	\$ 52,374,133	24	\$ 18,663,691	11	\$ 25,916,588	\$ 96,954,412
2015	\$ 6,085,400	195	\$ 52,571,167	9	\$ 4,404,589	10	\$ 5,856,243	\$ 62,831,999
2016	\$ 6,099,083	225	\$ 61,549,300	12	\$ 10,090,916	9	\$ 6,658,244	\$ 78,298,460
2017	\$ 6,294,120	238	\$ 61,935,727	11	\$ 1,244,243	16	\$ 17,605,427	\$ 80,785,397
2018	\$ 6,327,400	250	\$ 73,656,054	38	\$ 4,669,539	11	\$ 19,152,423	\$ 97,478,016
2019	\$ 6,416,347	257	\$ 81,607,202	11	\$ 15,895,890	6	\$ 2,545,341	\$ 100,048,433
2020	\$ 7,393,040 ⁽³⁾	196	\$ 65,350,000	39	\$ 5,032,000	15	\$ 6,681,520	\$ 77,063,520
2021	\$ 8,162,276	518	\$ 139,629,545	41	\$ 10,123,939	12	\$ 11,775,623	\$ 161,529,107
2022	\$ 8,229,531	331	\$ 118,540,319	19	\$ 44,618,932	15	\$ 14,494,142	\$ 177,653,393
2023	N/A	374	\$ 129,477,769	7	\$ 34,447,076	13	\$ 38,622,120	\$ 202,546,965

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

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

⁽³⁾ Horry County reassessment.

N/A - Not Available

TABLE XVI

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

Calendar Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Horry County Unemployment Rate ⁽²⁾
2014	14,485	\$ 33,753	6.6%
2015	14,824	\$ 34,370	6.6%
2016	15,201	\$ 35,356	5.5%
2017	15,510	\$ 37,180	4.6%
2018	15,862	\$ 39,616	4.1%
2019	16,200	\$ 41,171	3.5%
2020	18,790	\$ 42,813	11.4%
2021	18,502	\$ 44,721	5.4%
2022	18,850	\$ 49,007	3.9%
2023	19,343	\$ 52,069	3.7%

⁽¹⁾ Estimates and actuals per US Census Bureau Community Survey and 2020 Census Report

⁽²⁾ County information per 2023 Horry County Annual Comprehensive Financial Report.

TABLE XVII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PRINCIPAL EMPLOYERS

Largest Employers in NMB - 2023 and 2014

<u>Rank</u>	<u>Employer</u>	<u>2023 # of Employees</u>	<u>2014 # of Employees</u>
1	CITY OF NORTH MYRTLE BEACH	750	0
2	WYNDHAM SALES & MARKETING	686	0
3	WAL-MART	575	0
4	BOULINEAU'S INC	325	0
5	HOME GROWN HOSPITALITY GROUP	257	0
6	HOUSE OF BLUES	219	0
7	LOWES	211	0
8	FOOD LION	210	0
9	AVISTA	209	0
10	NORTH BEACH RESORT & VILLAS	185	0
11	PUBLIX	180	0
12	HOME DEPOT	160	0
13	KROGER	148	0
14	BAREFOOT RESORT GOLF	141	0
15	PRINCE RESORTS	140	0
16	CHICK-FIL-A	140	0
17	BAYWATCH RESORT	137	0
18	OLIVE GARDEN	115	0
19	CRACKER BARREL	114	0
20	ALABAMA THEATRE	102	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

TABLE XVIII

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

	<u>2023</u>	<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>
Employees by Function/Program										
<u>Governmental Activities:</u>										
General Government										
Legislative	8.5	7.75	8	7.75	8	8	8	8	8	8
Administrative	11.25	12.25	11.5	11.25	10.75	11.5	11.5	11	11	11
City Court	5	6	5	5	5	5	5	5	5	5.5
Information Services	11.25	8.25	7.75	8	8	8	8	7.5	7.5	7
Finance										
Accounting/Revenue	11	9.25	10	12.5	12.25	12.25	13.75	12.75	12	12
Purchasing	3	2.5	2	3	4	4.25	4	4.75	4	4
Risk Management	2	1.5	0	0	0	0	0	0	0	0
Public Safety										
Administration	27.25	23.5	17.75	18.75	19.5	17	16.5	16.25	13	12
Detectives	11	10	9	10	11	11	10.5	10.5	11	11
Public Safety & Fire Officials	155.5	157.5	147.25	114	130	125	130.5	138	131	138
Planning & Community Development										
Administration	10	10	9	9	9	9	9	9	9	10
Inspection Services	10	9	9	9	9	9	9	9	9	9
Public Works										
Streets / Drainage	32.25	23.25	22	22	22.5	22	20.75	20	20	19
Fleet Maintenance	3.75	3	4.25	4.25	5	5	5	5	5	5
Facility Maintenance	4	4	3	2.5	3	3	3	3	3	3
Parks and Recreation										
Parks & Grounds	36.75	37	36.25	28.5	35	27.5	27.5	31.25	27	22.5
Custodians	6	6.5	6.25	5.5	4.75	5	5	5	5	5
Other Recreation Activities	18.5	18.5	19.75	19.5	24	23	23	24.5	22	15
<u>Business-type Activities:</u>										
Parks and Recreation										
Aquatic & Fitness Center	26.5	26.5	23.75	21.5	25	26	28.5	27.75	26	27
Beach Services	51.5	54	39.5	44.75	52	51.5	51.25	59	54	54
Other Recreation Activities	6.25	5	3.75	0	0	0	0	0	0	0
Water & Sewer Utility										
Administration	15.5	15	13.25	12.75	12.5	12.5	12.5	13	12	12
Wastewater Treatment	6.5	7.5	7	7	6.75	5.5	6.5	7	6	6
Wells/Lifts Maintenance	10.75	10.5	11	10	8.5	8	9	9	9	9
Construction Maintenance	20	23.75	21.75	20.5	21.75	20.75	19	17	18	19
Solid Waste Utility										
Administration	5	5.25	4.5	4.25	4	4	4	4	4	4
Sanitation Services	<u>31.75</u>	<u>34.75</u>	<u>27.25</u>	<u>25.5</u>	<u>27.25</u>	<u>27.5</u>	<u>27.5</u>	<u>26</u>	<u>28</u>	<u>27.6</u>
GRAND TOTALS	<u>540.75</u>	<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>

Source: City of North Myrtle Beach Finance Department

TABLE XIX

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

MISCELLANEOUS STATISTICAL DATA

June 30, 2023

Date of Incorporation	May 7, 1968
Form of Government	Council/Manager
Area - Square Miles	23.48
Miles of Shoreline on the Atlantic Ocean	9

WATER & SEWER SYSTEM

Number of Customer Billings for FY 2022	189,651
Daily Pumping Capacity - Gallons	17,040,000
Greatest Pumpage for a Single Day	8,390,000
Maximum Filtration Plant Capacity Per Day - Gallons	15,600,000
Maximum Wells Capacity Per Day - Gallons	1,440,000
Maximum Wastewater Capacity	10,400,000
Greatest Wastewater Treatment Day	11,520,000

PUBLIC SAFETY

Number of Stations	5
Annual Police Calls	35,142
Annual Fire Calls	6,051
Traffic Stops	12,417
Arrests	1,818

BUILDING

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

SOLID WASTE

Garbage - Tons	14,117
Construction Debris - Tons	1,497
Yard Waste - Tons	4,724
Recycling - Tons	2,501

AQUATIC & FITNESS CENTER

Member Packages	3,314
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BEACH SERVICES

Lifeguard Stands	54
Rental Boxes	48
Mobile Carts	10