



# CITY OF MYRTLE BEACH

## SOUTH CAROLINA



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
FISCAL YEAR ENDED  
JUNE 30, 2020

**CITY of MYRTLE BEACH,  
SOUTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2020**

**CITY COUNCIL**

**MAYOR BRENDA BETHUNE**

**MICHAEL CHESTNUT**

**PHILIP RENDER**

**MIKE LOWDER**

**GREGG SMITH**

**JOHN KRAJC**

**JACKIE HATLEY**

**CITY OFFICIALS**

**JOHN G. PEDERSEN**  
*CITY MANAGER*

**MICHELLE B. SHUMPERT**  
*CHIEF FINANCIAL OFFICER*

**JESSICA H. MILLER**  
*DIRECTOR OF FINANCIAL MANAGEMENT & REPORTING*



*First in Service*

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Year Ended June 30, 2020**

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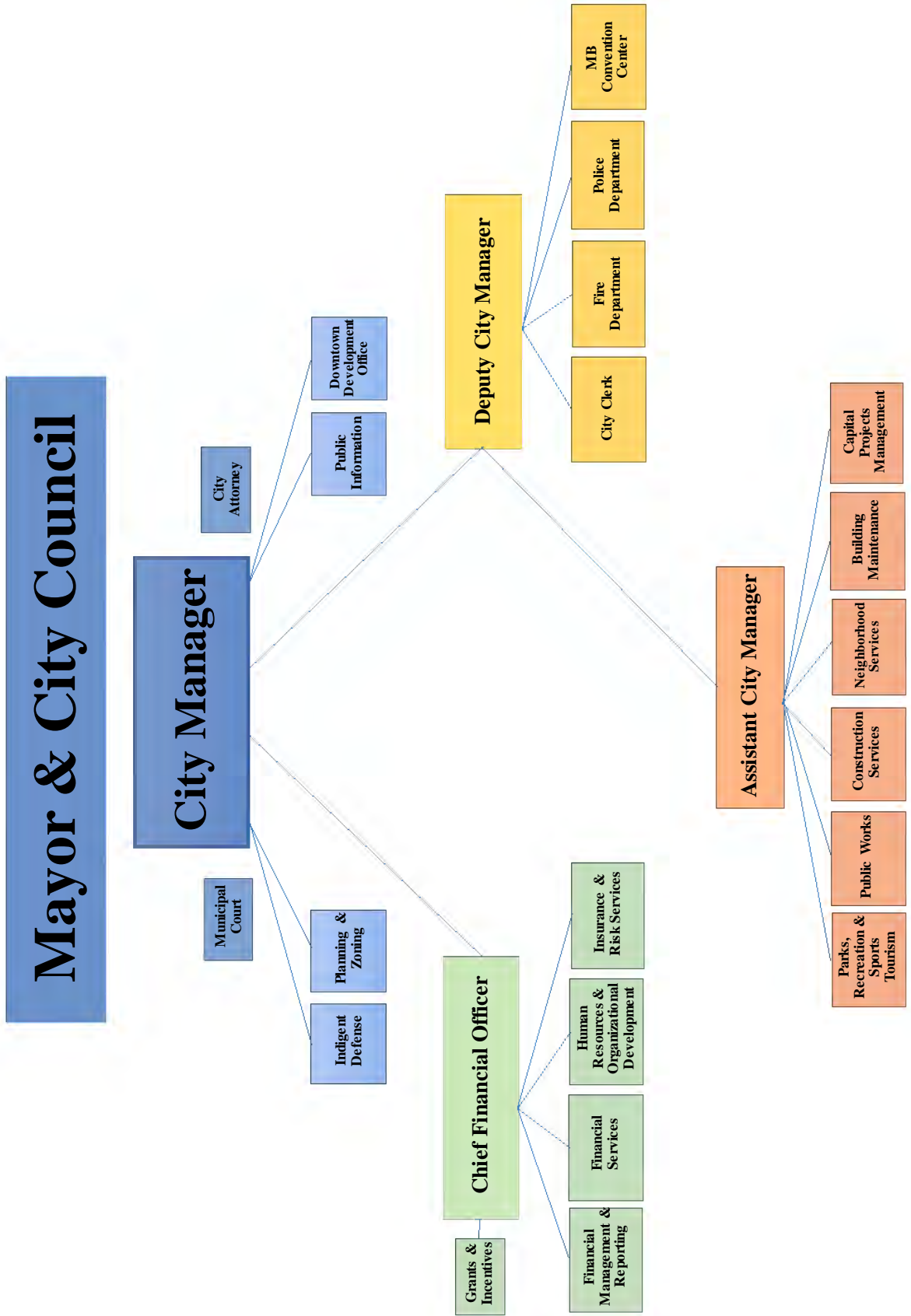
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## Organizational Chart





## **City of Myrtle Beach** SOUTH CAROLINA

DEPARTMENT OF FINANCIAL MANAGEMENT & REPORTING

December 11, 2020

The Honorable Mayor Brenda Bethune, City Council, and  
City Manager of the City of Myrtle Beach, South Carolina

The Comprehensive Annual Financial Report of the City of Myrtle Beach, South Carolina, for the fiscal year ended June 30, 2020, is hereby submitted. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the accuracy of the data and the completeness and reliability of the totality of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report comprises all City funds, and as explained below, the activity of the Myrtle Beach Public Facilities Corporation, the Myrtle Beach Downtown Redevelopment Corporation, and the Myrtle Beach Convention Center Hotel Corporation. The City provides a full range of services that include police and fire protection, sanitation services, the construction and maintenance of streets and infrastructure, recreational activities, and cultural events. In addition to general government activities, the governing body operates a water and sewer system throughout the City and in certain adjacent areas.

This report includes one blended component unit, the Myrtle Beach Public Facilities Corporation (MBPFC). The MBPFC serves the City exclusively for financing purposes. This report also includes two discretely presented component units, the Myrtle Beach Downtown Redevelopment Corporation (MBDRC) and the Myrtle Beach Convention Center Hotel Corporation (MBCCHC). The MBDRC is responsible for promoting and assisting in the development of business concerns and residential housing in the downtown area of Myrtle Beach. The MBDRC is fiscally dependent upon the City because City Council sets the fees that can be charged by the MBDRC. The MBCCHC is responsible for the construction and operation of a convention center hotel. City Council appoints all members of the MBCCHC's board. The MBCCHC is fiscally dependent upon the City because City Council approves the MBCCHC's budget and must approve any debt issuances.

Generally accepted accounting principles (GAAP) dictate that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the narrative. The City's MD&A can be found immediately following the report of the independent auditor.

### **GENERAL INFORMATION**

#### **Community Profile**

Myrtle Beach is in the center of an expanse of coastal shoreline known as the Grand Strand. The Grand Strand is a 60 mile long stretch of beach towns and barrier islands that run from Little River to Georgetown, South Carolina and consists of a populated area ranging from only a few blocks to a couple of miles wide. The City is oriented in the northeastern most corner of the state and is approximately 23 miles south of the North Carolina border. The land is low and the entire section is quite flat, with no elevations exceeding 50 feet above sea level. There are many more trees and wooded regions than are usually found in a beach area. The beaches are of white sand and the coastal water is very clean, as there are no harbors, shipping, or major industries in the area. No rivers or streams drain into the Atlantic for a distance of nearly 30 miles and the warm Gulf Stream current moves slowly northeastwardly along the coast.

A party of Spaniards from Hispaniola landed about 50 miles north of Myrtle Beach in 1526, and eventually established the first European settlement in the United States about 30 miles south of Myrtle Beach. The settlement, San Miguel de Caudape,



was abandoned the next year and the group returned to Hispaniola. Later settled by landowners, the area was gradually developed into a very large plantation, with rice as the principal crop. The town of Myrtle Beach was incorporated in 1938, and became a City in 1957. Its name is taken from the wax myrtle shrub, which grows abundantly in the area. The development of the area into a large tourism destination, which Myrtle Beach has become, has taken place over the last several decades. Mild temperatures and the gentle ocean breezes create the ideal climate for a vacation destination any time of the year.

Because of the location on the northeastern South Carolina coast, its climate is much closer to that of subtropical Florida than to the more rigorous conditions that prevail in the North Atlantic States. Mild winters and warm summers are the rule. The Atlantic Ocean has a moderating effect, often mitigating extremely high or low temperatures because land and water heat and cool at different rates. Situated along the coast provides for cooling sea breezes during the summer and warms the immediate coast during the winter. The average air temperature varies from a low of 57°F in January to a high of 88°F in July. The average water temperature varies from a low of 49°F in January to a high of 83°F in July.

The Myrtle Beach Metropolitan Statistical Area was ranked among the fastest growing metropolitan areas in the nation, coming in second on the US Census list for 2019. Also in 2019, *USA Today* recognized Myrtle Beach as the number one destination in the country where everyone wants to live. Since 1950, the population in Myrtle Beach alone has grown approximately 710% as shown in the following exhibit:

<u>Year</u>	<u>Population</u>
1950	3,345
1960	7,834
1970	9,035
1980	18,477
1990	24,840
2000	30,852
2010	27,109

### **City Government**

The City operates under the Council-Manager form of government. Policy making and legislative authority are vested in the governing body, the mayor and city council members. The six members of the City Council are elected on an at-large basis to serve four-year overlapping terms of office. The Mayor is elected on an at-large basis to serve a four-year term of office. The Mayor presides at City Council meetings and a Mayor Pro-Tempore is elected by City Council members from their body for a period of two years to serve in the Mayor’s place during periods of absence or disability.

The City Council appoints the City Manager to serve as the City's chief executive officer and head of the administrative branch of City government. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures, and appointing departmental officials and certain other City employees. At the present time, the City Manager is assisted by a Deputy City Manager, an assistant City Manager, a Chief Financial Officer, and eighteen staff departments, which are City Clerk, Financial Management and Reporting, Financial Services, Risk Management, Public Works, Public Information, Human Resources, Planning, Downtown Development, Code Enforcement, Building Maintenance, Neighborhood Services, Cultural and Leisure Services, Library, Police, Fire, Sports Tourism, and the Convention Center.

### **FACTORS AFFECTING FINANCIAL CONDITION**

The COVID-19 pandemic deeply affected the global economy, with a devastating impact on national and local economies. United States real (inflation-adjusted) Gross Domestic Product (GDP) fell at an annual rate of 5% during the first quarter of calendar year 2020 (January to March), as the initial impact of the pandemic began to take a toll on the economy. In the second quarter (April to June), the economy contracted by a record annual rate of 32.9%, shrinking at the fastest rate in recorded history. Likewise, South Carolina’s real GDP shrank by 32.6% during the second quarter. The record contraction came as states across the country imposed lockdowns to contain the spread of the virus. In response, City leaders took immediate action to mitigate the impact of the pandemic. A hiring freeze and spending freeze were implemented to restrict expenditures to those directly related to the provision of service.

Unaffected in the current year by the pandemic, property tax growth continued at a strong pace in the Northern and Southernmost sections of the City. In 2020, the ad valorem tax rate was adjusted to the statutory equivalent rate (as adjusted for reassessment) of 75.9 mills. In addition, Council adopted a rate increase of 3 mills for the addition of 10 new police officers in support of the City’s Public Safety initiative. The rate went from the baseline rate of 75.9 mills to 78.9 mills. Adjusting for

the 3.87% pre-assessment increase, property tax revenue grew by 3.4% in the General Fund. Representing 36.3% of General Fund revenue, property tax valuations bear close monitoring as the pandemic continues.

The Local Option Tourism Development Fee was enacted by the State Legislature in 2009 to bolster tourism following the great recession. The fee acts as a 1% tax applied to retail sales within the corporate limits of the City and the allocation of the revenue source is mandated by the State Legislature. The first 80% collected must be used for out-of-state tourism targeted advertising and the remaining balance may be used to offset property taxes and for tourism related capital equipment and infrastructure. When the local option tourism fee tax credit is considered along with property tax and the effect of the local tourism fee is removed from total revenues, property tax revenue represents 30.9% of total governmental revenues for 2019. While the 2019 percentage of 30.9% of overall revenue is less than 2009's 34.1%, revenue actually grew by \$10.7 million over the 10-year period. Growth in property tax revenue since the recession is a product of the recovery since 2011, the largely residential growth currently occurring in the northernmost and southernmost areas of the City, and strategic management by City leadership.

Revenues from the business license fees, local option tourism fees, hospitality fees, and accommodations taxes are derived from business conducted in the City limits and, with the exception of the business license fee, all are special purpose revenues that are restricted primarily for capital projects or the promotion of tourism. Business license fee revenues represent the largest funding source in the General Fund, comprising 36.9% of general revenues and making up 13.5% of total governmental revenue. As a result of the economic downturn brought about by the pandemic, revenues from the business license fee fell by 5.0%. The decline occurred as fewer businesses renewed licenses during the fiscal year, reflecting the economic environment.

Other special purpose revenues derived from business within the City demonstrated strong growth through February 2020. According to the United States Bureau of Economic Analysis (BEA) the Accommodations and Food Service sector contracted 88.4% during the second quarter of 2020. During that same period, the City experienced a 65.6% decrease in its traditional Hospitality and Accommodations tax related revenues. However, in March 2019, the City approved an increase in its Local Accommodations Tax from 0.5% to 3.0% and implemented its 2.0% Hospitality Tax. In July 2019, the City began to collect these taxes and Horry County ceased collection of its 1.5% Hospitality Fee inside the City's corporate limits. This City's increase, in conjunction with the County's decrease, resulted in no net increase for the taxpayer. At June 30, 2020, those funds associated with the increase were sequestered pending settlement of a lawsuit between the City and Horry County. The City's collection of these taxes drove an overall increase of 12.3% in revenue derived from business conducted within the corporate limits.

The City initiated the municipal collection of the Hospitality Tax and additional Accommodations Tax to ensure the health and vitality of the local economy and address the need to continuously improve our offerings, infrastructure and image. In accordance with the Public Safety, Community and Economic Development, and Infrastructure Initiatives established by City Council, the measure was undertaken to offset the cost of serving the growing demands associated with a strong tourism economy. For several years prior to the onset of the pandemic, the City experienced strong growth in both tourism and residential expansion. While growth typically results in increased revenues, it also creates pressure for public services and results in greater operating expenditures.

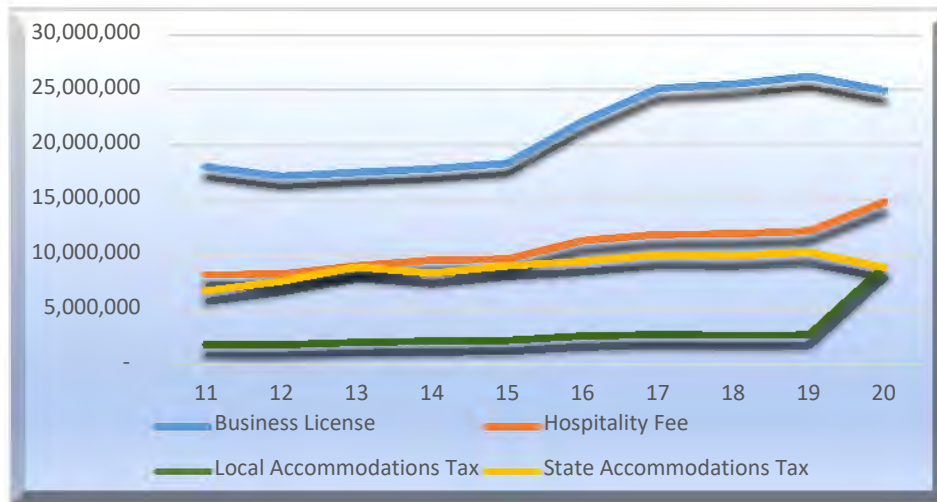
Growth in tourism and residential expansion result in increased revenues, however they also create pressure for public services and result in greater operating expenditures. Residential expansion in particular increases service demand and has necessitated the addition of solid waste crews and construction services administrative personnel in FY 20. Recognizing the growth of operational costs, the City began working closely with the Myrtle Beach Air Force Base Redevelopment Authority (Redevelopment Authority) in 2019 to review and revise the project list associated with the Myrtle Beach Air Force Base Tax Increment District. The Redevelopment Authority has the statutory authority to declare surplus for distribution to participating taxing agencies once projects identified in the district plan have been addressed. In October 2020, the Authority did declare a surplus for tax year 2019, and a distribution of \$1.8 million was made to the General Fund for Fiscal Year 2020. The distribution represents additional general purpose revenues in the General fund and are expected to be in the neighborhood or \$1.9 million going forward.

Tourism drives expenditure growth in a slightly different manner. The cost of ensuring the safety of visitors to our beachfront, the City's biggest tourism draw and consequently its most valuable resource, continues to grow as the number of visitors increase and the season expands. In order to provide the safest environment possible for beach-going residents and visitors alike, the City invested in beach safety equipment and expanded the presence of emergency personnel in 2018 to provide a higher level of coverage on the oceanfront during the peak season. Due to the success of the expanded beach service program, a beach services supervisor position was added in 2019 to further enhance beachfront emergency services. The City continued to fund expanded beach services during 2020. In addition, the City increased staffing in the police department by funding 10 new police officers.

In summary, the City continued to experience growth in the residential sector and in the tourism sector until the latter months of the fiscal year as the effects of the viral pandemic rocked the global economy. Strong property tax collections, the distribution of surplus property tax, and collection of the Hospitality Fee and Accommodations Tax previously retained by the County, in conjunction with expenditure control measures, have allowed the City to end a very trying year on a high note. Council has implemented a number of strategies to grow the economy, maintain a balanced revenue mix, and meet the growing needs of the community at large. Economic growth and recovery are expected to continue once the world manages to halt the pandemic and, through strategic implementation of Council’s initiatives, the City will prepare to meet those needs.

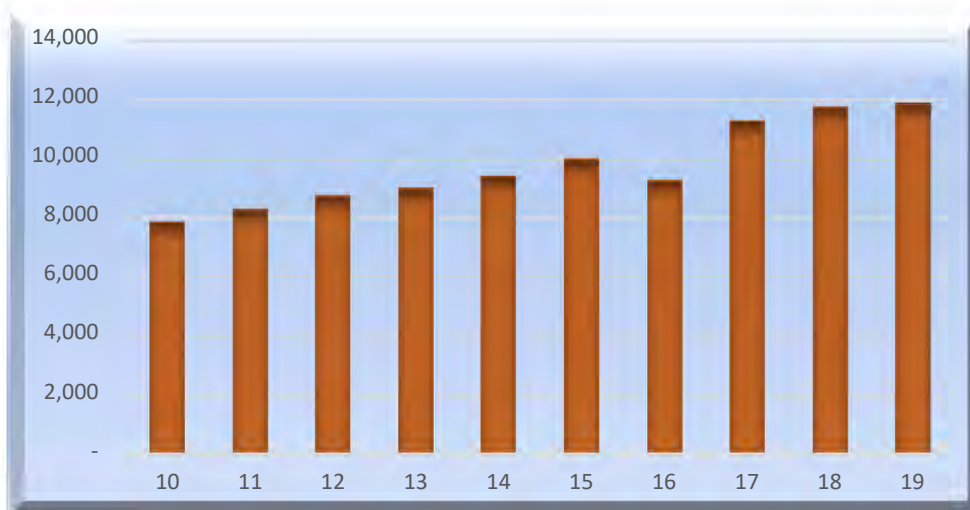
The following chart demonstrates the effect of the pandemic on Business License and State Accommodations Tax and the impact of collection of the additional Hospitality Fees and Local Accommodations Tax. It is important to note that, when the effects of collection of the Hospitality Fee and Accommodations Tax previously retained by the County are adjusted, Hospitality Fees and Local Accommodations tax revenues declined by 17.6% and 17.4% respectively.

**Business License, Hospitality Fees, State and Local Accommodations Tax Revenues, Fiscal Year 2011 - 2020**



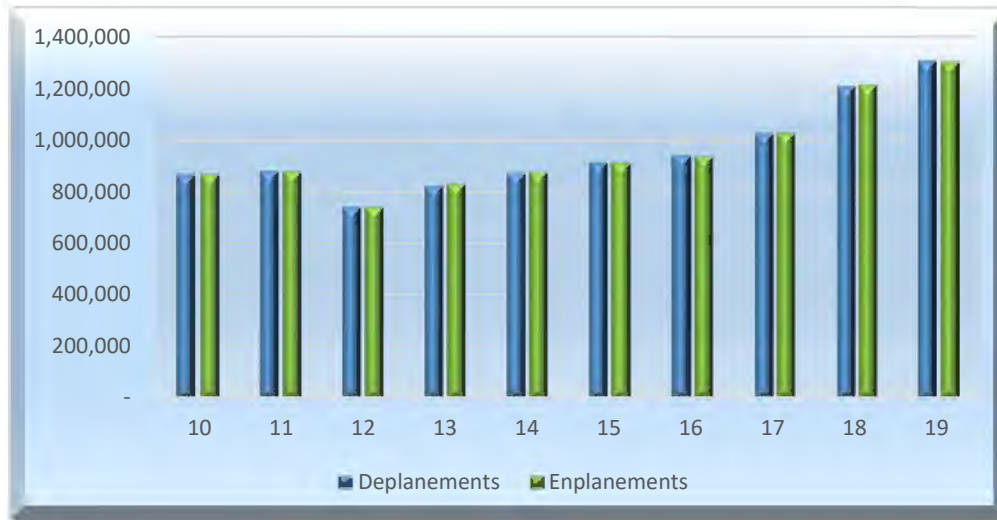
Retail sales figures for Horry County are another indicator of economic conditions. After posting recession driven declines in 2008, 2009, and 2010, retail sales began to recover in 2011 and demonstrated improved numbers through 2019. The following graph appears to show a very slight decrease in sales reported in 2016. The decrease is actually due to a change in the State’s reporting procedures rather than a real decrease in gross sales, as is evidenced by continued revenue growth from 2017 through 2019. Retail sales figures are presented based on a calendar year, therefore the impact of the pandemic are not demonstrated in the graphic. Fiscal year revenues for 2020 declined by 4.8% when compared to fiscal year 2019 retail sales collections for Horry County.

**Horry County Retail Sales, Calendar Year 2010 - 2019 (\$ billions)**



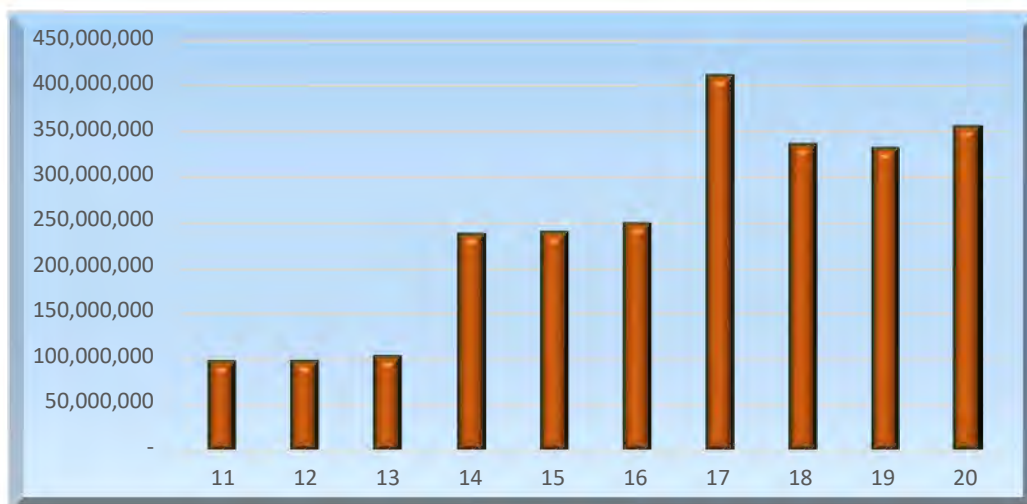
The number of passengers traveling to and from Myrtle Beach fluctuates depending on the number of carriers using the airport, as well as economic conditions. The chart below depicts calendar year activity, therefore the impacts of the pandemic are not reflected in the graphic. When fiscal year 2020 is compared to fiscal year 2019, the number of passengers handled decreased by approximately 29%, attributable in whole to the worldwide decline in air travel from March 2020 through June 2020. Pre-Covid, or between the months of July 2019 through February 2020, enplanements were up 3.5% and deplanements grew by 3.9% compared to the prior fiscal year.

**Passengers' Handled - Myrtle Beach International Airport, Calendar Year 2010 – 2019**



Construction activity in the City remained strong in 2020. Figures for the fiscal year ended June 30, 2020 indicate that buildings permitted by the City totaled \$355,405,764, which is the fourth highest annual construction value ever. The record is \$489.7 million, set in 2006, followed by \$427.3 million in 2007, both before the Great Recession. Based upon the 10-year horizon presented in the chart below, construction activity remained fairly low from 2011 through 2013 and stabilized from 2014 through 2016. Permit values were the third highest on record in 2017 at \$411,450,395, the result of a few high dollar commercial projects. Looked at over a 20-year period or longer, though, the record numbers seen in 2005-2007 obviously represented a bubble. The current level of construction remains well above the long term growth trend and included 491 new single family homes (down from 530 the year before), 13 new multi-family residential buildings and 17 new commercial buildings.

**Construction Permitted Inside Corporate Limit, Fiscal Year 2011-2020**



## LONG TERM FINANCIAL PLANNING

Elements of financial planning in the City are: (1) use a balanced mix of revenues that will ensure reasonable stability for operation at continuous service levels through economic cycles, but will provide economic sensitivity suitable for responding to increased service demand in a rapid growth environment, (2) maintain operating expenditures within the City's ability to raise revenues while keeping tax and rate structures competitive and maintain strong prospects of structural balance over the long-term, (3) ensure continuity of service without the use of interim borrowing, and (4) maintain adequate capital financing sources and low costs of borrowing by managing to ensure the City's credit worthiness.

The City adopts balanced budgets for each year and attempts to maintain structural balance between revenues and expenditures in each operating fund over the long term.

The City maintains and annually updates five year financial plans. The plans for the operating funds incorporate the effects of absorbing the operating costs of capital projects in the Capital Improvements Program, the Debt Management Plan and the Comprehensive Plan Implementation. Long term plans help to ensure structural balance of financing sources and uses by allowing the evaluation of long-term impacts of current decisions. Where structural deficits are found, the plans provide recommendations for corrective actions to restore structural balance in a timely fashion.

The City utilizes formal historic trend analysis to establish baseline estimates of major revenues and expenditures. The mathematical specifications of trends and their resulting long-term projections are updated annually. Revenue estimates are formulated so as to assume reasonable risk, but avoid overly optimistic projections. The City maintains operating expenditures within its ability to raise revenues. Annually recurring revenues must equal or exceed annually recurring expenditures.

The City utilizes a mix of operating revenues characterized by (1) some sources that offer reasonable stability to support operations at continuous service levels and (2) others that provide the elasticity necessary for responding quickly to the challenges of a rapid growth environment. Toward that end, the City will use more economically sensitive revenues, such as business license fees in the General Fund to allow more timely response to increased service demands during high-growth periods and to ease the immediate burden on the ad valorem tax rate; stabilize the revenue base for payment of debt service and capital leases by utilizing a portion of the property tax levy for this purpose; avoid the use of non-recurring revenues to fund operations, using them instead to accumulate reserves or to fund capital improvements; and use more volatile sources (such as building permits) to fund pay-as-you-go capital improvements.

The City regularly evaluates the need and the availability of sufficient working capital to finance operations without interruption and without having to resort to short-term borrowing for operations. Working capital recommendations take into account the City's particular risk characteristics and are based upon an inventory model to plan for adequate inventories of unrestricted cash throughout the year. Recommended working capital levels are set based upon projections of cash flow patterns, which are well synchronized in some funds, especially enterprise funds, but asynchronous in most governmental funds. In the General Fund, this should normally be about 15% based upon the City's historical cash flows and the asynchronous nature of cash inflows and outflows. The City also retains a reserve of working capital to provide some cushion against possible interruption of cash inflows in the event of a natural disaster.

## MAJOR INITIATIVES FOR THE YEAR

The City strives to offer an unparalleled overall quality of life for our residents, visitors, and business owners through efforts to promote and maintain the community's natural beauty and recreational opportunities, optimization of public safety and health, supporting community building and growth, and fostering an environment in which economic activity can be expanded so that more of our citizens can enjoy what the community has to offer. To that end, the City began the year with a number of major initiatives.

- **Public Safety Initiative** to continue to implement the Police recruitment and retention plan, increase the utilization of technological tools in the Police and Fire departments, maintain Emergency Service presence on our beaches, activate parks and open spaces, and encourage development in underutilized areas of the City.
- **Community and Economic Development Initiative** to foster an environment in which economic activity can be expanded so that all our citizens have an opportunity to enjoy what the community has to offer and to address quality of life issues in center city neighborhoods by facilitating community watch groups, aggressive code enforcement, promoting affordable and workforce housing, and multi-year CDBG programming.
- **Infrastructure/Equipment Initiative** to ensure continuation of service and access to the City's resources by acquiring and maintaining the equipment, facilities, and infrastructure necessary to meet our stakeholder needs.



- **Communication Initiative** to be open and transparent in deliberations and decision-making, welcome public input and involvement, and continue to remain responsive to our community.

The financial plan for fiscal year 2020 was developed to support the furtherance of those initiatives identified by Council through both service enhancements and continuation of services. With regard to service enhancements, a total of nineteen new positions were included in the budget for the fiscal year, each intended to address the major initiatives identified by City Council. While all of the positions added represent furtherance of the Unparalleled Quality of Life initiative, certain enhancements specifically address the remaining initiatives as well.



Supporting the Public Safety Initiative, 10 Police Officer positions were added in 2020, providing additional resources for the Police Department and allowing for the deployment of those resources throughout the City. During 2020, City Council approved the continued support for the Seven Year Staffing and Deployment Plan and the Police Recruitment and Retention Plan, both developed in 2018 with the goal of creating and retaining a police force properly sized for our community. In addition to the ten new sworn officer positions as a part of the Staffing and Deployment Plan, the Traffic unit introduced the Crash Data Retrieval System (CDRS) to assist with major collision investigations. The department's K-9 unit was expanded with the addition of a full patrol K-9 officer.

Efforts associated with the Downtown Initiative include the unanimous adoption the Downtown Master Plan, downtown property acquisition, and partnering with Coastal Carolina University for the renovation of three properties to house a downtown performing arts theater. In addition, the Downtown Redevelopment Corporation (DRC) partnered with the City to achieve state designation of Historic District(s) to qualify for Historic Tax Credits. Inclusion on the National Register was achieved in the fall of 2019. In conjunction with City staff, the DRC also helped identify and promote Opportunity zones and hosted the Myrtle Beach Opportunity Zone Forum for interested investors. Other efforts include the City Council created Technology Advisory Group, which is working to create a new co-working and tech hub downtown on Ninth Avenue North. Beautification of the area continues the DRC funded revitalization of Nance Plaza and the Storefront Facade Grant Program.



Several other positions were added to meet service demands associated with economic and residential growth. Administrative staff was added in the Construction Services department to support construction permitting. As stated previously, fiscal year construction values were the fourth highest recorded in the City. To meet the needs of the growing residential population, a new Solid Waste crew, made up of six positions, two rear loaders, and two knucklebooms, was added to manage household waste, recycling, brush, and bulk materials. In addition, a regulatory team of two staff members was included in the fiscal year 20 budget to address illegal dumping and enhance city-wide beautification efforts. Beautification efforts were greatly enhanced during the latter months of

the year. As City facilities shut their doors during the pandemic, staff assigned to those facilities stepped out of their traditional roles and assisted our Right of Way and parks maintenance teams to beautify the City.

The Parks division planted more than 4,500 perennial flowers and shrubs and over 6,500 bedding and summertime plants. They also planted 277 new trees in City parks. Furthering the City's beautification effort, the hanging basket program was expanded to include a total of 170 flowering baskets lining the streets along Ocean Boulevard, Ninth Avenue North, Mr. Joe White Avenue and in Plyler Park.

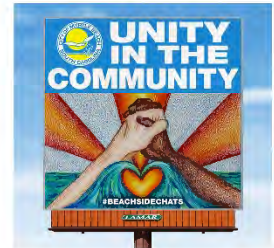


To implement the action steps required to address the major initiatives identified, ensuring the continuity of service at the highest level possible, and meeting the capital and maintenance needs of the City, a Water and Sewer utility increase was implemented. The increase was adopted to offset rising service costs and meet infrastructure needs of the utility fund. The blended water and sewer rate increase was 5.9% and amounted to approximately \$2.90 per month for residential users of an average of 7,500 gallons per month. Solid Waste fees were increased by \$4.75 per month for residential customers, \$2.00 per month for a commercial rollout customer, and \$7.25 per month for commercial container customers.



In addition to the efforts dedicated to the major initiatives and service enhancements identified for 2020, the pandemic brought about a number of changes in the way the City does business. As facilities closed to the public, the City had to adapt. Both Construction Services and the Planning and Zoning department began accepting electronic submittal of documents in lieu of face to face drop offs. The Library added curbside service and launched a “Homebound Delivery” program, providing delivery of library items to shut-ins or people with health or physical impairments. Both the Library and the Recreation departments hosted a number of virtual programs. The Library offered virtual reading and crafting group sessions for all age groups and the Recreation department hosted a number of virtual fitness courses. Throughout the City, departments utilized technology to allow for social distancing by hosting meetings virtually.

The City’s Neighborhood Services department, which was formed to reinforce the City’s commitment to strengthen relationships and enhance services among our residential communities, hosted a number of events throughout the year. “Beachside Chat” sessions were held for community members to provide a forum to openly discuss race and healing. To promote social distancing, the events were held outdoors. The department also assisted the Horry County Council on aging with meal distribution and delivered more than 400 meals to senior and homebound residents.



The City also performs a variety of renewal and replacement projects. As with the provision of service, growth results in increased maintenance requirements. Infrastructure projects conducted annually include:

- Intersection improvements, resurfacing, and signalization throughout the City.
- Neighborhood enhancements including sidewalk, curb and guttering, infrastructure restoration, and signage.
- Construction, replacement, and extension of the water delivery system and construction and replacement of the sewer system infrastructure and pump station upgrades.
- Facility maintenance and upkeep on its 97 existing structures/facilities, including several major roof replacement projects.
- Upkeep and repair of 50 City playgrounds, passive and active parks, dog parks, and picnic shelters.



**FOR THE FUTURE**

Plans for the future address revenue needs and major comprehensive plan elements. Some of the revenue changes and comprehensive plan projects are as follows:

- The City anticipates the issuance of \$5,500,000 of general obligation bonds in 2020 to finance the construction of a new solid waste transfer station, solid waste convenience center, and yard waste composting site.
- The City anticipates the issuance of \$27,000,000 in general obligation bonds in 2020 to refund series 2011B, 2012B, 2015A, and 2015C general obligation bonds.
- The City anticipates the issuance of up to \$4,400,000 of tax increment financing bonds in 2020 to finance parking and utility improvements and the renovation of several historic properties in the downtown development area.
- The City anticipates the issuance of \$16,000,000 of long-term bonds to finance the construction of a Performing Arts Theater and a new Library in the downtown redevelopment area by 2022.
- Pursuit of enabling legislation to provide funding assistance for the addition of 70 Police officers and support staff over five to seven years.
- Continued focus on the surveillance cameras project and utilization of Real Time Crime Analyst to monitor and analyze information obtained through the system.



- Continued focus on quality of life issues in center city neighborhoods, including community watch programs, aggressive code enforcement, affordable housing, and multi-year CDBG programming.
- Continued redevelopment and revitalization of the downtown area to create a vibrant district that is appealing to visitors and businesses.
- Continued support for local businesses through symposiums, “How To” workshops, local vendor preferences, Myrtle Beach Shopping Days, and Grand Opening Signage allowances.
- Continued growth of Sports Tourism to increase direct visitor spending and economic impact and enhance revenue generation for sports tourism programs.
- City-wide storm water modeling to identify infrastructure improvements needed to address storm water flood control system maintenance and construction, ocean outfall projects, and drainage maintenance improvements.
- Continued installation of cycling lanes and pedestrian improvements consistent with development of the East Coast Greenway and multi-modal transportation objectives.
- Continued landscaping, storm water, underground utility conversion, and roadway realignment projects.
- Continued neighborhood enhancements including sidewalk, curb and guttering, infrastructure restoration, and signage.

## INTERNAL CONTROL STRUCTURE

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. It must also ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should ordinarily not exceed the benefits to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic management evaluation.

As a part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including those controls related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The result of the City's single audit for the fiscal year ended June 30, 2020, provided no instances of material weaknesses in the internal control structure or material violations of applicable laws and regulations.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the general fund, special revenue funds, debt service fund, capital projects fund and enterprise funds are generally included in the annual appropriated budget. Project-length financial plans are also developed for capital improvements for internal control purposes. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end, and are reinstated against the following year's appropriation. Encumbrances are re-appropriated by budget ordinance, in the following year, if necessary.

## OTHER INFORMATION

**Independent Audit:** State statutes require an annual audit by independent certified public accountants. The accounting firm of Smith Sapp P.A. was selected to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the Single Audit Section.

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Myrtle Beach for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA.



**Acknowledgments:** The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the financial management and reporting department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. I would like to extend my appreciation to the staff of Smith Sapp P.A., who participated directly or indirectly in providing technical guidance. In closing, I would like to thank the governing body of the City of Myrtle Beach for their leadership and support, which made the preparation of this report possible.

Sincerely yours,

A handwritten signature in cursive script that reads "Michelle Shumpert". The signature is written in black ink and is positioned above the typed name and title.

Michelle B. Shumpert, CPA  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
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in Financial  
Reporting

Presented to

**City of Myrtle Beach  
South Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO



*First in Service*



**SMITH  
SAPP**

Certified Public Accountants & Consultants

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**INDEPENDENT AUDITORS' REPORT**

To the Mayor and City Council  
City of Myrtle Beach, South Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Myrtle Beach, South Carolina, as of June 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 11), pension plan information (pages 77 - 80) and budgetary comparison information (pages 81 - 85) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We 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 our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

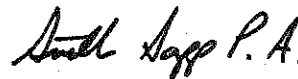
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Myrtle Beach, South Carolina's basic financial statements. The introductory section, combining and individual fund statements and schedules, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 our opinion, the combining and individual fund statements and schedules, other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of the City of Myrtle Beach, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to disclose the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Myrtle Beach, South Carolina's internal control over financial reporting and compliance.



SMITH SAPP PROFESSIONAL ASSOCIATION  
*Certified Public Accountants*

Myrtle Beach, South Carolina  
December 11, 2020

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

Management's discussion and analysis of the City of Myrtle Beach, South Carolina's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter, which begins on page v, and the City's financial statements, which begin on page 13.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$244,245,029 (net position).
- The City's total net position increased by \$13,486,263. This is the result of an increase in the net position of governmental activities of \$29,935,835, or 29.5%, and a decrease in the net position of our business-type activities of \$16,449,572, or 12.7%.
- During the year ended June 30, 2020, the City's total revenues amounted to \$211,499,114. Revenues of governmental activities totaled \$168,202,571, an increase of 4.2%, and revenues of business-type activities were \$43,296,543, an increase of 7.5%.
- During the year ended June 30, 2020, the City's total expenses amounted to \$198,012,851. Expenses of governmental activities totaled \$160,059,292, an increase of 1.8%, and expenses of business-type activities were \$37,953,559, a decrease of 4.1%.
- At June 30, 2020, the City's governmental funds reported combined fund balances of \$77,292,789, an increase of \$4,864,296 in comparison to the prior year.
- There was an increase in the City's investment in capital assets for the current fiscal year in the amount of \$22,566,480, or 8.7%, for governmental activities and a decrease of \$19,163,020, or 13.3%, for business-type activities.
- At year-end, the City had \$192,215,460 in outstanding bonds payable and capital lease obligations compared to \$200,935,325 last year, a decrease of 4.3%.

**Using This Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 13 - 18) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 19. For governmental activities, the statements present how services were financed in the short term as well as what remains at the end of the period for future appropriation. Fund financial statements traditionally report the City's operations in more detail than government-wide statements by providing information about the City's most significant funds. The fiduciary fund financial statement on page 43 provides financial information about an activity for which the City acts as an agent on behalf of the City's firefighters. The notes to the financial statements are an integral part of the financial statements and begin on page 44. This report also contains other information in addition to the basic financial statements.

***Reporting the City as a Whole***

Our analysis of the City as a whole begins on page 5. One of the most important questions regarding the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and its activities in a way that answers the question. The aforementioned statements present all assets and liabilities using the accrual basis of accounting, which is similar to the application of accounting in most private-sector companies. All current year revenues and expenses are recognized, regardless of when cash is received or paid.

The City's net position may be considered a tool to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position act as indicators of financial health and demonstrate whether the entity is improving or deteriorating. However, other nonfinancial factors must be considered in conjunction with net position. Changes in the property tax base and the condition of existing infrastructure are examples of nonfinancial factors that should also be considered when assessing the overall health of the City.

The City's operations are segregated into three types of activities in the statement of net position and the statement of activities:

- *Governmental Activities* - The majority of the City's basic services are reported under governmental activities, including general government; public safety; transportation; community and economic development; parks, recreation and sports tourism; and public works. Property taxes, local accommodations taxes, business license taxes, franchise taxes, hospitality fee taxes, local option tourism taxes, user fees, and state and federal grants are the primary financing sources for these activities.
- *Business-Type Activities* - Business-type activities encompass funds where fees are charged to customers to offset all or most of the cost of provision of certain services. The City's water and sewer, baseball stadium, municipal golf course, and solid waste management activities are reported as business-type activities.
- *Component Units* - The Myrtle Beach Downtown Redevelopment Corporation and the Myrtle Beach Convention Center Hotel Corporation are component units of the City. Although legally separate, these "component units" are incorporated herein because the City is financially accountable for the entities.

### ***Reporting the City's Most Significant Funds***

Our analysis of the City's major funds begins on page 8. The fund financial statements begin on page 19 and provide detailed information about the most significant funds as opposed to the City as a whole. Funds are established either to comply with State law or bond covenants, or City Council may establish funds to control and manage revenues for particular purposes or to demonstrate adherence to legal obligations associated with the use of certain taxes, grants, and other funding sources. The two fund types utilized, governmental and proprietary, apply different accounting approaches.

- *Governmental Funds* - Most of the City's basic services are reported in governmental funds, which focus on the flow of financial resources into and out of a fund and the balances remaining at year-end that are available for appropriation. These funds are reported using the "modified accrual basis of accounting", which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental funds show whether there are more or less financial resources available in the near future to finance the City's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is presented in a reconciliation following each governmental fund financial statement.
- *Proprietary Funds* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities. The internal service funds are reported with governmental activities in the government-wide financial statements.

### ***The City as an Agent***

The City is an agent, or fiduciary, for certain funds held on behalf of the City's firefighters. The fiduciary fund financial statement can be found on page 43 of this report. We exclude this activity from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

**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. The notes to the financial statements begin on page 44.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension plans and budgetary information beginning on page 77. Combining and individual fund statements and schedules and other supplementary information can be found on pages 87 - 127.

**The City as a Whole**

Condensed statements of net position at June 30, 2020 and 2019 are shown below.

**THE CITY'S NET POSITION**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 148,736,392	\$ 145,503,046	\$ 31,965,720	\$ 29,516,453	\$ 180,702,112	\$ 175,019,499
Capital Assets (Net)	<u>283,153,485</u>	<u>260,587,005</u>	<u>125,127,903</u>	<u>144,290,923</u>	<u>408,281,388</u>	<u>404,877,928</u>
Total Assets	<u>\$ 431,889,877</u>	<u>\$ 406,090,051</u>	<u>\$ 157,093,623</u>	<u>\$ 173,807,376</u>	<u>\$ 588,983,500</u>	<u>\$ 579,897,427</u>
Deferred Outflows of Resources	\$ <u>21,863,359</u>	\$ <u>22,890,599</u>	\$ <u>1,584,121</u>	\$ <u>1,642,499</u>	\$ <u>23,447,480</u>	\$ <u>24,533,098</u>
Long-Term Liabilities	\$ 265,876,021	\$ 272,191,324	\$ 37,872,340	\$ 38,198,704	\$ 303,748,361	\$ 310,390,028
Other Liabilities	<u>53,412,718</u>	<u>55,172,356</u>	<u>7,561,327</u>	<u>7,763,764</u>	<u>60,974,045</u>	<u>62,936,120</u>
Total Liabilities	<u>\$ 319,288,739</u>	<u>\$ 327,363,680</u>	<u>\$ 45,433,667</u>	<u>\$ 45,962,468</u>	<u>\$ 364,722,406</u>	<u>\$ 373,326,148</u>
Deferred Inflows of Resources	\$ <u>3,201,936</u>	\$ <u>290,244</u>	\$ <u>261,609</u>	\$ <u>55,367</u>	\$ <u>3,463,545</u>	\$ <u>345,611</u>
Net Position:						
Net Investment in Capital Assets	\$ 160,678,812	\$ 133,376,414	\$ 94,739,086	\$ 113,318,702	\$ 255,417,898	\$ 246,695,116
Restricted	50,903,805	35,788,591	552,138	741,803	51,455,943	36,530,394
Unrestricted	<u>(80,320,056)</u>	<u>(67,838,279)</u>	<u>17,691,244</u>	<u>15,371,535</u>	<u>(62,628,812)</u>	<u>(52,466,744)</u>
Total Net Position	<u>\$ 131,262,561</u>	<u>\$ 101,326,726</u>	<u>\$ 112,982,468</u>	<u>\$ 129,432,040</u>	<u>\$ 244,245,029</u>	<u>\$ 230,758,766</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position at June 30, 2020 was \$244,245,029, an increase of \$13,486,263, or 5.8%, from a year ago.

The largest portion of the City's net position, \$255,417,898 reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, the assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$51,455,943, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position amounts to \$(62,628,812).



Changes in the City's net position during the years ended June 30, 2020 and 2019 follows.

**THE CITY'S CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 21,238,194	\$ 21,286,060	\$ 36,143,576	\$ 34,963,750	\$ 57,381,770	\$ 56,249,810
Operating Grants and Contributions	2,878,958	3,162,865	30,128	39,665	2,909,086	3,202,530
Capital Grants and Contributions	10,007,362	11,034,268	7,023,267	5,062,764	17,030,629	16,097,032
<b>General Revenues:</b>						
Property Taxes	40,138,497	36,868,630			40,138,497	36,868,630
Local Accommodations Taxes	8,925,995	2,729,372			8,925,995	2,729,372
Business License Taxes	24,917,280	26,234,896			24,917,280	26,234,896
Franchise Taxes	4,717,786	4,942,516			4,717,786	4,942,516
Hospitality Fee Taxes	14,799,599	12,157,102			14,799,599	12,157,102
Local Option Tourism Taxes	28,846,468	29,699,386			28,846,468	29,699,386
Grants and Contributions not Restricted to Specific Programs	10,642,397	12,091,191			10,642,397	12,091,191
Investment Earnings	1,090,035	1,212,277	99,572	196,463	1,189,607	1,408,740
<b>Total Revenues</b>	<b>\$ 168,202,571</b>	<b>\$ 161,418,563</b>	<b>\$ 43,296,543</b>	<b>\$ 40,262,642</b>	<b>\$ 211,499,114</b>	<b>\$ 201,681,205</b>
<b>Expenses:</b>						
General Government	\$ 16,972,598	\$ 15,035,878	\$	\$	\$ 16,972,598	\$ 15,035,878
Public Safety	55,026,140	53,574,303			55,026,140	53,574,303
Transportation	12,387,795	13,029,012			12,387,795	13,029,012
Community and Economic Development	38,099,380	38,649,385			38,099,380	38,649,385
Parks, Recreation and Sports Tourism	23,577,177	22,587,554			23,577,177	22,587,554
Public Works	7,525,422	7,588,750			7,525,422	7,588,750
Interest and Fiscal Charges	6,470,780	6,711,720			6,470,780	6,711,720
Water			16,740,272	17,317,321	16,740,272	17,317,321
Sewer			15,095,710	15,581,841	15,095,710	15,581,841
Baseball Stadium				634,356		634,356
Municipal Golf Course				341,617		341,617
Solid Waste Management			6,117,577	5,707,768	6,117,577	5,707,768
<b>Total Expenses</b>	<b>\$ 160,059,292</b>	<b>\$ 157,176,602</b>	<b>\$ 37,953,559</b>	<b>\$ 39,582,903</b>	<b>\$ 198,012,851</b>	<b>\$ 196,759,505</b>
<b>Increase in Net Position</b>						
Before Transfers	\$ 8,143,279	\$ 4,241,961	\$ 5,342,984	\$ 679,739	\$ 13,486,263	\$ 4,921,700
Transfers	21,792,556	387,375	(21,792,556)	(387,375)		
<b>Change in Net Position</b>	<b>\$ 29,935,835</b>	<b>\$ 4,629,336</b>	<b>\$ (16,449,572)</b>	<b>\$ 292,364</b>	<b>\$ 13,486,263</b>	<b>\$ 4,921,700</b>
Net Position - Beginning	101,326,726	96,697,390	129,432,040	129,139,676	230,758,766	225,837,066
<b>Net Position - Ending</b>	<b>\$ 131,262,561</b>	<b>\$ 101,326,726</b>	<b>\$ 112,982,468</b>	<b>\$ 129,432,040</b>	<b>\$ 244,245,029</b>	<b>\$ 230,758,766</b>

The City's total revenues amounted to \$211,499,114 for the year ended June 30, 2020. This is an increase of \$9,817,909, or 4.9%. The largest increase was in local accommodations taxes, which increased by \$6,196,623, or 227.0%. In July 2019, the City implemented an increase in its local accommodations tax from 0.5% to 3.0% and implemented its 2.0% hospitality tax. The second largest revenue growth area was in property taxes, which increased by \$3,269,867, or 8.9%. Growth in property tax revenue was due to residential growth in the northernmost and southernmost areas of the City and the effect of a 3 mill tax increase. Hospitality Fees, the third largest growth area, increased by \$2,642,497, or 21.7%. The implementation of the 2.0% hospitality tax mentioned above drove the increase. The fourth largest increase was in charges for services, increasing \$1,131,960 or 2.0%. The City saw the most significant increases in the business-type funds, specifically in revenues from water and sewer charges and solid waste fees. A number of large residential development projects were completed last year and the contributed public infrastructure (water and sewer lines, roadways, storm water improvements) was accepted into the system and recorded in 2020. As a result, capital grants and contributions, the fifth largest growth area, increased by \$933,597, or 5.8%. While the first three quarters of the year saw strong revenue growth, several revenue sources were negatively impacted due to the onset of COVID-19. The largest decline in revenue was experienced in grants and contributions not restricted to specific programs, which decreased \$1,448,794, or 12.0%. The decrease was mainly due to a decline in fourth quarter statewide accommodations taxes as tourism dropped off drastically as a result of the pandemic. The second largest decrease occurred in business license taxes, which decreased by \$1,317,616, or 5.0%, as businesses were slow to renew during the year. The decrease is attributable to the economic slow down associated with the pandemic. The third largest decrease in revenue was in the local option tourism development fee, down \$852,918, or 2.9%, also a result of the decreased tourism activity associated with the pandemic. Operating grants and contributions decreased by \$293,444, or 9.2%. The decrease in grant revenue occurred as a number of large Ride III transportation grant projects were completed in the prior year. Franchise taxes decreased by \$224,730, or 4.5%, as utility company revenues declined as a result of the slower tourism season. Investment earnings decreased \$219,133, or 15.6% as a result of significantly lower interest rates enacted as the pandemic impacted the overall economy.

The total cost of all programs and services was \$198,012,851, increasing by \$1,253,346, or 0.6%, over the previous year. The largest governmental increase occurred in General Government as costs increased by \$1,936,720, or 12.9%, primarily as a result of the payout of development incentives. Additionally, administrative and maintenance costs in the capital projects fund increased due to a number of facility maintenance projects. Public safety costs increased by \$1,451,837, or 2.7%, as a result of the police recruitment and retention plan and a heightened oceanfront presence by both the police and fire departments. Parks, recreation and tourism costs increased by \$989,623, or 4.4%. The increase is the result of a reorganization that involved transferring the parks division from public works and transitioning the baseball stadium and municipal golf course from enterprise funds to special revenue funds. The largest decrease in governmental activity costs occurred in transportation, decreasing \$641,217, or 4.9%. The reduction is attributable to the fact that the storm water fund conducted a large outfall maintenance project in the prior year. The second largest decrease in costs was in community and economic development at \$550,005, or 1.4%. As tourism revenues declined, statutory distributions of those revenues decreased resulting in a reduction of community and economic development costs. Interest and fiscal charges demonstrated the third largest decrease at \$240,940, or 3.6%. The decrease resulted from reducing interest payments on long term debt obligations. Public works costs decreased by \$63,328, or 0.8% as a result of the transfer of the parks division to parks, recreation and sports tourism. The largest decrease in business-type activity expense occurred in the baseball stadium fund. The baseball stadium fund was transitioned from an enterprise fund to a special revenue fund resulting in a \$634,536, or 100%, decrease in expenses. The Water and Sewer fund experienced a combined decrease of water and sewer expenses of \$1,063,180, or 7.2%. The decrease can be attributed to the reduction of the wholesale purchase of water and wastewater handling as a result of the pandemic induced decline in tourism. As with the baseball stadium, the municipal golf course was transitioned from an enterprise fund to a special revenue fund resulting in a \$341,617, or 100%, decrease in expenses. In addition to the cost reductions mentioned above, the City enacted a city-wide hiring freeze of "non-essential" positions and a freeze on any costs not directly related to service delivery in March 2020. The action was taken to mitigate revenue decreases expected to occur as a result of the pandemic and associated drop in tourism activity.

### ***Governmental Activities***

The City's net position from governmental activities increased \$29,935,835, or 29.5%. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased from \$(67,838,279) at June 30, 2019 to \$(80,320,056) at the end of this year.

The City's programs for governmental activities include general government; public safety; transportation; community and economic development; parks, recreation and sports tourism; and public works. Revenues for the City's governmental activities increased 4.2% (\$6,784,008) and total expenses increased 1.8% (\$2,882,690).

The cost of all governmental activities this year was \$160,059,292. However, as shown in the statement of activities beginning on page 17, the amount that our taxpayers ultimately financed for these activities was only \$125,934,778 because some of the cost was paid by those who directly benefited from the programs (\$21,238,194) or by other governments and

organizations that subsidized certain programs with grants and contributions (\$12,886,320). Overall, the City's governmental program revenues were \$34,124,514. The City paid for the remaining "public benefit" portion of governmental activities with general revenues, some of which could only be used for certain programs, totaling \$134,078,057.

### ***Business-Type Activities***

The City's net position from business-type activities decreased \$16,449,572, or 12.7%.

The City's programs for business-type activities include Water and Sewer and Solid Waste Management activities. Revenues of the City's business-type activities increased by 7.5%, (\$3,033,901) and expenses decreased by 4.1% (\$1,629,344).

The cost of all business-type activities this year was \$37,953,559. As shown in the statement of activities that starts on page 17, the amounts paid by users of the activities were \$36,143,576 and grants and contributions totaled \$7,053,395. Investment earnings were \$99,572.

## **The City's Funds**

### ***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$77,292,789, an increase of \$4,864,296 in comparison with the prior year. Of this amount, \$12,674,438, or 16.4%, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either not available for spending or restricted for specific purposes by external or self-imposed constraints.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$12,674,438, while the total fund balance amounted to \$13,583,327. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 15.0% of total expenditures, while total fund balance represents 16.1% of that same amount. The General Fund's total fund balance increased by \$29,409 during the current fiscal year. While property tax revenue continued to grow, business license revenue and charges for services came in below budget. Additionally, franchise fees and fines and forfeiture revenues fell as the pandemic effected the economy in the last quarter of the year.

The Convention Center Fund has a total fund balance of \$300,078, an increase of \$408,578 over the prior year. This was primarily due to a transfer from the Capital Projects fund to offset a cash deficit caused by the pandemic fueled loss of operating revenue through the latter months of the year.

The Local Option Tourism Fee Fund has a total fund balance of \$1,010, no net change from the prior year. Revenues decreased by \$852,918 when compared to the prior year and expenditures were limited to the actual revenue received. As with a number of other revenues, the drop in tourism activity resulting from the pandemic drove the drop in local option tourism fee revenues.

The Air Base Tax Increment Revenue Fund has a total fund balance of \$24,673,398, an increase of \$2,622,164 from the prior year. Fund balance growth was a product of increased property tax revenue in the district which has been driven by rapid residential development.

The Capital Improvements Fund's total fund balance decreased by \$11,189,885 to \$14,706,558 at June 30, 2020. Of this total, \$8,167,188 is restricted for capital projects and tourism promotion and support and \$6,539,370 is assigned for disaster recovery and capital projects. Project budgets are fully funded in the year of adoption, however project costs may span several years. The decrease in the fund balance is a product of progress expenditures on a number of large long-term projects funded in previous years and transfers of funds to offset cash deficits in the City's tourism related Sports Tourism, Golf Course, Baseball Stadium, and Convention Center funds pending settlement of the Hospitality Tax lawsuit with the County.

### ***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$14,959,071. Total net position increased \$3,564,228 from the prior year. The increase was due to an increase in capital assets during the period.

Unrestricted net position of the Baseball Stadium Fund at the end of the year was zeroed out as the capital assets of \$9,533,997 were transferred to the Baseball Stadium special revenue fund. The transition of baseball stadium operations to a special revenue fund structure was done in recognition of the fact that the attributes of fund activity have changed in such a manner that it more closely reflects the definition of a special revenue fund.

Unrestricted net position of the Municipal Golf Course Fund at the end of the year was zeroed out as the capital assets of \$13,698,174 were transferred to the Municipal Golf Course special revenue fund. The transition of golf course operations to a special revenue fund structure was done in recognition of the fact that the attributes of fund activity have changed in such a manner that it more closely reflects the definition of a special revenue fund.

Unrestricted net position of the Solid Waste Management Fund at the end of the year amounted to \$(1,821,328). The increase in total net position in the Solid Waste Management Fund of \$380,380 was due to an increase in solid waste fees implemented to offset the cost of eight new solid waste workers and ensure that fees charge are sufficient to cover the cost of service provision.

**General Fund Budgetary Highlights**

The original budget was amended during the year. The resources available for appropriation were \$3,431,875 under the final budgeted amounts. This decrease was attributable to a decrease in Business License revenue, as businesses were slow to renew licenses during the year as the pandemic began to have a global economic impact. Property tax revenue, while up over prior year collections, fell short of projections which is in part a result of an increase in owner occupied 4% property and the corresponding local tourism development fee tax credit. Charges for Services fell below projections as facilities were closed and programs were cancelled during the latter part of the year, again as a result of the pandemic. Fines and Forfeitures were also below budgeted estimates. Reduced tourism activity and limited local travel accounted for the decrease in these assessments.

Budget to actual comparisons for the General Fund can be found on page 81.

**Capital Asset and Debt Administration**

**Capital Assets**

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounted to \$408,281,388 net of accumulated depreciation. This investment in capital assets includes land and improvements, buildings and improvements, distribution systems, furniture, vehicles, equipment, and infrastructure. The change in the City’s investment in capital assets for the current fiscal year was an increase of \$22,566,480, or 8.7%, for governmental activities and a decrease of \$19,163,020, or 13.3%, for business-type activities. Both the increase in governmental activities and the decrease in business-type activities are primarily the result of the transition of the baseball stadium and the golf course from enterprise funds to special revenue funds. While there was an overall increase in governmental activity net assets, the increase was offset slightly by depreciation. The decrease in business-type activities was offset to some extent by the dedication of transportation infrastructure from commercial and residential developers and distribution system improvements.

	<b>THE CITY’S CAPITAL ASSETS</b>					
	<b>(Net of Accumulated Depreciation)</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 48,517,766	\$ 32,702,171	\$ 2,700,271	\$ 18,685,751	\$ 51,218,037	\$ 51,387,922
Land Improvements	71,464,804	61,511,289	107,991	9,213,531	71,572,795	70,724,820
Buildings and Improvements	133,673,495	122,447,020	2,343,089	11,824,866	136,016,584	134,271,886
Distribution Systems			221,868,779	213,072,135	221,868,779	213,072,135
Furniture, Vehicles, and Equipment	81,000,620	73,064,425	5,837,248	6,358,406	86,837,868	79,422,831
Infrastructure	223,455,955	215,857,861			223,455,955	215,857,861
Construction-in-Progress	2,342,264	259,554		843,971	2,342,264	1,103,525
Accumulated Depreciation	(277,301,419)	(245,255,315)	(107,729,475)	(115,707,737)	(385,030,894)	(360,963,052)
	<u>\$ 283,153,485</u>	<u>\$ 260,587,005</u>	<u>\$ 125,127,903</u>	<u>\$ 144,290,923</u>	<u>\$ 408,281,388</u>	<u>\$ 404,877,928</u>

More detailed information about the City's capital assets is presented in Note 9 to the financial statements.

**Debt**

At year-end, the City had \$192,215,460 in outstanding bonds payable and capital lease obligations compared to \$200,935,325 last year, a decrease of 4.3%.

**THE CITY'S OUTSTANDING DEBT  
Bonds Payable and Capital Lease Obligations**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 38,753,000	\$ 41,971,000	\$	\$	\$ 38,753,000	\$ 41,971,000
Revenue Bonds			27,433,059	29,138,193	27,433,059	29,138,193
Tax Increment Revenue Bonds	41,785,000	43,560,000			41,785,000	43,560,000
Storm Water Revenue Bonds	14,342,710	15,508,776			14,342,710	15,508,776
Hospitality Fee Revenue Bonds	62,635,000	65,235,000			62,635,000	65,235,000
Capital Lease Obligations	<u>6,057,394</u>	<u>5,522,356</u>	<u>1,209,297</u>	<u>29,138,193</u>	<u>7,266,691</u>	<u>5,522,356</u>
	<u>\$ 163,573,104</u>	<u>\$ 171,797,132</u>	<u>\$ 28,642,356</u>	<u>\$ 29,138,193</u>	<u>\$ 192,215,460</u>	<u>\$ 200,935,325</u>

The City credit ratings are AA, Aa2 (negative outlook) for general obligation bonded debt. Under current state statutes, the City's general obligation debt issuances are subject to a legal limitation base of 8.0% of total assessed value. General obligation debt issued pursuant to referendum is not subject to the limitation. As of June 30, 2020, the amount of new debt, which could be issued without referendum, was \$10,562,730.

More detailed information about the City's long-term liabilities is presented in Note 12 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The City's financial condition was stable during fiscal year 2020 as a result of two primary factors. Property values have stabilized and are growing at a moderate pace and revenues deriving from business conducted in the City showed extremely strong growth through the first three quarters of the fiscal year and only began to decline with the onset of the pandemic. Business license receipts did decrease when compared to the prior year, however collections were the fourth highest earned. Likewise, the local option tourism fee revenues declined, however collections for the year were at the second highest level since inception. Additionally, in March 2019, the City approved an increase in its Local Accommodations Tax from 0.5% to 3.0% and implemented its 2.0% Hospitality Tax. In July 2019, the City began to collect these taxes and Horry County ceased collection of its 1.5% Hospitality Fee inside the City's corporate limits. This recapture of these revenues by the City provided additional resources in the year, however those funds have been sequestered pending settlement of a lawsuit with Horry County. With regard to cost control, the City recognized that the pandemic would have an adverse impact on tourism and business driven revenues and took action to mitigate the impact. Spending and hiring freezes were enacted for nonessential purchases and positions. The City's elected and appointed officials considered the current financial condition setting the fiscal year 2021 budget, particularly the need to control costs while meeting the needs of our citizens. The economy, the population growth rate, and inflation rates were also contemplated.

When management formulated the 2021 budget, it did so with three major objectives: (1) restore structural balance to the General Fund, (2) examine the mix of services the City offers, and (3) in the capital improvements program, focus on existing infrastructure before expanding facilities and services. Those objectives are recurring and the basis for every budget. However, the Covid-19 pandemic was also factored into the process for 2021, both in how the City planned to maintain operations and in considering the budgetary impacts upon citizens. Because of the uncertainty surrounding the pandemic, City leaders understood that the budget must be flexible and adjust to changing conditions as they occur. City leaders recognized that revenue, particularly business license and other tourism driven revenues would show significant declines, so they focused on sustaining essential services to the community and visitors. Finally, leaders recognized the necessity to maintain the fiscal health of the City. The 2021 budget was formulated to meet the challenges brought about by the pandemic through targeted cost saving

measures. It was also formulated in consideration of the impact of the pandemic on our citizens. As such, the 2021 budget includes no increase in the *ad valorem* tax rate, business license fees, charges for services, water and sewer rates, solid waste fees or storm water fees. As a result of the targeted reductions, amounts available for appropriation in the General Fund budget for fiscal year 2021 are \$84,022,513, a decrease of 9.1% from the final fiscal year 2020 budget of \$92,431,379.

### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be directed to the City's Department of Financial Management and Reporting at Post Office Box 2468, Myrtle Beach, South Carolina 29578 or phone (843) 918-1139.



*First in Service*

## **BASIC FINANCIAL STATEMENTS**



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 56,765,112	\$ 20,185,081	\$ 76,950,193
Receivables (Net)	21,206,265	2,553,373	23,759,638
Due From Component Units	31,360,820		31,360,820
Internal Balances	(4,553,501)	4,553,501	
Inventories	348,897	1,254,578	1,603,475
Prepaid Assets	29,473		29,473
Restricted Cash and Temporary Investments	43,579,326	3,419,187	46,998,513
Land and Construction in Progress	50,860,030	2,700,271	53,560,301
Other Capital Assets (Net)	232,293,455	122,427,632	354,721,087
Total Assets	\$ 431,889,877	\$ 157,093,623	\$ 588,983,500
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Advance Refundings Related to Pension Plans	\$ 2,239,613	\$ 374,153	\$ 2,613,766
	19,623,746	1,209,968	20,833,714
Total Deferred Outflows of Resources	\$ 21,863,359	\$ 1,584,121	\$ 23,447,480
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses Due to Primary Government	\$ 33,464,066	\$ 2,675,125	\$ 36,139,191
Unearned Revenue	897,196	149,900	1,047,096
Liabilities Payable From Restricted Assets	5,949,324	4,625,643	10,574,967
Noncurrent Liabilities:			
Due Within One Year	13,102,132	110,659	13,212,791
Due in More Than One Year	265,876,021	37,872,340	303,748,361
Total Liabilities	\$ 319,288,739	\$ 45,433,667	\$ 364,722,406
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pension Plans	\$ 3,201,936	\$ 261,609	\$ 3,463,545

The accompanying notes are an integral part of the financial statements.

Component Units

<u>MB Downtown Redevelopment Corporation</u>	<u>MB Convention Center Hotel Corporation</u>
--	---

\$ 1,124,000 \$ 1,597,303  
648,560 166,410

40,560  
546,382  
1,922,731

1,022,049  
643,450

28,078,959

\$ 3,438,059 \$ 32,352,345

\$ \_\_\_\_\_ \$ 532,701

\$ \_\_\_\_\_ \$ 532,701

\$ 10,400 \$ 541,267  
36,006 31,324,814  
762 249,315  
518,378

648,560

14,009,168

\$ 695,728 \$ 46,642,942

\$ \_\_\_\_\_ \$ \_\_\_\_\_

A-1 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

NET POSITION	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets	\$ 160,678,812	\$ 94,739,086	\$ 255,417,898
Restricted for:			
Capital Projects	17,194,933		17,194,933
Capital Replacements			
Community Development	11,714,911		11,714,911
Debt Service	7,142,829	552,138	7,694,967
Library	111,653		111,653
Narcotics Law Enforcement	163,428		163,428
Renewal and Replacement	210,000		210,000
Taxes and Insurance			
Tourism Promotion and Support	14,366,051		14,366,051
Unrestricted	(80,320,056)	17,691,244	(62,628,812)
Total Net Position	\$ 131,262,561	\$ 112,982,468	\$ 244,245,029

The accompanying notes are an integral part of the financial statements.

<u>Component Units</u>	
<u>MB Downtown Redevelopment Corporation</u>	<u>MB Convention Center Hotel Corporation</u>
\$ 1,665,499	\$ 14,222,492
	221,173
	1,482,536
	80,644
<u>1,076,832</u>	<u>(29,764,741)</u>
<u>\$ 2,742,331</u>	<u>\$ (13,757,896)</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2020**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 16,972,598	\$ 3,468,822	\$ 258,669	\$
Public Safety	55,026,140	2,090,687	1,064,859	
Transportation	12,387,795	2,691,081	744,600	8,609,373
Community and Economic Development	38,099,380	3,426,563	219,446	1,386,374
Parks, Recreation and Sports Tourism	23,577,177	9,561,041	509,303	11,615
Public Works	7,525,422		82,081	
Interest and Fiscal Charges	6,470,780			
Total Governmental Activities	<u>\$ 160,059,292</u>	<u>\$ 21,238,194</u>	<u>\$ 2,878,958</u>	<u>\$ 10,007,362</u>
Business-Type Activities:				
Water	\$ 16,740,272	\$ 15,323,410	\$	\$ 3,370,453
Sewer	15,095,710	14,468,528		3,652,814
Solid Waste Management	6,117,577	6,351,638	30,128	
Total Business Type Activities	<u>\$ 37,953,559</u>	<u>\$ 36,143,576</u>	<u>\$ 30,128</u>	<u>\$ 7,023,267</u>
Total Primary Government	<u>\$ 198,012,851</u>	<u>\$ 57,381,770</u>	<u>\$ 2,909,086</u>	<u>\$ 17,030,629</u>
<b>Component Units:</b>				
MB Downtown Redevelopment Corporation	\$ 1,586,187	\$ 1,810,019	\$	\$
MB Convention Center Hotel Corporation	16,202,414	11,705,025		
Total Component Units	<u>\$ 17,788,601</u>	<u>\$ 13,515,044</u>	<u>\$</u>	<u>\$</u>

## General Revenues:

Property Taxes

Local Accommodations Taxes

Business License Taxes

Franchise Taxes

Hospitality Fee Taxes

Local Option Tourism Taxes

Grants and Contributions not Restricted to Specific Programs

Investment Earnings

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	MB Downtown Redevelopment Corporation	MB Convention Center Hotel Corporation
\$ (13,245,107)		\$ (13,245,107)		
(51,870,594)		(51,870,594)		
(342,741)		(342,741)		
(33,066,997)		(33,066,997)		
(13,495,218)		(13,495,218)		
(7,443,341)		(7,443,341)		
(6,470,780)		(6,470,780)		
<u>\$ (125,934,778)</u>		<u>\$ (125,934,778)</u>		
	\$ 1,953,591	\$ 1,953,591		
	3,025,632	3,025,632		
	264,189	264,189		
	<u>\$ 5,243,412</u>	<u>\$ 5,243,412</u>		
<u>\$ (125,934,778)</u>	<u>\$ 5,243,412</u>	<u>\$ (120,691,366)</u>		
			\$ 223,832	\$ (4,497,389)
			<u>\$ 223,832</u>	<u>\$ (4,497,389)</u>
\$ 40,138,497		\$ 40,138,497		\$
8,925,995		8,925,995		
24,917,280		24,917,280		
4,717,786		4,717,786		
14,799,599		14,799,599		
28,846,468		28,846,468		
10,642,397		10,642,397		
1,090,035	99,572	1,189,607	3,264	64,803
21,792,556	(21,792,556)			
<u>\$ 155,870,613</u>	<u>\$ (21,692,984)</u>	<u>\$ 134,177,629</u>	<u>\$ 3,264</u>	<u>\$ 64,803</u>
\$ 29,935,835	\$ (16,449,572)	\$ 13,486,263	\$ 227,096	\$ (4,432,586)
<u>101,326,726</u>	<u>129,432,040</u>	<u>230,758,766</u>	<u>2,515,235</u>	<u>(9,325,310)</u>
<u>\$ 131,262,561</u>	<u>\$ 112,982,468</u>	<u>\$ 244,245,029</u>	<u>\$ 2,742,331</u>	<u>\$ (13,757,896)</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 6,285,502	\$ 9,701	\$ 1,456
Receivables (Net):			
Property Taxes	1,290,914		
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Accounts	3,501,213	336,748	
Intergovernmental	2,553,507		5,159,128
Loans	45,272		
Due From Other Funds	3,912,824		
Due From Component Units	36,006	31,324,814	
Inventories	249,284	28,761	
Prepaid Assets	7,145		
Restricted Cash and Temporary Investments	<u>982,458</u>		
Total Assets	<u>\$ 18,864,125</u>	<u>\$ 31,700,024</u>	<u>\$ 5,160,584</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable and Accrued Expenditures	\$ 3,471,248	\$ 171,764	\$ 4,127,303
Due to Other Funds			1,032,271
Payable From Restricted Assets:			
Court Bonds	488,068		
Refundable Deposits	144,486		
Surplus Funds - Overlapping Governments			
Other	74,823		
Unearned Revenue	960	211,087	
Total Liabilities	<u>\$ 4,179,585</u>	<u>\$ 382,851</u>	<u>\$ 5,159,574</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>\$ 1,101,213</u>	<u>\$ 31,017,095</u>	

The accompanying notes are an integral part of the financial statements.

<u>Air Base Tax Increment Revenue Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 316,656	\$ 6,911,387	\$ 17,410,062	\$ 30,934,764
51,182		35,050	1,377,146
		1,396,920	1,396,920
		2,000,160	2,000,160
		100,066	100,066
		318,220	4,156,181
	940,058	2,108,330	10,761,023
		192,685	237,957
		1,239,308	5,152,132
			31,360,820
		13,533	291,578
		22,328	29,473
<u>30,316,570</u>	<u>9,160,342</u>	<u>3,119,956</u>	<u>43,579,326</u>
<u>\$ 30,684,408</u>	<u>\$ 17,011,787</u>	<u>\$ 27,956,618</u>	<u>\$ 131,377,546</u>

\$ 1,170	\$ 1,312,074	\$ 691,531	\$ 9,775,090
1,834,201		2,285,324	5,151,796
			488,068
	993,155	2,200	1,139,841
4,156,592			4,156,592
		90,000	164,823
		685,149	897,196
<u>\$ 5,991,963</u>	<u>\$ 2,305,229</u>	<u>\$ 3,754,204</u>	<u>\$ 21,773,406</u>

<u>\$ 19,047</u>	<u>\$</u>	<u>\$ 173,996</u>	<u>\$ 32,311,351</u>
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## A-3 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (continued)</b>			
Fund Balances:			
Nonspendable:			
Inventories	\$ 249,284	\$ 28,761	\$
Long-Term Receivables	45,272		
Prepaid Assets	7,145		
Restricted for:			
Capital Projects			
Community Development			
Debt Service			
Library	111,653		
Narcotics Law Enforcement	163,428		
Tourism Promotion and Support		271,317	1,010
Renewal and Replacement			
Committed for:			
Demolition Loans	4,000		
Redevelopment Incentive Projects	328,107		
Assigned for:			
Capital Projects			
Disaster Recovery			
Unassigned	12,674,438		
Total Fund Balances	<u>\$ 13,583,327</u>	<u>\$ 300,078</u>	<u>\$ 1,010</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,864,125</u>	<u>\$ 31,700,024</u>	<u>\$ 5,160,584</u>

The accompanying notes are an integral part of the financial statements.

<u>Air Base Tax Increment Revenue Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 13,533	\$ 291,578
			45,272
		22,328	29,473
15,347,416	7,276,504		22,623,920
6,248,168		5,466,743	11,714,911
3,077,814	890,684	4,366,484	8,334,982
			111,653
			163,428
		13,949,330	14,221,657
		210,000	210,000
			4,000
			328,107
	3,539,370		3,539,370
	3,000,000		3,000,000
			12,674,438
<u>\$ 24,673,398</u>	<u>\$ 14,706,558</u>	<u>\$ 24,028,418</u>	<u>\$ 77,292,789</u>
<u>\$ 30,684,408</u>	<u>\$ 17,011,787</u>	<u>\$ 27,956,618</u>	<u>\$ 131,377,546</u>



*First in Service*

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**June 30, 2020**

Total Fund Balances - Total Governmental Funds	\$ 77,292,789
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	269,613,864
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	32,311,351
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,829,071
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(252,784,514)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 131,262,561</u></b>

The accompanying notes are an integral part of the financial statements.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2020**

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Property Taxes	\$ 24,519,589	\$	\$
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Local Option Tourism Taxes			28,846,468
Licenses and Permits	31,166,162		
Fines and Forfeitures	859,106		
Intergovernmental	4,676,526		
Charges for Services	2,486,935	2,506,266	
Miscellaneous	3,885,366	2,613,298	116,318
Total Revenues	<u>\$ 67,593,684</u>	<u>\$ 5,119,564</u>	<u>\$ 28,962,786</u>
<b>EXPENDITURES</b>			
Current:			
General Government	\$ 12,910,980	\$ 674,542	\$
Public Safety	48,410,456		
Transportation	4,300,454		
Community and Economic Development	3,974,975		23,159,267
Parks, Recreation and Sports Tourism	7,429,759	5,361,085	
Public Works	7,084,215		
Capital Outlay	290,250	867,186	
Debt Service:			
Principal			
Interest and Fiscal Charges			
Total Expenditures	<u>\$ 84,401,089</u>	<u>\$ 6,902,813</u>	<u>\$ 23,159,267</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (16,807,405)</u>	<u>\$ (1,783,249)</u>	<u>\$ 5,803,519</u>

The accompanying notes are an integral part of the financial statements.

Air Base Tax Increment Revenue Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ 12,821,195	\$ 620,630	\$ 2,210,343	\$ 40,171,757
		8,930,128	8,930,128
		14,800,829	14,800,829
		2,703,711	2,703,711
			28,846,468
	1,100,000	433,777	32,699,939
		89,570	948,676
	729,146	10,322,873	15,728,545
		1,519,519	6,512,720
285,095	535,516	119,259	7,554,852
<u>\$ 13,106,290</u>	<u>\$ 2,985,292</u>	<u>\$ 41,130,009</u>	<u>\$ 158,897,625</u>
\$	\$ 1,075,144	\$ 986,982	\$ 15,647,648
	14,428		48,424,884
	172,931	3,029,220	7,502,605
5,159,558	8,578	2,090,603	34,392,981
	243,854	3,432,423	16,467,121
			7,084,215
	5,664,495	1,335,509	8,157,440
		1,425,000	9,247,410
		7,822,410	9,247,410
		5,077,235	6,612,893
<u>\$ 8,120,216</u>	<u>\$ 7,179,430</u>	<u>\$ 23,774,382</u>	<u>\$ 153,537,197</u>
<u>\$ 4,986,074</u>	<u>\$ (4,194,138)</u>	<u>\$ 17,355,627</u>	<u>\$ 5,360,428</u>

A-5 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	\$ 16,839,853	\$ 2,244,624	\$
Transfers Out	(169,932)	(668,500)	(5,803,519)
Capital Lease Obligation		615,703	
Sale of Capital Assets	166,893		
Total Other Financing Sources (Uses)	<u>\$ 16,836,814</u>	<u>\$ 2,191,827</u>	<u>\$ (5,803,519)</u>
<b>Net Change in Fund Balances</b>	\$ 29,409	\$ 408,578	\$
<b>Fund Balances (Deficit) - Beginning</b>	<u>13,553,918</u>	<u>(108,500)</u>	<u>1,010</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 13,583,327</u></u>	<u><u>\$ 300,078</u></u>	<u><u>\$ 1,010</u></u>

The accompanying notes are an integral part of the financial statements.

<u>Air Base Tax Increment Revenue Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 37,730	\$ 14,659,376	\$ 33,781,583
(2,363,910)	(7,033,477)	(19,181,860)	(35,221,198)
			615,703
		160,887	327,780
<u>\$ (2,363,910)</u>	<u>\$ (6,995,747)</u>	<u>\$ (4,361,597)</u>	<u>\$ (496,132)</u>
\$ 2,622,164	\$ (11,189,885)	\$ 12,994,030	\$ 4,864,296
<u>22,051,234</u>	<u>25,896,443</u>	<u>11,034,388</u>	<u>72,428,493</u>
<u>\$ 24,673,398</u>	<u>\$ 14,706,558</u>	<u>\$ 24,028,418</u>	<u>\$ 77,292,789</u>





*First in Service*

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,864,296
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which depreciation (\$16,179,414) and the book value of disposals (\$169,885) exceeded capital outlays (\$8,157,440) in the current period.	(8,191,859)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	32,243,997
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,631,707
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 governmental funds.	(6,651,513)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	<u>(960,793)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$ <u>29,935,835</u></b>

The accompanying notes are an integral part of the financial statements.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b>ASSETS</b>			
Current Assets:			
Cash and Temporary Investments	\$ 19,649,110	\$	\$
Receivables (Net):			
Accounts	1,230,816		
Intergovernmental	40,000		
Capital Lease Proceeds			
Inventories	1,217,808		
Total Current Assets	<u>\$ 22,137,734</u>	<u>\$</u>	<u>\$</u>
Noncurrent Assets:			
Restricted Cash and Temporary Investments	\$ 3,419,187	\$	\$
Land and Construction in Progress	2,700,271		
Other Capital Assets (Net)	120,589,482		
Total Noncurrent Assets	<u>\$ 126,708,940</u>	<u>\$</u>	<u>\$</u>
Total Assets	<u>\$ 148,846,674</u>	<u>\$</u>	<u>\$</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Advance Refunding Related to Pension Plan	\$ 374,153	\$	\$
	717,441		
Total Deferred Outflows of Resources	<u>\$ 1,091,594</u>	<u>\$</u>	<u>\$</u>

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>		
<u>Solid Waste Management Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 535,971	\$ 20,185,081	\$ 25,830,348
273,911	1,504,727	11,676
1,008,646	1,048,646	90,136
		1,075,000
36,770	1,254,578	57,319
<u>\$ 1,855,298</u>	<u>\$ 23,993,032</u>	<u>\$ 27,064,479</u>
\$	\$ 3,419,187	\$
	2,700,271	
1,838,150	122,427,632	13,539,621
<u>\$ 1,838,150</u>	<u>\$ 128,547,090</u>	<u>\$ 13,539,621</u>
<u>\$ 3,693,448</u>	<u>\$ 152,540,122</u>	<u>\$ 40,604,100</u>
\$	\$ 374,153	\$
492,527	1,209,968	132,141
<u>\$ 492,527</u>	<u>\$ 1,584,121</u>	<u>\$ 132,141</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 2,264,394	\$	\$
Due to Other Fund			
Unreported Insurance Claims			
Capital Lease Obligations			
Payable From Restricted Assets:			
Refundable Deposits	2,547,662		
Interest Payable	319,387		
Revenue Bonds	1,758,594		
Total Current Liabilities	\$ 6,890,037	\$	\$
Noncurrent Liabilities:			
Compensated Absences	\$ 107,096	\$	\$
Unreported Insurance Claims			
Capital Lease Obligations			
Revenue Bonds (Net)	27,795,080		
Net Pension Liability	5,219,084		
Unearned Revenue	149,900		
Total Noncurrent Liabilities	\$ 33,271,160	\$	\$
Total Liabilities	\$ 40,161,197	\$	\$
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pension Plan	\$ 155,629	\$	\$

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>			
<u>Solid Waste Management Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 410,731	\$ 2,675,125	\$ 22,496,823	
		336	
		610,198	
110,659	110,659	790,365	
	2,547,662		
	319,387		
	1,758,594		
<u>\$ 521,390</u>	<u>\$ 7,411,427</u>	<u>\$ 23,897,722</u>	
\$ 98,342	\$ 205,438	\$ 19,723	
		3,143,249	
1,098,638	1,098,638	3,353,225	
	27,795,080		
3,554,100	8,773,184	912,539	
	149,900		
<u>\$ 4,751,080</u>	<u>\$ 38,022,240</u>	<u>\$ 7,428,736</u>	
<u>\$ 5,272,470</u>	<u>\$ 45,433,667</u>	<u>\$ 31,326,458</u>	
<u>\$ 105,980</u>	<u>\$ 261,609</u>	<u>\$ 27,211</u>	

A-7 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 94,110,233	\$	\$
Restricted for:			
Debt Service	552,138		
Unrestricted	14,959,071	_____	_____
Total Net Position	\$ 109,621,442	\$ _____	\$ _____

Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds

**Net Position of Business-Type Activities**

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>		
<u>Solid Waste Management Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 628,853	\$ 94,739,086	\$ 9,396,031
	552,138	
<u>(1,821,328)</u>	<u>13,137,743</u>	<u>(13,459)</u>
\$ <u><u>(1,192,475)</u></u>	\$ 108,428,967	\$ <u><u>9,382,572</u></u>
	<u>4,553,501</u>	
	\$ <u><u>112,982,468</u></u>	



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 29,432,601	\$ _____	\$ _____
<b>OPERATING EXPENSES</b>			
Administration	\$ 3,733,270	\$ _____	\$ _____
Operations	22,094,751		
Depreciation	5,026,952		
Total Operating Expenses	\$ 30,854,973	\$ _____	\$ _____
Operating Income (Loss)	\$ (1,422,372)	\$ _____	\$ _____
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Earned	\$ 98,989	\$ _____	\$ _____
Operating Grant Revenue			
Miscellaneous Revenue	359,337		
Transfer of Capital Assets		(9,533,997)	(13,698,174)
Gain on Disposal of Capital Assets			
Interest and Fiscal Charges	(973,493)		
Total Nonoperating Revenues (Expenses)	\$ (515,167)	\$ (9,533,997)	\$ (13,698,174)
Income (Loss) Before Contributions and Transfers	\$ (1,937,539)	\$ (9,533,997)	\$ (13,698,174)
Capital Contributions	7,023,267		
Transfers In		543,226	2,167,889
Transfers Out	(1,521,500)		
<b>Change in Net Position</b>	\$ 3,564,228	\$ (8,990,771)	\$ (11,530,285)
<b>Total Net Position - Beginning</b>	<u>106,057,214</u>	<u>8,990,771</u>	<u>11,530,285</u>
<b>Total Net Position - Ending</b>	<u>\$ 109,621,442</u>	<u>\$ _____</u>	<u>\$ _____</u>

Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds

**Change in Net Position of Business-Type Activities**

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>		
<u>Solid Waste Management Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 6,351,638	\$ 35,784,239	\$ 22,575,009
\$ 956,833	\$ 4,690,103	\$ 694,173
5,169,822	27,264,573	20,049,434
111,685	5,138,637	3,055,445
<u>\$ 6,238,340</u>	<u>\$ 37,093,313</u>	<u>\$ 23,799,052</u>
\$ 113,298	\$ (1,309,074)	\$ (1,224,043)
\$ 583	\$ 99,572	\$ 293,120
30,128	30,128	90,136
	359,337	28,067
	(23,232,171)	
		18,051
<u>(13,629)</u>	<u>(987,122)</u>	<u>(89,248)</u>
<u>\$ 17,082</u>	<u>\$ (23,730,256)</u>	<u>\$ 340,126</u>
\$ 130,380	\$ (25,039,330)	\$ (883,917)
	7,023,267	50,000
250,000	2,961,115	
	<u>(1,521,500)</u>	
\$ 380,380	\$ (16,576,448)	\$ (833,917)
<u>(1,572,855)</u>		<u>10,216,489</u>
<u>\$ (1,192,475)</u>		<u>\$ 9,382,572</u>
	<u>126,876</u>	
	<u>\$ (16,449,572)</u>	

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts From Customers	\$ 29,620,957	\$ 1,947	\$ 137,198
Receipts From Interfund Services Provided			
Payments to Suppliers	(21,395,155)	(10,070)	(234)
Payments to Employees	(2,404,797)		
Payments for Interfund Services Used	(1,877,869)		
Payments of Claims			
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 3,943,136</u>	<u>\$ (8,123)</u>	<u>\$ 136,964</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	\$	\$ 543,226	\$ 2,167,889
Transfers Out	(1,521,500)		
Operating Grants			
Proceeds From Interfund Loan	3,721,735		
Payments on Interfund Loans		(1,046,087)	(2,304,853)
Net Cash and Cash Equivalents Provided (Used) by Noncapital Financing Activities	<u>\$ 2,200,235</u>	<u>\$ (502,861)</u>	<u>\$ (136,964)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital Contributions	\$ 1,612,720		\$
Payments for Intergovernmental Receivable	20,000	241,328	
(Decrease) in County Renewal and Replacement Fund		(90,000)	
Proceeds From Long-Term Debt	4,435		
Principal Payments on Long-Term Debt	(1,709,570)		
Interest Payments on Long-Term Debt	(1,079,157)		
Payment of Bond Administration Fees	(5,200)		
Purchases of Capital Assets	(2,542,126)		
Proceeds From Disposal of Capital Assets			
Net Cash and Cash Equivalents Provided (Used) by Capital and Related Financing Activities	<u>\$ (3,698,898)</u>	<u>\$ 151,328</u>	<u>\$</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	\$ 98,989		\$
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 98,989</u>	<u>\$</u>	<u>\$</u>

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>		
<u>Solid Waste Management Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 6,300,066	\$ 36,060,168	\$ 22,575,009
(2,288,479)	(23,693,938)	(5,169,176)
(1,624,584)	(4,029,381)	(425,782)
(1,724,233)	(3,602,102)	(14,765,292)
<u>\$ 662,770</u>	<u>\$ 4,734,747</u>	<u>\$ 2,214,759</u>
\$ 250,000	\$ 2,961,115	
	(1,521,500)	
39,031	39,031	
	3,721,735	336
<u>(370,795)</u>	<u>(3,721,735)</u>	<u>(3,821,883)</u>
<u>\$ (81,764)</u>	<u>\$ 1,478,646</u>	<u>\$ (3,821,547)</u>
\$	\$ 1,612,720	\$ 50,000
	261,328	
	(90,000)	
	4,435	
	(1,709,570)	(667,321)
	(1,079,157)	(97,645)
	(5,200)	
(45,818)	(2,587,944)	(3,412,920)
		19,250
<u>\$ (45,818)</u>	<u>\$ (3,593,388)</u>	<u>\$ (4,108,636)</u>
<u>\$ 583</u>	<u>\$ 99,572</u>	<u>\$ 293,120</u>
<u>\$ 583</u>	<u>\$ 99,572</u>	<u>\$ 293,120</u>

A-9 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 2,543,462	\$ (359,656)	\$
<b>Cash and Cash Equivalents - Beginning</b>	20,524,835	359,656	
<b>Cash and Cash Equivalents - Ending</b>	\$ 23,068,297	\$	\$

**Reconciliation of Operating Income (Loss) to Net Cash and  
Cash Equivalents Provided (Used) by Operating Activities**

Operating Income (Loss)	\$ (1,422,372)	\$	\$
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities:			
Depreciation	5,026,952		
(Increase) Decrease in Accounts Receivable (Net)	31,561	1,947	137,198
(Increase) Decrease in Inventories	(8,732)		
Increase (Decrease) in Accounts Payable and Accrued Expenses	(160,563)	(10,070)	(234)
(Decrease) in Refundable Deposits Payable	(202,437)		
(Decrease) in Unreported Insurance Claims			
Increase in Net Pension Liability and Related Amounts	319,495		
(Decrease) in Unearned Revenue	(105)		
Miscellaneous Receipts	359,337		
<b>Net Cash and Cash Equivalents Provided (Used) by Operating Activities</b>	\$ 3,943,136	\$ (8,123)	\$ 136,964

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>		
<u>Solid Waste Management Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 535,771	\$ 2,719,577	\$ (5,422,304)
<u>200</u>	<u>20,884,691</u>	<u>31,252,652</u>
<u>\$ 535,971</u>	<u>\$ 23,604,268</u>	<u>\$ 25,830,348</u>

\$ 113,298    \$ (1,309,074)    \$ (1,224,043)

111,685	5,138,637	3,055,445
(51,572)	119,134	74,122
16,553	7,821	66,433
123,061	(47,806)	486,597
	(202,437)	(352,610)
349,745	669,240	80,748
	(105)	
<u>        </u>	<u>359,337</u>	<u>28,067</u>
<u>\$ 662,770</u>	<u>\$ 4,734,747</u>	<u>\$ 2,214,759</u>

A-9 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2020**

	Enterprise Funds		
	Water and Sewer Fund	Baseball Stadium Fund	Municipal Golf Course Fund
<b><u>Noncash Capital and Related Financing Activities</u></b>			
Fair Value of Capital Asset Contributions	\$ 5,410,547		\$
Book Value of Capital Asset Disposals			
Book Value of Capital Asset Transfers		9,533,997	13,698,174
Capital Lease Proceeds Receivable / Capital Lease Obligation			
Other Capital Assets / Capital Lease Obligation			

**Reconciliation of Cash and Cash Equivalents**

Unrestricted Cash and Temporary Investments	\$ 19,649,110	\$	\$
Restricted Cash and Temporary Investments	3,419,187		
	\$ 23,068,297	\$	\$

The accompanying notes are an integral part of the financial statements.

<u>Enterprise Funds</u>		<u>Internal Service Funds</u>
<u>Solid Waste Management Fund</u>	<u>Total</u>	
\$	\$ 5,410,547	\$
	23,232,171	1,199
	1,209,297	1,075,000
\$ 535,971	\$ 20,185,081	\$ 25,830,348
	3,419,187	
<u>\$ 535,971</u>	<u>\$ 23,604,268</u>	<u>\$ 25,830,348</u>



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUND**  
**June 30, 2020**

**ASSETS**

Cash and Temporary Investments	\$ <u>43,342</u>
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**LIABILITIES**

Due to Firemen's Association	\$ <u>43,342</u>
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The accompanying notes are an integral part of the financial statements.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Myrtle Beach, South Carolina (the City) was incorporated in 1933 as a municipal corporation, and as such, possesses all the general powers granted by the constitution and laws of South Carolina to municipal corporations. The City is governed by an elected mayor and a six-member council and operates under the Council-Manager form of government.

The City's financial statements have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant GASB pronouncements.

The more significant accounting policies of the City are described below.

**A. Reporting Entity**

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with the City. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City. The City's blended and discretely presented component units have June 30 year-ends and are described below.

*Blended Component Unit* - The Myrtle Beach Public Facilities Corporation (MBPFC) is governed by a three-member board appointed by City Council. The City has the ability to impose its will on the MBPFC on the basis of budget adoption and funding for the MBPFC. Although it is legally separate from the City, the MBPFC is reported as if it were part of the City because its sole purpose is to serve the City exclusively for financing purposes. The MBPFC is reported as a nonmajor governmental fund and does not issue separate financial statements.

*Discretely Presented Component Units* - The Myrtle Beach Downtown Redevelopment Corporation (MBDRC) is responsible for promoting and assisting in the development of business concerns and residential housing in the downtown area of Myrtle Beach. The MBDRC is fiscally dependent upon the City because City Council sets the fees that can be charged by the MBDRC. The MBDRC has the potential to impose a financial burden on the City since it has assumed the obligation to provide financial support to the MBDRC. The MBDRC is presented as a governmental fund type and does not issue separate financial statements.

The Myrtle Beach Convention Center Hotel Corporation (MBCCHC) is responsible for the construction and operation of a convention center hotel. City Council appoints all members of the MBCCHC's board. The MBCCHC is fiscally dependent upon the City because City Council approves the MBCCHC's budget and must approve any debt issuances. The MBCCHC is presented as an enterprise fund type. Separate financial statements for the MBCCHC can be obtained by writing Post Office Box 2468, Myrtle Beach, South Carolina 29578 or phone (843) 918-1100.

**B. Government-Wide Financial Statements**

The City's government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statement focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**C. Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The City uses the following fund types:

Governmental Funds

The focus of the governmental funds' measurement, in the fund statements, is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the City's governmental funds:

1. 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.
2. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes and the revenue serves as the foundation of the fund.
3. Debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
4. Capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Proprietary Funds

The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

1. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. An enterprise fund may also be used to account for any activity for which a fee is charged to external users for goods or services.
2. Internal service funds are used to account for the financing of goods and services provided by an activity to other funds of the City on a cost-reimbursement basis.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. The City's nonmajor funds by category are combined into a single column in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Convention Center Fund* is a special revenue fund that is used to accumulate funds from the meetings activities for the purpose of supporting and funding convention center related activities.

The *Local Option Tourism Fee Fund* is a special revenue fund that is used to account for an additional 1.0% sales tax imposed on prepared foods and beverages, accommodations and retail sales for the purpose of tourism development.

The *Air Base Tax Increment Revenue Fund* is a special revenue fund that is used to accumulate taxes collected within the tax increment district to be used for community development within the district.

The *Capital Improvements Fund* is a capital projects fund that is used to account for the acquisition or construction of major capital facilities.

The City's major proprietary funds were as follows:

The *Water and Sewer Fund* is an enterprise fund that is used to account for the provision of water and sewer services to the residents of the City and surrounding areas.

The *Baseball Stadium Fund* is an enterprise fund that is used to account for the operation of a baseball stadium facility. The use of this fund was discontinued during the year.

The *Municipal Golf Course Fund* is an enterprise fund that is used to account for the operation of a public golf course. The use of this fund was discontinued during the year.

The *Solid Waste Management Fund* is an enterprise fund that is used to account for the provision of solid waste collection services and the operation of various recycling programs.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal service funds are the City's governmental activities, their financial statements are consolidated into the governmental activities column when presented in the government-wide financial statements. The City reports the following internal service funds:

The *Fleet Management Fund* is used to account for the rental of motor vehicles and certain equipment to other funds and the related costs associated with those rentals.

The *Self Insurance Fund* is used to account for the City's worker's compensation, general liability and property damage insurance programs which accumulate resources from charges to other funds for the payment of premiums, claims and administrative expenses.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

The *Health Insurance Fund* is used to account for the City's health insurance program which accumulates resources from charges to other funds for the payment of premiums, claims and administrative expenses.

The City's agency fund is presented in the fiduciary fund financial statement. Since these assets cannot be used to address activities or obligations of the City, the agency fund is not incorporated into the government-wide financial statements. The City's agency fund is as follows:

The *Firemen's Fund* is used to account for resources held by the City for its firemen in an agency capacity.

**D. Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal 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 net pension liability, are recorded only when payment is due.

The City considers property taxes, local accommodations taxes, hospitality fee taxes, storm water fees, local option tourism taxes, intergovernmental revenues and charges for services to be susceptible to accrual. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, permits, fines and forfeitures.

The agency fund financial statement is reported using the accrual basis of accounting. Agency funds do not have a measurement focus.

**E. Cash and Temporary Investments**

Cash and investments are held in a single central depository except where legal restrictions prohibit such. Each fund owns a pro rata share in the depository. Interest is allocated monthly to the individual funds based on their average monthly balances.

For purposes of the statement of cash flows, as presented for the City's proprietary funds, cash equivalents include demand deposits, money market accounts and short-term investments, including restricted amounts, with original maturity dates of three months or less.

Investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

The fair value of the City's position in the South Carolina Local Government Investment Pool (SCLGIP) is determined using the net asset value per share practical expedient. The SCLGIP is not registered with the Securities Exchange Commission as an investment company. The State Treasurer is responsible for oversight of the SCLGIP.

**F. Receivables**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

Receivables are presented in the financial statements net of allowances for doubtful accounts. Allowances for doubtful accounts are based upon historical trends and the periodic aging of receivables.

**G. Interfund Activity**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity is classified as either loans, services provided, reimbursements or transfers. Loans are referred to as either due to/from other funds or advances to/from other funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**H. Inventories**

Inventories are valued at cost, primarily on an average cost basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**I. Prepaid Assets**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets using the consumption method in both the government-wide and fund financial statements.

**J. Restricted Assets**

Restricted assets include cash and temporary investments that are legally restricted as to their use. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**K. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, drainage systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

Purchased capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value on the date of donation. The costs of normal maintenance and repairs, which neither materially add to the value of an asset nor prolong its life, are charged to expense as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	15 - 30 years
Buildings and Improvements	10 - 40 years
Distribution System	20 - 40 years
Infrastructure	10 - 40 years
Furniture, Vehicles and Equipment	5 - 10 years

**L. Deferred Outflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The City currently has two items which qualify for reporting in this category. The deferred amounts on advance refundings result from the difference in the carrying value of refunded debt and its

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension plans represents the City's proportionate share of the plans' deferred outflows of resources.

**M. Deferred Inflows of Resources**

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The City currently has two items which qualify for reporting in this category. Unavailable revenue, which arises only under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet, is deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred amounts related to pension plans represents the City's proportionate share of the plans' deferred inflows of resources.

**N. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay. There is no liability for unpaid accumulated sick pay since the City does not have to pay any amounts if an employee separates from service. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is not reported in the governmental funds.

**O. Long-Term Obligations**

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net position. Bond premiums and discounts are deferred and amortized over the life of the related bonds. Bonds payable are reported net of the applicable premium or discount. Bond insurance costs are reported as deferred charges and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**P. Equity Classifications**

In the government-wide and proprietary funds financial statements, equity is classified as net position and is displayed in the following components:

*Net Investment in Capital Assets* - Consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted Net Position* - Consists of net position with constraints placed on their use by (a) third parties such as creditors, grantors, contributors or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide statement of net position reports \$51,455,943 of total restricted net position, of which \$17,919,435 is restricted by enabling legislation.

In the governmental fund financial statements, fund balances are displayed in the following components:

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

*Nonspendable* - Consists of amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* - Consists of amounts with constraints placed on their use by (a) third parties such as creditors, grantors, contributors or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

*Committed* - Consists of amounts that can be used only for specific purposes determined by a formal action by City Council ordinance.

*Assigned* - Consists of amounts that the City intends to use for specific purposes. Amounts may be assigned by the City Manager pursuant to authorization established by City Council resolution.

*Unassigned* - Consists of all amounts not included in other spendable classifications. The City only reports positive unassigned fund balance in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. Additionally, the City first uses committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has not formally adopted a minimum fund balance policy.

#### **Q. Revenues and Expenses**

Real property and all personal property other than vehicles are assessed for property tax purposes as of January 1st of each year. All taxable property is assessed in proportion to its value on that date. The basis for value of taxable property within the City is taken from the records of the Horry County Auditor. Taxes are payable between October 1st and January 15th following their levy on October 1st. The lien date is January 15th and unpaid amounts after this date are considered to be delinquent and are subject to penalties for late payment.

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 Highway Department and payment is due before the end of the month of the scheduled renewal.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In accordance with GASB Statement No. 33, the City recognizes grant revenues and receivables when the applicable eligibility requirements, including time requirements, are met. Resources received before the eligibility requirements are met are reported as unearned revenue.

#### **Note 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental funds balance sheet is followed by a reconciliation between total fund balances - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. The details of the element in the reconciliation that relates to long-term liabilities, \$252,784,514, follows:



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

Bonds Payable (Net)	\$ 166,265,642
Capital Lease Obligations	1,913,804
Compensated Absences	5,629,301
Net Pension Liability and Related Amounts	80,023,227
Accrued Interest Payable	1,192,153
Deferred Amounts on Advance Refundings	<u>(2,239,613)</u>
	<u>\$ 252,784,514</u>

The governmental funds statement of revenues, expenditures and changes in fund balances is followed by a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. The element of the reconciliation that relates to long-term debt and related items, \$8,631,707, is comprised of the following:

Capital Lease Obligation	\$ (615,703)
Principal Repayments	<u>9,247,410</u>
	<u>\$ 8,631,707</u>

The details of another element in the reconciliation that relates to expenses, \$6,651,513, follows:

Compensated Absences	\$ 302,035
Net Pension Liability	6,580,839
Accrued Interest	9,188
Amortization of Bond Premiums	(617,479)
Amortization of Deferred Amounts on Advance Refundings	<u>376,930</u>
	<u>\$ 6,651,513</u>

**Note 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Excess of Expenditures Over Appropriations**

The legal level of budget control is at the fund level. Thus, expenditures may not legally exceed appropriations, including supplemental appropriations, for an individual fund. For the year ended June 30, 2020, expenditures did not exceed appropriations for any of the City's individual funds.

**B. Deficit Fund Equity**

The individual funds that have fund equity deficits at June 30, 2020 were as follows:

Solid Waste Management Fund	\$ 1,192,475
Internal Service Fund:	
Health Insurance Fund	6,055,379

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 4 - CASH AND TEMPORARY INVESTMENTS**

State statutes authorize 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, 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, or deposit accounts with banking institutions. 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 that restrict investment alternatives.

**A. Deposits**

At year-end, the carrying amount of the City's deposits in financial institutions was \$50,995,537 and the financial institutions' balances totaled \$51,405,031. Of that balance, \$19,428,854 was covered by federal depository insurance and \$31,976,177 was collateralized with securities held by the pledging financial institutions' trust department in the City's name. At year-end, the City had \$39,066 in cash on hand.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires all deposits in excess of federal depository insurance to be collateralized with securities held by the pledging financial institution's trust department in the City's name.

At year-end, the MBDRC's carrying amount of deposits in financial institutions was \$1,117,500 and the financial institutions' balances totaled \$1,254,849. Of that balance, \$402,440 was covered by federal depository insurance and \$852,409 was collateralized with securities held by the pledging financial institutions' trust department in the MBDRC's name. At year-end, the MBDRC had \$6,500 in cash in hand.

The MBDRC's deposit policy for custodial credit risk requires all deposits in excess of federal depository insurance to be collateralized with securities held by the pledging financial institution's trust department in the MBDRC's name.

At year-end, the MBCCHC's carrying amount of deposits in financial institutions was \$450,952 and the financial institutions' balances totaled \$440,159. Of that balance, \$250,000 was covered by federal depository insurance and \$190,159 was uninsured and uncollateralized. At year-end, cash on hand totaled \$20,000.

The MBCCHC does not have a deposit policy for custodial credit risk.

**B. Investments**

At year-end, the City's investments consisted of the following:

	<u>Weighted Ave. Maturity</u>	<u>S&amp;P Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Repurchase Agreement	1 Day	Not Rated	\$ 20,000,274	27.41 %
U.S. Treasury Bill	0.25 Years	N/A	665,933	0.91
Money Market Mutual Funds	Not Available	AAA	31,922,062	43.76
State Treasurer's Investment Pool	2 Months Average	Not Rated	20,369,176	27.92
			<u>\$ 72,957,445</u>	<u>100.00</u> %

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At June 30, 2020, fair value measurements of the City's investments are as follows:

	Fair Value Measurements Using			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Repurchase Agreement	\$ 20,000,274	\$	\$	\$ 20,000,274
U.S. Treasury Bill	665,933			665,933
Money Market Mutual Funds	<u>31,922,062</u>			<u>31,922,062</u>
	<u>\$ 52,588,269</u>	<u>\$</u>	<u>\$</u>	<u>\$ 52,588,269</u>
Investments Measured at Net Asset Value				
State Treasurer's Investment Pool				<u>20,369,176</u>
				<u>\$ 72,957,445</u>

The City's investment policy limits investments in non-U.S. government debt securities and mutual funds to the top rating issued by nationally recognized statistical rating organizations. The City's investment policy does not limit the amount it may invest in any one investment issuer. As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's investment policy generally limits investment maturities to a maximum of one year.

At year-end, the MBCCHC's investments consisted of the following:

	Weighted Ave. Maturity	S&P Credit Rating	Fair Value	% of Total Investments
Money Market Mutual Funds	Not Available	AAA	\$ <u>3,049,082</u>	<u>100.00%</u>

At June 30, 2020, fair value measurements of the MBCCHC's investments are based on Level 1 inputs.

The MBCCHC does not have a formal investment policy that (a) limits its investment choices based on investment credit ratings, (b) limits the amount it may invest in any one investment issuer or (c) limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Note 5 - RECEIVABLES (NET)**

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

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund	Air Base Tax Increment Revenue Fund
Property Taxes	\$ 4,369,526	\$	\$	\$ 167,388
Local Accommodations Taxes				
Hospitality Fee Taxes				
Storm Water Fees				
Accounts	3,950,716	336,748		
Intergovernmental	2,578,688		5,159,128	

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Lease Proceeds				
Loans	<u>45,272</u>			
	\$ 10,944,202	\$ 336,748	\$ 5,159,128	\$ 167,388
Allowances for Doubtful Accounts	<u>(3,553,296)</u>			<u>(116,206)</u>
	<u>\$ 7,390,906</u>	<u>\$ 336,748</u>	<u>\$ 5,159,128</u>	<u>\$ 51,182</u>

	<u>Capital Improvements Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Management Fund</u>	<u>Nonmajor and Other Funds</u>
Property Taxes	\$	\$	\$	\$ 38,296
Local Accommodations Taxes				1,405,845
Hospitality Fee Taxes				2,046,704
Storm Water Fees				204,158
Accounts		1,843,840	449,221	329,896
Intergovernmental	940,058	40,000	1,261,382	2,198,466
Lease Proceeds				1,075,000
Loans				<u>192,685</u>
	\$ 940,058	\$ 1,883,840	\$ 1,710,603	\$ 7,491,050
Allowances for Doubtful Accounts		<u>(613,024)</u>	<u>(428,046)</u>	<u>(162,807)</u>
	<u>\$ 940,058</u>	<u>\$ 1,270,816</u>	<u>\$ 1,282,557</u>	<u>\$ 7,328,243</u>

	<u>Totals</u>
Property Taxes	\$ 4,575,210
Local Accommodations Taxes	1,405,845
Hospitality Fee Taxes	2,046,704
Storm Water Fees	204,158
Accounts	6,910,421
Intergovernmental	12,177,722
Lease Proceeds	1,075,000
Loans	<u>237,957</u>
	\$ 28,633,017
Allowances for Doubtful Accounts	<u>(4,873,379)</u>
	<u>\$ 23,759,638</u>

Loans receivable in the Community Development Block Grant Fund in the amount of \$192,685 are due in conjunction with the development of low-income housing within the City. The loans are non-interest bearing and are due December 31, 2036.

**Note 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2020, amounts due to/from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,912,824	\$
Local Option Tourism Fee Fund		1,032,271
Air Base Tax Increment Revenue Fund		1,834,201
Nonmajor Governmental Funds	1,239,308	2,285,324
Internal Service Fund		<u>336</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
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\$ 5,152,132    \$ 5,152,132

The interfund loans were made to cover cash flow deficiencies of the various funds. The amounts due from the Local Option Tourism Fee Fund (\$1,032,271), the Air Base Tax Increment Revenue Fund (\$1,834,201) and three nonmajor governmental funds (\$2,285,324) are expected to be repaid shortly after the end of the fiscal year.

Interfund transfers during the year ended June 30, 2020 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>			
	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>	<u>Air Base Tax Increment Revenue Fund</u>
General Fund	\$	\$	\$ 5,212,507	\$ 2,113,910
Convention Center Fund				
Capital Improvements Fund			37,730	
Nonmajor Governmental Funds	169,932	668,500	533,282	250,000
Baseball Stadium Fund			20,000	
Municipal Golf Course Fund				
Solid Waste Management Fund				
	<u>\$ 169,932</u>	<u>\$ 668,500</u>	<u>\$ 5,803,519</u>	<u>\$ 2,363,910</u>

<u>Transfers In</u>	<u>Transfers Out</u>			
	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer Fund</u>	<u>Totals</u>
General Fund	\$	\$ 7,991,936	\$ 1,521,500	\$ 16,839,853
Convention Center Fund		2,244,624		2,244,624
Capital Improvements Fund				37,730
Nonmajor Governmental Funds	7,033,477	6,004,185		14,659,376
Baseball Stadium Fund		523,226		543,226
Municipal Golf Course Fund		2,167,889		2,167,889
Solid Waste Management Fund		250,000		250,000
	<u>\$ 7,033,477</u>	<u>\$ 19,181,860</u>	<u>\$ 1,521,500</u>	<u>\$ 36,742,698</u>

Transfers are used to (a) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, (b) move revenues restricted to debt service from the funds collecting them to the Debt Service Fund as principal and interest payments become due and (c) move revenues from the funds collecting them to other funds to finance various programs, project costs and administrative costs in accordance with budgetary authorizations.

**Note 7 - TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS**

At June 30, 2020, amounts due to the City from its discretely presented component units were as follows:

	<u>Receivable</u>	<u>Payable</u>
Primary Government:		

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General Fund	\$ 36,006	\$
Convention Center Fund	31,324,814	
MBDRC		36,006
MBCCHC		31,324,814
	<u>\$ 31,360,820</u>	<u>\$ 31,360,820</u>

The MBCCHC entered into a site lease with the City for a 2.71 acre parcel of land upon which the convention center hotel is constructed. The site lease expires during April 2036 and requires annual rental payments equal to a fixed rental component plus 3.0% of the MBCCHC's gross revenues. The rental payments are to be remitted to the City in accordance with the terms of the revenue bond trust indenture. During the year ended June 30, 2020, rent expense for this lease amounted to \$4,192,030. Minimum future rental payments for the fixed component of this lease as of June 30, 2020 are as follows:

Year Ending June 30, 2021		\$ 3,843,888
2022		3,839,826
2023		3,840,926
2024		3,836,650
2025		3,807,000
2026 - 2030		19,035,250
2031 - 2035		19,031,500
2036		3,806,250
		<u>\$ 61,041,290</u>

The MBCCHC entered into a support facilities sublease with the City for a portion of the convention center facilities. The support facilities sublease expires during April 2036 and requires the MBCCHC to make a \$1 annual rental payment to the City.

**Note 8 - RESTRICTED CASH AND TEMPORARY INVESTMENTS**

The City's restricted cash and temporary investments consisted of the following at June 30, 2020:

Governmental Activities:		
General Fund:		
Court Bonds	\$	488,068
Confiscated and Seized Funds		178,251
Refundable Deposits		144,486
Other		171,653
Air Base Tax Increment Revenue Fund:		
Air Base Tax Increment Revenue Bond Accounts		30,316,570
Capital Improvements Fund:		
Bond Proceeds		6,319,670
PUD Improvements		1,620,619
Refundable Deposits		993,155
Road Projects		226,898
Nonmajor Governmental Funds:		
Grant Funds		534,696
Refundable Deposits		2,200
Renewal and Replacement Account		300,000
Hospitality Fee Taxes		400,000
Storm Water Revenue Bond Accounts		1,883,060
	<u>\$</u>	<u>43,579,326</u>

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Business-Type Activities:		
Water and Sewer Fund:		
Refundable Deposits	\$	2,547,662
Waterworks and Sewer System Revenue Bond Accounts		<u>871,525</u>
	\$	<u><u>3,419,187</u></u>

At June 30, 2020, the MBCCHC's restricted cash and temporary investments consisted of revenue bond accounts totaling \$1,922,731.

**Note 9 - CAPITAL ASSETS (NET)**

The City's capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 32,702,171	\$ 15,985,480	\$ 169,885	\$ 48,517,766
Construction-in-Progress	<u>259,554</u>	<u>2,342,264</u>	<u>259,554</u>	<u>2,342,264</u>
	<u>\$ 32,961,725</u>	<u>\$ 18,327,744</u>	<u>\$ 429,439</u>	<u>\$ 50,860,030</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 61,511,289	\$ 9,953,515	\$	\$ 71,464,804
Buildings and Improvements	122,447,020	11,226,475		133,673,495
Furniture, Vehicles and Equipment	73,064,425	8,243,048	306,853	81,000,620
Infrastructure	<u>215,857,861</u>	<u>7,598,094</u>		<u>223,455,955</u>
	<u>\$ 472,880,595</u>	<u>\$ 37,021,132</u>	<u>\$ 306,853</u>	<u>\$ 509,594,874</u>
Accumulated Depreciation for:				
Land Improvements	\$ (25,062,025)	\$ (8,868,151)	\$	\$ (33,930,176)
Buildings and Improvements	(62,506,065)	(10,841,357)		(73,347,422)
Furniture, Vehicles and Equipment	(51,835,764)	(6,526,603)	(305,654)	(58,056,713)
Infrastructure	<u>(105,851,461)</u>	<u>(6,115,647)</u>		<u>(111,967,108)</u>
	<u>\$ (245,255,315)</u>	<u>\$ (32,351,758)</u>	<u>\$ (305,654)</u>	<u>\$ (277,301,419)</u>
Capital Assets (Net)	<u>\$ 260,587,005</u>	<u>\$ 22,997,118</u>	<u>\$ 430,638</u>	<u>\$ 283,153,485</u>
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 18,685,751	\$	\$ 15,985,480	\$ 2,700,271
Construction-in-Progress	<u>843,971</u>		<u>843,971</u>	
	<u>\$ 19,529,722</u>		<u>\$ 16,829,451</u>	<u>\$ 2,700,271</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 9,213,531	\$	\$ 9,105,540	\$ 107,991
Buildings and Improvements	11,824,866		9,481,777	2,343,089
Distribution System	213,072,135	8,796,644		221,868,779
Furniture, Vehicles and Equipment	<u>6,358,406</u>	<u>1,255,115</u>	<u>1,776,273</u>	<u>5,837,248</u>
	<u>\$ 240,468,938</u>	<u>\$ 10,051,759</u>	<u>\$ 20,363,590</u>	<u>\$ 230,157,107</u>

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Accumulated Depreciation for:				
Land Improvements	\$ (5,531,130)	\$	\$ (5,423,139)	\$ (107,991)
Buildings and Improvements	(8,196,959)	(49,764)	(6,343,841)	(1,902,882)
Distribution System	(96,617,740)	(4,930,689)		(101,548,429)
Furniture, Vehicles and Equipment	(5,361,908)	(158,184)	(1,349,919)	(4,170,173)
	<u>\$ (115,707,737)</u>	<u>\$ (5,138,637)</u>	<u>\$ (13,116,899)</u>	<u>\$ (107,729,475)</u>
Capital Assets (Net)	<u>\$ 144,290,923</u>	<u>\$ 4,913,122</u>	<u>\$ 24,076,142</u>	<u>\$ 125,127,903</u>

Depreciation expense was charged to functions / programs of the City as follows:

Governmental Activities:	
General Government	\$ 419,475
Public Safety	1,405,259
Transportation	4,826,342
Community and Economic Development	3,412,559
Parks, Recreation and Sports Tourism	6,026,657
Public Works	89,122
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	<u>3,055,445</u>
	<u>\$ 19,234,859</u>
Business-Type Activities:	
Water	\$ 2,277,782
Sewer	2,749,170
Solid Waste Management	<u>111,685</u>
	<u>\$ 5,138,637</u>

The MBDRC's capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not Being Depreciated:				
Land	\$ <u>1,022,049</u>	\$ _____	\$ _____	\$ <u>1,022,049</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 435,542	\$ _____	\$ _____	\$ 435,542
Building and Improvements	233,294	_____	_____	233,294
Equipment	<u>1,147,370</u>	_____	_____	<u>1,147,370</u>
	<u>\$ 1,816,206</u>	\$ _____	\$ _____	<u>\$ 1,816,206</u>
Accumulated Depreciation for:				
Land Improvements	\$ (88,677)	\$ (29,036)	\$ _____	\$ (117,713)
Building and Improvements	(77,764)	(15,553)	_____	(93,317)
Equipment	<u>(905,274)</u>	<u>(56,452)</u>	_____	<u>(961,726)</u>
	<u>\$ (1,071,715)</u>	<u>\$ (101,041)</u>	\$ _____	<u>\$ (1,172,756)</u>
Capital Assets (Net)	<u>\$ 1,766,540</u>	<u>\$ (101,041)</u>	\$ _____	<u>\$ 1,665,499</u>

The MBCCHC's capital asset activity for the year ended June 30, 2020 was as follows:



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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 549,458	\$	\$	\$ 549,458
Building and Improvements	42,280,619	1,198,911		43,479,530
Furnishings and Equipment	<u>16,706,882</u>	<u>562,436</u>	<u>406,769</u>	<u>16,862,549</u>
	<u>\$ 59,536,959</u>	<u>\$ 1,761,347</u>	<u>\$ 406,769</u>	<u>\$ 60,891,537</u>
Accumulated Depreciation for:				
Land Improvements	\$ (445,594)	\$ (27,473)	\$	\$ (473,067)
Building and Improvements	(17,352,671)	(1,058,264)		(18,410,935)
Furnishings and Equipment	<u>(13,533,405)</u>	<u>(801,940)</u>	<u>(406,769)</u>	<u>(13,928,576)</u>
	<u>\$ (31,331,670)</u>	<u>\$ (1,887,677)</u>	<u>\$ (406,769)</u>	<u>\$ (32,812,578)</u>
Capital Assets (Net)	<u>\$ 28,205,289</u>	<u>\$ (126,330)</u>	<u>\$</u>	<u>\$ 28,078,959</u>

**Note 10 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES / EXPENDITURES**

Accounts payable and accrued expenses / expenditures consisted of the following at June 30, 2020:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>	<u>Air Base Tax Increment Revenue Fund</u>
Trade Accounts Payable	\$ 2,074,288	\$ 103,005	\$ 4,127,303	\$ 1,170
Accrued Salaries and Wages	1,396,960	68,759		
Compensated Absences				
Accrued Interest Payable				
Retainage Payable				
	<u>\$ 3,471,248</u>	<u>\$ 171,764</u>	<u>\$ 4,127,303</u>	<u>\$ 1,170</u>
	<u>Capital Improvements Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Management Fund</u>	<u>Nonmajor and Other Funds</u>
Trade Accounts Payable	\$ 1,124,056	\$ 2,045,556	\$ 298,398	\$ 22,980,307
Accrued Salaries and Wages		68,818	48,084	49,282
Compensated Absences		106,561	50,620	12,705
Accrued Interest Payable			13,629	82,522
Retainage Payable	<u>188,018</u>	<u>43,459</u>		<u>63,538</u>
	<u>\$ 1,312,074</u>	<u>\$ 2,264,394</u>	<u>\$ 410,731</u>	<u>\$ 23,188,354</u>
	<u>Totals</u>			
Trade Accounts Payable	\$ 32,754,083			
Accrued Salaries and Wages	1,631,903			
Compensated Absences	169,886			
Accrued Interest Payable	96,151			
Retainage Payable	<u>295,015</u>			

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
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\$ 34,947,038

Reconciliation to the Government-Wide  
Statement of Net Position:

Accrued Interest Payable 1,192,153  
\$ 36,139,191

**Note 11 - UNAVAILABLE REVENUE**

At June 30, 2020, unavailable revenue consisted of the following:

	General Fund	Convention Center Fund	Air Base Tax Increment Revenue Fund	Nonmajor Governmental Funds
Property Taxes	\$ 1,003,668	\$	\$ 19,047	\$ 31,763
Ambulance Fees	97,545			
Lease Revenues		31,016,095		62,461
Other		<u>1,000</u>		<u>79,772</u>
	<u>\$ 1,101,213</u>	<u>\$ 31,017,095</u>	<u>\$ 19,047</u>	<u>\$ 173,996</u>
<u>Totals</u>				
Property Taxes	\$ 1,054,478			
Ambulance Fees	97,545			
Lease Revenues	31,078,556			
Other	<u>80,772</u>			
	<u>\$ 32,311,351</u>			

**Note 12 - LONG-TERM LIABILITIES**

**A. Governmental Activities**

At June 30, 2020, long-term debt of the City's governmental activities was as follows:

	Original Issue Amount	Interest Rates	Final Maturity Date	Amount
General Obligation Bonds:				
Refunding Series 2011B	\$ 15,800,000	3.00 - 5.00%	03/01/28	\$ 9,205,000
Series 2012A	4,030,000	1.50 - 2.38	03/01/32	2,835,000
Series 2012B	7,560,000	2.00 - 3.50	03/01/32	6,515,000
Refunding Series 2015A	7,553,000	2.38	09/01/30	5,792,000
Refunding Series 2015B	1,560,000	1.99	09/01/25	972,000
Refunding Series 2015C	8,349,000	2.38	09/01/30	6,844,000
Series 2019	7,000,000	3.00 - 5.00	03/01/34	<u>6,590,000</u>
				<u>\$ 38,753,000</u>

Tax Increment Revenue Bonds:

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Refunding Series 2016	43,280,000	3.00 - 5.00	10/01/35	\$ 34,890,000
Refunding Series 2017B	7,245,000	3.00 - 5.00	04/01/34	6,895,000
				<u>\$ 41,785,000</u>
 Storm Water Revenue Bonds:				
Series 2004	10,499,052	2.25	05/01/27	\$ 4,304,993
Series 2010	2,773,380	1.67	02/01/30	1,460,453
Series 2014	10,609,640	2.00	02/01/36	8,577,264
				<u>\$ 14,342,710</u>
 Hospitality Fee Revenue Bonds:				
	<u>Original</u>		<u>Final</u>	
	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount</u>
Refunding Series 2014A	\$ 17,400,000	1.05 - 5.90%	06/01/39	\$ 12,790,000
Refunding Series 2014B	44,515,000	2.00 - 5.00	06/01/36	40,905,000
Series 2017A	9,575,000	3.00 - 5.00	06/01/38	8,940,000
				<u>\$ 62,635,000</u>
 Capital Lease Obligations:				
2014	3,636,423	2.68	08/01/22	\$ 2,167,139
2016	1,072,398	2.32	08/05/21	443,797
2016	427,602	2.32	08/05/21	176,957
2017	1,132,228	2.55	07/15/24	719,494
2017	1,400,000	1.94	07/15/22	854,304
2019	615,703	1.96	12/01/29	615,703
2020	1,080,000	1.88	03/01/27	1,080,000
				<u>\$ 6,057,394</u>

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The general obligation bonds are to be repaid with property tax revenues. Annual debt service requirements to maturity for the general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2021	\$ 3,247,000	\$ 1,241,000	\$ 4,488,000
2022	3,354,000	1,125,183	4,479,183
2023	3,466,000	1,016,382	4,482,382
2024	3,591,000	903,592	4,494,592
2025	3,701,000	786,493	4,487,493
2026 - 2030	16,008,000	2,154,031	18,162,031
2031 - 2034	5,386,000	275,063	5,661,063
	<u>\$ 38,753,000</u>	<u>\$ 7,501,744</u>	<u>\$ 46,254,744</u>

Tax Increment Revenue Bonds

Tax increment revenue bonds were issued to provide funds to finance the costs of certain capital improvements within the City's designated redevelopment areas. The tax increment revenue bonds are to be repaid by the property taxes generated in

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association with increased assessed values of property within the redevelopment areas. Annual debt service requirements to maturity for the tax increment revenue bonds are as follows:

	Principal	Interest	Total
Year Ending June 30, 2021	\$ 1,860,000	\$ 1,741,650	\$ 3,601,650
2022	1,945,000	1,650,500	3,595,500
2023	2,035,000	1,551,500	3,586,500
2024	2,150,000	1,447,375	3,597,375
2025	2,250,000	1,337,875	3,587,875
2026 - 2030	13,065,000	4,847,125	17,912,125
2031 - 2035	15,580,000	1,697,375	17,277,375
2036	2,900,000	43,500	2,943,500
	\$ 41,785,000	\$ 14,316,900	\$ 56,101,900

Storm Water Revenue Bonds

Storm water revenue bonds pledge income derived from acquired or constructed assets to pay debt service. The storm water revenue bonds were issued to finance drainage improvement projects. Annual debt service requirements to maturity for the storm water revenue bonds are as follows:

	Principal	Interest	Total
Year Ending June 30, 2021	\$ 1,190,392	\$ 284,397	\$ 1,474,789
2022	1,215,274	259,515	1,474,789
2023	1,240,724	234,065	1,474,789
2024	1,266,757	208,032	1,474,789
2025	1,293,385	181,404	1,474,789
2026 - 2030	4,785,058	548,755	5,333,813
2031 - 2035	3,031,052	193,650	3,224,702
2036	320,068	2,401	322,469
	\$ 14,342,710	\$ 1,912,219	\$ 16,254,929

Hospitality Fee Revenue Bonds

Hospitality fee revenue bonds pledge hospitality fee collections to pay debt service. The hospitality fee revenue bonds were issued to provide funds to extinguish the MBCCHC's Series 2001A revenue bonds and to construct and improve various recreation facilities. Annual debt service requirements to maturity for the hospitality fee revenue bonds are as follows:

	Principal	Interest	Total
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Year Ending June 30, 2021	\$ 2,720,000	\$ 3,029,018	\$ 5,749,018
2022	2,850,000	2,899,908	5,749,908
2023	2,980,000	2,760,353	5,740,353
2024	2,945,000	2,656,897	5,601,897
2025	2,945,000	2,512,259	5,457,259
2026 - 2030	17,135,000	10,147,716	27,282,716
2031 - 2035	21,660,000	5,616,865	27,276,865
2036 - 2039	<u>9,400,000</u>	<u>930,265</u>	<u>10,330,265</u>
	<u>\$ 62,635,000</u>	<u>\$ 30,553,281</u>	<u>\$ 93,188,281</u>

Capital Lease Obligations

Capital leases were incurred in conjunction with the purchase of equipment. At June 30, 2020, the gross amount of equipment recorded under capital leases totaled \$9,364,354. The capital leases are to be repaid by property tax revenues and an internal service fund. The minimum future lease payments due under the capital leases as of June 30, 2020 are as follows:

Year Ending June 30, 2021	\$ 1,486,212
2022	1,486,418
2023	2,035,066
2024	389,440
2025	389,383
2026 - 2030	<u>674,219</u>
Total Minimum Lease Payments	\$ 6,460,738
Amount Representing Interest	<u>(403,344)</u>
Present Value of Minimum Lease Payments	<u>\$ 6,057,394</u>

**B. Business-Type Activities**

Long-term debt of the City's business-type activities consisted of the following at June 30, 2020:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount</u>
Revenue Bonds:				
Waterworks and Sewer System:				
Series 2011	\$ 8,900,000	2.00 - 4.13%	03/01/32	\$ 6,275,000
Series 2016	18,440,000	2.00 - 5.00	03/01/36	15,655,000
Series 2017	6,246,418	1.80	08/01/37	<u>5,503,059</u>
				<u>\$ 27,433,059</u>
Capital Lease Obligation:				
2019	1,209,297	1.96	12/01/29	<u>\$ 1,209,297</u>

Revenue Bonds

Revenue bonds pledge income derived from acquired or constructed assets to pay debt service. The revenue bonds were issued to finance water and sewer expansion and construction projects. Annual debt service requirements to maturity for the revenue bonds are as follows:

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	Principal	Interest	Total
Year Ending June 30, 2021	\$ 1,758,594	\$ 1,004,548	\$ 2,763,142
2022	1,825,173	959,351	2,784,524
2023	1,905,250	881,424	2,786,674
2024	1,945,419	838,168	2,783,587
2025	2,020,682	757,205	2,777,887
2026 - 2030	11,235,755	1,702,453	12,938,208
2031 - 2035	5,092,393	492,721	5,585,114
2036 - 2038	1,649,793	44,493	1,694,286
	\$ 27,433,059	\$ 6,680,363	\$ 34,113,422

Capital Lease Obligation

The capital lease was incurred in conjunction with the purchase of equipment. At June 30, 2020, the gross amount of equipment recorded under the capital lease totaled \$1,209,297. The minimum future lease payments due under the capital leases as of June 30, 2020 are as follows:

Year Ending June 30, 2021	\$ 134,131
2022	134,150
2023	134,596
2024	134,327
2025	134,020
2026 - 2030	671,852
Total Minimum Lease Payments	\$ 1,343,076
Amount Representing Interest	(133,779)
Present Value of Minimum Lease Payments	\$ 1,209,297

**C. MBDRC**

Long-term debt outstanding at June 30, 2020 in the MBDRC was as follows:

	Original Issue Amount	Interest Rates	Final Maturity Date	Amount
Revolving Line of Credit	\$ 10,000,000	4.25%	03/04/21	\$ <u>648,560</u>

Revolving Line of Credit

The revolving line of credit was issued in conjunction with the purchase of property and to fund demolition costs. Annual debt service requirements to maturity for the revolving line of credit are as follows:

	Principal	Interest	Total
Year Ending June 30, 2021	\$ <u>648,560</u>	\$ <u>24,452</u>	\$ <u>673,012</u>

**D. MBCCHC**

Long-term debt outstanding at June 30, 2020 in the MBCCHC was as follows:

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	Original Issue Amount	Interest Rates	Final Maturity Date	Amount
Revenue Bonds:				
Refunding Series 2015	\$ 16,405,000	2.00 - 5.00%	04/01/36	\$ <u>13,120,000</u>

Revenue Bonds

The revenue bonds are to be repaid from revenues derived from the operation of the convention center hotel. The revenue bonds are secured by a first mortgage on the convention center hotel and have a limited guarantee provided by the City, subject to annual appropriation, to replenish amounts withdrawn from the debt service reserve accounts. Annual debt service requirements to maturity for the revenue bonds are as follows:

	Principal	Interest	Total
Year Ending June 30, 2021	\$ 380,000	\$ 553,513	\$ 933,513
2022	395,000	534,512	929,512
2023	410,000	526,613	936,613
2024	575,000	506,112	1,081,112
2025	755,000	477,363	1,232,363
2026 - 2030	4,295,000	1,837,762	6,132,762
2031 - 2035	5,135,000	1,011,938	6,146,938
2036	1,175,000	58,750	1,233,750
	<u>\$ 13,120,000</u>	<u>\$ 5,506,563</u>	<u>\$ 18,626,563</u>

**E. Changes in Long-Term Liabilities**

The City's long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 41,971,000	\$	\$ 3,218,000	\$ 38,753,000	\$ 3,247,000
Tax Increment Revenue Bonds	43,560,000		1,775,000	41,785,000	1,860,000
Storm Water Revenue Bonds	15,508,776		1,166,066	14,342,710	1,190,392
Hospitality Fee Revenue Bonds	65,235,000		2,600,000	62,635,000	2,720,000
Unamortized Bond Premiums	<u>9,367,411</u>		<u>617,479</u>	<u>8,749,932</u>	
	\$ 175,642,187	\$	\$ 9,376,545	\$ 166,265,642	\$ 9,017,392
Capital Lease Obligations	5,522,356	1,695,703	1,160,665	6,057,394	1,345,358
Unreported Insurance Claims	4,106,057	12,647,079	12,999,689	3,753,447	610,198
Compensated Absences	<u>5,375,104</u>	<u>3,047,536</u>	<u>2,760,911</u>	<u>5,661,729</u>	<u>2,141,889</u>
	<u>\$ 190,645,704</u>	<u>\$ 17,390,318</u>	<u>\$ 26,297,810</u>	<u>\$ 181,738,212</u>	<u>\$ 13,114,837</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(12,705)	(12,705)
Net Pension Liability	<u>97,252,646</u>	
	<u>\$ 278,978,153</u>	<u>\$ 13,102,132</u>

Business-Type Activities:

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Bonds Payable:					
Revenue Bonds	\$ 29,138,193	\$ 4,435	\$ 1,709,569	\$ 27,433,059	\$ 1,758,594
Unamortized Bond Premiums	<u>2,256,983</u>		<u>136,369</u>	<u>2,120,614</u>	
	\$ 31,395,176	\$ 4,435	\$ 1,845,938	\$ 29,553,673	\$ 1,758,594
Capital Lease Obligation		1,209,297		1,209,297	110,659
Compensated Absences	<u>377,054</u>	<u>186,616</u>	<u>201,050</u>	<u>362,620</u>	<u>157,181</u>
	<u>\$ 31,772,230</u>	<u>\$ 1,400,348</u>	<u>\$ 2,046,988</u>	\$ 31,125,590	\$ 2,026,434

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(157,181)	(157,181)
Bonds Payable Included in Liabilities Payable From Restricted Assets	(1,758,594)	(1,758,594)
Net Pension Liability	<u>8,773,184</u>	
	<u>\$ 37,982,999</u>	<u>\$ 110,659</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, internal service funds' compensated absences of \$32,428, capital lease obligations of \$4,143,590, unreported insurance claims of \$3,753,447 and net pension liability of \$912,539 are included in the above amounts.

For governmental activities, compensated absences and pension liabilities are generally liquidated by the General Fund, Convention Center Fund, Victims Advocate Fund, Storm Water Fund and Sports Tourism Fund.

The MBDRC's long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revolving Line of Credit	\$ 1,708,484	\$	\$ 1,059,924	\$ 648,560	\$ 648,560
Compensated Absences	<u>14,553</u>		<u>14,553</u>		
	<u>\$ 1,723,037</u>	<u>\$</u>	<u>\$ 1,074,477</u>	<u>\$ 648,560</u>	<u>\$ 648,560</u>

The MBCCHC's long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 13,475,000	\$	\$ 355,000	\$ 13,120,000	\$ 380,000
Unamortized Bond Premium	<u>1,349,748</u>		<u>80,580</u>	<u>1,269,168</u>	
	<u>\$ 14,824,748</u>	<u>\$</u>	<u>\$ 435,580</u>	\$ 14,389,168	\$ 380,000

Reconciliation to the Government-Wide Statement of Net Position:

Bonds Payable Included in Liabilities Payable From Restricted Assets	(380,000)	(380,000)
	<u>\$ 14,009,168</u>	<u>\$</u>

**F. Pledged Revenues**

The City has pledged certain future revenues to repay specific bonded debt as follows:

Term



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	Pledged Revenue	Purpose	Debt Service Remaining	(Year Ending June 30)
Tax Increment Revenue Bonds	Property Taxes	Construction	\$ 56,101,900	2036
Storm Water Revenue Bonds	Storm Water Fees	Construction	16,254,929	2036
Waterworks and Sewer System Revenue Bonds	Water and Sewer Fees	Construction	34,113,422	2038
Hospitality Fee Revenue Bonds	Hospitality Fee Taxes	Debt Extinguishment and Construction	93,188,281	2039

Current year pledged revenue and the relationship between the current year debt service payments and the pledged revenue for the year ended June 30, 2020 follows:

	Current Year Pledged Revenue	Percentage of Total Revenue Stream	Current Year Principal and Interest Paid	Percentage of Pledged Revenue
Tax Increment Revenue Bonds	\$ 13,032,537	100.00%	\$ 3,603,775	27.65%
Storm Water Revenue Bonds	2,703,711	100.00	1,474,788	54.55
Waterworks and Sewer System Revenue Bonds	31,129,421	100.00	2,788,727	8.96
Hospitality Fee Revenue Bonds	10,019,962	100.00	5,751,351	57.40

**Note 13 - OPERATING LEASES**

The City is the lessor of land under lease arrangements classified as operating leases. The leases expire in 2025. At June 30, 2020, the cost and carrying amount of the land totals \$100,000. Minimum future rentals to be received on the non-cancelable leases as of June 30, 2020 are shown below.

Year Ending June 30, 2021	\$ 320,000
2022	320,000
2023	320,000
2024	320,000
2025	<u>240,000</u>
	<u>\$ 1,520,000</u>

Minimum future rentals do not include contingent rentals that may be received under the land leases. Contingent rentals during the year ended June 30, 2020 amounted to \$2,972,407. In accordance with an agreement entered into on May 5, 2004, the City is required to remit 75% of the proceeds from these leases to Horry County, South Carolina.

The City is the lessor of a baseball stadium facility under a lease agreement, which is classified as an operating lease. The activity of the lease is accounted for in the Baseball Stadium Fund. The lease expires in 2021 and requires annual rental payments equal to 4.0% of adjusted gross revenues in excess of \$3,250,000 on December 31 of each year. During the year ended June 30, 2020, rental income from this lease amounted to \$62,461.

The following is an analysis of the property being leased by the Baseball Stadium Fund at June 30, 2020:

Land	\$ 5,600,000
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Land Improvements	1,311,928
Buildings	9,112,051
Equipment	1,398,498
Accumulated Depreciation	<u>(8,368,240)</u>
	<u>\$ 9,054,237</u>

The City is the lessor of a golf course under a lease agreement, which is classified as an operating lease. The activity of the lease is accounted for in the Municipal Golf Course Fund. The lease expires in 2029 and requires annual rental payments equal to 3.5% of gross revenues, when annual gross revenue exceeds \$1,100,000, on June 30 of each year. During the year ended June 30, 2020, rental income from this lease amounted to \$107,593.

The following is an analysis of the property being leased by the Municipal Golf Course Fund at June 30, 2020:

Land	\$ 10,385,480
Land Improvements	7,793,612
Buildings	369,726
Equipment	377,776
Accumulated Depreciation	<u>(5,504,035)</u>
	<u>\$ 13,422,559</u>

**Note 14 - PENSION PLANS**

**A. Plan Descriptions**

The South Carolina Retirement System (SCRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA). The SCRS was established pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the State and its political subdivisions.

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit pension plan administered by PEBA. The PORS was established pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. The PORS also covers peace officers, coroners, probate judges and magistrates.

PEBA issues a publicly available comprehensive annual financial report that can be obtained at [www.peba.sc.gov](http://www.peba.sc.gov) or by writing to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

**B. Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the membership requirements for the SCRS and the PORS is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member with an effective date of membership on or after July 1, 2012 is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of employment, by election or appointment to preserve public order, protect life and property and detect crimes in the State; to prevent and control property

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destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member with an effective date of membership on or after July 1, 2012 is a Class Three member.

**C. Benefits Provided**

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service and average final compensation/current annual salary. A brief summary of benefit terms for the SCRS and the PORS is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

**D. Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in State statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further

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scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in State statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year period from thirty years beginning fiscal year 2018 to twenty years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least eighty-five percent. If the most recent annual actuarial valuation of the SCRS and PORS for funding purposes shows a ratio of the actuarial value of assets to the actuarial accrued liability (the funded ratio) that is equal to or greater than eighty-five percent, then the Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation shows a funded ratio that is equal to or greater than eighty-five percent.

Required employee contributions rates, as a percentage of earnable compensation, are currently as follows:

	SCRS	PORS
Class Two Member	9.00%	9.75%
Class Three Member	9.00	9.75

Required employer contributions rates, as a percentage of earnable compensation, are currently as follows:

	SCRS	PORS
Class Two Member	15.41%	17.84%
Class Three Member	15.41	17.84
Incidental Death Benefit	0.15	0.20
Accidental Death Benefit	N/A	0.20

The City's contributions to the SCRS and the PORS for the fiscal year ended June 30, 2020 were \$3,881,461 and \$4,935,203, respectively. The contributions made by the City were equal to the required contributions for the year.

**E. Net Pension Liability and Pension Expense**

SCRS - At June 30, 2020, the City reported a liability of \$53,364,866 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the SCRS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 0.233706%, which is an increase of 0.00193% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized SCRS pension expense of \$6,777,798.

PORS - At June 30, 2020, the City reported a liability of \$52,660,964 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net

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pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the PORS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 1.837475%, which is an increase of 0.053869% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized PORS pension expense of \$9,371,211.

The City recognized total pension expense of \$16,149,009 for the year ended June 30, 2020.

**F. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans**

At June 30, 2020, the City reported deferred outflows of resources related to pension plans from the following sources:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Differences Between Expected and Actual Pension Liability Experience	\$ 36,683	\$ 1,082,819	\$ 1,119,502
Changes of Assumptions	1,075,379	2,088,272	3,163,651
Differences Between Projected and Actual Earnings on Plan Investments	1,672,745	2,150,750	3,823,495
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	1,059,752	2,850,650	3,910,402
City Contributions Subsequent to the Measurement Date	<u>3,881,461</u>	<u>4,935,203</u>	<u>8,816,664</u>
	<u>\$ 7,726,020</u>	<u>\$ 13,107,694</u>	<u>\$ 20,833,714</u>

At June 30, 2020, the City reported deferred inflows of resources related to pension plans from the following sources:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Differences Between Expected and Actual Pension Liability Experience	\$ 383,364	\$ 389,203	\$ 772,567
Differences Between Projected and Actual Earnings on Plan Investments	1,200,288	1,483,047	2,683,335
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>7,643</u>	<u>7,643</u>	<u>7,643</u>
	<u>\$ 1,591,295</u>	<u>\$ 1,872,250</u>	<u>\$ 3,463,545</u>

The \$8,816,664 amount reported as deferred outflows of resources related to pension plans resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plans will be recognized in pension expense as follows:

<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
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**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

Year Ended June 30, 2021	\$ 1,915,290	\$ 3,791,576	\$ 5,706,866
2022	(12,108)	1,540,425	1,528,317
2023	166,132	681,513	847,645
2024	<u>183,950</u>	<u>286,727</u>	<u>470,677</u>
	<u>\$ 2,253,264</u>	<u>\$ 6,300,241</u>	<u>\$ 8,553,505</u>

**G. Actuarial Assumptions**

The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	SCRS	PORS
Inflation	2.25%	2.25%
Salary Increases	3.00 - 12.50	3.50 - 9.50
Investment Rate of Return	7.25	7.25

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality Table, was developed using the SCRS's and PORS's mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the twenty-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

	Target Asset Allocation	Expected Arithmetic Real Rate of Return
Global Equity		
Global Public Equity	35.0%	7.29%
Private Equity	9.0	7.67
Equity Options Strategies	7.0	5.23
Real Assets		
Real Estate (Private)	8.0	5.59
Real Estate (REITs)	1.0	8.16
Infrastructure (Private)	2.0	5.03
Infrastructure (Public)	1.0	6.12
Opportunistic		
Global Tactical Asset Allocation	7.0	3.09
Other Opportunistic Strategies	1.0	3.82
Credit		
High Yield Bonds/Bank Loans	4.0	3.14

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

Emerging Markets Debt	4.0	3.31
Private Debt	7.0	5.49
Rate Sensitive		
Core Fixed Income	13.0	1.62
Cash and Short Duration (Net)	1.0	0.31
	100.0%	

**H. Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the SCRS's and the PORS'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.

**I. Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate**

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

	SCRS		
	1.0% Decrease (6.25%)	Current Rate (7.25%)	1.0% Increase (8.25%)
	City's Proportionate Share of the Net Pension Liability	\$ 67,228,564	\$ 53,364,866

	PORS		
	1.0% Decrease (6.25%)	Current Rate (7.25%)	1.0% Increase (8.25%)
	City's Proportionate Share of the Net Pension Liability	\$ 71,368,093	\$ 52,660,964

	Total		
	1.0% Decrease (6.25%)	Current Rate (7.25%)	1.0% Increase (8.25%)
	City's Proportionate Share of the Net Pension Liability	\$ 138,596,657	\$ 106,025,830

**J. SCRS and PORS Fiduciary Net Position**

Detailed information about the SCRS's and the PORS's fiduciary net position is available in the separately issued

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

comprehensive annual financial report.

**Note 15 - POSTEMPLOYMENT HEALTH CARE PLAN**

The City retiree health care plan is a defined contribution OPEB plan administered by Planned Administrators, Inc. The plan provides eligible retirees with a health reimbursement account which can be used to fund medical and dental costs. An eligible retiree has completed at least twenty years of service as an employee of the City and is receiving benefits from the South Carolina Retirement System. Benefit provisions are established and may be amended by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The City is required to annually contribute an amount which will provide each employee with a \$100,000 health reimbursement account after twenty years of service as an employee of the City. Plan members are not required to contribute to the plan. The contribution requirements of plan members and the City are established and may be amended by City Council.

The City's OPEB expense for the year ended June 30, 2020 was \$2,490,188, net of forfeitures totaling \$0. During the year ended June 30, 2020, the City paid \$1,411,882 for OPEB as benefits came due. At June 30, 2020, the City's OPEB liability amounted to \$20,810,986.

**Note 16 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established the Self Insurance Fund, an internal service fund, to account for and finance its uninsured risks of loss for worker's compensation, general liability and property damage. Under this program, the Self Insurance Fund provides coverage for up to a maximum of \$400,000 for each worker's compensation claim, \$250,000 for each general liability claim and \$25,000 for each property damage claim. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

The Self Insurance Fund allocates the costs of providing claims servicing and claims payment to other funds by charging them a "premium" based on estimates of the amounts needed to pay prior and current claims. At June 30, 2020, the Self Insurance Fund has a claim liability of \$3,143,249. The liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A summary of changes in the Self Insurance Fund's claims liability during the years ended June 30, 2020 and 2019 follows:

	2020	2019
Beginning Balance	\$ 3,505,722	\$ 3,418,735
Claims Incurred and Change in Estimate	1,885,063	2,204,585
Claim Payments	(2,247,536)	(2,117,598)
Ending Balance	\$ 3,143,249	\$ 3,505,722

The City established the Health Insurance Fund, an internal service fund, to account for and finance employee medical claims. The Health Insurance Fund provides coverage for claims up to \$100,000 per employee per year. The City purchases commercial insurance for claims in excess of \$100,000. Settled claims have not exceeded the City's commercial coverage in any of the past three years.



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

The Health Insurance Fund allocates the costs of providing claims servicing and claims payment to other funds by charging them a “premium” based on estimates of the amounts needed to pay prior and current claims. At June 30, 2020, the Health Insurance Fund has a claim liability of \$610,198, which is based on the requirements of Governmental Accounting Standards Board Statement No. 10. A summary of changes in the Health Insurance Fund’s claims liability during the years ended June 30, 2020 and 2019 follows:

	2020	2019
Beginning Balance	\$ 600,335	\$ 690,605
Claims Incurred and Change in Estimate	10,762,016	9,435,410
Claim Payments	<u>(10,752,153)</u>	<u>(9,525,680)</u>
Ending Balance	<u>\$ 610,198</u>	<u>\$ 600,335</u>

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

**Note 17 - COMMITMENTS**

In accordance with a water and wastewater service agreement dated June 30, 2006, the City is purchasing wholesale water and wastewater treatment service from Grand Strand Water and Sewer Authority. The agreement requires the City to pay a monthly volumetric service charge. During the year ended June 30, 2020, water and wastewater treatment service charges totaled \$14,778,214.

Prior to June 30, 2020, the City entered into various construction contracts. The approximate costs of the contracts were \$5,769,000 of which roughly \$2,516,000 has been incurred as of year-end.

**Note 18 - CONTINGENCIES**

The City is a defendant in various lawsuits. The outcome of the lawsuits is not presently determinable; however, the City does not believe the settlement of these matters will have a material effect on the financial condition of the City.

**Note 19 - SUBSEQUENT EVENTS**

Subsequent to June 30, 2020, the City issued \$5,500,000 of general obligation bonds. The interest rate on the bonds is 2.27% and the final maturity date is March 1, 2040.

Subsequent to June 30, 2020, the City issued \$14,213,000 of refunding general obligation bonds. The interest rate on the bonds is 1.23% and the final maturity date is March 1, 2031.

Subsequent to June 30, 2020, the City issued \$6,984,000 of refunding general obligation bonds. The interest rate on the bonds is 1.36% and the final maturity date is March 1, 2031.

Subsequent to June 30, 2020, the City issued \$5,881,000 of refunding general obligation bonds. The interest rate on the bonds is 1.75% and the final maturity date is March 1, 2032.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE SCRS NET PENSION LIABILITY  
Last Seven Fiscal Years**

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability (NPL)</u>	<u>City's Proportionate Share of the NPL</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the NPL as a % of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
6/30/20	0.233706 %	\$ 53,364,866	\$ 24,679,265	216.23 %	54.40 %
6/30/19	0.231776	51,933,594	23,979,867	216.57	54.10
6/30/18	0.224852	50,617,801	22,658,685	223.39	53.34
6/30/17	0.224973	48,053,900	21,785,588	220.58	52.91
6/30/16	0.218921	41,519,423	20,527,897	202.26	56.99
6/30/15	0.222439	38,296,621	20,200,850	189.58	59.92
6/30/14	0.222439	39,897,622	19,805,654	201.45	56.39

**Note:** This schedule is intended to present information for ten years. The additional years' information will be presented as it becomes available.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE PORS NET PENSION LIABILITY  
Last Seven Fiscal Years**

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability (NPL)</u>	<u>City's Proportionate Share of the NPL</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the NPL as a % of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
6/30/20	1.837475 % \$	52,660,964	\$ 26,642,593	197.66 %	62.69 %
6/30/19	1.783606	50,539,229	24,674,606	204.82	61.73
6/30/18	1.691850	46,349,287	22,781,426	203.45	60.94
6/30/17	1.650090	41,854,141	21,036,463	198.96	60.44
6/30/16	1.535500	33,466,167	19,022,717	175.93	64.57
6/30/15	1.531860	29,326,348	18,421,173	159.20	67.55
6/30/14	1.531860	31,755,037	18,463,306	171.99	62.98

**Note:** This schedule is intended to present information for ten years. The additional years' information will be presented as it becomes available.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF CITY CONTRIBUTIONS TO THE SCRS**  
**Last Seven Fiscal Years**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
6/30/20	\$ 3,881,461	\$ 3,881,461	\$ 0	\$ 24,945,115	15.56 %
6/30/19	3,593,301	3,593,301	0	24,679,265	14.56
6/30/18	3,251,670	3,251,670	0	23,979,867	13.56
6/30/17	2,619,344	2,619,344	0	22,658,685	11.56
6/30/16	2,409,486	2,409,486	0	21,785,588	11.06
6/30/15	2,237,541	2,237,541	0	20,527,897	10.90
6/30/14	2,141,290	2,141,290	0	20,200,850	10.60

**Note:** This schedule is intended to present information for ten years. The additional years' information will be presented as it becomes available.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF CITY CONTRIBUTIONS TO THE PORS**  
**Last Seven Fiscal Years**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
6/30/20	\$ 4,935,203	\$ 4,935,203	\$ 0	\$ 27,057,033	18.24 %
6/30/19	4,593,183	4,593,183	0	26,642,593	17.24
6/30/18	4,007,156	4,007,156	0	24,674,606	16.24
6/30/17	3,244,075	3,244,075	0	22,781,426	14.24
6/30/16	2,890,410	2,890,410	0	21,036,463	13.74
6/30/15	2,550,946	2,550,946	0	19,022,717	13.41
6/30/14	2,365,279	2,365,279	0	18,421,173	12.84

**Note:** This schedule is intended to present information for ten years. The additional years' information will be presented as it becomes available.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 24,892,000	\$ 24,892,000	\$ 24,519,589	\$ (372,411)
Licenses and Permits	33,692,000	33,692,000	31,166,162	(2,525,838)
Fines and Forfeitures	1,027,000	1,027,000	859,106	(167,894)
Intergovernmental	3,779,700	4,539,027	4,676,526	137,499
Charges for Services	2,983,600	2,993,600	2,486,935	(506,665)
Miscellaneous	3,881,900	3,881,932	3,885,366	3,434
Total Revenues	<u>\$ 70,256,200</u>	<u>\$ 71,025,559</u>	<u>\$ 67,593,684</u>	<u>\$ (3,431,875)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 12,453,807	\$ 13,538,268	\$ 12,910,980	\$ 627,288
Public Safety	51,758,021	52,458,248	48,410,456	4,047,792
Transportation	4,961,976	4,961,976	4,300,454	661,522
Community and Economic Development	3,233,976	4,274,182	3,974,975	299,207
Parks, Recreation and Sports Tourism	8,400,734	8,625,303	7,429,759	1,195,544
Public Works	9,289,567	8,079,909	7,084,215	995,694
Capital Outlay	493,493	493,493	290,250	203,243
Total Expenditures	<u>\$ 90,591,574</u>	<u>\$ 92,431,379</u>	<u>\$ 84,401,089</u>	<u>\$ 8,030,290</u>
Deficiency of Revenues Under Expenditures	<u>\$ (20,335,374)</u>	<u>\$ (21,405,820)</u>	<u>\$ (16,807,405)</u>	<u>\$ 4,598,415</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 20,522,174	\$ 20,522,174	\$ 16,839,853	\$ (3,682,321)
Transfers Out	(144,595)	(144,595)	(169,932)	(25,337)
Sale of Capital Assets		160,000	166,893	6,893
Total Other Financing Sources (Uses)	<u>\$ 20,377,579</u>	<u>\$ 20,537,579</u>	<u>\$ 16,836,814</u>	<u>\$ (3,700,765)</u>
<b>Net Change in Fund Balances</b>	\$ 42,205	\$ (868,241)	\$ 29,409	\$ 897,650
<b>Fund Balances - Beginning</b>	<u>13,553,918</u>	<u>13,553,918</u>	<u>13,553,918</u>	
<b>Fund Balances - Ending</b>	<u>\$ 13,596,123</u>	<u>\$ 12,685,677</u>	<u>\$ 13,583,327</u>	<u>\$ 897,650</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**CONVENTION CENTER FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 4,320,000	\$ 4,884,096	\$ 2,506,266	\$ (2,377,830)
Miscellaneous	2,310,000	2,310,000	2,613,298	303,298
Total Revenues	<u>\$ 6,630,000</u>	<u>\$ 7,194,096</u>	<u>\$ 5,119,564</u>	<u>\$ (2,074,532)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 561,011	\$ 561,011	\$ 674,542	\$ (113,531)
Parks, Recreation and Sports Tourism	6,564,895	6,564,895	5,361,085	1,203,810
Capital Outlay	264,000	879,703	867,186	12,517
Total Expenditures	<u>\$ 7,389,906</u>	<u>\$ 8,005,609</u>	<u>\$ 6,902,813</u>	<u>\$ 1,102,796</u>
Deficiency of Revenues Under Expenditures	<u>\$ (759,906)</u>	<u>\$ (811,513)</u>	<u>\$ (1,783,249)</u>	<u>\$ (971,736)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 704,000	\$ 704,000	\$ 2,244,624	\$ 1,540,624
Transfers Out	(668,500)	(668,500)	(668,500)	
Capital Lease Obligation		615,703	615,703	
Total Other Financing Sources (Uses)	<u>\$ 35,500</u>	<u>\$ 651,203</u>	<u>\$ 2,191,827</u>	<u>\$ 1,540,624</u>
<b>Net Change in Fund Balances</b>	<u>\$ (724,406)</u>	<u>\$ (160,310)</u>	<u>\$ 408,578</u>	<u>\$ 568,888</u>
<b>Fund Balances (Deficit) - Beginning</b>	<u>(108,500)</u>	<u>(108,500)</u>	<u>(108,500)</u>	
<b>Fund Balances (Deficit) - Ending</b>	<u><u>\$ (832,906)</u></u>	<u><u>\$ (268,810)</u></u>	<u><u>\$ 300,078</u></u>	<u><u>\$ 568,888</u></u>



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**LOCAL OPTION TOURISM FEE FUND**  
**Year Ended June 30, 2020**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Local Option Tourism Taxes	\$ 29,707,500	\$ 28,846,468	\$ (861,032)
Miscellaneous	95,000	116,318	21,318
Total Revenues	<u>\$ 29,802,500</u>	<u>\$ 28,962,786</u>	<u>\$ (839,714)</u>
<b>EXPENDITURES</b>			
Current:			
Community and Economic Development	<u>\$ 23,766,000</u>	<u>\$ 23,159,267</u>	<u>\$ 606,733</u>
Excess of Revenues Over Expenditures	\$ 6,036,500	\$ 5,803,519	\$ (232,981)
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(5,397,730)</u>	<u>(5,803,519)</u>	<u>(405,789)</u>
<b>Net Change in Fund Balance</b>	\$ 638,770	\$	\$ (638,770)
<b>Fund Balance - Beginning</b>	<u>1,010</u>	<u>1,010</u>	
<b>Fund Balance - Ending</b>	<u><u>\$ 639,780</u></u>	<u><u>\$ 1,010</u></u>	<u><u>\$ (638,770)</u></u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**AIR BASE TAX INCREMENT REVENUE FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 11,214,000	\$ 12,821,195	\$ 12,821,195	\$
Miscellaneous	75,000	285,095	285,095	
Total Revenues	<u>\$ 11,289,000</u>	<u>\$ 13,106,290</u>	<u>\$ 13,106,290</u>	<u>\$</u>
<b>EXPENDITURES</b>				
Current:				
Community and Economic Development	\$ 3,200,000	\$ 4,629,791	\$ 5,159,558	\$ (529,767)
Capital Outlay	525,000	525,000		525,000
Debt Service:				
Principal	1,425,000	1,425,000	1,425,000	
Interest and Fiscal Charges	1,540,425	1,540,425	1,535,658	4,767
Total Expenditures	<u>\$ 6,690,425</u>	<u>\$ 8,120,216</u>	<u>\$ 8,120,216</u>	<u>\$</u>
Excess of Revenues Over Expenditures	\$ 4,598,575	\$ 4,986,074	\$ 4,986,074	\$
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(1,829,709)</u>	<u>(2,363,910)</u>	<u>(2,363,910)</u>	<u></u>
<b>Net Change in Fund Balances</b>	\$ 2,768,866	\$ 2,622,164	\$ 2,622,164	\$
<b>Fund Balances - Beginning</b>	<u>22,051,234</u>	<u>22,051,234</u>	<u>22,051,234</u>	<u></u>
<b>Fund Balances - Ending</b>	<u><u>\$ 24,820,100</u></u>	<u><u>\$ 24,673,398</u></u>	<u><u>\$ 24,673,398</u></u>	<u><u>\$</u></u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

**Note 1 - BUDGETS AND BUDGETARY ACCOUNTING**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30th, the budget is legally enacted through passage of an ordinance.
4. The Chief Financial Officer, as designee of the City Manager, is authorized to transfer budgeted amounts between departments; however, revisions that alter the total expenditures of any fund must be approved by the City Council. Thus, the legal level of control is at the fund level.
5. The City employs formal budgetary integration as a management control device during the year and generally adopts an annual appropriated budget for all funds other than fiduciary funds. The budgets are adopted annually on a basis consistent with generally accepted accounting principles. For the year ended June 30, 2020, there was no budget adopted for the internal service funds.
6. All annual appropriations lapse at year-end. Unexpended appropriations for construction projects in the capital projects fund are reappropriated in the subsequent year.

**Note 2 - SUPPLEMENTAL APPROPRIATIONS**

The legal level of budget control is at the fund level. Thus, expenditures may not legally exceed appropriations, including supplemental appropriations, for an individual fund. For the year ended June 30, 2020, expenditures did not exceed appropriations for any of the City's individual funds. Supplemental funds were appropriated for expenditures during the year ended June 30, 2020 as follows:

General Fund	\$ 1,839,805
Convention Center Fund	615,703
Air Base Tax Increment Revenue Fund	1,963,992
Capital Improvements Fund	28,840,823
Water and Sewer Fund	752,835
Baseball Stadium Fund	9,533,997
Municipal Golf Course Fund	13,698,174
Solid Waste Management Fund	36,500
Nonmajor Governmental Funds:	
Community Development Block Grant Fund	254,229
Storm Water Fund	80,000
Sports Tourism Fund	101,856
Downtown Development Fund	38,297
Local Accommodations Tax (New) Fund	4,437,853
Hospitality Tax Fund	40,624
Debt Service Fund	638,868

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



*First in Service*

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes and the revenue serves as the foundation of the fund.

**Accommodations Tax Fund** - This fund is used to account for additional sales taxes collected on rentals of transient accommodations for the purpose of tourism related expenditures.

**Public Facilities Corporation Fund** - This fund is used to accumulate funds from the lease of the expanded convention center to the City and from interest earnings of those funds for the purpose of supporting and funding the debt service payments on the certificates of participation issued to fund the construction.

**Community Development Block Grant Fund** - This fund is used to accumulate funds from federal grants and other sources to be used for community development projects.

**Victims Advocate Fund** - This fund is used to account for the additional police fines levied as a result of a State mandated program instituted for the purpose of assisting and protecting the victims and witnesses of crimes.

**Local Accommodations Tax Fund** - This fund is used to account for additional 0.5% sales taxes collected on rentals of transient accommodations for the purpose of tourism related expenditures.

**Storm Water Fund** - This fund is used to account for the fee charged to all developed sites within the corporate limits of the City for the purpose of funding such projects and activities which will protect, maintain and enhance health, safety and the general welfare of the citizens of the City; to decrease degradation of the beaches; to prevent damage to property from improper drainage and flooding; and to protect drinking water supplies.

**Ocean Front Tax Increment Revenue Fund** - This fund is used to accumulate taxes collected within the tax increment district to be used for community development within the district.

**Hospitality Fee Fund** - This fund is used to account for a 1.0% fee imposed on accommodations, paid places of amusement and food and beverages served by a food facility for the purpose of tourism related expenditures.

**Sports Tourism Fund** - This fund is used to accumulate funds from the Myrtle Beach Sports Center and the City's Sports Tourism Division for the purpose of tourism related expenditures.

**Downtown Development Fund** - This fund is used to accumulate funds from development of the Downtown Development/Arts and Innovation district to be utilized for projects that enhance the City's infrastructure and image and promote tourism and economic development.

**Workforce Housing Fund** - This fund is used to account for a 0.25% building permit fee imposed on construction values in excess of \$100,000 for the purpose of funding projects to support and develop workforce housing.

**Local Accommodations Tax (New) Fund** - This fund is used to account for additional 2.5% sales taxes collected on rentals of transient accommodations for the purpose of tourism related expenditures.

**Hospitality Tax Fund** - This fund is used to account for a 1.0% fee imposed on paid places of amusement and food and beverages served by a food facility for the purpose of tourism related expenditures.

**Baseball Stadium Fund** - This fund is used to accumulate funds from the Baseball Stadium for the purpose of recreational tourism related expenditures.

**Municipal Golf Course Fund** - This fund is used to accumulate funds from the Whispering Pines Golf Course for the purpose of recreational tourism related expenditures.

## Debt Service Fund

The **Debt Service Fund** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020**

ASSETS	Special Revenue Funds					
	Accommodations Tax	Public Facilities Corporation	Community Development Block Grant	Victims Advocate	Local Accommodations Tax	Storm Water
	Cash and Temporary Investments	\$ 37,500	\$ 4,144	\$ 298,724	\$ 9,882	\$
Receivables (Net):						
Property Taxes						
Local Accommodations Taxes					350,534	
Hospitality Fee Taxes						
Storm Water Fees						100,066
Accounts						
Intergovernmental	1,929,742		64,550			
Loans			192,685			
Due From Other Funds						1,130,138
Inventories						
Prepaid Assets						
Restricted Cash and Temporary Investments						2,817,756
<b>Total Assets</b>	<b>\$ 1,967,242</b>	<b>\$ 4,144</b>	<b>\$ 555,959</b>	<b>\$ 9,882</b>	<b>\$ 350,534</b>	<b>\$ 7,317,640</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable and Accrued						
Expenditures	\$ 289,461	\$	\$	\$ 9,882	\$	\$ 121,980
Due to Other Funds	1,537,186				348,138	
Payable From Restricted Assets:						
Refundable Deposits						
Other						
Unearned Revenue						534,696
<b>Total Liabilities</b>	<b>\$ 1,826,647</b>	<b>\$</b>	<b>\$</b>	<b>\$ 9,882</b>	<b>\$ 348,138</b>	<b>\$ 656,676</b>
Deferred Inflows of Resources:						
Unavailable Revenue	\$	\$	\$	\$	\$ 2,107	\$
Fund Balances:						
Nonspendable:						
Inventories	\$	\$	\$	\$	\$	\$
Prepaid Assets						
Restricted for:						
Community Development		4,144	555,959			4,377,904
Debt Service						1,883,060
Tourism Promotion and Support	140,595				289	400,000
Renewal and Replacement						
<b>Total Fund Balances</b>	<b>\$ 140,595</b>	<b>\$ 4,144</b>	<b>\$ 555,959</b>	<b>\$</b>	<b>\$ 289</b>	<b>\$ 6,660,964</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,967,242</b>	<b>\$ 4,144</b>	<b>\$ 555,959</b>	<b>\$ 9,882</b>	<b>\$ 350,534</b>	<b>\$ 7,317,640</b>

Special Revenue Funds

Ocean Front Tax Increment Revenue	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Hospitality Tax	Baseball Stadium
\$ 41,152	\$ 457,803	\$ 325,090	\$ 184,058	\$ 484,297	\$ 5,652,844	\$ 4,206,359	\$ 63,939
35,050					1,046,386		
	1,387,544					612,616	
		148,166					62,461
							114,038
		13,533					
		22,328					
							302,200
<u>\$ 76,202</u>	<u>\$ 1,845,347</u>	<u>\$ 509,117</u>	<u>\$ 184,058</u>	<u>\$ 484,297</u>	<u>\$ 6,699,230</u>	<u>\$ 4,818,975</u>	<u>\$ 542,638</u>
\$	\$ 7,881	\$ 258,339	\$	\$	\$ 206	\$ 1,398	\$ 2,115
	400,000						
							2,200
							90,000
		150,453					
<u>\$</u>	<u>\$ 407,881</u>	<u>\$ 408,792</u>	<u>\$</u>	<u>\$</u>	<u>\$ 206</u>	<u>\$ 1,398</u>	<u>\$ 94,315</u>
<u>\$ 31,763</u>	<u>\$ 48,902</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,181</u>	<u>\$ 27,582</u>	<u>\$ 62,461</u>
\$	\$	\$ 13,533	\$	\$	\$	\$	\$
		22,328					
44,439				484,297			
	1,388,564	64,464	184,058		6,697,843	4,789,995	175,862
							210,000
<u>\$ 44,439</u>	<u>\$ 1,388,564</u>	<u>\$ 100,325</u>	<u>\$ 184,058</u>	<u>\$ 484,297</u>	<u>\$ 6,697,843</u>	<u>\$ 4,789,995</u>	<u>\$ 385,862</u>
<u>\$ 76,202</u>	<u>\$ 1,845,347</u>	<u>\$ 509,117</u>	<u>\$ 184,058</u>	<u>\$ 484,297</u>	<u>\$ 6,699,230</u>	<u>\$ 4,818,975</u>	<u>\$ 542,638</u>

(Continued)



**C-1 (Continued)**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Municipal Golf Course	Total		
<b>ASSETS</b>				
Cash and Temporary Investments	\$	\$ 15,035,472	\$ 2,374,590	\$ 17,410,062
Receivables (Net):				
Property Taxes		35,050		35,050
Local Accommodations Taxes		1,396,920		1,396,920
Hospitality Fee Taxes		2,000,160		2,000,160
Storm Water Fees		100,066		100,066
Accounts	107,593	318,220		318,220
Intergovernmental		2,108,330		2,108,330
Loans		192,685		192,685
Due From Other Funds	336	1,130,474	108,834	1,239,308
Inventories		13,533		13,533
Prepaid Assets		22,328		22,328
Restricted Cash and Temporary Investments		3,119,956		3,119,956
<b>Total Assets</b>	<b>\$</b>	<b>\$ 107,929</b>	<b>\$ 2,483,424</b>	<b>\$ 27,956,618</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable and Accrued				
Expenditures	\$ 269	\$ 691,531		\$ 691,531
Due to Other Funds		2,285,324		2,285,324
Payable From Restricted Assets:				
Refundable Deposits		2,200		2,200
Other		90,000		90,000
Unearned Revenue		685,149		685,149
<b>Total Liabilities</b>	<b>\$ 269</b>	<b>\$ 3,754,204</b>		<b>\$ 3,754,204</b>
Deferred Inflows of Resources:				
Unavailable Revenue	\$	\$ 173,996	\$	\$ 173,996
Fund Balances:				
Nonspendable:				
Inventories	\$	\$ 13,533	\$	\$ 13,533
Prepaid Assets		22,328		22,328
Restricted for:				
Community Development		5,466,743		5,466,743
Debt Service		1,883,060	2,483,424	4,366,484
Tourism Promotion and Support	107,660	13,949,330		13,949,330
Renewal and Replacement		210,000		210,000
<b>Total Fund Balances</b>	<b>\$ 107,660</b>	<b>\$ 21,544,994</b>	<b>\$ 2,483,424</b>	<b>\$ 24,028,418</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$</b>	<b>\$ 107,929</b>	<b>\$ 2,483,424</b>	<b>\$ 27,956,618</b>



*First in Service*

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2020**

	Special Revenue Funds					
	Accommodations	Public	Community		Local	
	Tax	Facilities Corporation	Development Block Grant	Victims Advocate	Accommodations Tax	Storm Water
<b>REVENUES</b>						
Property Taxes	\$	\$	\$	\$	\$	\$
Local Accommodations Taxes					2,247,765	
Hospitality Fee Taxes						
Storm Water Fees						2,703,711
Licenses and Permits						
Fines and Forfeitures				89,570		
Intergovernmental	8,876,513		701,760			744,600
Charges for Services						
Miscellaneous	8,060	19				41,138
Total Revenues	<u>\$ 8,884,573</u>	<u>\$ 19</u>	<u>\$ 701,760</u>	<u>\$ 89,570</u>	<u>\$ 2,247,765</u>	<u>\$ 3,489,449</u>
<b>EXPENDITURES</b>						
Current:						
General Government	\$	\$	\$	\$ 266,020	\$ 655	\$ 534,073
Transportation						3,029,220
Community and Economic Development	1,888,352		163,954			
Parks, Recreation and Sports Tourism						
Capital Outlay			540,275			654,533
Debt Service:						
Principal						1,166,066
Interest and Fiscal Charges						313,286
Total Expenditures	<u>\$ 1,888,352</u>	<u>\$</u>	<u>\$ 704,229</u>	<u>\$ 266,020</u>	<u>\$ 655</u>	<u>\$ 5,697,178</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>\$ 6,996,221</u>	<u>\$ 19</u>	<u>\$ (2,469)</u>	<u>\$ (176,450)</u>	<u>\$ 2,247,110</u>	<u>\$ (2,207,729)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	\$	\$	\$	\$ 169,932	\$	\$ 1,968,042
Transfers Out	(6,958,721)				(2,063,662)	
Sale of Capital Assets						
Total Other Financing Sources (Uses)	<u>\$ (6,958,721)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 169,932</u>	<u>\$ (2,063,662)</u>	<u>\$ 1,968,042</u>
<b>Net Change in Fund Balances</b>	<u>\$ 37,500</u>	<u>\$ 19</u>	<u>\$ (2,469)</u>	<u>\$ (6,518)</u>	<u>\$ 183,448</u>	<u>\$ (239,687)</u>
<b>Fund Balances (Deficit) - Beginning</b>	<u>103,095</u>	<u>4,125</u>	<u>558,428</u>	<u>6,518</u>	<u>(183,159)</u>	<u>6,900,651</u>
<b>Fund Balances - Ending</b>	<u>\$ 140,595</u>	<u>\$ 4,144</u>	<u>\$ 555,959</u>	<u>\$</u>	<u>\$ 289</u>	<u>\$ 6,660,964</u>

Special Revenue Funds

Ocean Front Tax Increment Revenue	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Hospitality Tax	Baseball Stadium
\$ 211,342	\$	\$	\$	\$	\$	\$	\$
	10,019,962				6,682,363	4,780,867	
				433,777			
		1,414,994					19,632
439	7,563		498	883	15,480	9,128	539
<u>\$ 211,781</u>	<u>\$ 10,027,525</u>	<u>\$ 1,414,994</u>	<u>\$ 498</u>	<u>\$ 434,660</u>	<u>\$ 6,697,843</u>	<u>\$ 4,789,995</u>	<u>\$ 20,171</u>
\$	\$	\$	\$	\$	\$	\$	\$
			38,297				
		3,101,975					274,377
		101,856					26,452
350,000	2,600,000						
298,000	3,157,956						
<u>\$ 648,000</u>	<u>\$ 5,757,956</u>	<u>\$ 3,203,831</u>	<u>\$ 38,297</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 300,829</u>
<u>\$ (436,219)</u>	<u>\$ 4,269,569</u>	<u>\$ (1,788,837)</u>	<u>\$ (37,799)</u>	<u>\$ 434,660</u>	<u>\$ 6,697,843</u>	<u>\$ 4,789,995</u>	<u>\$ (280,658)</u>
\$ 331,000	\$	\$ 2,446,507	\$	\$	\$ 5,492,853	\$ 1,540,624	\$ 666,520
	(3,126,000)				(5,492,853)	(1,540,624)	
			160,887				
<u>\$ 331,000</u>	<u>\$ (3,126,000)</u>	<u>\$ 2,446,507</u>	<u>\$ 160,887</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 666,520</u>
\$ (105,219)	\$ 1,143,569	\$ 657,670	\$ 123,088	\$ 434,660	\$ 6,697,843	\$ 4,789,995	\$ 385,862
149,658	244,995	(557,345)	60,970	49,637			
<u>\$ 44,439</u>	<u>\$ 1,388,564</u>	<u>\$ 100,325</u>	<u>\$ 184,058</u>	<u>\$ 484,297</u>	<u>\$ 6,697,843</u>	<u>\$ 4,789,995</u>	<u>\$ 385,862</u>

(Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2020**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Municipal	Total	Debt Service	
	Golf Course		Fund	
<b>REVENUES</b>				
Property Taxes	\$	\$ 211,342	\$ 1,999,001	\$ 2,210,343
Local Accommodations Taxes		8,930,128		8,930,128
Hospitality Fee Taxes		14,800,829		14,800,829
Storm Water Fees		2,703,711		2,703,711
Licenses and Permits		433,777		433,777
Fines and Forfeitures		89,570		89,570
Intergovernmental		10,322,873		10,322,873
Charges for Services	84,893	1,519,519		1,519,519
Miscellaneous	22,700	106,447	12,812	119,259
Total Revenues	<u>\$ 107,593</u>	<u>\$ 39,118,196</u>	<u>\$ 2,011,813</u>	<u>\$ 41,130,009</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$	\$ 800,748	\$ 186,234	\$ 986,982
Transportation		3,029,220		3,029,220
Community and Economic Development		2,090,603		2,090,603
Parks, Recreation and Sports Tourism	56,071	3,432,423		3,432,423
Capital Outlay	12,393	1,335,509		1,335,509
Debt Service:				
Principal		4,116,066	3,706,344	7,822,410
Interest and Fiscal Charges		3,769,242	1,307,993	5,077,235
Total Expenditures	<u>\$ 68,464</u>	<u>\$ 18,573,811</u>	<u>\$ 5,200,571</u>	<u>\$ 23,774,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 39,129</u>	<u>\$ 20,544,385</u>	<u>\$ (3,188,758)</u>	<u>\$ 17,355,627</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 68,531	\$ 12,684,009	\$ 1,975,367	\$ 14,659,376
Transfers Out		(19,181,860)		(19,181,860)
Sale of Capital Assets		160,887		160,887
Total Other Financing Sources (Uses)	<u>\$ 68,531</u>	<u>\$ (6,336,964)</u>	<u>\$ 1,975,367</u>	<u>\$ (4,361,597)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 107,660</u>	<u>\$ 14,207,421</u>	<u>\$ (1,213,391)</u>	<u>\$ 12,994,030</u>
<b>Fund Balances (Deficit) - Beginning</b>		<u>7,337,573</u>	<u>3,696,815</u>	<u>11,034,388</u>
<b>Fund Balances - Ending</b>	<u>\$ 107,660</u>	<u>\$ 21,544,994</u>	<u>\$ 2,483,424</u>	<u>\$ 24,028,418</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**ACCOMMODATIONS TAX FUND**  
**Year Ended June 30, 2020**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 10,600,000	\$ 8,876,513	\$ (1,723,487)
Miscellaneous	160,000	8,060	(151,940)
Total Revenues	<u>\$ 10,760,000</u>	<u>\$ 8,884,573</u>	<u>\$ (1,875,427)</u>
 <b>EXPENDITURES</b>			
Current:			
Community and Economic Development	<u>\$ 2,396,250</u>	<u>\$ 1,888,352</u>	<u>\$ 507,898</u>
Excess of Revenues Over Expenditures	\$ 8,363,750	\$ 6,996,221	\$ (1,367,529)
 <b>OTHER FINANCING USES</b>			
Transfers Out	<u>(8,363,750)</u>	<u>(6,958,721)</u>	<u>1,405,029</u>
 <b>Net Change in Fund Balance</b>	\$	\$ 37,500	\$ 37,500
 <b>Fund Balance - Beginning</b>	<u>103,095</u>	<u>103,095</u>	
 <b>Fund Balance - Ending</b>	<u>\$ 103,095</u>	<u>\$ 140,595</u>	<u>\$ 37,500</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**PUBLIC FACILITIES CORPORATION FUND**  
**Year Ended June 30, 2020**

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ _____	\$ _____ 19	\$ _____ 19
<b>Net Change in Fund Balance</b>	\$ _____	\$ _____ 19	\$ _____ 19
<b>Fund Balance - Beginning</b>	_____ 4,125	_____ 4,125	_____
<b>Fund Balance - Ending</b>	\$ _____ 4,125	\$ _____ 4,144	\$ _____ 19

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 450,000	\$ 701,760	\$ 701,760	\$
<b>EXPENDITURES</b>				
Current:				
Community and Economic Development	\$ 450,000	\$ 163,954	\$ 163,954	\$
Capital Outlay		540,275	540,275	
Total Expenditures	\$ 450,000	\$ 704,229	\$ 704,229	\$
<b>Net Change in Fund Balance</b>	\$	\$ (2,469)	\$ (2,469)	\$
<b>Fund Balance - Beginning</b>	558,428	558,428	558,428	
<b>Fund Balance - Ending</b>	\$ 558,428	\$ 555,959	\$ 555,959	\$



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**VICTIMS ADVOCATE FUND**  
**Year Ended June 30, 2020**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Fines and Forfeitures	\$ 125,000	\$ 89,570	\$ (35,430)
<b>EXPENDITURES</b>			
Current:			
General Government	\$ 269,595	\$ 266,020	\$ 3,575
Deficiency of Revenues Under Expenditures	\$ (144,595)	\$ (176,450)	\$ (31,855)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>144,595</u>	<u>169,932</u>	<u>25,337</u>
<b>Net Change in Fund Balance</b>	\$	\$ (6,518)	\$ (6,518)
<b>Fund Balance - Beginning</b>	<u>6,518</u>	<u>6,518</u>	
<b>Fund Balance - Ending</b>	<u>\$ 6,518</u>	<u>\$</u>	<u>\$ (6,518)</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**LOCAL ACCOMMODATIONS TAX FUND**  
**Year Ended June 30, 2020**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Local Accommodations Taxes	\$ 2,781,450	\$ 2,247,765	\$ (533,685)
Miscellaneous	2,500		(2,500)
Total Revenues	<u>\$ 2,783,950</u>	<u>\$ 2,247,765</u>	<u>\$ (536,185)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	<u>\$</u>	<u>\$ 655</u>	<u>\$ (655)</u>
Excess of Revenues Over Expenditures	\$ 2,783,950	\$ 2,247,110	\$ (536,840)
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(2,202,800)</u>	<u>(2,063,662)</u>	<u>139,138</u>
<b>Net Change in Fund Balance</b>	\$ 581,150	\$ 183,448	\$ (397,702)
<b>Fund Balance (Deficit) - Beginning</b>	<u>(183,159)</u>	<u>(183,159)</u>	
<b>Fund Balance - Ending</b>	<u>\$ 397,991</u>	<u>\$ 289</u>	<u>\$ (397,702)</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**STORM WATER FUND**  
**Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Storm Water Fees	\$ 2,624,000	\$ 2,624,000	\$ 2,703,711	\$ 79,711
Intergovernmental			744,600	744,600
Miscellaneous	16,000	96,000	41,138	(54,862)
Total Revenues	<u>\$ 2,640,000</u>	<u>\$ 2,720,000</u>	<u>\$ 3,489,449</u>	<u>\$ 769,449</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 542,693	\$ 542,693	\$ 534,073	\$ 8,620
Transportation	2,391,080	3,029,220	3,029,220	
Capital Outlay	2,752,500	2,194,360	654,533	1,539,827
Debt Service:				
Principal	1,166,068	1,166,068	1,166,066	2
Interest and Fiscal Charges	313,224	313,224	313,286	(62)
Total Expenditures	<u>\$ 7,165,565</u>	<u>\$ 7,245,565</u>	<u>\$ 5,697,178</u>	<u>\$ 1,548,387</u>
Deficiency of Revenues Under Expenditures	\$ (4,525,565)	\$ (4,525,565)	\$ (2,207,729)	\$ 2,317,836
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>2,062,000</u>	<u>2,062,000</u>	<u>1,968,042</u>	<u>(93,958)</u>
<b>Net Change in Fund Balances</b>	\$ (2,463,565)	\$ (2,463,565)	\$ (239,687)	\$ 2,223,878
<b>Fund Balances - Beginning</b>	<u>6,900,651</u>	<u>6,900,651</u>	<u>6,900,651</u>	
<b>Fund Balances - Ending</b>	<u>\$ 4,437,086</u>	<u>\$ 4,437,086</u>	<u>\$ 6,660,964</u>	<u>\$ 2,223,878</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**OCEAN FRONT TAX INCREMENT REVENUE FUND**  
**Year Ended June 30, 2020**

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 60,000	\$ 211,342	\$ 151,342
Miscellaneous		439	439
Total Revenues	\$ 60,000	\$ 211,781	\$ 151,781
<b>EXPENDITURES</b>			
Debt Service:			
Principal	\$ 350,000	\$ 350,000	\$
Interest and Fiscal Charges	298,000	298,000	
Total Expenditures	\$ 648,000	\$ 648,000	\$
Deficiency of Revenues Under Expenditures	\$ (588,000)	\$ (436,219)	\$ 151,781
<b>OTHER FINANCING SOURCES</b>			
Transfers In	731,000	331,000	(400,000)
<b>Net Change in Fund Balance</b>	\$ 143,000	\$ (105,219)	\$ (248,219)
<b>Fund Balance - Beginning</b>	149,658	149,658	
<b>Fund Balance - Ending</b>	\$ 292,658	\$ 44,439	\$ (248,219)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**HOSPITALITY FEE FUND**  
**Year Ended June 30, 2020**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Hospitality Fee Taxes	\$ 12,385,000	\$ 10,019,962	\$ (2,365,038)
Miscellaneous	25,000	7,563	(17,437)
Total Revenues	<u>\$ 12,410,000</u>	<u>\$ 10,027,525</u>	<u>\$ (2,382,475)</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	\$ 2,600,000	\$ 2,600,000	\$
Interest and Fiscal Charges	3,163,651	3,157,956	5,695
Total Expenditures	<u>\$ 5,763,651</u>	<u>\$ 5,757,956</u>	<u>\$ 5,695</u>
Excess of Revenues Over Expenditures	\$ 6,646,349	\$ 4,269,569	\$ (2,376,780)
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(6,105,000)</u>	<u>(3,126,000)</u>	<u>2,979,000</u>
<b>Net Change in Fund Balance</b>	\$ 541,349	\$ 1,143,569	\$ 602,220
<b>Fund Balance - Beginning</b>	<u>244,995</u>	<u>244,995</u>	<u></u>
<b>Fund Balance - Ending</b>	<u>\$ 786,344</u>	<u>\$ 1,388,564</u>	<u>\$ 602,220</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**SPORTS TOURISM FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 1,972,244	\$ 1,972,244	\$ 1,414,994	\$ (557,250)
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation and Sports Tourism	\$ 3,379,244	\$ 3,379,244	\$ 3,101,975	\$ 277,269
Capital Outlay		101,856	101,856	
Total Expenditures	\$ 3,379,244	\$ 3,481,100	\$ 3,203,831	\$ 277,269
Deficiency of Revenues Under Expenditures	\$ (1,407,000)	\$ (1,508,856)	\$ (1,788,837)	\$ (279,981)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,400,000	1,400,000	2,446,507	1,046,507
<b>Net Change in Fund Balances</b>	\$ (7,000)	\$ (108,856)	\$ 657,670	\$ 766,526
<b>Fund Balances (Deficit) - Beginning</b>	(557,345)	(557,345)	(557,345)	
<b>Fund Balances (Deficit) - Ending</b>	\$ (564,345)	\$ (666,201)	\$ 100,325	\$ 766,526

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**DOWNTOWN DEVELOPMENT FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$	\$	\$ 498	\$ 498
<b>EXPENDITURES</b>				
Current:				
Community and Economic Development	\$	\$ 38,297	\$ 38,297	\$
Deficiency of Revenues Under Expenditures	\$	\$ (38,297)	\$ (37,799)	\$ 498
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets		38,297	160,887	122,590
<b>Net Change in Fund Balance</b>	\$	\$	\$ 123,088	\$ 123,088
<b>Fund Balance - Beginning</b>		60,970	60,970	
<b>Fund Balance - Ending</b>	\$	\$ 60,970	\$ 184,058	\$ 123,088

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**WORKFORCE HOUSING FUND**  
**Year Ended June 30, 2020**

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ 500,000	\$ 433,777	\$ (66,223)
Miscellaneous	1,000	883	(117)
Total Revenues	<u>\$ 501,000</u>	<u>\$ 434,660</u>	<u>\$ (66,340)</u>
<b>EXPENDITURES</b>			
Current:			
Community and Economic Development	\$ 501,000	\$	\$ 501,000
<b>Net Change in Fund Balance</b>	\$	\$ 434,660	\$ 434,660
<b>Fund Balance - Beginning</b>	<u>49,637</u>	<u>49,637</u>	<u></u>
<b>Fund Balance - Ending</b>	<u>\$ 49,637</u>	<u>\$ 484,297</u>	<u>\$ 434,660</u>



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**LOCAL ACCOMMODATIONS TAX (NEW) FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Accommodations Taxes	\$ 1,055,000	\$ 1,055,000	\$ 6,682,363	\$ 5,627,363
Miscellaneous			15,480	15,480
Total Revenues	<u>\$ 1,055,000</u>	<u>\$ 1,055,000</u>	<u>\$ 6,697,843</u>	<u>\$ 5,642,843</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In		\$ 5,492,853	\$ 5,492,853	\$
Transfers Out	(1,055,000)	(5,492,853)	(5,492,853)	
Total Other Financing Sources (Uses)	<u>\$ (1,055,000)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Net Change in Fund Balance</b>	\$	\$ 1,055,000	\$ 6,697,843	\$ 5,642,843
<b>Fund Balance - Beginning</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Fund Balance - Ending</b>	<u>\$</u>	<u>\$ 1,055,000</u>	<u>\$ 6,697,843</u>	<u>\$ 5,642,843</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**HOSPITALITY TAX FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Hospitality Fee Taxes	\$ 1,508,873	\$ 1,508,873	\$ 4,780,867	\$ 3,271,994
Miscellaneous			9,128	9,128
Total Revenues	<u>\$ 1,508,873</u>	<u>\$ 1,508,873</u>	<u>\$ 4,789,995</u>	<u>\$ 3,281,122</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In		\$ 1,540,624	\$ 1,540,624	
Transfers Out	(1,500,000)	(1,540,624)	(1,540,624)	
Total Other Financing Sources (Uses)	<u>\$ (1,500,000)</u>	<u>\$ (1,540,624)</u>	<u>\$ (1,540,624)</u>	
<b>Net Change in Fund Balance</b>	\$ 8,873	\$ 1,508,873	\$ 4,789,995	\$ 3,281,122
<b>Fund Balance - Beginning</b>				
<b>Fund Balance (Deficit) - Ending</b>	<u>\$ 8,873</u>	<u>\$ 1,508,873</u>	<u>\$ 4,789,995</u>	<u>\$ 3,281,122</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**BASEBALL STADIUM FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 143,000	\$ 143,000	\$ 19,632	\$ (123,368)
Miscellaneous	45,000	45,000	539	(44,461)
Total Revenues	<u>\$ 188,000</u>	<u>\$ 188,000</u>	<u>\$ 20,171</u>	<u>\$ (167,829)</u>
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation and Sports Tourism	\$ 323,036	\$ 323,036	\$ 274,377	\$ 48,659
Capital Outlay	10,000	10,000	26,452	(16,452)
Total Expenditures	<u>\$ 333,036</u>	<u>\$ 333,036</u>	<u>\$ 300,829</u>	<u>\$ 32,207</u>
Deficiency of Revenues Under Expenditures	\$ (145,036)	\$ (145,036)	\$ (280,658)	\$ (135,622)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>54,820</u>	<u>666,520</u>	<u>666,520</u>	
<b>Net Change in Fund Balances</b>	\$ (90,216)	\$ 521,484	\$ 385,862	\$ (135,622)
<b>Fund Balances - Beginning</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ (90,216)</u>	<u>\$ 521,484</u>	<u>\$ 385,862</u>	<u>\$ (135,622)</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**MUNICIPAL GOLF COURSE FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 115,000	\$ 115,000	\$ 84,893	\$ (30,107)
Miscellaneous	22,700	22,700	22,700	
Total Revenues	<u>\$ 137,700</u>	<u>\$ 137,700</u>	<u>\$ 107,593</u>	<u>\$ (30,107)</u>
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation and Sports Tourism	\$ 80,903	\$ 80,903	\$ 56,071	\$ 24,832
Capital Outlay	30,000	30,000	12,393	17,607
Total Expenditures	<u>\$ 110,903</u>	<u>\$ 110,903</u>	<u>\$ 68,464</u>	<u>\$ 42,439</u>
Excess of Revenues Over Expenditures	\$ 26,797	\$ 26,797	\$ 39,129	\$ 12,332
<b>OTHER FINANCING SOURCES</b>				
Transfers In		68,531	68,531	
<b>Net Change in Fund Balance</b>	\$ 26,797	\$ 95,328	\$ 107,660	\$ 12,332
<b>Fund Balance - Beginning</b>				
<b>Fund Balance - Ending</b>	<u>\$ 26,797</u>	<u>\$ 95,328</u>	<u>\$ 107,660</u>	<u>\$ 12,332</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,963,000	\$ 1,997,819	\$ 1,999,001	\$ 1,182
Miscellaneous	18,000	18,000	12,812	(5,188)
Total Revenues	<u>\$ 1,981,000</u>	<u>\$ 2,015,819</u>	<u>\$ 2,011,813</u>	<u>\$ (4,006)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 151,415	\$ 186,234	\$ 186,234	\$
Debt Service:				
Principal	3,296,344	3,706,344	3,706,344	
Interest and Fiscal Charges	1,113,944	1,307,993	1,307,993	
Total Expenditures	<u>\$ 4,561,703</u>	<u>\$ 5,200,571</u>	<u>\$ 5,200,571</u>	<u>\$</u>
Deficiency of Revenues Under Expenditures	\$ (2,580,703)	\$ (3,184,752)	\$ (3,188,758)	\$ (4,006)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,957,085</u>	<u>1,957,085</u>	<u>1,975,367</u>	<u>18,282</u>
<b>Net Change in Fund Balance</b>	\$ (623,618)	\$ (1,227,667)	\$ (1,213,391)	\$ 14,276
<b>Fund Balance - Beginning</b>	<u>3,696,815</u>	<u>3,696,815</u>	<u>3,696,815</u>	<u></u>
<b>Fund Balance - Ending</b>	<u>\$ 3,073,197</u>	<u>\$ 2,469,148</u>	<u>\$ 2,483,424</u>	<u>\$ 14,276</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**CAPITAL IMPROVEMENTS FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 510,000	\$ 510,000	\$ 620,630	\$ 110,630
Licenses and Permits	1,100,000	1,100,000	1,100,000	
Intergovernmental	762,000	2,462,529	729,146	(1,733,383)
Miscellaneous	830,827	4,081,473	535,516	(3,545,957)
Total Revenues	<u>\$ 3,202,827</u>	<u>\$ 8,154,002</u>	<u>\$ 2,985,292</u>	<u>\$ (5,168,710)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 1,047,827	\$ 1,047,827	\$ 1,075,144	\$ (27,317)
Public Safety		14,428	14,428	
Transportation		172,931	172,931	
Community and Economic Development		8,578	8,578	
Parks, Recreation and Sports Tourism		243,854	243,854	
Capital Outlay	2,808,900	24,176,455	5,664,495	18,511,960
Total Expenditures	<u>\$ 3,856,727</u>	<u>\$ 25,664,073</u>	<u>\$ 7,179,430</u>	<u>\$ 18,484,643</u>
Deficiency of Revenues Under Expenditures	<u>\$ (653,900)</u>	<u>\$ (17,510,071)</u>	<u>\$ (4,194,138)</u>	<u>\$ 13,315,933</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 942,730	\$ 942,730	\$ 37,730	\$ (905,000)
Transfers Out		(7,033,477)	(7,033,477)	
Total Other Financing Sources (Uses)	<u>\$ 942,730</u>	<u>\$ (6,090,747)</u>	<u>\$ (6,995,747)</u>	<u>\$ (905,000)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 288,830</u>	<u>\$ (23,600,818)</u>	<u>\$ (11,189,885)</u>	<u>\$ 12,410,933</u>
<b>Fund Balances - Beginning</b>	<u>25,896,443</u>	<u>25,896,443</u>	<u>25,896,443</u>	
<b>Fund Balances - Ending</b>	<u><u>\$ 26,185,273</u></u>	<u><u>\$ 2,295,625</u></u>	<u><u>\$ 14,706,558</u></u>	<u><u>\$ 12,410,933</u></u>



*First in Service*

## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods and services provided by an activity to other funds of the City on a cost reimbursement basis.

**Fleet Management Fund** - This fund is used to account for the rental of motor vehicles and certain equipment to other funds and the related costs associated with those rentals.

**Self Insurance Fund** - This fund is used to account for the City's worker's compensation, general liability and property damage insurance programs which accumulate resources from charges to other funds for the payment of premiums, claims and administrative expenses.

**Health Insurance Fund** - This fund is used to account for the City's health insurance program which accumulates resources from charges to other funds for the payment of premiums, claims and administrative expenses.



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2020**

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Temporary Investments	\$ 4,727,956	\$ 4,845,544	\$ 16,256,848	\$ 25,830,348
Receivables:				
Accounts		50	11,626	11,676
Intergovernmental			90,136	90,136
Capital Lease Proceeds	1,075,000			1,075,000
Inventories	57,319			57,319
Total Current Assets	\$ 5,860,275	\$ 4,845,594	\$ 16,358,610	\$ 27,064,479
Noncurrent Assets:				
Other Capital Assets (Net)	13,539,621			13,539,621
Total Assets	\$ 19,399,896	\$ 4,845,594	\$ 16,358,610	\$ 40,604,100
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pension Plan	\$ 132,141	\$	\$	\$ 132,141
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 359,734	\$ 333,298	\$ 21,803,791	\$ 22,496,823
Due to Other Fund	336			336
Unreported Insurance Claims			610,198	610,198
Capital Lease Obligations	790,365			790,365
Total Current Liabilities	\$ 1,150,435	\$ 333,298	\$ 22,413,989	\$ 23,897,722
Noncurrent Liabilities:				
Compensated Absences	\$ 19,723	\$	\$	\$ 19,723
Unreported Insurance Claims		3,143,249		3,143,249
Capital Lease Obligations	3,353,225			3,353,225
Net Pension Liability	912,539			912,539
Total Noncurrent Liabilities	\$ 4,285,487	\$ 3,143,249	\$	\$ 7,428,736
Total Liabilities	\$ 5,435,922	\$ 3,476,547	\$ 22,413,989	\$ 31,326,458
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to Pension Plan	\$ 27,211	\$	\$	\$ 27,211

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2020**

	<u>Fleet Management Fund</u>	<u>Self Insurance Fund</u>	<u>Health Insurance Fund</u>	<u>Total Internal Service Funds</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 9,396,031	\$	\$	\$ 9,396,031
Unrestricted	<u>4,672,873</u>	<u>1,369,047</u>	<u>(6,055,379)</u>	<u>(13,459)</u>
Total Net Position	<u>\$ 14,068,904</u>	<u>\$ 1,369,047</u>	<u>\$ (6,055,379)</u>	<u>\$ 9,382,572</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2020**

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 6,030,443	\$ 3,826,406	\$ 12,718,160	\$ 22,575,009
<b>OPERATING EXPENSES</b>				
Administration	\$ 694,173	\$	\$	\$ 694,173
Operations	1,303,912	4,117,109	14,628,413	20,049,434
Depreciation	3,055,445			3,055,445
Total Operating Expenses	<u>\$ 5,053,530</u>	<u>\$ 4,117,109</u>	<u>\$ 14,628,413</u>	<u>\$ 23,799,052</u>
Operating Income (Loss)	<u>\$ 976,913</u>	<u>\$ (290,703)</u>	<u>\$ (1,910,253)</u>	<u>\$ (1,224,043)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Earned	\$ 15,889	\$ 5,137	\$ 272,094	\$ 293,120
Operating Grant Revenue			90,136	90,136
Miscellaneous Revenue	28,011		56	28,067
Gain on Disposal of Capital Assets	18,051			18,051
Interest Expense	(89,248)			(89,248)
Total Nonoperating Revenues (Expenses)	<u>\$ (27,297)</u>	<u>\$ 5,137</u>	<u>\$ 362,286</u>	<u>\$ 340,126</u>
Income (Loss) Before Contributions	\$ 949,616	\$ (285,566)	\$ (1,547,967)	\$ (883,917)
Capital Contributions	<u>50,000</u>			<u>50,000</u>
<b>Change in Net Position</b>	\$ 999,616	\$ (285,566)	\$ (1,547,967)	\$ (833,917)
<b>Total Net Position - Beginning</b>	<u>13,069,288</u>	<u>1,654,613</u>	<u>(4,507,412)</u>	<u>10,216,489</u>
<b>Total Net Position - Ending</b>	<u>\$ 14,068,904</u>	<u>\$ 1,369,047</u>	<u>\$ (6,055,379)</u>	<u>\$ 9,382,572</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2020**

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Interfund Services Provided	\$ 6,030,443	\$ 3,826,406	\$ 12,718,160	\$ 22,575,009
Payments to Suppliers	(1,587,343)	(2,232,047)	(1,349,786)	(5,169,176)
Payments to Employees	(425,782)			(425,782)
Payments of Claims		(2,227,306)	(12,537,986)	(14,765,292)
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 4,017,318</u>	<u>\$ (632,947)</u>	<u>\$ (1,169,612)</u>	<u>\$ 2,214,759</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Proceeds From Interfund Loan	\$ 336			\$ 336
Payments on Interfund Loans		(137,398)	(3,684,485)	(3,821,883)
Net Cash and Cash Equivalents Provided (Used) by Noncapital Financing Activities	<u>\$ 336</u>	<u>\$ (137,398)</u>	<u>\$ (3,684,485)</u>	<u>\$ (3,821,547)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Contributions	\$ 50,000			\$ 50,000
Principal Payments on Capital Lease Obligations		(667,321)		(667,321)
Interest Payments on Capital Lease Obligations		(97,645)		(97,645)
Purchases of Capital Assets	(3,412,920)			(3,412,920)
Proceeds From Disposal of Capital Assets	19,250			19,250
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	<u>\$ (4,108,636)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (4,108,636)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	\$ 15,889	\$ 5,137	\$ 272,094	\$ 293,120
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 15,889</u>	<u>\$ 5,137</u>	<u>\$ 272,094</u>	<u>\$ 293,120</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>\$ (75,093)</b>	<b>\$ (765,208)</b>	<b>\$ (4,582,003)</b>	<b>\$ (5,422,304)</b>
<b>Cash and Cash Equivalents - Beginning</b>	<u>4,803,049</u>	<u>5,610,752</u>	<u>20,838,851</u>	<u>31,252,652</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>\$ 4,727,956</u></u>	<u><u>\$ 4,845,544</u></u>	<u><u>\$ 16,256,848</u></u>	<u><u>\$ 25,830,348</u></u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2020**

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 976,913	\$ (290,703)	\$ (1,910,253)	\$ (1,224,043)
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities:				
Depreciation	3,055,445			3,055,445
Decrease in Accounts Receivable	9	16,808	57,305	74,122
Decrease in Inventories	66,433			66,433
Increase (Decrease) in Accounts Payable and Accrued Expenses	(190,241)	3,421	673,417	486,597
Increase (Decrease) in Unreported Insurance Claims		(362,473)	9,863	(352,610)
Increase in Net Pension Liability and Related Amounts	80,748			80,748
Miscellaneous Receipts	28,011		56	28,067
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 4,017,318</u>	<u>\$ (632,947)</u>	<u>\$ (1,169,612)</u>	<u>\$ 2,214,759</u>

**Noncash Capital and Related Financing Activities**

Book Value of Capital Asset Disposals	\$ 1,199	\$	\$	1,199
Capital Lease Proceeds Receivable / Capital Lease Obligation	1,075,000			1,075,000

## **AGENCY FUND**

Agency funds are used to account for assets which are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

**Firemen's Fund** - This fund is used to account for the accumulation of resources derived primarily from the firemen's share of insurance proceeds remitted by the State of South Carolina to the City firemen and expended for their benefit.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FIREMEN'S FUND**  
**Year Ended June 30, 2020**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Temporary Investments	\$ 25,503	\$ 387,961	\$ 370,122	\$ 43,342
<b>LIABILITIES</b>				
Due to Firemen's Association	\$ 25,503	\$ 387,961	\$ 370,122	\$ 43,342

## **DISCRETELY PRESENTED COMPONENT UNIT**



**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNIT  
MYRTLE BEACH DOWNTOWN REDEVELOPMENT CORPORATION  
June 30, 2020**

**ASSETS**

Cash and Temporary Investments	\$ 1,124,000
Loans Receivable	<u>648,560</u>
Total Assets	<u><u>\$ 1,772,560</u></u>

**LIABILITIES AND FUND BALANCES**

Liabilities:	
Due to Primary Government	\$ 36,006
Unearned Revenue	<u>762</u>
Total Liabilities	<u>\$ 36,768</u>
Fund Balances:	
Nonspendable:	
Long-Term Receivables	\$ 648,560
Unassigned	<u>1,087,232</u>
Total Fund Balances	<u>\$ 1,735,792</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,772,560</u></u>

**Reconciliation to the Statement of Net Position**

Total Fund Balances	\$ 1,735,792
Amounts reported in the statement of net position are different because:	
Capital assets are not financial resources and, therefore, are not reported in the fund financial statements.	1,665,499
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	<u>(658,960)</u>
Net Position Reported in the Statement of Net Position	<u><u>\$ 2,742,331</u></u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
DISCRETELY PRESENTED COMPONENT UNIT  
MYRTLE BEACH DOWNTOWN REDEVELOPMENT CORPORATION  
Year Ended June 30, 2020**

**REVENUES**

Charges for Services	\$ 1,668,699
Miscellaneous	144,584
Total Revenues	<u>\$ 1,813,283</u>

**EXPENDITURES**

Current:	
Community and Economic Development	\$ 1,426,263
Debt Service:	
Principal	1,059,924
Interest	86,789
Total Expenditures	<u>\$ 2,572,976</u>

**Net Change in Fund Balances** \$ (759,693)

**Fund Balances - Beginning** 2,495,485

**Fund Balances - Ending** \$ 1,735,792

**Reconciliation to the Statement of Activities**

Net Change in Fund Balances \$ (759,693)

Amounts reported in the statement of activities are different because:

The fund financial statements report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and are reported as depreciation expense. (101,041)

The issuance of long-term debt provides current financial resources in the fund financial statements, while the repayment of long-term debt consumes the current financial resources in the fund financial statements. Neither transaction, however, has any effect on net position. 1,059,924

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 fund financial statements. 27,906

Change in Net Position Reported in the Statement of Activities \$ 227,096



*First in Service*

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - BUDGET AND ACTUAL**  
**ENTERPRISE FUND**  
**WATER AND SEWER FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 30,430,000	\$ 30,430,000	\$ 29,432,601	\$ (997,399)
<b>OPERATING EXPENSES</b>				
Administration	\$ 3,747,339	\$ 3,747,339	\$ 3,733,270	\$ 14,069
Operations	21,468,328	22,221,163	22,094,751	126,412
Depreciation	5,250,000	5,250,000	5,026,952	223,048
Total Operating Expenses	<u>\$ 30,465,667</u>	<u>\$ 31,218,502</u>	<u>\$ 30,854,973</u>	<u>\$ 363,529</u>
Operating Loss	<u>\$ (35,667)</u>	<u>\$ (788,502)</u>	<u>\$ (1,422,372)</u>	<u>\$ (633,870)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Earned	\$ 75,000	\$ 75,000	\$ 98,989	\$ 23,989
Miscellaneous Revenue	70,000	822,835	359,337	(463,498)
Interest and Fiscal Charges	(1,099,159)	(1,099,159)	(973,493)	125,666
Total Nonoperating Revenues (Expenses)	<u>\$ (954,159)</u>	<u>\$ (201,324)</u>	<u>\$ (515,167)</u>	<u>\$ (313,843)</u>
Loss Before Contributions and Transfers	\$ (989,826)	\$ (989,826)	\$ (1,937,539)	\$ (947,713)
Capital Contributions	4,250,000	4,250,000	7,023,267	2,773,267
Transfers Out	<u>(1,521,500)</u>	<u>(1,521,500)</u>	<u>(1,521,500)</u>	
<b>Change in Net Position</b>	\$ 1,738,674	\$ 1,738,674	\$ 3,564,228	\$ 1,825,554
<b>Total Net Position - Beginning</b>	<u>106,057,214</u>	<u>106,057,214</u>	<u>106,057,214</u>	
<b>Total Net Position - Ending</b>	<u>\$ 107,795,888</u>	<u>\$ 107,795,888</u>	<u>\$ 109,621,442</u>	<u>\$ 1,825,554</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - BUDGET AND ACTUAL**  
**ENTERPRISE FUND**  
**BASEBALL STADIUM FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>NONOPERATING EXPENSES</b>				
Transfer of Capital Assets	\$	\$ (9,533,997)	\$ (9,533,997)	\$
Transfers In	\$	\$	\$ 543,226	\$ 543,226
<b>Change in Net Position</b>	\$	\$ (9,533,997)	\$ (8,990,771)	\$ 543,226
<b>Total Net Position - Beginning</b>	8,990,771	8,990,771	8,990,771	
<b>Total Net Position - Ending</b>	\$ 8,990,771	\$ (543,226)	\$	\$ 543,226

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - BUDGET AND ACTUAL**  
**ENTERPRISE FUND**  
**MUNICIPAL GOLF COURSE FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>NONOPERATING EXPENSES</b>				
Transfer of Capital Assets	\$	\$ (13,698,174)	\$ (13,698,174)	\$
Transfers In	\$	\$	\$ 2,167,889	\$ 2,167,889
<b>Change in Net Position</b>	\$	\$ (13,698,174)	\$ (11,530,285)	\$ 2,167,889
<b>Total Net Position - Beginning</b>	11,530,285	11,530,285	11,530,285	
<b>Total Net Position - Ending</b>	\$ 11,530,285	\$ (2,167,889)	\$	\$ 2,167,889

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - BUDGET AND ACTUAL**  
**ENTERPRISE FUND**  
**SOLID WASTE MANAGEMENT FUND**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 6,556,921	\$ 6,556,921	\$ 6,351,638	\$ (205,283)
<b>OPERATING EXPENSES</b>				
Administration	\$ 911,095	\$ 911,095	\$ 956,833	\$ (45,738)
Operations	5,511,996	5,548,496	5,169,822	378,674
Depreciation	72,000	72,000	111,685	(39,685)
Total Operating Expenses	\$ 6,495,091	\$ 6,531,591	\$ 6,238,340	\$ 293,251
Operating Income	\$ 61,830	\$ 25,330	\$ 113,298	\$ 87,968
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Earned	\$	\$	\$ 583	\$ 583
Operating Grant Revenue		36,500	30,128	(6,372)
Interest Expense	(254,500)	(254,500)	(13,629)	240,871
Total Nonoperating Revenues (Expenses)	\$ (254,500)	\$ (218,000)	\$ 17,082	\$ 235,082
Income (Loss) Before Transfers	\$ (192,670)	\$ (192,670)	\$ 130,380	\$ 323,050
Transfers In	250,000	250,000	250,000	
<b>Change in Net Position</b>	\$ 57,330	\$ 57,330	\$ 380,380	\$ 323,050
<b>Total Net Position - Beginning</b>	(1,572,855)	(1,572,855)	(1,572,855)	
<b>Total Net Position - Ending</b>	\$ (1,515,525)	\$ (1,515,525)	\$ (1,192,475)	\$ 323,050



**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES**  
**Year Ended June 30, 2020**

**Court Fines**

Court Fines Collected	\$ 455,585
Court Fines Retained by City	(455,585)
Court Fines Remitted to State Treasurer	<u>\$ 0</u>

**Court Assessments**

Court Assessments Collected	\$ 713,255
Court Assessments Retained by City	(55,082)
Court Assessments Remitted to State Treasurer	<u>\$ 658,173</u>

**Court Surcharges**

Court Surcharges Collected	\$ 34,488
Court Surcharges Retained by City	(34,488)
Court Surcharges Remitted to State Treasurer	<u>\$ 0</u>

**Victim Services**

Court Assessments Allocated to Victim Services	\$ 55,082
Court Surcharges Allocated to Victim Services	34,488
Total Funds Allocated to Victim Services	<u>\$ 89,570</u>
Victim Services Expenditures	(89,570)
Funds Available for Carryforward From Year Ended June 30, 2020	<u>\$ 0</u>
Funds Carried Forward From Year Ended June 30, 2019	0
Funds Available for Carryforward at June 30, 2020	<u>\$ 0</u>

## STATISTICAL SECTION

This part of the City of Myrtle Beach's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health. Except where noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

**Financial Trends (Schedules 1 through 5)** - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity (Schedules 6 through 12)** - These schedules contain information to help the reader assess the factors affecting the City's ability to generate property taxes and water and sewer charges.

**Debt Capacity (Schedules 13 through 17)** - 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.

**Demographic and Economic Information (Schedules 18 through 19)** - 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.

**Operating Information (Schedules 20 through 22)** - 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.

**Schedule 1**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
*(Accrual Basis of Accounting)*

	Fiscal Year		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 100,702,801	\$ 97,005,660	\$ 97,019,979
Restricted	15,425,677	18,344,550	18,904,389
Unrestricted	(5,211,110)	(3,006,353)	(1,323,284)
Total Governmental Activities Net Position	<u>\$ 110,917,368</u>	<u>\$ 112,343,857</u>	<u>\$ 114,601,084</u>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	\$ 116,137,286	\$ 113,536,973	\$ 114,142,625
Restricted	760,011	1,165,853	1,088,242
Unrestricted	14,079,646	15,845,740	15,033,204
Total Business-Type Activities Net Position	<u>\$ 130,976,943</u>	<u>\$ 130,548,566</u>	<u>\$ 130,264,071</u>
<b>Primary Government</b>			
Net Investment in Capital Assets	\$ 216,840,087	\$ 210,542,633	\$ 211,162,604
Restricted	16,185,688	19,510,403	19,992,631
Unrestricted	8,868,536	12,839,387	13,709,920
Total Primary Government Net Position	<u>\$ 241,894,311</u>	<u>\$ 242,892,423</u>	<u>\$ 244,865,155</u>

**Note:**

<sup>(1)</sup> In 2015, the City adopted the provisions of GASB Statement No. 68.

**UNAUDITED**

							Fiscal Year						
2014		2015 <sup>(1)</sup>		2016		2017		2018		2019		2020	
\$	100,612,540	\$	110,367,487	\$	123,676,431	\$	131,515,817	\$	128,663,994	\$	133,376,414	\$	160,678,812
	19,761,397		22,418,493		23,929,521		32,597,681		35,519,383		35,788,591		50,903,805
	1,316,485		(61,203,024)		(61,247,710)		(66,827,955)		(67,485,987)		(67,838,279)		(80,320,056)
\$	<u>121,690,422</u>	\$	<u>71,582,956</u>	\$	<u>86,358,242</u>	\$	<u>97,285,543</u>	\$	<u>96,697,390</u>	\$	<u>101,326,726</u>	\$	<u>131,262,561</u>
\$	114,506,690	\$	116,288,674	\$	111,740,507	\$	110,922,505	\$	111,884,829	\$	113,318,702	\$	94,739,086
	945,308		876,221		910,117		1,407,580		1,504,625		741,803		552,138
	13,655,977		6,055,696		10,998,291		13,757,572		15,750,222		15,371,535		17,691,244
\$	<u>129,107,975</u>	\$	<u>123,220,591</u>	\$	<u>123,648,915</u>	\$	<u>126,087,657</u>	\$	<u>129,139,676</u>	\$	<u>129,432,040</u>	\$	<u>112,982,468</u>
\$	215,119,230	\$	226,656,161	\$	235,416,938	\$	242,438,322	\$	240,548,823	\$	246,695,116	\$	255,417,898
	20,706,705		23,294,714		24,839,638		34,005,261		37,024,008		36,530,394		51,455,943
	14,972,462		(55,147,328)		(50,249,419)		(53,070,383)		(51,735,765)		(52,466,744)		(62,628,812)
\$	<u>250,798,397</u>	\$	<u>194,803,547</u>	\$	<u>210,007,157</u>	\$	<u>223,373,200</u>	\$	<u>225,837,066</u>	\$	<u>230,758,766</u>	\$	<u>244,245,029</u>

**Schedule 2**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>			
Governmental Activities:			
General Government	\$ 11,296,314	\$ 11,390,173	\$ 11,883,348
Public Safety	31,177,095	32,547,208	33,115,671
Transportation	8,028,096	8,508,590	8,642,907
Community and Economic Development	26,563,059	30,332,521	28,021,204
Parks, Recreation and Sports Tourism	17,676,164	18,014,892	18,881,858
Public Works	1,434,430	1,423,483	1,437,647
Interest and Fiscal Charges	9,007,944	8,701,138	8,513,225
Total Governmental Activities Expenses	<u>\$ 105,183,102</u>	<u>\$ 110,918,005</u>	<u>\$ 110,495,860</u>
Business-Type Activities:			
Water	\$ 12,493,346	\$ 13,040,513	\$ 13,262,481
Sewer	12,382,088	12,257,261	12,587,819
Baseball Stadium	707,597	731,004	639,314
Municipal Golf Course	1,819,724	1,502,589	1,455,492
Solid Waste Management	4,048,935	4,061,301	4,072,052
Total Business-Type Activities Expenses	<u>\$ 31,451,690</u>	<u>\$ 31,592,668</u>	<u>\$ 32,017,158</u>
Total Primary Government Expenses	<u>\$ 136,634,792</u>	<u>\$ 142,510,673</u>	<u>\$ 142,513,018</u>
<b>Program Revenues <sup>(1)</sup></b>			
Governmental Activities:			
Charges for Services	\$ 15,251,585	\$ 16,576,103	\$ 15,910,400
Operating Grants and Contributions	1,347,905	2,012,316	1,573,924
Capital Grants and Contributions	8,822,685	2,974,778	1,628,940
Total Governmental Activities Program Revenues	<u>\$ 25,422,175</u>	<u>\$ 21,563,197</u>	<u>\$ 19,113,264</u>
Business-Type Activities:			
Charges for Services	\$ 27,349,428	\$ 28,824,814	\$ 28,383,410
Operating Grants and Contributions			4,574
Capital Grants and Contributions	1,121,501	2,005,888	3,350,634
Total Business-Type Activities Program Revenues	<u>\$ 28,470,929</u>	<u>\$ 30,830,702</u>	<u>\$ 31,738,618</u>
Total Primary Government Program Revenues	<u>\$ 53,893,104</u>	<u>\$ 52,393,899</u>	<u>\$ 50,851,882</u>
<b>Net (Expense) Revenue</b>			
Governmental Activities	\$ (79,760,927)	\$ (89,354,808)	\$ (91,382,596)
Business-Type Activities	(2,980,761)	(761,966)	(278,540)
Total Primary Government Net Expense	<u>\$ (82,741,688)</u>	<u>\$ (90,116,774)</u>	<u>\$ (91,661,136)</u>

**UNAUDITED**

		Fiscal Year											
		2014	2015	2016	2017	2018	2019	2020					
\$	11,319,984	\$	12,890,054	\$	12,822,309	\$	13,470,951	\$	14,672,604	\$	15,035,878	\$	16,972,598
	33,247,797		35,816,223		40,622,972		44,940,928		50,078,581		53,574,303		55,026,140
	8,666,134		8,714,950		9,388,613		10,506,212		11,212,952		13,029,012		12,387,795
	28,377,759		29,802,944		32,180,219		34,386,272		34,791,477		38,649,385		38,099,380
	20,110,668		21,563,521		18,495,957		20,613,590		22,021,828		22,587,554		23,577,177
	1,399,578		1,455,959		6,594,968		7,305,309		7,529,646		7,588,750		7,525,422
	8,779,399		8,302,467		8,030,037		7,564,990		6,992,235		6,711,720		6,470,780
\$	<u>111,901,319</u>	\$	<u>118,546,118</u>	\$	<u>128,135,075</u>	\$	<u>138,788,252</u>	\$	<u>147,299,323</u>	\$	<u>157,176,602</u>	\$	<u>160,059,292</u>
\$	14,235,486	\$	14,151,418	\$	15,328,683	\$	15,921,581	\$	16,092,999	\$	17,317,321	\$	16,740,272
	13,068,631		13,910,465		14,157,157		14,160,187		14,696,594		15,581,841		15,095,710
	616,989		631,698		662,068		679,415		699,873		634,356		
	1,474,824		969,918		321,713		334,440		324,196		341,617		
	4,194,082		4,205,444		4,386,728		7,401,276		5,271,564		5,707,768		6,117,577
\$	<u>33,590,012</u>	\$	<u>33,868,943</u>	\$	<u>34,856,349</u>	\$	<u>38,496,899</u>	\$	<u>37,085,226</u>	\$	<u>39,582,903</u>	\$	<u>37,953,559</u>
\$	<u>145,491,331</u>	\$	<u>152,415,061</u>	\$	<u>162,991,424</u>	\$	<u>177,285,151</u>	\$	<u>184,384,549</u>	\$	<u>196,759,505</u>	\$	<u>198,012,851</u>
\$	16,942,434	\$	17,621,758	\$	18,204,459	\$	20,943,663	\$	21,302,259	\$	21,286,060	\$	21,238,194
	1,577,629		1,985,466		1,508,330		3,189,507		1,727,051		3,162,865		2,878,958
	8,155,866		5,959,255		13,083,574		8,568,753		4,488,807		11,034,268		10,007,362
\$	<u>26,675,929</u>	\$	<u>25,566,479</u>	\$	<u>32,796,363</u>	\$	<u>32,701,923</u>	\$	<u>27,518,117</u>	\$	<u>35,483,193</u>	\$	<u>34,124,514</u>
\$	29,686,659	\$	29,735,755	\$	30,781,010	\$	33,721,529	\$	34,008,194	\$	34,963,750	\$	36,143,576
					3,402		2,428,959		59,308		39,665		30,128
	3,184,138		4,436,233		4,644,940		4,981,673		6,197,304		5,062,764		7,023,267
\$	<u>32,870,797</u>	\$	<u>34,171,988</u>	\$	<u>35,429,352</u>	\$	<u>41,132,161</u>	\$	<u>40,264,806</u>	\$	<u>40,066,179</u>	\$	<u>43,196,971</u>
\$	<u>59,546,726</u>	\$	<u>59,738,467</u>	\$	<u>68,225,715</u>	\$	<u>73,834,084</u>	\$	<u>67,782,923</u>	\$	<u>75,549,372</u>	\$	<u>77,321,485</u>
\$	(85,225,390)	\$	(92,979,639)	\$	(95,338,712)	\$	(106,086,329)	\$	(119,781,206)	\$	(121,693,409)	\$	(125,934,778)
	(719,215)		303,045		573,003		2,635,262		3,179,580		483,276		5,243,412
\$	<u>(85,944,605)</u>	\$	<u>(92,676,594)</u>	\$	<u>(94,765,709)</u>	\$	<u>(103,451,067)</u>	\$	<u>(116,601,626)</u>	\$	<u>(121,210,133)</u>	\$	<u>(120,691,366)</u>

**Schedule 2 (Continued)**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes	\$ 25,567,159	\$ 24,836,200	\$ 25,113,459
Local Accommodations Taxes	2,064,510	2,219,406	2,238,681
Business License Taxes	17,516,219	17,795,885	18,354,589
Franchise Taxes	3,575,049	3,409,048	3,469,046
Hospitality Fee Taxes	9,028,583	9,548,517	9,791,483
Local Option Tourism Taxes	20,440,454	23,500,801	23,508,832
Grants and Contributions not Restricted to Specific Programs	8,177,320	9,311,329	10,833,688
Investment Earnings	361,705	361,811	223,895
Transfers	298,300	(201,700)	106,150
Total Governmental Activities	<u>\$ 87,029,299</u>	<u>\$ 90,781,297</u>	<u>\$ 93,639,823</u>
Business-Type Activities:			
Investment Earnings	\$ 141,247	\$ 131,889	\$ 100,195
Transfers	(298,300)	201,700	(106,150)
Total Business-Type Activities	<u>\$ (157,053)</u>	<u>\$ 333,589</u>	<u>\$ (5,955)</u>
Total Primary Government	<u>\$ 86,872,246</u>	<u>\$ 91,114,886</u>	<u>\$ 93,633,868</u>
<b>Change in Net Position</b>			
Governmental Activities	\$ 7,268,372	\$ 1,426,489	\$ 2,257,227
Business-Type Activities	(3,137,814)	(428,377)	(284,495)
Total Primary Government	<u>\$ 4,130,558</u>	<u>\$ 998,112</u>	<u>\$ 1,972,732</u>

**Note:**

<sup>(1)</sup> See Schedule 3 for program revenues by function/program.

**UNAUDITED**

		Fiscal Year											
		2014	2015	2016	2017	2018	2019	2020					
\$	25,796,261	\$	30,191,056	\$	31,603,241	\$	32,715,024	\$	33,638,840	\$	36,868,630	\$	40,138,497
	2,333,117		2,538,276		2,628,349		2,756,944		2,697,237		2,729,372		8,925,995
	19,050,722		20,579,202		22,133,249		25,121,700		25,508,342		26,234,896		24,917,280
	3,755,715		3,847,643		3,763,771		3,894,935		4,049,530		4,942,516		4,717,786
	10,077,734		10,859,463		11,333,703		11,882,628		11,923,034		12,157,102		14,799,599
	23,298,736		24,952,836		27,187,371		28,316,017		28,763,094		29,699,386		28,846,468
	10,501,165		10,619,104		11,017,066		11,716,163		11,698,916		12,091,191		10,642,397
	168,740		152,962		225,010		314,946		645,460		1,212,277		1,090,035
	179,000		112,276		222,238		295,273		268,600		387,375		21,792,556
\$	<u>95,161,190</u>	\$	<u>103,852,818</u>	\$	<u>110,113,998</u>	\$	<u>117,013,630</u>	\$	<u>119,193,053</u>	\$	<u>126,322,745</u>	\$	<u>155,870,613</u>
\$	82,602	\$	68,522	\$	77,559	\$	98,753	\$	141,039	\$	196,463	\$	99,572
	(179,000)		(112,276)		(222,238)		(295,273)		(268,600)		(387,375)		(21,792,556)
\$	<u>(96,398)</u>	\$	<u>(43,754)</u>	\$	<u>(144,679)</u>	\$	<u>(196,520)</u>	\$	<u>(127,561)</u>	\$	<u>(190,912)</u>	\$	<u>(21,692,984)</u>
\$	<u>95,064,792</u>	\$	<u>103,809,064</u>	\$	<u>109,969,319</u>	\$	<u>116,817,110</u>	\$	<u>119,065,492</u>	\$	<u>126,131,833</u>	\$	<u>134,177,629</u>
\$	9,935,800	\$	10,873,179	\$	14,775,286	\$	10,927,301	\$	(588,153)	\$	4,629,336	\$	29,935,835
	(815,613)		259,291		428,324		2,438,742		3,052,019		292,364		(16,449,572)
\$	<u>9,120,187</u>	\$	<u>11,132,470</u>	\$	<u>15,203,610</u>	\$	<u>13,366,043</u>	\$	<u>2,463,866</u>	\$	<u>4,921,700</u>	\$	<u>13,486,263</u>



**Schedule 3**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
PROGRAM REVENUES BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

*(Accrual Basis of Accounting)*

	Fiscal Year		
	2011	2012	2013
<b>Governmental Activities</b>			
Charges for Services:			
General Government	\$ 2,978,554	\$ 3,483,073	\$ 2,671,727
Public Safety	2,127,885	2,098,517	2,068,023
Transportation	1,832,000	1,858,628	1,880,137
Community and Economic Development	989,939	1,532,753	1,673,700
Parks, Recreation and Sports Tourism	7,323,207	7,603,132	7,616,813
Operating Grants and Contributions:			
General Government		22,987	42,866
Public Safety	753,599	600,239	561,291
Transportation	62,900	86,131	104,631
Community and Economic Development	355,978	582,646	365,921
Parks, Recreation and Sports Tourism	175,428	720,313	499,215
Public Works			
Capital Grants and Contributions:			
Public Safety			
Transportation	4,724,714	1,670,650	868,161
Community and Economic Development	3,472,003	1,289,648	660,328
Parks, Recreation and Sports Tourism	625,968	14,480	100,451
Total Governmental Activities	<u>\$ 25,422,175</u>	<u>\$ 21,563,197</u>	<u>\$ 19,113,264</u>
<b>Business-Type Activities</b>			
Charges for Services:			
Water	\$ 12,462,158	\$ 13,017,157	\$ 12,185,831
Sewer	9,725,734	10,710,657	11,143,958
Baseball Stadium	32,573	39,980	27,581
Municipal Golf Course	1,167,064	1,101,990	1,012,506
Solid Waste Management	3,961,899	3,955,030	4,013,534
Operating Grants and Contributions:			
Water			
Sewer			
Solid Waste Management			4,574
Capital Grants and Contributions:			
Water	556,656	973,416	1,614,974
Sewer	564,845	1,032,472	1,735,660
Total Business-Type Activities	<u>\$ 28,470,929</u>	<u>\$ 30,830,702</u>	<u>\$ 31,738,618</u>
<b>Total Primary Government</b>	<u><u>\$ 53,893,104</u></u>	<u><u>\$ 52,393,899</u></u>	<u><u>\$ 50,851,882</u></u>

**UNAUDITED**

		Fiscal Year											
		2014	2015	2016	2017	2018	2019	2020					
\$	2,695,365	\$	2,731,274	\$	2,930,087	\$	3,150,622	\$	3,324,103	\$	3,237,617	\$	3,468,822
	2,052,795		1,872,412		2,064,558		2,859,641		2,513,149		2,547,392		2,090,687
	2,177,007		2,227,724		2,260,620		2,314,872		2,366,895		2,608,680		2,691,081
	2,510,118		2,393,360		2,314,586		3,014,585		3,255,925		3,203,028		3,426,563
	7,507,149		8,396,988		8,634,608		9,603,943		9,842,187		9,689,343		9,561,041
													258,669
	435,211		937,561		702,446		1,713,263		1,007,915		1,077,529		1,064,859
	88,006		87,631		78,256		206,082		57,583		1,080,431		744,600
	329,212		273,962		136,778		352,434		216,734		382,306		219,446
	513,358		649,601		518,915		597,851		444,819		561,140		509,303
	211,842		36,711		71,935		319,877				61,459		82,081
											192,010		
	7,221,160		4,765,947		11,609,972		6,336,507		1,945,468		4,954,509		8,609,373
	931,986		1,081,888		1,072,973		1,975,239		2,526,754		5,781,530		1,386,374
	2,720		111,420		400,629		257,007		16,585		106,219		11,615
\$	<u>26,675,929</u>	\$	<u>25,566,479</u>	\$	<u>32,796,363</u>	\$	<u>32,701,923</u>	\$	<u>27,518,117</u>	\$	<u>35,483,193</u>	\$	<u>34,124,514</u>
\$	12,425,117	\$	12,546,737	\$	12,993,723	\$	14,482,382	\$	14,436,891	\$	14,922,271	\$	15,323,410
	12,109,673		12,377,975		12,910,985		13,845,349		13,871,568		14,223,700		14,468,528
	36,841		45,364		53,347		55,226		69,023		59,073		
	938,737		310,621		53,635		156,784		136,726		141,977		
	4,176,291		4,455,058		4,769,320		5,181,788		5,493,986		5,616,729		6,351,638
					1,701		77,166						
					1,701		77,167						
							2,274,626		59,308		39,665		30,128
	1,394,906		1,610,026		2,107,498		2,300,020		3,073,289		2,581,956		3,370,453
	1,789,232		2,826,207		2,537,442		2,681,653		3,124,015		2,480,808		3,652,814
\$	<u>32,870,797</u>	\$	<u>34,171,988</u>	\$	<u>35,429,352</u>	\$	<u>41,132,161</u>	\$	<u>40,264,806</u>	\$	<u>40,066,179</u>	\$	<u>43,196,971</u>
\$	<u>59,546,726</u>	\$	<u>59,738,467</u>	\$	<u>68,225,715</u>	\$	<u>73,834,084</u>	\$	<u>67,782,923</u>	\$	<u>75,549,372</u>	\$	<u>77,321,485</u>

**Schedule 4**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

*(Modified Accrual Basis of Accounting)*

	Fiscal Year		
	2011	2012	2013
<b>General Fund</b>			
Nonspendable	\$ 116,144	\$ 113,066	\$ 136,844
Restricted	443,940	413,516	396,275
Committed			40,000
Assigned	411,724	412,924	413,928
Unassigned	7,664,002	7,804,956	9,237,691
Total General Fund	<u>\$ 8,635,810</u>	<u>\$ 8,744,462</u>	<u>\$ 10,224,738</u>
 <b>All Other Governmental Funds</b>			
Nonspendable	\$ 722,066	\$ 722,066	\$ 722,066
Restricted	27,003,280	21,018,349	29,148,074
Assigned	15,124,193	13,891,602	11,789,372
Unassigned	(2,349,160)	(2,340,971)	(2,369,580)
Total All Other Governmental Funds	<u>\$ 40,500,379</u>	<u>\$ 33,291,046</u>	<u>\$ 39,289,932</u>

**UNAUDITED**

		Fiscal Year											
		2014	2015	2016	2017	2018	2019	2020					
\$	145,116	\$	147,712	\$	115,756	\$	146,664	\$	199,060	\$	195,266	\$	301,701
	406,711		1,044,520		429,343		361,423		425,970		554,331		275,081
	14,667		1,077,273		202,419		561,167		618,667		561,167		332,107
	414,605		931,947		667,884								
	10,324,445		10,221,505		12,050,165		14,564,933		12,608,530		12,243,154		12,674,438
\$	<u>11,305,544</u>	\$	<u>13,422,957</u>	\$	<u>13,465,567</u>	\$	<u>15,634,187</u>	\$	<u>13,852,227</u>	\$	<u>13,553,918</u>	\$	<u>13,583,327</u>
\$	722,066	\$	785,408	\$	793,725	\$	276,717	\$	89,286	\$	91,505	\$	64,622
	33,329,174		26,786,092		27,217,933		33,320,557		37,702,601		43,607,170		57,105,470
	12,019,861		12,404,860		12,137,656		8,529,539		14,199,140		16,116,409		6,539,370
	(698,740)		(2,303,269)		(2,544,905)		(2,678,440)		(1,597,648)		(940,509)		
\$	<u>45,372,361</u>	\$	<u>37,673,091</u>	\$	<u>37,604,409</u>	\$	<u>39,448,373</u>	\$	<u>50,393,379</u>	\$	<u>58,874,575</u>	\$	<u>63,709,462</u>

**Schedule 5**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*

	Fiscal Year		
	2011	2012	2013
<b>Revenues</b>			
Property Taxes	\$ 25,551,735	\$ 24,819,308	\$ 25,112,930
Local Accommodations Taxes	2,065,000	2,217,299	2,240,593
Hospitality Fee Taxes	9,023,986	9,463,883	9,867,341
Storm Water Fees	1,836,316	1,858,628	1,883,706
Local Option Tourism Taxes	20,440,454	23,500,801	23,508,832
Licenses and Permits	21,898,534	22,424,426	23,052,056
Fines and Forfeitures	1,345,154	1,087,407	1,151,814
Intergovernmental	12,062,703	12,193,869	13,365,569
Charges for Services	4,738,294	5,090,013	4,970,196
Miscellaneous	7,294,945	5,941,373	5,493,214
Total Revenues	<u>\$ 106,257,121</u>	<u>\$ 108,597,007</u>	<u>\$ 110,646,251</u>
<b>Expenditures</b>			
Current:			
General Government	\$ 12,278,801	\$ 11,262,374	\$ 11,065,359
Public Safety	29,269,778	31,211,230	32,189,301
Transportation	4,812,339	5,272,855	5,516,042
Community and Economic Development	23,703,541	27,426,638	25,097,090
Parks, Recreation and Sports Tourism	14,940,894	15,126,615	15,764,818
Public Works	1,382,108	1,428,340	1,403,396
Capital Outlay	6,240,529	9,882,501	9,379,603
Debt Service:			
Principal	4,765,145	5,875,367	6,975,385
Interest and Fiscal Charges	8,105,283	7,645,965	7,420,312
Bond Issuance Costs	40,728	222,967	181,294
Payment to Escrow Agent		443,633	
Total Expenditures	<u>\$ 105,539,146</u>	<u>\$ 115,798,485</u>	<u>\$ 114,992,600</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>\$ 717,975</u>	<u>\$ (7,201,478)</u>	<u>\$ (4,346,349)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	\$ 20,010,406	\$ 27,348,960	\$ 24,686,462
Transfers Out	(19,712,106)	(27,550,660)	(24,580,312)
Proceeds From Borrowing	9,108,923		11,708,341
Proceeds From Refunding		20,455,585	
Payment to Escrow Agent		(20,235,669)	
Sale of Capital Assets	13,226	82,581	11,020
Total Other Financing Sources (Uses)	<u>\$ 9,420,449</u>	<u>\$ 100,797</u>	<u>\$ 11,825,511</u>
<b>Net Change in Fund Balances</b>	<u>\$ 10,138,424</u>	<u>\$ (7,100,681)</u>	<u>\$ 7,479,162</u>

**UNAUDITED**

		Fiscal Year											
		2014	2015	2016	2017	2018	2019	2020					
\$	25,842,751	\$	29,807,247	\$	30,913,506	\$	33,450,822	\$	33,999,652	\$	36,667,506	\$	40,171,757
	2,333,163		2,536,515		2,629,777		2,755,560		2,698,332		2,722,785		8,930,128
	10,075,280		10,850,942		11,310,659		11,874,960		11,908,883		12,159,412		14,800,829
	2,181,517		2,227,724		2,267,128		2,319,629		2,360,916		2,619,359		2,703,711
	23,298,736		24,952,836		27,187,371		28,316,017		28,763,094		29,699,386		28,846,468
	24,807,744		26,426,225		27,847,941		31,692,036		32,460,299		33,999,861		32,699,939
	1,203,940		1,101,609		1,211,362		1,429,939		1,255,638		1,188,906		948,676
	14,631,456		14,028,776		15,163,681		17,934,520		16,535,412		19,424,885		15,728,545
	5,221,830		6,250,252		6,506,212		7,570,602		7,778,873		7,808,477		6,512,720
	6,994,794		6,359,649		6,807,139		8,098,964		7,961,344		11,002,399		7,554,852
\$	<u>116,591,211</u>	\$	<u>124,541,775</u>	\$	<u>131,844,776</u>	\$	<u>145,443,049</u>	\$	<u>145,722,443</u>	\$	<u>157,292,976</u>	\$	<u>158,897,625</u>
\$	11,366,081	\$	12,905,368	\$	12,328,947	\$	12,694,369	\$	13,148,637	\$	14,093,595	\$	15,647,648
	32,761,895		35,413,969		39,613,821		41,947,516		45,719,606		49,456,616		48,424,884
	5,532,740		5,573,199		5,837,513		6,256,190		6,750,406		8,627,993		7,502,605
	25,446,577		26,768,505		29,041,665		31,053,204		31,220,689		35,171,060		34,392,981
	16,904,085		17,789,917		13,897,123		15,537,265		16,200,606		16,907,269		16,467,121
	1,394,960		1,429,807		6,452,736		7,117,694		7,190,325		7,430,976		7,084,215
	13,506,372		21,926,817		11,517,165		12,262,257		12,946,366		11,294,692		8,157,440
	8,229,829		7,451,254		8,170,475		11,912,278		8,797,084		7,692,499		9,247,410
	7,031,794		7,643,041		8,775,010		6,025,448		6,809,784		6,668,263		6,612,893
	590,288		9,822		89,527		554,946		342,821		176,386		
	1,507,567						7,387,801		364,030				
\$	<u>124,272,188</u>	\$	<u>136,911,699</u>	\$	<u>135,723,982</u>	\$	<u>152,748,968</u>	\$	<u>149,490,354</u>	\$	<u>157,519,349</u>	\$	<u>153,537,197</u>
\$	<u>(7,680,977)</u>	\$	<u>(12,369,924)</u>	\$	<u>(3,879,206)</u>	\$	<u>(7,305,919)</u>	\$	<u>(3,767,911)</u>	\$	<u>(226,373)</u>	\$	<u>5,360,428</u>
\$	41,514,957	\$	25,913,703	\$	27,740,220	\$	28,561,689	\$	39,154,969	\$	30,901,767	\$	33,781,583
	(41,335,957)		(25,801,427)		(27,517,982)		(28,266,416)		(38,886,369)		(30,514,392)		(35,221,198)
	290,000		6,491,485		3,495,038		3,138,385		12,470,221		8,017,660		615,703
	64,557,129				17,462,000		47,949,194		7,978,922				
	(50,181,917)				(17,374,195)		(40,086,136)		(7,809,536)				
			184,306		48,053		21,787		22,750		4,225		327,780
\$	<u>14,844,212</u>	\$	<u>6,788,067</u>	\$	<u>3,853,134</u>	\$	<u>11,318,503</u>	\$	<u>12,930,957</u>	\$	<u>8,409,260</u>	\$	<u>(496,132)</u>
\$	<u>7,163,235</u>	\$	<u>(5,581,857)</u>	\$	<u>(26,072)</u>	\$	<u>4,012,584</u>	\$	<u>9,163,046</u>	\$	<u>8,182,887</u>	\$	<u>4,864,296</u>

Schedule 5 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2011	2012	2013
Debt Service as a Percentage of Noncapital Expenditures <sup>(1)</sup>	12.96%	12.77%	13.63%

**Note:**

<sup>(1)</sup> Debt service does not include bond issuance costs and payments to escrow agents.

**UNAUDITED**

Fiscal Year						
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>13.78%</u>	<u>13.13%</u>	<u>13.64%</u>	<u>12.77%</u>	<u>11.43%</u>	<u>9.82%</u>	<u>10.91%</u>



**Schedule 6**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
*(Stated in Thousands of Dollars)*

Fiscal Year	Assessed Value			Total Direct Tax Rate	Estimated Actual Value	Total Assessed Value as a Percentage of Estimated Actual Value
	Real Property	Personal Property	Total			
2011	\$ 320,393	\$ 49,924	\$ 370,317	\$ 64.40	\$ 6,648,420	5.57 %
2012	324,830	54,212	379,042	66.10	6,805,063	5.57
2013	323,918	56,616	380,534	66.10	6,831,849	5.57
2014	327,387	58,026	385,413	66.10	6,919,443	5.57
2015	356,708	62,948	419,656	74.50	7,534,219	5.57
2016	360,779	60,767	421,546	74.50	7,568,151	5.57
2017	372,667	61,138	433,805	77.50	7,788,241	5.57
2018	378,070	61,026	439,096	77.50	7,883,232	5.57
2019	457,646	54,961	512,607	80.50	9,202,998	5.57
2020	480,241	56,263	536,504	78.90	9,632,029	5.57

**Source:** Horry County Assessor's Office

**Note:** Tax rates are per \$1,000 of assessed value.

**UNAUDITED**

**Schedule 7**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
Last Ten Fiscal Years  
(Rate per \$1,000 of Assessed Value)**

Fiscal Year	City Direct Rates				Overlapping Rates		
	Basic Rate	Debt Service	Convention Center	Total Direct Rate	Horry County	Horry County School District	HC Higher Education Commission
2011	\$ 53.70	\$ 7.30	\$ 3.40	\$ 64.40	\$ 44.20	\$ 132.20	\$ 0.70
2012	55.00	7.60	3.50	66.10	44.50	130.20	0.70
2013	58.50	7.60		66.10	44.50	130.20	0.70
2014	58.50	7.60		66.10	44.50	130.20	0.70
2015	68.50	6.00		74.50	44.50	130.20	0.70
2016	68.50	6.00		74.50	51.70	133.10	0.70
2017	71.50	6.00		77.50	51.70	133.10	0.70
2018	71.50	6.00		77.50	51.70	133.10	0.70
2019	74.50	6.00		80.50	51.70	133.10	0.70
2020	72.90	6.00		78.90	50.00	128.10	0.70

Source: Horry County Treasurer

UNAUDITED

**Schedule 8**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
PRINCIPAL PROPERTY TAX PAYERS  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	Fiscal Year 2020	
		Assessed Value	Percentage of Total Assessed Value
Myrtle Beach Farms Company, Inc.	Real Estate Developers	\$ 9,736,430	1.81 %
Broadway at the Beach	Retail, Restaurants & Amusement	6,124,160	1.14
Marriott Ownership Resort, Inc.	Real Estate and Accommodations	4,677,650	0.87
Coastal Grand CMBS, LLC	Retail, Restaurants & Amusement	3,769,790	0.70
Grand Strand Regional Medical Center	Medical Facilities	3,143,560	0.59
Grand Strand General Hospital	Hospital	3,069,820	0.57
AVX Corporation	Manufacturing	3,056,032	0.57
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,055,800	0.57
Columbia Prop Myrtle Beach, LLC	Real Estate and Accommodations	2,815,920	0.52
Bay Shore, LLC	Real Estate and Accommodations	2,776,410	0.52
		<u>\$ 42,225,572</u>	<u>7.86 %</u>

Taxpayer	Type of Business	Fiscal Year 2011	
		Assessed Value	Percentage of Total Assessed Value
Burroughs & Chapin, Inc. <sup>(1)</sup>	Real Estate Developers	\$ 15,055,554	4.07 %
Marriott Ownership Resort, Inc.	Real Estate & Accommodations	7,162,900	1.93
GTE South	Utility	4,438,054	1.20
Broadway at the Beach	Retail, Restaurants & Amusement	4,133,804	1.12
Grand Strand Regional Medical Center	Medical Facilities	3,101,176	0.84
Patricia Grand Resort Hotel, LLC	Real Estate & Accommodations	2,046,986	0.55
Landmark Associates	Real Estate & Accommodations	1,994,620	0.54
Sea Mist Association	Real Estate & Accommodations	1,985,233	0.54
Coral Beach Resort	Real Estate & Accommodations	1,166,660	0.31
Ocean Front Investors, Inc.	Real Estate & Accommodations	972,330	0.26
		<u>\$ 42,057,317</u>	<u>11.36 %</u>

**Source:** Horry County Finance Department

**Note:**

<sup>(1)</sup> Data for Burroughs & Chapin, Inc. includes Myrtle Beach Farms, Inc. and Grand Dunes.

**UNAUDITED**

**Schedule 9**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year <sup>(1)</sup>	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 25,515,334	\$ 24,215,741	94.91 %	\$ 967,604	\$ 25,183,345	98.70 %
2012	22,332,207	20,799,291	93.14	1,162,875	21,962,166	98.34
2013	21,349,973	20,322,154	95.19	616,072	20,938,226	98.07
2014	20,949,044	19,802,198	94.53	627,122	20,429,320	97.52
2015	29,150,922	26,078,950	89.46	397,093	26,476,043	90.82
2016	30,256,332	27,672,451	91.46	504,353	28,176,804	93.13
2017	31,768,391	30,387,362	95.65	287,473	30,674,835	96.56
2018	32,073,726	31,025,247	96.73	780,939	31,806,186	99.17
2019	34,216,518	33,788,791	98.75	361,156	34,149,947	99.81
2020	38,759,483	37,891,144	97.76		37,891,144	97.76

**Sources:** Horry County Treasurer and City Finance Department

**Notes:** This schedule includes data for all real and personal property other than vehicles.

<sup>(1)</sup> Taxes levied includes the original tax levy adjusted by additional tax levies and all abatements.

**UNAUDITED**

**Schedule 10**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
WATER AND SEWER GALLONS AND NUMBER OF CUSTOMERS  
Last Ten Fiscal Years**

Fiscal Year	Water				Sewer	Number of Customers
	Gallons Purchased	Gallons Billed	Gallons Unbilled	Percentage Billed	Gallons Billed	
2011	4,379,003	3,670,280	708,723	83.82 %	2,910,581	16,054
2012	4,363,322	3,745,853	617,469	85.85	3,012,325	16,279
2013	4,165,479	3,491,341	674,138	83.82	2,890,461	16,570
2014	4,486,208	3,498,921	987,287	77.99	2,931,832	16,946
2015	4,323,282	3,479,813	843,469	80.49	2,946,555	17,432
2016	4,650,190	3,667,086	983,104	78.86	3,056,214	19,396
2017	4,724,473	3,736,860	987,613	79.10	3,083,136	20,356
2018	4,647,503	3,624,676	1,022,827	77.99	3,005,090	20,831
2019	4,649,483	3,632,763	1,016,720	78.13	2,972,846	21,309
2020	4,313,079	3,584,156	728,923	83.10	2,920,240	22,144

**Source:** City Water and Sewer Department

**Notes:** Gallons are presented in thousands.

<sup>(1)</sup> The water and sewer base rates are for 3/4" - 5/8" meters inside the City limits. See Schedule 11 for other rates.

<sup>(2)</sup> The water and sewer usage rates are per 1,000 gallons for usage between 5,000 to 15,000 gallons inside the City limits. See Schedule 11 for other rates.

**UNAUDITED**

Total Direct Rate

Water		Sewer	
Base Rate <sup>(1)</sup>	Usage Rate <sup>(2)</sup>	Base Rate <sup>(1)</sup>	Usage Rate <sup>(2)</sup>
\$ 2.43	\$ 2.56	\$ 2.60	\$ 2.53
2.43	2.56	2.83	2.76
2.43	2.56	3.04	2.97
2.43	2.56	3.26	3.19
2.47	2.60	3.38	3.24
2.51	2.64	3.50	3.35
2.69	2.72	3.59	3.44
2.74	2.77	3.70	3.54
2.85	2.88	3.84	3.68
3.05	3.02	4.04	3.81

**Schedule 11**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
WATER AND SEWER RATES  
Last Ten Fiscal Years**

	Fiscal Year			
	2011	2012	2013	2014
<b>Water Rates (Inside City Limits)</b>				
Base Rate ( <i>meter size</i> )				
3/4" - 5/8"	\$ 2.43	\$ 2.43	\$ 2.43	\$ 2.43
1"	4.05	4.05	4.05	4.05
1 1/2"	8.10	8.10	8.10	8.10
2"	12.96	12.96	12.96	12.96
3"	28.35	28.35	28.35	28.35
4"	40.50	40.50	40.50	40.50
6"	81.00	81.00	81.00	81.00
Usage Rate ( <i>per 1,000 gallons</i> )				
Up to 4,000 gallons	1.35	1.35	1.35	1.35
5,000 to 15,000 gallons	2.56	2.56	2.56	2.56
16,000 to 30,000 gallons	2.56	2.56	2.56	2.56
31,000 gallons and over	2.89	2.89	2.89	2.89
<b>Water Rates (Outside City Limits)</b>				
Base Rate ( <i>meter size</i> )				
3/4" - 5/8"	4.86	4.86	4.86	4.86
1"	8.10	8.10	8.10	8.10
1 1/2"	16.20	16.20	16.20	16.20
2"	25.92	25.92	25.92	25.92
3"	56.70	56.70	56.70	56.70
4"	81.00	81.00	81.00	81.00
6"	162.00	162.00	162.00	162.00
Usage Rate ( <i>per 1,000 gallons</i> )				
Up to 4,000 gallons	2.70	2.70	2.70	2.70
5,000 to 15,000 gallons	5.12	5.12	5.12	5.12
16,000 to 30,000 gallons	5.12	5.12	5.12	5.12
31,000 gallons and over	5.78	5.78	5.78	5.78
<b>Sewer Rates (Inside City Limits)</b>				
Base Rate ( <i>meter size</i> )				
3/4" - 5/8"	2.60	2.83	3.04	3.26
1"	4.34	4.73	5.08	5.46
1 1/2"	8.67	9.45	10.16	10.92
2"	13.88	15.12	16.25	17.46
3"	30.37	33.10	35.59	38.25
4"	43.38	47.28	50.83	54.64
6"	86.76	94.56	101.65	109.27
Usage Rate ( <i>per 1,000 gallons</i> )				
	2.53	2.76	2.97	3.19
<b>Sewer Rates (Outside City Limits)</b>				
Base Rate ( <i>meter size</i> )				
3/4" - 5/8"	5.20	5.66	6.08	6.52
1"	8.68	9.46	10.16	10.92
1 1/2"	17.34	18.90	20.32	21.84
2"	27.76	30.24	32.50	34.92
3"	60.74	66.20	71.18	76.50
4"	86.76	94.56	101.66	109.28
6"	173.52	189.12	203.30	218.34
Usage Rate ( <i>per 1,000 gallons</i> )				
	5.06	5.52	5.94	6.38

Source: City Water and Sewer Department

**UNAUDITED**

		Fiscal Year					
		2015	2016	2017	2018	2019	2020
\$	2.47	\$ 2.51	\$ 2.69	\$ 2.74	\$ 2.85	\$ 3.05	
	4.12	4.18	4.48	4.57	4.75	5.08	
	8.23	8.35	8.95	9.13	9.49	10.15	
	13.16	13.36	14.32	14.61	15.18	16.24	
	28.78	29.21	31.31	31.94	33.19	35.51	
	41.11	41.73	44.73	45.62	47.40	50.72	
	82.22	83.45	89.44	91.23	94.79	101.42	
	1.38	1.40	1.44	1.47	1.53	1.60	
	2.60	2.64	2.72	2.77	2.88	3.02	
	2.60	2.64	3.05	3.11	3.23	3.39	
	2.94	2.98	3.25	3.31	3.44	3.61	
	4.94	5.02	5.38	5.49	5.70	6.10	
	8.24	8.36	8.96	9.14	9.50	10.16	
	16.46	16.70	17.90	18.26	18.98	20.30	
	26.32	26.72	28.64	29.21	30.36	32.47	
	57.56	58.42	62.62	63.87	66.38	71.01	
	82.22	83.46	89.46	91.25	94.80	101.45	
	164.44	166.90	178.88	182.46	189.58	202.85	
	2.76	2.80	2.88	2.94	3.06	3.21	
	5.20	5.28	5.44	5.55	5.76	6.05	
	5.20	5.28	6.10	6.22	6.46	6.79	
	5.88	5.96	6.50	6.63	6.88	7.23	
	3.38	3.50	3.59	3.70	3.84	4.04	
	5.66	5.86	6.02	6.20	6.44	6.76	
	11.31	11.71	12.02	12.38	12.86	13.51	
	18.08	18.71	19.20	19.78	20.55	21.58	
	39.59	40.98	42.04	43.30	44.99	47.24	
	56.56	58.54	60.05	61.85	64.26	67.48	
	113.10	117.06	120.09	123.68	128.50	134.93	
	3.24	3.35	3.44	3.54	3.68	3.81	
	6.76	7.00	7.18	7.40	7.68	8.07	
	11.32	11.72	12.04	12.40	12.88	13.53	
	22.62	23.42	24.04	24.76	25.72	27.01	
	36.16	37.42	38.40	39.55	41.10	43.15	
	79.18	81.96	84.08	86.60	89.98	94.48	
	113.12	117.08	120.10	123.70	128.52	134.95	
	226.20	234.12	240.18	247.36	257.00	269.86	
	6.48	6.70	6.88	7.09	7.36	7.63	



**Schedule 12**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
PRINCIPAL WATER AND SEWER CUSTOMERS  
Current Year and Nine Years Ago**

Customer	Fiscal Year 2020			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Kingston Resort Owner LLC	\$ 269,146	1.78 %	\$ 208,575	1.47 %
Myrtle Beach Travel Park	209,055	1.38	221,803	1.57
Magnolia Point HOA	178,284	1.18	174,292	1.23
Apache Family Campground	140,895	0.93	148,960	1.05
Grand Strand Regional Medical Center	111,397	0.74	118,151	0.83
Sea Mist Resort	110,891	0.73	97,638	0.69
The Margate Tower	92,011	0.61	98,055	0.69
Dunes Village Phase II	91,208	0.60	70,148	0.50
Swamp Fox	91,048	0.60	88,567	0.63
Grande Palms LLC	84,375	0.56	88,985	0.63
	<u>\$ 1,378,310</u>	<u>9.11 %</u>	<u>\$ 1,315,174</u>	<u>9.29 %</u>

Customer	Fiscal Year 2011			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Felcor-Hilton	\$ 273,250	2.32 %	\$ 207,847	2.17 %
Myrtle Beach Travel Park	204,652	1.73	179,659	1.88
Seawatch Plantation	161,289	1.37	136,678	1.43
Sands Property Homeowners 1 & 2	120,431	1.02	114,920	1.20
Dunes Village	101,776	0.86	89,319	0.93
Grand Strand Regional Medical Center	95,186	0.81	72,648	0.76
The Margate Tower	85,584	0.73	75,180	0.79
Marriot at Grande Dunes	83,870	0.71	63,518	0.66
Apache Family Campground	81,538	0.69	71,881	0.75
Maison Sur Mer	80,063	0.68	51,529	0.54
	<u>\$ 1,287,639</u>	<u>10.92 %</u>	<u>\$ 1,063,179</u>	<u>11.11 %</u>

Source: City Water and Sewer Department

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*First in Service*

**Schedule 13**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Certificates of Participation	Tax Increment Revenue Bonds	Storm Water Revenue Bonds	Hospitality Fee Revenue Bonds	Note Payable	Capital Lease Obligations
2011	\$ 43,731,592	\$ 12,831,055	\$ 58,812,380	\$ 11,528,152	\$ 48,261,725	\$ 1,847,500	\$ 4,218,420
2012	42,102,888	11,800,818	57,758,334	10,965,237	47,714,932	1,847,500	4,196,053
2013	51,021,173	10,200,581	56,359,288	10,361,530	47,138,139	1,847,500	3,537,465
2014	48,130,346	6,303,023	54,900,242	9,745,237	64,517,098		6,784,649
2015	45,515,934	4,791,956	53,381,196	13,387,538	63,252,001		8,452,948
2016	43,961,620	3,230,889	51,792,150	15,996,027	61,971,904		5,717,553
2017	41,326,958	1,625,000	51,896,004	17,200,193	60,666,807		5,513,902
2018	38,938,533		50,209,888	16,651,060	69,675,955		6,724,274
2019	43,969,796		48,200,969	15,508,776	67,962,646		5,522,356
2020	40,581,545		46,137,050	14,342,710	65,204,337		6,057,394

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See Schedule 18 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**UNAUDITED**

Business-Type Activities					
Water and Sewer Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
\$ 11,275,359	\$ 5,199,539	\$	\$ 197,705,722	29.55 %	\$ 7,293
19,782,202	4,654,604		200,822,568	31.73	7,221
19,292,326	4,084,670		203,842,672	30.39	7,205
18,437,450	3,484,736		212,302,781	29.91	7,277
17,557,575	2,854,802		209,193,950	29.44	6,975
30,112,621	2,194,868		214,977,632	25.70	6,927
28,680,331	1,499,933		208,409,128	23.37	6,711
31,611,456	770,000		214,581,166	24.09	6,543
31,395,176			212,559,719	22.17	6,269
29,553,673		1,209,297	203,086,006	20.27	5,853

**Schedule 14**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years**

Fiscal Year	Net General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	General Obligation Bonds	Debt Service Funds Available	Net General Bonded Debt		
2011	\$ 43,731,592	\$ 4,224,209	\$ 39,507,383	0.59 %	\$ 1,457
2012	42,102,888	4,372,526	37,730,362	0.55	1,357
2013	51,021,173	4,814,711	46,206,462	0.68	1,633
2014	48,130,346	4,654,838	43,475,508	0.63	1,490
2015	45,515,934	4,792,438	40,723,496	0.54	1,358
2016	43,961,620	4,747,128	39,214,492	0.52	1,264
2017	41,326,958	4,630,835	36,696,123	0.47	1,182
2018	38,938,533	4,942,688	33,995,845	0.43	1,037
2019	43,969,796	3,696,815	40,272,981	0.44	1,188
2020	40,581,545	2,483,424	38,098,121	0.40	1,098

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See Schedule 6 for property value data.

<sup>(2)</sup> See Schedule 18 for population data.

**UNAUDITED**

**Schedule 15**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
June 30, 2020**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Estimated Share of Overlapping Debt and Direct Debt</u>
<b>Overlapping Governmental Activities Debt</b>			
Horry County:			
General Obligation Bonds	\$ 73,206,247	22.0%	\$ 16,105,374
Horry County School District:			
General Obligation Bonds	382,291,840	22.0%	<u>84,104,205</u>
Total Overlapping Governmental Activities Debt			\$ 100,209,579
<b>City Direct Governmental Activities Debt</b>			<u>172,323,036</u>
<b>Total Direct and Overlapping Governmental Activities Debt</b>			\$ <u><u>272,532,615</u></u>

**Sources:** Debt outstanding data provided by the Horry County Finance Department and the Horry County School District Finance Department

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated based on the percentage of assessed valuation of property located in the City.

**UNAUDITED**

**Schedule 16**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years**

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 29,897,923	\$ 29,546,805	\$ 30,715,283	\$ 30,833,102
Total Net Debt Applicable to Debt Limit	<u>(16,760,000)</u>	<u>(15,160,000)</u>	<u>(25,165,000)</u>	<u>(23,525,000)</u>
Legal Debt Margin	<u>\$ 13,137,923</u>	<u>\$ 14,386,805</u>	<u>\$ 5,550,283</u>	<u>\$ 7,308,102</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>56.06%</u>	<u>51.31%</u>	<u>81.93%</u>	<u>76.30%</u>

**Note:** Article Ten, Section Fourteen of the South Carolina Constitution of 1895 as amended provides that a City or Town shall incur general obligation debt over the eight percent limit when approved by a majority vote of the qualified electors of the political subdivision voting in a referendum authorized by law. There shall be no conditions or restrictions limiting the incurring of such indebtedness except:

- a. those restrictions and limitations imposed in the authorization to incur such indebtedness,
- b. the provisions of Article Ten, Section Fourteen and
- c. such general obligation debt shall be issued within five years of the date of such referendum and shall mature within forty years from the time such indebtedness shall be incurred.

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Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 26,955,443	\$ 28,933,854	\$ 29,618,254	\$ 29,544,118	\$ 33,231,160	\$ 34,318,730
<u>(22,175,000)</u>	<u>(21,995,000)</u>	<u>(20,814,000)</u>	<u>(19,901,000)</u>	<u>(25,512,000)</u>	<u>(23,756,000)</u>
<u>\$ 4,780,443</u>	<u>\$ 6,938,854</u>	<u>\$ 8,804,254</u>	<u>\$ 9,643,118</u>	<u>\$ 7,719,160</u>	<u>\$ 10,562,730</u>
<u>82.27%</u>	<u>76.02%</u>	<u>70.27%</u>	<u>67.36%</u>	<u>76.77%</u>	<u>69.22%</u>

Legal Debt Margin Calculation:

Assessed Value of Taxable Property	\$ 536,504,040
Assessed Value of Property in TIF Districts	(110,926,945)
Exempt Merchants Inventory (1987 Valuation)	3,407,035
Adjusted Assessed Value of Taxable Property	<u>\$ 428,984,130</u>
Debt Limit (8.0% of Adjusted Assessed Value)	\$ 34,318,730
Debt Applicable to Limit:	
General Obligation Bonds	(38,753,000)
Bonds Issued Under Referendum	<u>14,997,000</u>
Legal Debt Margin	<u>\$ 10,562,730</u>



**Schedule 17**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
PLEDGED-REVENUE COVERAGE  
Last Ten Fiscal Years**

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Operating Revenues <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service			
				Principal	Interest		
2011	\$ 22,839,515	\$ 19,906,533	\$ 2,932,982	\$ 450,000	\$ 506,362	3.07	
2012	25,031,913	19,569,333	5,462,580	470,000	569,972	5.25	
2013	24,170,369	19,611,954	4,558,415	485,000	796,000	3.56	
2014	25,978,549	21,369,816	4,608,733	850,000	776,600	2.83	
2015	26,466,807	22,057,417	4,409,390	875,000	749,500	2.71	
2016	27,898,982	22,916,777	4,982,205	905,000	548,881	3.43	
2017	31,081,872	23,543,023	7,538,849	1,295,000	1,170,975	3.06	
2018	30,616,111	23,671,154	6,944,957	1,579,107	1,141,869	2.55	
2019	31,118,076	25,706,354	5,411,722	1,674,682	1,120,144	1.94	
2020	31,129,421	24,238,231	6,891,190	1,709,570	1,079,157	2.47	

Fiscal Year	Hospitality Fee Revenue Bonds				Coverage
	Hospitality Fees	Debt Service			
		Principal	Interest		
2011	\$ 9,023,986	\$ 555,000	\$ 2,545,325	2.91	
2012	9,463,883	585,000	2,516,525	3.05	
2013	9,867,341	615,000	2,486,081	3.18	
2014	10,075,280	0	1,930,741	5.22	
2015	10,850,942	1,145,000	2,912,187	2.67	
2016	11,310,659	1,160,000	2,897,267	2.79	
2017	11,874,960	1,185,000	2,876,408	2.92	
2018	11,908,883	1,210,000	3,125,395	2.75	
2019	12,159,412	1,555,000	3,200,201	2.56	
2020	10,019,962	2,600,000	3,151,351	1.74	

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> Operating revenues include impact fee capital contributions and unrestricted interest earnings.

<sup>(2)</sup> Operating expenses do not include depreciation, indirect cost transfers and transfers out.

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Tax Increment Revenue Bonds

Property Tax		Debt Service		Coverage		
Increment		Principal	Interest			
\$	4,210,980	\$	580,000	\$	2,516,563	1.36
	3,777,540		1,060,000		2,824,652	0.97
	3,670,339		1,405,000		2,380,002	0.97
	4,435,844		1,465,000		2,310,644	1.17
	6,026,391		1,525,000		2,430,067	1.52
	7,239,204		1,595,000		3,732,934	1.36
	7,994,053		4,655,000		1,277,054	1.35
	9,448,139		1,640,000		2,032,990	2.57
	11,506,842		1,720,000		1,912,875	3.17
	13,032,537		1,775,000		1,828,775	3.62

Storm Water Revenue Bonds

Storm		Debt Service		Coverage		
Water Fees		Principal	Interest			
\$	1,836,316	\$	536,214	\$	338,566	2.10
	1,858,628		562,915		304,094	2.14
	1,883,706		603,707		226,141	2.27
	2,181,517		616,292		213,556	2.63
	2,227,724		629,185		200,664	2.68
	2,267,128		886,548		367,808	1.81
	2,319,629		1,151,603		404,184	1.49
	2,360,916		1,036,481		316,811	1.74
	2,619,359		1,142,283		332,506	1.78
	2,703,711		1,166,066		308,722	1.83

**Schedule 18**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income (Thousands of Dollars)</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2010	27,109	\$ 24,683	\$ 669,131	37.9	12.10 %
2011	27,810	22,758	632,900	38.3	11.60
2012	28,292	23,710	670,803	39.2	10.10
2013	29,175	24,329	709,799	40.2	8.50
2014	29,992	23,696	710,690	40.3	7.70
2015	31,035	26,949	836,362	40.3	7.10
2016	31,053	28,712	891,594	40.3	5.60
2017	32,795	27,166	890,909	41.0	5.10
2018	33,908	28,280	958,918	42.4	4.30
2019	34,695	28,881	1,002,026	43.7	4.00

**Sources:** Myrtle Beach and South Carolina Grand Strand Demographic Profile, South Carolina Statistical Abstract, Places Rated Almanac, South Carolina Employment Security Commission, U.S. Department of Commerce Bureau of Economic Analysis, U.S. Department of Labor Statistics and the U.S. Census Bureau

**UNAUDITED**

**Schedule 19**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

Employer	Type of Business	Calendar Year 2019	
		Employees	Percentage of Total County Employment
Horry County School District	Education	5,540	4.07 %
Wal-Mart	Retail Sales	3,120	2.29
Coastal Carolina University	Education	2,724	2.00
Horry County Government	County Government	2,225	1.63
McLeod Seacoast	Hospital	1,539	1.13
Conway Medical Center	Hospital	1,500	1.10
Grand Strand Regional Medical Center	Hospital	1,425	1.05
Food Lion	Retail Sales	1,197	0.88
City of Myrtle Beach	Municipal Government	965	0.71
Horry Telephone Cooperative	Telephone Utility	694	0.51
		<u>20,929</u>	<u>15.37 %</u>

Employer	Type of Business	Calendar Year 2010	
		Employees	Percentage of Total County Employment
Horry County School District	Education	4,870	3.78 %
Wal-Mart	Retail Sales	2,061	1.60
Horry County Government	County Government	1,913	1.49
Grand Strand Regional Medical Center	Hospital	1,200	0.93
Conway Hospital	Hospital	1,150	0.89
Coastal Carolina University	Education	1,057	0.82
Myrtle Beach National	Golf Course and Accommodations	980	0.76
City of Myrtle Beach	Municipal Government	969	0.75
Loris Community Hospital District	Hospital	900	0.70
Blue Cross/Blue Shield	Health Insurance	827	0.64
		<u>15,927</u>	<u>12.36 %</u>

**Sources:** Myrtle Beach Regional Economic Development Corporation, Myrtle Beach Area Chamber of Commerce, the South Carolina Industrial Directory, the South Carolina Employment Security Commission and Horry County Government

**Note:** This schedule presents the principal employers in Horry County, South Carolina. Information for the City of Myrtle Beach was not available.

**UNAUDITED**

**Schedule 20**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

	Fiscal Year			
	2011	2012	2013	2014
<b>Full-Time Equivalent Employees</b>				
General Government	89	81	80	80
Public Safety	410	431	431	429
Transportation	27	26	26	26
Community and Economic Development	28	26	27	27
Parks, Recreation and Sports Tourism	139	145	145	165
Public Works	23	25	25	25
Water	29	30	30	30
Sewer	26	26	26	26
Municipal Golf Course	13	10	8	10
Solid Waste Management	30	30	30	30
Total Full-Time Equivalent Employees	<u>814</u>	<u>830</u>	<u>828</u>	<u>848</u>

**Source:** City Finance Department

**Note:** Full-time equivalent employment is based on the number of full time positions approved in the annual budget.

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Fiscal Year					
2015	2016	2017	2018	2019	2020
81	83	84	84	91	95
453	467	478	478	488	501
26	26	27	29	28	28
33	38	40	42	42	42
160	165	178	178	182	182
25	28	29	29	30	30
30	30	30	30	30	30
26	26	23	23	23	23
10					
32	32	34	34	34	34
876	895	923	927	948	965

**Schedule 21**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

	Fiscal Year			
	2011	2012	2013	2014
<b>General Government</b>				
New Business Licenses Issued	1,481	1,463	1,190	1,157
<b>Public Safety</b>				
Calls for Services - Police	110,773	104,907	96,527	110,102
Total Arrests	21,620	22,998	21,635	22,417
Fire Calls per Engine Company	346	349	374	393
<b>Transportation <sup>(1)</sup></b>				
Square Yards of City Streets Resurfaced	56,000	54,000	81,279	39,480
<b>Community and Economic Development</b>				
Building Permits Issued	3,468	4,180	4,569	5,232
<b>Parks, Recreation and Sports Tourism</b>				
Admissions to Recreation Centers	220,372	218,120	206,788	198,673
Exhibition Hall Occupancy Percentage	62%	65%	63%	62%
Number of Library Volumes	146,027	144,757	125,563	117,296
Number of Golf Rounds Played				
<b>Water</b>				
Average Daily Consumption ( <i>millions of gallons</i> )	10.1	10.3	9.6	9.6
<b>Sewer</b>				
Average Daily Treatment ( <i>millions of gallons</i> )	8.0	8.3	7.9	8.0
<b>Municipal Golf Course</b>				
Number of Rounds Played	37,224	36,695	35,887	34,010
<b>Solid Waste Management</b>				
Tons of Refuse Collected	28,099	26,876	26,369	27,979

**Sources:** Various City departments

**Notes:** No operating indicators are available for the public works function or the baseball stadium.

<sup>(1)</sup> Includes Ride III paving.

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Fiscal Year					
2015	2016	2017	2018	2019	2020
1,414	1,518	1,361	1,824	1,555	1,277
115,233	133,761	134,508	121,644	124,511	119,084
24,639	23,919	23,718	27,401	26,516	25,651
400	448	494	423	418	474
37,319	39,877	36,315	39,283	230,547	43,767
5,696	5,814	6,230	7,064	7,178	6,837
181,669	181,968	187,002	194,352	209,478	217,278
65%	70%	65%	65%	65%	49%
140,885	134,627	131,982	130,508	131,840	122,489
					45,114
9.5	10.0	10.2	9.9	10.0	9.8
8.1	8.4	8.4	8.2	8.1	8.0
34,050	46,597	50,149	50,763	48,608	
25,887	29,167	29,860	30,560	29,303	27,948



**Schedule 22**

**CITY OF MYRTLE BEACH, SOUTH CAROLINA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

	Fiscal Year			
	2011	2012	2013	2014
<b>Public Safety</b>				
Police Stations	3	3	3	3
Fire Stations	6	6	6	6
<b>Transportation</b>				
Streets ( <i>miles</i> )	141	142	142	142
Traffic Signals	71	72	72	72
<b>Parks, Recreation and Sports Tourism</b>				
Parks	45	45	45	45
Park Acreage	653	653	653	653
Recreation Centers	4	4	4	4
Libraries	1	1	1	1
Cemeteries	2	2	2	2
Baseball Stadiums				
Number of Championship Golf Holes				
<b>Water</b>				
Water Mains ( <i>miles</i> )	376	376	378	380
<b>Sewer</b>				
Gravity Sewers ( <i>miles</i> )	230	231	233	235
Storm Sewers ( <i>miles</i> )	153	161	164	170
<b>Baseball Stadium</b>				
Baseball Stadiums	1	1	1	1
<b>Municipal Golf Course</b>				
Number of Championship Holes	18	18	18	18
<b>Solid Waste Management</b>				
Transfer Stations	1	1	1	1
Collection Trucks	26	26	26	26

**Sources:** Various City departments

**Note:** No capital asset indicators are available for the general government, community and economic development and public works functions.

**UNAUDITED**

Fiscal Year						
2015	2016	2017	2018	2019	2020	
3	3	3	3	3	3	3
6	6	6	6	6	6	6
142	142	142	167	169	175	
72	72	72	73	76	76	
45	45	45	45	45	45	45
653	653	653	653	653	653	654
4	4	4	4	4	4	4
1	1	1	1	1	1	1
2	2	2	2	2	2	2
						1
						18
382	382	388	394	399	406	
237	237	242	247	250	256	
173	173	178	179	181	187	
1	1	1	1	1		
18	18	18	18	18		
1	1	1	1	1	1	1
26	26	26	27	32	32	



*First in Service*

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Passed Through Horry County Government:			
Community Development Block Grant	14.218	B-16-UC-45006	\$ 21,119
		B-17-UC-45006	12,381
		B-18-UC-45006	252,392
		B-19-UC-45006	362,171
		B-20-UC-45006	56,166
Total U.S. Department of Housing and Urban Development			\$ <u>704,229</u>
<b>U.S. Department of Justice:</b>			
Bulletproof Vest Partnership Grant	16.607		\$ 15,765
Public Safety Partnership and Community Policing Grant	16.710		491,702
Edward Byrne Memorial Justice Assistance Grant	16.738		38,909
Total U.S. Department of Justice			\$ <u>546,376</u>
<b>U.S. Department of Transportation:</b>			
Passed Through the State Department of Public Safety:			
State and Community Highway Safety Grant	20.600	2JC19015	\$ 3,635
		2JC20015	3,427
Total U.S. Department of Transportation			\$ <u>7,062</u>
<b>U.S. Department of the Treasury:</b>			
Passed Through the State Department of Administration:			
Coronavirus Relief Fund Grant	21.019	SA-0327	\$ <u>996,542</u>
<b>U.S. Department of Homeland Security:</b>			
Passed Through the State Emergency Management Division:			
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4464-PA-SC	\$ 12,758
Passed Through the State Law Enforcement Division:			
Homeland Security Grant	97.067	18SHSP20	72,892
Total U.S. Department of Homeland Security			\$ <u>85,650</u>
<b>Total Expenditures of Federal Awards</b>			\$ <u><u>2,339,859</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

**Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Myrtle Beach, South Carolina (the City) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - INDIRECT COST RATE**

The City has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4 - DISASTER GRANT**

During the year ended June 30, 2017, the City incurred expenditures in the amount of \$3,894,045 in conjunction with Hurricane Matthew (FEMA-4286-PA-SC). As of June 30, 2020, the Federal Emergency Management Agency (FEMA) has not approved all of the project worksheets related to the disaster. In accordance with the instructions included in the *OMB Compliance Supplement*, the federal portion of the expenditures are reported on the Schedule in the year the project worksheets are approved by FEMA. Expenditures in the amount of \$1,445,558 are anticipated to be approved and included on the Schedule during the year ending June 30, 2021.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Mayor and City Council  
City of Myrtle Beach, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Myrtle Beach, South Carolina as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Myrtle Beach, South Carolina's basic financial statements, and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Myrtle Beach, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Myrtle Beach, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Myrtle Beach, South Carolina's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Myrtle Beach, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SMITH SAPP PROFESSIONAL ASSOCIATION  
*Certified Public Accountants*

Myrtle Beach, South Carolina  
December 11, 2020



**SMITH  
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Certified Public Accountants & Consultants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Mayor and City Council  
City of Myrtle Beach, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Myrtle Beach, South Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Myrtle Beach, South Carolina's major federal program for the year ended June 30, 2020. The City of Myrtle Beach, South Carolina's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City of Myrtle Beach, South Carolina's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Myrtle Beach, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Myrtle Beach, South Carolina's compliance.

Opinion on Major Federal Program

In our opinion, the City of Myrtle Beach, South Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City of Myrtle Beach, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit



of compliance, we considered the City of Myrtle Beach, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Myrtle Beach, South Carolina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



SMITH SAPP PROFESSIONAL ASSOCIATION  
*Certified Public Accountants*

Myrtle Beach, South Carolina  
December 11, 2020

**CITY OF MYRTLE BEACH, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2020**

**Summary of Auditors' Results**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City of Myrtle Beach, South Carolina were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Myrtle Beach, South Carolina were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award program for the City of Myrtle Beach, South Carolina expresses an unmodified opinion on the major federal program.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was:

U.S. Department of the Treasury - Coronavirus Relief Fund Grant - CFDA No. 21.019
8. The threshold used for distinguishing between type A and B programs was \$750,000.
9. The City of Myrtle Beach, South Carolina was determined to be a low-risk auditee.

**Findings - Financial Statement Audit**

None

**Findings and Questioned Costs - Major Federal Award Programs Audit**

None



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**CITY OF MYRTLE BEACH SOUTH CAROLINA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**