



CITY OF MYRTLE BEACH

SOUTH CAROLINA



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2021**

**CITY of MYRTLE BEACH,
SOUTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

CITY COUNCIL

MAYOR BRENDA BETHUNE

MICHAEL CHESTNUT

PHILIP RENDER

MIKE LOWDER

GREGG SMITH

JOHN KRAJC

JACKIE HATLEY

CITY OFFICIALS

JONATHAN “FOX” SIMONS
CITY MANAGER

MICHELLE B. SHUMPERT
CHIEF FINANCIAL OFFICER

DIANA FARRELL
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT & REPORTING



First in Service

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 2021**

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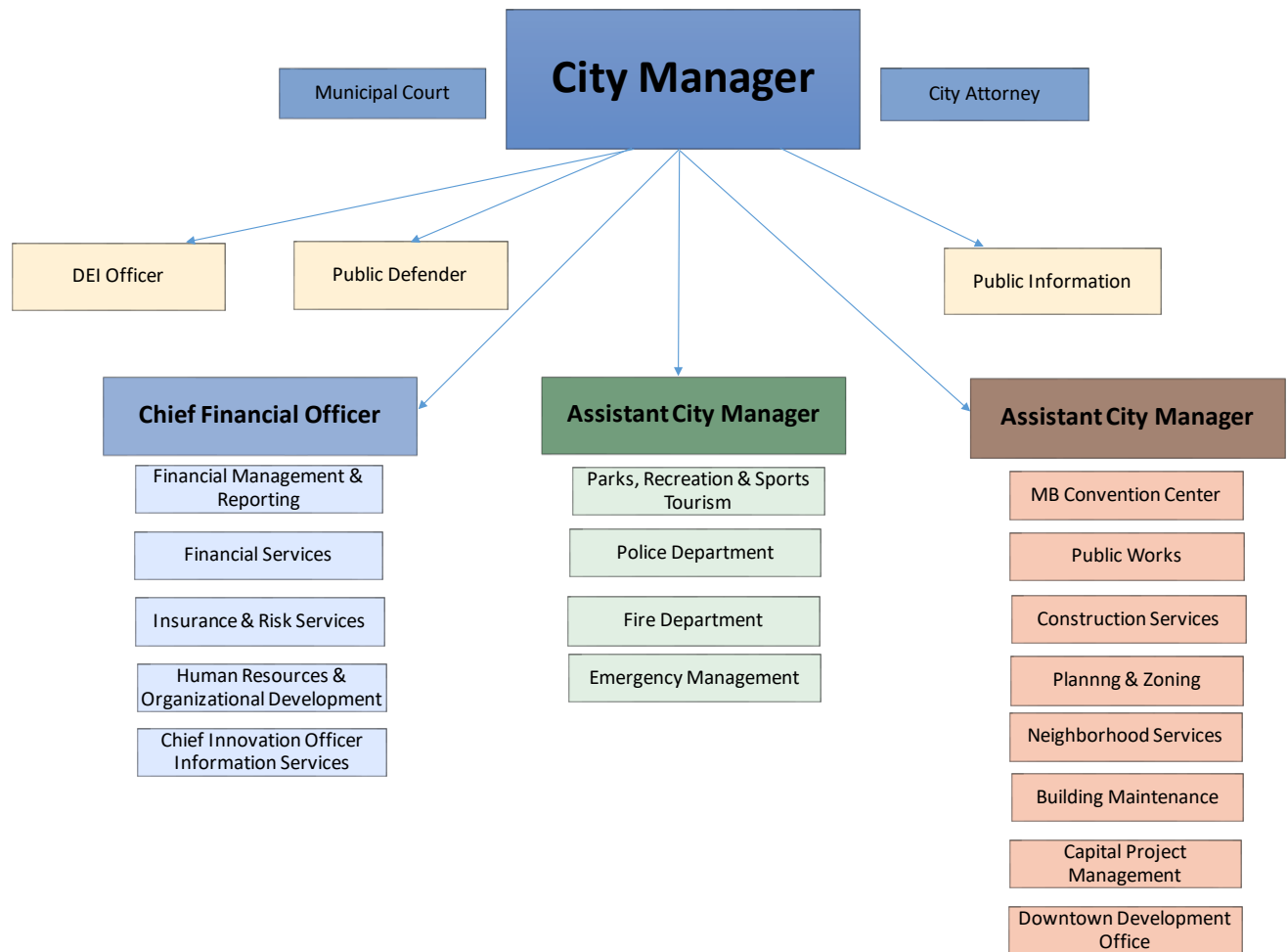
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Mayor & City Council





City of Myrtle Beach SOUTH CAROLINA

DEPARTMENT OF FINANCIAL MANAGEMENT & REPORTING

December 10, 2021

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

The Annual Comprehensive Financial Report of the City of Myrtle Beach, South Carolina, for the fiscal year ended June 30, 2021, 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 967% as shown in the following exhibit:

<u>Year</u>	<u>Population</u>
1950	3,345
1960	7,834
1970	9,035
1980	19,702
1990	24,848
2000	22,759
2010	27,105
2020	35,682

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 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 during fiscal year 2020. 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 in 2020 to restrict expenditures to those directly related to the provision of service. These actions positioned the City well to manage the recovery that began to occur in the third quarter of fiscal year 2021.

United States real (inflation-adjusted) Gross Domestic Product (GDP) grew in the first quarter of calendar year 2021 (January to March) at a rate of 6.3% and it grew by 6.7% in the second calendar quarter (April to June). According to the U.S.

Bureau of Economic Analysis (BEA), accommodation and food services were among the leading contributors to the second quarter increase with those categories increasing 88.7% nationally. Preliminary results indicate that South Carolina GDP grew by 6.1% in the second calendar quarter of 2021.

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 2021, the ad valorem tax rate was unchanged from the prior year at 78.9 mills. Property tax revenue grew by 2.5% in the General Fund. Representing 32.5% of General Fund revenue, property tax revenue represent the second largest revenue source for general operations, second only to licenses and permits.

The Local Option Tourism Development Fee (TDF) 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 31.7% of total governmental revenues for 2021. While the 2021 percentage of 31.7% of overall revenue is less than 2009's 34.1%, revenue actually grew by \$12.2 million over the 11-year period. TDF revenues for fiscal year 2021 were the highest since inception, 10.1% greater than the previous highest collection year, 2019.

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 32.8% of general revenues and making up 13.9% of total governmental revenue. After a decline of 5.0% in fiscal year 2020 brought on by the economic downturn, revenues rebounded in fiscal year 2021, growing 7.0% over the prior year.

Other special purpose revenues derived from businesses within the City demonstrated strong growth during the second half of the fiscal year. As stated previously, the (BEA) reported that the accommodations and food service sector grew by 88.7% during the second quarter of 2021. For fiscal year 2021, the City experienced a 5.7% increase in its traditional hospitality and accommodations tax related revenues. However, in March 2019, the City sued Horry County over the County's collection of a 1.5% hospitality tax within the corporate limits of the City. In June 2021, the lawsuit was settled and the County agreed to remit the 1.5% hospitality tax collected within the corporate limits back to the City. This settlement resulted in no net increase for the taxpayer. At June 30, 2021, receipt of those funds formerly retained by the County drove an overall increase of 13.7% in revenue derived from business conducted within the corporate limits.

The City initiated the municipal retention of the hospitality 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. 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 and revised the project list in 2021. 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 2021, the Authority did declare a surplus for tax year 2020, and a distribution of \$1.8 million was made to the General Fund for Fiscal Year 2021. On top of the traditional surplus, the participating taxing agencies asked the Redevelopment Authority to approve an additional surplus distribution for 2021 and the City received \$1.9 million from that declaration. The distribution represents additional general purpose revenues in the General fund and together resulted in \$3.7 million of surplus revenues. Surplus revenues are expected to be in the neighborhood of \$1.9 million going forward.

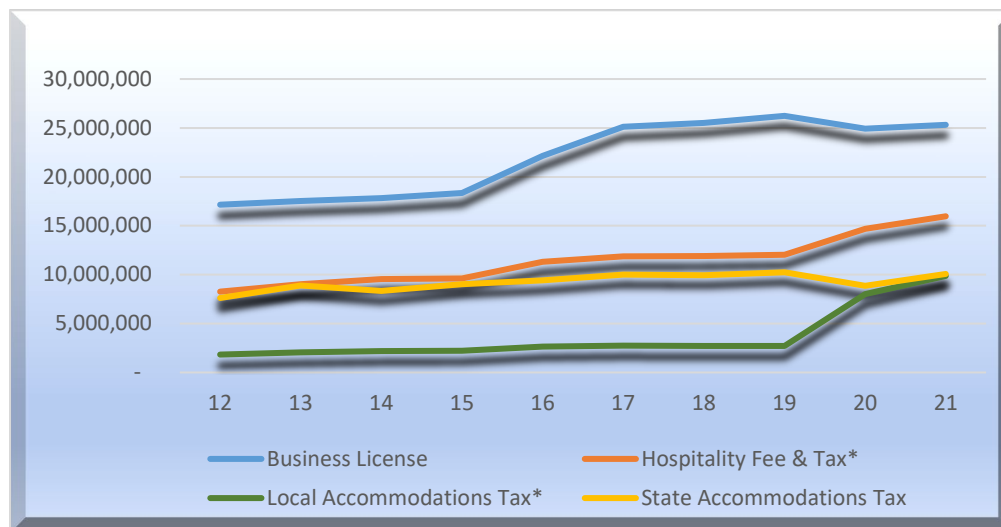
Tourism drives expenditure growth in a slightly different manner. The cost of ensuring the safety of visitors to our beachfront, the City's biggest tourism draw and consequently its most valuable resource, continues to grow as the number of visitors increase and the season expands. In order to provide 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 and 2021. 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 regained growth in the tourism sector in the latter months of the fiscal year as the effects of the pandemic released the stranglehold on the world economy. Strong property tax collections, the distribution of surplus property tax, strong growth in the accommodations and food service sector, 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. In addition, 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 as more people become vaccinated or develop antibodies and the nation adjusts to a new normal in social engagement. Through strategic implementation of Council’s initiatives, the City will endeavor to meet our community needs and improve the overall quality of life for our residents and visitors alike.

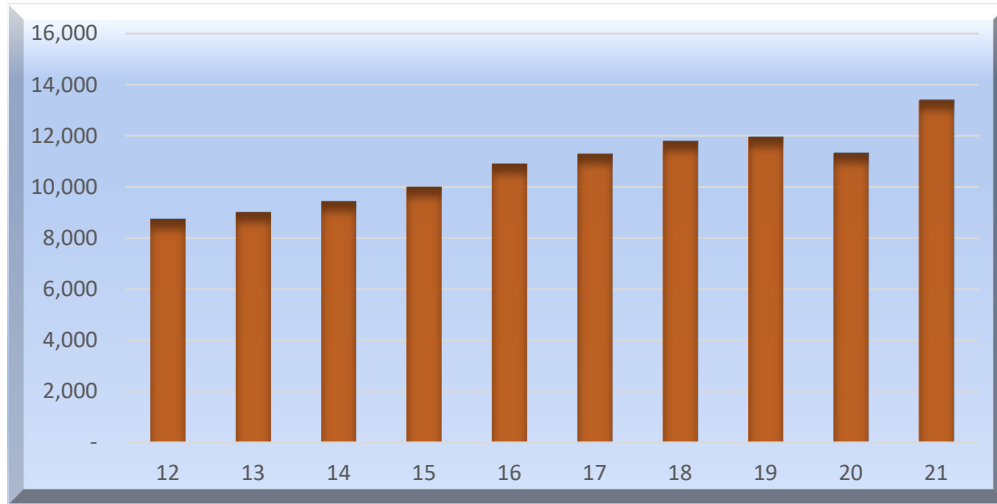
The following graph presents business license, state and local accommodations tax, and hospitality tax collections since 2012. The impact of the pandemic can be seen in both the flattening of business license revenue and the drop in State accommodations tax collections. The impact to hospitality tax and local accommodations tax collections is overshadowed by the City collections of these taxes, which were retained by the County prior to fiscal year 2020. When the effects of collection of the hospitality and accommodations tax previously retained by the County are adjusted, hospitality tax collection declined .6% and local accommodations tax revenue increased by 4.6% when compared to the prior fiscal year.

Business License, Hospitality Fees, State and Local Accommodations Tax Revenues, Fiscal Year 2012 – 2021



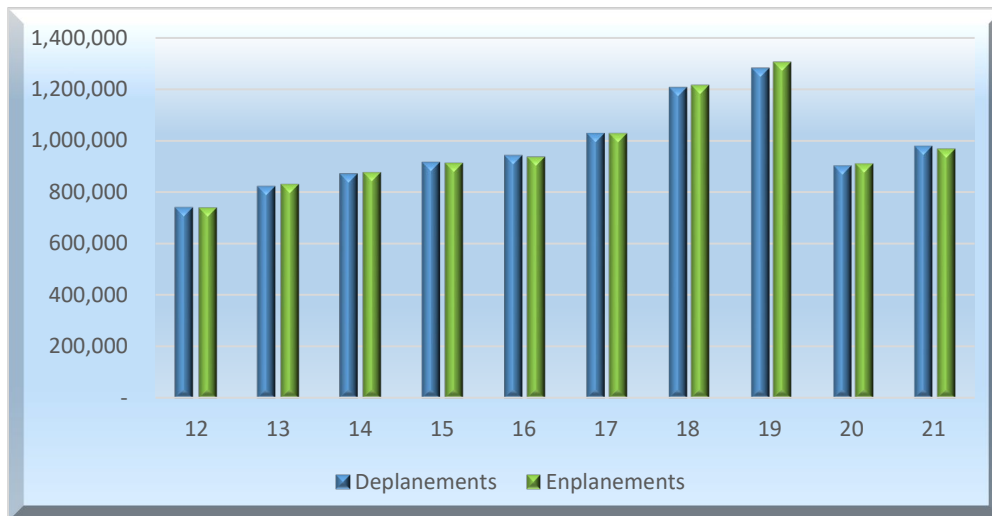
Retail sales figures for Horry County are another indicator of economic conditions. After posting recession driven declines in 2008, 2009, and 2010, retail sales began to recover in 2011 and demonstrated improved numbers through 2019. Retail sales figures for 2020 were clearly impacted by the pandemic, as demonstrated on the graph below. Fiscal year revenues for 2021 increased by 18.3% when compared to fiscal year 2020 and represent the highest historical retail sales collections for Horry County.

Horry County Retail Sales, Calendar Year 2012 - 2021 (\$ 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 fiscal year activity and the impact of the pandemic are clearly reflected in the graphic. When fiscal year 2020 is compared to fiscal year 2019, the number of passengers handled decreased by approximately 29.6%, attributable in whole to the worldwide decline in air travel from March 2020 through February 2021. When fiscal year 2021 is compared to fiscal year 2020, the graphic demonstrates an 8.5% increase in air travel over the prior year. Beginning in March 2021 and continuing through June 2021, people responded to the pent up demand for travel. Enplanements and deplanements for that period were 430% higher than the same period in 2020 and 11.5% higher than previously recorded travel figures for the period overall.

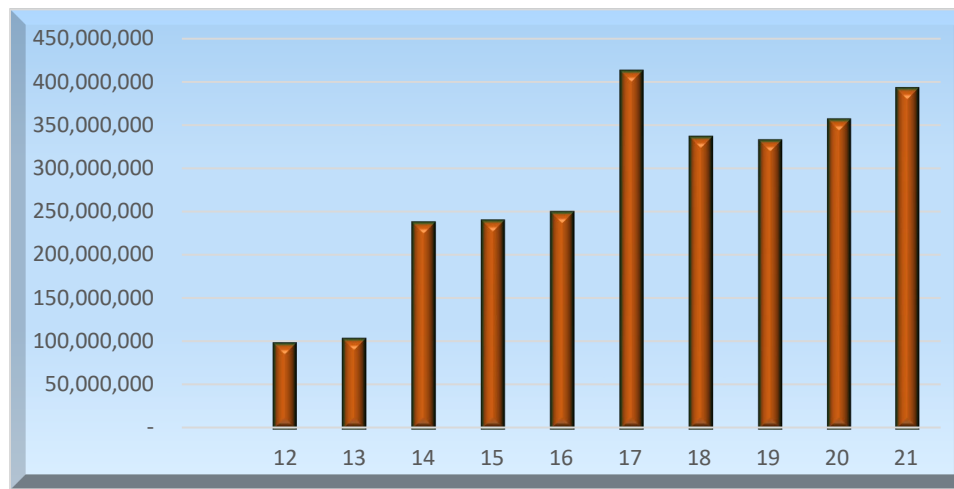
Passengers' Handled - Myrtle Beach International Airport, Calendar Year 2012 – 2021



Construction activity in the City remained strong in 2021. Figures for the fiscal year ended June 30, 2021 indicate that buildings permitted by the City totaled \$391,258,508, 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 11-year horizon presented in the chart below, construction activity remained fairly low from 2012 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 635 new single family homes (up from 491 the year before), no new multi-family residential buildings and 83 new commercial buildings.

Construction Permitted Inside Corporate Limit, Fiscal Year 2012-2021



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 2021 was developed to support the furtherance of those initiatives identified by Council through both service enhancements and continuation of services. With regard to service level changes, a total of eleven new positions were included in the budget for the fiscal year, each intended to address the major initiatives identified by City Council. Recognizing the possible impact of the pandemic, the number of service level changes that increased the overall budget were limited and certain service enhancements were achieved through reallocation of positions to areas of greatest need. 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 2021, 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.

Efforts associated with the Downtown Initiative include the unanimous adoption of the Downtown Master Plan in 2019, and a subsequent revision of the plan and expansion of the existing Tax Increment Financing District to encompass the Arts and Innovation District in 2021. The plan includes downtown property acquisition, and partnering with Coastal Carolina University for the renovation of three properties to house a downtown performing arts theater, a children’s museum, a new library, a new civic complex, open space, and infrastructure to support the area. The City also partnered with the Downtown Redevelopment Corporation (DRC) 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 and the City, through the DRC, was able to utilize tax credits to renovate three historic properties along 9th Avenue in the Arts and Innovation district. The City continues to promote Opportunity zones and host forums for interested investors.





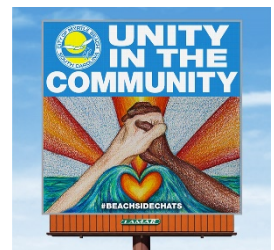
A personnel reclassification provided for a service enhancement in the Solid Waste division. A vacant high level supervisory position was eliminated to allow for the establishment of two crew leader positions. Beautification efforts were greatly enhanced during the latter months of the year. As City 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.

Several vacant positions were moved from field maintenance in the Recreation Division and part-time staff was utilized to fill those maintenance roles, which resulted in savings for the division. In addition, position reallocation from the Recreation Division accommodated the addition of two positions in the Parks Division. The Parks division is responsible for city-wide beautification. During the last year, the department maintained more than 4,500 perennial flowers and shrubs and over 6,500 bedding and summertime plants. They also maintain tress, medians, and right of ways throughout the City.



In addition to the efforts dedicated to the major initiatives and service enhancements identified for 2021, 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 City also performs a variety of renewal and replacement projects. Just as growth creates service demand, it also 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 \$20 million of limited obligation bonds in 2021 to finance projects included in the downtown master plan.
- The City anticipates the issuance of up to \$45 million of water and sewer revenue bonds to finance the extension and renovation of existing water and sewer infrastructure.

- The City anticipates the issuance of up to \$8 million of storm water funded debt to finance the expansion and renovation of the City's storm water infrastructure.
- The City anticipates the issuance of \$14 million 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, 2021, 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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 printed name and title.

Michelle B. Shumpert, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Myrtle Beach
South Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

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, 2021, 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, 2021, 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 74 - 77) and budgetary comparison information (pages 78 - 83) 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

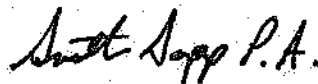
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Myrtle Beach, South Carolina's basic financial statements. The introductory section, combining and individual fund statements and schedules, other supplementary information and 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 15, 2021, 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 15, 2021

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021**

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, 2021. 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 \$265,195,951 (net position).
- The City's total net position increased by \$20,950,922. This is the result of an increase in the net position of governmental activities of \$17,105,134, or 13.0%, and an increase in the net position of our business-type activities of \$3,845,788, or 3.4%.
- During the year ended June 30, 2021, the City's total revenues amounted to \$234,514,223. Revenues of governmental activities totaled \$188,627,516, an increase of 12.1%, and revenues of business-type activities were \$45,886,707, an increase of 6.0%.
- During the year ended June 30, 2021, the City's total expenses amounted to \$213,563,301. Expenses of governmental activities totaled \$173,232,873, an increase of 8.2%, and expenses of business-type activities were \$40,330,428, an increase of 6.3%.
- At June 30, 2021, the City's governmental funds reported combined fund balances of \$93,558,867, an increase of \$16,266,078 in comparison to the prior year.
- There was an decrease in the City's investment in capital assets for the current fiscal year in the amount of \$2,816,974, or 1.0%, for governmental activities and a decrease of \$458,907, or 0.4%, for business-type activities.
- At year-end, the City had \$186,080,456 in outstanding bonds payable and capital lease obligations compared to \$192,215,460 last year, a decrease of 3.2%.

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 statements on pages 39 - 40 provides financial information about an activity for which the City acts as a custodian 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 41. 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, solid waste management, and parking utility 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 a Custodian

The City is a custodian, or fiduciary, for certain funds held on behalf of the City's firefighters. The fiduciary fund financial statements can be found on pages 39 - 40 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 41.

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 74. Combining and individual fund statements and schedules and other supplementary information can be found on pages 85 - 121.

The City as a Whole

Condensed statements of net position at June 30, 2021 and 2020 are shown below.

THE CITY'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 198,360,334	\$ 148,736,392	\$ 35,429,131	\$ 31,965,720	\$ 233,789,465	\$ 180,702,112
Capital Assets (Net)	<u>280,336,511</u>	<u>283,153,485</u>	<u>124,668,996</u>	<u>125,127,903</u>	<u>405,005,507</u>	<u>408,281,388</u>
Total Assets	<u>\$ 478,696,845</u>	<u>\$ 431,889,877</u>	<u>\$ 160,098,127</u>	<u>\$ 157,093,623</u>	<u>\$ 638,794,972</u>	<u>\$ 588,983,500</u>
Deferred Outflows of Resources	\$ <u>23,695,773</u>	\$ <u>21,863,359</u>	\$ <u>1,783,801</u>	\$ <u>1,584,121</u>	\$ <u>25,479,574</u>	\$ <u>23,447,480</u>
Long-Term Liabilities	\$ 268,952,815	\$ 265,876,021	\$ 36,514,843	\$ 37,872,340	\$ 305,467,658	\$ 303,748,361
Other Liabilities	<u>82,257,377</u>	<u>53,412,718</u>	<u>8,224,043</u>	<u>7,561,327</u>	<u>90,481,420</u>	<u>60,974,045</u>
Total Liabilities	<u>\$ 351,210,192</u>	<u>\$ 319,288,739</u>	<u>\$ 44,738,886</u>	<u>\$ 45,433,667</u>	<u>\$ 395,949,078</u>	<u>\$ 364,722,406</u>
Deferred Inflows of Resources	\$ <u>2,814,731</u>	\$ <u>3,201,936</u>	\$ <u>314,786</u>	\$ <u>261,609</u>	\$ <u>3,129,517</u>	\$ <u>3,463,545</u>
Net Position:						
Net Investment in Capital Assets	\$ 160,855,064	\$ 160,678,812	\$ 96,236,996	\$ 94,739,086	\$ 257,092,060	\$ 255,417,898
Restricted	52,533,971	50,903,805	589,586	552,138	53,123,557	51,455,943
Unrestricted	<u>(65,021,340)</u>	<u>(80,320,056)</u>	<u>20,001,674</u>	<u>17,691,244</u>	<u>(45,019,666)</u>	<u>(62,628,812)</u>
Total Net Position	<u>\$ 148,367,695</u>	<u>\$ 131,262,561</u>	<u>\$ 116,828,256</u>	<u>\$ 112,982,468</u>	<u>\$ 265,195,951</u>	<u>\$ 244,245,029</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, 2021 was \$265,195,951, an increase of \$20,950,922, or 8.6%, from a year ago.

The largest portion of the City's net position, \$257,092,060 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, \$53,123,557, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position amounts to \$(45,019,666).

Changes in the City's net position during the years ended June 30, 2021 and 2020 follows.

THE CITY'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 24,643,561	\$ 21,238,194	\$ 39,839,209	\$ 36,143,576	\$ 64,482,770	\$ 57,381,770
Operating Grants and Contributions	13,626,412	2,878,958	364,720	30,128	13,991,132	2,909,086
Capital Grants and Contributions	4,329,645	10,007,362	5,641,660	7,023,267	9,971,305	17,030,629
General Revenues:						
Property Taxes	41,797,359	40,138,497			41,797,359	40,138,497
Local Accommodations Taxes	11,003,726	8,925,995			11,003,726	8,925,995
Business License Taxes	25,171,997	24,917,280			25,171,997	24,917,280
Franchise Taxes	4,717,820	4,717,786			4,717,820	4,717,786
Hospitality Fee Taxes	18,076,659	14,799,599			18,076,659	14,799,599
Local Option Tourism Taxes	32,805,208	28,846,468			32,805,208	28,846,468
Grants and Contributions not Restricted to Specific Programs	12,125,790	10,642,397			12,125,790	10,642,397
Investment Earnings	329,339	1,090,035	41,118	99,572	370,457	1,189,607
Total Revenues	\$ 188,627,516	\$ 168,202,571	\$ 45,886,707	\$ 43,296,543	\$ 234,514,223	\$ 211,499,114
Expenses:						
General Government	\$ 22,981,475	\$ 16,972,598	\$	\$	\$ 22,981,475	\$ 16,972,598
Public Safety	56,594,288	55,026,140			56,594,288	55,026,140
Transportation	11,216,505	12,387,795			11,216,505	12,387,795
Community and Economic Development	45,590,891	38,099,380			45,590,891	38,099,380
Parks, Recreation and Sports Tourism	29,421,460	23,577,177			29,421,460	23,577,177
Public Works	1,464,143	7,525,422			1,464,143	7,525,422
Interest and Fiscal Charges	5,964,111	6,470,780			5,964,111	6,470,780
Water			17,081,247	16,740,272	17,081,247	16,740,272
Sewer			15,640,516	15,095,710	15,640,516	15,095,710
Solid Waste Management			7,009,369	6,117,577	7,009,369	6,117,577
Parking Utility			599,296		599,296	
Total Expenses	\$ 173,232,873	\$ 160,059,292	\$ 40,330,428	\$ 37,953,559	\$ 213,563,301	\$ 198,012,851
Increase in Net Position Before Transfers	\$ 15,394,643	\$ 8,143,279	\$ 5,556,279	\$ 5,342,984	\$ 20,950,922	\$ 13,486,263
Transfers	1,710,491	21,792,556	(1,710,491)	(21,792,556)		
Change in Net Position	\$ 17,105,134	\$ 29,935,835	\$ 3,845,788	\$ (16,449,572)	\$ 20,950,922	\$ 13,486,263
Net Position - Beginning	131,262,561	101,326,726	112,982,468	129,432,040	244,245,029	230,758,766
Net Position - Ending	\$ 148,367,695	\$ 131,262,561	\$ 116,828,256	\$ 112,982,468	\$ 265,195,951	\$ 244,245,029

The City's total revenues amounted to \$234,514,223 for the year ended June 30, 2021. This is an increase of \$23,015,109, or 10.9%. The largest increase was in operating grants and contributions, which increased by \$11,082,046, or 380.9%. CARES act and federal stimulus funding contributed to the increase in grant revenue. The second largest increase was in charges for services, increasing \$7,101,000 or 12.4%. The City saw the most significant increases in the business-type funds, specifically in revenues from water and sewer charges, solid waste fees, and parking fees. Residential growth continues to remain strong, increasing revenues in water and sewer charges and solid waste fees. Parking revenues, which were previously included in the MB Downtown Redevelopment Corporation Component Unit, are now recorded in the business activities of the City. The third largest revenue growth area was in local option tourism taxes, which increased by \$3,958,740, or 13.7%. Hospitality fees, the fourth largest growth area, increased by \$3,277,060, or 22.1%. Local accommodations taxes increased by \$2,077,731, or 23.3% and had the fifth largest growth in revenues. The sixth largest revenue growth area was in property taxes, which increased by \$1,658,862 or 4.1%. Growth in property tax revenue was due to residential growth in the northernmost and southernmost areas of the City. Growth in tourism driven revenues such as hospitality fees, local accommodations taxes, and the local option tourism tax were all a result of the surge in travel demand as Covid-19 vaccination became widely available and the economy reopened. Grants and contributions not restricted to specific programs increased by \$1,483,393, or 13.9% and business license taxes increased by \$254,717, or 1.0%. The largest decline in revenue was experienced in capital grants and contributions, which decreased \$7,059,324, or 41.5%. A large number of residential developments were completed in FY20, resulting in the acceptance of contributed public infrastructure (water and sewer lines, roadways, storm water improvements) in the prior year. Investment earnings decreased \$819,150, or 68.9% as significantly lower interest rates continue following the height of the Covid-19 pandemic.

The total cost of all programs and services was \$213,563,301, increasing by \$15,550,450, or 7.9%, over the previous year. The largest increase in costs was in community and economic development at \$7,491,511, or 19.7%. As tourism revenues increased, statutory distributions of those revenues increased resulting in an increase of community and economic development costs. The second largest governmental increase occurred in general government as costs increased by \$6,008,877, or 35.4%, primarily as a result of the payout of development incentives, legal fees associated with the settlement of a legal suit, and increased campground revenue allocation to the Horry County Airport. Parks, recreation and tourism costs increased by \$5,844,283, or 24.8% as a result of reclassification of a number of departments formerly housed in public works. Public safety costs increased by \$1,568,148, or 2.8%, as a result of a heightened oceanfront presence by both the police and fire departments, to include outside agency assistance. The water and sewer fund experienced a combined increase of water and sewer expenses of \$885,781, or 2.8%. Strong hotel occupancy, coupled with residential growth, drove utilization and caused the increase in the wholesale purchase of water and wastewater handling. The solid waste fund experienced an increase in expenses of \$891,792, or 14.6%. The largest decrease in governmental activity costs occurred in public works, decreasing \$6,061,279, or 80.5% as a result of reclassification of a number of departments to parks, recreation, and sports tourism. The second largest decrease in governmental activity costs occurred in transportation, decreasing \$1,171,290, or 9.5%. The reduction is attributable to the fact that the storm water fund conducted fewer storm water improvements during the year. Interest and fiscal charges demonstrated the third largest decrease at \$506,669 or 7.8%. The decrease resulted from reducing interest payments on long term debt obligations. In addition to the cost reductions mentioned above, the city-wide hiring freeze of "non-essential" positions and other cost reduction measures enacted as a result of the Covid-19 pandemic were in place for the first two quarters of the year, until the local economy began showing signs of recovery.

Governmental Activities

The City's net position from governmental activities increased \$17,105,134, or 13.0%. 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, increased from \$(80,320,056) at June 30, 2020 to \$(65,021,340) 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 12.1% (\$20,424,945) and total expenses increased 8.2% (\$13,173,581).

The cost of all governmental activities this year was \$173,232,873. However, as shown in the statement of activities beginning on page 17, the amount that our taxpayers ultimately financed for these activities was only \$130,633,255 because some of the cost was paid by those who directly benefited from the programs (\$24,643,561) or by other governments and organizations that subsidized certain programs with grants and contributions (\$17,956,057). Overall, the City's governmental program revenues were \$42,599,618. 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 \$146,027,898.

Business-Type Activities

The City's net position from business-type activities increased \$3,845,788, or 3.4%.

The City's programs for business-type activities include water and sewer, solid waste management, and parking utility activities. Revenues of the City's business-type activities increased by 6.0% (\$2,590,164) and expenses increased by 6.3% (\$2,376,869).

The cost of all business-type activities this year was \$40,330,428. As shown in the statement of activities that starts on page 17, the amounts paid by users of the activities were \$39,839,209 and grants and contributions totaled \$6,006,380. Investment earnings were \$41,118.

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 \$93,558,867, an increase of \$16,266,078 in comparison with the prior year. Of this amount, \$19,645,152, or 21.0%, 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 \$19,645,152, while the total fund balance amounted to \$23,099,900. 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 22.8% of total expenditures, while total fund balance represents 26.8% of that same amount. The General Fund's total fund balance increased by \$9,516,573 during the current fiscal year. Property tax revenue, continued to grow. Business license revenue and charges for services also grew after experiencing pandemic related declines in the prior year. Additionally, the transfer of tourism driven revenues to fund eligible public safety and tourism related expenditures contributed to the overall revenue growth.

The Convention Center Fund has a total fund balance of \$1,164,693, an increase of \$864,615 over the prior year. This was primarily due to a transfer of local accommodations tax revenues to cover operating costs and offset revenues lost as a result of the pandemic.

The Local Option Tourism Fee Fund has a total fund balance of \$0, a decrease of \$1,010 from the prior year. Revenues increased by \$3,958,740 when compared to the prior year. Expenditures of the revenue are made for out of market advertising (80% of the fee) and the credit of 76% of residential, owner occupied property tax. As with a number of other tourism driven revenues, the robust tourist season drove the growth in the fee revenue.

The Air Base Tax Increment Revenue Fund has a total fund balance of \$18,722,325, a decrease of \$5,951,073 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 Hospitality Tax Fund has a total fund balance of \$2,432,735, a decrease of \$2,357,260 from the prior year. The decrease is a result of transfers to cover eligible tourism related capital and operating expenditures generated in other funds.

The Capital Improvements Fund's total fund balance increased by \$4,314,644 to \$19,021,202 at June 30, 2021. Of this total, \$7,044,119 is restricted for capital projects and tourism promotion and support and \$11,977,083 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 increase in the fund balance is a product of conservative spending as the City continued to limit nonessential spending through the pandemic.

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 \$17,189,408. Total net position increased \$3,709,216 from the prior year. The increase was due to an increase in capital assets during the period.

Unrestricted net position of the Solid Waste Management Fund at the end of the year amounted to \$(766,827). The increase in total net position in the Solid Waste Management Fund was \$968,231, which was due to residential growth and the prior year increase in solid waste fees implemented to ensure that revenues are sufficient to cover the cost of service provision.

Unrestricted net position of the Parking Utility Fund at the end of the year amounted to \$610,023. Total net position was \$752,772. Previously, parking operations were managed and recorded in the Downtown Redevelopment Corporation component unit. The year ended June 30, 2021 is the first year for recognition of the parking utility as a City fund.

General Fund Budgetary Highlights

The original budget was amended during the year. The resources available for appropriation were \$4,331,964 above the final budgeted amounts. This increase was primarily attributable to building permit, business license, and property tax revenue exceeding budget estimates. Residential growth continued to at a very strong pace and business license revenue did not decline to the extent expected as a result of the pandemic. Charges for services and miscellaneous revenues also performed slightly above budget as facilities were open and services restored to full capacity when the effects of the pandemic began to recede.

Budget to actual comparisons for the General Fund can be found on page 78.

Capital Asset and Debt Administration

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$405,005,507 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 a decrease of \$2,816,974, or 1.0%, for governmental activities and a decrease of \$458,907, or 0.4%, for business-type activities. Both the decrease in governmental activities and the decrease in business-type activities are primarily the result of depreciation.

	THE CITY’S CAPITAL ASSETS					
	(Net of Accumulated Depreciation)					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 48,517,766	\$ 48,517,766	\$ 2,700,271	\$ 2,700,271	\$ 51,218,037	\$ 51,218,037
Land Improvements	71,639,331	71,464,804	129,261	107,991	71,768,592	71,572,795
Buildings and Improvements	139,890,464	133,673,495	2,343,089	2,343,089	142,233,553	136,016,584
Distribution Systems			226,601,499	221,868,779	226,601,499	221,868,779
Furniture, Vehicles, and Equipment	82,815,563	81,000,620	5,965,464	5,837,248	88,781,027	86,837,868
Infrastructure	226,932,969	223,455,955			226,932,969	223,455,955
Construction-in-Progress	4,745,623	2,342,264	39,601		4,785,224	2,342,264
Accumulated Depreciation	(294,205,205)	(277,301,419)	(113,110,189)	(107,729,475)	(407,315,394)	(385,030,894)
	<u>\$ 280,336,511</u>	<u>\$ 283,153,485</u>	<u>\$ 124,668,996</u>	<u>\$ 125,127,903</u>	<u>\$ 405,005,507</u>	<u>\$ 408,281,388</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 \$186,080,456 in outstanding bonds payable and capital lease obligations compared to \$192,215,460 last year, a decrease of 3.2%.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 41,603,000	\$ 38,753,000	\$	\$	\$ 41,603,000	\$ 38,753,000
Revenue Bonds			25,674,465	27,433,059	25,674,465	27,433,059
Tax Increment Revenue Bonds	39,925,000	41,785,000			39,925,000	41,785,000
Storm Water Revenue Bonds	13,152,317	14,342,710			13,152,317	14,342,710
Hospitality Fee Revenue Bonds	59,915,000	62,635,000			59,915,000	62,635,000
Capital Lease Obligations	<u>4,712,036</u>	<u>6,057,394</u>	<u>1,098,638</u>	<u>1,209,297</u>	<u>5,810,674</u>	<u>7,266,691</u>
	<u>\$ 159,307,353</u>	<u>\$ 163,573,104</u>	<u>\$ 26,773,103</u>	<u>\$ 28,642,356</u>	<u>\$ 186,080,456</u>	<u>\$ 192,215,460</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, 2021, the amount of new debt, which could be issued without referendum, was \$7,180,260.

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 stabilized during fiscal year 2021 as a result of two primary factors. Tourism experienced a strong rebound as the number of Covid-19 cases declined and the pent up demand for travel resulted in a healthy visitor presence for the area. Property values continue to grow and demand for residential property remains strong. Revenues deriving from business conducted in the City showed extremely strong growth throughout the fiscal year, demonstrating a return to pre-pandemic levels in most cases and exceeding pre-pandemic performance in a number of tourism revenues. Business license receipts increased when compared to the prior year, with collections reaching the third highest annual collections recorded. Likewise, the local option tourism fee revenues increase with collections for the year at the 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 were sequestered pending settlement of a lawsuit with Horry County. Settlement of the lawsuit in 2021 released those revenues and made them available for allocation in the fiscal year ended June 30, 2021. With regard to cost control, the City budget contained a number of cost saving measures to mitigate the adverse effects of the pandemic. Spending controls and hiring freezes remained in effect through the first half of the year, and when it became apparent that tourism was on rebound, spending controls were relaxed to meet demand and allow for provision of essential services. The City's elected and appointed officials considered the current financial condition setting the fiscal year 2022 budget, particularly the need to maintain flexibility 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 2022 budget, it did so with three major objectives: (1) restore structural balance in 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 experience of the Covid-19 economy and the uncertain status of the pandemic was also factored into the process for 2022, 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,

are extremely sensitive to external factors, so they focused on sustaining essential services to the community and reinstating programs previously reduced or halted in the prior year. City leaders also recognized the pandemic effect on our community. The 2022 budget was formulated to meet the needs of the community through allocation of funds for necessary operations, essential programming, and maintenance of City infrastructure. As such, the 2022 budget includes no increase in the *ad valorem* tax rate or business license fees. Water and sewer rates and storm water fee increases were incorporated to allow for necessary maintenance and extension of those systems. As a result of the revenue recovery and the success of measures taken to control targeted reductions in the just concluded year, amounts available for appropriation in the General Fund budget for fiscal year 2022 are \$103,068,262, an increase of 15.8% from the final fiscal year 2021 budget of \$89,008,872.

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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Temporary Investments	\$ 81,040,764	\$ 26,164,246	\$ 107,205,010
Receivables (Net)	30,236,183	1,474,493	31,710,676
Due From Component Units	35,442,194		35,442,194
Internal Balances	(2,969,070)	2,969,070	
Inventories	342,198	1,150,838	1,493,036
Prepaid Assets	684,684		684,684
Restricted Cash and Temporary Investments	53,583,381	3,670,484	57,253,865
Land and Construction in Progress	53,263,389	2,739,872	56,003,261
Other Capital Assets (Net)	227,073,122	121,929,124	349,002,246
Total Assets	\$ 478,696,845	\$ 160,098,127	\$ 638,794,972
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Advance Refundings	\$ 1,620,393	\$ 325,350	\$ 1,945,743
Related to Pension Plans	22,075,380	1,458,451	23,533,831
Total Deferred Outflows of Resources	\$ 23,695,773	\$ 1,783,801	\$ 25,479,574
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 42,658,009	\$ 3,024,263	\$ 45,682,272
Due to Primary Government			
Unearned Revenue	1,580,114	181,061	1,761,175
Liabilities Payable From Restricted Assets	24,154,907	4,906,072	29,060,979
Noncurrent Liabilities:			
Due Within One Year	13,864,347	112,647	13,976,994
Due in More Than One Year	268,952,815	36,514,843	305,467,658
Total Liabilities	\$ 351,210,192	\$ 44,738,886	\$ 395,949,078
DEFERRED INFLOWS OF RESOURCES			
Related to Pension Plans	\$ 2,814,731	\$ 314,786	\$ 3,129,517

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>
--	---

\$ 772,164	\$ 2,658,271
	772,229
	27,722
	517,980
	1,940,811
1,022,049	
<u>4,137</u>	<u>26,203,710</u>
\$ <u>1,798,350</u>	\$ <u>32,120,723</u>

\$	\$ 498,885
<u> </u>	<u> </u>
\$ <u> </u>	\$ <u>498,885</u>

\$ 938	\$ 1,166,344
	35,442,194
	285,991
	528,628
	<u>13,533,588</u>
\$ <u>938</u>	\$ <u>50,956,745</u>

\$ <u> </u>	\$ <u> </u>
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A-1 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$ 160,855,064	\$ 96,236,996	\$ 257,092,060
Restricted for:			
Capital Projects	15,653,184		15,653,184
Capital Replacements			
Community Development	14,709,570		14,709,570
Debt Service	8,299,210	589,586	8,888,796
Library	111,712		111,712
Narcotics Law Enforcement	205,243		205,243
Renewal and Replacement	210,000		210,000
Taxes and Insurance			
Tourism Promotion and Support	13,345,052		13,345,052
Unrestricted	(65,021,340)	20,001,674	(45,019,666)
Total Net Position	\$ 148,367,695	\$ 116,828,256	\$ 265,195,951

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>
--	---

\$ 1,026,186 \$ 12,774,007

138,822

1,621,262

47,099

771,226 (32,918,327)

\$ 1,797,412 \$ (18,337,137)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

<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>
Primary Government:				
Governmental Activities:				
General Government	\$ 22,981,475	\$ 4,055,174	\$ 10,708,551	\$ 305,431
Public Safety	56,594,288	2,574,773	1,646,330	
Transportation	11,216,505	2,765,771	75,263	3,068,142
Community and Economic Development	45,590,891	4,516,951	553,862	847,244
Parks, Recreation and Sports Tourism	29,421,460	10,730,892	583,783	108,828
Public Works	1,464,143		58,623	
Interest and Fiscal Charges	5,964,111			
Total Governmental Activities	<u>\$ 173,232,873</u>	<u>\$ 24,643,561</u>	<u>\$ 13,626,412</u>	<u>\$ 4,329,645</u>
Business-Type Activities:				
Water	\$ 17,081,247	\$ 16,429,211	\$ 90,364	\$ 2,430,578
Sewer	15,640,516	15,469,588	90,365	3,046,366
Solid Waste Management	7,009,369	6,753,138	183,991	
Parking Utility	599,296	1,187,272		164,716
Total Business Type Activities	<u>\$ 40,330,428</u>	<u>\$ 39,839,209</u>	<u>\$ 364,720</u>	<u>\$ 5,641,660</u>
Total Primary Government	<u>\$ 213,563,301</u>	<u>\$ 64,482,770</u>	<u>\$ 13,991,132</u>	<u>\$ 9,971,305</u>
Component Units:				
MB Downtown Redevelopment Corporation	\$ 1,880,655	\$ 935,201		\$
MB Convention Center Hotel Corporation	13,660,320	9,080,901		
Total Component Units	<u>\$ 15,540,975</u>	<u>\$ 10,016,102</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	
\$ (7,912,319)		\$ (7,912,319)			
(52,373,185)		(52,373,185)			
(5,307,329)		(5,307,329)			
(39,672,834)		(39,672,834)			
(17,997,957)		(17,997,957)			
(1,405,520)		(1,405,520)			
(5,964,111)		(5,964,111)			
<u>\$ (130,633,255)</u>	<u>\$</u>	<u>\$ (130,633,255)</u>			
	\$ 1,868,906	\$ 1,868,906			
	2,965,803	2,965,803			
	(72,240)	(72,240)			
	752,692	752,692			
<u>\$</u>	<u>\$ 5,515,161</u>	<u>\$ 5,515,161</u>			
<u>\$ (130,633,255)</u>	<u>\$ 5,515,161</u>	<u>\$ (125,118,094)</u>			
			\$ (945,454)	\$	
				<u>(4,579,419)</u>	
			<u>\$ (945,454)</u>	<u>\$ (4,579,419)</u>	
\$ 41,797,359		\$ 41,797,359	\$		
11,003,726		11,003,726			
25,171,997		25,171,997			
4,717,820		4,717,820			
18,076,659		18,076,659			
32,805,208		32,805,208			
12,125,790		12,125,790			
329,339	41,118	370,457	535	178	
1,710,491	(1,710,491)				
<u>\$ 147,738,389</u>	<u>\$ (1,669,373)</u>	<u>\$ 146,069,016</u>	<u>\$ 535</u>	<u>\$ 178</u>	
\$ 17,105,134	\$ 3,845,788	\$ 20,950,922	\$ (944,919)	\$ (4,579,241)	
131,262,561	112,982,468	244,245,029	2,742,331	(13,757,896)	
<u>\$ 148,367,695</u>	<u>\$ 116,828,256</u>	<u>\$ 265,195,951</u>	<u>\$ 1,797,412</u>	<u>\$ (18,337,137)</u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Temporary Investments	\$ 14,375,539	\$ 342,719	\$
Receivables (Net):			
Property Taxes	1,154,587		
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Accounts	4,502,794	461,345	
Intergovernmental	1,781,052		10,390,117
Loans	40,708		
Due From Other Funds	9,355,543	550,000	
Due From Component Units		35,442,194	
Inventories	240,948	16,083	
Prepaid Assets	24,030		
Restricted Cash and Temporary Investments	<u>1,037,396</u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 32,512,597</u>	<u>\$ 36,812,341</u>	<u>\$ 10,390,117</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Expenditures	\$ 7,559,416	\$ 276,198	\$ 8,312,094
Due to Other Funds			2,078,023
Payable From Restricted Assets:			
Court Bonds	491,146		
Refundable Deposits	164,669		
Surplus Funds - Overlapping Governments			
Hospitality Settlement			
Other	64,626		
Unearned Revenue	3,490	237,975	
Total Liabilities	<u>\$ 8,283,347</u>	<u>\$ 514,173</u>	<u>\$ 10,390,117</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>\$ 1,129,350</u>	<u>\$ 35,133,475</u>	<u> </u>

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,447,991	\$ 7,531,543	\$ 13,261,433	\$ 15,235,185	\$ 55,194,410
76,299			32,918	1,263,804
			2,569,347	2,569,347
	917,073		2,504,913	3,421,986
			86,304	86,304
			270,734	5,234,873
		376,132	4,853,581	17,400,882
			192,685	233,393
			6,705,732	16,611,275
				35,442,194
			12,322	269,353
			17,477	41,507
<u>26,553,576</u>	<u>13,003,986</u>	<u>8,886,452</u>	<u>4,101,971</u>	<u>53,583,381</u>
<u>\$ 31,077,866</u>	<u>\$ 21,452,602</u>	<u>\$ 22,524,017</u>	<u>\$ 36,583,169</u>	<u>\$ 191,352,709</u>
\$ 25,669	\$ 433	\$ 1,660,482	\$ 1,079,571	\$ 18,913,863
3,750,021	5,998,145		4,785,086	16,611,275
				491,146
		1,842,333		2,007,002
8,498,147				8,498,147
	13,003,986			13,003,986
			90,000	154,626
			1,338,649	1,580,114
<u>\$ 12,273,837</u>	<u>\$ 19,002,564</u>	<u>\$ 3,502,815</u>	<u>\$ 7,293,306</u>	<u>\$ 61,260,159</u>
<u>\$ 81,704</u>	<u>\$ 17,303</u>	<u>\$</u>	<u>\$ 171,851</u>	<u>\$ 36,533,683</u>

A-3 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (continued)			
Fund Balances:			
Nonspendable:			
Inventories	\$ 240,948	\$ 16,083	\$
Long-Term Receivables	40,708		
Prepaid Assets	24,030		
Restricted for:			
Capital Projects			
Community Development			
Debt Service			
Library	111,712		
Narcotics Law Enforcement	205,243		
Tourism Promotion and Support		1,148,610	
Renewal and Replacement			
Committed for:			
Demolition Loans	4,000		
Redevelopment Incentive Projects	328,107		
Assigned for:			
Capital Projects			
Disaster Recovery	2,500,000		
Unassigned	19,645,152		
Total Fund Balances	<u>\$ 23,099,900</u>	<u>\$ 1,164,693</u>	<u>\$</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 32,512,597</u></u>	<u><u>\$ 36,812,341</u></u>	<u><u>\$ 10,390,117</u></u>

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$ 12,322	\$ 269,353
				40,708
			17,477	41,507
14,243,980		6,767,100		21,011,080
1,400,346			13,309,224	14,709,570
3,077,999		277,019	5,948,038	9,303,056
				111,712
				205,243
	2,432,735		9,620,951	13,202,296
			210,000	210,000
				4,000
				328,107
		8,977,083		8,977,083
		3,000,000		5,500,000
				19,645,152
<u>\$ 18,722,325</u>	<u>\$ 2,432,735</u>	<u>\$ 19,021,202</u>	<u>\$ 29,118,012</u>	<u>\$ 93,558,867</u>
<u>\$ 31,077,866</u>	<u>\$ 21,452,602</u>	<u>\$ 22,524,017</u>	<u>\$ 36,583,169</u>	<u>\$ 191,352,709</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, 2021**

Total Fund Balances - Total Governmental Funds	\$ 93,558,867
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.	268,094,935
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	36,533,683
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.	4,806,405
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(254,626,195)</u>
Net Position of Governmental Activities	\$ <u>148,367,695</u>

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, 2021

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 25,129,679	\$	\$
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Local Option Tourism Taxes			32,805,208
Licenses and Permits	33,899,665		
Fines and Forfeitures	1,063,841		
Intergovernmental	9,936,061		
Charges for Services	2,273,408	2,671,817	
Miscellaneous	4,924,659	615,559	103,010
Total Revenues	<u>\$ 77,227,313</u>	<u>\$ 3,287,376</u>	<u>\$ 32,908,218</u>
EXPENDITURES			
Current:			
General Government	\$ 17,011,640	\$ 674,934	\$
Public Safety	48,124,728		
Transportation	4,166,988		
Community and Economic Development	2,996,329		26,322,448
Parks, Recreation and Sports Tourism	12,014,998	5,223,727	
Public Works	1,375,066		
Capital Outlay	436,233		
Debt Service:			
Principal			
Interest and Fiscal Charges			
Bond Issuance Costs			
Total Expenditures	<u>\$ 86,125,982</u>	<u>\$ 5,898,661</u>	<u>\$ 26,322,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (8,898,669)</u>	<u>\$ (2,611,285)</u>	<u>\$ 6,585,770</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 27,563,358	\$ 3,475,000	\$
Transfers Out	(9,258,575)		(6,586,780)
Proceeds from Borrowing			
Payment to Escrow Agent			
Sale of Capital Assets	110,459	900	
Total Other Financing Sources (Uses)	<u>\$ 18,415,242</u>	<u>\$ 3,475,900</u>	<u>\$ (6,586,780)</u>
Net Change in Fund Balances	\$ 9,516,573	\$ 864,615	\$ (1,010)
Fund Balances - Beginning	<u>13,583,327</u>	<u>300,078</u>	<u>1,010</u>
Fund Balances - Ending	<u>\$ 23,099,900</u>	<u>\$ 1,164,693</u>	<u>\$</u>

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

Air Base Tax Increment Revenue Fund	Hospitality Tax Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ 13,090,209	\$	\$ 359,313	\$ 3,170,489	\$ 41,749,690
			10,982,734	10,982,734
	5,749,675		12,330,874	18,080,549
			2,765,271	2,765,271
				32,805,208
				33,899,665
			122,978	1,186,819
		557,030	11,090,031	21,583,122
			2,655,926	7,601,151
6,968	5,857,065	319,054	113,653	11,939,968
<u>\$ 13,097,177</u>	<u>\$ 11,606,740</u>	<u>\$ 1,235,397</u>	<u>\$ 43,231,956</u>	<u>\$ 182,594,177</u>
\$	\$	\$ 1,031,083	\$ 973,953	\$ 19,691,610
				48,124,728
		58,243	1,644,694	5,869,925
9,501,822		75,715	2,929,872	41,826,186
		100,326	3,571,204	20,910,255
				1,375,066
		12,160,779	486,019	13,083,031
1,500,000			8,197,385	9,697,385
1,462,533			4,624,128	6,086,661
		28,084	98,111	126,195
<u>\$ 12,464,355</u>	<u>\$</u>	<u>\$ 13,454,230</u>	<u>\$ 22,525,366</u>	<u>\$ 166,791,042</u>
<u>\$ 632,822</u>	<u>\$ 11,606,740</u>	<u>\$ (12,218,833)</u>	<u>\$ 20,706,590</u>	<u>\$ 15,803,135</u>
\$	\$	\$ 11,033,477	\$ 14,305,262	\$ 56,377,097
(6,583,895)	(13,964,000)		(25,225,134)	(61,618,384)
		5,500,000	27,078,000	32,578,000
			(26,985,129)	(26,985,129)
				111,359
<u>\$ (6,583,895)</u>	<u>\$ (13,964,000)</u>	<u>\$ 16,533,477</u>	<u>\$ (10,827,001)</u>	<u>\$ 462,943</u>
\$ (5,951,073)	\$ (2,357,260)	\$ 4,314,644	\$ 9,879,589	\$ 16,266,078
<u>24,673,398</u>	<u>4,789,995</u>	<u>14,706,558</u>	<u>19,238,423</u>	<u>77,292,789</u>
<u>\$ 18,722,325</u>	<u>\$ 2,432,735</u>	<u>\$ 19,021,202</u>	<u>\$ 29,118,012</u>	<u>\$ 93,558,867</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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 16,266,078
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 (\$16,262,472) and the book value of disposals (\$8,513) exceeded capital outlays (\$13,083,031) in the current period.	(3,187,954)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,891,357
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.	4,104,514
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.	(5,946,195)
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>(22,666)</u>
Change in Net Position of Governmental Activities	<u>\$ 17,105,134</u>

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, 2021

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
ASSETS			
Current Assets:			
Cash and Temporary Investments	\$ 22,630,948	\$ 2,768,116	\$ 765,182
Receivables (Net):			
Accounts	1,192,904	261,589	
Intergovernmental	20,000		
Inventories	1,132,181	18,657	
Prepaid Assets			
Total Current Assets	\$ 24,976,033	\$ 3,048,362	\$ 765,182
Noncurrent Assets:			
Restricted Cash and Temporary Investments	\$ 3,670,484	\$	\$
Land and Construction in Progress	2,739,872		
Other Capital Assets (Net)	120,145,154	1,641,221	142,749
Total Noncurrent Assets	\$ 126,555,510	\$ 1,641,221	\$ 142,749
Total Assets	\$ 151,531,543	\$ 4,689,583	\$ 907,931
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Advance Refunding Related to Pension Plan	\$ 325,350	\$	\$
	847,145	611,306	
Total Deferred Outflows of Resources	\$ 1,172,495	\$ 611,306	\$

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 26,164,246	\$ 25,846,354
1,454,493	25,594
20,000	
1,150,838	72,845
	643,177
<u>\$ 28,789,577</u>	<u>\$ 26,587,970</u>
\$ 3,670,484	\$
2,739,872	
121,929,124	12,241,576
<u>\$ 128,339,480</u>	<u>\$ 12,241,576</u>
<u>\$ 157,129,057</u>	<u>\$ 38,829,546</u>
\$ 325,350	\$
<u>1,458,451</u>	<u>152,155</u>
<u>\$ 1,783,801</u>	<u>\$ 152,155</u>

A-7 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 2,650,073	\$ 255,822	\$ 118,368
Unreported Insurance Claims			
Capital Lease Obligations		112,647	
Payable From Restricted Assets:			
Refundable Deposits	2,776,550		
Interest Payable	304,349		
Revenue Bonds	1,825,173		
Total Current Liabilities	\$ 7,556,145	\$ 368,469	\$ 118,368
Noncurrent Liabilities:			
Compensated Absences	\$ 93,899	\$ 84,440	\$
Unreported Insurance Claims			
Capital Lease Obligations		985,991	
Revenue Bonds (Net)	25,833,539		
Net Pension Liability	5,561,571	3,955,403	
Unearned Revenue	144,270		36,791
Total Noncurrent Liabilities	\$ 31,633,279	\$ 5,025,834	\$ 36,791
Total Liabilities	\$ 39,189,424	\$ 5,394,303	\$ 155,159
DEFERRED INFLOWS OF RESOURCES			
Related to Pension Plan	\$ 183,956	\$ 130,830	\$
NET POSITION			
Net Investment in Capital Assets	\$ 95,551,664	\$ 542,583	\$ 142,749
Restricted for:			
Debt Service	589,586		
Unrestricted	17,189,408	(766,827)	610,023
Total Net Position	\$ 113,330,658	\$ (224,244)	\$ 752,772

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>Total</u>	<u>Internal Service Funds</u>
\$ 3,024,263	\$ 22,740,300
	728,929
112,647	811,177
2,776,550	
304,349	
1,825,173	
<u>\$ 8,042,982</u>	<u>\$ 24,280,406</u>
\$ 178,339	\$ 27,171
	3,370,473
985,991	2,542,048
25,833,539	
9,516,974	954,555
181,061	
<u>\$ 36,695,904</u>	<u>\$ 6,894,247</u>
<u>\$ 44,738,886</u>	<u>\$ 31,174,653</u>
<u>\$ 314,786</u>	<u>\$ 31,573</u>
\$ 96,236,996	\$ 8,888,351
589,586	
<u>17,032,604</u>	<u>(1,112,876)</u>
\$ 113,859,186	<u><u>\$ 7,775,475</u></u>
<u>2,969,070</u>	
<u><u>\$ 116,828,256</u></u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
OPERATING REVENUES			
Charges for Services	\$ 30,873,771	\$ 6,749,771	\$ 1,187,272
OPERATING EXPENSES			
Administration	\$ 4,192,846	\$ 992,968	\$
Operations	21,648,939	5,008,739	577,329
Depreciation	5,177,048	196,929	21,967
Total Operating Expenses	\$ 31,018,833	\$ 6,198,636	\$ 599,296
Operating Income (Loss)	\$ (145,062)	\$ 551,135	\$ 587,976
NONOPERATING REVENUES (EXPENSES)			
Interest Earned	\$ 38,913	\$ 2,125	\$ 80
Operating Grant Revenue	180,729	183,991	
Miscellaneous Revenue	1,025,028	3,367	
Gain on Disposal of Capital Assets	3,300		
Interest and Fiscal Charges	(910,145)	(22,387)	
Total Nonoperating Revenues (Expenses)	\$ 337,825	\$ 167,096	\$ 80
Income (Loss) Before Contributions and Transfers	\$ 192,763	\$ 718,231	\$ 588,056
Capital Contributions	5,476,944		164,716
Transfers In		250,000	
Transfers Out	(1,960,491)		
Change in Net Position	\$ 3,709,216	\$ 968,231	\$ 752,772
Total Net Position - Beginning	109,621,442	(1,192,475)	
Total Net Position - Ending	\$ 113,330,658	\$ (224,244)	\$ 752,772

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>Total</u>	<u>Internal Service Funds</u>
\$ <u>38,810,814</u>	\$ <u>18,546,083</u>
\$ 5,185,814	\$ 583,478
27,235,007	23,796,373
<u>5,395,944</u>	<u>3,309,134</u>
\$ <u>37,816,765</u>	\$ <u>27,688,985</u>
\$ <u>994,049</u>	\$ <u>(9,142,902)</u>
\$ 41,118	\$ 141,982
364,720	93,301
1,028,395	8,249
3,300	382,060
<u>(932,532)</u>	<u>(91,565)</u>
\$ <u>505,001</u>	\$ <u>534,027</u>
\$ 1,499,050	\$ (8,608,875)
5,641,660	50,000
250,000	6,951,778
<u>(1,960,491)</u>	<u> </u>
\$ 5,430,219	\$ (1,607,097)
	<u>9,382,572</u>
	\$ <u><u>7,775,475</u></u>
<u>(1,584,431)</u>	
\$ <u><u>3,845,788</u></u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 32,159,969	\$ 6,765,460	\$ 1,224,063
Receipts From Interfund Services Provided			
Payments to Suppliers	(21,339,615)	(2,412,191)	(458,961)
Payments to Employees	(2,320,417)	(1,632,008)	
Payments for Interfund Services Used	(1,482,534)	(1,799,747)	
Payments of Claims			
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 7,017,403</u>	<u>\$ 921,514</u>	<u>\$ 765,102</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	\$	\$ 250,000	\$
Transfers Out	(1,960,491)		
Operating Grants	180,729	1,192,637	
Payments on Interfund Loans			
Interest Payments on Interfund Loans			
Net Cash and Cash Equivalents Provided (Used) by Noncapital Financing Activities	<u>\$ (1,779,762)</u>	<u>\$ 1,442,637</u>	<u>\$</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	\$ 2,621,434		\$
Payments for Intergovernmental Receivable	20,000		
Decrease in Capital Lease Proceeds Receivable			
Principal Payments on Long-Term Debt	(1,758,594)	(110,659)	
Interest Payments on Long-Term Debt	(1,004,548)	(23,472)	
Payment of Bond Administration Fees	(8,200)		
Purchases of Capital Assets	(1,916,811)		
Proceeds From Disposal of Capital Assets	3,300		
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	<u>\$ (2,043,419)</u>	<u>\$ (134,131)</u>	<u>\$</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	\$ 38,913	\$ 2,125	\$ 80
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 38,913</u>	<u>\$ 2,125</u>	<u>\$ 80</u>

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

<u>Enterprise Funds</u>		
<u>Total</u>	<u>Internal Service Funds</u>	
\$ 40,149,492	\$	
		18,546,083
(24,210,767)		(7,096,578)
(3,952,425)		(379,141)
(3,282,281)		
<u> </u>	<u> </u>	<u>(16,928,291)</u>
\$ <u>8,704,019</u>	\$	<u>(5,857,927)</u>
\$ 250,000	\$	6,951,778
(1,960,491)		
1,373,366		183,437
		(336)
<u> </u>	<u> </u>	<u>(6,555)</u>
\$ <u>(337,125)</u>	\$	<u>7,128,324</u>
\$ 2,621,434	\$	50,000
20,000		
		1,075,000
(1,869,253)		(790,365)
(1,028,020)		(101,979)
(8,200)		
(1,916,811)		(2,119,259)
3,300		490,230
<u> </u>	<u> </u>	<u> </u>
\$ <u>(2,177,550)</u>	\$	<u>(1,396,373)</u>
\$ <u>41,118</u>	\$	<u>141,982</u>
\$ <u>41,118</u>	\$	<u>141,982</u>

A-9 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
Net Increase in Cash and Cash Equivalents	\$ 3,233,135	\$ 2,232,145	\$ 765,182
Cash and Cash Equivalents - Beginning	<u>23,068,297</u>	<u>535,971</u>	<u> </u>
Cash and Cash Equivalents - Ending	<u>\$ 26,301,432</u>	<u>\$ 2,768,116</u>	<u>\$ 765,182</u>

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

Operating Income (Loss)	\$ (145,062)	\$ 551,135	\$ 587,976
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities:			
Depreciation	5,177,048	196,929	21,967
(Increase) Decrease in Accounts Receivable (Net)	37,912	12,322	
(Increase) Decrease in Inventories	85,627	18,113	
(Increase) in Prepaid Assets			
Increase (Decrease) in Accounts Payable and Accrued Expenses	372,482	(167,726)	118,368
Increase in Refundable Deposits Payable	228,888		
Increase in Unreported Insurance Claims			
Increase in Net Pension Liability and Related Amounts	241,110	307,374	
Increase (Decrease) in Unearned Revenue	(5,630)		36,791
Miscellaneous Receipts	<u>1,025,028</u>	<u>3,367</u>	<u> </u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 7,017,403</u>	<u>\$ 921,514</u>	<u>\$ 765,102</u>

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 6,230,462	\$ 16,006
<u>23,604,268</u>	<u>25,830,348</u>
\$ <u><u>29,834,730</u></u>	\$ <u><u>25,846,354</u></u>
\$ 994,049	\$ (9,142,902)
5,395,944	3,309,134
50,234	(13,918)
103,740	(15,526)
	(643,177)
323,124	267,894
228,888	
	345,955
548,484	26,364
31,161	
<u>1,028,395</u>	<u>8,249</u>
\$ <u><u>8,704,019</u></u>	\$ <u><u>(5,857,927)</u></u>

A-9 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2021**

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
<u>Noncash Capital and Related Financing Activities</u>			
Fair Value of Capital Asset Contributions	\$ 2,855,510		\$ 164,716
Book Value of Capital Asset Disposals			

Reconciliation of Cash and Cash Equivalents

Unrestricted Cash and Temporary Investments	\$ 22,630,948		\$ 2,768,116		\$ 765,182
Restricted Cash and Temporary Investments	3,670,484				
	\$ 26,301,432		\$ 2,768,116		\$ 765,182

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 3,020,226	\$ 108,170

\$ 26,164,246	\$ 25,846,354
<u>3,670,484</u>	
<u>\$ 29,834,730</u>	<u>\$ 25,846,354</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2021

ASSETS

Cash and Temporary Investments \$ 59,712

NET POSITION

Restricted for Firemen \$ 59,712

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
Year Ended June 30, 2021

ADDITIONS	
Insurance Receipts	\$ <u>413,142</u>
DEDUCTIONS	
Retirement Plan	\$ 375,000
Other	<u>21,772</u>
Total Deductions	\$ <u>396,772</u>
Change in Net Position	\$ 16,370
Net Position - Beginning	<u>43,342</u>
Net Position - Ending	<u><u>\$ 59,712</u></u>

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



First in Service

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 2021

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, 2021

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial 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 proprietary 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 *Hospitality Tax Fund* is a special revenue fund that 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.

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 *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 *Parking Utility Fund* is an enterprise fund that is used to account for the management paid parking facilities, on-street and off-street, in the oceanfront and downtown development areas.

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, 2021

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

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

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

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 \$53,123,557 of total restricted net position, of which \$16,796,935 is restricted by enabling legislation.

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

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, \$254,626,195, follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Bonds Payable (Net)	\$ 161,944,898
Capital Lease Obligations	1,358,811
Compensated Absences	5,047,424
Net Pension Liability and Related Amounts	86,891,609
Accrued Interest Payable	1,003,846
Deferred Amounts on Advance Refundings	<u>(1,620,393)</u>
	<u>\$ 254,626,195</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, \$4,104,514, is comprised of the following:

Refunding General Obligations Bonds Issued	\$ (27,078,000)
General Obligation Bonds Issued	(5,500,000)
Payments to Escrow Agent	26,985,129
Principal Repayments	<u>9,697,385</u>
	<u>\$ 4,104,514</u>

The details of another element in the reconciliation that relates to expenses, \$5,946,195, follows:

Compensated Absences	\$ (581,877)
Net Pension Liability	6,868,382
Accrued Interest	(188,307)
Amortization of Bond Premiums	(515,365)
Amortization of Deferred Amounts on Advance Refundings	<u>363,362</u>
	<u>\$ 5,946,195</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, 2021, 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, 2021 were as follows:

Solid Waste Management Fund	\$ 224,244
Internal Service Fund:	
Health Insurance Fund	4,990,069

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 \$72,844,550 and the financial institutions' balances totaled \$75,462,739. Of that balance, \$21,656,250 was covered by federal depository insurance and \$53,806,489 was collateralized with securities held by the pledging financial institutions' trust department in the City's name. At year-end, the City had \$40,566 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 \$772,164 and the financial institutions' balances totaled \$773,974. Of that balance, \$402,742 was covered by federal depository insurance and \$371,232 was collateralized with securities held by the pledging financial institutions' trust department in the MBDRC's name.

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 \$895,832 and the financial institutions' balances totaled \$903,988. Of that balance, \$250,000 was covered by federal depository insurance and \$653,988 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&P Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Repurchase Agreement	1 Day	Not Rated	\$ 20,000,110	21.83%
U.S. Treasury Bill	0.25 Years	N/A	665,973	0.73
Money Market Mutual Funds	Not Available	AAA	29,289,629	31.96
State Treasurer's Investment Pool	2 Months Average	Not Rated	41,677,759	45.48
			<u>\$ 91,633,471</u>	<u>100.00 %</u>

At June 30, 2021, fair value measurements of the City's investments are as follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

	Fair Value Measurements Using			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Repurchase Agreement	\$	\$ 20,000,110	\$	\$ 20,000,110
U.S. Treasury Bill	665,973			665,973
Money Market Mutual Funds	<u>29,289,629</u>			<u>29,289,629</u>
	<u>\$ 29,955,602</u>	<u>\$ 20,000,110</u>	<u>\$</u>	<u>\$ 49,955,712</u>
Investments Measured at Net Asset Value				
State Treasurer's Investment Pool				<u>41,677,759</u>
				<u>\$ 91,633,471</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>\$ 3,683,250</u>	<u>100.00%</u>

At June 30, 2021, 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, 2021, 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	\$ 4,199,704	\$	\$	\$ 82,934
Local Accommodations Taxes				
Hospitality Fee Taxes				
Storm Water Fees				
Accounts	5,120,470	461,345		
Intergovernmental	1,781,052		10,390,117	
Loans	<u>40,708</u>			
	<u>\$ 11,141,934</u>	<u>\$ 461,345</u>	<u>\$ 10,390,117</u>	<u>\$ 82,934</u>
Allowances for Doubtful Accounts	<u>(3,662,793)</u>			<u>(6,635)</u>
	<u>\$ 7,479,141</u>	<u>\$ 461,345</u>	<u>\$ 10,390,117</u>	<u>\$ 76,299</u>

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	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Management Fund</u>
Property Taxes	\$	\$	\$	\$
Local Accommodations Taxes				
Hospitality Fee Taxes	925,389			
Storm Water Fees				
Accounts			1,864,888	458,119
Intergovernmental		376,132	20,000	
Loans				
	<u>\$ 925,389</u>	<u>\$ 376,132</u>	<u>\$ 1,884,888</u>	<u>\$ 458,119</u>
Allowances for Doubtful Accounts	<u>(8,316)</u>		<u>(671,984)</u>	<u>(196,530)</u>
	<u>\$ 917,073</u>	<u>\$ 376,132</u>	<u>\$ 1,212,904</u>	<u>\$ 261,589</u>

	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Property Taxes	\$ 35,780	\$ 4,318,418
Local Accommodations Taxes	2,576,972	2,576,972
Hospitality Fee Taxes	2,547,268	3,472,657
Storm Water Fees	199,798	199,798
Accounts	296,328	8,201,150
Intergovernmental	4,853,581	17,420,882
Loans	192,685	233,393
	<u>\$ 10,702,412</u>	<u>\$ 36,423,270</u>
Allowances for Doubtful Accounts	<u>(166,336)</u>	<u>(4,712,594)</u>
	<u>\$ 10,536,076</u>	<u>\$ 31,710,676</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, 2021, amounts due to/from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 9,355,543	\$
Convention Center Fund	550,000	
Local Option Tourism Fee Fund		2,078,023
Air Base Tax Increment Revenue Fund		3,750,021
Hospitality Tax Fund		5,998,145
Nonmajor Governmental Funds	<u>6,705,732</u>	<u>4,785,086</u>
	<u>\$ 16,611,275</u>	<u>\$ 16,611,275</u>

The interfund loans were made to cover cash flow deficiencies of the various funds. All amounts are expected to be repaid shortly after the end of the fiscal year.

Interfund transfers during the year ended June 30, 2021 were as follows:

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<u>Transfers In</u>	<u>Transfers Out</u>			
	<u>General Fund</u>	<u>Local Option Tourism Fee Fund</u>	<u>Air Base Tax Increment Revenue Fund</u>	<u>Hospitality Tax Fund</u>
General Fund	\$	\$ 6,111,544	\$ 4,083,895	\$ 2,123,152
Convention Center Fund				
Capital Improvements Fund	1,500,000		2,500,000	5,492,853
Nonmajor Governmental Funds	806,797	475,236		6,347,995
Solid Waste Management Fund				
Internal Service Funds	<u>6,951,778</u>			
	<u>\$ 9,258,575</u>	<u>\$ 6,586,780</u>	<u>\$ 6,583,895</u>	<u>\$ 13,964,000</u>

<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer Fund</u>	<u>Totals</u>
General Fund	\$ 13,284,276	\$ 1,960,491	\$ 27,563,358
Convention Center Fund	3,475,000		3,475,000
Capital Improvements Fund	1,540,624		11,033,477
Nonmajor Governmental Funds	6,675,234		14,305,262
Solid Waste Management Fund	250,000		250,000
Internal Service Funds			<u>6,951,778</u>
	<u>\$ 25,225,134</u>	<u>\$ 1,960,491</u>	<u>\$ 63,578,875</u>

During the year, transfers are used to (a) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (b) move restricted amounts from the fund with the collection authorization to the appropriate fund recording the expenditures as they become due and (c) move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations.

In addition, the City made the following one-time transfers during the year to address fund deficits: (a) \$1,100,000 from the General Fund to the Self Insurance Fund and (b) \$5,851,778 from the General Fund to the Health Insurance Fund.

Note 7 - TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

At June 30, 2021, amounts due to the City from its discretely presented component units were as follows:

	<u>Receivable</u>	<u>Payable</u>
Primary Government:		
Convention Center Fund	\$ 35,442,194	\$
MBCCHC		35,442,194
	<u>\$ 35,442,194</u>	<u>\$ 35,442,194</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, 2021, rent expense for this lease amounted to \$4,117,380.

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Minimum future rental payments for the fixed component of this lease as of June 30, 2021 are as follows:

Year Ending June 30, 2022	\$	3,839,826
2023		3,840,926
2024		3,836,650
2025		3,807,000
2026		3,806,000
2027 - 2031		19,040,250
2032 - 2036		<u>19,026,750</u>
	\$	<u>57,197,402</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, 2021:

Governmental Activities:		
General Fund:		
Court Bonds	\$	491,146
Confiscated and Seized Funds		209,869
Refundable Deposits		164,669
Other		171,712
Air Base Tax Increment Revenue Fund:		
Air Base Tax Increment Revenue Bond Accounts		26,553,576
Hospitality Tax Fund:		
Hospitality Settlement		13,003,986
Capital Improvements Fund:		
Bond Proceeds		5,634,915
PUD Improvements		1,409,204
Refundable Deposits		1,842,333
Nonmajor Governmental Funds:		
Grant Funds		1,199,003
Ocean Front Tax Increment Revenue Bond Account		459,208
Renewal and Replacement Account		300,000
Hospitality Fee Taxes		264,962
Storm Water Revenue Bond Accounts		<u>1,878,798</u>
	\$	<u>53,583,381</u>
Business-Type Activities:		
Water and Sewer Fund:		
Refundable Deposits	\$	2,776,550
Waterworks and Sewer System Revenue Bond Accounts		<u>893,934</u>
	\$	<u>3,670,484</u>

At June 30, 2021, the MBCCHC's restricted cash and temporary investments consisted of revenue bond accounts totaling \$1,940,811.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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June 30, 2021

Note 9 - CAPITAL ASSETS (NET)

The City's capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 48,517,766	\$	\$	\$ 48,517,766
Construction-in-Progress	<u>2,342,264</u>	<u>5,129,705</u>	<u>2,726,346</u>	<u>4,745,623</u>
	<u>\$ 50,860,030</u>	<u>\$ 5,129,705</u>	<u>\$ 2,726,346</u>	<u>\$ 53,263,389</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 71,464,804	\$ 174,527	\$	\$ 71,639,331
Buildings and Improvements	133,673,495	6,216,969		139,890,464
Furniture, Vehicles and Equipment	81,000,620	4,590,932	2,775,989	82,815,563
Infrastructure	<u>223,455,955</u>	<u>3,477,014</u>		<u>226,932,969</u>
	<u>\$ 509,594,874</u>	<u>\$ 14,459,442</u>	<u>\$ 2,775,989</u>	<u>\$ 521,278,327</u>
Accumulated Depreciation for:				
Land Improvements	\$ (33,930,176)	\$ (3,457,382)	\$	\$ (37,387,558)
Buildings and Improvements	(73,347,422)	(4,533,746)		(77,881,168)
Furniture, Vehicles and Equipment	(58,056,713)	(5,342,071)	(2,667,820)	(60,730,964)
Infrastructure	<u>(111,967,108)</u>	<u>(6,238,407)</u>		<u>(118,205,515)</u>
	<u>\$ (277,301,419)</u>	<u>\$ (19,571,606)</u>	<u>\$ (2,667,820)</u>	<u>\$ (294,205,205)</u>
Capital Assets (Net)	<u>\$ 283,153,485</u>	<u>\$ 17,541</u>	<u>\$ 2,834,515</u>	<u>\$ 280,336,511</u>
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 2,700,271	\$	\$	\$ 2,700,271
Construction-in-Progress	<u> </u>	<u>39,601</u>	<u> </u>	<u>39,601</u>
	<u>\$ 2,700,271</u>	<u>\$ 39,601</u>	<u>\$</u>	<u>\$ 2,739,872</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 107,991	\$ 21,270	\$	\$ 129,261
Buildings and Improvements	2,343,089			2,343,089
Distribution System	221,868,779	4,732,720		226,601,499
Furniture, Vehicles and Equipment	<u>5,837,248</u>	<u>143,446</u>	<u>15,230</u>	<u>5,965,464</u>
	<u>\$ 230,157,107</u>	<u>\$ 4,897,436</u>	<u>\$ 15,230</u>	<u>\$ 235,039,313</u>
Accumulated Depreciation for:				
Land Improvements	\$ (107,991)	\$ (1,005)	\$	\$ (108,996)
Buildings and Improvements	(1,902,882)	(49,493)		(1,952,375)
Distribution System	(101,548,429)	(5,108,541)		(106,656,970)
Furniture, Vehicles and Equipment	<u>(4,170,173)</u>	<u>(236,905)</u>	<u>(15,230)</u>	<u>(4,391,848)</u>
	<u>\$ (107,729,475)</u>	<u>\$ (5,395,944)</u>	<u>\$ (15,230)</u>	<u>\$ (113,110,189)</u>
Capital Assets (Net)	<u>\$ 125,127,903</u>	<u>\$ (458,907)</u>	<u>\$</u>	<u>\$ 124,668,996</u>

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

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June 30, 2021

Governmental Activities:	
General Government	\$ 688,272
Public Safety	1,127,437
Transportation	4,941,089
Community and Economic Development	3,437,542
Parks, Recreation and Sports Tourism	5,979,010
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>3,309,134</u>
	<u>\$ 19,571,606</u>
Business-Type Activities:	
Water	\$ 2,362,648
Sewer	2,814,400
Solid Waste Management	196,929
Parking Utility	<u>21,967</u>
	<u>\$ 5,395,944</u>

The MBDRC's capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated:				
Land	\$ <u>1,022,049</u>	\$ _____	\$ _____	\$ <u>1,022,049</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 435,542	\$ _____	\$ 355,896	\$ 79,646
Building and Improvements	233,294	_____	233,294	_____
Equipment	<u>1,147,370</u>	_____	<u>1,061,756</u>	<u>85,614</u>
	<u>\$ 1,816,206</u>	<u>\$ _____</u>	<u>\$ 1,650,946</u>	<u>\$ 165,260</u>
Accumulated Depreciation for:				
Land Improvements	\$ (117,713)	\$ (48,726)	\$ (86,793)	\$ (79,646)
Building and Improvements	(93,317)	(8,424)	(101,741)	_____
Equipment	<u>(961,726)</u>	<u>(44,218)</u>	<u>(924,467)</u>	<u>(81,477)</u>
	<u>\$ (1,172,756)</u>	<u>\$ (101,368)</u>	<u>\$ (1,113,001)</u>	<u>\$ (161,123)</u>
Capital Assets (Net)	<u>\$ 1,665,499</u>	<u>\$ (101,368)</u>	<u>\$ 537,945</u>	<u>\$ 1,026,186</u>

The MBCCHC's capital asset activity for the year ended June 30, 2021 was as follows:

	<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	43,479,530	_____	_____	43,479,530
Furnishings and Equipment	<u>16,862,549</u>	<u>12,146</u>	<u>525,998</u>	<u>16,348,697</u>
	<u>\$ 60,891,537</u>	<u>\$ 12,146</u>	<u>\$ 525,998</u>	<u>\$ 60,377,685</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Accumulated Depreciation for:				
Land Improvements	\$ (473,067)	\$ (27,473)	\$	\$ (500,540)
Building and Improvements	(18,410,935)	(1,086,988)		(19,497,923)
Furnishings and Equipment	<u>(13,928,576)</u>	<u>(772,934)</u>	<u>(525,998)</u>	<u>(14,175,512)</u>
	<u>\$ (32,812,578)</u>	<u>\$ (1,887,395)</u>	<u>\$ (525,998)</u>	<u>\$ (34,173,975)</u>
Capital Assets (Net)	<u>\$ 28,078,959</u>	<u>\$ (1,875,249)</u>	<u>\$</u>	<u>\$ 26,203,710</u>

Note 10 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES / EXPENDITURES

Accounts payable and accrued expenses / expenditures consisted of the following at June 30, 2021:

	<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	\$ 5,679,189	\$ 168,075	\$ 8,312,094	\$ 25,669
Accrued Salaries and Wages	1,880,227	108,123		
Compensated Absences				
Accrued Interest Payable				
Retainage Payable				
	<u>\$ 7,559,416</u>	<u>\$ 276,198</u>	<u>\$ 8,312,094</u>	<u>\$ 25,669</u>

	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Management Fund</u>
Trade Accounts Payable	\$ 433	\$ 1,343,981	\$ 2,464,327	\$ 113,523
Accrued Salaries and Wages			106,990	63,971
Compensated Absences			78,756	65,784
Accrued Interest Payable				12,544
Retainage Payable		316,501		
	<u>\$ 433</u>	<u>\$ 1,660,482</u>	<u>\$ 2,650,073</u>	<u>\$ 255,822</u>

	<u>Parking Utility Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Trade Accounts Payable	\$ 118,368	\$ 23,662,861	\$ 41,888,520
Accrued Salaries and Wages		79,241	2,238,552
Compensated Absences		12,216	156,756
Accrued Interest Payable		65,553	78,097
Retainage Payable		316,501	316,501
	<u>\$ 118,368</u>	<u>\$ 23,819,871</u>	<u>\$ 44,678,426</u>

Reconciliation to the Government-Wide
Statement of Net Position:
 Accrued Interest Payable

1,003,846
\$ 45,682,272

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Note 11 - UNAVAILABLE REVENUE

At June 30, 2021, unavailable revenue consisted of the following:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Air Base Tax Increment Revenue Fund</u>	<u>Hospitality Tax Fund</u>
Property Taxes	\$ 990,624	\$	\$ 81,704	\$
Ambulance Fees	138,726			
Lease Revenues		35,133,475		
Other				17,303
	<u>\$ 1,129,350</u>	<u>\$ 35,133,475</u>	<u>\$ 81,704</u>	<u>\$ 17,303</u>
	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>		
Property Taxes	\$ 29,819	\$ 1,102,147		
Ambulance Fees		138,726		
Lease Revenues	62,461	35,195,936		
Other	79,571	96,874		
	<u>\$ 171,851</u>	<u>\$ 36,533,683</u>		

Note 12 - LONG-TERM LIABILITIES

A. Governmental Activities

At June 30, 2021, long-term debt of the City's governmental activities was as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount</u>
General Obligation Bonds:				
Series 2012A	\$ 4,030,000	1.50 - 2.38%	03/01/32	\$ 2,625,000
Series 2012B	7,560,000	2.00 - 3.50	03/01/32	470,000
Refunding Series 2015B	1,560,000	1.99	09/01/25	821,000
Series 2019	7,000,000	3.00 - 5.00	03/01/34	6,245,000
Series 2020A	5,500,000	2.27	03/01/40	5,500,000
Refunding Series 2020B	14,213,000	1.23	03/01/31	13,704,000
Refunding Series 2020C	6,984,000	1.36	03/01/31	6,393,000
Refunding Series 2020D	5,881,000	1.75	03/01/32	5,845,000
				<u>\$ 41,603,000</u>
Tax Increment Revenue Bonds:				
Refunding Series 2016	43,280,000	3.00 - 5.00	10/01/35	\$ 33,390,000
Refunding Series 2017B	7,245,000	3.00 - 5.00	04/01/34	6,535,000
				<u>\$ 39,925,000</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

	<u>Original</u>		<u>Final</u>	
	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount</u>
Storm Water Revenue Bonds:				
Series 2004	\$ 10,499,052	2.25%	05/01/27	\$ 3,730,606
Series 2010	2,773,380	1.67	02/01/30	1,321,404
Series 2014	10,609,640	2.00	02/01/36	<u>8,100,307</u>
				<u>\$ 13,152,317</u>
Hospitality Fee Revenue Bonds:				
Refunding Series 2014A	17,400,000	1.05 - 5.90	06/01/39	\$ 12,495,000
Refunding Series 2014B	44,515,000	2.00 - 5.00	06/01/36	38,815,000
Series 2017A	9,575,000	3.00 - 5.00	06/01/38	<u>8,605,000</u>
				<u>\$ 59,915,000</u>
Capital Lease Obligations:				
2014	3,636,423	2.68	08/01/22	\$ 1,745,970
2016	1,072,398	2.32	08/05/21	224,448
2016	427,602	2.32	08/05/21	89,495
2017	1,132,228	2.55	07/15/24	582,760
2017	1,400,000	1.94	07/15/22	575,001
2019	615,703	1.96	12/01/29	559,362
2020	1,080,000	1.88	03/01/27	<u>935,000</u>
				<u>\$ 4,712,036</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, 2022	\$ 3,829,000	\$ 824,742	\$ 4,653,742
2023	3,907,000	749,406	4,656,406
2024	3,990,000	678,044	4,668,044
2025	4,056,000	604,898	4,660,898
2026	4,137,000	528,296	4,665,296
2027 - 2031	16,155,000	1,577,232	17,732,232
2032 - 2036	4,168,000	383,185	4,551,185
2037 - 2040	<u>1,361,000</u>	<u>78,111</u>	<u>1,439,111</u>
	<u>\$ 41,603,000</u>	<u>\$ 5,423,914</u>	<u>\$ 47,026,914</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 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:

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	2,365,000	1,223,125	3,588,125
2027 - 2031	13,705,000	4,191,725	17,896,725
2032 - 2036	<u>15,475,000</u>	<u>1,173,150</u>	<u>16,648,150</u>
	<u>\$ 39,925,000</u>	<u>\$ 12,575,250</u>	<u>\$ 52,500,250</u>

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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	1,320,624	154,165	1,474,789
2027 - 2031	4,046,700	457,264	4,503,964
2032 - 2036	<u>2,768,853</u>	<u>133,378</u>	<u>2,902,231</u>
	<u>\$ 13,152,317</u>	<u>\$ 1,627,823</u>	<u>\$ 14,780,140</u>

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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	3,095,000	2,360,544	5,455,544
2027 - 2031	17,985,000	9,299,552	27,284,552
2032 - 2036	22,685,000	4,586,026	27,271,026
2037 - 2039	<u>4,430,000</u>	<u>448,724</u>	<u>4,878,724</u>
	<u>\$ 59,915,000</u>	<u>\$ 27,524,263</u>	<u>\$ 87,439,263</u>

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Capital Lease Obligations

Capital leases were incurred in conjunction with the purchase of equipment. At June 30, 2021, 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, 2021 are as follows:

Year Ending June 30, 2022		\$ 1,486,418
2023		2,035,066
2024		389,440
2025		389,383
2026		234,478
2027 - 2030		<u>439,741</u>
Total Minimum Lease Payments		\$ 4,974,526
Amount Representing Interest		<u>(262,490)</u>
Present Value of Minimum Lease Payments		<u>\$ 4,712,036</u>

Revolving Line of Credit

The City has a \$10,000,000 revolving line of credit, which did not have an outstanding balance at June 30, 2021. The loan bears interest at the greater of 3.25% or the prime rate and is secured by specified parking and tax increment revenues. The note requires quarterly payments of interest only with all unpaid principal and interest due in full on January 25, 2031.

B. Business-Type Activities

Long-term debt of the City's business-type activities consisted of the following at June 30, 2021:

	<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	\$ 5,850,000
Series 2016	18,440,000	2.00 - 5.00	03/01/36	14,585,000
Series 2017	6,246,418	1.80	08/01/37	<u>5,239,465</u>
				<u>\$ 25,674,465</u>
Capital Lease Obligation:				
2019	1,209,297	1.96	12/01/29	<u>\$ 1,098,638</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, 2022	\$ 1,825,173	\$ 959,351	\$ 2,784,524
2023	1,905,250	881,424	2,786,674
2024	1,945,420	838,167	2,783,587
2025	2,020,682	757,205	2,777,887
2026	7,741,041	670,446	8,411,487
2027 - 2031	5,124,039	1,216,944	6,340,983
2032 - 2036	4,653,334	346,055	4,999,389
2037 - 2038	459,526	6,223	465,749
	\$ 25,674,465	\$ 5,675,815	\$ 31,350,280

Capital Lease Obligation

The capital lease was incurred in conjunction with the purchase of equipment. At June 30, 2021, 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, 2021 are as follows:

Year Ending June 30, 2022	\$	134,150
2023		134,596
2024		134,327
2025		134,020
2026		134,336
2027 - 2030		537,516
Total Minimum Lease Payments	\$	1,208,945
Amount Representing Interest		(110,307)
Present Value of Minimum Lease Payments	\$	1,098,638

C. MBCCHC

Long-term debt outstanding at June 30, 2021 in the MBCCHC was as follows:

	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>12,740,000</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:

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2022	\$ 395,000	\$ 534,513	\$ 929,513
2023	410,000	526,613	936,613
2024	575,000	506,113	1,081,113
2025	755,000	477,363	1,232,363
2026	795,000	439,613	1,234,613
2027 - 2031	4,450,000	1,676,713	6,126,713
2032 - 2036	<u>5,360,000</u>	<u>792,125</u>	<u>6,152,125</u>
	<u>\$ 12,740,000</u>	<u>\$ 4,953,053</u>	<u>\$ 17,693,053</u>

D. Changes in Long-Term Liabilities

The City's long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 38,753,000	\$ 32,578,000	\$ 29,728,000	\$ 41,603,000	\$ 3,829,000
Tax Increment Revenue Bonds	41,785,000		1,860,000	39,925,000	1,945,000
Storm Water Revenue Bonds	14,342,710		1,190,393	13,152,317	1,215,274
Hospitality Fee Revenue Bonds	62,635,000		2,720,000	59,915,000	2,850,000
Unamortized Bond Premiums	<u>8,749,932</u>		<u>1,400,351</u>	<u>7,349,581</u>	
	\$ 166,265,642	\$ 32,578,000	\$ 36,898,744	\$ 161,944,898	\$ 9,839,274
Capital Lease Obligations	6,057,394		1,345,358	4,712,036	1,377,711
Unreported Insurance Claims	3,753,447	15,310,862	14,964,907	4,099,402	728,929
Compensated Absences	<u>5,661,729</u>	<u>1,913,693</u>	<u>2,488,611</u>	<u>5,086,811</u>	<u>1,930,649</u>
	<u>\$ 181,738,212</u>	<u>\$ 49,802,555</u>	<u>\$ 55,697,620</u>	<u>\$ 175,843,147</u>	<u>\$ 13,876,563</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(12,216)	(12,216)
Net Pension Liability	<u>106,986,231</u>	<u>106,986,231</u>
	<u>\$ 282,817,162</u>	<u>\$ 13,864,347</u>

Business-Type Activities:

Bonds Payable:					
Revenue Bonds	\$ 27,433,059		\$ 1,758,594	\$ 25,674,465	\$ 1,825,173
Unamortized Bond Premiums	<u>2,120,614</u>		<u>136,367</u>	<u>1,984,247</u>	
	\$ 29,553,673		\$ 1,894,961	\$ 27,658,712	\$ 1,825,173
Capital Lease Obligation	1,209,297		110,659	1,098,638	112,647
Compensated Absences	<u>362,620</u>	<u>145,370</u>	<u>185,111</u>	<u>322,879</u>	<u>144,540</u>
	<u>\$ 31,125,590</u>	<u>\$ 145,370</u>	<u>\$ 2,190,731</u>	<u>\$ 29,080,229</u>	<u>\$ 2,082,360</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(144,540)	(144,540)
Bonds Payable Included in Liabilities Payable From Restricted Assets	(1,825,173)	(1,825,173)
Net Pension Liability	<u>9,516,974</u>	<u>9,516,974</u>
	<u>\$ 36,627,490</u>	<u>\$ 112,647</u>

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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 \$39,387, capital lease obligations of \$3,353,225, unreported insurance claims of \$4,099,402 and net pension liability of \$954,555 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, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revolving Line of Credit	\$ 648,560	\$ _____	\$ 648,560	\$ _____	\$ _____

The MBCCHC's long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 13,120,000	\$ _____	\$ 380,000	\$ 12,740,000	\$ 395,000
Unamortized Bond Premium	1,269,168	_____	80,580	1,188,588	_____
	<u>\$ 14,389,168</u>	<u>\$ _____</u>	<u>\$ 460,580</u>	\$ 13,928,588	\$ 395,000

Reconciliation to the Government-Wide Statement of Net Position:

Bonds Payable Included in Liabilities Payable From Restricted Assets	(395,000)	(395,000)
	<u>\$ 13,533,588</u>	<u>\$ _____</u>

E. Pledged Revenues

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

	Pledged Revenue	Purpose	Debt Service Remaining	Term (Year Ending June 30)
Tax Increment Revenue Bonds	Property Taxes	Construction	\$ 52,500,250	2036
Storm Water Revenue Bonds	Storm Water Fees	Construction	14,780,140	2036
Waterworks and Sewer System Revenue Bonds	Water and Sewer Fees	Construction	31,350,280	2038
Hospitality Fee Revenue Bonds	Hospitality Fee Taxes	Debt Extinguishment and Construction	87,439,263	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, 2021 follows:

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	Current Year Pledged Revenue	Percentage of Total Revenue Stream	Current Year Principal and Interest Paid	Percentage of Pledged Revenue
Tax Increment Revenue Bonds	\$ 14,223,751	100.00%	\$ 3,601,650	25.32%
Storm Water Revenue Bonds	2,765,271	100.00	1,474,788	53.33
Waterworks and Sewer System Revenue Bonds	33,533,954	100.00	2,763,142	8.24
Hospitality Fee Revenue Bonds	12,330,874	100.00	5,749,018	46.62

F. Debt Defeasance

On December 3, 2020, the City issued \$14,213,000 in General Obligation Refunding Bonds, Series 2020B (2020B bonds) with interest rates at 1.23%. The City issued the 2020B bonds to advance refund \$8,135,000 of the outstanding General Obligation Refunding Bonds, Series 2011B (2011B bonds), with interest rates ranging from 3.0% to 5.0%, and \$5,792,000 of the outstanding General Obligation Refunding Bonds, Series 2015A (2015A bonds), with interest rates at 2.38%. The City used the net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the 2011B bonds and the 2015A bonds. As a result, the 2011B bonds and the 2015A bonds are considered defeased and the City has removed the liabilities from its accounts. The advance refunding reduced the City's total debt service requirements by \$1,136,465. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,072,836. At June 30, 2021, the unmatured and outstanding principal balance on the defeased 2011B bonds and the 2015A bonds is \$0.

On December 3, 2020, the City issued \$6,984,000 in General Obligation Refunding Bonds, Series 2020C (2020C bonds) with interest rates at 1.36%. The City issued the 2020C bonds to advance refund \$6,844,000 of the outstanding General Obligation Refunding Bonds, Series 2015C (2015C bonds), with interest rates at 2.38%. The City used the net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the 2015C bonds. As a result, the 2015C bonds are considered defeased and the City has removed the liabilities from its accounts. The advance refunding reduced the City's total debt service requirements by \$273,621. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$257,797. At June 30, 2021, the unmatured and outstanding principal balance on the defeased 2015C bonds is \$0.

On December 3, 2020, the City issued \$5,881,000 in General Obligation Refunding Bonds, Series 2020D (2020D bonds) with interest rates at 1.75%. The City issued the 2020D bonds to advance refund \$5,585,000 of the outstanding General Obligation Refunding Bonds, Series 2012B (2012B bonds), with interest rates ranging from 2.00% to 3.50%. The City used the net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the 2012B bonds. As a result, the 2012B bonds are considered defeased and the City has removed the liabilities from its accounts. The advance refunding reduced the City's total debt service requirements by \$351,094. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$322,478. At June 30, 2021, the unmatured and outstanding principal balance on the defeased 2012B bonds is \$5,585,000.

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, 2021, 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, 2021 are shown below.

Year Ending June 30, 2022	\$ 320,000
2023	320,000
2024	320,000
2025	<u>240,000</u>
	<u>\$ 1,200,000</u>

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Minimum future rentals do not include contingent rentals that may be received under the land leases. Contingent rentals during the year ended June 30, 2021 amounted to \$3,311,975. 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 2023 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, 2021, rental income from this lease amounted to \$0.

The following is an analysis of the property being leased by the Baseball Stadium Fund at June 30, 2021:

Land	\$ 5,600,000
Land Improvements	1,311,928
Buildings	9,112,051
Equipment	1,398,498
Accumulated Depreciation	<u>(8,850,009)</u>
	<u>\$ 8,572,468</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, 2021, rental income from this lease amounted to \$143,043.

The following is an analysis of the property being leased by the Municipal Golf Course Fund at June 30, 2021:

Land	\$ 10,385,480
Land Improvements	7,793,612
Buildings	369,726
Equipment	377,776
Accumulated Depreciation	<u>(5,779,743)</u>
	<u>\$ 13,146,851</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/gasb/retirement or by writing to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

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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 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.

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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 scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with State statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect July 1, 2020. 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, 2021 were \$3,664,211 and \$4,805,466, respectively. The contributions made by the City were equal to the required contributions for the year.

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E. Net Pension Liability and Pension Expense

SCRS - At June 30, 2021, the City reported a liability of \$57,159,007 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020, the City's proportion was 0.223699%, which is an decrease of 0.010007% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized SCRS pension expense of \$6,307,325.

PORS - At June 30, 2021, the City reported a liability of \$59,344,198 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020, the City's proportion was 1.789518%, which is an decrease of 0.047957% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized PORS pension expense of \$9,603,048.

The City recognized total pension expense of \$15,910,373 for the year ended June 30, 2021.

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

At June 30, 2021, 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	\$ 659,539	\$ 1,261,186	\$ 1,920,725
Changes of Assumptions	70,029	724,195	794,224
Differences Between Projected and Actual Earnings on Plan Investments	4,204,524	6,076,710	10,281,234
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	579,846	1,488,125	2,067,971
City Contributions Subsequent to the Measurement Date	<u>3,664,211</u>	<u>4,805,466</u>	<u>8,469,677</u>
	<u>\$ 9,178,149</u>	<u>\$ 14,355,682</u>	<u>\$ 23,533,831</u>

At June 30, 2021, 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	\$ 216,143	\$ 261,220	\$ 477,363
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>1,674,460</u>	<u>977,694</u>	<u>2,652,154</u>
	<u>\$ 1,890,603</u>	<u>\$ 1,238,914</u>	<u>\$ 3,129,517</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

The \$8,469,677 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, 2022. 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:

	SCRS	PORS	Total
Year Ended June 30, 2022	\$ 739,813	\$ 2,962,396	\$ 3,702,209
2023	896,757	2,114,530	3,011,287
2024	913,861	1,719,023	2,632,884
2025	<u>1,072,904</u>	<u>1,515,353</u>	<u>2,588,257</u>
	<u>\$ 3,623,335</u>	<u>\$ 8,311,302</u>	<u>\$ 11,934,637</u>

G. Actuarial Assumptions

The total pension liability in the July 1, 2019 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 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 2020 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:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>
Global Equity		
Global Public Equity	35.0%	7.81%
Private Equity	9.0	8.91
Equity Options Strategies	7.0	5.09
Real Assets		
Real Estate (Private)	8.0	5.55
Real Estate (REITs)	1.0	7.78
Infrastructure (Private)	2.0	4.88
Infrastructure (Public)	1.0	7.05
Opportunistic		
Global Tactical Asset Allocation	7.0	3.56
Other Opportunistic Strategies	1.0	4.41
Credit		
High Yield Bonds/Bank Loans	4.0	4.21
Emerging Markets Debt	4.0	3.44
Private Debt	7.0	5.79
Rate Sensitive		
Core Fixed Income	13.0	1.60
Cash and Short Duration (Net)	<u>1.0</u>	<u>0.56</u>
	<u><u>100.0%</u></u>	

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:

	<u>SCRS</u>		
	<u>1.0% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
City's Proportionate Share of the Net Pension Liability	<u>\$ 70,841,581</u>	<u>\$ 57,159,007</u>	<u>\$ 45,733,894</u>
	<u>PORS</u>		
	<u>1.0% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
City's Proportionate Share of the Net Pension Liability	<u>\$ 78,561,728</u>	<u>\$ 59,344,198</u>	<u>\$ 43,913,757</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

	Total		
	1.0% Decrease (6.25%)	Current Rate (7.25%)	1.0% Increase (8.25%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 149,403,309</u>	<u>\$ 116,503,205</u>	<u>\$ 89,647,651</u>

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 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 Benefit Services, 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, 2021 was \$2,238,950, net of forfeitures totaling \$0. During the year ended June 30, 2021, the City paid \$1,601,175 for OPEB as benefits came due. At June 30, 2021, the City's OPEB liability amounted to \$21,448,761.

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, 2021, the Self Insurance Fund has a claim liability of \$3,370,473. 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, 2021 and 2020 follows:

	2021	2020
Beginning Balance	\$ 3,143,249	\$ 3,505,722
Claims Incurred and Change in Estimate	3,357,480	1,885,063
Claim Payments	<u>(3,130,256)</u>	<u>(2,247,536)</u>
Ending Balance	<u>\$ 3,370,473</u>	<u>\$ 3,143,249</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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.

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, 2021, the Health Insurance Fund has a claim liability of \$728,929, 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, 2021 and 2020 follows:

	2021	2020
Beginning Balance	\$ 610,198	\$ 600,335
Claims Incurred and Change in Estimate	11,953,382	10,762,016
Claim Payments	<u>(11,834,651)</u>	<u>(10,752,153)</u>
Ending Balance	<u>\$ 728,929</u>	<u>\$ 610,198</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, 2021, water and wastewater treatment service charges totaled \$15,890,212.

Prior to June 30, 2021, the City entered into various construction contracts. The approximate costs of the contracts were \$5,587,000 of which roughly \$3,575,000 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE SCRS NET PENSION LIABILITY
Last Eight 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>
6/30/21	0.223699 %	\$ 57,159,007	\$ 24,945,115	229.14 %	50.71 %
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 Eight 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>
6/30/21	1.789518 %	\$ 59,344,198	\$ 27,057,033	219.33 %	58.79 %
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 Eight 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>
6/30/21	\$ 3,664,211	\$ 3,664,211	\$ 0	\$ 23,548,914	15.56 %
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 Eight 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>
6/30/21	\$ 4,805,466	\$ 4,805,466	\$ 0	\$ 26,345,757	18.24 %
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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 24,540,000	\$ 24,540,000	\$ 25,129,679	\$ 589,679
Licenses and Permits	31,287,000	31,287,000	33,899,665	2,612,665
Fines and Forfeitures	832,000	832,000	1,063,841	231,841
Intergovernmental	3,822,636	9,363,494	9,936,061	572,567
Charges for Services	2,164,500	2,164,500	2,273,408	108,908
Miscellaneous	3,355,158	4,708,355	4,924,659	216,304
Total Revenues	\$ 66,001,294	\$ 72,895,349	\$ 77,227,313	\$ 4,331,964
EXPENDITURES				
Current:				
General Government	\$ 12,194,519	\$ 15,600,728	\$ 17,011,640	\$ (1,410,912)
Public Safety	48,305,178	49,352,120	48,124,728	1,227,392
Transportation	4,690,754	4,690,754	4,166,988	523,766
Community and Economic Development	3,267,581	3,291,581	2,996,329	295,252
Parks, Recreation and Sports Tourism	13,272,413	13,382,203	12,014,998	1,367,205
Public Works	1,587,003	1,587,003	1,375,066	211,937
Capital Outlay	767,065	1,104,483	436,233	668,250
Total Expenditures	\$ 84,084,513	\$ 89,008,872	\$ 86,125,982	\$ 2,882,890
Deficiency of Revenues Under Expenditures	\$ (18,083,219)	\$ (16,113,523)	\$ (8,898,669)	\$ 7,214,854
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 18,191,919	\$ 30,187,728	\$ 27,563,358	\$ (2,624,370)
Transfers Out	(158,700)	(9,291,996)	(9,258,575)	33,421
Sale of Capital Assets			110,459	110,459
Total Other Financing Sources (Uses)	\$ 18,033,219	\$ 20,895,732	\$ 18,415,242	\$ (2,480,490)
Net Change in Fund Balances	\$ (50,000)	\$ 4,782,209	\$ 9,516,573	\$ 4,734,364
Fund Balances - Beginning	13,583,327	13,583,327	13,583,327	
Fund Balances - Ending	\$ 13,533,327	\$ 18,365,536	\$ 23,099,900	\$ 4,734,364

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,440,000	\$ 3,440,000	\$ 2,671,817	\$ (768,183)
Miscellaneous	2,705,000	2,705,000	615,559	(2,089,441)
Total Revenues	<u>\$ 6,145,000</u>	<u>\$ 6,145,000</u>	<u>\$ 3,287,376</u>	<u>\$ (2,857,624)</u>
EXPENDITURES				
Current:				
General Government	\$ 638,814	\$ 638,814	\$ 674,934	\$ (36,120)
Parks, Recreation and Sports Tourism	5,456,186	5,456,186	5,223,727	232,459
Capital Outlay	270,000	270,000		270,000
Total Expenditures	<u>\$ 6,365,000</u>	<u>\$ 6,365,000</u>	<u>\$ 5,898,661</u>	<u>\$ 466,339</u>
Deficiency of Revenues Under Expenditures	<u>\$ (220,000)</u>	<u>\$ (220,000)</u>	<u>\$ (2,611,285)</u>	<u>\$ (2,391,285)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 820,000	\$ 3,745,000	\$ 3,475,000	\$ (270,000)
Transfers Out	(600,000)	(600,000)		600,000
Sale of Capital Assets			900	900
Total Other Financing Sources (Uses)	<u>\$ 220,000</u>	<u>\$ 3,145,000</u>	<u>\$ 3,475,900</u>	<u>\$ 330,900</u>
Net Change in Fund Balances	<u>\$</u>	<u>\$ 2,925,000</u>	<u>\$ 864,615</u>	<u>\$ (2,060,385)</u>
Fund Balances - Beginning	<u>300,078</u>	<u>300,078</u>	<u>300,078</u>	<u></u>
Fund Balances - Ending	<u>\$ 300,078</u>	<u>\$ 3,225,078</u>	<u>\$ 1,164,693</u>	<u>\$ (2,060,385)</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 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Tourism Taxes	\$ 25,300,000	\$ 32,805,208	\$ 32,805,208	\$
Miscellaneous	75,000	103,010	103,010	\$
Total Revenues	<u>\$ 25,375,000</u>	<u>\$ 32,908,218</u>	<u>\$ 32,908,218</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 20,240,000	\$ 26,322,448	\$ 26,322,448	\$
Excess of Revenues Over Expenditures	\$ 5,135,000	\$ 6,585,770	\$ 6,585,770	\$
OTHER FINANCING USES				
Transfers Out	<u>(5,073,000)</u>	<u>(6,586,780)</u>	<u>(6,586,780)</u>	<u>\$</u>
Net Change in Fund Balance	\$ 62,000	\$ (1,010)	\$ (1,010)	\$
Fund Balance - Beginning	<u>1,010</u>	<u>1,010</u>	<u>1,010</u>	<u>\$</u>
Fund Balance - Ending	<u>\$ 63,010</u>	<u>\$</u>	<u>\$</u>	<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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 13,030,769	\$ 13,030,769	\$ 13,090,209	\$ 59,440
Miscellaneous	393,000	393,000	6,968	(386,032)
Total Revenues	<u>\$ 13,423,769</u>	<u>\$ 13,423,769</u>	<u>\$ 13,097,177</u>	<u>\$ (326,592)</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 4,500,000	\$ 9,643,982	\$ 9,501,822	\$ 142,160
Capital Outlay	1,000,000			
Debt Service:				
Principal	1,500,000	1,500,000	1,500,000	
Interest and Fiscal Charges	1,467,300	1,467,300	1,462,533	4,767
Total Expenditures	<u>\$ 8,467,300</u>	<u>\$ 12,611,282</u>	<u>\$ 12,464,355</u>	<u>\$ 146,927</u>
Excess of Revenues Over Expenditures	\$ 4,956,469	\$ 812,487	\$ 632,822	\$ (179,665)
OTHER FINANCING USES				
Transfers Out	<u>(1,979,709)</u>	<u>(6,583,895)</u>	<u>(6,583,895)</u>	
Net Change in Fund Balances	\$ 2,976,760	\$ (5,771,408)	\$ (5,951,073)	\$ (179,665)
Fund Balances - Beginning	<u>24,673,398</u>	<u>24,673,398</u>	<u>24,673,398</u>	
Fund Balances - Ending	<u>\$ 27,650,158</u>	<u>\$ 18,901,990</u>	<u>\$ 18,722,325</u>	<u>\$ (179,665)</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOSPITALITY TAX FUND
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hospitality Fee Taxes	\$ 3,001,500	\$ 5,749,675	\$ 5,749,675	\$
Miscellaneous	1,505	5,857,065	5,857,065	
Total Revenues	<u>\$ 3,003,005</u>	<u>\$ 11,606,740</u>	<u>\$ 11,606,740</u>	<u>\$</u>
OTHER FINANCING USES				
Transfers Out	<u>\$ (2,270,000)</u>	<u>\$ (13,964,000)</u>	<u>\$ (13,964,000)</u>	<u>\$</u>
Net Change in Fund Balance	\$ 733,005	\$ (2,357,260)	\$ (2,357,260)	\$
Fund Balance - Beginning	<u>4,789,995</u>	<u>4,789,995</u>	<u>4,789,995</u>	<u></u>
Fund Balance - Ending	<u><u>\$ 5,523,000</u></u>	<u><u>\$ 2,432,735</u></u>	<u><u>\$ 2,432,735</u></u>	<u><u>\$</u></u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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, 2021, 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, 2021, 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, 2021 as follows:

General Fund	\$ 14,057,655
Local Option Tourism Fee Fund	7,596,228
Air Base Tax Increment Revenue Fund	8,748,168
Hospitality Tax Fund	11,694,000
Capital Improvements Fund	24,556,672
Water and Sewer Fund	1,074,044
Solid Waste Management Fund	1,500
Nonmajor Governmental Funds:	
Accommodations Tax Fund	1,588,052
Public Facilities Corporation Fund	4
Community Development Block Grant Fund	191,069
Local Accommodations Tax Fund	150,606
Ocean Front Tax Increment Revenue Fund	5,847,995
Hospitality Fee Fund	179,691
Downtown Development Fund	119,233
Local Accommodations Tax (New) Fund	11,023,329
Debt Service Fund	26,985,129



First in Service

**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.

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, 2021

	Special Revenue Funds				
	Accommodations Tax	Public Facilities Corporation	Community Development Block Grant	Victims Advocate	Local Accommodations Tax
ASSETS					
Cash and Temporary Investments	\$	\$	\$ 234,239	\$ 7,117	\$ 370,348
Receivables (Net):					
Property Taxes					
Local Accommodations Taxes					640,424
Hospitality Fee Taxes					
Storm Water Fees					
Accounts					
Intergovernmental	4,679,025		94,257		
Loans			192,685		
Due From Other Funds					
Inventories					
Prepaid Assets					
Restricted Cash and Temporary Investments					
Total Assets	<u>\$ 4,679,025</u>	<u>\$</u>	<u>\$ 521,181</u>	<u>\$ 7,117</u>	<u>\$ 1,010,772</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Expenditures	\$ 701,854	\$	\$ 13,873	\$ 7,117	\$
Due to Other Funds	3,969,671				
Payable From Restricted Assets:					
Other					
Unearned Revenue					
Total Liabilities	<u>\$ 4,671,525</u>	<u>\$</u>	<u>\$ 13,873</u>	<u>\$ 7,117</u>	<u>\$</u>
Deferred Inflows of Resources:					
Unavailable Revenue	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 10,772</u>
Fund Balances:					
Nonspendable:					
Inventories	\$	\$	\$	\$	\$
Prepaid Assets					
Restricted for:					
Community Development			507,308		
Debt Service					
Tourism Promotion and Support	7,500				1,000,000
Renewal and Replacement					
Total Fund Balances	<u>\$ 7,500</u>	<u>\$</u>	<u>\$ 507,308</u>	<u>\$</u>	<u>\$ 1,000,000</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,679,025</u>	<u>\$</u>	<u>\$ 521,181</u>	<u>\$ 7,117</u>	<u>\$ 1,010,772</u>

Special Revenue Funds

Storm Water	Ocean Front Tax Increment Revenue	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Baseball Stadium
\$ 4,980,428	\$ 32,918	\$ 4,089,452	\$ 541,425	\$ 80,761	\$ 1,094,901	\$ 1,928,923	\$ 176,196
86,304		2,504,913	62,432				62,461
382,500	5,847,995		12,322				80,299
			17,477				
<u>3,342,763</u>	<u>459,208</u>						<u>300,000</u>
<u>\$ 8,791,995</u>	<u>\$ 6,340,121</u>	<u>\$ 6,594,365</u>	<u>\$ 633,656</u>	<u>\$ 80,761</u>	<u>\$ 1,094,901</u>	<u>\$ 1,928,923</u>	<u>\$ 618,956</u>
\$ 85,942			\$ 168,861	\$ 47,338		\$ 815,415	\$ 4,410
							90,000
<u>1,199,003</u>			<u>139,646</u>				
<u>\$ 1,284,945</u>			<u>\$ 308,507</u>	<u>\$ 47,338</u>		<u>\$ 815,415</u>	<u>\$ 94,410</u>
	\$ 29,819	\$ 55,291				\$ 13,508	\$ 62,461
			\$ 12,322				
			17,477				
5,363,290	6,310,302			33,423	1,094,901		
1,878,798							
264,962		6,539,074	295,350			1,100,000	252,085
							210,000
<u>\$ 7,507,050</u>	<u>\$ 6,310,302</u>	<u>\$ 6,539,074</u>	<u>\$ 325,149</u>	<u>\$ 33,423</u>	<u>\$ 1,094,901</u>	<u>\$ 1,100,000</u>	<u>\$ 462,085</u>
<u>\$ 8,791,995</u>	<u>\$ 6,340,121</u>	<u>\$ 6,594,365</u>	<u>\$ 633,656</u>	<u>\$ 80,761</u>	<u>\$ 1,094,901</u>	<u>\$ 1,928,923</u>	<u>\$ 618,956</u>

(Continued)

C-1 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Municipal Golf Course	Total	Debt Service Fund	
ASSETS				
Cash and Temporary Investments	\$ 57,565	\$ 11,632,432	\$ 3,602,753	\$ 15,235,185
Receivables (Net):				
Property Taxes		32,918		32,918
Local Accommodations Taxes		2,569,347		2,569,347
Hospitality Fee Taxes		2,504,913		2,504,913
Storm Water Fees		86,304		86,304
Accounts	145,841	270,734		270,734
Intergovernmental		4,853,581		4,853,581
Loans		192,685		192,685
Due From Other Funds		6,230,495	475,237	6,705,732
Inventories		12,322		12,322
Prepaid Assets		17,477		17,477
Restricted Cash and Temporary Investments		4,101,971		4,101,971
Total Assets	\$ 203,406	\$ 32,505,179	\$ 4,077,990	\$ 36,583,169
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$ 41,426	\$ 1,070,821	\$ 8,750	\$ 1,079,571
Due to Other Funds		4,785,086		4,785,086
Payable From Restricted Assets:				
Other		90,000		90,000
Unearned Revenue		1,338,649		1,338,649
Total Liabilities	\$ 41,426	\$ 7,284,556	\$ 8,750	\$ 7,293,306
Deferred Inflows of Resources:				
Unavailable Revenue		\$ 171,851		\$ 171,851
Fund Balances:				
Nonspendable:				
Inventories	\$	\$ 12,322	\$	\$ 12,322
Prepaid Assets		17,477		17,477
Restricted for:				
Community Development		13,309,224		13,309,224
Debt Service		1,878,798	4,069,240	5,948,038
Tourism Promotion and Support	161,980	9,620,951		9,620,951
Renewal and Replacement		210,000		210,000
Total Fund Balances	\$ 161,980	\$ 25,048,772	\$ 4,069,240	\$ 29,118,012
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 203,406	\$ 32,505,179	\$ 4,077,990	\$ 36,583,169



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, 2021

	Special Revenue Funds				
	Accommodations	Public	Community	Victims	Local
	Tax	Facilities Corporation	Development Block Grant	Advocate	Accommodations Tax
REVENUES					
Property Taxes	\$	\$	\$	\$	\$
Local Accommodations Taxes					2,753,242
Hospitality Fee Taxes					
Storm Water Fees					
Fines and Forfeitures				122,978	
Intergovernmental	10,062,108		616,967		
Charges for Services					
Miscellaneous	52,849	4	451		75
Total Revenues	<u>\$ 10,114,957</u>	<u>\$ 4</u>	<u>\$ 617,418</u>	<u>\$ 122,978</u>	<u>\$ 2,753,317</u>
EXPENDITURES					
Current:					
General Government	\$	\$	\$	\$ 248,257	\$
Transportation					
Community and Economic Development	2,049,316		553,089		
Parks, Recreation and Sports Tourism					
Capital Outlay			112,980		
Debt Service:					
Principal					
Interest and Fiscal Charges					
Bond Issuance Costs					
Total Expenditures	<u>\$ 2,049,316</u>	<u>\$</u>	<u>\$ 666,069</u>	<u>\$ 248,257</u>	<u>\$</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>\$ 8,065,641</u>	<u>\$ 4</u>	<u>\$ (48,651)</u>	<u>\$ (125,279)</u>	<u>\$ 2,753,317</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	\$	\$	\$	\$ 125,279	\$
Transfers Out	(8,198,736)	(4,148)			(1,753,606)
Proceeds From Borrowing					
Payments to Escrow Agent					
Total Other Financing Sources (Uses)	<u>\$ (8,198,736)</u>	<u>\$ (4,148)</u>	<u>\$</u>	<u>\$ 125,279</u>	<u>\$ (1,753,606)</u>
Net Change in Fund Balances	\$ (133,095)	\$ (4,144)	\$ (48,651)	\$	\$ 999,711
Fund Balances - Beginning	<u>140,595</u>	<u>4,144</u>	<u>555,959</u>	<u></u>	<u>289</u>
Fund Balances - Ending	<u>\$ 7,500</u>	<u>\$</u>	<u>\$ 507,308</u>	<u>\$</u>	<u>\$ 1,000,000</u>

Special Revenue Funds

Storm Water	Ocean Front Tax Increment Revenue	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Baseball Stadium
\$	\$ 1,133,542	\$	\$	\$	\$	\$ 8,229,492	\$
		12,330,874					
2,765,271							
410,956							
10,763		4,950	2,530,287	5,568	1,086	11,618	5,296
<u>\$ 3,186,990</u>	<u>\$ 1,133,542</u>	<u>\$ 12,335,824</u>	<u>\$ 2,530,287</u>	<u>\$ 5,568</u>	<u>\$ 1,086</u>	<u>\$ 8,241,110</u>	<u>\$ 5,296</u>
\$ 533,374	\$	\$	\$	\$	\$	\$	\$
1,644,694							
	49,264			206,203	72,000		
345,984			3,278,408				204,073
			27,055				
1,190,392	360,000	2,720,000					
288,960	294,000	3,035,623					
	12,410						
<u>\$ 4,003,404</u>	<u>\$ 715,674</u>	<u>\$ 5,755,623</u>	<u>\$ 3,305,463</u>	<u>\$ 206,203</u>	<u>\$ 72,000</u>	<u>\$</u>	<u>\$ 204,073</u>
<u>\$ (816,414)</u>	<u>\$ 417,868</u>	<u>\$ 6,580,201</u>	<u>\$ (775,176)</u>	<u>\$ (200,635)</u>	<u>\$ (70,914)</u>	<u>\$ 8,241,110</u>	<u>\$ (198,777)</u>
\$ 1,662,500	\$ 5,847,995	\$	\$ 1,000,000	\$ 50,000	\$ 681,518	\$	\$ 275,000
		(1,429,691)				(13,838,953)	
<u>\$ 1,662,500</u>	<u>\$ 5,847,995</u>	<u>\$ (1,429,691)</u>	<u>\$ 1,000,000</u>	<u>\$ 50,000</u>	<u>\$ 681,518</u>	<u>\$ (13,838,953)</u>	<u>\$ 275,000</u>
\$ 846,086	\$ 6,265,863	\$ 5,150,510	\$ 224,824	\$ (150,635)	\$ 610,604	\$ (5,597,843)	\$ 76,223
6,660,964	44,439	1,388,564	100,325	184,058	484,297	6,697,843	385,862
<u>\$ 7,507,050</u>	<u>\$ 6,310,302</u>	<u>\$ 6,539,074</u>	<u>\$ 325,149</u>	<u>\$ 33,423</u>	<u>\$ 1,094,901</u>	<u>\$ 1,100,000</u>	<u>\$ 462,085</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, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Municipal Golf Course</u>	<u>Total</u>	<u>Debt Service Fund</u>	
REVENUES				
Property Taxes	\$	\$ 1,133,542	\$ 2,036,947	\$ 3,170,489
Local Accommodations Taxes		10,982,734		10,982,734
Hospitality Fee Taxes		12,330,874		12,330,874
Storm Water Fees		2,765,271		2,765,271
Fines and Forfeitures		122,978		122,978
Intergovernmental		11,090,031		11,090,031
Charges for Services	120,343	2,655,926		2,655,926
Miscellaneous	22,700	110,064	3,589	113,653
Total Revenues	<u>\$ 143,043</u>	<u>\$ 41,191,420</u>	<u>\$ 2,040,536</u>	<u>\$ 43,231,956</u>
EXPENDITURES				
Current:				
General Government	\$	\$ 781,631	\$ 192,322	\$ 973,953
Transportation		1,644,694		1,644,694
Community and Economic Development		2,929,872		2,929,872
Parks, Recreation and Sports Tourism	88,723	3,571,204		3,571,204
Capital Outlay		486,019		486,019
Debt Service:				
Principal		4,270,392	3,926,993	8,197,385
Interest and Fiscal Charges		3,618,583	1,005,545	4,624,128
Bond Issuance Costs		12,410	85,701	98,111
Total Expenditures	<u>\$ 88,723</u>	<u>\$ 17,314,805</u>	<u>\$ 5,210,561</u>	<u>\$ 22,525,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 54,320</u>	<u>\$ 23,876,615</u>	<u>\$ (3,170,025)</u>	<u>\$ 20,706,590</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$ 9,642,292	\$ 4,662,970	\$ 14,305,262
Transfers Out		(25,225,134)		(25,225,134)
Proceeds From Borrowing			27,078,000	27,078,000
Payments to Escrow Agent			(26,985,129)	(26,985,129)
Total Other Financing Sources (Uses)	<u>\$</u>	<u>\$ (15,582,842)</u>	<u>\$ 4,755,841</u>	<u>\$ (10,827,001)</u>
Net Change in Fund Balances	\$ 54,320	\$ 8,293,773	\$ 1,585,816	\$ 9,879,589
Fund Balances - Beginning		<u>107,660</u>	<u>16,754,999</u>	<u>2,483,424</u>
Fund Balances - Ending	<u>\$ 161,980</u>	<u>\$ 25,048,772</u>	<u>\$ 4,069,240</u>	<u>\$ 29,118,012</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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,500,000	\$ 10,062,108	\$ 10,062,108	\$
Miscellaneous	160,000	52,849	52,849	
Total Revenues	<u>\$ 8,660,000</u>	<u>\$ 10,114,957</u>	<u>\$ 10,114,957</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 2,081,250	\$ 2,049,316	\$ 2,049,316	\$
Excess of Revenues Over Expenditures	\$ 6,578,750	\$ 8,065,641	\$ 8,065,641	\$
OTHER FINANCING USES				
Transfers Out	<u>(6,578,750)</u>	<u>(8,198,736)</u>	<u>(8,198,736)</u>	
Net Change in Fund Balance	\$	\$ (133,095)	\$ (133,095)	\$
Fund Balance - Beginning	<u>140,595</u>	<u>140,595</u>	<u>140,595</u>	
Fund Balance - Ending	<u>\$ 140,595</u>	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$</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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ _____	\$ _____ 4	\$ _____ 4	\$ _____
OTHER FINANCING USES				
Transfers Out	\$ _____ (4,144)	\$ _____ (4,148)	\$ _____ (4,148)	\$ _____
Net Change in Fund Balance	\$ _____ (4,144)	\$ _____ (4,144)	\$ _____ (4,144)	
Fund Balance - Beginning	_____ 4,144	_____ 4,144	_____ 4,144	
Fund Balance - Ending	\$ _____	\$ _____	\$ _____	\$ _____

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 475,000	\$ 616,967	\$ 616,967	\$
Miscellaneous		451	451	
Total Revenues	<u>\$ 475,000</u>	<u>\$ 617,418</u>	<u>\$ 617,418</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$	\$ 553,089	\$ 553,089	\$
Capital Outlay	475,000	112,980	112,980	
Total Expenditures	<u>\$ 475,000</u>	<u>\$ 666,069</u>	<u>\$ 666,069</u>	<u>\$</u>
Net Change in Fund Balance	\$	\$ (48,651)	\$ (48,651)	\$
Fund Balance - Beginning	<u>555,959</u>	<u>555,959</u>	<u>555,959</u>	<u></u>
Fund Balance - Ending	<u><u>\$ 555,959</u></u>	<u><u>\$ 507,308</u></u>	<u><u>\$ 507,308</u></u>	<u><u>\$</u></u>

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, 2021

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines and Forfeitures	\$ <u>100,000</u>	\$ <u>122,978</u>	\$ <u>22,978</u>
EXPENDITURES			
Current:			
General Government	\$ <u>258,700</u>	\$ <u>248,257</u>	\$ <u>10,443</u>
Deficiency of Revenues Under Expenditures	\$ (158,700)	\$ (125,279)	\$ 33,421
OTHER FINANCING SOURCES			
Transfers In	<u>158,700</u>	<u>125,279</u>	<u>(33,421)</u>
Net Change in Fund Balance	\$	\$	\$
Fund Balance - Beginning	<u> </u>	<u> </u>	<u> </u>
Fund Balance - Ending	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Accommodations Taxes	\$ 2,301,500	\$ 2,452,106	\$ 2,753,242	\$ 301,136
Miscellaneous	6,966	6,966	75	(6,891)
Total Revenues	<u>\$ 2,308,466</u>	<u>\$ 2,459,072</u>	<u>\$ 2,753,317</u>	<u>\$ 294,245</u>
OTHER FINANCING USES				
Transfers Out	<u>\$ (2,355,277)</u>	<u>\$ (2,505,883)</u>	<u>\$ (1,753,606)</u>	<u>\$ 752,277</u>
Net Change in Fund Balance	\$ (46,811)	\$ (46,811)	\$ 999,711	\$ 1,046,522
Fund Balance - Beginning	<u>289</u>	<u>289</u>	<u>289</u>	
Fund Balance - Ending	<u><u>\$ (46,522)</u></u>	<u><u>\$ (46,522)</u></u>	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 1,046,522</u></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, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Storm Water Fees	\$ 2,700,000	\$ 2,765,271	\$ 65,271
Intergovernmental	2,532,875	410,956	(2,121,919)
Miscellaneous	58,000	10,763	(47,237)
Total Revenues	\$ 5,290,875	\$ 3,186,990	\$ (2,103,885)
EXPENDITURES			
Current:			
General Government	\$ 532,693	\$ 533,374	\$ (681)
Transportation	1,837,465	1,644,694	192,771
Capital Outlay	3,260,500	345,984	2,914,516
Debt Service:			
Principal	1,190,392	1,190,392	
Interest and Fiscal Charges	285,896	288,960	(3,064)
Total Expenditures	\$ 7,106,946	\$ 4,003,404	\$ 3,103,542
Deficiency of Revenues Under Expenditures	\$ (1,816,071)	\$ (816,414)	\$ 999,657
OTHER FINANCING SOURCES			
Transfers In	1,662,000	1,662,500	500
Net Change in Fund Balances	\$ (154,071)	\$ 846,086	\$ 1,000,157
Fund Balances - Beginning	6,660,964	6,660,964	
Fund Balances - Ending	\$ 6,506,893	\$ 7,507,050	\$ 1,000,157

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 40,000	\$ 40,000	\$ 1,133,542	\$ 1,093,542
Miscellaneous	4,000	4,000		(4,000)
Total Revenues	<u>\$ 44,000</u>	<u>\$ 44,000</u>	<u>\$ 1,133,542</u>	<u>\$ 1,089,542</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$	\$	\$ 49,264	\$ (49,264)
Capital Outlay		5,847,995		5,847,995
Debt Service:				
Principal	360,000	360,000	360,000	
Interest and Fiscal Charges	284,000	284,000	294,000	(10,000)
Bond Issuance Costs			12,410	(12,410)
Total Expenditures	<u>\$ 644,000</u>	<u>\$ 6,491,995</u>	<u>\$ 715,674</u>	<u>\$ 5,776,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (600,000)	\$ (6,447,995)	\$ 417,868	\$ 6,865,863
OTHER FINANCING SOURCES				
Transfers In	<u>600,000</u>	<u>6,447,995</u>	<u>5,847,995</u>	<u>(600,000)</u>
Net Change in Fund Balance	\$	\$	\$ 6,265,863	\$ 6,265,863
Fund Balance - Beginning	<u>44,439</u>	<u>44,439</u>	<u>44,439</u>	
Fund Balance - Ending	<u><u>\$ 44,439</u></u>	<u><u>\$ 44,439</u></u>	<u><u>\$ 6,310,302</u></u>	<u><u>\$ 6,265,863</u></u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hospitality Fee Taxes	\$ 10,325,000	\$ 10,504,691	\$ 12,330,874	\$ 1,826,183
Miscellaneous	1,250	1,250	4,950	3,700
Total Revenues	<u>\$ 10,326,250</u>	<u>\$ 10,505,941</u>	<u>\$ 12,335,824</u>	<u>\$ 1,829,883</u>
EXPENDITURES				
Debt Service:				
Principal	\$ 2,570,207	\$ 2,570,207	\$ 2,720,000	\$ (149,793)
Interest and Fiscal Charges	3,185,813	3,185,813	3,035,623	150,190
Total Expenditures	<u>\$ 5,756,020</u>	<u>\$ 5,756,020</u>	<u>\$ 5,755,623</u>	<u>\$ 397</u>
Excess of Revenues Over Expenditures	\$ 4,570,230	\$ 4,749,921	\$ 6,580,201	\$ 1,830,280
OTHER FINANCING USES				
Transfers Out	<u>(4,400,000)</u>	<u>(4,579,691)</u>	<u>(1,429,691)</u>	<u>3,150,000</u>
Net Change in Fund Balance	\$ 170,230	\$ 170,230	\$ 5,150,510	\$ 4,980,280
Fund Balance - Beginning	<u>1,388,564</u>	<u>1,388,564</u>	<u>1,388,564</u>	
Fund Balance - Ending	<u>\$ 1,558,794</u>	<u>\$ 1,558,794</u>	<u>\$ 6,539,074</u>	<u>\$ 4,980,280</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, 2021

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 2,675,649	\$ 2,530,287	\$ (145,362)
EXPENDITURES			
Current:			
Parks, Recreation and Sports Tourism	\$ 3,883,819	\$ 3,278,408	\$ 605,411
Capital Outlay	68,500	27,055	41,445
Total Expenditures	<u>\$ 3,952,319</u>	<u>\$ 3,305,463</u>	<u>\$ 646,856</u>
Deficiency of Revenues Under Expenditures	\$ (1,276,670)	\$ (775,176)	\$ 501,494
OTHER FINANCING SOURCES			
Transfers In	<u>2,793,753</u>	<u>1,000,000</u>	<u>(1,793,753)</u>
Net Change in Fund Balances	\$ 1,517,083	\$ 224,824	\$ (1,292,259)
Fund Balances - Beginning	<u>100,325</u>	<u>100,325</u>	<u> </u>
Fund Balances - Ending	<u><u>\$ 1,617,408</u></u>	<u><u>\$ 325,149</u></u>	<u><u>\$ (1,292,259)</u></u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 25,500	\$ 25,500	\$ 5,568	\$ (19,932)
EXPENDITURES				
Current:				
Community and Economic Development	\$ 86,970	\$ 206,203	\$ 206,203	
Deficiency of Revenues Under Expenditures	\$ (61,470)	\$ (180,703)	\$ (200,635)	\$ (19,932)
OTHER FINANCING SOURCES				
Transfers In		50,000	50,000	
Net Change in Fund Balance	\$ (61,470)	\$ (130,703)	\$ (150,635)	\$ (19,932)
Fund Balance - Beginning	184,058	184,058	184,058	
Fund Balance - Ending	\$ 122,588	\$ 53,355	\$ 33,423	\$ (19,932)

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 350,000	\$ 350,000	\$	\$ (350,000)
Miscellaneous	750	750	1,086	336
Total Revenues	<u>\$ 350,750</u>	<u>\$ 350,750</u>	<u>\$ 1,086</u>	<u>\$ (349,664)</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 751,137	\$ 751,137	72,000	\$ 679,137
Deficiency of Revenues Under Expenditures	\$ (400,387)	\$ (400,387)	(70,914)	\$ 329,473
OTHER FINANCING SOURCES				
Transfers In		681,518	681,518	
Net Change in Fund Balance	\$ (400,387)	\$ 281,131	\$ 610,604	\$ 329,473
Fund Balance - Beginning	<u>484,297</u>	<u>484,297</u>	<u>484,297</u>	
Fund Balance - Ending	<u>\$ 83,910</u>	<u>\$ 765,428</u>	<u>\$ 1,094,901</u>	<u>\$ 329,473</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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Accommodations Taxes	\$ 3,751,000	\$ 8,198,492	\$ 8,229,492	\$ 31,000
Miscellaneous	5,000	11,618	11,618	
Total Revenues	<u>\$ 3,756,000</u>	<u>\$ 8,210,110</u>	<u>\$ 8,241,110</u>	<u>\$ 31,000</u>
OTHER FINANCING USES				
Transfers Out	<u>\$ (2,825,253)</u>	<u>\$ (13,848,582)</u>	<u>\$ (13,838,953)</u>	<u>\$ 9,629</u>
Net Change in Fund Balance	\$ 930,747	\$ (5,638,472)	\$ (5,597,843)	\$ 40,629
Fund Balance - Beginning	<u>6,697,843</u>	<u>6,697,843</u>	<u>6,697,843</u>	
Fund Balance - Ending	<u><u>\$ 7,628,590</u></u>	<u><u>\$ 1,059,371</u></u>	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 40,629</u></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, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 34,259	\$ 5,296	\$ (28,963)
Miscellaneous	5,000		(5,000)
Total Revenues	<u>\$ 39,259</u>	<u>\$ 5,296</u>	<u>\$ (33,963)</u>
EXPENDITURES			
Current:			
Parks, Recreation and Sports Tourism	\$ 287,373	\$ 204,073	\$ 83,300
Capital Outlay	35,663		35,663
Total Expenditures	<u>\$ 323,036</u>	<u>\$ 204,073</u>	<u>\$ 118,963</u>
Deficiency of Revenues Under Expenditures	\$ (283,777)	\$ (198,777)	\$ 85,000
OTHER FINANCING SOURCES			
Transfers In	<u>283,777</u>	<u>275,000</u>	<u>(8,777)</u>
Net Change in Fund Balances	\$	\$ 76,223	\$ 76,223
Fund Balances - Beginning	<u>385,862</u>	<u>385,862</u>	
Fund Balances - Ending	<u>\$ 385,862</u>	<u>\$ 462,085</u>	<u>\$ 76,223</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, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 90,000	\$ 120,343	\$ 30,343
Miscellaneous	22,700	22,700	
Total Revenues	<u>\$ 112,700</u>	<u>\$ 143,043</u>	<u>\$ 30,343</u>
EXPENDITURES			
Current:			
Parks, Recreation and Sports Tourism	\$ 82,700	\$ 88,723	\$ (6,023)
Capital Outlay	30,000		30,000
Total Expenditures	<u>\$ 112,700</u>	<u>\$ 88,723</u>	<u>\$ 23,977</u>
Net Change in Fund Balance	\$	\$ 54,320	\$ 54,320
Fund Balance - Beginning	<u>107,660</u>	<u>107,660</u>	
Fund Balance - Ending	<u>\$ 107,660</u>	<u>\$ 161,980</u>	<u>\$ 54,320</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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,965,000	\$ 1,965,000	\$ 2,036,947	\$ 71,947
Miscellaneous	25,000	25,000	3,589	(21,411)
Total Revenues	<u>\$ 1,990,000</u>	<u>\$ 1,990,000</u>	<u>\$ 2,040,536</u>	<u>\$ 50,536</u>
EXPENDITURES				
Current:				
General Government	\$ 191,415	\$ 191,415	\$ 192,322	\$ (907)
Debt Service:				
Principal	3,757,603	3,757,603	3,926,993	(169,390)
Interest and Fiscal Charges	1,334,676	1,334,676	1,005,545	329,131
Bond Issuance Costs			85,701	(85,701)
Total Expenditures	<u>\$ 5,283,694</u>	<u>\$ 5,283,694</u>	<u>\$ 5,210,561</u>	<u>\$ 73,133</u>
Deficiency of Revenues Under Expenditures	<u>\$ (3,293,694)</u>	<u>\$ (3,293,694)</u>	<u>\$ (3,170,025)</u>	<u>\$ 123,669</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 3,310,730	\$ 5,864,878	\$ 4,662,970	\$ (1,201,908)
Proceeds From Borrowing		27,078,000	27,078,000	
Payments to Escrow Agent		(26,985,129)	(26,985,129)	
Total Other Financing Sources (Uses)	<u>\$ 3,310,730</u>	<u>\$ 5,957,749</u>	<u>\$ 4,755,841</u>	<u>\$ (1,201,908)</u>
Net Change in Fund Balance	\$ 17,036	\$ 2,664,055	\$ 1,585,816	\$ (1,078,239)
Fund Balance - Beginning	<u>2,483,424</u>	<u>2,483,424</u>	<u>2,483,424</u>	
Fund Balance - Ending	<u>\$ 2,500,460</u>	<u>\$ 5,147,479</u>	<u>\$ 4,069,240</u>	<u>\$ (1,078,239)</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 525,000	\$ 525,000	\$ 359,313	\$ (165,687)
Intergovernmental	530,000	1,452,346	557,030	(895,316)
Charges for Services	900,000	900,000		(900,000)
Miscellaneous	195,757	3,039,161	319,054	(2,720,107)
Total Revenues	<u>\$ 2,150,757</u>	<u>\$ 5,916,507</u>	<u>\$ 1,235,397</u>	<u>\$ (4,681,110)</u>
EXPENDITURES				
Current:				
General Government	\$ 949,757	\$ 1,125,785	\$ 1,031,083	\$ 94,702
Transportation			58,243	(58,243)
Community and Economic Development		75,715	75,715	
Parks, Recreation and Sports Tourism		100,326	100,326	
Public Works		58,243		58,243
Capital Outlay	1,525,000	25,643,276	12,160,779	13,482,497
Debt Service:				
Bond Issuance Costs		28,084	28,084	
Total Expenditures	<u>\$ 2,474,757</u>	<u>\$ 27,031,429</u>	<u>\$ 13,454,230</u>	<u>\$ 13,577,199</u>
Deficiency of Revenues Under Expenditures	<u>\$ (324,000)</u>	<u>\$ (21,114,922)</u>	<u>\$ (12,218,833)</u>	<u>\$ 8,896,089</u>
OTHER FINANCING SOURCES				
Transfers In	\$	\$ 11,033,477	\$ 11,033,477	\$
Proceeds From Borrowing		10,216,049	5,500,000	(4,716,049)
Total Other Financing Sources	<u>\$</u>	<u>\$ 21,249,526</u>	<u>\$ 16,533,477</u>	<u>\$ (4,716,049)</u>
Net Change in Fund Balances	<u>\$ (324,000)</u>	<u>\$ 134,604</u>	<u>\$ 4,314,644</u>	<u>\$ 4,180,040</u>
Fund Balances - Beginning	<u>14,706,558</u>	<u>14,706,558</u>	<u>14,706,558</u>	
Fund Balances - Ending	<u>\$ 14,382,558</u>	<u>\$ 14,841,162</u>	<u>\$ 19,021,202</u>	<u>\$ 4,180,040</u>

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, 2021

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Temporary Investments	\$ 4,838,113	\$ 2,991,332	\$ 18,016,909	\$ 25,846,354
Receivables:				
Accounts	1,112	15,506	8,976	25,594
Inventories	72,845			72,845
Prepaid Assets		643,177		643,177
Total Current Assets	\$ 4,912,070	\$ 3,650,015	\$ 18,025,885	\$ 26,587,970
Noncurrent Assets:				
Other Capital Assets (Net)	12,241,576			12,241,576
Total Assets	\$ 17,153,646	\$ 3,650,015	\$ 18,025,885	\$ 38,829,546
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension Plan	\$ 152,155			\$ 152,155
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 195,847	\$ 257,428	\$ 22,287,025	\$ 22,740,300
Unreported Insurance Claims			728,929	728,929
Capital Lease Obligations	811,177			811,177
Total Current Liabilities	\$ 1,007,024	\$ 257,428	\$ 23,015,954	\$ 24,280,406
Noncurrent Liabilities:				
Compensated Absences	\$ 27,171	\$	\$	\$ 27,171
Unreported Insurance Claims		3,370,473		3,370,473
Capital Lease Obligations	2,542,048			2,542,048
Net Pension Liability	954,555			954,555
Total Noncurrent Liabilities	\$ 3,523,774	\$ 3,370,473	\$	\$ 6,894,247
Total Liabilities	\$ 4,530,798	\$ 3,627,901	\$ 23,015,954	\$ 31,174,653
DEFERRED INFLOWS OF RESOURCES				
Related to Pension Plan	\$ 31,573			\$ 31,573

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021**

NET POSITION	<u>Fleet Management Fund</u>	<u>Self Insurance Fund</u>	<u>Health Insurance Fund</u>	<u>Total Internal Service Funds</u>
Net Investment in Capital Assets	\$ 8,888,351	\$	\$	\$ 8,888,351
Unrestricted	<u>3,855,079</u>	<u>22,114</u>	<u>(4,990,069)</u>	<u>(1,112,876)</u>
Total Net Position	<u>\$ 12,743,430</u>	<u>\$ 22,114</u>	<u>\$ (4,990,069)</u>	<u>\$ 7,775,475</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, 2021

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 3,377,672	\$ 4,274,081	\$ 10,894,330	\$ 18,546,083
OPERATING EXPENSES				
Administration	\$ 583,478	\$	\$	\$ 583,478
Operations	1,166,744	6,731,287	15,898,342	23,796,373
Depreciation	3,309,134			3,309,134
Total Operating Expenses	<u>\$ 5,059,356</u>	<u>\$ 6,731,287</u>	<u>\$ 15,898,342</u>	<u>\$ 27,688,985</u>
Operating Loss	<u>\$ (1,681,684)</u>	<u>\$ (2,457,206)</u>	<u>\$ (5,004,012)</u>	<u>\$ (9,142,902)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 5,664	\$ 3,985	\$ 132,333	\$ 141,982
Operating Grant Revenue	3,165		90,136	93,301
Miscellaneous Revenue	331	6,288	1,630	8,249
Gain on Disposal of Capital Assets	382,060			382,060
Interest Expense	(85,010)		(6,555)	(91,565)
Total Nonoperating Revenues (Expenses)	<u>\$ 306,210</u>	<u>\$ 10,273</u>	<u>\$ 217,544</u>	<u>\$ 534,027</u>
Loss Before Contributions and Transfers	\$ (1,375,474)	\$ (2,446,933)	\$ (4,786,468)	\$ (8,608,875)
Capital Contributions	50,000			50,000
Transfers In		<u>1,100,000</u>	<u>5,851,778</u>	<u>6,951,778</u>
Change in Net Position	\$ (1,325,474)	\$ (1,346,933)	\$ 1,065,310	\$ (1,607,097)
Total Net Position - Beginning	<u>14,068,904</u>	<u>1,369,047</u>	<u>(6,055,379)</u>	<u>9,382,572</u>
Total Net Position - Ending	<u>\$ 12,743,430</u>	<u>\$ 22,114</u>	<u>\$ (4,990,069)</u>	<u>\$ 7,775,475</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2021

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Interfund Services Provided	\$ 3,377,672	\$ 4,274,081	\$ 10,894,330	\$ 18,546,083
Payments to Suppliers	(1,500,494)	(4,010,696)	(1,585,388)	(7,096,578)
Payments to Employees	(379,141)			(379,141)
Payments of Claims		(3,221,582)	(13,706,709)	(16,928,291)
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 1,498,037</u>	<u>\$ (2,958,197)</u>	<u>\$ (4,397,767)</u>	<u>\$ (5,857,927)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	\$	\$ 1,100,000	\$ 5,851,778	\$ 6,951,778
Operating Grants	3,165		180,272	183,437
Payments on Interfund Loans	(336)			(336)
Interest Payments on Interfund Loan			(6,555)	(6,555)
Net Cash and Cash Equivalents Provided by Noncapital Financing Activities	<u>\$ 2,829</u>	<u>\$ 1,100,000</u>	<u>\$ 6,025,495</u>	<u>\$ 7,128,324</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	\$ 50,000	\$	\$	\$ 50,000
Decrease in Capital Lease Proceeds Receivable	1,075,000			1,075,000
Principal Payments on Capital Lease Obligations	(790,365)			(790,365)
Interest Payments on Capital Lease Obligations	(101,979)			(101,979)
Purchases of Capital Assets	(2,119,259)			(2,119,259)
Proceeds From Disposal of Capital Assets	490,230			490,230
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	<u>\$ (1,396,373)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (1,396,373)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	\$ 5,664	\$ 3,985	\$ 132,333	\$ 141,982
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 5,664</u>	<u>\$ 3,985</u>	<u>\$ 132,333</u>	<u>\$ 141,982</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 110,157	\$ (1,854,212)	\$ 1,760,061	\$ 16,006
Cash and Cash Equivalents - Beginning	<u>4,727,956</u>	<u>4,845,544</u>	<u>16,256,848</u>	<u>25,830,348</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 4,838,113</u></u>	<u><u>\$ 2,991,332</u></u>	<u><u>\$ 18,016,909</u></u>	<u><u>\$ 25,846,354</u></u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2021**

	<u>Fleet Management Fund</u>	<u>Self Insurance Fund</u>	<u>Health Insurance Fund</u>	<u>Total Internal Service Funds</u>
<u>Reconciliation of Operating Loss to Net Cash and Cash Equivalents Provided (Used) by Operating Activities</u>				
Operating Loss	\$ (1,681,684)	\$ (2,457,206)	\$ (5,004,012)	\$ (9,142,902)
Adjustments to Reconcile Operating Loss to Net Cash and Cash Equivalents Provided (Used) by Operating Activities:				
Depreciation	3,309,134			3,309,134
(Increase) Decrease in Accounts Receivable	(1,112)	(15,456)	2,650	(13,918)
(Increase) in Inventories	(15,526)			(15,526)
(Increase) in Prepaid Assets		(643,177)		(643,177)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(139,470)	(75,870)	483,234	267,894
Increase in Unreported Insurance Claims		227,224	118,731	345,955
Increase in Net Pension Liability and Related Amounts	26,364			26,364
Miscellaneous Receipts	331	6,288	1,630	8,249
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 1,498,037</u>	<u>\$ (2,958,197)</u>	<u>\$ (4,397,767)</u>	<u>\$ (5,857,927)</u>
<u>Noncash Capital and Related Financing Activities</u>				
Book Value of Capital Asset Disposals	<u>\$ 108,170</u>	<u>\$</u>	<u>\$</u>	<u>\$ 108,170</u>

DISCRETELY PRESENTED COMPONENT UNIT

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
MYRTLE BEACH DOWNTOWN REDEVELOPMENT CORPORATION
June 30, 2021**

ASSETS

Cash and Temporary Investments	\$ <u>772,164</u>
--------------------------------	-------------------

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable and Accrued Expenses	\$ <u>938</u>
---------------------------------------	---------------

Fund Balances:

Unassigned	\$ <u>771,226</u>
------------	-------------------

Total Liabilities and Fund Balances	\$ <u>772,164</u>
-------------------------------------	-------------------

Reconciliation to the Statement of Net Position

Total Fund Balances	\$ 771,226
---------------------	------------

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.	<u>1,026,186</u>
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Net Position Reported in the Statement of Net Position	\$ <u>1,797,412</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, 2021**

REVENUES

Charges for Services	\$ 860,954
Miscellaneous	74,782
Total Revenues	\$ 935,736

EXPENDITURES

Current:	
Community and Economic Development	\$ 1,229,164
Debt Service:	
Principal	648,560
Interest	22,578
Total Expenditures	\$ 1,900,302

Net Change in Fund Balances \$ (964,566)

Fund Balances - Beginning 1,735,792

Fund Balances - Ending \$ 771,226

Reconciliation to the Statement of Activities

Net Change in Fund Balances \$ (964,566)

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. (639,313)

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. 648,560

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. 10,400

Change in Net Position Reported in the Statement of Activities \$ (944,919)



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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 28,110,000	\$ 28,110,000	\$ 30,873,771	\$ 2,763,771
OPERATING EXPENSES				
Administration	\$ 3,917,339	\$ 3,917,339	\$ 4,192,846	\$ (275,507)
Operations	21,494,645	22,207,195	21,648,939	558,256
Depreciation	4,950,000	5,177,048	5,177,048	
Total Operating Expenses	<u>\$ 30,361,984</u>	<u>\$ 31,301,582</u>	<u>\$ 31,018,833</u>	<u>\$ 282,749</u>
Operating Loss	<u>\$ (2,251,984)</u>	<u>\$ (3,191,582)</u>	<u>\$ (145,062)</u>	<u>\$ 3,046,520</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 150,000	\$ 150,000	\$ 38,913	\$ (111,087)
Operating Grant Revenue			180,729	180,729
Miscellaneous Revenue	250,000	962,550	1,025,028	62,478
Gain on Disposal of Capital Assets			3,300	3,300
Interest and Fiscal Charges	(1,304,971)	(1,304,971)	(910,145)	394,826
Total Nonoperating Revenues (Expenses)	<u>\$ (904,971)</u>	<u>\$ (192,421)</u>	<u>\$ 337,825</u>	<u>\$ 530,246</u>
Income (Loss) Before Contributions and Transfers	\$ (3,156,955)	\$ (3,384,003)	\$ 192,763	\$ 3,576,766
Capital Contributions	4,983,000	4,983,000	5,476,944	493,944
Transfers Out	<u>(1,826,045)</u>	<u>(1,960,491)</u>	<u>(1,960,491)</u>	
Change in Net Position	\$	\$ (361,494)	\$ 3,709,216	\$ 4,070,710
Total Net Position - Beginning	<u>109,621,442</u>	<u>109,621,442</u>	<u>109,621,442</u>	
Total Net Position - Ending	<u><u>\$ 109,621,442</u></u>	<u><u>\$ 109,259,948</u></u>	<u><u>\$ 113,330,658</u></u>	<u><u>\$ 4,070,710</u></u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 6,406,221	\$ 6,406,221	\$ 6,749,771	\$ 343,550
OPERATING EXPENSES				
Administration	\$ 1,101,969	\$ 1,101,969	\$ 992,968	\$ 109,001
Operations	5,317,955	5,319,455	5,008,739	310,716
Depreciation	235,000	235,000	196,929	38,071
Total Operating Expenses	\$ 6,654,924	\$ 6,656,424	\$ 6,198,636	\$ 457,788
Operating Income (Loss)	\$ (248,703)	\$ (250,203)	\$ 551,135	\$ 801,338
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 1,000	\$ 1,000	\$ 2,125	\$ 1,125
Operating Grant Revenue		1,500	183,991	182,491
Miscellaneous Revenue	5,000	5,000	3,367	(1,633)
Interest Expense	(26,322)	(26,322)	(22,387)	3,935
Total Nonoperating Revenues (Expenses)	\$ (20,322)	\$ (18,822)	\$ 167,096	\$ 185,918
Income (Loss) Before Transfers	\$ (269,025)	\$ (269,025)	\$ 718,231	\$ 987,256
Transfers In	250,000	250,000	250,000	
Change in Net Position	\$ (19,025)	\$ (19,025)	\$ 968,231	\$ 987,256
Total Net Position - Beginning	(1,192,475)	(1,192,475)	(1,192,475)	
Total Net Position - Ending	\$ (1,211,500)	\$ (1,211,500)	\$ (224,244)	\$ 987,256

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - BUDGET AND ACTUAL
ENTERPRISE FUND
PARKING UTILITY FUND
Year Ended June 30, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
OPERATING REVENUES			
Charges for Services	\$ 1,187,272	\$ 1,187,272	\$
OPERATING EXPENSES			
Operations	\$ 577,329	\$ 577,329	\$
Depreciation	21,967	21,967	
Total Operating Expenses	<u>\$ 599,296</u>	<u>\$ 599,296</u>	<u>\$</u>
Operating Income	\$ 587,976	\$ 587,976	\$
NONOPERATING REVENUES			
Interest Earned	<u>80</u>	<u>80</u>	<u>\$</u>
Income Before Contributions	\$ 588,056	\$ 588,056	\$
Capital Contributions	<u>164,716</u>	<u>164,716</u>	<u>\$</u>
Change in Net Position	\$ 752,772	\$ 752,772	\$
Total Net Position - Beginning	<u></u>	<u></u>	<u></u>
Total Net Position - Ending	<u>\$ 752,772</u>	<u>\$ 752,772</u>	<u>\$</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
Year Ended June 30, 2021

Court Fines

Court Fines Collected	\$ 582,705
Court Fines Retained by City	(582,705)
Court Fines Remitted to State Treasurer	<u>\$ 0</u>

Court Assessments

Court Assessments Collected	\$ 909,950
Court Assessments Retained by City	(71,793)
Court Assessments Remitted to State Treasurer	<u>\$ 838,157</u>

Court Surcharges

Court Surcharges Collected	\$ 51,185
Court Surcharges Retained by City	(51,185)
Court Surcharges Remitted to State Treasurer	<u>\$ 0</u>

Victim Services

Court Assessments Allocated to Victim Services	\$ 71,793
Court Surcharges Allocated to Victim Services	51,185
Total Funds Allocated to Victim Services	<u>\$ 122,978</u>
Victim Services Expenditures	(122,978)
Funds Available for Carryforward From Year Ended June 30, 2021	<u>\$ 0</u>
Funds Carried Forward From Year Ended June 30, 2020	0
Funds Available for Carryforward at June 30, 2021	<u>\$ 0</u>



First in Service

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>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities			
Net Investment in Capital Assets	\$ 97,005,660	\$ 97,019,979	\$ 100,612,540
Restricted	18,344,550	18,904,389	19,761,397
Unrestricted	(3,006,353)	(1,323,284)	1,316,485
Total Governmental Activities Net Position	<u>\$ 112,343,857</u>	<u>\$ 114,601,084</u>	<u>\$ 121,690,422</u>
Business-Type Activities			
Net Investment in Capital Assets	\$ 113,536,973	\$ 114,142,625	\$ 114,506,690
Restricted	1,165,853	1,088,242	945,308
Unrestricted	15,845,740	15,033,204	13,655,977
Total Business-Type Activities Net Position	<u>\$ 130,548,566</u>	<u>\$ 130,264,071</u>	<u>\$ 129,107,975</u>
Primary Government			
Net Investment in Capital Assets	\$ 210,542,633	\$ 211,162,604	\$ 215,119,230
Restricted	19,510,403	19,992,631	20,706,705
Unrestricted	12,839,387	13,709,920	14,972,462
Total Primary Government Net Position	<u>\$ 242,892,423</u>	<u>\$ 244,865,155</u>	<u>\$ 250,798,397</u>

Note:

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

UNAUDITED

							Fiscal Year						
2015 ⁽¹⁾		2016		2017		2018		2019		2020		2021	
\$	110,367,487	\$	123,676,431	\$	131,515,817	\$	128,663,994	\$	133,376,414	\$	160,678,812	\$	160,855,064
	22,418,493		23,929,521		32,597,681		35,519,383		35,788,591		50,903,805		52,533,971
	(61,203,024)		(61,247,710)		(66,827,955)		(67,485,987)		(67,838,279)		(80,320,056)		(65,021,340)
\$	<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>	\$	<u>148,367,695</u>
\$	116,288,674	\$	111,740,507	\$	110,922,505	\$	111,884,829	\$	113,318,702	\$	94,739,086	\$	96,236,996
	876,221		910,117		1,407,580		1,504,625		741,803		552,138		589,586
	6,055,696		10,998,291		13,757,572		15,750,222		15,371,535		17,691,244		20,001,674
\$	<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>	\$	<u>116,828,256</u>
\$	226,656,161	\$	235,416,938	\$	242,438,322	\$	240,548,823	\$	246,695,116	\$	255,417,898	\$	257,092,060
	23,294,714		24,839,638		34,005,261		37,024,008		36,530,394		51,455,943		53,123,557
	(55,147,328)		(50,249,419)		(53,070,383)		(51,735,765)		(52,466,744)		(62,628,812)		(45,019,666)
\$	<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>	\$	<u>265,195,951</u>

Schedule 2

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

	Fiscal Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses			
Governmental Activities:			
General Government	\$ 11,390,173	\$ 11,883,348	\$ 11,319,984
Public Safety	32,547,208	33,115,671	33,247,797
Transportation	8,508,590	8,642,907	8,666,134
Community and Economic Development	30,332,521	28,021,204	28,377,759
Parks, Recreation and Sports Tourism	18,014,892	18,881,858	20,110,668
Public Works	1,423,483	1,437,647	1,399,578
Interest and Fiscal Charges	8,701,138	8,513,225	8,779,399
Total Governmental Activities Expenses	<u>\$ 110,918,005</u>	<u>\$ 110,495,860</u>	<u>\$ 111,901,319</u>
Business-Type Activities:			
Water	\$ 13,040,513	\$ 13,262,481	\$ 14,235,486
Sewer	12,257,261	12,587,819	13,068,631
Baseball Stadium	731,004	639,314	616,989
Municipal Golf Course	1,502,589	1,455,492	1,474,824
Solid Waste Management	4,061,301	4,072,052	4,194,082
Parking Utility			
Total Business-Type Activities Expenses	<u>\$ 31,592,668</u>	<u>\$ 32,017,158</u>	<u>\$ 33,590,012</u>
Total Primary Government Expenses	<u>\$ 142,510,673</u>	<u>\$ 142,513,018</u>	<u>\$ 145,491,331</u>
Program Revenues ⁽¹⁾			
Governmental Activities:			
Charges for Services	\$ 16,576,103	\$ 15,910,400	\$ 16,942,434
Operating Grants and Contributions	2,012,316	1,573,924	1,577,629
Capital Grants and Contributions	2,974,778	1,628,940	8,155,866
Total Governmental Activities Program Revenues	<u>\$ 21,563,197</u>	<u>\$ 19,113,264</u>	<u>\$ 26,675,929</u>
Business-Type Activities:			
Charges for Services	\$ 28,824,814	\$ 28,383,410	\$ 29,686,659
Operating Grants and Contributions		4,574	
Capital Grants and Contributions	2,005,888	3,350,634	3,184,138
Total Business-Type Activities Program Revenues	<u>\$ 30,830,702</u>	<u>\$ 31,738,618</u>	<u>\$ 32,870,797</u>
Total Primary Government Program Revenues	<u>\$ 52,393,899</u>	<u>\$ 50,851,882</u>	<u>\$ 59,546,726</u>
Net (Expense) Revenue			
Governmental Activities	\$ (89,354,808)	\$ (91,382,596)	\$ (85,225,390)
Business-Type Activities	(761,966)	(278,540)	(719,215)
Total Primary Government Net Expense	<u>\$ (90,116,774)</u>	<u>\$ (91,661,136)</u>	<u>\$ (85,944,605)</u>

UNAUDITED

		Fiscal Year											
		2015	2016	2017	2018	2019	2020	2021					
\$	12,890,054	\$	12,822,309	\$	13,470,951	\$	14,672,604	\$	15,035,878	\$	16,972,598	\$	22,981,475
	35,816,223		40,622,972		44,940,928		50,078,581		53,574,303		55,026,140		56,594,288
	8,714,950		9,388,613		10,506,212		11,212,952		13,029,012		12,387,795		11,216,505
	29,802,944		32,180,219		34,386,272		34,791,477		38,649,385		38,099,380		45,590,891
	21,563,521		18,495,957		20,613,590		22,021,828		22,587,554		23,577,177		29,421,460
	1,455,959		6,594,968		7,305,309		7,529,646		7,588,750		7,525,422		1,464,143
	8,302,467		8,030,037		7,564,990		6,992,235		6,711,720		6,470,780		5,964,111
\$	<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>	\$	<u>173,232,873</u>
\$	14,151,418	\$	15,328,683	\$	15,921,581	\$	16,092,999	\$	17,317,321	\$	16,740,272	\$	17,081,247
	13,910,465		14,157,157		14,160,187		14,696,594		15,581,841		15,095,710		15,640,516
	631,698		662,068		679,415		699,873		634,356				
	969,918		321,713		334,440		324,196		341,617				
	4,205,444		4,386,728		7,401,276		5,271,564		5,707,768		6,117,577		7,009,369
													599,296
\$	<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>40,330,428</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>	\$	<u>213,563,301</u>
\$	17,621,758	\$	18,204,459	\$	20,943,663	\$	21,302,259	\$	21,286,060	\$	21,238,194	\$	24,643,561
	1,985,466		1,508,330		3,189,507		1,727,051		3,162,865		2,878,958		13,626,412
	5,959,255		13,083,574		8,568,753		4,488,807		11,034,268		10,007,362		4,329,645
\$	<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>	\$	<u>42,599,618</u>
\$	29,735,755	\$	30,781,010	\$	33,721,529	\$	34,008,194	\$	34,963,750	\$	36,143,576	\$	39,839,209
			3,402		2,428,959		59,308		39,665		30,128		364,720
	4,436,233		4,644,940		4,981,673		6,197,304		5,062,764		7,023,267		5,641,660
\$	<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>45,845,589</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>	\$	<u>88,445,207</u>
\$	(92,979,639)	\$	(95,338,712)	\$	(106,086,329)	\$	(119,781,206)	\$	(121,693,409)	\$	(125,934,778)	\$	(130,633,255)
	303,045		573,003		2,635,262		3,179,580		483,276		5,243,412		5,515,161
\$	<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>	\$	<u>(125,118,094)</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>2012</u>	<u>2013</u>	<u>2014</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$ 24,836,200	\$ 25,113,459	\$ 25,796,261
Local Accommodations Taxes	2,219,406	2,238,681	2,333,117
Business License Taxes	17,795,885	18,354,589	19,050,722
Franchise Taxes	3,409,048	3,469,046	3,755,715
Hospitality Fee Taxes	9,548,517	9,791,483	10,077,734
Local Option Tourism Taxes	23,500,801	23,508,832	23,298,736
Grants and Contributions not Restricted to Specific Programs	9,311,329	10,833,688	10,501,165
Investment Earnings	361,811	223,895	168,740
Transfers	(201,700)	106,150	179,000
Total Governmental Activities	<u>\$ 90,781,297</u>	<u>\$ 93,639,823</u>	<u>\$ 95,161,190</u>
Business-Type Activities:			
Investment Earnings	\$ 131,889	\$ 100,195	\$ 82,602
Transfers	201,700	(106,150)	(179,000)
Total Business-Type Activities	<u>\$ 333,589</u>	<u>\$ (5,955)</u>	<u>\$ (96,398)</u>
Total Primary Government	<u>\$ 91,114,886</u>	<u>\$ 93,633,868</u>	<u>\$ 95,064,792</u>
Change in Net Position			
Governmental Activities	\$ 1,426,489	\$ 2,257,227	\$ 9,935,800
Business-Type Activities	(428,377)	(284,495)	(815,613)
Total Primary Government	<u>\$ 998,112</u>	<u>\$ 1,972,732</u>	<u>\$ 9,120,187</u>

Note:

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

UNAUDITED

		Fiscal Year											
		2015	2016	2017	2018	2019	2020	2021					
\$	30,191,056	\$	31,603,241	\$	32,715,024	\$	33,638,840	\$	36,868,630	\$	40,138,497	\$	41,797,359
	2,538,276		2,628,349		2,756,944		2,697,237		2,729,372		8,925,995		11,003,726
	20,579,202		22,133,249		25,121,700		25,508,342		26,234,896		24,917,280		25,171,997
	3,847,643		3,763,771		3,894,935		4,049,530		4,942,516		4,717,786		4,717,820
	10,859,463		11,333,703		11,882,628		11,923,034		12,157,102		14,799,599		18,076,659
	24,952,836		27,187,371		28,316,017		28,763,094		29,699,386		28,846,468		32,805,208
	10,619,104		11,017,066		11,716,163		11,698,916		12,091,191		10,642,397		12,125,790
	152,962		225,010		314,946		645,460		1,212,277		1,090,035		329,339
	112,276		222,238		295,273		268,600		387,375		21,792,556		1,710,491
\$	<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>	\$	<u>147,738,389</u>
\$	68,522	\$	77,559	\$	98,753	\$	141,039	\$	196,463	\$	99,572	\$	41,118
	(112,276)		(222,238)		(295,273)		(268,600)		(387,375)		(21,792,556)		(1,710,491)
\$	<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>(1,669,373)</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>	\$	<u>146,069,016</u>
\$	10,873,179	\$	14,775,286	\$	10,927,301	\$	(588,153)	\$	4,629,336	\$	29,935,835	\$	17,105,134
	259,291		428,324		2,438,742		3,052,019		292,364		(16,449,572)		3,845,788
\$	<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>	\$	<u>20,950,922</u>

Schedule 3

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

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year		
	2012	2013	2014
Governmental Activities			
Charges for Services:			
General Government	\$ 3,483,073	\$ 2,671,727	\$ 2,695,365
Public Safety	2,098,517	2,068,023	2,052,795
Transportation	1,858,628	1,880,137	2,177,007
Community and Economic Development	1,532,753	1,673,700	2,510,118
Parks, Recreation and Sports Tourism	7,603,132	7,616,813	7,507,149
Operating Grants and Contributions:			
General Government	22,987	42,866	
Public Safety	600,239	561,291	435,211
Transportation	86,131	104,631	88,006
Community and Economic Development	582,646	365,921	329,212
Parks, Recreation and Sports Tourism	720,313	499,215	513,358
Public Works			211,842
Capital Grants and Contributions:			
General Government			
Public Safety			
Transportation	1,670,650	868,161	7,221,160
Community and Economic Development	1,289,648	660,328	931,986
Parks, Recreation and Sports Tourism	14,480	100,451	2,720
Total Governmental Activities	<u>\$ 21,563,197</u>	<u>\$ 19,113,264</u>	<u>\$ 26,675,929</u>
Business-Type Activities			
Charges for Services:			
Water	\$ 13,017,157	\$ 12,185,831	\$ 12,425,117
Sewer	10,710,657	11,143,958	12,109,673
Baseball Stadium	39,980	27,581	36,841
Municipal Golf Course	1,101,990	1,012,506	938,737
Solid Waste Management	3,955,030	4,013,534	4,176,291
Parking Utility			
Operating Grants and Contributions:			
Water			
Sewer			
Solid Waste Management		4,574	
Capital Grants and Contributions:			
Water	973,416	1,614,974	1,394,906
Sewer	1,032,472	1,735,660	1,789,232
Parking Utility			
Total Business-Type Activities	<u>\$ 30,830,702</u>	<u>\$ 31,738,618</u>	<u>\$ 32,870,797</u>
Total Primary Government	<u><u>\$ 52,393,899</u></u>	<u><u>\$ 50,851,882</u></u>	<u><u>\$ 59,546,726</u></u>

UNAUDITED

		Fiscal Year											
		2015	2016	2017	2018	2019	2020	2021					
\$	2,731,274	\$	2,930,087	\$	3,150,622	\$	3,324,103	\$	3,237,617	\$	3,468,822	\$	4,055,174
	1,872,412		2,064,558		2,859,641		2,513,149		2,547,392		2,090,687		2,574,773
	2,227,724		2,260,620		2,314,872		2,366,895		2,608,680		2,691,081		2,765,771
	2,393,360		2,314,586		3,014,585		3,255,925		3,203,028		3,426,563		4,516,951
	8,396,988		8,634,608		9,603,943		9,842,187		9,689,343		9,561,041		10,730,892
											258,669		10,708,551
	937,561		702,446		1,713,263		1,007,915		1,077,529		1,064,859		1,646,330
	87,631		78,256		206,082		57,583		1,080,431		744,600		75,263
	273,962		136,778		352,434		216,734		382,306		219,446		553,862
	649,601		518,915		597,851		444,819		561,140		509,303		583,783
	36,711		71,935		319,877				61,459		82,081		58,623
													305,431
									192,010				
	4,765,947		11,609,972		6,336,507		1,945,468		4,954,509		8,609,373		3,068,142
	1,081,888		1,072,973		1,975,239		2,526,754		5,781,530		1,386,374		847,244
	111,420		400,629		257,007		16,585		106,219		11,615		108,828
\$	<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>	\$	<u>42,599,618</u>
\$	12,546,737	\$	12,993,723	\$	14,482,382	\$	14,436,891	\$	14,922,271	\$	15,323,410	\$	16,429,211
	12,377,975		12,910,985		13,845,349		13,871,568		14,223,700		14,468,528		15,469,588
	45,364		53,347		55,226		69,023		59,073				
	310,621		53,635		156,784		136,726		141,977				
	4,455,058		4,769,320		5,181,788		5,493,986		5,616,729		6,351,638		6,753,138
													1,187,272
			1,701		77,166								90,364
			1,701		77,167								90,365
					2,274,626		59,308		39,665		30,128		183,991
	1,610,026		2,107,498		2,300,020		3,073,289		2,581,956		3,370,453		2,430,578
	2,826,207		2,537,442		2,681,653		3,124,015		2,480,808		3,652,814		3,046,366
													164,716
\$	<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>45,845,589</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>	\$	<u>88,445,207</u>

Schedule 4

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

	Fiscal Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund			
Nonspendable	\$ 113,066	\$ 136,844	\$ 145,116
Restricted	413,516	396,275	406,711
Committed		40,000	14,667
Assigned	412,924	413,928	414,605
Unassigned	7,804,956	9,237,691	10,324,445
Total General Fund	<u>\$ 8,744,462</u>	<u>\$ 10,224,738</u>	<u>\$ 11,305,544</u>
 All Other Governmental Funds			
Nonspendable	\$ 722,066	\$ 722,066	\$ 722,066
Restricted	21,018,349	29,148,074	33,329,174
Assigned	13,891,602	11,789,372	12,019,861
Unassigned	(2,340,971)	(2,369,580)	(698,740)
Total All Other Governmental Funds	<u>\$ 33,291,046</u>	<u>\$ 39,289,932</u>	<u>\$ 45,372,361</u>

UNAUDITED

		Fiscal Year											
		2015	2016	2017	2018	2019	2020	2021					
\$	147,712	\$	115,756	\$	146,664	\$	199,060	\$	195,266	\$	301,701	\$	305,686
	1,044,520		429,343		361,423		425,970		554,331		275,081		316,955
	1,077,273		202,419		561,167		618,667		561,167		332,107		332,107
	931,947		667,884										2,500,000
	10,221,505		12,050,165		14,564,933		12,608,530		12,243,154		12,674,438		19,645,152
\$	<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>	\$	<u>23,099,900</u>
\$	785,408	\$	793,725	\$	276,717	\$	89,286	\$	91,505	\$	64,622	\$	45,882
	26,786,092		27,217,933		33,320,557		37,702,601		43,607,170		57,105,470		58,436,002
	12,404,860		12,137,656		8,529,539		14,199,140		16,116,409		6,539,370		11,977,083
	(2,303,269)		(2,544,905)		(2,678,440)		(1,597,648)		(940,509)				
\$	<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>	\$	<u>70,458,967</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		
	2012	2013	2014
Revenues			
Property Taxes	\$ 24,819,308	\$ 25,112,930	\$ 25,842,751
Local Accommodations Taxes	2,217,299	2,240,593	2,333,163
Hospitality Fee Taxes	9,463,883	9,867,341	10,075,280
Storm Water Fees	1,858,628	1,883,706	2,181,517
Local Option Tourism Taxes	23,500,801	23,508,832	23,298,736
Licenses and Permits	22,424,426	23,052,056	24,807,744
Fines and Forfeitures	1,087,407	1,151,814	1,203,940
Intergovernmental	12,193,869	13,365,569	14,631,456
Charges for Services	5,090,013	4,970,196	5,221,830
Miscellaneous	5,941,373	5,493,214	6,994,794
Total Revenues	\$ 108,597,007	\$ 110,646,251	\$ 116,591,211
Expenditures			
Current:			
General Government	\$ 11,262,374	\$ 11,065,359	\$ 11,366,081
Public Safety	31,211,230	32,189,301	32,761,895
Transportation	5,272,855	5,516,042	5,532,740
Community and Economic Development	27,426,638	25,097,090	25,446,577
Parks, Recreation and Sports Tourism	15,126,615	15,764,818	16,904,085
Public Works	1,428,340	1,403,396	1,394,960
Capital Outlay	9,882,501	9,379,603	13,506,372
Debt Service:			
Principal	5,875,367	6,975,385	8,229,829
Interest and Fiscal Charges	7,645,965	7,420,312	7,031,794
Bond Issuance Costs	222,967	181,294	590,288
Payment to Escrow Agent	443,633		1,507,567
Total Expenditures	\$ 115,798,485	\$ 114,992,600	\$ 124,272,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,201,478)	\$ (4,346,349)	\$ (7,680,977)
Other Financing Sources (Uses)			
Transfers In	\$ 27,348,960	\$ 24,686,462	\$ 41,514,957
Transfers Out	(27,550,660)	(24,580,312)	(41,335,957)
Proceeds From Borrowing		11,708,341	290,000
Proceeds From Refunding	20,455,585		64,557,129
Payment to Escrow Agent	(20,235,669)		(50,181,917)
Sale of Capital Assets	82,581	11,020	
Total Other Financing Sources (Uses)	\$ 100,797	\$ 11,825,511	\$ 14,844,212
Net Change in Fund Balances	\$ (7,100,681)	\$ 7,479,162	\$ 7,163,235

UNAUDITED

		Fiscal Year											
		2015	2016	2017	2018	2019	2020	2021					
\$	29,807,247	\$	30,913,506	\$	33,450,822	\$	33,999,652	\$	36,667,506	\$	40,171,757	\$	41,749,690
	2,536,515		2,629,777		2,755,560		2,698,332		2,722,785		8,930,128		10,982,734
	10,850,942		11,310,659		11,874,960		11,908,883		12,159,412		14,800,829		18,080,549
	2,227,724		2,267,128		2,319,629		2,360,916		2,619,359		2,703,711		2,765,271
	24,952,836		27,187,371		28,316,017		28,763,094		29,699,386		28,846,468		32,805,208
	26,426,225		27,847,941		31,692,036		32,460,299		33,999,861		32,699,939		33,899,665
	1,101,609		1,211,362		1,429,939		1,255,638		1,188,906		948,676		1,186,819
	14,028,776		15,163,681		17,934,520		16,535,412		19,424,885		15,728,545		21,583,122
	6,250,252		6,506,212		7,570,602		7,778,873		7,808,477		6,512,720		7,601,151
	6,359,649		6,807,139		8,098,964		7,961,344		11,002,399		7,554,852		11,939,968
\$	<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>	\$	<u>182,594,177</u>
\$	12,905,368	\$	12,328,947	\$	12,694,369	\$	13,148,637	\$	14,093,595	\$	15,647,648	\$	19,691,610
	35,413,969		39,613,821		41,947,516		45,719,606		49,456,616		48,424,884		48,124,728
	5,573,199		5,837,513		6,256,190		6,750,406		8,627,993		7,502,605		5,869,925
	26,768,505		29,041,665		31,053,204		31,220,689		35,171,060		34,392,981		41,826,186
	17,789,917		13,897,123		15,537,265		16,200,606		16,907,269		16,467,121		20,910,255
	1,429,807		6,452,736		7,117,694		7,190,325		7,430,976		7,084,215		1,375,066
	21,926,817		11,517,165		12,262,257		12,946,366		11,294,692		8,157,440		13,083,031
	7,451,254		8,170,475		11,912,278		8,797,084		7,692,499		9,247,410		9,697,385
	7,643,041		8,775,010		6,025,448		6,809,784		6,668,263		6,612,893		6,086,661
	9,822		89,527		554,946		342,821		176,386				126,195
					7,387,801		364,030						
\$	<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>166,791,042</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>	\$	<u>15,803,135</u>
\$	25,913,703	\$	27,740,220	\$	28,561,689	\$	39,154,969	\$	30,901,767	\$	33,781,583	\$	56,377,097
	(25,801,427)		(27,517,982)		(28,266,416)		(38,886,369)		(30,514,392)		(35,221,198)		(61,618,384)
	6,491,485		3,495,038		3,138,385		12,470,221		8,017,660		615,703		5,500,000
			17,462,000		47,949,194		7,978,922						27,078,000
			(17,374,195)		(40,086,136)		(7,809,536)						(26,985,129)
	184,306		48,053		21,787		22,750		4,225		327,780		111,359
\$	<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>462,943</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>	\$	<u>16,266,078</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		
	2012	2013	2014
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	12.77%	13.63%	13.78%

Note:

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

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Fiscal Year						
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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>	<u>10.27%</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			
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
2021	499,219	55,423	554,642	78.90	9,957,666	5.57

Source: Horry County Assessor's Office

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

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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
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
2021	72.90	6.00		78.90	50.00	128.10	0.70

Source: Horry County Treasurer

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Schedule 8

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

Taxpayer	Type of Business	Fiscal Year 2021	
		Assessed Value	Percentage of Total Assessed Value
Myrtle Beach Farms Company, Inc.	Real Estate Developers	\$ 11,071,670	2.00 %
Broadway at the Beach	Retail, Restaurants & Amusement	5,646,340	1.02
Marriott Ownership Resort, Inc.	Real Estate and Accommodations	4,677,650	0.84
Grand Strand Regional Medical Center	Medical Facilities	4,071,700	0.73
Coastal Grand CMBS, LLC	Retail, Restaurants & Amusement	3,769,790	0.68
1600 Development, LLC	Real Estate Developers	3,720,000	0.67
GDMB Marina Land, LLC	Real Estate and Accommodations	3,385,980	0.61
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,211,940	0.58
Columbia Prop Myrtle Beach, LLC	Real Estate and Accommodations	2,815,920	0.51
Ocean 22 Development, LLC	Real Estate and Accommodations	2,787,128	0.50
		<u>\$ 45,158,118</u>	<u>8.14 %</u>

Taxpayer	Type of Business	Fiscal Year 2012	
		Assessed Value	Percentage of Total Assessed Value
Burroughs & Chapin, Inc. ⁽¹⁾	Real Estate Developers	\$ 21,586,497	5.69 %
Marriott Ownership Resort, Inc.	Real Estate & Accommodations	4,610,160	1.22
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,194,358	0.84
Grand Strand Regional Medical Center	Medical Facilities	2,493,390	0.66
Anderson Ocean Club Dev., LLC	Real Estate and Accommodations	2,461,884	0.65
BEI Beach, LLC	Real Estate Developers	2,271,630	0.60
Bluegreen Vacations	Medical Facilities	2,242,890	0.59
Coastal Grand, LLC	Retail, Restaurants & Amusement	2,229,426	0.59
AVX Corporation	Manufacturing	2,162,546	0.57
Columbia Property Myrtle Beach, LLC	Real Estate & Accommodations	2,129,244	0.56
		<u>\$ 45,382,025</u>	<u>11.97 %</u>

Source: Horry County Finance Department

Note:

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

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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 ⁽¹⁾	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 22,332,207	\$ 20,799,291	93.14 %	\$ 1,169,779	\$ 21,969,070	98.37 %
2013	21,349,973	20,322,154	95.19	625,424	20,947,578	98.12
2014	20,949,044	19,802,198	94.53	636,078	20,438,276	97.56
2015	29,150,922	26,078,950	89.46	410,038	26,488,988	90.87
2016	30,256,332	27,672,451	91.46	521,510	28,193,961	93.18
2017	31,768,391	30,387,362	95.65	304,783	30,692,145	96.61
2018	32,073,726	31,025,247	96.73	818,076	31,843,323	99.28
2019	34,216,518	33,788,791	98.75	362,900	34,151,691	99.81
2020	38,759,483	37,891,144	97.76	412,300	38,303,444	98.82
2021	40,267,472	39,775,876	98.78		39,775,876	98.78

Sources: Horry County Treasurer and City Finance Department

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

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

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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	
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
2021	4,608,023	3,714,556	893,467	80.61	3,057,860	22,405

Source: City Water and Sewer Department

Notes: Gallons are presented in thousands.

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

⁽²⁾ 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.

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Total Direct Rate

Water		Sewer	
Base Rate ⁽¹⁾	Usage Rate ⁽²⁾	Base Rate ⁽¹⁾	Usage Rate ⁽²⁾
\$ 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
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			
	2012	2013	2014	2015
Water Rates (Inside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	\$ 2.43	\$ 2.43	\$ 2.43	\$ 2.47
1"	4.05	4.05	4.05	4.12
1 1/2"	8.10	8.10	8.10	8.23
2"	12.96	12.96	12.96	13.16
3"	28.35	28.35	28.35	28.78
4"	40.50	40.50	40.50	41.11
6"	81.00	81.00	81.00	82.22
Usage Rate (<i>per 1,000 gallons</i>)				
Up to 4,000 gallons	1.35	1.35	1.35	1.38
5,000 to 15,000 gallons	2.56	2.56	2.56	2.60
16,000 to 30,000 gallons	2.56	2.56	2.56	2.60
31,000 gallons and over	2.89	2.89	2.89	2.94
Water Rates (Outside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	4.86	4.86	4.86	4.94
1"	8.10	8.10	8.10	8.24
1 1/2"	16.20	16.20	16.20	16.46
2"	25.92	25.92	25.92	26.32
3"	56.70	56.70	56.70	57.56
4"	81.00	81.00	81.00	82.22
6"	162.00	162.00	162.00	164.44
Usage Rate (<i>per 1,000 gallons</i>)				
Up to 4,000 gallons	2.70	2.70	2.70	2.76
5,000 to 15,000 gallons	5.12	5.12	5.12	5.20
16,000 to 30,000 gallons	5.12	5.12	5.12	5.20
31,000 gallons and over	5.78	5.78	5.78	5.88
Sewer Rates (Inside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	2.83	3.04	3.26	3.38
1"	4.73	5.08	5.46	5.66
1 1/2"	9.45	10.16	10.92	11.31
2"	15.12	16.25	17.46	18.08
3"	33.10	35.59	38.25	39.59
4"	47.28	50.83	54.64	56.56
6"	94.56	101.65	109.27	113.10
Usage Rate (<i>per 1,000 gallons</i>)				
	2.76	2.97	3.19	3.24
Sewer Rates (Outside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	5.66	6.08	6.52	6.76
1"	9.46	10.16	10.92	11.32
1 1/2"	18.90	20.32	21.84	22.62
2"	30.24	32.50	34.92	36.16
3"	66.20	71.18	76.50	79.18
4"	94.56	101.66	109.28	113.12
6"	189.12	203.30	218.34	226.20
Usage Rate (<i>per 1,000 gallons</i>)				
	5.52	5.94	6.38	6.48

Source: City Water and Sewer Department

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		Fiscal Year					
		2016	2017	2018	2019	2020	2021
\$	2.51	\$ 2.69	\$ 2.74	\$ 2.85	\$ 3.05	\$ 3.05	
	4.18	4.48	4.57	4.75	5.08	5.08	
	8.35	8.95	9.13	9.49	10.15	10.15	
	13.36	14.32	14.61	15.18	16.24	16.24	
	29.21	31.31	31.94	33.19	35.51	35.51	
	41.73	44.73	45.62	47.40	50.72	50.72	
	83.45	89.44	91.23	94.79	101.42	101.42	
	1.40	1.44	1.47	1.53	1.60	1.60	
	2.64	2.72	2.77	2.88	3.02	3.02	
	2.64	3.05	3.11	3.23	3.39	3.39	
	2.98	3.25	3.31	3.44	3.61	3.61	
	5.02	5.38	5.49	5.70	6.10	6.10	
	8.36	8.96	9.14	9.50	10.16	10.16	
	16.70	17.90	18.26	18.98	20.30	20.30	
	26.72	28.64	29.21	30.36	32.47	32.47	
	58.42	62.62	63.87	66.38	71.01	71.01	
	83.46	89.46	91.25	94.80	101.45	101.45	
	166.90	178.88	182.46	189.58	202.85	202.85	
	2.80	2.88	2.94	3.06	3.21	3.21	
	5.28	5.44	5.55	5.76	6.05	6.05	
	5.28	6.10	6.22	6.46	6.79	6.79	
	5.96	6.50	6.63	6.88	7.23	7.23	
	3.50	3.59	3.70	3.84	4.04	4.04	
	5.86	6.02	6.20	6.44	6.76	6.76	
	11.71	12.02	12.38	12.86	13.51	13.51	
	18.71	19.20	19.78	20.55	21.58	21.58	
	40.98	42.04	43.30	44.99	47.24	47.24	
	58.54	60.05	61.85	64.26	67.48	67.48	
	117.06	120.09	123.68	128.50	134.93	134.93	
	3.35	3.44	3.54	3.68	3.81	3.81	
	7.00	7.18	7.40	7.68	8.07	8.07	
	11.72	12.04	12.40	12.88	13.53	13.53	
	23.42	24.04	24.76	25.72	27.01	27.01	
	37.42	38.40	39.55	41.10	43.15	43.15	
	81.96	84.08	86.60	89.98	94.48	94.48	
	117.08	120.10	123.70	128.52	134.95	134.95	
	234.12	240.18	247.36	257.00	269.86	269.86	
	6.70	6.88	7.09	7.36	7.63	7.63	

Schedule 12

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

Customer	Fiscal Year 2021			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Myrtle Beach Travel Park	\$ 215,520	1.31 %	\$ 228,230	1.48 %
Kingston Resort Owner, LLC	166,604	1.01	179,631	1.16
Apache Family Campground	159,126	0.97	168,716	1.09
Caravelle	101,112	0.62	107,056	0.69
The Margate Tower	96,225	0.59	102,335	0.66
Grand Strand General Hospital	88,861	0.54	94,202	0.61
Maison Sur Mer	81,312	0.49	86,190	0.56
Marriott At Grande Dunes	80,537	0.49	85,392	0.55
Grande Palmes, LLC	79,367	0.48	84,879	0.55
Dunes Village Phase II	78,657	0.48	83,358	0.54
	<u>\$ 1,147,321</u>	<u>6.98 %</u>	<u>\$ 1,219,989</u>	<u>7.89 %</u>

Customer	Fiscal Year 2012			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Felcor-Hilton	\$ 274,412	2.20 %	\$ 216,956	2.05 %
Myrtle Beach Travel Park	204,652	1.64	193,085	1.82
Seawatch Plantation	171,035	1.37	156,658	1.48
Grand Strand Regional Medical Center	111,081	0.89	86,987	0.82
Sands Property Homeowners 1 & 2	110,663	0.89	82,571	0.78
The Margate Tower	93,294	0.75	85,537	0.81
Apache Family Campground	84,428	0.68	79,971	0.75
Mariott Grand Dunes	81,269	0.65	67,194	0.63
Oceanwatch Timeshare	80,054	0.64	71,241	0.67
Dunes Village	79,898	0.64	89,319	0.84
	<u>\$ 1,290,786</u>	<u>10.35 %</u>	<u>\$ 1,129,519</u>	<u>10.65 %</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
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
2021	42,478,421		43,988,132	13,152,317	62,326,028		4,712,036

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

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

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<u>Business-Type Activities</u>						
	<u>Water and Sewer Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Lease Obligations</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ⁽¹⁾</u>	<u>Per Capita ⁽¹⁾</u>
\$	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
	27,658,712		1,098,638	195,414,284	17.54	5,477

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 ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Debt Service Funds Available	Net General Bonded Debt		
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
2021	42,478,421	4,069,240	38,409,181	0.39	1,076

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

⁽¹⁾ See Schedule 6 for property value data.

⁽²⁾ See Schedule 18 for population data.

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Schedule 15

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2021**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt and Direct Debt</u>
Overlapping Governmental Activities Debt			
Horry County:			
General Obligation Bonds	\$ 56,899,000	22.0%	\$ 12,517,780
Horry County School District:			
General Obligation Bonds	327,134,000	22.0%	<u>71,969,480</u>
Total Overlapping Governmental Activities Debt			\$ 84,487,260
City Direct Governmental Activities Debt			<u>166,656,934</u>
Total Direct and Overlapping Governmental Activities Debt			\$ <u><u>251,144,194</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.

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

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Schedule 16

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

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 29,546,805	\$ 30,715,283	\$ 30,833,102	\$ 26,955,443
Total Net Debt Applicable to Debt Limit	<u>(15,160,000)</u>	<u>(25,165,000)</u>	<u>(23,525,000)</u>	<u>(22,175,000)</u>
Legal Debt Margin	<u>\$ 14,386,805</u>	<u>\$ 5,550,283</u>	<u>\$ 7,308,102</u>	<u>\$ 4,780,443</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>51.31%</u>	<u>81.93%</u>	<u>76.30%</u>	<u>82.27%</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					
2016	2017	2018	2019	2020	2021
\$ 28,933,854	\$ 29,618,254	\$ 29,544,118	\$ 33,231,160	\$ 34,318,730	\$ 35,079,260
<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>(27,899,000)</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>\$ 7,180,260</u>
<u>76.02%</u>	<u>70.27%</u>	<u>67.36%</u>	<u>76.77%</u>	<u>69.22%</u>	<u>79.53%</u>

Legal Debt Margin Calculation:

Assessed Value of Taxable Property	\$ 554,641,990
Assessed Value of Property in TIF Districts	(119,558,269)
Exempt Merchants Inventory (1987 Valuation)	3,407,034
Adjusted Assessed Value of Taxable Property	<u>\$ 438,490,755</u>
Debt Limit (8.0% of Adjusted Assessed Value)	\$ 35,079,260
Debt Applicable to Limit:	
General Obligation Bonds	(41,603,000)
Bonds Issued Under Referendum	<u>13,704,000</u>
Legal Debt Margin	<u>\$ 7,180,260</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 ⁽¹⁾	Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2021	33,533,954	24,690,986	8,842,968	1,758,594	1,004,548	3.20	

Fiscal Year	Hospitality Fee Revenue Bonds				Coverage
	Hospitality Fees	Debt Service			
		Principal	Interest		
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	
2021	12,330,874	2,720,000	3,029,018	2.14	

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

⁽¹⁾ Operating revenues include impact fee capital contributions and unrestricted interest earnings.

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

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Tax Increment Revenue Bonds

Property Tax Increment	Debt Service		Coverage
	Principal	Interest	
\$ 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
14,223,751	1,860,000	1,741,650	3.95

Storm Water Revenue Bonds

Storm Water Fees	Debt Service		Coverage
	Principal	Interest	
\$ 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
2,765,271	1,190,392	284,396	1.88

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>
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
2020	35,682	31,219	1,113,956	45.2	8.70

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

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Schedule 19

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

Employer	Type of Business	Calendar Year 2020	
		Employees	Percentage of Total County Employment
Horry County School District	Education	5,300	3.62 %
Wal-Mart	Retail Sales	3,000	2.05
Coastal Carolina University	Higher Education	2,200	1.50
Horry County Government	County Government	2,200	1.50
Conway Medical Center	Hospital	2,000	1.37
McLeod Loris Seacoast	Hospital	1,489	1.02
Grand Strand Regional Medical Center	Hospital	1,400	0.96
Food Lion	Grocery Store	1,000	0.68
City of Myrtle Beach	Municipal Government	977	0.67
Horry Telephone Cooperative	Utility	700	0.48
		<u>20,266</u>	<u>13.85 %</u>

Employer	Type of Business	Calendar Year 2011	
		Employees	Percentage of Total County Employment
Horry County School District	Education	3,900	3.72 %
Wal-Mart	Retail Sales	1,702	1.62
AVX	Manufacturer	1,515	1.45
Horry County Government	County Government	1,425	1.36
Myrtle Beach National	Golf Course and Accommodations	1,000	0.95
Conway Medical Center	Hospital	1,000	0.95
Blue Cross/Blue Shield	Health Insurance	960	0.92
Grand Strand Regional Medical Center	Hospital	950	0.91
Loris Community Hospital District	Hospital	821	0.78
City of Myrtle Beach	Municipal Government	800	0.76
		<u>14,073</u>	<u>13.42 %</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.

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Schedule 20

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

	Fiscal Year			
	2012	2013	2014	2015
Full-Time Equivalent Employees				
General Government	81	80	80	81
Public Safety	431	431	429	453
Transportation	26	26	26	26
Community and Economic Development	26	27	27	33
Parks, Recreation and Sports Tourism	145	145	165	160
Public Works	25	25	25	25
Water	30	30	30	30
Sewer	26	26	26	26
Municipal Golf Course	10	8	10	10
Solid Waste Management	30	30	30	32
Total Full-Time Equivalent Employees	<u>830</u>	<u>828</u>	<u>848</u>	<u>876</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					
2016	2017	2018	2019	2020	2021
83	84	84	91	95	94
467	478	478	488	501	511
26	27	29	28	28	28
38	40	42	42	42	44
165	178	178	182	182	179
28	29	29	30	30	30
30	30	30	30	30	30
26	23	23	23	23	23
32	34	34	34	34	35
895	923	927	948	965	974

Schedule 21

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

	Fiscal Year			
	2012	2013	2014	2015
General Government				
New Business Licenses Issued	1,463	1,190	1,157	1,414
Public Safety				
Calls for Services - Police	104,907	96,527	110,102	115,233
Total Arrests	22,998	21,635	22,417	24,639
Fire Calls per Engine Company	349	374	393	400
Transportation ⁽¹⁾				
Square Yards of City Streets Resurfaced	54,000	81,279	39,480	37,319
Community and Economic Development				
Building Permits Issued	4,180	4,569	5,232	5,696
Parks, Recreation and Sports Tourism				
Admissions to Recreation Centers	218,120	206,788	198,673	181,669
Exhibition Hall Occupancy Percentage	65%	63%	62%	65%
Number of Library Volumes	144,757	125,563	117,296	140,885
Number of Golf Rounds Played				
Water				
Average Daily Consumption (<i>millions of gallons</i>)	10.3	9.6	9.6	9.5
Sewer				
Average Daily Treatment (<i>millions of gallons</i>)	8.3	7.9	8.0	8.1
Municipal Golf Course				
Number of Rounds Played	36,695	35,887	34,010	34,050
Solid Waste Management				
Tons of Refuse Collected	26,876	26,369	27,979	25,887

Sources: Various City departments

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

⁽¹⁾ Includes Ride III paving.

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Fiscal Year					
2016	2017	2018	2019	2020	2021
1,518	1,361	1,824	1,555	1,277	1,421
133,761	134,508	121,644	124,511	119,084	121,074
23,919	23,718	27,401	26,516	25,651	22,630
448	494	423	418	474	553
39,877	36,315	39,283	230,547	43,767	61,748
5,814	6,230	7,064	7,178	6,837	7,544
181,968	187,002	194,352	209,478	217,278	116,876
70%	65%	65%	65%	49%	54%
134,627	131,982	130,508	131,840	122,489	114,595
				45,114	50,524
10.0	10.2	9.9	10.0	9.8	10.2
8.4	8.4	8.2	8.1	8.0	8.4
46,597	50,149	50,763	48,608		
29,167	29,860	30,560	29,303	27,948	31,839

Schedule 22

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

	Fiscal Year			
	2012	2013	2014	2015
Public Safety				
Police Stations	3	3	3	3
Fire Stations	6	6	6	6
Transportation				
Streets (<i>miles</i>)	142	142	142	142
Traffic Signals	72	72	72	72
Parks, Recreation and Sports Tourism				
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				
Water				
Water Mains (<i>miles</i>)	376	378	380	382
Sewer				
Gravity Sewers (<i>miles</i>)	231	233	235	237
Storm Sewers (<i>miles</i>)	161	164	170	173
Baseball Stadium				
Baseball Stadiums	1	1	1	1
Municipal Golf Course				
Number of Championship Holes	18	18	18	18
Solid Waste Management				
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.

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Fiscal Year						
2016	2017	2018	2019	2020	2021	
3	3	3	3	3	3	3
6	6	6	6	6	6	6
142	142	167	169	175	181	
72	72	73	76	76	94	
45	45	45	45	45	45	45
653	653	653	653	654	654	654
4	4	4	4	4	4	4
1	1	1	1	1	1	1
2	2	2	2	2	2	2
				1	1	
				18	18	
382	388	394	399	406	410	
237	242	247	250	256	259	
173	178	179	181	187	187	
1	1	1	1			
18	18	18	18			
1	1	1	1	1	1	1
26	26	27	32	32	32	32



First in Service

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:			
Passed Through Horry County Government:			
Community Development Block Grant	14.218	B-18-UC-45006	\$ 607
		B-19-UC-45006	24,825
		B-20-UC-45006	87,548
		B-20-UW-45006	503,987
Total U.S. Department of Housing and Urban Development			<u>\$ 616,967</u>
U.S. Department of Justice:			
COVID-19 - Coronavirus Emergency Supplemental Funding Grant	16.034		\$ 104,654
Public Safety Partnership and Community Policing Grant	16.710		215,638
Edward Byrne Memorial Justice Assistance Grant	16.738		368,217
Total U.S. Department of Justice			<u>\$ 688,509</u>
U.S. Department of Transportation:			
Passed Through the State Department of Public Safety:			
State and Community Highway Safety Grant	20.600	2JC20015	\$ 6,072
		2JC21015	2,233
Total U.S. Department of Transportation			<u>\$ 8,305</u>
U.S. Department of the Treasury:			
Passed Through the State Department of Administration:			
COVID-19 - Coronavirus Relief Fund Grant	21.019	SA-0327	\$ 430,898
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund Grant	21.027		3,960,348
Total U.S. Department of the Treasury			<u>\$ 4,391,246</u>
U.S. Department of Homeland Security:			
Passed Through the State Emergency Management Division:			
Pre-Disaster Mitigation (PDM) Competitive Grant	97.017	PDMC-PL-04-SC-2018-012	\$ 8,445
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4286-PA-SC	1,328,926
		FEMA-4464-PA-SC	89,992

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security: (continued)			
Passed Through the State Law Enforcement Division: Homeland Security Grant	97.067	18SHSP24 18SHSP31	\$ 49,049 67,892
Total U.S. Department of Homeland Security			<u>\$ 1,544,304</u>
Total Expenditures of Federal Awards			<u><u>\$ 7,249,331</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, 2021

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, 2021. 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.



First in Service



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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, 2021, 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 15, 2021.

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 P.A.

SMITH SAPP PROFESSIONAL ASSOCIATION
Certified Public Accountants

Myrtle Beach, South Carolina
December 15, 2021



**SMITH
SAPP**

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 programs for the year ended June 30, 2021. The City of Myrtle Beach, South Carolina's major federal programs are 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 programs 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 programs. However, our audit does not provide a legal determination of the City of Myrtle Beach, South Carolina's compliance.

Opinion on Major Federal Programs

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 programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

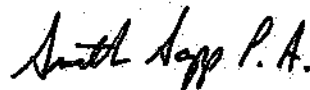
Management of the City of Myrtle Beach, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Myrtle Beach, South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

requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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 15, 2021

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

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 programs 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 programs for the City of Myrtle Beach, South Carolina expresses an unmodified opinion on the major federal programs.
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 programs tested as major programs were:
 - U.S. Department of Justice - Edward Byrne Memorial Justice Assistance Grant - CFDA No. 16.738
 - U.S. Department of the Treasury - Coronavirus State and Local Fiscal Recovery Fund Grant - CFDA No. 21.027
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
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021