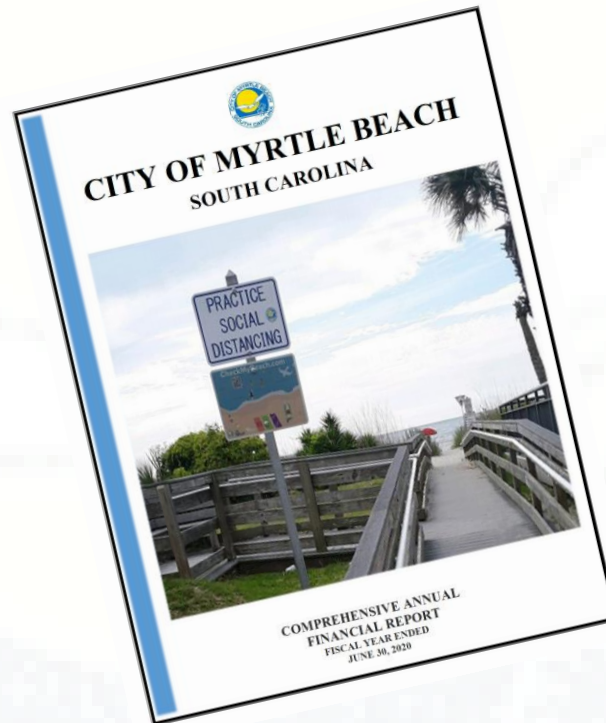




CITY OF MYRTLE BEACH



COMPREHENSIVE ANNUAL FINANCIAL REPORT OVERVIEW

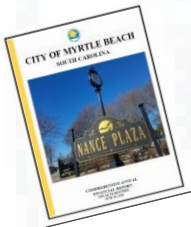
FOR THE YEAR ENDED JUNE 30, 2020





HIGHLIGHTS OF THE FY20 CAFR

- At June 30, 2020, the City's Governmental Funds reported combined fund balances of \$77,292,789, an increase of \$4,864,296 in comparison to the prior year.
- At year-end, the City had \$191,006,163 in outstanding bonds payable and capital lease obligations compared to \$200,935,325 last year, a decrease of 4.9%.

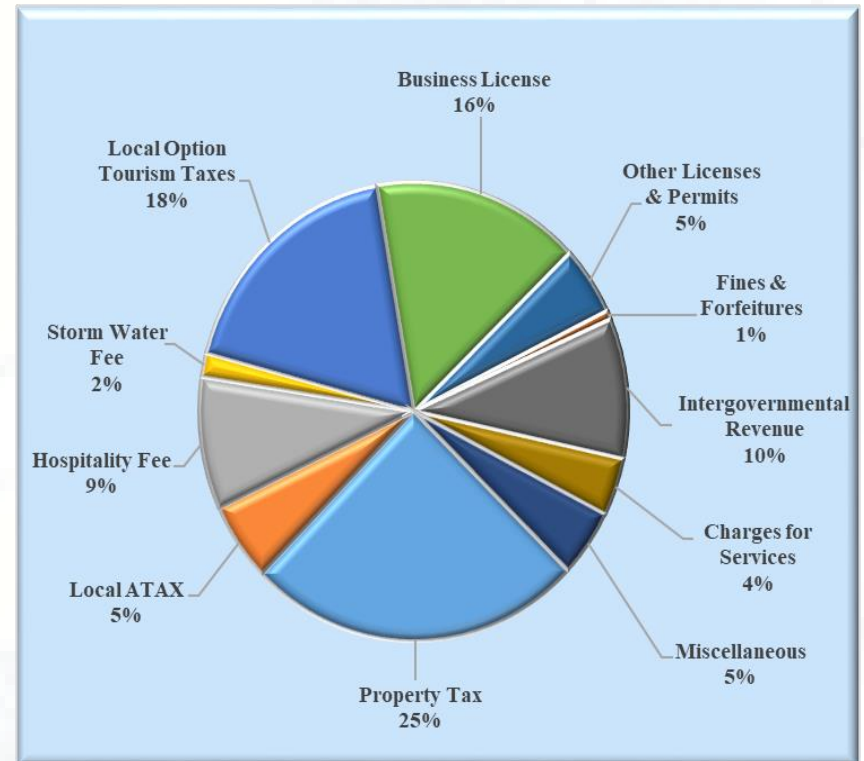




FY 20 GENERAL GOVERNMENT REVENUES BY DIVISION

GOVERNMENTAL FUNDS

Revenues:	2020	2019
Property Taxes	\$40,171,757	\$36,667,506
Local Accommodations Taxes	8,930,128	2,722,785
Hospitality Fee Taxes	14,800,829	12,159,412
Storm Water Fees	2,703,711	2,619,359
Local Option Tourism Taxes	28,846,468	29,699,386
Business License	24,917,280	26,234,896
Other Licenses and Permits	7,782,659	7,764,965
Fines and Forfeitures	948,676	1,188,906
Intergovernmental Rev	15,728,545	19,424,885
Charges for Services	6,512,720	7,808,477
Miscellaneous	7,554,852	11,002,399
Total Revenues	\$158,897,625	\$157,292,976

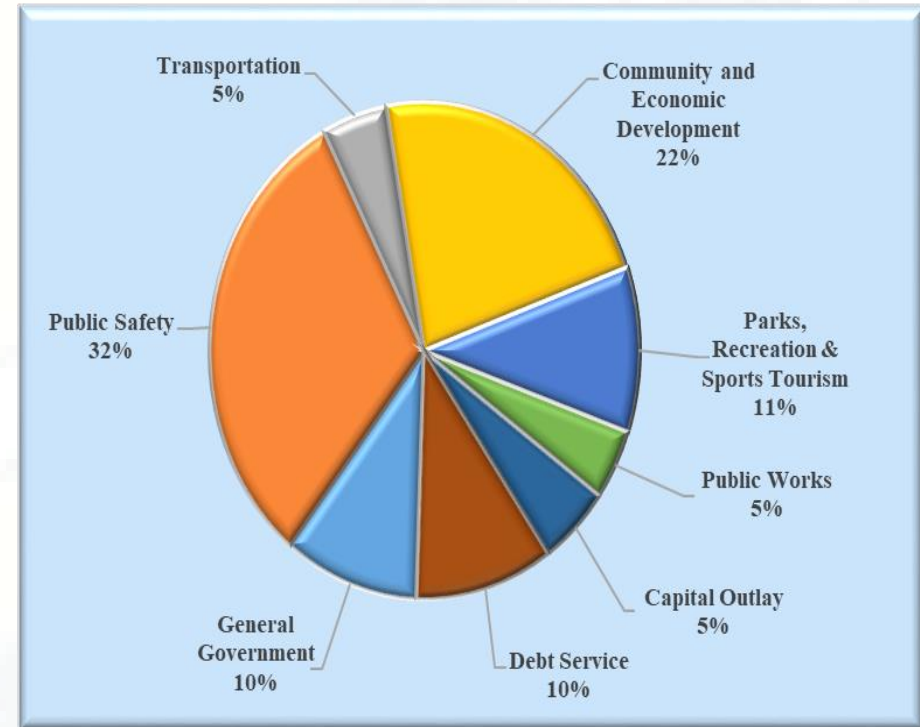




FY 20 GENERAL GOVERNMENT EXPENDITURES BY DIVISION

GOVERNMENTAL FUNDS

Expenditures by Function:	2020	2019
General Government	\$15,647,648	\$14,093,595
Public Safety	48,424,884	49,456,616
Transportation	7,502,605	8,627,993
Community and Economic Development	34,392,981	35,171,060
Parks, Recreation & Sports Tourism	16,467,121	16,907,269
Public Works	7,084,215	7,430,976
Capital Outlay	8,157,440	11,294,692
Debt Service	15,860,303	14,537,148
Total Expenditures	\$153,537,197	\$157,519,349





MAJOR GOVERNMENTAL FUNDS

- The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$12,674,438, while the total fund balance amounted to \$13,583,327. Unassigned fund balance represents 15.0% of total recurring expenditures, while total fund balance represents 16.1% of that same amount. The General Fund's total fund balance increased by \$29,409 during the current fiscal year.



Fund Balance:	2016	2017	2018	2019	2020
Total Fund Balances	13,465,567	15,634,187	13,752,227	13,553,918	13,583,327
Unassigned Fund Balance	12,050,165	14,564,933	12,608,530	12,243,154	12,674,438
	% of Recurring Expenditures:			14.40%	15.00%

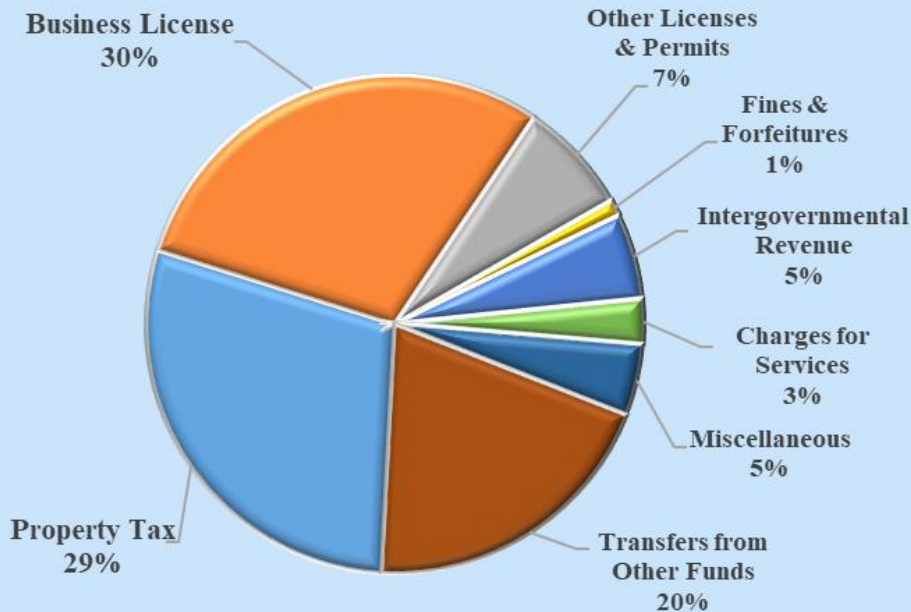
- The **Convention Center Fund** has a total fund balance of \$300,078, an increase of \$408,578 from the prior year. The increase was the result of a transfer of \$1.5m of Local Atax funds. Charges for Services came in \$2.4m under budget as a result of the pandemic and expenses came in under budget by \$1.1m.
- The **Local Option Tourism Fee Fund** has a total fund balance of \$1,010, no net change from the prior year. Overall collections decreased 2.9%, revenues received for the 4th quarter down 37.1% as a result of Covid-19. Collections for the 1st through 3rd quarters were up 10.1% compared to FY19. Additionally, tax credits distributed for owner occupied primary residences in the City increased by \$808,251 (16.5%). \$5,660,789 of tax credits were applied for FY20.
- The **MB Air Base Tax Increment Financing District Fund** has a total fund balance of \$24,673,398, an increase of \$2,622,164. Property tax collections grew by 11.4%, an increase of \$1,314,323 in property tax revenue. A surplus tax distribution of \$5,990,793 was declared and resulted in a distributions to: the City - \$1,834,200, Horry County - \$1,178,631, and the School District - \$2,977,961.





Where does the Money Come From?

General Fund Revenue FY20

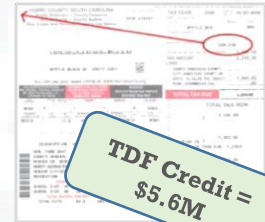


Business Lic = \$24.9M
30%

GENERAL FUND

Revenues:	2020	2019
Property Taxes	\$24,519,589	\$22,823,173
Business License	24,917,280	26,234,896
Other Licenses and Permits	6,248,882	6,568,870
Fines and Forfeitures	859,106	1,081,298
Intergovernmental Rev	4,676,526	4,298,003
Charges for Services	2,486,935	2,672,845
Miscellaneous	3,885,366	3,602,448
Transfers In	16,839,853	19,002,291
Total Revenues	\$84,433,537	\$86,283,824

Bldg Permits = \$1.4M
1.7%



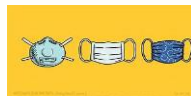
TDF Credit = \$5.6M





GENERAL FUND HIGHLIGHTS

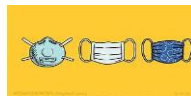
- **Property Tax revenue increased by 2.3% or \$1,696,416.**
- **Business License Revenue decreased by 5.0% or \$1,317,617**
- **Charges for Service:**
 - Recreation Revenue fell 15.1%, \$185,519
 - Park & Shelter Rental Revenue fell 26.8%, \$10,798
 - Ambulance Revenue fell 3.3%, \$34,316
 - Cemetery Revenue increased 43.7%, \$52,055
- **Fines & Forfeitures:**
 - Police Fines decreased by 9.8%, \$49,683
 - Drug Forfeitures decreased by 62.8%, \$173,814
- **Miscellaneous Revenue increased 7.9% or \$282,917**





GENERAL FUND HIGHLIGHTS

- **Transfers in decreased by 12.8% or \$2,162,438**
 - **MB Air Force Base TIF increased 28.8%, \$472,818**
 - **Tourism Development Fee increased 16.2%, \$727,610**
 - **Statewide Accommodations Tax fell 14.4%, \$985,900**
 - **Local Accommodations Tax fell 56.1%, \$669,000**
 - **Hospitality Fee fell 52.1%, \$1,742,000**





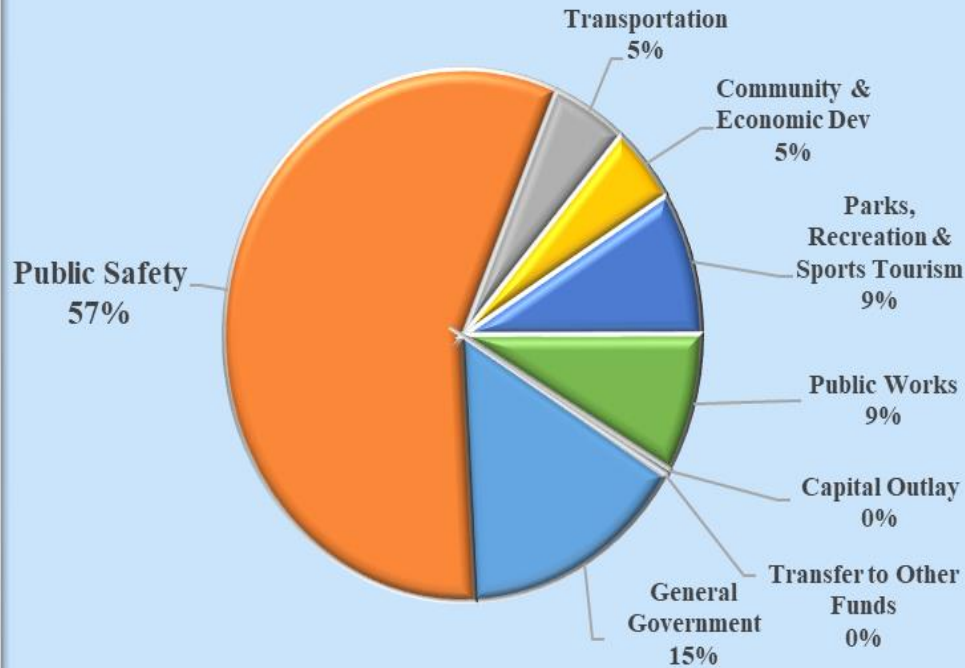
Where does the Money Go?

Police=\$31.7m
37.5%

Fire=\$16.7m
19.7%



General Fund Expenditures FY20



GENERAL FUND

Expenditures by Function:	2020	2019
General Government	\$12,910,980	\$11,909,464
Public Safety	48,410,456	49,424,726
Transportation	4,300,454	4,571,972
Community and Economic Development	3,974,975	3,836,551
Parks, Recreation & Sports Tourism	7,429,759	8,134,789
Public Works	7,084,215	7,430,976
Capital Outlay	290,250	849,514
Transfers Out	169,932	428,366
Total Expenditures	\$84,571,021	\$86,586,358



Personal Services
= **75.2%**

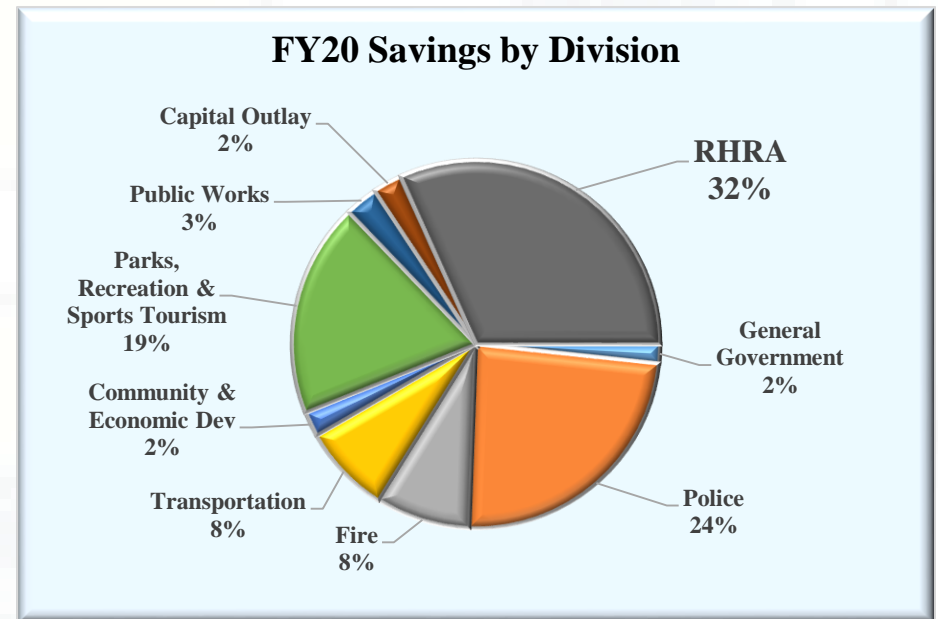




GENERAL FUND HIGHLIGHTS

- General Fund expenditures decreased by 2.4% or \$2,015,337 compared to FY19
- General Fund expenditures under budgeted amounts by \$8,030,290

General Government	\$	135,288	1.7%
Police		1,918,342	23.9%
Fire		669,450	8.3%
Transportation		626,482	7.8%
Community & Economic Dev		176,567	2.2%
Parks, Recreation & Sports Tourism		1,517,335	18.9%
Public Works		235,903	2.9%
Capital Outlay		203,243	2.5%
RHRA		2,547,680	31.7%
Total:	\$	8,030,290	100.0%



**Salaries & Benefit Savings
net of RHRA =
\$2.9m (36.2%)**



**Operating Line
Item Savings =
\$2.4m (29.6%)**





OTHER GOVERNMENTAL FUND HIGHLIGHTS

- Statewide Accommodations Tax collections were down \$1,366,272 or 13.3%
- Local Accommodations Tax collections were down \$475,020 or 17.4%
- Hospitality Fee collections were down \$2,145,681 or 17.6%
- Hospitality Tax collections were \$4,780,867
- Local Accommodations Tax (new) were \$6,682,363





ENTERPRISE FUND HIGHLIGHTS



- The City's net position from Enterprise activities decreased \$16,576,448 or 13.3%.
- Operating Revenues of the City's Enterprise activities increased by \$975,993, or 2.8% and operating expenses decreased by \$2,035,890, or 5.2%. Decreases by fund:
 - Water & Sewer decrease \$1.3m, 4.0%
 - Baseball Stadium decrease \$630k, 100%
 - Whispering Pines Golf Course decrease \$324k, 100%
 - Solid Waste increase \$215k, 3.6%
- The cost of all Enterprise Fund activities this year was \$37,953,559. The amounts paid by users of the activities/services were \$36,143,576 and grants and contributions totaled \$7,053,395. Investment earnings were \$99,572. Transfers from other funds were \$2,961,115.

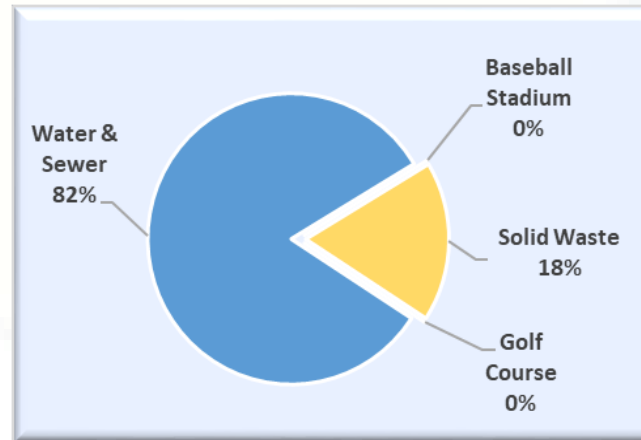




ENTERPRISE FUND REVENUES & EXPENSES



FY 20 Revenue

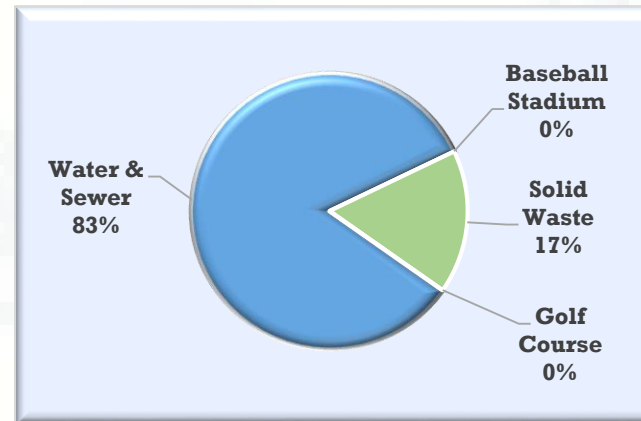


Change in Net Position by Fund

Water and Sewer	\$ 3,564,228
Solid Waste	380,380
Baseball Stadium	(8,990,771)
Golf Course	<u>(11,530,285)</u>

Net Position of
Enterprise Funds
6/30/2020: \$ (16,576,448)

FY 20 Expense



ENTERPRISE FUNDS		
Operating Revenues:		
	2019	2020
Water and Sewer Utility	\$29,012,260	\$29,432,601
Solid Waste Management	5,616,729	6,369,541
Baseball Stadium	55,183	-
Golf Course	141,977	-
Total Revenues	\$34,826,149	\$35,802,142
Operating Expenditures by Function:		
	2019	2020
Water and Sewer Utility	\$32,151,063	\$30,854,973
Solid Waste Management	6,023,763	6,238,340
Baseball Stadium	630,330	-
Golf Course	324,047	-
Total Expenditures	\$39,129,203	\$37,093,313
Nonoperating Revenue (Expense):		
	2019	2020
Interest Earned	\$196,463	\$99,572
Operating Grant Revenue	39,665	30,128
Miscellaneous Revenue	142,901	341,434
Interest and Fiscal Charges	(889,223)	(987,122)
Transfer of Capital Assets	-	(23,232,171)
Total Nonoperating Revenue (Expenses)	(\$510,194)	(\$23,748,159)
Income (Loss) before Contributions & Transfers:	(\$4,813,248)	(\$25,039,330)
Contributions & Transfers:		
	2019	2020
Capital Contributions	\$5,062,764	\$7,023,267
Transfers In	1,100,000	2,961,115
Transfers Out	(1,487,375)	(1,521,500)
Change in Net Position	(\$137,859)	(\$16,576,448)
Net Position, Beginning	125,143,274	125,005,415
Net Position, Ending	\$125,005,415	\$108,428,967





ADDRESSING PANDEMIC EFFECTS

- MB Convention Center – Hospitality Tax \$1,540,624
- Sports Tourism Fund – Local Atax transfer \$2,121,507
- Baseball Stadium – Local Atax transfer \$1,134,926
- Golf Course – Local Atax transfer \$2,236,420



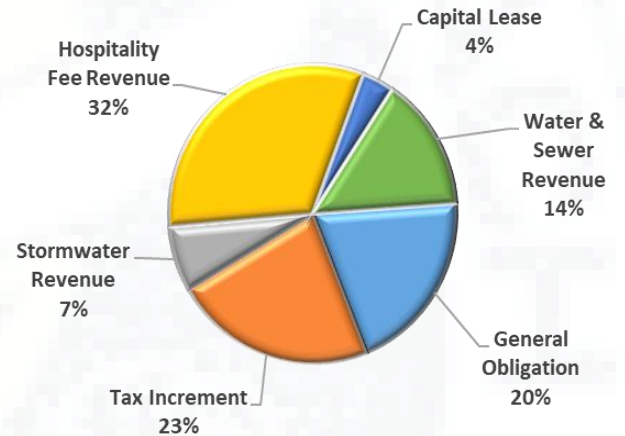


OUTSTANDING LONG TERM DEBT

Total Primary Government Debt FY16-FY20



2020 Total Primary Debt Composition



Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government
	General Obligation Bonds	Certificates of Participation	Tax Increment Revenue Bonds	Storm Water Revenue Bonds	Hospitality Fee Revenue Bonds	Capital Lease Obligations	Water and Sewer Revenue Bonds	Certificates of Participation	
2016	\$ 43,961,620	\$ 3,230,889	\$ 51,792,150	\$ 15,996,027	\$ 61,971,904	\$ 5,717,553	\$ 30,112,621	2,854,802	209,551,875
2017	41,326,958	1,625,000	51,896,004	17,200,193	60,666,807	5,513,902	28,680,331	2,194,868	205,284,195
2018	38,938,533		50,209,888	16,651,060	69,675,955	6,724,274	31,611,456	1,499,933	213,811,166
2019	43,969,796		48,200,969	15,508,776	67,962,646	5,522,356	31,395,176	770,000	212,559,719
2020	40,581,545		46,137,050	14,342,710	65,204,337	7,266,691	29,553,673		203,086,006



DEBT COVERAGE

Water & Sewer Revenue Bonds

Fiscal Year	Net Available Revenue	Debt Service		Coverage
		Principal	Interest	
2016	4,982,205	905,000	548,881	3.43
2017	7,538,849	1,295,000	1,170,975	3.06
2018	6,944,957	1,579,107	1,141,869	2.55
2019	5,411,722	1,674,682	1,120,144	1.94
2020	6,891,190	1,709,570	1,079,157	2.47

Tax Increment Revenue Bonds

Property Tax Increment	Debt Service		Coverage
	Principal	Interest	
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
12,821,195	1,775,000	1,828,775	3.56

Hospitality Fee Revenue Bonds

Fiscal Year	Hospitality Fees	Debt Service		Coverage
		Principal	Interest	
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	12,165,638	1,555,000	3,200,201	2.56
2020	10,018,567	2,600,000	3,151,351	1.74

Storm Water Revenue Bonds

Storm Water Fees	Debt Service		Coverage
	Principal	Interest	
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
2,709,795	1,166,067	308,722	1.84