



CITY OF MYRTLE BEACH

SOUTH CAROLINA



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2022**

**CITY of MYRTLE BEACH,
SOUTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

CITY COUNCIL

MAYOR BRENDA BETHUNE

MICHAEL CHESTNUT

PHILIP RENDER

MIKE LOWDER

GREGG SMITH

JOHN KRAJC

JACKIE HATLEY

CITY OFFICIALS

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CITY MANAGER

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CHIEF FINANCIAL OFFICER

BRIAN TUCKER
ASSISTANT CITY MANAGER

KEVIN D. RAWLINSON
DIRECTOR OF FINANCIAL MANAGEMENT & REPORTING



First in Service

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2022**

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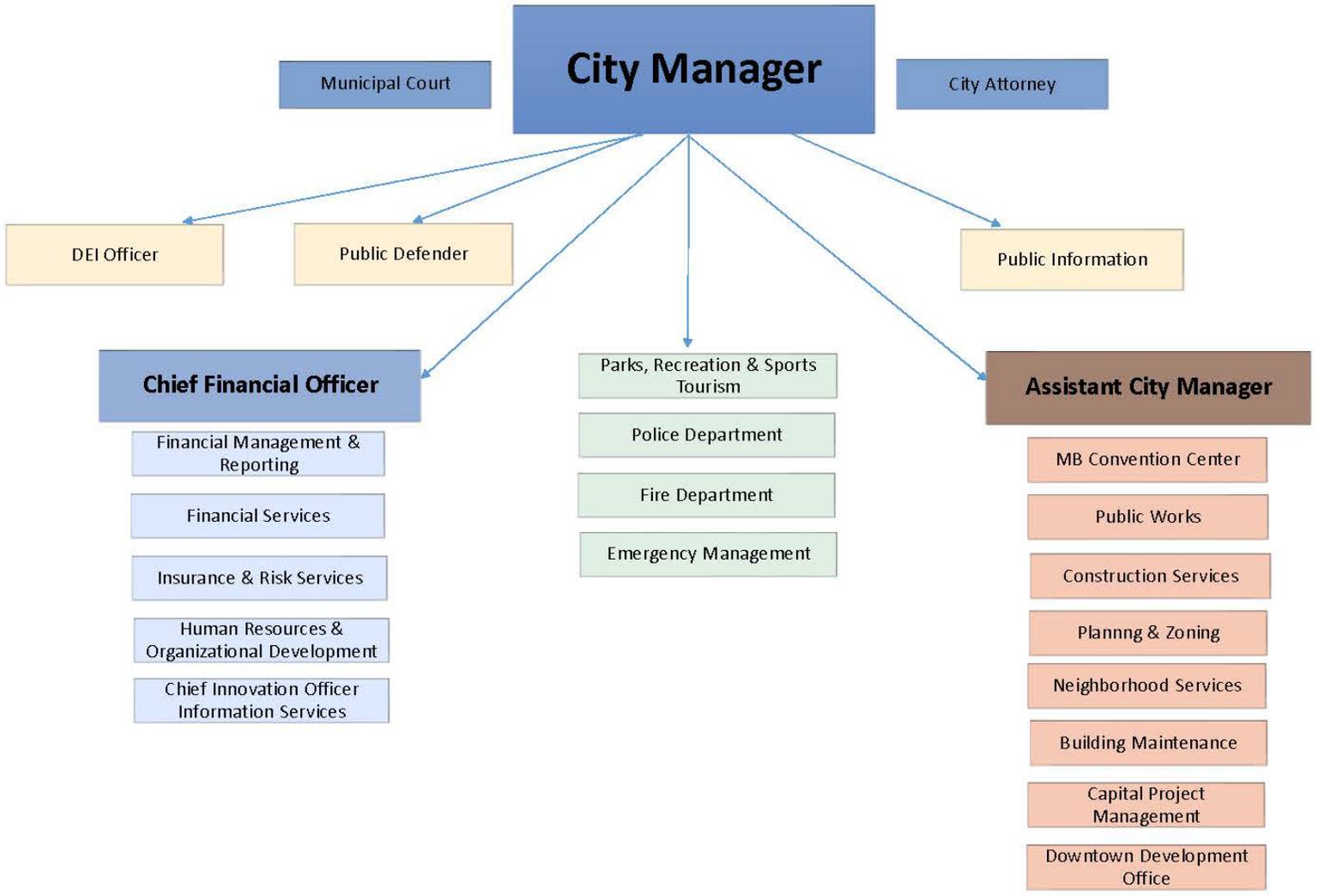
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Mayor & City Council





City of Myrtle Beach

SOUTH CAROLINA

DEPARTMENT OF FINANCIAL MANAGEMENT & REPORTING

December 14, 2022

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, 2022, 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 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.

The City has one blended component unit, the Myrtle Beach Public Facilities Corporation (MBPFC), however there was no activity for the year ended June 30, 2022. 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 Cauldape, 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, ranking first in the *US News and World Report* of fastest growing places in the U.S. 2022. 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, Diversity Equity and Inclusion Director, Chief Innovation Officer, and nineteen staff departments, which are City Clerk, Financial Management and Reporting, Information Technology, 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 resurgence of tourism in 2021, South Carolina saw a 32.8% increase in statewide occupancy and 75% growth in revenue per available room, was an indication that the economy was in recovery. Even so, a conservative approach was taken when crafting the fiscal year 2022 budget as concerns remained regarding employment, supply chain disruptions, pandemic resurgence, global conflict, and inflation. Supply chain disruptions, inflation, and labor shortages certainly impacted both costs and services, however consumer spending, particularly on travel, was robust. Many of the City's tourism, building, and consumption driven revenues saw record revenue numbers, exceeding pre-pandemic levels. The various areas of revenue growth will be addressed throughout this document.

After GDP growth of 5.7% in calendar 2021, the United States real (inflation-adjusted) Gross Domestic Product (GDP) decreased in the first quarter of calendar year 2022 (January to March) at a rate of 1.6% and it decreased by 0.6% in the second

calendar quarter (April to June). According to the U.S. Bureau of Economic Analysis (BEA), the second quarter GDP decline was a result of decreases in private inventory investment, residential fixed investment, federal government spending, and state and local government spending that were partly offset by increases in exports and consumer spending. The increase in exports reflected increases in both goods (led by industrial supplies and materials) and services (led by travel). The increase in consumer spending reflected an increase in services (led by food services and accommodations as well as health care). Preliminary results indicate that South Carolina GDP decreased by 0.5% in the second calendar quarter of 2022. Locally, personal consumption, or consumer spending, remained strong throughout the fiscal year as households utilized increased wages and higher than usual savings to meet pent up demand for goods and travel.

In 2022, the ad valorem tax rate was unchanged from the prior year at 78.9 mills. Property tax revenue grew by 0.6% in the General Fund. Representing 29.7% of General Fund revenue, property tax revenue represents 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 19.5% of total governmental revenues for 2022. While the 2022 percentage of 19.5% of overall revenue is less than 2009’s 34.1%, revenue actually grew by \$28.9 million over the 12-year period. TDF revenues for fiscal year 2022 were the highest since inception, 27.6% greater than the previous highest collection year, 2021.

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 37.5% of general revenues and making up 14.4% of total governmental revenue. After a decline of 5.0% in fiscal year 2020 brought on by the economic downturn, revenues rebound in fiscal year 2021, growing 7.0% over the prior year. In Fiscal Year 2022 the business license fees grew by 26.5% over fiscal year 2021.

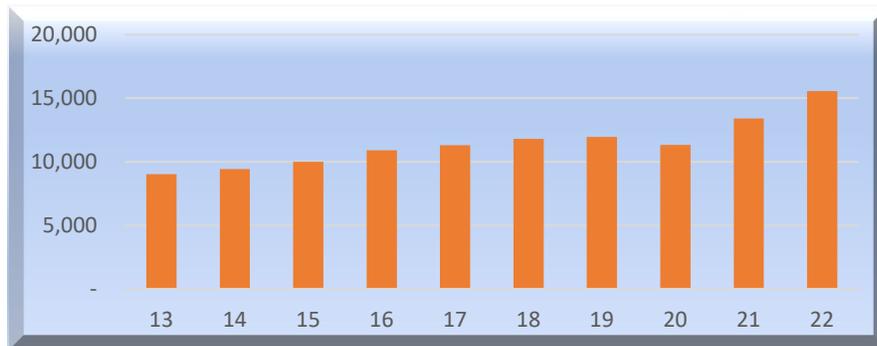
Other special purpose revenues derived from businesses within the City demonstrated strong growth during the second half of the fiscal year. As stated previously, the (BEA) reported that increases in travel, food services and accommodations offset declines in other sectors during the second quarter of 2022 and the City saw a 58.5% increase in hospitality and accommodations tax revenues. The following graph presents business license, state and local accommodations tax, and hospitality tax collections since 2012. While growth during Fiscal Year 2021 was driven by the fact that the City began collecting the 1.5% hospitality and accommodations tax previously retained by the County, further growth in this revenue stream was recognized in Fiscal Year 2022, which surpassed pre-pandemic revenues. Also as a result of the change in collection of hospitality tax and local accommodations taxes, a portion of local accommodations tax was combined with the hospitality tax. For this reason, local accommodations tax appears to fall off in Fiscal Year 2022 while hospitality taxes increase dramatically.

Business License, Hospitality Fees, State and Local Accommodations Tax Revenues, Fiscal Year 2012 – 2022



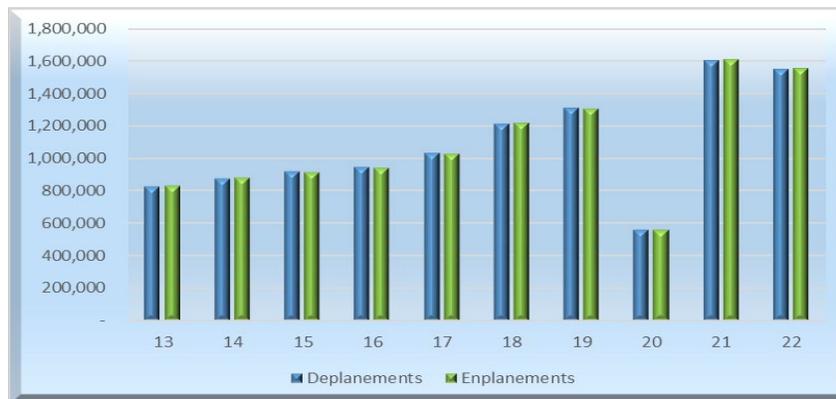
Retail sales figures for Horry County are another indicator of economic conditions. After posting recession driven declines in 2008, 2009, and 2010, retail sales began to recover in 2011 and presented improved numbers through 2019. Retail sales figures for 2020 were clearly impacted by the pandemic, as demonstrated on the graph below. Fiscal year revenues for 2022 increased by 16.1% when compared to fiscal year 2021 and represent the highest historical retail sales collections for Horry County.

Horry County Retail Sales, Calendar Year 2013 - 2022 (\$ billions)



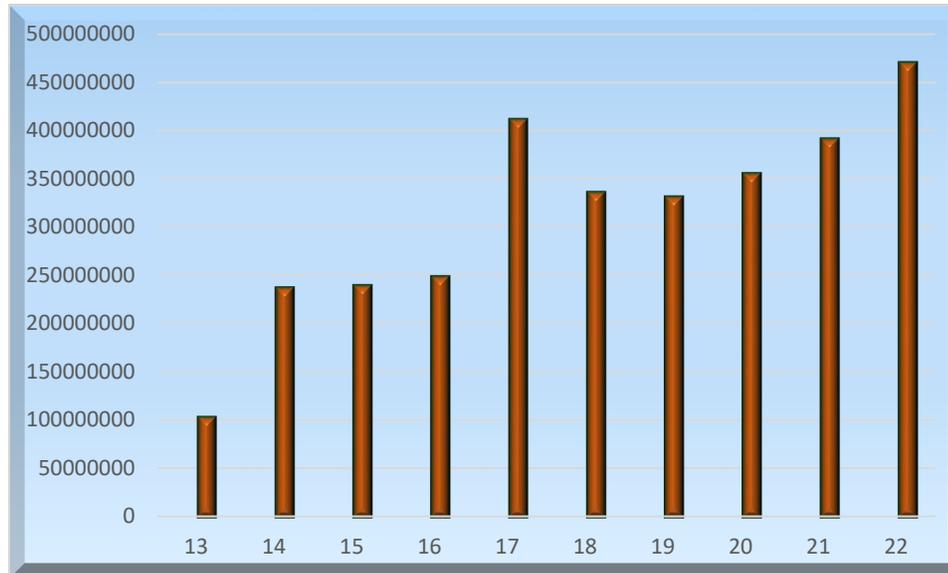
The number of passengers traveling to and from Myrtle Beach fluctuates depending on the number of carriers using the airport, as well as economic conditions. The chart below depicts historical and current fiscal year activity and the impact of the pandemic are clearly reflected in the graphic. When fiscal year 2022 is compared to fiscal year 2021, the graphic demonstrates a 3.5% decrease in air travel over the prior year. Throughout 2021, people responded to the pent up demand for travel. Enplanements and deplanements for that period were 188.2% higher than the same period in 2020 and 2.3% higher than previously recorded travel figures for the period overall. While there was a slight decrease for fiscal year 2022, numbers were still the second highest recorded in Airport history.

Passengers' Handled - Myrtle Beach International Airport, Calendar Year 2013 – 2022



Construction activity in the City remained strong in 2022. Figures for the fiscal year ended June 30, 2022 indicate that buildings permitted by the City totaled \$470.2 million, which is the second highest annual construction value ever. The record is \$489.7 million, set in 2006, followed by \$427.3 million in 2007, both before the Great Recession. Based upon the 10-year horizon presented in the chart below, construction activity was fairly low in 2013 and stabilized from 2014 through 2016. Permit values were the fourth 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 762 new single family homes (up from 635 the year before), 1 new multi-family residential buildings and 56 new commercial buildings.

Construction Permitted Inside Corporate Limit, Fiscal Year 2013-2022



In summary, the City continued to experience growth in the residential sector and regained growth in the tourism sector throughout the fiscal year as the effects of the pandemic released the stranglehold on the world economy. Strong property tax collections, growth in the accommodations and food service sector, and collection of the Hospitality Fee and Local Accommodations Tax previously retained by the County, in conjunction with expenditure control measures, have allowed the City to end the fiscal 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.

LONG TERM FINANCIAL PLANNING

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 resident driven operational costs and the impact of Tax Increment Financing Districts on revenue availability, the City has worked closely with the Myrtle Beach Air Force Base Redevelopment Authority (Redevelopment Authority) to review and revise the project list associated with the Myrtle Beach Air Force Base Tax Increment District and request annual declarations of surplus revenue. 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 2022, the Authority did declare a surplus for tax year 2021, and a distribution of \$1.8 million was made to the General Fund for Fiscal Year 2022.

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. Utilization of Hospitality Taxes and Accommodations Tax, tourism driven revenues, helps to alleviate the impact of the additional tourism driven costs on residents while allowing the City to provide a positive experience for visitors. 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, continued funding and additional staffing have been added since its inception. In addition, the City has increased staffing in the police department annually since 2017, including funding 10 new police officers in 2022.

In addition to careful annual consideration of funding allocations, the core 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 capital 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 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 2022 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 fifteen new positions were included in the budget for the fiscal year, each intended to address the major initiatives identified by City Council. While all of the positions added represent furtherance of the Unparalleled Quality of Life initiative, certain enhancements specifically address the remaining initiatives as well.

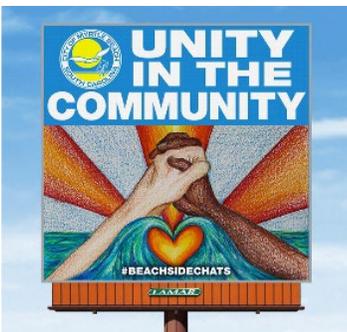


Supporting the Public Safety Initiative, 10 Police Officer positions were added in 2022, providing additional resources for the Police Department and allowing for the deployment of those resources throughout the City.

Efforts associated with the Community and Economic Development 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 the Myrtle Beach Downtown Alliance, a place management organization, to further improve and promote development in the Oceanfront and Arts and Innovation districts.



Improving the overall quality of life for our residents, visitors, and business owners involves continually reviewing our services and processes. For Fiscal Year 2022, the City added a Chief Innovation Officer position. The role of the chief innovation office is to review processes and identify efficiencies and innovation that will save time, streamline services, and provide even better service to our residents, businesses, and visitors.



Culture plays a large role in the overall quality of life experience. The City’s mission is to build a culture and community where employees and residents alike are respected, valued and understood for their own identity. To that end, the City added a Diversity, Equity & Inclusion (DEI) Officer in 2022. The DEI officer is responsible for supporting the overall implementation and advancement of the organization’s diversity, equity and inclusion strategy and furthering the City’s commitment to strengthen relationships and enhance services among our residential communities. In addition, the Neighborhood Service department continues to host a number of events throughout the year. One event, “Beachside Chat” sessions are held for community members to provide a forum to openly discuss race and healing.

As our population and tourism base grow, infrastructure expansion and maintenance responsibilities increase. For Fiscal Year 2022, a Sewer Superintendent position was added to address infrastructure maintenance in the Water and Sewer utility system. Growth also increases workload on administrative positions, therefore an Assistant City Attorney and an Administrative Legal Secretary were added as newly authorized positions in the budget.

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

The City adopted the Fiscal Year 2023 budget totaling \$292 million (net of transfers) on June 14, 2022. Approximately 37.7% of the Fiscal Year 2023 budget is comprised of the General Fund and 17.6% of the budget represents the City's Enterprise Funds. Capital improvement projects make up 21.4% of the adopted budget.

In addition, the City has future plans to address a number of service needs and major comprehensive plan elements. Some of the projects are as follows:

- The City anticipates the issuance of up to \$45.9 million of water and sewer revenue bonds to finance the extension and renovation of existing water and sewer infrastructure in 2023.
- The City anticipates the issuance of up to \$9.38 million of storm water funded debt to finance the expansion and renovation of the City's storm water infrastructure in 2023.
- The City anticipates the issuance of \$12 million of long-term bonds to finance the construction of a Performing Arts Theater in 2023.
- The City anticipates the issuance of \$27 million of long-term bonds to finance the roadway, streetscape and intersection infrastructure in the Arts & Innovation District in 2023.
- 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, 2022, 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, 2021. 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 black ink that reads "Michelle Shumpert". The signature is written in a cursive, flowing style.

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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 Audit of the Financial Statements

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Myrtle Beach, South Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, the City of Myrtle Beach, South Carolina adopted GASB Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Myrtle Beach, South Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Myrtle Beach, South Carolina's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 - 12), pension plan information (pages 76 - 79) and budgetary comparison information (pages 80 - 86) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. 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.

Supplementary 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 accompanying combining and individual fund statements and schedules, other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, 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 solely to describe 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 effectiveness of the City of Myrtle Beach, South Carolina's 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 14, 2022

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**CITY OF MYRTLE BEACH, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022**

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, 2022. Please read it in conjunction with the transmittal letter, which begins on page v, and the City’s financial statements, which begin on page 14.

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 \$331,610,314 (net position).
- The City’s total net position increased by \$66,414,363. This is the result of an increase in the net position of governmental activities of \$62,596,573, or 42.2%, and an increase in the net position of our business-type activities of \$3,817,790, or 3.3%.
- During the year ended June 30, 2022, the City’s total revenues amounted to \$284,362,988. Revenues of governmental activities totaled \$230,810,021, an increase of 22.4%, and revenues of business-type activities were \$53,552,967, an increase of 16.7%.
- During the year ended June 30, 2022, the City’s total expenses amounted to \$217,948,625. Expenses of governmental activities totaled \$175,553,557, an increase of 1.3%, and expenses of business-type activities were \$42,395,068, an increase of 5.1%.
- At June 30, 2022, the City’s governmental funds reported combined fund balances of \$137,433,934, an increase of \$43,875,067 in comparison to the prior year.
- There was an increase in the City’s investment in capital assets for the current fiscal year in the amount of \$21,757,237, or 7.8%, for governmental activities and an increase of \$1,398,363, or 1.1%, for business-type activities.
- At year-end, the City had \$195,961,497 in outstanding bonds and notes payable compared to \$186,080,456 last year, an increase of 5.3%.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 14 - 19) 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 20. 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 40 - 41 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 42. 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 6. 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 9. The fund financial statements begin on page 20 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 40 - 41 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 42.

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 76. Combining and individual fund statements and schedules and other supplementary information can be found on pages 88 - 122.

The City as a Whole

Condensed statements of net position at June 30, 2022 and 2021 are shown below.

THE CITY'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 279,465,132	\$ 198,360,334	\$ 40,039,154	\$ 35,429,131	\$ 319,504,286	\$ 233,789,465
Capital Assets (Net)	<u>302,093,748</u>	<u>280,336,511</u>	<u>126,067,359</u>	<u>124,668,996</u>	<u>428,161,107</u>	<u>405,005,507</u>
Total Assets	<u>\$ 581,558,880</u>	<u>\$ 478,696,845</u>	<u>\$ 166,106,513</u>	<u>\$ 160,098,127</u>	<u>\$ 747,665,393</u>	<u>\$ 638,794,972</u>
Deferred Outflows of Resources	\$ <u>17,924,476</u>	\$ <u>23,695,773</u>	\$ <u>1,450,095</u>	\$ <u>1,783,801</u>	\$ <u>19,374,571</u>	\$ <u>25,479,574</u>
Long-Term Liabilities	\$ 254,049,868	\$ 268,952,815	\$ 35,424,028	\$ 36,514,843	\$ 289,473,896	\$ 305,467,658
Other Liabilities	<u>73,771,502</u>	<u>82,257,377</u>	<u>8,317,411</u>	<u>8,224,043</u>	<u>82,088,913</u>	<u>90,481,420</u>
Total Liabilities	<u>\$ 327,821,370</u>	<u>\$ 351,210,192</u>	<u>\$ 43,741,439</u>	<u>\$ 44,738,886</u>	<u>\$ 371,562,809</u>	<u>\$ 395,949,078</u>
Deferred Inflows of Resources	\$ <u>60,697,718</u>	\$ <u>2,814,731</u>	\$ <u>3,169,123</u>	\$ <u>314,786</u>	\$ <u>63,866,841</u>	\$ <u>3,129,517</u>
Net Position:						
Net Investment in Capital Assets	\$ 171,125,009	\$ 160,855,064	\$ 99,660,619	\$ 96,236,996	\$ 270,785,628	\$ 257,092,060
Restricted	81,325,296	52,533,971	616,405	589,586	81,941,701	53,123,557
Unrestricted	<u>(41,486,037)</u>	<u>(65,021,340)</u>	<u>20,369,022</u>	<u>20,001,674</u>	<u>(21,117,015)</u>	<u>(45,019,666)</u>
Total Net Position	<u>\$ 210,964,268</u>	<u>\$ 148,367,695</u>	<u>\$ 120,646,046</u>	<u>\$ 116,828,256</u>	<u>\$ 331,610,314</u>	<u>\$ 265,195,951</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, 2022 was \$331,610,314, an increase of \$66,414,363, or 25.0%, from a year ago.

The largest portion of the City's net position, \$270,785,628 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, \$81,941,701, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position amounts to \$(21,117,015).

Changes in the City's net position during the years ended June 30, 2022 and 2021 follows.

THE CITY'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 31,036,921	\$ 24,643,561	\$ 45,559,538	\$ 39,839,209	\$ 76,596,459	\$ 64,482,770
Operating Grants and Contributions	6,154,084	13,626,412	8,716	364,720	6,162,800	13,991,132
Capital Grants and Contributions	8,067,419	4,329,645	7,919,611	5,641,660	15,987,030	9,971,305
General Revenues:						
Property Taxes	43,034,092	41,797,359			43,034,092	41,797,359
Local Accommodations Taxes	3,849,037	11,003,726			3,849,037	11,003,726
Business License Taxes	31,842,233	25,171,997			31,842,233	25,171,997
Franchise Taxes	4,990,282	4,717,820			4,990,282	4,717,820
Hospitality Fee Taxes	42,278,837	18,076,659			42,278,837	18,076,659
Local Option Tourism Taxes	41,857,714	32,805,208			41,857,714	32,805,208
Grants and Contributions not Restricted to Specific Programs	17,401,798	12,125,790			17,401,798	12,125,790
Investment Earnings	297,604	329,339	65,102	41,118	362,706	370,457
Total Revenues	<u>\$ 230,810,021</u>	<u>\$ 188,627,516</u>	<u>\$ 53,552,967</u>	<u>\$ 45,886,707</u>	<u>\$ 284,362,988</u>	<u>\$ 234,514,223</u>
Expenses:						
General Government	\$ 19,323,216	\$ 22,981,475	\$	\$	\$ 19,323,216	\$ 22,981,475
Public Safety	54,058,495	56,594,288			54,058,495	56,594,288
Transportation	12,308,166	11,216,505			12,308,166	11,216,505
Community and Economic Development	51,436,280	45,590,891			51,436,280	45,590,891
Parks, Recreation and Sports Tourism	30,465,082	29,421,460			30,465,082	29,421,460
Public Works	1,726,259	1,464,143			1,726,259	1,464,143
Interest and Fiscal Charges	6,236,059	5,964,111			6,236,059	5,964,111
Water			17,675,709	17,081,247	17,675,709	17,081,247
Sewer			17,210,242	15,640,516	17,210,242	15,640,516
Solid Waste Management			5,995,915	7,009,369	5,995,915	7,009,369
Parking Utility			1,513,202	599,296	1,513,202	599,296
Total Expenses	<u>\$ 175,553,557</u>	<u>\$ 173,232,873</u>	<u>\$ 42,395,068</u>	<u>\$ 40,330,428</u>	<u>\$ 217,948,625</u>	<u>\$ 213,563,301</u>
Increase in Net Position Before Transfers	\$ 55,256,464	\$ 15,394,643	\$ 11,157,899	\$ 5,556,279	\$ 66,414,363	\$ 20,950,922
Transfers	<u>7,340,109</u>	<u>1,710,491</u>	<u>(7,340,109)</u>	<u>(1,710,491)</u>		
Change in Net Position	\$ 62,596,573	\$ 17,105,134	\$ 3,817,790	\$ 3,845,788	\$ 66,414,363	\$ 20,950,922
Net Position - Beginning	<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>
Net Position - Ending	<u>\$ 210,964,268</u>	<u>\$ 148,367,695</u>	<u>\$ 120,646,046</u>	<u>\$ 116,828,256</u>	<u>\$ 331,610,314</u>	<u>\$ 265,195,951</u>

Governmental Activities

The City's net position from governmental activities increased \$62,596,573, or 42.2%. 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 \$(65,021,340) at June 30, 2021 to \$(41,486,037) at the end of this year.

Key elements of this increase are as follows:

The City's total governmental revenues amounted to \$230,810,021 for the year ended June 30, 2022. This is an increase of \$42,182,505, or 22.4%. The largest increases are in the collection of tourism related taxes and fees (Hospitality Fee, Hospitality Tax, Local Option Tourism Tax, and State and Local Accommodations Tax) as a result of a strong increase in tourists visiting, dining, and shopping in the City. Tourism related revenues accounted for \$31,461,737 of the governmental revenue increase and is a 43.7% increase over the prior fiscal year. The COVID pandemic caused a drastic drop in tourist activities throughout the tourism seasons for 2020 and 2021, but the 2022 tourism season showed a remarkable rebound and exceeded the City's expectations. Also relating to the Hospitality Tax, which accounted for a \$24,202,178 increase, in March 2021 the City sued Horry County over the County's collection of a 1.5% hospitality tax within the corporate limits of the City. In Fiscal Year 2022 the City began receiving the hospitality tax previously retained by the county.

Like the tourism related revenues, Charges for Services increased \$3,224,940, or 44.8% over the prior year, with a majority of the increase being generated by the Parks, Recreation and Sports Tourism activities. The City's recreation facilities reopened as the COVID pandemic eased and tourism began to boom, the demand for local athletics, sports tourism, and meeting and event space increased. These increases were composed of facility rentals, registration and participant fees, concessions, and events held at the convention center.

Business License and Permit fees increased 22.5%, or \$7,645,443 over the previous fiscal year, much of the increase is attributed to residential and commercial construction activities resuming. Business license increase did not only increase because of construction activity, because the license fee is based on gross revenue, the increase in the cost of building materials effected the fee for the business license. The increase in tourism spending also effected the business license fee in retail sales as higher spending equated to a higher gross revenue for the business which in turn increased the business license fee.

The cost of all governmental activities this year was \$175,553,557. However, as shown in the statement of activities beginning on page 18, the amount that our taxpayers ultimately financed for these activities was only \$130,295,133 because some of the cost was paid by those who directly benefited from the programs (\$31,036,921) or by other governments and organizations that subsidized certain programs with grants and contributions (\$14,221,503). Overall, the City's governmental program revenues were \$45,258,424. 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 \$185,551,597.

The largest increase in costs was in Community and Economic Development at \$5,845,389, or 12.8%. As the tourism revenues increased, statutory distributions of these revenues increased resulting in an increase of community and economic development costs.

There was an increase in Transportation of \$1,091,661, or 9.7% and was the result of higher fuel costs and the impact of inflation on road milling and repaving, sidewalk, and intersection improvement projects.

Parks, Recreation, and Sports Tourism costs increased by \$1,043,622, or 3.5% as a result of increased service demand, which drove both capital and non-capital costs higher.

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 22.4% (\$42,182,505) and total expenses increased 1.3% (\$2,320,684).

Business-Type Activities

The City's net position from business-type activities increased \$3,817,790, or 3.3%.

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 16.7% (\$7,666,260) and expenses increased by 5.1% (\$2,064,640).

The total revenues for business type activities were \$53,552,967. The revenue increase was primarily due to more tourist staying in hotels, thus contributing to an increase in water and sewer usage, and a higher number of day trip visitors to the beaches parking in metered spaces. Rate increases for water and sewer also contributed to the increase.

The cost for business-type activities increased \$2,064,640, or 5.1%. The majority of the increase is attributed to the increased amount paid for wholesale water and sewer resulting from the increased demand and rate increases charged to the City by the provider.

As shown in the statement of activities that starts on page 18, the amounts paid by users of the activities were \$45,559,538 and grants and contributions totaled \$7,928,327. Investment earnings were \$65,102.

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 \$137,433,934, an increase of \$43,875,067 in comparison with the prior year. Of this amount, \$31,883,541, or 23.2%, 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 \$31,883,541, while the total fund balance amounted to \$35,182,919. 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 34.1% of total expenditures, while total fund balance represents 37.7% of that same amount. The General Fund's total fund balance increased by \$12,083,019 during the current fiscal year. The increase was due to the robust tourism season driven by pent up travel demand and higher than normal household wealth. Residential construction also contributed to the growth.

The Convention Center Fund has a total fund balance of \$1,773,681, an increase of \$608,988 over the prior year. The cause for the increase was an increased number of events held at the convention center following a shutdown in fiscal year 2020, and the slow buildup of events in fiscal year 2021.

The Local Option Tourism Fee Fund has a total fund balance of \$1,424,186, an increase of \$1,424,186 from the prior year. Revenues increased by \$9,047,664 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 \$19,621,656, an increase of \$899,331 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 Oceanfront Tax Increment Revenue Fund had a total fund balance of \$4,347,164 a decrease of \$1,963,138. The decrease was due to the city purchasing properties in the tax increment district. These purchases are going to be held and used for future development.

The Hospitality Tax Fund has a total fund balance of \$18,813,652, an increase of \$16,380,917 from the prior year. The growth was due to an extremely strong increase tourist season and the absorption of a portion of the Local Accommodations Tax previously collected by Horry County.

The Capital Improvements Fund's total fund balance increased by \$1,115,407 to \$20,136,609 at June 30, 2022. Of this total, \$4,681,793 is restricted for capital projects, debt service, and tourism promotion and support and \$15,454,816 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 due to projects being funded that are either in the design and engineering phase or have not yet started.

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 \$19,103,377. Total net position increased \$5,344,860 from the prior year. The increase was due to both an increase in capital assets during the period and the large increase in the number of tourist visiting the hotels and short term rentals, driving up water and sewer usage.

Unrestricted net position of the Solid Waste Management Fund at the end of the year amounted to \$576,333. The increase in total net position in the Solid Waste Management Fund was \$1,417,516, which was due to the rapid residential growth the city is experiencing and reopening of the new Transfer Station to commercial haulers.

Unrestricted net position of the Parking Utility Fund at the end of the year amounted to \$(3,098,072) a decrease of \$3,708,095. Total net position was \$(3,101,128) a decrease of 3,762,900. The decrease is attributed to a \$3,035,846 liability for downtown infrastructure projects funded through a line of credit secured with Parking Utility revenues.

General Fund Budgetary Highlights

The original budget was amended during the year. The resources available for appropriation were \$4,484,086 above the original budgeted amounts. This increase was primarily attributable to building permit, business license, and intergovernmental revenues exceeding budget estimates. Residential growth continued at a very strong pace and business license revenue did not decline to the extent expected as a result of the pandemic. Residential housing construction was up 18.1% and Business License Revenue was up 26.5% when compared to 2021.

Budget to actual comparisons for the General Fund can be found on page 80.

Capital Asset and Debt Administration

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$428,161,107 net of accumulated depreciation. This investment in capital assets includes land and improvements, buildings and improvements, distribution systems, furniture, vehicles, equipment, and infrastructure. The change in the City’s investment in capital assets for the current fiscal year was an increase of \$21,757,237, or 7.8%, for governmental activities and an increase of \$1,398,363, or 1.1%, for business-type activities. Both the increase in governmental activities and the increase in business-type activities are primarily the result of the acquisition and construction of new assets.

	THE CITY’S CAPITAL ASSETS (Net of Accumulated Depreciation)					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 65,753,218	\$ 48,517,766	\$ 2,663,271	\$ 2,700,271	\$ 68,416,489	\$ 51,218,037
Land Improvements	76,536,508	71,639,331	129,261	129,261	76,665,769	71,768,592
Buildings and Improvements	147,682,817	139,890,464	2,343,089	2,343,089	150,025,906	142,233,553
Distribution Systems			232,997,788	226,601,499	232,997,788	226,601,499
Furniture, Vehicles, and Equipment	85,371,553	82,815,563	6,253,704	5,965,464	91,625,257	88,781,027
Infrastructure	232,233,172	226,932,969			232,233,172	226,932,969
Construction-in-Progress	6,470,954	4,745,623	309,022	39,601	6,779,976	4,785,224
Accumulated Depreciation	<u>(311,954,474)</u>	<u>(294,205,205)</u>	<u>(118,628,776)</u>	<u>(113,110,189)</u>	<u>(430,583,250)</u>	<u>(407,315,394)</u>
	<u>\$ 302,093,748</u>	<u>\$ 280,336,511</u>	<u>\$ 126,067,359</u>	<u>\$ 124,668,996</u>	<u>\$ 428,161,107</u>	<u>\$ 405,005,507</u>

More detailed information about the City’s capital assets is presented in Note 10 to the financial statements.

Debt

At year-end, the City had \$195,961,497 in outstanding bonds and notes payable compared to \$186,080,456 last year, a decrease of 5.3%.

**THE CITY'S OUTSTANDING DEBT
Bonds and Notes Payable**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General Obligation Bonds	\$ 37,774,000	\$ 41,603,000	\$	\$	\$ 37,774,000	\$ 41,603,000
Revenue Bonds			23,849,292	25,674,465	23,849,292	25,674,465
Tax Increment Revenue Bonds	57,980,000	39,925,000			57,980,000	39,925,000
Storm Water Revenue Bonds	11,937,043	13,152,317			11,937,043	13,152,317
Hospitality Fee Revenue Bonds	57,065,000	59,915,000			57,065,000	59,915,000
Notes Payable	3,334,325	4,712,036	985,991	1,098,638	4,320,316	5,810,674
Revolving Line of Credit			3,035,846		3,035,846	
	<u>\$ 168,090,368</u>	<u>\$ 159,307,353</u>	<u>\$ 27,871,129</u>	<u>\$ 26,773,103</u>	<u>\$ 195,961,497</u>	<u>\$ 186,080,456</u>

The City credit ratings are AA, Aa2 (stable 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, 2022, the amount of new debt, which could be issued without referendum was \$10,865,643.

More detailed information about the City's long-term liabilities is presented in Note 14 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's financial condition improved remarkably well during fiscal year 2022. Tourist returned to the Myrtle Beach and our tourism related revenues returned to pre-COVID-19 levels. Residential construction has increased as the demand for housing within the City is back in full force. As a result of the increase in construction the building permits have increased by 17.3% over last year. Business license receipts increased when compared to the prior year, with collections reaching the highest annual collections recorded. Likewise, the local option tourism fee revenues increase with collections for the year at the highest level since inception. The City's elected and appointed officials considered the current financial condition setting the fiscal year 2023 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 2023 budget, it did so with the expectation that tourism will remain strong, however there is expected to be a slight reduction from the record numbers reflected in this past year. In developing the FY 2023 budget, management considered how inflation and a mild recession would impact revenues and how to incorporate these possibilities in the budget. With our revenue numbers improving, the budget reflects this positively returning some departments funding to pre-COVID levels to continue our "First in Service" as our community, citizens, and visitors expect from us. The 2023 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 2023 budget included a 10 mill increase in the *ad valorem* tax rate, and with no increase in 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 2023 are \$115,766,207, an increase of 12.3% from the final fiscal year 2022 budget of \$103,068,262.

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) 918-1022.



First in Service

BASIC FINANCIAL STATEMENTS

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Temporary Investments	\$ 115,989,841	\$ 28,103,108	\$ 144,092,949
Receivables (Net)	77,139,692	3,480,362	80,620,054
Due From Component Units	39,816,387		39,816,387
Internal Balances	(3,787,384)	3,787,384	
Inventories	382,061	920,674	1,302,735
Prepaid Assets	172,466		172,466
Restricted Cash and Temporary Investments	47,752,700	3,718,528	51,471,228
Right to Use Leased Assets (Net)	1,999,369	29,098	2,028,467
Land and Construction in Progress	72,224,172	2,972,293	75,196,465
Other Capital Assets (Net)	<u>229,869,576</u>	<u>123,095,066</u>	<u>352,964,642</u>
Total Assets	<u>\$ 581,558,880</u>	<u>\$ 166,106,513</u>	<u>\$ 747,665,393</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Advance Refundings Related to Pension Plans	\$ 1,266,722	\$ 276,548	\$ 1,543,270
	<u>16,657,754</u>	<u>1,173,547</u>	<u>17,831,301</u>
Total Deferred Outflows of Resources	<u>\$ 17,924,476</u>	<u>\$ 1,450,095</u>	<u>\$ 19,374,571</u>
LIABILITIES			
Accounts Payable and Accrued Expenses Due to Primary Government	\$ 43,201,268	\$ 3,018,387	\$ 46,219,655
Unearned Revenue	3,225,411	173,300	3,398,711
Liabilities Payable From Restricted Assets	11,330,633	5,007,373	16,338,006
Noncurrent Liabilities:			
Due Within One Year	16,014,190	118,351	16,132,541
Due in More Than One Year	<u>254,049,868</u>	<u>35,424,028</u>	<u>289,473,896</u>
Total Liabilities	<u>\$ 327,821,370</u>	<u>\$ 43,741,439</u>	<u>\$ 371,562,809</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Leases	\$ 40,294,310	\$ 1,428,128	\$ 41,722,438
Related to Pension Plans	<u>20,403,408</u>	<u>1,740,995</u>	<u>22,144,403</u>
Total Deferred Inflows of Resources	<u>\$ 60,697,718</u>	<u>\$ 3,169,123</u>	<u>\$ 63,866,841</u>

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>
--	---

\$ 708,512 \$ 5,020,209
911,847

51,540
561,708
3,870,411
39,312,055

1,022,049

25,675,891

\$ 1,730,561 \$ 75,403,661

\$ \$ 465,069

\$ \$ 465,069

\$ \$ 1,333,976
39,816,387
344,901
541,653

2,200,633
50,849,531

\$ \$ 95,087,081

\$ \$

\$ \$

A-1 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$ 171,125,009	\$ 99,660,619	\$ 270,785,628
Restricted for:			
Capital Projects	11,787,186		11,787,186
Capital Replacements			
Community Development	18,398,365		18,398,365
Debt Service	9,148,891	616,405	9,765,296
Library	111,830		111,830
Narcotics Law Enforcement	282,805		282,805
Renewal and Replacement	210,000		210,000
Taxes and Insurance			
Tourism Promotion and Support	41,386,219		41,386,219
Unrestricted	(41,486,037)	20,369,022	(21,117,015)
Total Net Position	\$ 210,964,268	\$ 120,646,046	\$ 331,610,314

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>
--	---

\$ 1,022,049 \$ 11,992,851

998,624

2,177,761

562,373

708,512 (34,949,960)

\$ 1,730,561 \$ (19,218,351)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

<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	\$ 19,323,216	\$ 5,360,928	\$ 4,370,714	\$
Public Safety	54,058,495	2,414,602	919,332	
Transportation	12,308,166	3,436,390		5,229,780
Community and Economic Development	51,436,280	5,138,050	127,161	2,655,848
Parks, Recreation and Sports Tourism	30,465,082	14,686,951	676,093	181,791
Public Works	1,726,259		60,784	
Interest and Fiscal Charges	6,236,059			
Total Governmental Activities	<u>\$ 175,553,557</u>	<u>\$ 31,036,921</u>	<u>\$ 6,154,084</u>	<u>\$ 8,067,419</u>
Business-Type Activities:				
Water	\$ 17,675,709	\$ 18,248,603	\$	\$ 3,998,687
Sewer	17,210,242	17,313,164		3,920,924
Solid Waste Management	5,995,915	7,599,769	8,716	
Parking Utility	1,513,202	2,398,002		
Total Business Type Activities	<u>\$ 42,395,068</u>	<u>\$ 45,559,538</u>	<u>\$ 8,716</u>	<u>\$ 7,919,611</u>
Total Primary Government	<u>\$ 217,948,625</u>	<u>\$ 76,596,459</u>	<u>\$ 6,162,800</u>	<u>\$ 15,987,030</u>
Component Units:				
MB Downtown Redevelopment Corporation	\$ 67,283	\$	\$	\$
MB Convention Center Hotel Corporation	18,711,905	17,825,655		
Total Component Units	<u>\$ 18,779,188</u>	<u>\$ 17,825,655</u>	<u>\$</u>	<u>\$</u>

General Revenues:

Property Taxes

Local Accommodations Taxes

Business License Taxes

Franchise Taxes

Hospitality Fee Taxes

Local Option Tourism Taxes

Grants and Contributions not Restricted to Specific Programs

Investment Earnings

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	MB Downtown Redevelopment Corporation	MB Convention Center Hotel Corporation
\$ (9,591,574)		\$ (9,591,574)		
(50,724,561)		(50,724,561)		
(3,641,996)		(3,641,996)		
(43,515,221)		(43,515,221)		
(14,920,247)		(14,920,247)		
(1,665,475)		(1,665,475)		
(6,236,059)		(6,236,059)		
<u>\$ (130,295,133)</u>		<u>\$ (130,295,133)</u>		
	\$ 4,571,581	\$ 4,571,581		
	4,023,846	4,023,846		
	1,612,570	1,612,570		
	884,800	884,800		
	<u>\$ 11,092,797</u>	<u>\$ 11,092,797</u>		
<u>\$ (130,295,133)</u>	<u>\$ 11,092,797</u>	<u>\$ (119,202,336)</u>		
			\$ (67,283)	\$ (886,250)
			<u>\$ (67,283)</u>	<u>\$ (886,250)</u>
\$ 43,034,092		\$ 43,034,092	\$	
3,849,037		3,849,037		
31,842,233		31,842,233		
4,990,282		4,990,282		
42,278,837		42,278,837		
41,857,714		41,857,714		
17,401,798		17,401,798		
297,604	65,102	362,706	432	5,036
7,340,109	(7,340,109)			
<u>\$ 192,891,706</u>	<u>\$ (7,275,007)</u>	<u>\$ 185,616,699</u>	<u>\$ 432</u>	<u>\$ 5,036</u>
\$ 62,596,573	\$ 3,817,790	\$ 66,414,363	\$ (66,851)	\$ (881,214)
148,367,695	116,828,256	265,195,951	1,797,412	(18,337,137)
<u>\$ 210,964,268</u>	<u>\$ 120,646,046</u>	<u>\$ 331,610,314</u>	<u>\$ 1,730,561</u>	<u>\$ (19,218,351)</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
ASSETS			
Cash and Temporary Investments	\$ 26,624,629	\$ 1,270,369	\$
Receivables (Net):			
Property Taxes	1,092,040		
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Accounts	4,351,823	134,017	
Intergovernmental	1,134,765		11,297,938
Leases	854,162	40,007,155	
Loans	36,532		
Due From Other Funds	6,394,601	550,000	
Due From Component Units		39,816,387	
Inventories	246,330	27,613	
Prepaid Assets	51,211		
Restricted Cash and Temporary Investments	896,857		
Total Assets	\$ 41,682,950	\$ 81,805,541	\$ 11,297,938
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Expenditures	\$ 3,909,905	\$ 357,188	\$ 9,038,350
Due to Other Funds			835,402
Payable From Restricted Assets:			
Court Bonds	349,880		
Refundable Deposits	149,376		
Surplus Funds - Overlapping Governments			
Hospitality Settlement			
Other	2,966		
Unearned Revenue	221,402	159,848	
Total Liabilities	\$ 4,633,529	\$ 517,036	\$ 9,873,752
Deferred Inflows of Resources:			
Related to Leases	\$ 783,492	\$ 39,312,055	\$
Unavailable Revenue	1,083,010	40,202,769	
Total Deferred Inflows of Resources	\$ 1,866,502	\$ 79,514,824	\$

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Ocean Front 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>
\$	\$ 1,096,734	\$ 12,673,261	\$ 13,876,859	\$ 29,682,628	\$ 85,224,480
14,865	15,251				1,122,156
				604,239	604,239
		3,651,030		2,580,333	6,231,363
				103,873	103,873
			368,166	255,857	5,109,863
	2,448	2,503,872	1,502,342	6,080,230	22,521,595
				203,195	41,064,512
				192,685	229,217
			1,104,535	540,777	8,589,913
					39,816,387
				22,183	296,126
				25,981	77,192
<u>26,719,622</u>	<u>3,435,111</u>	<u>4,733,098</u>	<u>6,524,126</u>	<u>5,443,886</u>	<u>47,752,700</u>
<u>\$ 26,734,487</u>	<u>\$ 4,549,544</u>	<u>\$ 23,561,261</u>	<u>\$ 23,376,028</u>	<u>\$ 45,735,867</u>	<u>\$ 258,743,616</u>
\$	\$ 201,980	\$ 57	\$ 1,397,086	\$ 1,503,417	\$ 16,407,983
2,941,555				4,812,956	8,589,913
					349,880
			1,842,333		1,991,709
4,162,980					4,162,980
		4,733,098			4,733,098
				90,000	92,966
				2,844,161	3,225,411
<u>\$ 7,104,535</u>	<u>\$ 201,980</u>	<u>\$ 4,733,155</u>	<u>\$ 3,239,419</u>	<u>\$ 9,250,534</u>	<u>\$ 39,553,940</u>
\$	\$	\$	\$	\$ 198,763	\$ 40,294,310
8,296	400	14,454		152,503	41,461,432
<u>\$ 8,296</u>	<u>\$ 400</u>	<u>\$ 14,454</u>	<u>\$</u>	<u>\$ 351,266</u>	<u>\$ 81,755,742</u>

A-3 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (continued)			
Fund Balances:			
Nonspendable:			
Inventories	\$ 246,330	\$ 27,613	\$
Long-Term Receivables	107,202		
Prepaid Assets	51,211		
Restricted for:			
Capital Projects			
Community Development			
Debt Service			
Library	111,830		
Narcotics Law Enforcement	282,805		
Tourism Promotion and Support Renewal and Replacement		1,746,068	1,424,186
Assigned for:			
Capital Projects			
Disaster Recovery	2,500,000		
Unassigned	31,883,541		
Total Fund Balances	<u>\$ 35,182,919</u>	<u>\$ 1,773,681</u>	<u>\$ 1,424,186</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 41,682,950</u>	 <u>\$ 81,805,541</u>	 <u>\$ 11,297,938</u>

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Ocean Front 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>
\$	\$	\$	\$	\$	\$
				22,183	296,126
					107,202
				25,981	77,192
10,386,912	2,798,698		3,240,441		16,426,051
6,155,800	1,548,466			10,694,099	18,398,365
3,078,944			277,938	7,185,639	10,542,521
					111,830
					282,805
		18,813,652	1,163,414	17,996,165	41,143,485
				210,000	210,000
					12,454,816
					5,500,000
					31,883,541
<u>\$ 19,621,656</u>	<u>\$ 4,347,164</u>	<u>\$ 18,813,652</u>	<u>\$ 20,136,609</u>	<u>\$ 36,134,067</u>	<u>\$ 137,433,934</u>
<u>\$ 26,734,487</u>	<u>\$ 4,549,544</u>	<u>\$ 23,561,261</u>	<u>\$ 23,376,028</u>	<u>\$ 45,735,867</u>	<u>\$ 258,743,616</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, 2022

Total Fund Balances - Total Governmental Funds	\$ 137,433,934
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.	291,201,369
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,922,934
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	41,461,432
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.	4,908,510
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(265,963,911)</u>
Net Position of Governmental Activities	\$ <u>210,964,268</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, 2022

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 25,290,732	\$	\$
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Local Option Tourism Taxes			41,857,714
Licenses and Permits	41,535,129		
Fines and Forfeitures	949,852		
Intergovernmental	7,634,438		
Charges for Services	3,539,460	4,176,422	
Miscellaneous	6,075,187	588,344	98,168
Total Revenues	<u>\$ 85,024,798</u>	<u>\$ 4,764,766</u>	<u>\$ 41,955,882</u>
EXPENDITURES			
Current:			
General Government	\$ 15,661,050	\$ 605,534	\$
Public Safety	52,152,799		
Transportation	4,529,664		
Community and Economic Development	3,374,798		33,562,153
Parks, Recreation and Sports Tourism	14,672,033	5,946,685	
Public Works	1,508,043		
Capital Outlay	1,504,912	46,809	
Debt Service:			
Principal	37,139		
Interest and Fiscal Charges	2,160		
Bond Issuance Costs			
Total Expenditures	<u>\$ 93,442,598</u>	<u>\$ 6,599,028</u>	<u>\$ 33,562,153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (8,417,800)</u>	<u>\$ (1,834,262)</u>	<u>\$ 8,393,729</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 23,473,388	\$ 2,443,250	\$
Transfers Out	(3,219,895)		(6,969,543)
Proceeds from Borrowing	182,496		
Sale of Capital Assets	64,830		
Total Other Financing Sources (Uses)	<u>\$ 20,500,819</u>	<u>\$ 2,443,250</u>	<u>\$ (6,969,543)</u>
Net Change in Fund Balances	<u>\$ 12,083,019</u>	<u>\$ 608,988</u>	<u>\$ 1,424,186</u>
Fund Balances - Beginning	<u>23,099,900</u>	<u>1,164,693</u>	<u> </u>
Fund Balances - Ending	<u>\$ 35,182,919</u>	<u>\$ 1,773,681</u>	<u>\$ 1,424,186</u>

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

Air Base Tax Increment Revenue Fund	Ocean Front Tax Increment Revenue Fund	Hospitality Tax Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ 14,203,139	\$ 1,146,559	\$	\$ 444,702	\$ 2,060,567	\$ 43,145,699
				3,865,139	3,865,139
		25,560,509		16,632,143	42,192,652
				3,436,138	3,436,138
					41,857,714
					41,535,129
				108,703	1,058,555
			1,738,961	15,892,441	25,265,840
				2,885,579	10,601,461
10,728	29,379	4,658	1,263,808	214,416	8,284,688
<u>\$ 14,213,867</u>	<u>\$ 1,175,938</u>	<u>\$ 25,565,167</u>	<u>\$ 3,447,471</u>	<u>\$ 45,095,126</u>	<u>\$ 221,243,015</u>
\$	\$	\$	\$ 941,941	\$ 970,424	\$ 18,178,949
			31,663		52,184,462
			540,236	2,973,590	8,043,490
4,953,112	139,972		754,354	4,815,162	47,599,551
			447,746	4,200,932	25,267,396
					1,508,043
	22,201,084		11,328,150	3,069,681	38,150,636
1,570,000	375,000			8,530,245	10,512,384
1,388,783	271,250			4,043,747	5,705,940
	236,770				236,770
<u>\$ 7,911,895</u>	<u>\$ 23,224,076</u>	<u>\$</u>	<u>\$ 14,044,090</u>	<u>\$ 28,603,781</u>	<u>\$ 207,387,621</u>
<u>\$ 6,301,972</u>	<u>\$ (22,048,138)</u>	<u>\$ 25,565,167</u>	<u>\$ (10,596,619)</u>	<u>\$ 16,491,345</u>	<u>\$ 13,855,394</u>
\$	\$ 85,000	\$	\$ 11,654,026	\$ 13,479,562	\$ 51,135,226
(5,402,641)		(9,184,250)	(85,000)	(18,933,788)	(43,795,117)
	20,000,000			1,816,138	21,998,634
			143,000	473,100	680,930
<u>\$ (5,402,641)</u>	<u>\$ 20,085,000</u>	<u>\$ (9,184,250)</u>	<u>\$ 11,712,026</u>	<u>\$ (3,164,988)</u>	<u>\$ 30,019,673</u>
\$ 899,331	\$ (1,963,138)	\$ 16,380,917	\$ 1,115,407	\$ 13,326,357	\$ 43,875,067
18,722,325	6,310,302	2,432,735	19,021,202	22,807,710	93,558,867
<u>\$ 19,621,656</u>	<u>\$ 4,347,164</u>	<u>\$ 18,813,652</u>	<u>\$ 20,136,609</u>	<u>\$ 36,134,067</u>	<u>\$ 137,433,934</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 43,875,067
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 amortization and depreciation expense. This is the amount by which capital outlays (\$38,150,636) exceeded amortization (\$169,808), depreciation (\$16,613,790) and the book value of disposals (\$967,959) in the current period.	20,399,079
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	9,463,931
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.	(11,486,250)
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.	242,641
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>102,105</u>
Change in Net Position of Governmental Activities	<u>\$ 62,596,573</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, 2022

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
ASSETS			
Current Assets:			
Cash and Temporary Investments	\$ 23,999,416	\$ 3,961,655	\$ 142,037
Receivables (Net):			
Accounts	1,126,691	369,715	38,805
Intergovernmental	500,000	1,342	
Leases	226,760		69,329
Inventories	920,674		
Prepaid Assets			
Total Current Assets	<u>\$ 26,773,541</u>	<u>\$ 4,332,712</u>	<u>\$ 250,171</u>
Noncurrent Assets:			
Restricted Cash and Temporary Investments	\$ 3,718,528		
Lease Receivables	342,715		805,005
Right to Use Leased Assets (Net)		29,098	
Land and Construction in Progress	2,972,293		
Other Capital Assets (Net)	<u>121,404,066</u>	<u>1,603,056</u>	<u>87,944</u>
Total Noncurrent Assets	<u>\$ 128,437,602</u>	<u>\$ 1,632,154</u>	<u>\$ 892,949</u>
Total Assets	<u>\$ 155,211,143</u>	<u>\$ 5,964,866</u>	<u>\$ 1,143,120</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Advance Refunding Related to Pension Plan	\$ 276,548		
	<u>685,906</u>	<u>487,641</u>	
Total Deferred Outflows of Resources	<u>\$ 962,454</u>	<u>\$ 487,641</u>	
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 2,496,779	\$ 302,024	\$ 219,584
Unreported Insurance Claims			
Lease Liabilities		3,054	
Notes Payable		115,297	
Payable From Restricted Assets:			
Refundable Deposits	2,822,874		
Interest Payable	279,249		
Revenue Bonds	<u>1,905,250</u>		
Total Current Liabilities	<u>\$ 7,504,152</u>	<u>\$ 420,375</u>	<u>\$ 219,584</u>

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 28,103,108	\$ 30,765,361
1,535,211	152,874
501,342	
296,089	
920,674	85,935
	95,274
<u>\$ 31,356,424</u>	<u>\$ 31,099,444</u>
\$ 3,718,528	\$
1,147,720	
29,098	76,435
2,972,293	
<u>123,095,066</u>	<u>10,892,379</u>
<u>\$ 130,962,705</u>	<u>\$ 10,968,814</u>
<u>\$ 162,319,129</u>	<u>\$ 42,068,258</u>
\$ 276,548	\$
<u>1,173,547</u>	<u>114,065</u>
<u>\$ 1,450,095</u>	<u>\$ 114,065</u>
\$ 3,018,387	\$ 25,399,655
	698,042
3,054	14,224
115,297	1,609,321
2,822,874	
279,249	
1,905,250	
<u>\$ 8,144,111</u>	<u>\$ 27,721,242</u>

A-7 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
LIABILITIES (continued)			
Noncurrent Liabilities:			
Compensated Absences	\$ 66,279	\$ 107,887	\$
Unreported Insurance Claims			
Lease Liabilities		26,170	
Notes Payable		870,694	
Revolving Line of Credit			3,035,846
Revenue Bonds (Net)	23,791,921		
Net Pension Liability	4,411,498	3,113,733	
Unearned Revenue	144,270		29,030
Total Noncurrent Liabilities	<u>\$ 28,413,968</u>	<u>\$ 4,118,484</u>	<u>\$ 3,064,876</u>
Total Liabilities	<u>\$ 35,918,120</u>	<u>\$ 4,538,859</u>	<u>\$ 3,284,460</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Leases	\$ 559,340	\$	\$ 868,788
Related to Pension Plan	<u>1,020,619</u>	<u>720,376</u>	<u></u>
Total Deferred Inflows of Resources	<u>\$ 1,579,959</u>	<u>\$ 720,376</u>	<u>\$ 868,788</u>
NET POSITION			
Net Investment in Capital Assets	\$ 98,955,736	\$ 616,939	\$ 87,944
Restricted for:			
Debt Service	616,405		
Unrestricted	<u>19,103,377</u>	<u>576,333</u>	<u>(3,098,072)</u>
Total Net Position	<u>\$ 118,675,518</u>	<u>\$ 1,193,272</u>	<u>\$ (3,010,128)</u>

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>
\$ 174,166	\$ 15,248
	3,871,626
26,170	63,353
870,694	932,727
3,035,846	
23,791,921	
7,525,231	716,474
173,300	
<u>\$ 35,597,328</u>	<u>\$ 5,599,428</u>
<u>\$ 43,741,439</u>	<u>\$ 33,320,670</u>
\$ 1,428,128	\$
<u>1,740,995</u>	<u>165,759</u>
<u>\$ 3,169,123</u>	<u>\$ 165,759</u>
\$ 99,660,619	\$ 8,349,189
616,405	
<u>16,581,638</u>	<u>346,705</u>
\$ 116,858,662	<u><u>\$ 8,695,894</u></u>
<u>3,787,384</u>	
<u><u>\$ 120,646,046</u></u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
OPERATING REVENUES			
Charges for Services	\$ 34,615,984	\$ 7,598,061	\$ 2,396,402
OPERATING EXPENSES			
Administration	\$ 4,887,051	\$ 1,192,791	\$
Operations	24,265,004	5,149,713	1,413,324
Amortization		3,501	
Depreciation	5,261,829	201,953	54,805
Total Operating Expenses	<u>\$ 34,413,884</u>	<u>\$ 6,547,958</u>	<u>\$ 1,468,129</u>
Operating Income	<u>\$ 202,100</u>	<u>\$ 1,050,103</u>	<u>\$ 928,273</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Earned	\$ 39,574	\$ 2,331	\$ 23,197
Operating Grant Revenue		8,716	
Miscellaneous Revenue	945,783	1,708	1,600
Gain on Disposal of Capital Assets	133,006		
Interest and Fiscal Charges	<u>(852,386)</u>	<u>(20,342)</u>	<u>(43,689)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 265,977</u>	<u>\$ (7,587)</u>	<u>\$ (18,892)</u>
Income Before Contributions and Transfers	\$ 468,077	\$ 1,042,516	\$ 909,381
Capital Contributions	7,919,611		
Transfers In		375,000	
Transfers Out	<u>(3,042,828)</u>		<u>(4,672,281)</u>
Change in Net Position	\$ 5,344,860	\$ 1,417,516	\$ (3,762,900)
Total Net Position - Beginning	<u>113,330,658</u>	<u>(224,244)</u>	<u>752,772</u>
Total Net Position - Ending	<u>\$ 118,675,518</u>	<u>\$ 1,193,272</u>	<u>\$ (3,010,128)</u>

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

Change in Net Position of Business-Type Activities

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ <u>44,610,447</u>	\$ <u>29,558,365</u>
\$ 6,079,842	\$ 513,967
30,828,041	25,337,405
3,501	15,287
<u>5,518,587</u>	<u>3,088,217</u>
\$ <u>42,429,971</u>	\$ <u>28,954,876</u>
\$ <u>2,180,476</u>	\$ <u>603,489</u>
\$ 65,102	\$ 103,075
8,716	
949,091	38,646
133,006	190,468
<u>(916,417)</u>	<u>(65,259)</u>
\$ <u>239,498</u>	\$ <u>266,930</u>
\$ 2,419,974	\$ 870,419
7,919,611	50,000
375,000	
<u>(7,715,109)</u>	<u> </u>
\$ 2,999,476	\$ 920,419
	<u>7,775,475</u>
	\$ <u><u>8,695,894</u></u>
<u>818,314</u>	
\$ <u><u>3,817,790</u></u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 35,184,169	\$ 7,490,301	\$ 2,345,890
Receipts From Interfund Services Provided			
Payments to Suppliers	(24,213,642)	(2,514,344)	(1,278,357)
Payments to Employees	(2,361,450)	(1,626,651)	
Payments for Interfund Services Used	(2,698,542)	(2,240,376)	(33,751)
Payments of Claims			
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 5,910,535</u>	<u>\$ 1,108,930</u>	<u>\$ 1,033,782</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	\$	\$ 375,000	\$
Transfers Out	(3,042,828)		(4,672,281)
Operating Grants		8,716	
Net Cash and Cash Equivalents Provided (Used) by Noncapital Financing Activities	<u>\$ (3,042,828)</u>	<u>\$ 383,716</u>	<u>\$ (4,672,281)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	\$ 3,572,474	\$	\$
Proceeds From Revolving Line of Credit			3,035,846
Principal Payments on Lease Liabilities		(3,375)	
Interest Payments on Lease Liabilities		(124)	
Principal Payments on Long-Term Debt	(1,825,173)	(112,647)	
Interest Payments on Long-Term Debt	(959,351)	(21,504)	(33,689)
Payment of Bond Administration Fees	(5,700)		(10,000)
Purchases of Capital Assets	(2,443,025)	(163,788)	
Proceeds From Disposal of Capital Assets	170,006		
Net Cash and Cash Equivalents Provided (Used) by Capital and Related Financing Activities	<u>\$ (1,490,769)</u>	<u>\$ (301,438)</u>	<u>\$ 2,992,157</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>\$ 39,574</u>	<u>\$ 2,331</u>	<u>\$ 23,197</u>
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 39,574</u>	<u>\$ 2,331</u>	<u>\$ 23,197</u>

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 45,020,360	\$ 29,558,365
(28,006,343)	(5,980,795)
(3,988,101)	(405,348)
(4,972,669)	
<u>8,053,247</u>	<u>(15,950,109)</u>
\$ 8,053,247	\$ 7,222,113
\$ 375,000	\$
(7,715,109)	
<u>8,716</u>	<u></u>
\$ (7,331,393)	\$
\$ 3,572,474	\$ 50,000
3,035,846	
(3,375)	(14,145)
(124)	(944)
(1,937,820)	(811,177)
(1,014,544)	(81,363)
(15,700)	
(2,606,813)	(1,968,756)
<u>170,006</u>	<u>420,204</u>
\$ 1,199,950	\$ (2,406,181)
\$ 65,102	\$ 103,075
\$ 65,102	\$ 103,075

A-9 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,416,512	\$ 1,193,539	\$ (623,145)
Cash and Cash Equivalents - Beginning	<u>26,301,432</u>	<u>2,768,116</u>	<u>765,182</u>
Cash and Cash Equivalents - Ending	<u>\$ 27,717,944</u>	<u>\$ 3,961,655</u>	<u>\$ 142,037</u>

**Reconciliation of Operating Income to Net Cash and
Cash Equivalents Provided by Operating Activities**

Operating Income	\$ 202,100	\$ 1,050,103	\$ 928,273
Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities:			
Amortization		3,501	
Depreciation	5,261,829	201,953	54,805
(Increase) in Accounts Receivable (Net) and Related Amounts	(423,922)	(109,468)	(44,351)
(Increase) Decrease in Inventories	211,507	18,657	
Decrease in Prepaid Assets			
Increase (Decrease) in Accounts Payable and Accrued Expenses	(180,914)	70,935	101,216
Increase in Refundable Deposits Payable	46,324		
Increase in Unreported Insurance Claims			
(Decrease) in Net Pension Liability and Related Amounts	(152,172)	(128,459)	
(Decrease) in Unearned Revenue			(7,761)
Miscellaneous Receipts	<u>945,783</u>	<u>1,708</u>	<u>1,600</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 5,910,535</u>	<u>\$ 1,108,930</u>	<u>\$ 1,033,782</u>

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 1,986,906	\$ 4,919,007
<u>29,834,730</u>	<u>25,846,354</u>
\$ <u><u>31,821,636</u></u>	\$ <u><u>30,765,361</u></u>
\$ 2,180,476	\$ 603,489
3,501	15,287
5,518,587	3,088,217
(577,741)	(127,280)
230,164	(13,090)
	547,903
(8,763)	2,664,480
46,324	
	470,266
(280,631)	(65,805)
(7,761)	
<u>949,091</u>	<u>38,646</u>
\$ <u><u>8,053,247</u></u>	\$ <u><u>7,222,113</u></u>

A-9 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022**

	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	\$ 4,347,137		\$
Book Value of Capital Asset Disposals	37,000		

Reconciliation of Cash and Cash Equivalents

Unrestricted Cash and Temporary Investments	\$ 23,999,416	\$	3,961,655	\$	142,037
Restricted Cash and Temporary Investments	3,718,528				
	\$ 27,717,944	\$	3,961,655	\$	142,037

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

<u>Enterprise Funds</u>		
<u>Total</u>	<u>Internal Service Funds</u>	
\$ 4,347,137	\$	
37,000	229,736	
\$ 28,103,108	\$ 30,765,361	
3,718,528		
<u>\$ 31,821,636</u>	<u>\$ 30,765,361</u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2022

ASSETS

Cash and Temporary Investments \$ 70,694

NET POSITION

Restricted for Firemen \$ 70,694

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, 2022

ADDITIONS	
Insurance Receipts	\$ <u>507,114</u>
DEDUCTIONS	
Retirement Plan	\$ 474,300
Other	<u>21,832</u>
Total Deductions	\$ <u>496,132</u>
Change in Net Position	\$ 10,982
Net Position - Beginning	<u>59,712</u>
Net Position - Ending	<u><u>70,694</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, 2022

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. 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 discretely presented component units have June 30 year-ends and are described below.

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.

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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.

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 *Ocean Front 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 1.5% fee imposed on accommodations, 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 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.

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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.

Lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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. Right to Use Leased Assets

Right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. Right to use leased assets are amortized on a straight-line basis over the life of the related lease.

L. 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

M. 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.

N. 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 three items which qualify for reporting in this

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 leases is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivables. These amounts are amortized on a straight-line basis over the term of the leases. The deferred amounts related to pension plans represents the City's proportionate share of the plans' deferred inflows of resources.

O. 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.

P. Long-Term Obligations

Lease liabilities are recorded at the present value of the future minimum lease payments as of the date of inception. Lease liabilities do not include variable payments based on the future performance of the lessee.

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.

Q. 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 amortization and 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 \$81,941,701 of total restricted net position, of which \$44,423,091 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, 2022

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.

R. 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, \$265,963,911, follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Bonds Payable (Net)	\$ 171,590,258
Notes Payable	792,277
Lease Liabilities	1,986,166
Compensated Absences	5,834,867
Net Pension Liability and Related Amounts	85,633,435
Accrued Interest Payable	1,393,630
Deferred Amounts on Advance Refundings	<u>(1,266,722)</u>
	<u>\$ 265,963,911</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, \$11,486,250, is comprised of the following:

Tax Increment Revenue Bonds Issued	\$ 20,000,000
Lease Liabilities Issued	1,998,634
Principal Repayments	<u>(10,512,384)</u>
	<u>\$ 11,486,250</u>

The details of another element in the reconciliation that relates to expenses, \$242,641, follows:

Compensated Absences	\$ (787,443)
Net Pension Liability	1,258,174
Accrued Interest	(389,784)
Amortization of Bond Premiums	515,365
Amortization of Deferred Amounts on Advance Refundings	<u>(353,671)</u>
	<u>\$ 242,641</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, 2022, 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, 2022 were as follows:

Parking Utility Fund	\$ 3,010,128
Internal Service Fund:	
Self Insurance Fund	236,382
Health Insurance Fund	7,358,844

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 \$122,549,491 and the financial institutions' balances totaled \$127,966,125. Of that balance, \$20,231,580 was covered by federal depository insurance and \$107,734,545 was collateralized with securities held by the pledging financial institutions' trust department in the City's name. At year-end, the City had \$56,248 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 MBDRRC's carrying amount of deposits in financial institutions was \$708,512 and the financial institutions' balances totaled \$713,707. Of that balance, \$402,922 was covered by federal depository insurance and \$310,785 was collateralized with securities held by the pledging financial institutions' trust department in the MBDRRC's name.

The MBDRRC'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 MBDRRC's name.

At year-end, the MBCCHC's carrying amount of deposits in financial institutions was \$1,427,912 and the financial institutions' balances totaled \$1,343,185. Of that balance, \$250,000 was covered by federal depository insurance and \$1,093,185 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	27.39%
U.S. Treasury Bill	0.25 Years	N/A	666,460	0.91
Money Market Mutual Funds	Not Available	AAA	31,741,757	43.46
State Treasurer's Investment Pool	2 Months Average	Not Rated	<u>20,620,805</u>	<u>28.24</u>
			<u>\$ 73,029,132</u>	<u>100.00 %</u>

At June 30, 2022, fair value measurements of the City's investments are as follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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	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	666,460			666,460
Money Market Mutual Funds	<u>31,741,757</u>			<u>31,741,757</u>
	<u>\$ 32,408,217</u>	<u>\$ 20,000,110</u>	<u>\$</u>	<u>\$ 52,408,327</u>
Investments Measured at Net Asset Value				
State Treasurer's Investment Pool				<u>20,620,805</u>
				<u>\$ 73,029,132</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>7,442,708</u>	<u>100.00%</u>

At June 30, 2022, 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, 2022, 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	\$ 4,180,740	\$	\$	\$ 59,752
Local Accommodations Taxes				
Hospitality Fee Taxes				
Storm Water Fees				
Accounts	4,351,823	134,017		
Intergovernmental	1,134,765		11,297,938	
Leases	854,162	40,007,155		
Loans	<u>36,532</u>			
	<u>\$ 10,558,022</u>	<u>\$ 40,141,172</u>	<u>\$ 11,297,938</u>	<u>\$ 59,752</u>
Allowances for Doubtful Accounts	<u>(3,088,700)</u>			<u>(44,887)</u>
	<u>\$ 7,469,322</u>	<u>\$ 40,141,172</u>	<u>\$ 11,297,938</u>	<u>\$ 14,865</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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	<u>Ocean Front Tax Increment Revenue Fund</u>	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Water and Sewer Fund</u>
Property Taxes	\$ 15,389	\$	\$	\$
Local Accommodations Taxes				
Hospitality Fee Taxes		3,655,924		
Storm Water Fees				
Accounts			368,166	1,858,425
Intergovernmental	2,448	2,503,872	1,502,342	500,000
Leases				569,475
Loans				
	<u>\$ 17,837</u>	<u>\$ 6,159,796</u>	<u>\$ 1,870,508</u>	<u>\$ 2,927,900</u>
Allowances for Doubtful Accounts	(138)	(4,894)		(731,734)
	<u>\$ 17,699</u>	<u>\$ 6,154,902</u>	<u>\$ 1,870,508</u>	<u>\$ 2,196,166</u>

	<u>Solid Waste Management Fund</u>	<u>Parking Utility Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Property Taxes	\$	\$	\$	\$ 4,255,881
Local Accommodations Taxes			622,399	622,399
Hospitality Fee Taxes			2,622,447	6,278,371
Storm Water Fees			225,262	225,262
Accounts	586,606	38,805	408,731	7,746,573
Intergovernmental	1,342		6,080,230	23,022,937
Leases		874,334	203,195	42,508,321
Loans			192,685	229,217
	<u>\$ 587,948</u>	<u>\$ 913,139</u>	<u>\$ 10,354,949</u>	<u>\$ 84,888,961</u>
Allowances for Doubtful Accounts	(216,891)		(181,663)	(4,268,907)
	<u>\$ 371,057</u>	<u>\$ 913,139</u>	<u>\$ 10,173,286</u>	<u>\$ 80,620,054</u>

See Note 7 for disclosure of a related party land lease between the City, which is recorded in the Convention Center Fund, and the MBCCHC.

The City is the lessor of land and buildings under multiple lease agreements expiring in various years through 2037. Some of the leases require a variable rent component which applies if lessee revenues exceed specified levels. The lease receivables are measured at the present value of the future minimum rent payments expected to be received during the lease term discounted at a rate of 2.0%.

During the year ended June 30, 2022, lease revenue amounted to \$671,337 and interest revenue on the leases amounted to \$47,470. In addition, variable lease revenue amounted to \$4,124,612.

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2022, amounts due to/from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 6,394,601	\$
Convention Center Fund	550,000	
Local Option Tourism Fee Fund		835,402
Air Base Tax Increment Revenue Fund		2,941,555
Capital Improvements Fund	1,104,535	
Nonmajor Governmental Funds	<u>540,777</u>	<u>4,812,956</u>
	<u>\$ 8,589,913</u>	<u>\$ 8,589,913</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, 2022 were as follows:

<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>
General Fund	\$	\$ 6,439,540	\$ 2,170,896
Convention Center Fund			
Ocean Front Tax Increment Revenue Fund			
Capital Improvements Fund	1,250,000		3,231,745
Nonmajor Governmental Funds	1,969,895	530,003	
Solid Waste Management Fund			
	<u>\$ 3,219,895</u>	<u>\$ 6,969,543</u>	<u>\$ 5,402,641</u>

<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>
General Fund	\$	\$	\$ 11,820,124
Convention Center Fund	1,893,250		550,000
Ocean Front Tax Increment Revenue Fund		85,000	
Capital Improvements Fund	3,000,000		
Nonmajor Governmental Funds	4,291,000		6,188,664
Solid Waste Management Fund			375,000
	<u>\$ 9,184,250</u>	<u>\$ 85,000</u>	<u>\$ 18,933,788</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>Water and Sewer Fund</u>	<u>Parking Utility Fund</u>	<u>Totals</u>
General Fund	\$ 3,042,828	\$	\$ 23,473,388
Convention Center Fund			2,443,250
Ocean Front Tax Increment Revenue Fund			85,000
Capital Improvements Fund		4,172,281	11,654,026
Nonmajor Governmental Funds		500,000	13,479,562
Solid Waste Management Fund			375,000
	<u>\$ 3,042,828</u>	<u>\$ 4,672,281</u>	<u>\$ 51,510,226</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.

Note 7 - TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

At June 30, 2022, 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	\$ 39,816,387	\$
MBCCHC		39,816,387
	<u>\$ 39,816,387</u>	<u>\$ 39,813,387</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, 2022, rent expense for this lease amounted to \$3,342,371, which includes the variable rent component of \$534,367.

The MBCCHC's lease liability is measured at a discount rate of 4.1%. Minimum future rental payments and the net present value for the fixed component of this lease as of June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	\$ 2,200,633	\$ 1,640,293	\$ 3,840,926
2024	2,286,583	1,550,067	3,836,650
2025	2,350,682	1,456,318	3,807,000
2026	2,446,060	1,359,940	3,806,000
2027	2,550,099	1,259,651	3,809,750
2028 - 2032	14,391,120	4,643,130	19,034,250
2033 - 2036	13,781,979	1,441,021	15,223,000
	<u>\$ 40,007,156</u>	<u>\$ 13,350,420</u>	<u>\$ 53,357,576</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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June 30, 2022

During the year ended June 30, 2022, lease revenue in the Convention Center Fund was \$2,808,004 and interest revenue on the lease amounted to \$1,726,922. In addition, variable lease revenue amounted to \$534,367.

Note 8 - RESTRICTED CASH AND TEMPORARY INVESTMENTS

The City's restricted cash and temporary investments consisted of the following at June 30, 2022:

Governmental Activities:	
General Fund:	
Court Bonds	\$ 349,880
Confiscated and Seized Funds	285,771
Refundable Deposits	149,376
Other	111,830
Air Base Tax Increment Revenue Fund:	
Air Base Tax Increment Revenue Bond Accounts	26,719,622
Ocean Front Tax Increment Revenue Fund:	
Ocean Front Tax Increment Revenue Bond Accounts	3,435,111
Hospitality Tax Fund:	
Hospitality Settlement	4,733,098
Capital Improvements Fund:	
Bond Proceeds	2,442,745
Hospitality Fee Taxes	1,163,414
PUD Improvements	1,075,634
Refundable Deposits	1,842,333
Nonmajor Governmental Funds:	
Grant Funds	2,699,003
Hospitality Fee Taxes	564,463
Renewal and Replacement Account	300,000
Storm Water Revenue Bond Accounts	1,880,420
	<u>\$ 47,752,700</u>
Business-Type Activities:	
Water and Sewer Fund:	
Refundable Deposits	\$ 2,822,874
Waterworks and Sewer System Revenue Bond Accounts	895,654
	<u>\$ 3,718,528</u>

At June 30, 2022, the MBCCHC's restricted cash and temporary investments consisted of revenue bond accounts totaling \$3,870,411.

Note 9 - RIGHT TO USE LEASED ASSETS (NET)

The City's right to use leased assets activity for the year ended June 30, 2022 was as follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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June 30, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Right to Use Leased Assets:				
Land	\$	\$ 147,452	\$	\$ 147,452
Buildings		1,907,860		1,907,860
Equipment		129,152		129,152
	\$	\$ 2,184,464	\$	\$ 2,184,464
Accumulated Amortization for:				
Land	\$	\$ (1,475)	\$	\$ (1,475)
Buildings		(151,497)		(151,497)
Equipment		(32,123)		(32,123)
	\$	\$ (185,095)	\$	\$ (185,095)
Right to Use Leased Assets (Net)	\$	\$ 1,999,369	\$	\$ 1,999,369
Business-Type Activities:				
Right to Use Leased Assets:				
Land	\$	\$ 32,599	\$	\$ 32,599
Accumulated Amortization for:				
Land	\$	\$ (3,501)	\$	\$ (3,501)
Right to Use Leased Assets (Net)	\$	\$ 29,098	\$	\$ 29,098

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

Governmental Activities:		
General Government		\$ 33,598
Community and Economic Development		136,210
Right to Use Leased Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets		15,287
		\$ 185,095
Business-Type Activities:		
Solid Waste Management		\$ 3,501

The MBCCHC's right to use leased assets activity for the year ended June 30, 2022 was as follows:

Right to Use Leased Assets:				
Land	\$	\$ 42,120,059	\$	\$ 42,120,059
Accumulated Amortization for:				
Land	\$	\$ (2,808,004)	\$	\$ (2,808,004)
Right to Use Leased Assets (Net)	\$	\$ 39,312,055	\$	\$ 39,312,055

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 10 - CAPITAL ASSETS (NET)

The City's capital asset activity for the year ended June 30, 2022 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	\$ 17,878,248	\$ 642,796	\$ 65,753,218
Construction-in-Progress	<u>4,745,623</u>	<u>8,583,947</u>	<u>6,858,616</u>	<u>6,470,954</u>
	<u>\$ 53,263,389</u>	<u>\$ 26,462,195</u>	<u>\$ 7,501,412</u>	<u>\$ 72,224,172</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 71,639,331	\$ 4,897,177	\$	\$ 76,536,508
Buildings and Improvements	139,890,464	7,792,353		147,682,817
Furniture, Vehicles and Equipment	82,815,563	5,017,388	2,461,398	85,371,553
Infrastructure	<u>226,932,969</u>	<u>5,345,430</u>	<u>45,227</u>	<u>232,233,172</u>
	<u>\$ 521,278,327</u>	<u>\$ 23,052,348</u>	<u>\$ 2,506,625</u>	<u>\$ 541,824,050</u>
Accumulated Depreciation for:				
Land Improvements	\$ (37,387,558)	\$ (3,422,971)	\$	\$ (40,810,529)
Buildings and Improvements	(77,881,168)	(4,750,078)		(82,631,246)
Furniture, Vehicles and Equipment	(60,730,964)	(5,464,709)	(1,934,647)	(64,261,026)
Infrastructure	<u>(118,205,515)</u>	<u>(6,064,249)</u>	<u>(18,091)</u>	<u>(124,251,673)</u>
	<u>\$ (294,205,205)</u>	<u>\$ (19,702,007)</u>	<u>\$ (1,952,738)</u>	<u>\$ (311,954,474)</u>
Capital Assets (Net)	<u>\$ 280,336,511</u>	<u>\$ 29,812,536</u>	<u>\$ 8,055,299</u>	<u>\$ 302,093,748</u>
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 2,700,271	\$	\$ 37,000	\$ 2,663,271
Construction-in-Progress	<u>39,601</u>	<u>284,311</u>	<u>14,890</u>	<u>309,022</u>
	<u>\$ 2,739,872</u>	<u>\$ 284,311</u>	<u>\$ 51,890</u>	<u>\$ 2,972,293</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 129,261	\$	\$	\$ 129,261
Buildings and Improvements	2,343,089			2,343,089
Distribution System	226,601,499	6,396,289		232,997,788
Furniture, Vehicles and Equipment	<u>5,965,464</u>	<u>288,240</u>		<u>6,253,704</u>
	<u>\$ 235,039,313</u>	<u>\$ 6,684,529</u>	<u>\$</u>	<u>\$ 241,723,842</u>
Accumulated Depreciation for:				
Land Improvements	\$ (108,996)	\$ (2,680)	\$	\$ (111,676)
Buildings and Improvements	(1,952,375)	(46,294)		(1,998,669)
Distribution System	(106,656,970)	(5,207,787)		(111,864,757)
Furniture, Vehicles and Equipment	<u>(4,391,848)</u>	<u>(261,826)</u>		<u>(4,653,674)</u>
	<u>\$ (113,110,189)</u>	<u>\$ (5,518,587)</u>	<u>\$</u>	<u>\$ (118,628,776)</u>
Capital Assets (Net)	<u>\$ 124,668,996</u>	<u>\$ 1,450,253</u>	<u>\$ 51,890</u>	<u>\$ 126,067,359</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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Depreciation expense was charged to functions / programs of the City as follows:

Governmental Activities:		
General Government	\$	1,049,918
Public Safety		1,278,911
Transportation		4,745,790
Community and Economic Development		3,557,007
Parks, Recreation and Sports Tourism		5,900,633
Public Works		81,531
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets		<u>3,088,217</u>
	\$	<u><u>19,702,007</u></u>
Business-Type Activities:		
Water	\$	2,427,553
Sewer		2,834,276
Solid Waste Management		201,953
Parking Utility		<u>54,805</u>
	\$	<u><u>5,518,587</u></u>

The MBDRC's capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not Being Depreciated:				
Land	\$ <u>1,022,049</u>	\$ _____	\$ _____	\$ <u>1,022,049</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 79,646	\$ _____	\$ _____	\$ 79,646
Equipment	<u>85,614</u>	_____	_____	<u>85,614</u>
	\$ <u>165,260</u>	\$ _____	\$ _____	\$ <u>165,260</u>
Accumulated Depreciation for:				
Land Improvements	\$ (79,646)	\$ _____	\$ _____	\$ (79,646)
Equipment	<u>(81,477)</u>	<u>(4,137)</u>	_____	<u>(85,614)</u>
	\$ <u>(161,123)</u>	\$ <u>(4,137)</u>	\$ _____	\$ <u>(165,260)</u>
Capital Assets (Net)	\$ <u><u>1,026,186</u></u>	\$ <u><u>(4,137)</u></u>	\$ _____	\$ <u><u>1,022,049</u></u>

The MBCCHC's capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Land Improvements	\$ 549,458	\$ _____	\$ _____	\$ 549,458
Building and Improvements	43,479,530	_____	_____	43,479,530
Furnishings and Equipment	<u>16,348,697</u>	<u>1,300,191</u>	_____	<u>17,648,888</u>
	\$ <u>60,377,685</u>	\$ <u>1,300,191</u>	\$ _____	\$ <u>61,677,876</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Accumulated Depreciation for:				
Land Improvements	\$ (500,540)	\$ (1,086,988)	\$	\$ (1,587,528)
Building and Improvements	(19,497,923)	(27,474)		(19,525,397)
Furnishings and Equipment	(14,175,512)	(713,548)		(14,889,060)
	<u>\$ (34,173,975)</u>	<u>\$ (1,828,010)</u>	<u>\$</u>	<u>\$ (36,001,985)</u>
Capital Assets (Net)	<u>\$ 26,203,710</u>	<u>\$ (527,819)</u>	<u>\$</u>	<u>\$ 25,675,891</u>

Note 11 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES / EXPENDITURES

Accounts payable and accrued expenses / expenditures consisted of the following at June 30, 2022:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>	<u>Ocean Front Tax Increment Revenue Fund</u>
Trade Accounts Payable	\$ 1,777,374	\$ 235,591	\$ 9,038,350	\$ 3,268
Accrued Salaries and Wages	2,132,531	121,597		
Compensated Absences				
Accrued Interest Payable				
Retainage Payable				198,712
	<u>\$ 3,909,905</u>	<u>\$ 357,188</u>	<u>\$ 9,038,350</u>	<u>\$ 201,980</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	\$ 57	\$ 1,007,141	\$ 2,260,263	\$ 134,825
Accrued Salaries and Wages			118,178	83,594
Compensated Absences			108,338	72,347
Accrued Interest Payable				11,258
Retainage Payable		389,945	10,000	
	<u>\$ 57</u>	<u>\$ 1,397,086</u>	<u>\$ 2,496,779</u>	<u>\$ 302,024</u>

	<u>Parking Utility Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Trade Accounts Payable	\$ 219,584	\$ 26,710,311	\$ 41,386,764
Accrued Salaries and Wages		78,243	2,534,143
Compensated Absences		13,774	194,459
Accrued Interest Payable		48,505	59,763
Retainage Payable		52,239	650,896
	<u>\$ 219,584</u>	<u>\$ 26,903,072</u>	<u>\$ 44,826,025</u>

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

1,393,630
\$ 46,219,655

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 12 - UNAVAILABLE REVENUE

At June 30, 2022, unavailable revenue consisted of the following:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Air Base Tax Increment Revenue Fund</u>	<u>Ocean Front Tax Increment Revenue Fund</u>
Property Taxes	\$ 981,844	\$	\$ 8,296	\$ 400
Ambulance Fees	101,166			
Lease Revenues		40,202,769		
Other				
	<u>\$ 1,083,010</u>	<u>\$ 40,202,769</u>	<u>\$ 8,296</u>	<u>\$ 400</u>

	<u>Hospitality Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Property Taxes	\$	\$	\$ 990,540
Ambulance Fees			101,166
Lease Revenues			40,202,769
Other	14,454	152,503	166,957
	<u>\$ 14,454</u>	<u>\$ 152,503</u>	<u>\$ 41,461,432</u>

Note 13 - LEASE LIABILITIES

A. Governmental Activities

The City is the lessee of land, buildings and equipment under multiple lease agreements expiring in various years through 2072. The lease liabilities are measured at discount rates ranging from 1.22% to 5.26%. Minimum future rental payments and the net present value of the lease payments as of June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	\$ 92,613	\$ 34,175	\$ 126,788
2024	93,923	32,684	126,607
2025	84,018	31,189	115,207
2026	153,371	29,725	183,096
2027	334,370	27,264	361,634
2028 - 2032	1,180,251	59,748	1,239,999
2033 - 2037	10,308	14,692	25,000
2038 - 2042	11,620	13,380	25,000
2043 - 2047	13,099	11,901	25,000
2048 - 2052	14,766	10,234	25,000
2053 - 2057	16,645	8,355	25,000
2058 - 2062	18,764	6,236	25,000
2063 - 2067	21,152	3,848	25,000
2068 - 2072	18,843	1,157	20,000
	<u>\$ 2,063,743</u>	<u>\$ 284,588</u>	<u>\$ 2,348,331</u>

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B. Business-Type Activities

The City is the lessee of land under a lease agreement expiring in 2031. The lease requires annual rental payments of \$3,500. The lease liability is measured at a discount rate of 1.53%. Minimum future rental payments and the net present value of the lease payments as of June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	\$ 3,054	\$ 446	\$ 3,500
2024	3,100	400	3,500
2025	3,148	352	3,500
2026	3,196	304	3,500
2027	3,245	255	3,500
2028 - 2031	<u>13,481</u>	<u>519</u>	<u>14,000</u>
	<u>\$ 29,224</u>	<u>\$ 2,276</u>	<u>\$ 31,500</u>

Note 14 - LONG-TERM DEBT

A. Governmental Activities

At June 30, 2022, 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	\$ 2,410,000
Refunding Series 2015B	1,560,000	1.99	09/01/25	663,000
Series 2019	7,000,000	3.00 - 5.00	03/01/34	5,885,000
Series 2020A	5,500,000	2.27	03/01/40	5,265,000
Refunding Series 2020B	14,213,000	1.23	03/01/31	11,969,000
Refunding Series 2020C	6,984,000	1.36	03/01/31	5,787,000
Refunding Series 2020D	5,881,000	1.75	03/01/32	<u>5,795,000</u>
				<u>\$ 37,774,000</u>
Tax Increment Revenue Bonds:				
Refunding Series 2016	43,280,000	3.00 - 5.00	10/01/35	\$ 31,820,000
Refunding Series 2017B	7,245,000	3.00 - 5.00	04/01/34	6,160,000
Series 2021	20,000,000	0.96 - 3.28	04/01/42	<u>20,000,000</u>
				<u>\$ 57,980,000</u>
Storm Water Revenue Bonds:				
Series 2004	10,499,052	2.25	05/01/27	\$ 3,143,186
Series 2010	2,773,380	1.67	02/01/30	1,180,118
Series 2014	10,609,640	2.00	02/01/36	<u>7,613,739</u>
				<u>\$ 11,937,043</u>
Hospitality Fee Revenue Bonds:				
Refunding Series 2014A	17,400,000	1.05 - 5.90	06/01/39	\$ 12,185,000
Refunding Series 2014B	44,515,000	2.00 - 5.00	06/01/36	36,625,000
Series 2017A	9,575,000	3.00 - 5.00	06/01/38	<u>8,255,000</u>
				<u>\$ 57,065,000</u>

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	Original Issue Amount	Interest Rates	Final Maturity Date	Amount
Notes Payable:				
2014	\$ 3,636,423	2.68%	08/01/22	\$ 1,313,514
2017	1,132,228	2.55	07/15/24	290,268
2017	1,400,000	1.94	07/15/22	442,534
2019	615,703	1.96	12/01/29	502,009
2020	1,080,000	1.88	03/01/27	786,000
				<u>\$ 3,334,325</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:

	Principal	Interest	Total
Year Ending June 30, 2023	\$ 3,907,000	\$ 749,409	\$ 4,656,409
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	4,045,000	453,178	4,498,178
2028 - 2032	13,861,000	1,259,280	15,120,280
2033 - 2037	2,746,000	278,851	3,024,851
2038 - 2040	1,032,000	47,216	1,079,216
	<u>\$ 37,774,000</u>	<u>\$ 4,599,172</u>	<u>\$ 42,373,172</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:

	Principal	Interest	Total
Year Ending June 30, 2023	\$ 2,705,000	\$ 2,229,533	\$ 4,934,533
2024	2,975,000	1,971,598	4,946,598
2025	3,085,000	1,850,746	4,935,746
2026	3,215,000	1,723,178	4,938,178
2027	3,345,000	1,587,681	4,932,681
2028 - 2032	18,955,000	5,669,294	24,624,294
2033 - 2037	17,575,000	2,234,719	19,809,719
2038 - 2042	6,125,000	616,008	6,741,008
	<u>\$ 57,980,000</u>	<u>\$ 17,882,757</u>	<u>\$ 75,862,757</u>

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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, 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	1,348,486	126,302	1,474,788
2028 - 2032	3,292,214	381,902	3,674,116
2033 - 2036	<u>2,174,853</u>	<u>82,438</u>	<u>2,257,291</u>
	<u>\$ 11,937,043</u>	<u>\$ 1,368,308</u>	<u>\$ 13,305,351</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, 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	3,260,000	2,201,059	5,461,059
2028 - 2032	18,865,000	8,417,955	27,282,955
2033 - 2037	20,170,000	3,497,463	23,667,463
2038 - 2039	<u>2,805,000</u>	<u>217,825</u>	<u>3,022,825</u>
	<u>\$ 57,065,000</u>	<u>\$ 24,624,355</u>	<u>\$ 81,689,355</u>

Notes Payable

Notes payable were incurred in conjunction with the purchase of equipment. The notes payable are to be repaid by property tax revenues and an internal service fund. Annual debt service requirements to maturity for the notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	\$ 1,958,292	\$ 76,774	\$ 2,035,066
2024	361,195	28,245	389,440
2025	368,974	20,410	389,384
2026	222,076	12,401	234,477
2027	226,426	8,173	234,599
2028 - 2030	<u>197,362</u>	<u>7,779</u>	<u>205,141</u>
	<u>\$ 3,334,325</u>	<u>\$ 153,782</u>	<u>\$ 3,488,107</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
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B. Business-Type Activities

Long-term debt of the City's business-type activities consisted of the following at June 30, 2022:

	<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	\$ 5,410,000
Series 2016	18,440,000	2.00 - 5.00	03/01/36	13,480,000
Series 2017	6,246,418	1.80	08/01/37	<u>4,959,292</u>
				<u>\$ 23,849,292</u>
 Note Payable:				
2019	1,209,297	1.96	12/01/29	<u>\$ 985,991</u>
 Revolving Line of Credit:				
2021	10,000,000	Prime	01/25/31	<u>\$ 3,035,846</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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	2,111,041	670,446	2,781,487
2027	2,201,496	580,803	2,782,299
2028 - 2032	8,702,835	1,668,442	10,371,277
2033 - 2037	4,869,836	412,309	5,282,145
2038	<u>92,732</u>	<u>418</u>	<u>93,150</u>
	<u>\$ 23,849,292</u>	<u>\$ 5,809,214</u>	<u>\$ 29,658,506</u>

Note Payable

The note payable was incurred in conjunction with the purchase of equipment. Annual debt service requirements to maturity for the note payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	\$ 115,297	\$ 19,299	\$ 134,596
2024	117,285	17,042	134,327
2025	119,273	14,747	134,020
2026	121,924	12,412	134,336
2027	124,574	10,026	134,600
2028 - 2030	<u>387,638</u>	<u>15,277</u>	<u>402,915</u>
	<u>\$ 985,991</u>	<u>\$ 88,803</u>	<u>\$ 1,074,794</u>

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Revolving Line of Credit

The City has a \$10,000,000 revolving line of credit. The loan bears interest at the prime rate, but not less than 3.25%, and is secured by specified parking revenues. The note requires quarterly payments of interest only until maturity. Annual debt service requirements to maturity for the revolving line of credit are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	\$	\$ 121,434	\$ 121,434
2024		121,434	121,434
2025		121,434	121,434
2026		121,434	121,434
2027		121,434	121,434
2028 - 2031	3,035,846	435,137	3,470,983
	<u>\$ 3,035,846</u>	<u>\$ 1,042,307</u>	<u>\$ 4,078,153</u>

C. MBCCHC

Long-term debt outstanding at June 30, 2022 in the MBCCHC was as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount</u>
Revenue Bonds: Refunding Series 2015	\$ 16,405,000	2.00 - 5.00%	04/01/36	\$ <u>12,345,000</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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	815,000	399,863	1,214,863
2028 - 2032	4,615,000	1,526,913	6,141,913
2033 - 2036	4,380,000	542,063	4,922,063
	<u>\$ 12,345,000</u>	<u>\$ 4,418,541</u>	<u>\$ 16,763,541</u>

D. Changes in Long-Term Liabilities

The City's long-term liability activity for the year ended June 30, 2022 was as follows:

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 41,603,000	\$	\$ 3,829,000	\$ 37,774,000	\$ 3,907,000
Tax Increment Revenue Bonds	39,925,000	20,000,000	1,945,000	57,980,000	2,705,000
Storm Water Revenue Bonds	13,152,317		1,215,274	11,937,043	1,240,724
Hospitality Fee Revenue Bonds	59,915,000		2,850,000	57,065,000	2,980,000
Unamortized Bond Premiums	<u>7,349,581</u>		<u>515,366</u>	<u>6,834,215</u>	
	\$ 161,944,898	\$ 20,000,000	\$ 10,354,640	\$ 171,590,258	\$ 10,832,724
Notes Payable	4,712,036		1,377,711	3,334,325	1,958,292
Unreported Insurance Claims	4,099,402	14,309,772	13,839,506	4,569,668	698,042
Compensated Absences	<u>5,086,811</u>	<u>3,857,699</u>	<u>3,080,621</u>	<u>5,863,889</u>	<u>2,446,293</u>
	<u>\$ 175,843,147</u>	<u>\$ 38,167,471</u>	<u>\$ 28,652,478</u>	<u>\$ 185,358,140</u>	<u>\$ 15,935,351</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(13,774)	(13,774)
Lease Liabilities	2,063,743	92,613
Net Pension Liability	<u>82,655,949</u>	
	<u>\$ 270,064,058</u>	<u>\$ 16,014,190</u>

Business-Type Activities:

Bonds Payable:					
Revenue Bonds	\$ 25,674,465	\$	\$ 1,825,173	\$ 23,849,292	\$ 1,905,250
Unamortized Bond Premiums	<u>1,984,247</u>		<u>136,368</u>	<u>1,847,879</u>	
	\$ 27,658,712	\$	\$ 1,961,541	\$ 25,697,171	\$ 1,905,250
Note Payable	1,098,638		112,647	985,991	115,297
Revolving Line of Credit		3,035,846		3,035,846	
Compensated Absences	<u>322,879</u>	<u>256,400</u>	<u>224,428</u>	<u>354,851</u>	<u>180,685</u>
	<u>\$ 29,080,229</u>	<u>\$ 3,292,246</u>	<u>\$ 2,298,616</u>	<u>\$ 30,073,859</u>	<u>\$ 2,201,232</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(180,685)	(180,685)
Bonds Payable Included in Liabilities Payable From Restricted Assets	(1,905,250)	(1,905,250)
Lease Liability	29,224	3,054
Net Pension Liability	<u>7,525,231</u>	
	<u>\$ 35,542,379</u>	<u>\$ 118,351</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, internal service funds' compensated absences of \$29,022, notes payable of \$2,542,048, unreported insurance claims of \$4,569,668, lease liability of \$77,577 and net pension liability of \$716,474 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. Lease liabilities are liquidated by the General Fund and the Downtown Development Fund.

The MBCCHC's long-term liability activity for the year ended June 30, 2022 was as follows:

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 12,740,000	\$	\$ 395,000	\$ 12,345,000	\$ 410,000
Unamortized Bond Premium	<u>1,188,588</u>	<u></u>	<u>80,580</u>	<u>1,108,008</u>	<u></u>
	<u>\$ 13,928,588</u>	<u>\$</u>	<u>\$ 475,580</u>	<u>\$ 13,453,008</u>	<u>\$ 410,000</u>

Reconciliation to the Government-Wide Statement of Net Position:

Bonds Payable Included in Liabilities Payable From Restricted Assets	(410,000)	(410,000)
Lease Liability	<u>40,007,156</u>	<u>2,200,633</u>
	<u>\$ 53,050,164</u>	<u>\$ 2,200,633</u>

E. Pledged Revenues

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

	Pledged Revenue	Purpose	Debt Service Remaining	Term (Year Ending June 30)
Tax Increment Revenue Bonds	Property Taxes	Construction	\$ 75,862,757	2042
Storm Water Revenue Bonds	Storm Water Fees	Construction	13,305,351	2036
Waterworks and Sewer System Revenue Bonds	Water and Sewer Fees	Construction	29,658,506	2038
Hospitality Fee Revenue Bonds	Hospitality Fee Taxes	Debt Extinguishment and Construction	81,689,355	2039
Revolving Line of Credit	Parking Fees	Cash Flow	4,078,153	2031

Current year pledged revenue and the relationship between the current year debt service payments and the pledged revenue for the year ended June 30, 2022 follows:

	Current Year Pledged Revenue	Percentage of Total Revenue Stream	Current Year Principal and Interest Paid	Percentage of Pledged Revenue
Tax Increment Revenue Bonds	\$ 15,349,698	100.00%	\$ 3,595,500	23.42%
Storm Water Revenue Bonds	3,436,138	100.00	1,474,789	42.92
Waterworks and Sewer System Revenue Bonds	38,228,032	100.00	2,784,524	7.28
Hospitality Fee Revenue Bonds	16,632,143	100.00	5,749,908	34.57
Revolving Line of Credit	2,396,402	100.00	33,689	1.41

Note 15 - 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.

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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.

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

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active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

D. Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in State statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further 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	16.41%	18.84%
Class Three Member	16.41	18.84
Incidental Death Benefit	0.15	0.20
Accidental Death Benefit	N/A	0.20

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

The City's contributions to the SCRS and the PORS for the fiscal year ended June 30, 2022 were \$4,036,495 and \$5,115,379, respectively. The contributions made by the City were equal to the required contributions for the year.

E. Net Pension Liability and Pension Expense

SCRS - At June 30, 2022, the City reported a liability of \$45,061,262 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the City's proportion was 0.208219%, which is an decrease of 0.01548% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized SCRS pension expense of \$2,247,582.

PORS - At June 30, 2022, the City reported a liability of \$45,119,918 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the City's proportion was 1.753650%, which is an decrease of 0.035868% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized PORS pension expense of \$5,302,191.

The City recognized total pension expense of \$7,549,773 for the year ended June 30, 2022.

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

At June 30, 2022, 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	\$ 767,567	\$ 1,534,941	\$ 2,302,508
Changes of Assumptions	2,466,506	3,218,166	5,684,672
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	131,449	560,798	692,247
City Contributions Subsequent to the Measurement Date	<u>4,036,495</u>	<u>5,115,379</u>	<u>9,151,874</u>
	<u>\$ 7,402,017</u>	<u>\$ 10,429,284</u>	<u>\$ 17,831,301</u>

At June 30, 2022, 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	\$ 60,816	\$ 140,520	\$ 201,336
Differences Between Projected and Actual Earnings on Plan Investments	6,545,743	10,115,684	16,661,427
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>3,818,558</u>	<u>1,463,082</u>	<u>5,281,640</u>
	<u>\$ 10,425,117</u>	<u>\$ 11,719,286</u>	<u>\$ 22,144,403</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

The \$9,151,874 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, 2023. 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, 2023	\$ 1,602,724	\$ 601,957	\$ 2,204,681
2024	1,594,915	998,005	2,592,920
2025	1,412,625	1,193,892	2,606,517
2026	2,449,331	3,611,527	6,060,858
	\$ 7,059,595	\$ 6,405,381	\$ 13,464,976

G. Actuarial Assumptions

The total pension liability in the July 1, 2020 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 - 11.00	3.50 - 10.50
Investment Rate of Return	7.00	7.00

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality Table (2020 PRSC), was developed using the SCRS's and PORS's mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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 2021 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 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

	Target Asset Allocation	Expected Arithmetic Real Rate of Return
Public Equity	46.0%	6.87%
Bonds	26.0	0.27
Private Equity	9.0	9.68
Private Debt	7.0	5.47
Real Assets		
Real Estate	9.0	6.01
Infrastructure	3.0	5.08
	100.0%	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

H. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 7.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

		SCRS		
		1.0% Decrease (6.0%)	Current Rate (7.0%)	1.0% Increase (8.0%)
	City's Proportionate Share of the Net Pension Liability	<u>\$ 59,024,643</u>	<u>\$ 45,061,262</u>	<u>\$ 33,454,804</u>
		PORS		
		1.0% Decrease (6.0%)	Current Rate (7.0%)	1.0% Increase (8.0%)
	City's Proportionate Share of the Net Pension Liability	<u>\$ 65,463,229</u>	<u>\$ 45,119,918</u>	<u>\$ 28,455,632</u>
		Total		
		1.0% Decrease (6.0%)	Current Rate (7.0%)	1.0% Increase (8.0%)
	City's Proportionate Share of the Net Pension Liability	<u>\$ 124,487,872</u>	<u>\$ 90,181,180</u>	<u>\$ 61,910,436</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 16 - 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 was hired prior to July 1, 2019, has completed at least fifteen 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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2022 was \$4,492,900, net of forfeitures totaling \$0. During the year ended June 30, 2022, the City paid \$1,890,286 for OPEB as benefits came due. At June 30, 2022, the City's OPEB liability amounted to \$24,051,375.

Note 17 - 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 \$500,000 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, 2022, the Self Insurance Fund has a claim liability of \$3,871,626. 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, 2022 and 2021 follows:

	2022	2021
Beginning Balance	\$ 3,370,473	\$ 3,143,249
Claims Incurred and Change in Estimate	2,956,583	3,357,480
Claim Payments	<u>(2,455,430)</u>	<u>(3,130,256)</u>
Ending Balance	<u>\$ 3,871,626</u>	<u>\$ 3,370,473</u>

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, 2022, the Health Insurance Fund has a claim liability of \$698,042, 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, 2022 and 2021 follows:

	2022	2021
Beginning Balance	\$ 728,929	\$ 610,198
Claims Incurred and Change in Estimate	11,353,189	11,953,382
Claim Payments	<u>(11,384,076)</u>	<u>(11,834,651)</u>
Ending Balance	<u>\$ 698,042</u>	<u>\$ 728,929</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 18 - 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, 2022, water and wastewater treatment service charges totaled \$17,302,541.

Prior to June 30, 2022, the City entered into various construction contracts. The approximate costs of the contracts were \$13,339,000 of which roughly \$9,582,000 has been incurred as of year-end.

Note 19 - CONTINGENCIES

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

Note 20 - ADOPTION OF GASB STATEMENT NO. 87

During the year ended June 30, 2022, the City adopted the provisions of GASB Statement No. 87, *Leases*. GASB 87 requires lessees to record long-term leased assets and liabilities on their financial statements that were previously recorded as operating leases. As a result, right to use leased assets and lease liabilities in the amount of \$218,429 were recognized by the City at the beginning of the year.

GASB 87 requires lessors to record lease receivables and deferred inflows of resources on their financial statements that were previously recorded as operating leases. As a result, lease receivables and deferred inflows of resources in the amount of \$45,201,779 were recognized by the City at the beginning of the year.

Note 21 - SUBSEQUENT EVENT

Subsequent to June 30, 2022, the City issued \$15,000,000 of tax increment revenue bonds. The interest rate on the bonds is 3.95% and the final maturity date is April 1, 2042.



First in Service

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE SCRS NET PENSION LIABILITY
Last Nine 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>
6/30/22	0.208219 %	\$ 45,061,262	\$ 23,548,914	191.35 %	60.7 %
6/30/21	0.223699	57,159,007	24,945,115	229.14	50.7
6/30/20	0.233706	53,364,866	24,679,265	216.23	54.4
6/30/19	0.231776	51,933,594	23,979,867	216.57	54.1
6/30/18	0.224852	50,617,801	22,658,685	223.39	53.3
6/30/17	0.224973	48,053,900	21,785,588	220.58	52.9
6/30/16	0.218921	41,519,423	20,527,897	202.26	57.0
6/30/15	0.222439	38,296,621	20,200,850	189.58	59.9
6/30/14	0.222439	39,897,622	19,805,654	201.45	56.4

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 Nine 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>
6/30/22	1.753650 % \$	45,119,918	\$ 26,345,757	171.26 %	70.4 %
6/30/21	1.789518	59,344,198	27,057,033	219.33	58.8
6/30/20	1.837475	52,660,964	26,642,593	197.66	62.7
6/30/19	1.783606	50,539,229	24,674,606	204.82	61.7
6/30/18	1.691850	46,349,287	22,781,426	203.45	60.9
6/30/17	1.650090	41,854,141	21,036,463	198.96	60.4
6/30/16	1.535500	33,466,167	19,022,717	175.93	64.6
6/30/15	1.531860	29,326,348	18,421,173	159.20	67.6
6/30/14	1.531860	31,755,037	18,463,306	171.99	63.0

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 Nine 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>
6/30/22	\$ 4,036,495	\$ 4,036,495	\$ 0	\$ 24,374,970	16.56 %
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 Nine 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>
6/30/22	\$ 5,115,379	\$ 5,115,379	\$ 0	\$ 26,587,209	19.24 %
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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 24,335,000	\$ 24,335,000	\$ 25,290,732	\$ 955,732
Licenses and Permits	32,231,000	33,236,255	41,535,129	8,298,874
Fines and Forfeitures	860,000	860,000	949,852	89,852
Intergovernmental	7,786,284	9,273,929	7,634,438	(1,639,491)
Charges for Services	3,099,700	3,497,823	3,539,460	41,637
Miscellaneous	4,337,700	4,596,630	6,075,187	1,478,557
Total Revenues	<u>\$ 72,649,684</u>	<u>\$ 75,799,637</u>	<u>\$ 85,024,798</u>	<u>\$ 9,225,161</u>
EXPENDITURES				
Current:				
General Government	\$ 14,404,431	\$ 14,404,431	\$ 15,661,050	\$ (1,256,619)
Public Safety	54,505,262	56,615,341	52,152,799	4,462,542
Transportation	4,950,685	4,950,685	4,529,664	421,021
Community and Economic Development	3,695,168	3,885,668	3,374,798	510,870
Parks, Recreation and Sports Tourism	15,249,295	15,950,726	14,672,033	1,278,693
Public Works	1,736,205	1,736,205	1,508,043	228,162
Capital Outlay	2,013,000	1,155,688	1,504,912	(349,224)
Debt Service:				
Principal			37,139	(37,139)
Interest and Fiscal Charges			2,160	(2,160)
Total Expenditures	<u>\$ 96,554,046</u>	<u>\$ 98,698,744</u>	<u>\$ 93,442,598</u>	<u>\$ 5,256,146</u>
Deficiency of Revenues Under Expenditures	<u>\$ (23,904,362)</u>	<u>\$ (22,899,107)</u>	<u>\$ (8,417,800)</u>	<u>\$ 14,481,307</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 24,700,254	\$ 26,034,387	\$ 23,473,388	\$ (2,560,999)
Transfers Out	(938,322)	(3,277,710)	(3,219,895)	57,815
Proceeds From Borrowing			182,496	182,496
Sale of Capital Assets	125,000	125,000	64,830	(60,170)
Total Other Financing Sources (Uses)	<u>\$ 23,886,932</u>	<u>\$ 22,881,677</u>	<u>\$ 20,500,819</u>	<u>\$ (2,380,858)</u>
Net Change in Fund Balances	\$ (17,430)	\$ (17,430)	\$ 12,083,019	\$ 12,100,449
Fund Balances - Beginning	<u>23,099,900</u>	<u>23,099,900</u>	<u>23,099,900</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 23,082,470</u></u>	<u><u>\$ 23,082,470</u></u>	<u><u>\$ 35,182,919</u></u>	<u><u>\$ 12,100,449</u></u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CONVENTION CENTER FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,540,000	\$ 3,931,185	\$ 4,176,422	\$ 245,237
Miscellaneous	1,335,000	1,335,000	588,344	(746,656)
Total Revenues	<u>\$ 4,875,000</u>	<u>\$ 5,266,185</u>	<u>\$ 4,764,766</u>	<u>\$ (501,419)</u>
EXPENDITURES				
Current:				
General Government	\$ 1,977,747	\$ 1,977,747	\$ 605,534	\$ 1,372,213
Parks, Recreation and Sports Tourism	6,834,320	6,834,320	5,946,685	887,635
Capital Outlay	722,500	1,247,584	46,809	1,200,775
Total Expenditures	<u>\$ 9,534,567</u>	<u>\$ 10,059,651</u>	<u>\$ 6,599,028</u>	<u>\$ 3,460,623</u>
Deficiency of Revenues Under Expenditures	<u>\$ (4,659,567)</u>	<u>\$ (4,793,466)</u>	<u>\$ (1,834,262)</u>	<u>\$ 2,959,204</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 3,525,000	\$ 3,525,000	\$ 2,443,250	\$ (1,081,750)
Transfers Out		(391,185)		391,185
Total Other Financing Sources (Uses)	<u>\$ 3,525,000</u>	<u>\$ 3,133,815</u>	<u>\$ 2,443,250</u>	<u>\$ (690,565)</u>
Net Change in Fund Balances	<u>\$ (1,134,567)</u>	<u>\$ (1,659,651)</u>	<u>\$ 608,988</u>	<u>\$ 2,268,639</u>
Fund Balances - Beginning	<u>1,164,693</u>	<u>1,164,693</u>	<u>1,164,693</u>	
Fund Balances - Ending	<u>\$ 30,126</u>	<u>\$ (494,958)</u>	<u>\$ 1,773,681</u>	<u>\$ 2,268,639</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION TOURISM FEE FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Tourism Taxes	\$ 29,000,000	\$ 41,857,715	\$ 41,857,714	\$ (1)
Miscellaneous	100,000	100,000	98,168	(1,832)
Total Revenues	<u>\$ 29,100,000</u>	<u>\$ 41,957,715</u>	<u>\$ 41,955,882</u>	<u>\$ (1,833)</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 23,280,000	\$ 33,562,153	\$ 33,562,153	\$ _____
Excess of Revenues Over Expenditures	\$ 5,820,000	\$ 8,395,562	\$ 8,393,729	\$ (1,833)
OTHER FINANCING USES				
Transfers Out	<u>(5,800,000)</u>	<u>(6,969,543)</u>	<u>(6,969,543)</u>	<u>_____</u>
Net Change in Fund Balance	\$ 20,000	\$ 1,426,019	\$ 1,424,186	\$ (1,833)
Fund Balance - Beginning	_____	_____	_____	_____
Fund Balance - Ending	<u>\$ 20,000</u>	<u>\$ 1,426,019</u>	<u>\$ 1,424,186</u>	<u>\$ (1,833)</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, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 12,780,000	\$ 14,203,139	\$ 1,423,139
Miscellaneous	25,000	10,728	(14,272)
Total Revenues	<u>\$ 12,805,000</u>	<u>\$ 14,213,867</u>	<u>\$ 1,408,867</u>
EXPENDITURES			
Current:			
Community and Economic Development	\$ 5,250,000	\$ 4,953,112	\$ 296,888
Debt Service:			
Principal	1,570,000	1,570,000	
Interest and Fiscal Charges	1,392,550	1,388,783	3,767
Total Expenditures	<u>\$ 8,212,550</u>	<u>\$ 7,911,895</u>	<u>\$ 300,655</u>
Excess of Revenues Over Expenditures	\$ 4,592,450	\$ 6,301,972	\$ 1,709,522
OTHER FINANCING USES			
Transfers Out	<u>(16,779,709)</u>	<u>(5,402,641)</u>	<u>11,377,068</u>
Net Change in Fund Balances	\$ (12,187,259)	\$ 899,331	\$ 13,086,590
Fund Balances - Beginning	<u>18,722,325</u>	<u>18,722,325</u>	
Fund Balances - Ending	<u>\$ 6,535,066</u>	<u>\$ 19,621,656</u>	<u>\$ 13,086,590</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
OCEAN FRONT TAX INCREMENT REVENUE FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,146,559	\$ 46,559
Miscellaneous	3,500	3,500	29,379	25,879
Total Revenues	<u>\$ 1,103,500</u>	<u>\$ 1,103,500</u>	<u>\$ 1,175,938</u>	<u>\$ 72,438</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$	\$ 139,972	\$ 139,972	\$
Capital Outlay	5,885,000	25,784,849	22,201,084	3,583,765
Debt Service:				
Principal	375,000	375,000	375,000	
Interest and Fiscal Charges	272,950	272,950	271,250	1,700
Bond Issuance Costs		236,770	236,770	
Total Expenditures	<u>\$ 6,532,950</u>	<u>\$ 26,809,541</u>	<u>\$ 23,224,076</u>	<u>\$ 3,585,465</u>
Deficiency of Revenues Under Expenditures	<u>\$ (5,429,450)</u>	<u>\$ (25,706,041)</u>	<u>\$ (22,048,138)</u>	<u>\$ 3,657,903</u>
OTHER FINANCING SOURCES				
Transfers In	\$ 5,585,000	\$ 5,585,000	\$ 85,000	\$ (5,500,000)
Proceeds From Borrowing		20,000,000	20,000,000	
Total Other Financing Sources	<u>\$ 5,585,000</u>	<u>\$ 25,585,000</u>	<u>\$ 20,085,000</u>	<u>\$ (5,500,000)</u>
Net Change in Fund Balances	\$ 155,550	\$ (121,041)	\$ (1,963,138)	\$ (1,842,097)
Fund Balances - Beginning	<u>6,310,302</u>	<u>6,310,302</u>	<u>6,310,302</u>	
Fund Balances - Ending	<u><u>\$ 6,465,852</u></u>	<u><u>\$ 6,189,261</u></u>	<u><u>\$ 4,347,164</u></u>	<u><u>\$ (1,842,097)</u></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, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Hospitality Fee Taxes	\$ 18,500,000	\$ 25,560,509	\$ 7,060,509
Miscellaneous	10,500	4,658	(5,842)
Total Revenues	<u>\$ 18,510,500</u>	<u>\$ 25,565,167</u>	<u>\$ 7,054,667</u>
OTHER FINANCING USES			
Transfers Out	<u>\$ (21,691,000)</u>	<u>\$ (9,184,250)</u>	<u>\$ 12,506,750</u>
Net Change in Fund Balance	<u>\$ (3,180,500)</u>	<u>\$ 16,380,917</u>	<u>\$ 19,561,417</u>
Fund Balance - Beginning	<u>2,432,735</u>	<u>2,432,735</u>	
Fund Balance - Ending	<u><u>\$ (747,765)</u></u>	<u><u>\$ 18,813,652</u></u>	<u><u>\$ 19,561,417</u></u>

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

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, 2022, 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, 2022, 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, 2022 as follows:

General Fund	\$ 4,484,086
Convention Center Fund	916,269
Local Option Tourism Fee Fund	11,451,696
Ocean Front Tax Increment Revenue Fund	20,276,591
Capital Improvements Fund	22,260,249
Water and Sewer Fund	2,129,453
Solid Waste Management Fund	8,000
Parking Utility Fund	4,473,472
Nonmajor Governmental Funds:	
Accommodations Tax Fund	4,899,096
Community Development Block Grant Fund	250,436
Storm Water Fund	5,754,985
Sports Tourism Fund	240,586
Baseball Stadium Fund	112,583
Municipal Golf Course Fund	69,414

**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.

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.

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, 2022

	Special Revenue Funds			
	Accommodations Tax	Community Development Block Grant	Victims Advocate	Local Accommodations Tax
ASSETS				
Cash and Temporary Investments	\$	\$	\$ 7,393	\$ 1,843,804
Receivables (Net):				
Local Accommodations Taxes				600,063
Hospitality Fee Taxes				
Storm Water Fees				
Accounts				
Intergovernmental	5,685,675	353,355		
Leases				
Loans		192,685		
Due From Other Funds				
Inventories				
Prepaid Assets				
Restricted Cash and Temporary Investments				
Total Assets	\$ 5,685,675	\$ 546,040	\$ 7,393	\$ 2,443,867
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$ 877,851	\$ 53,522	\$ 7,393	\$
Due to Other Funds	4,775,324	37,632		
Payable From Restricted Assets:				
Other				
Unearned Revenue				
Total Liabilities	\$ 5,653,175	\$ 91,154	\$ 7,393	\$
Deferred Inflows of Resources:				
Related to Leases	\$	\$	\$	\$
Unavailable Revenue				8,178
Total Deferred Inflows of Resources	\$	\$	\$	\$ 8,178
Fund Balances:				
Nonspendable:				
Inventories	\$	\$	\$	\$
Prepaid Assets				
Restricted for:				
Community Development		454,886		
Debt Service				
Tourism Promotion and Support	32,500			2,435,689
Renewal and Replacement				
Total Fund Balances	\$ 32,500	\$ 454,886	\$	\$ 2,435,689
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,685,675	\$ 546,040	\$ 7,393	\$ 2,443,867

Special Revenue Funds

Storm Water	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Baseball Stadium
\$ 5,322,521	\$ 11,762,337	\$ 597,340	\$ 2,679,838	\$ 2,009,139	\$ 31,539	\$ 198,896
	2,580,333				4,176	
103,873		89,220				41,200
			203,195			
382,000		25,000				
		22,183				
		25,981				
<u>5,143,886</u>						<u>300,000</u>
<u>\$ 10,952,280</u>	<u>\$ 14,342,670</u>	<u>\$ 759,724</u>	<u>\$ 2,883,033</u>	<u>\$ 2,009,139</u>	<u>\$ 35,715</u>	<u>\$ 540,096</u>
\$ 187,724	\$	\$ 289,418	\$ 74,866	\$	\$	\$ 2,589
						90,000
<u>2,699,003</u>		<u>145,158</u>				
<u>\$ 2,886,727</u>		<u>\$ 434,576</u>	<u>\$ 74,866</u>			<u>\$ 92,589</u>
\$	\$	\$	\$ 198,763	\$	\$	\$
	144,325					
<u>\$</u>	<u>\$ 144,325</u>	<u>\$</u>	<u>\$ 198,763</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$	\$	\$ 22,183	\$	\$	\$	\$
		25,981				
5,620,670			2,609,404	2,009,139		
1,880,420						
564,463	14,198,345	276,984			35,715	237,507
						210,000
<u>\$ 8,065,553</u>	<u>\$ 14,198,345</u>	<u>\$ 325,148</u>	<u>\$ 2,609,404</u>	<u>\$ 2,009,139</u>	<u>\$ 35,715</u>	<u>\$ 447,507</u>
<u>\$ 10,952,280</u>	<u>\$ 14,342,670</u>	<u>\$ 759,724</u>	<u>\$ 2,883,033</u>	<u>\$ 2,009,139</u>	<u>\$ 35,715</u>	<u>\$ 540,096</u>

(Continued)

C-1 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Municipal Golf Course	Total		
ASSETS				
Cash and Temporary Investments	\$ 54,625	\$ 24,507,432	\$ 5,175,196	\$ 29,682,628
Receivables (Net):				
Local Accommodations Taxes		604,239		604,239
Hospitality Fee Taxes		2,580,333		2,580,333
Storm Water Fees		103,873		103,873
Accounts	160,337	249,557	6,300	255,857
Intergovernmental		6,080,230		6,080,230
Leases		203,195		203,195
Loans		192,685		192,685
Due From Other Funds		407,000	133,777	540,777
Inventories		22,183		22,183
Prepaid Assets		25,981		25,981
Restricted Cash and Temporary Investments		5,443,886		5,443,886
Total Assets	\$ 214,962	\$ 40,420,594	\$ 5,315,273	\$ 45,735,867
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$	\$ 1,493,363	\$ 10,054	\$ 1,503,417
Due to Other Funds		4,812,956		4,812,956
Payable From Restricted Assets:				
Other		90,000		90,000
Unearned Revenue		2,844,161		2,844,161
Total Liabilities	\$	\$ 9,240,480	\$ 10,054	\$ 9,250,534
Deferred Inflows of Resources:				
Related to Leases	\$	\$ 198,763	\$	\$ 198,763
Unavailable Revenue		152,503		152,503
Total Deferred Inflows of Resources	\$	\$ 351,266	\$	\$ 351,266
Fund Balances:				
Nonspendable:				
Inventories	\$	\$ 22,183	\$	\$ 22,183
Prepaid Assets		25,981		25,981
Restricted for:				
Community Development		10,694,099		10,694,099
Debt Service		1,880,420	5,305,219	7,185,639
Tourism Promotion and Support	214,962	17,996,165		17,996,165
Renewal and Replacement		210,000		210,000
Total Fund Balances	\$ 214,962	\$ 30,828,848	\$ 5,305,219	\$ 36,134,067
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 214,962	\$ 40,420,594	\$ 5,315,273	\$ 45,735,867

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	Special Revenue Funds			
	Accommodations	Community	Victims	Local
	Tax	Development Block Grant	Advocate	Accommodations Tax
REVENUES				
Property Taxes	\$	\$	\$	\$
Local Accommodations Taxes				3,832,344
Hospitality Fee Taxes				
Storm Water Fees				
Fines and Forfeitures			108,703	
Intergovernmental	15,219,620	672,821		
Charges for Services				
Miscellaneous	1,976	193		1,229
Total Revenues	<u>\$ 15,221,596</u>	<u>\$ 673,014</u>	<u>\$ 108,703</u>	<u>\$ 3,833,573</u>
EXPENDITURES				
Current:				
General Government	\$	\$	\$ 239,213	\$
Transportation				
Community and Economic Development	2,985,692	179,776		
Parks, Recreation and Sports Tourism				
Capital Outlay		545,660		
Debt Service:				
Principal				
Interest and Fiscal Charges				
Total Expenditures	<u>\$ 2,985,692</u>	<u>\$ 725,436</u>	<u>\$ 239,213</u>	<u>\$</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>\$ 12,235,904</u>	<u>\$ (52,422)</u>	<u>\$ (130,510)</u>	<u>\$ 3,833,573</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$	\$ 130,510	\$
Transfers Out	(12,210,904)			(2,397,884)
Proceeds From Borrowing				
Sale of Capital Assets				
Total Other Financing Sources (Uses)	<u>\$ (12,210,904)</u>	<u>\$</u>	<u>\$ 130,510</u>	<u>\$ (2,397,884)</u>
Net Change in Fund Balances	<u>\$ 25,000</u>	<u>\$ (52,422)</u>	<u>\$</u>	<u>\$ 1,435,689</u>
Fund Balances - Beginning	<u>7,500</u>	<u>507,308</u>	<u></u>	<u>1,000,000</u>
Fund Balances - Ending	<u>\$ 32,500</u>	<u>\$ 454,886</u>	<u>\$</u>	<u>\$ 2,435,689</u>

Special Revenue Funds

Storm Water	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Baseball Stadium
\$	\$	\$	\$	\$	\$	\$
	16,632,143				32,795	
3,436,138						
		2,784,726				100,853
9,007	8,641		19,775	950	2,920	1,297
<u>\$ 3,445,145</u>	<u>\$ 16,640,784</u>	<u>\$ 2,784,726</u>	<u>\$ 19,775</u>	<u>\$ 950</u>	<u>\$ 35,715</u>	<u>\$ 102,150</u>
\$	\$	\$	\$	\$	\$	\$
687,461						
2,973,590						
			1,473,594	176,100		
		3,890,236				203,263
629,043		67,375	1,816,138			11,465
			69,437			
1,215,274	2,850,000		16,863			
263,274	2,906,513					
<u>\$ 5,768,642</u>	<u>\$ 5,756,513</u>	<u>\$ 3,957,611</u>	<u>\$ 3,376,032</u>	<u>\$ 176,100</u>	<u>\$</u>	<u>\$ 214,728</u>
<u>\$ (2,323,497)</u>	<u>\$ 10,884,271</u>	<u>\$ (1,172,885)</u>	<u>\$ (3,356,257)</u>	<u>\$ (175,150)</u>	<u>\$ 35,715</u>	<u>\$ (112,578)</u>
\$	\$	\$	\$	\$	\$	\$
2,882,000		1,172,884	3,643,000	1,089,388		98,000
	(3,225,000)				(1,100,000)	
			1,816,138			
			473,100			
<u>\$ 2,882,000</u>	<u>\$ (3,225,000)</u>	<u>\$ 1,172,884</u>	<u>\$ 5,932,238</u>	<u>\$ 1,089,388</u>	<u>\$ (1,100,000)</u>	<u>\$ 98,000</u>
\$	\$	\$	\$	\$	\$	\$
558,503	7,659,271	(1)	2,575,981	914,238	(1,064,285)	(14,578)
<u>7,507,050</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>\$ 8,065,553</u>	<u>\$ 14,198,345</u>	<u>\$ 325,148</u>	<u>\$ 2,609,404</u>	<u>\$ 2,009,139</u>	<u>\$ 35,715</u>	<u>\$ 447,507</u>

(Continued)

C-2 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Municipal Golf Course	Total	Debt Service Fund	
REVENUES				
Property Taxes	\$	\$	\$ 2,060,567	\$ 2,060,567
Local Accommodations Taxes		3,865,139		3,865,139
Hospitality Fee Taxes		16,632,143		16,632,143
Storm Water Fees		3,436,138		3,436,138
Fines and Forfeitures		108,703		108,703
Intergovernmental		15,892,441		15,892,441
Charges for Services		2,885,579		2,885,579
Miscellaneous	160,415	206,403	8,013	214,416
Total Revenues	\$ 160,415	\$ 43,026,546	\$ 2,068,580	\$ 45,095,126
EXPENDITURES				
Current:				
General Government	\$	\$ 926,674	\$ 43,750	\$ 970,424
Transportation		2,973,590		2,973,590
Community and Economic Development		4,815,162		4,815,162
Parks, Recreation and Sports Tourism	107,433	4,200,932		4,200,932
Capital Outlay		3,069,681		3,069,681
Debt Service:				
Principal		4,134,711	4,395,534	8,530,245
Interest and Fiscal Charges		3,186,650	857,097	4,043,747
Total Expenditures	\$ 107,433	\$ 23,307,400	\$ 5,296,381	\$ 28,603,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 52,982	\$ 19,719,146	\$ (3,227,801)	\$ 16,491,345
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$ 9,015,782	\$ 4,463,780	\$ 13,479,562
Transfers Out		(18,933,788)		(18,933,788)
Proceeds From Borrowing		1,816,138		1,816,138
Sale of Capital Assets		473,100		473,100
Total Other Financing Sources (Uses)	\$	\$ (7,628,768)	\$ 4,463,780	\$ (3,164,988)
Net Change in Fund Balances	\$ 52,982	\$ 12,090,378	\$ 1,235,979	\$ 13,326,357
Fund Balances - Beginning	161,980	18,738,470	4,069,240	22,807,710
Fund Balances - Ending	\$ 214,962	\$ 30,828,848	\$ 5,305,219	\$ 36,134,067

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 10,100,000	\$ 15,219,620	\$ 15,219,620	\$
Miscellaneous	160,000	1,976	1,976	
Total Revenues	<u>\$ 10,260,000</u>	<u>\$ 15,221,596</u>	<u>\$ 15,221,596</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 2,336,250	\$ 2,985,692	\$ 2,985,692	\$
Excess of Revenues Over Expenditures	\$ 7,923,750	\$ 12,235,904	\$ 12,235,904	\$
OTHER FINANCING USES				
Transfers Out	<u>(7,961,250)</u>	<u>(12,210,904)</u>	<u>(12,210,904)</u>	
Net Change in Fund Balance	\$ (37,500)	\$ 25,000	\$ 25,000	\$
Fund Balance - Beginning	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	
Fund Balance - Ending	<u><u>\$ (30,000)</u></u>	<u><u>\$ 32,500</u></u>	<u><u>\$ 32,500</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
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 475,000	\$ 672,821	\$ 672,821	\$
Miscellaneous		193	193	
Total Revenues	<u>\$ 475,000</u>	<u>\$ 673,014</u>	<u>\$ 673,014</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$	\$ 179,776	\$ 179,776	\$
Capital Outlay	475,000	545,660	545,660	
Total Expenditures	<u>\$ 475,000</u>	<u>\$ 725,436</u>	<u>\$ 725,436</u>	<u>\$</u>
Net Change in Fund Balance	\$	\$ (52,422)	\$ (52,422)	\$
Fund Balance - Beginning	<u>507,308</u>	<u>507,308</u>	<u>507,308</u>	<u></u>
Fund Balance - Ending	<u><u>\$ 507,308</u></u>	<u><u>\$ 454,886</u></u>	<u><u>\$ 454,886</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, 2022

	<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>108,703</u>	\$ <u>8,703</u>
EXPENDITURES			
Current:			
General Government	\$ <u>288,322</u>	\$ <u>239,213</u>	\$ <u>49,109</u>
Deficiency of Revenues Under Expenditures	\$ (188,322)	\$ (130,510)	\$ 57,812
OTHER FINANCING SOURCES			
Transfers In	<u>188,322</u>	<u>130,510</u>	<u>(57,812)</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, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Local Accommodations Taxes	\$ 2,502,000	\$ 3,832,344	\$ 1,330,344
Miscellaneous	6,966	1,229	(5,737)
Total Revenues	<u>\$ 2,508,966</u>	<u>\$ 3,833,573</u>	<u>\$ 1,324,607</u>
 OTHER FINANCING USES			
Transfers Out	<u>\$ (2,500,000)</u>	<u>\$ (2,397,884)</u>	<u>\$ 102,116</u>
 Net Change in Fund Balance	 \$ 8,966	 \$ 1,435,689	 \$ 1,426,723
 Fund Balance - Beginning	 <u>1,000,000</u>	 <u>1,000,000</u>	 <u> </u>
 Fund Balance - Ending	 <u><u>\$ 1,008,966</u></u>	 <u><u>\$ 2,435,689</u></u>	 <u><u>\$ 1,426,723</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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Storm Water Fees	\$ 3,346,500	\$ 3,346,500	\$ 3,436,138	\$ 89,638
Intergovernmental	1,621,700	3,942,488		(3,942,488)
Miscellaneous	254,300	334,300	9,007	(325,293)
Total Revenues	<u>\$ 5,222,500</u>	<u>\$ 7,623,288</u>	<u>\$ 3,445,145</u>	<u>\$ (4,178,143)</u>
EXPENDITURES				
Current:				
General Government	\$ 909,677	\$ 673,940	\$ 687,461	\$ (13,521)
Transportation	2,574,398	2,973,590	2,973,590	
Capital Outlay	7,628,260	13,219,790	629,043	12,590,747
Debt Service:				
Principal	1,215,274	1,215,274	1,215,274	
Interest and Fiscal Charges	264,745	264,745	263,274	1,471
Total Expenditures	<u>\$ 12,592,354</u>	<u>\$ 18,347,339</u>	<u>\$ 5,768,642</u>	<u>\$ 12,578,697</u>
Deficiency of Revenues Under Expenditures	<u>\$ (7,369,854)</u>	<u>\$ (10,724,051)</u>	<u>\$ (2,323,497)</u>	<u>\$ 8,400,554</u>
OTHER FINANCING SOURCES				
Transfers In	\$ 2,882,000	\$ 2,882,000	\$ 2,882,000	
Proceeds From Borrowing	4,455,000	4,455,000		(4,455,000)
Total Other Financing Sources	<u>\$ 7,337,000</u>	<u>\$ 7,337,000</u>	<u>\$ 2,882,000</u>	<u>\$ (4,455,000)</u>
Net Change in Fund Balances	\$ (32,854)	\$ (3,387,051)	\$ 558,503	\$ 3,945,554
Fund Balances - Beginning	<u>7,507,050</u>	<u>7,507,050</u>	<u>7,507,050</u>	
Fund Balances - Ending	<u><u>\$ 7,474,196</u></u>	<u><u>\$ 4,119,999</u></u>	<u><u>\$ 8,065,553</u></u>	<u><u>\$ 3,945,554</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, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Hospitality Fee Taxes	\$ 12,025,000	\$ 16,632,143	\$ 4,607,143
Miscellaneous	(735)	8,641	9,376
Total Revenues	<u>\$ 12,024,265</u>	<u>\$ 16,640,784</u>	<u>\$ 4,616,519</u>
EXPENDITURES			
Debt Service:			
Principal	\$ 2,850,000	\$ 2,850,000	\$
Interest and Fiscal Charges	2,908,909	2,906,513	2,396
Total Expenditures	<u>\$ 5,758,909</u>	<u>\$ 5,756,513</u>	<u>\$ 2,396</u>
Excess of Revenues Over Expenditures	\$ 6,265,356	\$ 10,884,271	\$ 4,618,915
OTHER FINANCING USES			
Transfers Out	<u>(5,250,000)</u>	<u>(3,225,000)</u>	<u>2,025,000</u>
Net Change in Fund Balance	\$ 1,015,356	\$ 7,659,271	\$ 6,643,915
Fund Balance - Beginning	<u>6,539,074</u>	<u>6,539,074</u>	<u></u>
Fund Balance - Ending	<u>\$ 7,554,430</u>	<u>\$ 14,198,345</u>	<u>\$ 6,643,915</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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 2,151,253	\$ 2,383,339	\$ 2,784,726	\$ 401,387
Miscellaneous	95,000	103,500		(103,500)
Total Revenues	<u>\$ 2,246,253</u>	<u>\$ 2,486,839</u>	<u>\$ 2,784,726</u>	<u>\$ 297,887</u>
EXPENDITURES				
Current:				
Parks, Recreation and Sports Tourism	\$ 3,667,026	\$ 3,890,237	\$ 3,890,236	\$ 1
Capital Outlay	50,000	67,375	67,375	
Total Expenditures	<u>\$ 3,717,026</u>	<u>\$ 3,957,612</u>	<u>\$ 3,957,611</u>	<u>\$ 1</u>
Deficiency of Revenues Under Expenditures	\$ (1,470,773)	\$ (1,470,773)	\$ (1,172,885)	\$ 297,888
OTHER FINANCING SOURCES				
Transfers In	<u>1,250,000</u>	<u>1,275,000</u>	<u>1,172,884</u>	<u>(102,116)</u>
Net Change in Fund Balances	\$ (220,773)	\$ (195,773)	\$ (1)	\$ 195,772
Fund Balances - Beginning	<u>325,149</u>	<u>325,149</u>	<u>325,149</u>	
Fund Balances - Ending	<u>\$ 104,376</u>	<u>\$ 129,376</u>	<u>\$ 325,148</u>	<u>\$ 195,772</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, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Miscellaneous	\$ 1,067,500	\$ 19,775	\$ (1,047,725)
EXPENDITURES			
Current:			
Community and Economic Development	\$ 1,578,615	\$ 1,473,594	\$ 105,021
Capital Outlay	14,291,700	1,816,138	12,475,562
Debt Service:			
Principal	69,437	69,437	
Interest and Fiscal Charges	16,863	16,863	
Total Expenditures	<u>\$ 15,956,615</u>	<u>\$ 3,376,032</u>	<u>\$ 12,580,583</u>
Deficiency of Revenues Under Expenditures	<u>\$ (14,889,115)</u>	<u>\$ (3,356,257)</u>	<u>\$ 11,532,858</u>
OTHER FINANCING SOURCES			
Transfers In	\$ 8,628,000	\$ 3,643,000	\$ (4,985,000)
Proceeds From Borrowing	6,000,000	1,816,138	(4,183,862)
Sale of Capital Assets	443,000	473,100	30,100
Total Other Financing Sources	<u>\$ 15,071,000</u>	<u>\$ 5,932,238</u>	<u>\$ (9,138,762)</u>
Net Change in Fund Balance	\$ 181,885	\$ 2,575,981	\$ 2,394,096
Fund Balance - Beginning	<u>33,423</u>	<u>33,423</u>	
Fund Balance - Ending	<u><u>\$ 215,308</u></u>	<u><u>\$ 2,609,404</u></u>	<u><u>\$ 2,394,096</u></u>

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 500,000	\$ 500,000	\$	\$ (500,000)
Miscellaneous	500	500	950	450
Total Revenues	<u>\$ 500,500</u>	<u>\$ 500,500</u>	<u>\$ 950</u>	<u>\$ (499,550)</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 500,000	\$ 500,000	\$ 176,100	\$ 323,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 500	\$ 500	\$ (175,150)	\$ (175,650)
OTHER FINANCING SOURCES				
Transfers In		1,089,388	1,089,388	
Net Change in Fund Balance	\$ 500	\$ 1,089,888	\$ 914,238	\$ (175,650)
Fund Balance - Beginning	<u>1,094,901</u>	<u>1,094,901</u>	<u>1,094,901</u>	
Fund Balance - Ending	<u>\$ 1,095,401</u>	<u>\$ 2,184,789</u>	<u>\$ 2,009,139</u>	<u>\$ (175,650)</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, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Local Accommodations Taxes	\$	\$ 32,795	\$ 32,795
Miscellaneous		2,920	2,920
Total Revenues	<u>\$</u>	<u>\$ 35,715</u>	<u>\$ 35,715</u>
OTHER FINANCING USES			
Transfers Out	\$ (1,100,000)	\$ (1,100,000)	\$
Net Change in Fund Balance	\$ (1,100,000)	\$ (1,064,285)	\$ 35,715
Fund Balance - Beginning	<u>1,100,000</u>	<u>1,100,000</u>	<u></u>
Fund Balance - Ending	<u>\$</u>	<u>\$ 35,715</u>	<u>\$ 35,715</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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 233,000	\$ 233,000	\$ 100,853	\$ (132,147)
Miscellaneous	2,359	2,359	1,297	(1,062)
Total Revenues	<u>\$ 235,359</u>	<u>\$ 235,359</u>	<u>\$ 102,150</u>	<u>\$ (133,209)</u>
EXPENDITURES				
Current:				
Parks, Recreation and Sports Tourism	\$ 303,359	\$ 303,359	\$ 203,263	\$ 100,096
Capital Outlay	30,000	142,583	11,465	131,118
Total Expenditures	<u>\$ 333,359</u>	<u>\$ 445,942</u>	<u>\$ 214,728</u>	<u>\$ 231,214</u>
Deficiency of Revenues Under Expenditures	\$ (98,000)	\$ (210,583)	\$ (112,578)	\$ 98,005
OTHER FINANCING SOURCES				
Transfers In	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	
Net Change in Fund Balances	\$	\$ (112,583)	\$ (14,578)	\$ 98,005
Fund Balances - Beginning	<u>462,085</u>	<u>462,085</u>	<u>462,085</u>	
Fund Balances - Ending	<u>\$ 462,085</u>	<u>\$ 349,502</u>	<u>\$ 447,507</u>	<u>\$ 98,005</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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 112,700	\$ 112,700	\$ 160,415	\$ 47,715
EXPENDITURES				
Current:				
General Government	\$ 25,813	\$ 25,813	\$	\$ 25,813
Parks, Recreation and Sports Tourism	25,200	51,013	107,433	(56,420)
Capital Outlay	50,000	93,601		93,601
Total Expenditures	\$ 101,013	\$ 170,427	\$ 107,433	\$ 62,994
Net Change in Fund Balance	\$ 11,687	\$ (57,727)	\$ 52,982	\$ 110,709
Fund Balance - Beginning	161,980	161,980	161,980	
Fund Balance - Ending	\$ 173,667	\$ 104,253	\$ 214,962	\$ 110,709

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,985,000	\$ 1,985,000	\$ 2,060,567	\$ 75,567
Miscellaneous	12,500	12,500	8,013	(4,487)
Total Revenues	<u>\$ 1,997,500</u>	<u>\$ 1,997,500</u>	<u>\$ 2,068,580</u>	<u>\$ 71,080</u>
EXPENDITURES				
Current:				
General Government	\$ 75,000	\$ 75,000	\$ 43,750	\$ 31,250
Debt Service:				
Principal	4,395,534	4,395,534	4,395,534	
Interest and Fiscal Charges	1,051,845	1,051,845	857,097	194,748
Total Expenditures	<u>\$ 5,522,379</u>	<u>\$ 5,522,379</u>	<u>\$ 5,296,381</u>	<u>\$ 225,998</u>
Deficiency of Revenues Under Expenditures	\$ (3,524,879)	\$ (3,524,879)	\$ (3,227,801)	\$ 297,078
OTHER FINANCING SOURCES				
Transfers In	<u>4,433,585</u>	<u>4,463,780</u>	<u>4,463,780</u>	
Net Change in Fund Balance	\$ 908,706	\$ 938,901	\$ 1,235,979	\$ 297,078
Fund Balance - Beginning	<u>4,069,240</u>	<u>4,069,240</u>	<u>4,069,240</u>	
Fund Balance - Ending	<u>\$ 4,977,946</u>	<u>\$ 5,008,141</u>	<u>\$ 5,305,219</u>	<u>\$ 297,078</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 575,000	\$ 575,000	\$ 444,702	\$ (130,298)
Licenses and Permits	950,000	950,000		(950,000)
Intergovernmental	660,000	2,056,643	1,738,961	(317,682)
Miscellaneous	8,386,000	10,408,062	1,263,808	(9,144,254)
Total Revenues	<u>\$ 10,571,000</u>	<u>\$ 13,989,705</u>	<u>\$ 3,447,471</u>	<u>\$ (10,542,234)</u>
EXPENDITURES				
Current:				
General Government	\$ 859,828	\$ 939,140	\$ 941,941	\$ (2,801)
Public Safety		31,663	31,663	
Transportation		540,236	540,236	
Community and Economic Development		754,354	754,354	
Parks, Recreation and Sports Tourism		447,746	447,746	
Capital Outlay	26,405,000	46,811,938	11,328,150	35,483,788
Total Expenditures	<u>\$ 27,264,828</u>	<u>\$ 49,525,077</u>	<u>\$ 14,044,090</u>	<u>\$ 35,480,987</u>
Deficiency of Revenues Under Expenditures	<u>\$ (16,693,828)</u>	<u>\$ (35,535,372)</u>	<u>\$ (10,596,619)</u>	<u>\$ 24,938,753</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 18,000,000	\$ 23,422,281	\$ 11,654,026	\$ (11,768,255)
Transfers Out	(85,000)	(85,000)	(85,000)	
Sale of Capital Assets			143,000	143,000
Total Other Financing Sources (Uses)	<u>\$ 17,915,000</u>	<u>\$ 23,337,281</u>	<u>\$ 11,712,026</u>	<u>\$ (11,625,255)</u>
Net Change in Fund Balances	<u>\$ 1,221,172</u>	<u>\$ (12,198,091)</u>	<u>\$ 1,115,407</u>	<u>\$ 13,313,498</u>
Fund Balances - Beginning	<u>19,021,202</u>	<u>19,021,202</u>	<u>19,021,202</u>	
Fund Balances - Ending	<u>\$ 20,242,374</u>	<u>\$ 6,823,111</u>	<u>\$ 20,136,609</u>	<u>\$ 13,313,498</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, 2022

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Temporary Investments	\$ 8,886,190	\$ 3,949,762	\$ 17,929,409	\$ 30,765,361
Receivables:				
Accounts		66,270	86,604	152,874
Inventories	85,935			85,935
Prepaid Assets			95,274	95,274
Total Current Assets	\$ 8,972,125	\$ 4,016,032	\$ 18,111,287	\$ 31,099,444
Noncurrent Assets:				
Right to Use Leased Assets (Net)	\$	\$	\$ 76,435	\$ 76,435
Other Capital Assets (Net)	10,892,379			10,892,379
Total Noncurrent Assets	\$ 10,892,379	\$	\$ 76,435	\$ 10,968,814
Total Assets	\$ 19,864,504	\$ 4,016,032	\$ 18,187,722	\$ 42,068,258
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension Plan	\$ 114,065	\$	\$	\$ 114,065
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 247,920	\$ 380,788	\$ 24,770,947	\$ 25,399,655
Unreported Insurance Claims			698,042	698,042
Lease Liability			14,224	14,224
Notes Payable	1,609,321			1,609,321
Total Current Liabilities	\$ 1,857,241	\$ 380,788	\$ 25,483,213	\$ 27,721,242
Noncurrent Liabilities:				
Compensated Absences	\$ 15,248	\$	\$	\$ 15,248
Unreported Insurance Claims		3,871,626		3,871,626
Lease Liability			63,353	63,353
Notes Payable	932,727			932,727
Net Pension Liability	716,474			716,474
Total Noncurrent Liabilities	\$ 1,664,449	\$ 3,871,626	\$ 63,353	\$ 5,599,428
Total Liabilities	\$ 3,521,690	\$ 4,252,414	\$ 25,546,566	\$ 33,320,670
DEFERRED INFLOWS OF RESOURCES				
Related to Pension Plan	\$ 165,759	\$	\$	\$ 165,759

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022**

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	\$ 8,350,331	\$	\$ (1,142)	\$ 8,349,189
Unrestricted	<u>7,940,789</u>	<u>(236,382)</u>	<u>(7,357,702)</u>	<u>346,705</u>
Total Net Position	<u>\$ 16,291,120</u>	<u>\$ (236,382)</u>	<u>\$ (7,358,844)</u>	<u>\$ 8,695,894</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, 2022

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 8,478,782	\$ 6,348,692	\$ 14,730,891	\$ 29,558,365
OPERATING EXPENSES				
Administration	\$ 513,967	\$	\$	\$ 513,967
Operations	1,509,634	6,648,545	17,179,226	25,337,405
Amortization			15,287	15,287
Depreciation	3,088,217			3,088,217
Total Operating Expenses	<u>\$ 5,111,818</u>	<u>\$ 6,648,545</u>	<u>\$ 17,194,513</u>	<u>\$ 28,954,876</u>
Operating Income (Loss)	<u>\$ 3,366,964</u>	<u>\$ (299,853)</u>	<u>\$ (2,463,622)</u>	<u>\$ 603,489</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 4,573	\$ 2,711	\$ 95,791	\$ 103,075
Miscellaneous Revenue		38,646		38,646
Gain on Disposal of Capital Assets	190,468			190,468
Interest Expense	(64,315)		(944)	(65,259)
Total Nonoperating Revenues (Expenses)	<u>\$ 130,726</u>	<u>\$ 41,357</u>	<u>\$ 94,847</u>	<u>\$ 266,930</u>
Income (Loss) Before Contributions	\$ 3,497,690	\$ (258,496)	\$ (2,368,775)	\$ 870,419
Capital Contributions	<u>50,000</u>			<u>50,000</u>
Change in Net Position	\$ 3,547,690	\$ (258,496)	\$ (2,368,775)	\$ 920,419
Total Net Position - Beginning	<u>12,743,430</u>	<u>22,114</u>	<u>(4,990,069)</u>	<u>7,775,475</u>
Total Net Position - Ending	<u><u>\$ 16,291,120</u></u>	<u><u>\$ (236,382)</u></u>	<u><u>\$ (7,358,844)</u></u>	<u><u>\$ 8,695,894</u></u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Interfund Services Provided	\$ 8,478,782	\$ 6,348,692	\$ 14,730,891	\$ 29,558,365
Payments to Suppliers	(1,638,838)	(3,010,139)	(1,331,818)	(5,980,795)
Payments to Employees	(405,348)			(405,348)
Payments of Claims		(2,382,834)	(13,567,275)	(15,950,109)
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 6,434,596</u>	<u>\$ 955,719</u>	<u>\$ (168,202)</u>	<u>\$ 7,222,113</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	\$ 50,000			\$ 50,000
Principal Payments on Lease Liability			(14,145)	(14,145)
Interest Payments on Lease Liability			(944)	(944)
Principal Payments on Long-Term Debt	(811,177)			(811,177)
Interest Payments on Long-Term Debt	(81,363)			(81,363)
Purchases of Capital Assets	(1,968,756)			(1,968,756)
Proceeds From Disposal of Capital Assets	420,204			420,204
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	<u>\$ (2,391,092)</u>	<u>\$</u>	<u>\$ (15,089)</u>	<u>\$ (2,406,181)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	\$ 4,573	\$ 2,711	\$ 95,791	\$ 103,075
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 4,573</u>	<u>\$ 2,711</u>	<u>\$ 95,791</u>	<u>\$ 103,075</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 4,048,077	\$ 958,430	\$ (87,500)	\$ 4,919,007
Cash and Cash Equivalents - Beginning	<u>4,838,113</u>	<u>2,991,332</u>	<u>18,016,909</u>	<u>25,846,354</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 8,886,190</u></u>	<u><u>\$ 3,949,762</u></u>	<u><u>\$ 17,929,409</u></u>	<u><u>\$ 30,765,361</u></u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	<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 Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities</u>				
Operating Income (Loss)	\$ 3,366,964	\$ (299,853)	\$ (2,463,622)	\$ 603,489
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities:				
Amortization			15,287	15,287
Depreciation	3,088,217			3,088,217
(Increase) Decrease in Accounts Receivable	1,112	(50,764)	(77,628)	(127,280)
(Increase) in Inventories	(13,090)			(13,090)
(Increase) Decrease in Prepaid Assets		643,177	(95,274)	547,903
Increase in Accounts Payable and Accrued Expenses	57,198	123,360	2,483,922	2,664,480
Increase (Decrease) in Unreported Insurance Claims		501,153	(30,887)	470,266
(Decrease) in Net Pension Liability and Related Amounts	(65,805)			(65,805)
Miscellaneous Receipts	<u> </u>	<u>38,646</u>	<u> </u>	<u>38,646</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>\$ 6,434,596</u>	<u>\$ 955,719</u>	<u>\$ (168,202)</u>	<u>\$ 7,222,113</u>

Noncash Capital and Related Financing Activities

Book Value of Capital Asset Disposals	\$ <u>229,736</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>229,736</u>
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DISCRETELY PRESENTED COMPONENT UNIT

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
MYRTLE BEACH DOWNTOWN REDEVELOPMENT CORPORATION
June 30, 2022**

ASSETS

Cash and Temporary Investments	\$ <u>708,512</u>
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FUND BALANCE

Unassigned	\$ <u>708,512</u>
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Reconciliation to the Statement of Net Position

Total Fund Balance	\$ 708,512
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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>1,022,049</u>
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Net Position Reported in the Statement of Net Position	\$ <u>1,730,561</u>
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**CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT
MYRTLE BEACH DOWNTOWN REDEVELOPMENT CORPORATION
Year Ended June 30, 2022**

REVENUES	
Miscellaneous	\$ <u>432</u>
EXPENDITURES	
Current:	
Community and Economic Development	\$ <u>63,146</u>
Net Change in Fund Balance	\$ (62,714)
Fund Balance - Beginning	<u>771,226</u>
Fund Balance - Ending	\$ <u><u>708,512</u></u>

Reconciliation to the Statement of Activities

Net Change in Fund Balance	\$ (62,714)
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.	<u>(4,137)</u>
Change in Net Position Reported in the Statement of Activities	\$ <u><u>(66,851)</u></u>



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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 32,305,850	\$ 34,257,030	\$ 34,615,984	\$ 358,954
OPERATING EXPENSES				
Administration	\$ 4,946,288	\$ 4,946,288	\$ 4,887,051	\$ 59,237
Operations	23,078,499	24,086,731	24,265,004	(178,273)
Depreciation	5,380,865	5,380,865	5,261,829	119,036
Total Operating Expenses	\$ 33,405,652	\$ 34,413,884	\$ 34,413,884	\$ -
Operating Income (Loss)	\$ (1,099,802)	\$ (156,854)	\$ 202,100	\$ 358,954
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 90,000	\$ 90,000	\$ 39,574	\$ (50,426)
Miscellaneous Revenue	275,000	275,000	945,783	670,783
Gain on Disposal of Capital Assets			133,006	133,006
Interest and Fiscal Charges	(2,140,318)	(2,140,318)	(852,386)	1,287,932
Total Nonoperating Revenues (Expenses)	\$ (1,775,318)	\$ (1,775,318)	\$ 265,977	\$ 2,041,295
Income (Loss) Before Contributions and Transfers	\$ (2,875,120)	\$ (1,932,172)	\$ 468,077	\$ 2,400,249
Capital Contributions	4,975,000	4,975,000	7,919,611	2,944,611
Transfers Out	(2,099,880)	(3,042,828)	(3,042,828)	
Change in Net Position	\$	\$	\$ 5,344,860	\$ 5,344,860
Total Net Position - Beginning	113,330,658	113,330,658	113,330,658	
Total Net Position - Ending	\$ 113,330,658	\$ 113,330,658	\$ 118,675,518	\$ 5,344,860

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 7,441,221	\$ 7,441,221	\$ 7,598,061	\$ 156,840
OPERATING EXPENSES				
Administration	\$ 1,303,247	\$ 1,311,247	\$ 1,192,791	\$ 118,456
Operations	5,662,222	5,662,222	5,149,713	512,509
Amortization			3,501	(3,501)
Depreciation	275,000	275,000	201,953	73,047
Total Operating Expenses	\$ 7,240,469	\$ 7,248,469	\$ 6,547,958	\$ 700,511
Operating Income	\$ 200,752	\$ 192,752	\$ 1,050,103	\$ 857,351
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 4,000	\$ 4,000	\$ 2,331	\$ (1,669)
Operating Grant Revenue		8,000	8,716	716
Miscellaneous Revenue	2,500	2,500	1,708	(792)
Gain on Disposal of Capital Assets	15,000	15,000		(15,000)
Interest and Fiscal Charges	(31,505)	(31,505)	(20,342)	11,163
Total Nonoperating Revenues (Expenses)	\$ (10,005)	\$ (2,005)	\$ (7,587)	\$ (5,582)
Income Before Transfers	\$ 190,747	\$ 190,747	\$ 1,042,516	\$ 851,769
Transfers In	400,000	400,000	375,000	(25,000)
Change in Net Position	\$ 590,747	\$ 590,747	\$ 1,417,516	\$ 826,769
Total Net Position - Beginning	(224,244)	(224,244)	(224,244)	
Total Net Position - Ending	\$ 366,503	\$ 366,503	\$ 1,193,272	\$ 826,769

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 2,045,287	\$ 2,346,478	\$ 2,396,402	\$ 49,924
OPERATING EXPENSES				
Administration	\$ 50,000	\$	\$	
Operations	1,105,822	1,413,324	1,413,324	
Depreciation	100,400	100,400	54,805	45,595
Total Operating Expenses	\$ 1,256,222	\$ 1,513,724	\$ 1,468,129	\$ 45,595
Operating Income	\$ 789,065	\$ 832,754	\$ 928,273	\$ 95,519
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 3,500	\$ 3,500	\$ 23,197	\$ 19,697
Miscellaneous Revenue			1,600	1,600
Interest and Fiscal Charges		(43,689)	(43,689)	
Total Nonoperating Revenues (Expenses)	\$ 3,500	\$ (40,189)	\$ (18,892)	\$ 21,297
Income Before Transfers	\$ 792,565	\$ 792,565	\$ 909,381	\$ 116,816
Transfers Out	(500,000)	(4,672,281)	(4,672,281)	
Change in Net Position	\$ 292,565	\$ (3,879,716)	\$ (3,762,900)	\$ 116,816
Total Net Position - Beginning	752,772	752,772	752,772	
Total Net Position - Ending	\$ 1,045,337	\$ (3,126,944)	\$ (3,010,128)	\$ 116,816

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
Year Ended June 30, 2022

Court Fines

Court Fines Collected	\$ 558,558
Court Fines Retained by City	(558,558)
Court Fines Remitted to State Treasurer	<u>\$ 0</u>

Court Assessments

Court Assessments Collected	\$ 841,563
Court Assessments Retained by City	(68,171)
Court Assessments Remitted to State Treasurer	<u>\$ 773,392</u>

Court Surcharges

Court Surcharges Collected	\$ 40,532
Court Surcharges Retained by City	(40,532)
Court Surcharges Remitted to State Treasurer	<u>\$ 0</u>

Victim Services

Court Assessments Allocated to Victim Services	\$ 68,171
Court Surcharges Allocated to Victim Services	40,532
Total Funds Allocated to Victim Services	<u>\$ 108,703</u>
Victim Services Expenditures	(108,703)
Funds Available for Carryforward From Year Ended June 30, 2022	<u>\$ 0</u>
Funds Carried Forward From Year Ended June 30, 2021	0
Funds Available for Carryforward at June 30, 2022	<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>2013</u>	<u>2014</u>	<u>2015 ⁽¹⁾</u>
Governmental Activities			
Net Investment in Capital Assets	\$ 97,019,979	\$ 100,612,540	\$ 110,367,487
Restricted	18,904,389	19,761,397	22,418,493
Unrestricted	(1,323,284)	1,316,485	(61,203,024)
Total Governmental Activities Net Position	<u>\$ 114,601,084</u>	<u>\$ 121,690,422</u>	<u>\$ 71,582,956</u>
Business-Type Activities			
Net Investment in Capital Assets	\$ 114,142,625	\$ 114,506,690	\$ 116,288,674
Restricted	1,088,242	945,308	876,221
Unrestricted	15,033,204	13,655,977	6,055,696
Total Business-Type Activities Net Position	<u>\$ 130,264,071</u>	<u>\$ 129,107,975</u>	<u>\$ 123,220,591</u>
Primary Government			
Net Investment in Capital Assets	\$ 211,162,604	\$ 215,119,230	\$ 226,656,161
Restricted	19,992,631	20,706,705	23,294,714
Unrestricted	13,709,920	14,972,462	(55,147,328)
Total Primary Government Net Position	<u>\$ 244,865,155</u>	<u>\$ 250,798,397</u>	<u>\$ 194,803,547</u>

Note:

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

UNAUDITED

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
\$ 123,676,431	\$ 131,515,817	\$ 128,663,994	\$ 133,376,414	\$ 160,678,812	\$ 160,855,064	\$ 171,125,009
23,929,521	32,597,681	35,519,383	35,788,591	50,903,805	52,533,971	81,325,296
(61,247,710)	(66,827,955)	(67,485,987)	(67,838,279)	(80,320,056)	(65,021,340)	(41,486,037)
<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>	<u>\$ 210,964,268</u>
\$ 111,740,507	\$ 110,922,505	\$ 111,884,829	\$ 113,318,702	\$ 94,739,086	\$ 96,236,996	\$ 99,660,619
910,117	1,407,580	1,504,625	741,803	552,138	589,586	616,405
10,998,291	13,757,572	15,750,222	15,371,535	17,691,244	20,001,674	20,369,022
<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>	<u>\$ 120,646,046</u>
\$ 235,416,938	\$ 242,438,322	\$ 240,548,823	\$ 246,695,116	\$ 255,417,898	\$ 257,092,060	\$ 270,785,628
24,839,638	34,005,261	37,024,008	36,530,394	51,455,943	53,123,557	81,941,701
(50,249,419)	(53,070,383)	(51,735,765)	(52,466,744)	(62,628,812)	(45,019,666)	(21,117,015)
<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>	<u>\$ 331,610,314</u>

Schedule 2

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

	Fiscal Year		
	2013	2014	2015
Expenses			
Governmental Activities:			
General Government	\$ 11,883,348	\$ 11,319,984	\$ 12,890,054
Public Safety	33,115,671	33,247,797	35,816,223
Transportation	8,642,907	8,666,134	8,714,950
Community and Economic Development	28,021,204	28,377,759	29,802,944
Parks, Recreation and Sports Tourism	18,881,858	20,110,668	21,563,521
Public Works	1,437,647	1,399,578	1,455,959
Interest and Fiscal Charges	8,513,225	8,779,399	8,302,467
Total Governmental Activities Expenses	\$ 110,495,860	\$ 111,901,319	\$ 118,546,118
Business-Type Activities:			
Water	\$ 13,262,481	\$ 14,235,486	\$ 14,151,418
Sewer	12,587,819	13,068,631	13,910,465
Baseball Stadium	639,314	616,989	631,698
Municipal Golf Course	1,455,492	1,474,824	969,918
Solid Waste Management	4,072,052	4,194,082	4,205,444
Parking Utility			
Total Business-Type Activities Expenses	\$ 32,017,158	\$ 33,590,012	\$ 33,868,943
Total Primary Government Expenses	\$ 142,513,018	\$ 145,491,331	\$ 152,415,061
 Program Revenues ⁽¹⁾			
Governmental Activities:			
Charges for Services	\$ 15,910,400	\$ 16,942,434	\$ 17,621,758
Operating Grants and Contributions	1,573,924	1,577,629	1,985,466
Capital Grants and Contributions	1,628,940	8,155,866	5,959,255
Total Governmental Activities Program Revenues	\$ 19,113,264	\$ 26,675,929	\$ 25,566,479
Business-Type Activities:			
Charges for Services	\$ 28,383,410	\$ 29,686,659	\$ 29,735,755
Operating Grants and Contributions	4,574		
Capital Grants and Contributions	3,350,634	3,184,138	4,436,233
Total Business-Type Activities Program Revenues	\$ 31,738,618	\$ 32,870,797	\$ 34,171,988
Total Primary Government Program Revenues	\$ 50,851,882	\$ 59,546,726	\$ 59,738,467
 Net (Expense) Revenue			
Governmental Activities	\$ (91,382,596)	\$ (85,225,390)	\$ (92,979,639)
Business-Type Activities	(278,540)	(719,215)	303,045
Total Primary Government Net Expense	\$ (91,661,136)	\$ (85,944,605)	\$ (92,676,594)

UNAUDITED

		Fiscal Year											
		2016	2017	2018	2019	2020	2021	2022					
\$	12,822,309	\$	13,470,951	\$	14,672,604	\$	15,035,878	\$	16,972,598	\$	22,981,475	\$	19,323,216
	40,622,972		44,940,928		50,078,581		53,574,303		55,026,140		56,594,288		54,058,495
	9,388,613		10,506,212		11,212,952		13,029,012		12,387,795		11,216,505		12,308,166
	32,180,219		34,386,272		34,791,477		38,649,385		38,099,380		45,590,891		51,436,280
	18,495,957		20,613,590		22,021,828		22,587,554		23,577,177		29,421,460		30,465,082
	6,594,968		7,305,309		7,529,646		7,588,750		7,525,422		1,464,143		1,726,259
	8,030,037		7,564,990		6,992,235		6,711,720		6,470,780		5,964,111		6,236,059
\$	<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>	\$	<u>175,553,557</u>
\$	15,328,683	\$	15,921,581	\$	16,092,999	\$	17,317,321	\$	16,740,272	\$	17,081,247	\$	17,675,709
	14,157,157		14,160,187		14,696,594		15,581,841		15,095,710		15,640,516		17,210,242
	662,068		679,415		699,873		634,356						
	321,713		334,440		324,196		341,617						
	4,386,728		7,401,276		5,271,564		5,707,768		6,117,577		7,009,369		5,995,915
											599,296		1,513,202
\$	<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>42,395,068</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>	\$	<u>217,948,625</u>
\$	18,204,459	\$	20,943,663	\$	21,302,259	\$	21,286,060	\$	21,238,194	\$	24,643,561	\$	31,036,921
	1,508,330		3,189,507		1,727,051		3,162,865		2,878,958		13,626,412		6,154,084
	13,083,574		8,568,753		4,488,807		11,034,268		10,007,362		4,329,645		8,067,419
\$	<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>	\$	<u>45,258,424</u>
\$	30,781,010	\$	33,721,529	\$	34,008,194	\$	34,963,750	\$	36,143,576	\$	39,839,209	\$	45,559,538
	3,402		2,428,959		59,308		39,665		30,128		364,720		8,716
	4,644,940		4,981,673		6,197,304		5,062,764		7,023,267		5,641,660		7,919,611
\$	<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>53,487,865</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>	\$	<u>98,746,289</u>
\$	(95,338,712)	\$	(106,086,329)	\$	(119,781,206)	\$	(121,693,409)	\$	(125,934,778)	\$	(130,633,255)	\$	(130,295,133)
	573,003		2,635,262		3,179,580		483,276		5,243,412		5,515,161		11,092,797
\$	<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>	\$	<u>(119,202,336)</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>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$ 25,113,459	\$ 25,796,261	\$ 30,191,056
Local Accommodations Taxes	2,238,681	2,333,117	2,538,276
Business License Taxes	18,354,589	19,050,722	20,579,202
Franchise Taxes	3,469,046	3,755,715	3,847,643
Hospitality Fee Taxes	9,791,483	10,077,734	10,859,463
Local Option Tourism Taxes	23,508,832	23,298,736	24,952,836
Grants and Contributions not Restricted to Specific Programs	10,833,688	10,501,165	10,619,104
Investment Earnings	223,895	168,740	152,962
Transfers	106,150	179,000	112,276
Total Governmental Activities	<u>\$ 93,639,823</u>	<u>\$ 95,161,190</u>	<u>\$ 103,852,818</u>
Business-Type Activities:			
Investment Earnings	\$ 100,195	\$ 82,602	\$ 68,522
Transfers	<u>(106,150)</u>	<u>(179,000)</u>	<u>(112,276)</u>
Total Business-Type Activities	<u>\$ (5,955)</u>	<u>\$ (96,398)</u>	<u>\$ (43,754)</u>
Total Primary Government	<u>\$ 93,633,868</u>	<u>\$ 95,064,792</u>	<u>\$ 103,809,064</u>
Change in Net Position			
Governmental Activities	\$ 2,257,227	\$ 9,935,800	\$ 10,873,179
Business-Type Activities	<u>(284,495)</u>	<u>(815,613)</u>	<u>259,291</u>
Total Primary Government	<u>\$ 1,972,732</u>	<u>\$ 9,120,187</u>	<u>\$ 11,132,470</u>

Note:

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

UNAUDITED

		Fiscal Year											
		2016	2017	2018	2019	2020	2021	2022					
\$	31,603,241	\$	32,715,024	\$	33,638,840	\$	36,868,630	\$	40,138,497	\$	41,797,359	\$	43,034,092
	2,628,349		2,756,944		2,697,237		2,729,372		8,925,995		11,003,726		3,849,037
	22,133,249		25,121,700		25,508,342		26,234,896		24,917,280		25,171,997		31,842,233
	3,763,771		3,894,935		4,049,530		4,942,516		4,717,786		4,717,820		4,990,282
	11,333,703		11,882,628		11,923,034		12,157,102		14,799,599		18,076,659		42,278,837
	27,187,371		28,316,017		28,763,094		29,699,386		28,846,468		32,805,208		41,857,714
	11,017,066		11,716,163		11,698,916		12,091,191		10,642,397		12,125,790		17,401,798
	225,010		314,946		645,460		1,212,277		1,090,035		329,339		297,604
	222,238		295,273		268,600		387,375		21,792,556		1,710,491		7,340,109
\$	<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>	\$	<u>192,891,706</u>
\$	77,559	\$	98,753	\$	141,039	\$	196,463	\$	99,572	\$	41,118	\$	65,102
	<u>(222,238)</u>		<u>(295,273)</u>		<u>(268,600)</u>		<u>(387,375)</u>		<u>(21,792,556)</u>		<u>(1,710,491)</u>		<u>(7,340,109)</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>(7,275,007)</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>	\$	<u>185,616,699</u>
\$	14,775,286	\$	10,927,301	\$	(588,153)	\$	4,629,336	\$	29,935,835	\$	17,105,134	\$	62,596,573
	428,324		2,438,742		3,052,019		292,364		(16,449,572)		3,845,788		3,817,790
\$	<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>	\$	<u>66,414,363</u>

Schedule 3

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

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year		
	2013	2014	2015
Governmental Activities			
Charges for Services:			
General Government	\$ 2,671,727	\$ 2,695,365	\$ 2,731,274
Public Safety	2,068,023	2,052,795	1,872,412
Transportation	1,880,137	2,177,007	2,227,724
Community and Economic Development	1,673,700	2,510,118	2,393,360
Parks, Recreation and Sports Tourism	7,616,813	7,507,149	8,396,988
Operating Grants and Contributions:			
General Government	42,866		
Public Safety	561,291	435,211	937,561
Transportation	104,631	88,006	87,631
Community and Economic Development	365,921	329,212	273,962
Parks, Recreation and Sports Tourism	499,215	513,358	649,601
Public Works		211,842	36,711
Capital Grants and Contributions:			
General Government			
Public Safety			
Transportation	868,161	7,221,160	4,765,947
Community and Economic Development	660,328	931,986	1,081,888
Parks, Recreation and Sports Tourism	100,451	2,720	111,420
Total Governmental Activities	\$ 19,113,264	\$ 26,675,929	\$ 25,566,479
Business-Type Activities			
Charges for Services:			
Water	\$ 12,185,831	\$ 12,425,117	\$ 12,546,737
Sewer	11,143,958	12,109,673	12,377,975
Baseball Stadium	27,581	36,841	45,364
Municipal Golf Course	1,012,506	938,737	310,621
Solid Waste Management	4,013,534	4,176,291	4,455,058
Parking Utility			
Operating Grants and Contributions:			
Water			
Sewer			
Solid Waste Management	4,574		
Capital Grants and Contributions:			
Water	1,614,974	1,394,906	1,610,026
Sewer	1,735,660	1,789,232	2,826,207
Parking Utility			
Total Business-Type Activities	\$ 31,738,618	\$ 32,870,797	\$ 34,171,988
Total Primary Government	\$ 50,851,882	\$ 59,546,726	\$ 59,738,467

UNAUDITED

		Fiscal Year											
		2016	2017	2018	2019	2020	2021	2022					
\$	2,930,087	\$	3,150,622	\$	3,324,103	\$	3,237,617	\$	3,468,822	\$	4,055,174	\$	5,360,928
	2,064,558		2,859,641		2,513,149		2,547,392		2,090,687		2,574,773		2,414,602
	2,260,620		2,314,872		2,366,895		2,608,680		2,691,081		2,765,771		3,436,390
	2,314,586		3,014,585		3,255,925		3,203,028		3,426,563		4,516,951		5,138,050
	8,634,608		9,603,943		9,842,187		9,689,343		9,561,041		10,730,892		14,686,951
									258,669		10,708,551		4,370,714
	702,446		1,713,263		1,007,915		1,077,529		1,064,859		1,646,330		919,332
	78,256		206,082		57,583		1,080,431		744,600		75,263		
	136,778		352,434		216,734		382,306		219,446		553,862		127,161
	518,915		597,851		444,819		561,140		509,303		583,783		676,093
	71,935		319,877				61,459		82,081		58,623		60,784
											305,431		
							192,010						
	11,609,972		6,336,507		1,945,468		4,954,509		8,609,373		3,068,142		5,229,780
	1,072,973		1,975,239		2,526,754		5,781,530		1,386,374		847,244		2,655,848
	400,629		257,007		16,585		106,219		11,615		108,828		181,791
\$	<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>	\$	<u>45,258,424</u>
\$	12,993,723	\$	14,482,382	\$	14,436,891	\$	14,922,271	\$	15,323,410	\$	16,429,211	\$	18,248,603
	12,910,985		13,845,349		13,871,568		14,223,700		14,468,528		15,469,588		17,313,164
	53,347		55,226		69,023		59,073						
	53,635		156,784		136,726		141,977						
	4,769,320		5,181,788		5,493,986		5,616,729		6,351,638		6,753,138		7,599,769
											1,187,272		2,398,002
	1,701		77,166								90,364		
	1,701		77,167								90,365		
			2,274,626		59,308		39,665		30,128		183,991		8,716
	2,107,498		2,300,020		3,073,289		2,581,956		3,370,453		2,430,578		3,998,687
	2,537,442		2,681,653		3,124,015		2,480,808		3,652,814		3,046,366		3,920,924
											164,716		
\$	<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>53,487,865</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>	\$	<u>98,746,289</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>2013</u>	<u>2014</u>	<u>2015</u>
General Fund			
Nonspendable	\$ 136,844	\$ 145,116	\$ 147,712
Restricted	396,275	406,711	1,044,520
Committed	40,000	14,667	1,077,273
Assigned	413,928	414,605	931,947
Unassigned	9,237,691	10,324,445	10,221,505
Total General Fund	<u>\$ 10,224,738</u>	<u>\$ 11,305,544</u>	<u>\$ 13,422,957</u>
 All Other Governmental Funds			
Nonspendable	\$ 722,066	\$ 722,066	\$ 785,408
Restricted	29,148,074	33,329,174	26,786,092
Assigned	11,789,372	12,019,861	12,404,860
Unassigned	<u>(2,369,580)</u>	<u>(698,740)</u>	<u>(2,303,269)</u>
Total All Other Governmental Funds	<u>\$ 39,289,932</u>	<u>\$ 45,372,361</u>	<u>\$ 37,673,091</u>

UNAUDITED

		Fiscal Year											
		2016	2017	2018	2019	2020	2021	2022					
\$	115,756	\$	146,664	\$	199,060	\$	195,266	\$	301,701	\$	305,686	\$	404,743
	429,343		361,423		425,970		554,331		275,081		316,955		394,635
	202,419		561,167		618,667		561,167		332,107		332,107		
	667,884										2,500,000		2,500,000
	12,050,165		14,564,933		12,608,530		12,243,154		12,674,438		19,645,152		31,883,541
\$	<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>	\$	<u>35,182,919</u>
\$	793,725	\$	276,717	\$	89,286	\$	91,505	\$	64,622	\$	45,882	\$	75,777
	27,217,933		33,320,557		37,702,601		43,607,170		57,105,470		58,436,002		86,720,422
	12,137,656		8,529,539		14,199,140		16,116,409		6,539,370		11,977,083		15,454,816
	(2,544,905)		(2,678,440)		(1,597,648)		(940,509)						
\$	<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>	\$	<u>102,251,015</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		
	2013	2014	2015
Revenues			
Property Taxes	\$ 25,112,930	\$ 25,842,751	\$ 29,807,247
Local Accommodations Taxes	2,240,593	2,333,163	2,536,515
Hospitality Fee Taxes	9,867,341	10,075,280	10,850,942
Storm Water Fees	1,883,706	2,181,517	2,227,724
Local Option Tourism Taxes	23,508,832	23,298,736	24,952,836
Licenses and Permits	23,052,056	24,807,744	26,426,225
Fines and Forfeitures	1,151,814	1,203,940	1,101,609
Intergovernmental	13,365,569	14,631,456	14,028,776
Charges for Services	4,970,196	5,221,830	6,250,252
Miscellaneous	5,493,214	6,994,794	6,359,649
Total Revenues	\$ 110,646,251	\$ 116,591,211	\$ 124,541,775
Expenditures			
Current:			
General Government	\$ 11,065,359	\$ 11,366,081	\$ 12,905,368
Public Safety	32,189,301	32,761,895	35,413,969
Transportation	5,516,042	5,532,740	5,573,199
Community and Economic Development	25,097,090	25,446,577	26,768,505
Parks, Recreation and Sports Tourism	15,764,818	16,904,085	17,789,917
Public Works	1,403,396	1,394,960	1,429,807
Capital Outlay	9,379,603	13,506,372	21,926,817
Debt Service:			
Principal	6,975,385	8,229,829	7,451,254
Interest and Fiscal Charges	7,420,312	7,031,794	7,643,041
Bond Issuance Costs	181,294	590,288	9,822
Payment to Escrow Agent		1,507,567	
Total Expenditures	\$ 114,992,600	\$ 124,272,188	\$ 136,911,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,346,349)	\$ (7,680,977)	\$ (12,369,924)
Other Financing Sources (Uses)			
Transfers In	\$ 24,686,462	\$ 41,514,957	\$ 25,913,703
Transfers Out	(24,580,312)	(41,335,957)	(25,801,427)
Proceeds From Borrowing	11,708,341	290,000	6,491,485
Proceeds From Refunding		64,557,129	
Payment to Escrow Agent		(50,181,917)	
Sale of Capital Assets	11,020		184,306
Total Other Financing Sources (Uses)	\$ 11,825,511	\$ 14,844,212	\$ 6,788,067
Net Change in Fund Balances	\$ 7,479,162	\$ 7,163,235	\$ (5,581,857)

UNAUDITED

		Fiscal Year						
		2016	2017	2018	2019	2020	2021	2022
\$	30,913,506	\$ 33,450,822	\$ 33,999,652	\$ 36,667,506	\$ 40,171,757	\$ 41,749,690	\$ 43,145,699	
	2,629,777	2,755,560	2,698,332	2,722,785	8,930,128	10,982,734	3,865,139	
	11,310,659	11,874,960	11,908,883	12,159,412	14,800,829	18,080,549	42,192,652	
	2,267,128	2,319,629	2,360,916	2,619,359	2,703,711	2,765,271	3,436,138	
	27,187,371	28,316,017	28,763,094	29,699,386	28,846,468	32,805,208	41,857,714	
	27,847,941	31,692,036	32,460,299	33,999,861	32,699,939	33,899,665	41,535,129	
	1,211,362	1,429,939	1,255,638	1,188,906	948,676	1,186,819	1,058,555	
	15,163,681	17,934,520	16,535,412	19,424,885	15,728,545	21,583,122	25,265,840	
	6,506,212	7,570,602	7,778,873	7,808,477	6,512,720	7,601,151	10,601,461	
	6,807,139	8,098,964	7,961,344	11,002,399	7,554,852	11,939,968	8,284,688	
\$	<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>	<u>221,243,015</u>	
\$	12,328,947	\$ 12,694,369	\$ 13,148,637	\$ 14,093,595	\$ 15,647,648	\$ 19,691,610	\$ 18,178,949	
	39,613,821	41,947,516	45,719,606	49,456,616	48,424,884	48,124,728	52,184,462	
	5,837,513	6,256,190	6,750,406	8,627,993	7,502,605	5,869,925	8,043,490	
	29,041,665	31,053,204	31,220,689	35,171,060	34,392,981	41,826,186	47,599,551	
	13,897,123	15,537,265	16,200,606	16,907,269	16,467,121	20,910,255	25,267,396	
	6,452,736	7,117,694	7,190,325	7,430,976	7,084,215	1,375,066	1,508,043	
	11,517,165	12,262,257	12,946,366	11,294,692	8,157,440	13,083,031	38,150,636	
	8,170,475	11,912,278	8,797,084	7,692,499	9,247,410	9,697,385	10,512,384	
	8,775,010	6,025,448	6,809,784	6,668,263	6,612,893	6,086,661	5,705,940	
	89,527	554,946	342,821	176,386		126,195	236,770	
		7,387,801	364,030					
\$	<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>207,387,621</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>	<u>13,855,394</u>	
\$	27,740,220	\$ 28,561,689	\$ 39,154,969	\$ 30,901,767	\$ 33,781,583	\$ 56,377,097	\$ 51,135,226	
	(27,517,982)	(28,266,416)	(38,886,369)	(30,514,392)	(35,221,198)	(61,618,384)	(43,795,117)	
	3,495,038	3,138,385	12,470,221	8,017,660	615,703	5,500,000	21,998,634	
	17,462,000	47,949,194	7,978,922			27,078,000		
	(17,374,195)	(40,086,136)	(7,809,536)			(26,985,129)		
	48,053	21,787	22,750	4,225	327,780	111,359	680,930	
\$	<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>30,019,673</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>	<u>43,875,067</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		
	2013	2014	2015
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	13.63%	13.78%	13.13%

Note:

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

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Fiscal Year						
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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>	<u>9.58%</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			
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
2022	527,915	57,125	585,040	78.90	10,503,411	5.57

Source: Horry County Assessor's Office

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

UNAUDITED

Schedule 7

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

Fiscal Year	City Direct Rates			Overlapping Rates		
	Basic Rate	Debt Service	Total Direct Rate	Horry County	Horry County School District	HC Higher Education Commission
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
2022	72.90	6.00	78.90	52.50	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 2022	
		Assessed Value	Percentage of Total Assessed Value
Myrtle Beach Farms Company, Inc.	Real Estate, Retail & Amusement	\$ 10,265,690	1.75 %
Broadway at the Beach, Inc.	Retail, Restaurants & Amusement	5,745,060	0.98
Marriott Ownership Resort, Inc.	Real Estate and Accommodations	4,677,650	0.80
Grand Strand Regional Medical Center	Medical Facilities	4,123,510	0.70
1600 Development	Real Estate Developers	3,720,000	0.64
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,335,030	0.57
Coastal Grand CMBS, LLC	Retail, Restaurants & Amusement	3,189,910	0.55
Columbia Prop Myrtle Beach, LLC	Real Estate and Accommodations	2,815,920	0.48
Bay Shore, LLC	Accommodations	2,776,410	0.47
Ocean Club Vacations LLC	Accommodations	2,672,890	0.46
		<u>\$ 43,322,070</u>	<u>7.40 %</u>

Taxpayer	Type of Business	Fiscal Year 2013	
		Assessed Value	Percentage of Total Assessed Value
Burroughs & Chapin, Inc. ⁽¹⁾	Real Estate, Retail & Amusement	\$ 19,979,323	5.25 %
Marriott Ownership Resort, Inc.	Real Estate & Accommodations	4,606,110	1.21
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,210,548	0.84
Grand Strand Regional Medical Center	Hospital	2,493,390	0.66
Ocean Club Vacations, LLC	Real Estate and Accommodations	2,362,500	0.62
BEI Beach, LLC	Real Estate Developers	2,280,000	0.60
Coastal Grand, LLC	Retail	2,229,426	0.59
Frontier Communications	Communications'	2,151,320	0.57
Columbia Property Myrtle Beach, LLC	Real Estate and Accommodations	2,129,244	0.56
South Beach Resort Myrtle Beach, LLC	Real Estate & Accommodations	1,978,866	0.52
		<u>\$ 43,420,727</u>	<u>11.42 %</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
2013	\$ 21,349,973	\$ 20,322,154	95.19 %	\$ 628,238	\$ 20,950,392	98.13 %
2014	20,949,044	19,802,198	94.53	638,818	20,441,016	97.57
2015	29,150,922	26,078,950	89.46	414,221	26,493,171	90.88
2016	30,256,332	27,672,451	91.46	527,602	28,200,053	93.20
2017	31,768,391	30,387,362	95.65	336,606	30,723,968	96.71
2018	32,073,726	31,025,247	96.73	855,201	31,880,448	99.40
2019	34,216,518	33,788,791	98.75	401,518	34,190,309	99.92
2020	38,759,483	37,891,144	97.76	480,329	38,371,473	99.00
2021	40,267,472	39,775,876	98.78	410,143	40,186,019	99.80
2022	44,504,439	40,674,089	91.39		40,674,089	91.39

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	
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
2022	4,779,128	3,908,381	870,747	81.78	3,218,981	22,899

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	\$ 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
3.17	3.15	4.24	4.00

Schedule 11

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

	Fiscal Year			
	2013	2014	2015	2016
Water Rates (Inside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	\$ 2.43	\$ 2.43	\$ 2.47	\$ 2.51
1"	4.05	4.05	4.12	4.18
1 1/2"	8.10	8.10	8.23	8.35
2"	12.96	12.96	13.16	13.36
3"	28.35	28.35	28.78	29.21
4"	40.50	40.50	41.11	41.73
6"	81.00	81.00	82.22	83.45
Usage Rate (<i>per 1,000 gallons</i>)				
Up to 4,000 gallons	1.35	1.35	1.38	1.40
5,000 to 15,000 gallons	2.56	2.56	2.60	2.64
16,000 to 30,000 gallons	2.56	2.56	2.60	2.64
31,000 gallons and over	2.89	2.89	2.94	2.98
Water Rates (Outside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	4.86	4.86	4.94	5.02
1"	8.10	8.10	8.24	8.36
1 1/2"	16.20	16.20	16.46	16.70
2"	25.92	25.92	26.32	26.72
3"	56.70	56.70	57.56	58.42
4"	81.00	81.00	82.22	83.46
6"	162.00	162.00	164.44	166.90
Usage Rate (<i>per 1,000 gallons</i>)				
Up to 4,000 gallons	2.70	2.70	2.76	2.80
5,000 to 15,000 gallons	5.12	5.12	5.20	5.28
16,000 to 30,000 gallons	5.12	5.12	5.20	5.28
31,000 gallons and over	5.78	5.78	5.88	5.96
Sewer Rates (Inside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	3.04	3.26	3.38	3.50
1"	5.08	5.46	5.66	5.86
1 1/2"	10.16	10.92	11.31	11.71
2"	16.25	17.46	18.08	18.71
3"	35.59	38.25	39.59	40.98
4"	50.83	54.64	56.56	58.54
6"	101.65	109.27	113.10	117.06
Usage Rate (<i>per 1,000 gallons</i>)				
	2.97	3.19	3.24	3.35
Sewer Rates (Outside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	6.08	6.52	6.76	7.00
1"	10.16	10.92	11.32	11.72
1 1/2"	20.32	21.84	22.62	23.42
2"	32.50	34.92	36.16	37.42
3"	71.18	76.50	79.18	81.96
4"	101.66	109.28	113.12	117.08
6"	203.30	218.34	226.20	234.12
Usage Rate (<i>per 1,000 gallons</i>)				
	5.94	6.38	6.48	6.70

Source: City Water and Sewer Department

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		Fiscal Year					
		2017	2018	2019	2020	2021	2022
\$	2.69 \$	2.74 \$	2.85 \$	3.05 \$	3.05 \$	3.17	
	4.48	4.57	4.75	5.08	5.08	5.28	
	8.95	9.13	9.49	10.15	10.15	10.56	
	14.32	14.61	15.18	16.24	16.24	16.89	
	31.31	31.94	33.19	35.51	35.51	36.93	
	44.73	45.62	47.40	50.72	50.72	52.75	
	89.44	91.23	94.79	101.42	101.42	105.48	
	1.44	1.47	1.53	1.60	1.60	1.66	
	2.72	2.77	2.88	3.02	3.02	3.15	
	3.05	3.11	3.23	3.39	3.39	3.53	
	3.25	3.31	3.44	3.61	3.61	3.76	
	5.38	5.49	5.70	6.10	6.10	6.34	
	8.96	9.14	9.50	10.16	10.16	10.57	
	17.90	18.26	18.98	20.30	20.30	21.11	
	28.64	29.21	30.36	32.47	32.47	33.78	
	62.62	63.87	66.38	71.01	71.01	73.86	
	89.46	91.25	94.80	101.45	101.45	105.50	
	178.88	182.46	189.58	202.85	202.85	210.95	
	2.88	2.94	3.06	3.21	3.21	3.33	
	5.44	5.55	5.76	6.05	6.05	6.28	
	6.10	6.22	6.46	6.79	6.79	7.05	
	6.50	6.63	6.88	7.23	7.23	7.51	
	3.59	3.70	3.84	4.04	4.04	4.24	
	6.02	6.20	6.44	6.76	6.76	7.10	
	12.02	12.38	12.86	13.51	13.51	14.19	
	19.20	19.78	20.55	21.58	21.58	22.66	
	42.04	43.30	44.99	47.24	47.24	49.60	
	60.05	61.85	64.26	67.48	67.48	70.85	
	120.09	123.68	128.50	134.93	134.93	141.68	
	3.44	3.54	3.68	3.81	3.81	4.00	
	7.18	7.40	7.68	8.07	8.07	8.48	
	12.04	12.40	12.88	13.53	13.53	14.20	
	24.04	24.76	25.72	27.01	27.01	28.37	
	38.40	39.55	41.10	43.15	43.15	45.32	
	84.08	86.60	89.98	94.48	94.48	99.20	
	120.10	123.70	128.52	134.95	134.95	141.71	
	240.18	247.36	257.00	269.86	269.86	283.35	
	6.88	7.09	7.36	7.63	7.63	8.00	

Schedule 12

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

Customer	Fiscal Year 2022			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Myrtle Beach Travel Pk	\$ 250,336	1.73 %	\$ 267,155	1.86 %
Kingston Resort Owner LLC	232,903	1.61	249,112	1.72
Caribbean Resort	210,324	1.46	224,648	1.55
Apache Family Campground	178,660	1.24	190,910	1.32
The Margate Tower	105,342	0.73	112,880	0.78
Grande Palms LLC	101,290	0.70	108,899	0.75
Grand Strand Gen Hosp	101,166	0.70	107,980	0.74
Pan American Tower	91,054	0.63	97,131	0.67
Marriott at Grande Dunes	90,921	0.63	97,039	0.67
Brightwork Laundry Service	87,271	0.60	93,445	0.64
	<u>\$ 1,449,267</u>	<u>10.03 %</u>	<u>\$ 1,549,199</u>	<u>10.70 %</u>

Customer	Fiscal Year 2013			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Felcor-Hilton	\$ 247,916	2.14 %	\$ 211,935	1.91 %
Myrtle Beach Travel Park	172,284	1.49	175,531	1.58
Seawatch Plantation	167,798	1.45	164,630	1.49
Sea Mist Resort	140,263	1.21	135,998	1.23
Grand Strand Regional Medical Center	131,600	1.14	119,194	1.08
Magnolia Point HOA	110,959	0.96	106,756	0.96
Ocean Dunes/Sand Dunes	108,312	0.94	108,063	0.98
Best Western Landmark Hotel	104,533	0.90	82,045	0.74
Sands Property Homeowners 1 & 2	102,976	0.89	92,301	0.83
Oceanwatch Timeshare	98,042	0.85	82,561	0.75
	<u>\$ 1,384,683</u>	<u>11.97 %</u>	<u>\$ 1,279,014</u>	<u>11.55 %</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	Notes Payable
2013	\$ 51,021,173	\$ 10,200,581	\$ 56,359,288	\$ 10,361,530	\$ 47,138,139	\$ 5,384,965
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
2022	38,581,284		61,754,212	11,937,043	59,317,719	3,334,325

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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Business-Type Activities

<u>Water and Sewer Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Notes Payable</u>	<u>Revolving Line of Credit</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ⁽¹⁾</u>	<u>Per Capita ⁽¹⁾</u>
\$ 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
25,697,171		985,991	3,035,846	204,643,591	18.12	5,516

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		
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
2022	38,581,284	5,305,219	33,276,065	0.32	897

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, 2022**

	<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	\$ 79,621,000	22.0%	\$ 17,516,620
Horry County School District:			
General Obligation Bonds	266,694,000	22.0%	<u>58,672,680</u>
Total Overlapping Governmental Activities Debt			\$ 76,189,300
City Direct Governmental Activities Debt			<u>174,924,583</u>
Total Direct and Overlapping Governmental Activities Debt			\$ <u><u>251,113,883</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			
	2013	2014	2015	2016
Debt Limit	\$ 30,715,283	\$ 30,833,102	\$ 26,955,443	\$ 28,933,854
Total Net Debt Applicable to Debt Limit	<u>(25,165,000)</u>	<u>(23,525,000)</u>	<u>(22,175,000)</u>	<u>(21,995,000)</u>
Legal Debt Margin	<u>\$ 5,550,283</u>	<u>\$ 7,308,102</u>	<u>\$ 4,780,443</u>	<u>\$ 6,938,854</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>81.93%</u>	<u>76.30%</u>	<u>82.27%</u>	<u>76.02%</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					
2017	2018	2019	2020	2021	2022
\$ 29,618,254	\$ 29,544,118	\$ 33,231,160	\$ 34,318,730	\$ 35,079,260	\$ 36,670,643
<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>(25,805,000)</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>\$ 10,865,643</u>
<u>70.27%</u>	<u>67.36%</u>	<u>76.77%</u>	<u>69.22%</u>	<u>79.53%</u>	<u>70.37%</u>

Legal Debt Margin Calculation:

Assessed Value of Taxable Property	\$ 585,039,463
Assessed Value of Property in TIF Districts	(130,063,455)
Exempt Merchants Inventory (1987 Valuation)	3,407,034
Adjusted Assessed Value of Taxable Property	<u>\$ 458,383,042</u>
Debt Limit (8.0% of Adjusted Assessed Value)	\$ 36,670,643
Debt Applicable to Limit:	
General Obligation Bonds	(37,774,000)
Bonds Issued Under Referendum	<u>11,969,000</u>
Legal Debt Margin	<u>\$ 10,865,643</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		
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	
2022	38,228,032	28,656,410	9,571,622	1,825,173	959,351	3.44	

Fiscal Year	Hospitality Fee Revenue Bonds				Coverage
	Hospitality Fees	Debt Service			
		Principal	Interest		
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	
2022	16,632,143	2,850,000	2,899,908	2.89	

Fiscal Year	Revolving Line of Credit				Coverage
	Parking Fees	Debt Service			
		Principal	Interest		
2022	\$ 2,396,402	\$ 0	\$ 33,689	71.13	

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	
\$ 3,670,339	\$ 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
15,349,698	1,945,000	1,650,500	4.27

Storm Water Revenue Bonds

Storm Water Fees	Debt Service		Coverage
	Principal	Interest	
\$ 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
3,436,138	1,215,274	259,515	2.33

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>
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
2021	37,100	30,443	1,129,435	44.4	5.30

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 2021	
		Employees	Percentage of Total County Employment
Horry County School District	Education	5,540	3.78 %
Wal-Mart	Retail Sales	3,000	2.05
Coastal Carolina University	Higher Education	2,571	1.76
Horry County Government	County Government	2,300	1.57
Conway Medical Center	Hospital	2,150	1.47
McLeod Loris Seacoast	Hospital	1,500	1.02
Grand Strand Regional Medical Center	Hospital	1,400	0.96
Food Lion	Grocery Store	1,100	0.75
City of Myrtle Beach	Municipal Government	990	0.68
Horry Telephone Cooperative	Utility	780	0.53
		<u>21,331</u>	<u>14.57 %</u>

Employer	Type of Business	Calendar Year 2012	
		Employees	Percentage of Total County Employment
Horry County School District	Education	5,400	4.18 %
Wal-Mart	Retail Sales	2,276	1.76
Horry County Government	County Government	2,003	1.55
Coastal Carolina University	Education	1,382	1.07
Conway Medical Center	Hospital	1,325	1.03
Grand Strand Regional Medical Center	Hospital	1,134	0.88
Food Lion	Retail Sales	929	0.72
McLeod Health System	Hospital	916	0.71
Blue Cross/Blue Shield	Health Insurance	900	0.70
City of Myrtle Beach	Municipal Government	830	0.64
		<u>17,095</u>	<u>13.24 %</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			
	2013	2014	2015	2016
Full-Time Equivalent Employees				
General Government	80	80	81	83
Public Safety	431	429	453	467
Transportation	26	26	26	26
Community and Economic Development	27	27	33	38
Parks, Recreation and Sports Tourism	145	165	160	165
Public Works	25	25	25	28
Water	30	30	30	30
Sewer	26	26	26	26
Municipal Golf Course	8	10	10	
Solid Waste Management	30	30	32	32
Total Full-Time Equivalent Employees	<u>828</u>	<u>848</u>	<u>876</u>	<u>895</u>

Source: City Finance Department

Note: Full-time equivalent employment is based on the number of full time positions approved in the annual budget.
Beginning in 2022, full-time equivalent includes part-time FTEs.

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Fiscal Year					
2017	2018	2019	2020	2021	2022
84	84	91	95	94	120
478	478	488	501	511	523
27	29	28	28	28	28
40	42	42	42	44	35
178	178	182	182	179	239
29	29	30	30	30	27
30	30	30	30	30	31
23	23	23	23	23	24
34	34	34	34	35	42
923	927	948	965	974	1,069

Schedule 21

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

	Fiscal Year			
	2013	2014	2015	2016
General Government				
New Business Licenses Issued	1,190	1,157	1,414	1,518
Public Safety				
Calls for Services - Police	96,527	110,102	115,233	133,761
Total Arrests	21,635	22,417	24,639	23,919
Fire Calls per Engine Company	374	393	400	448
Transportation ⁽¹⁾				
Square Yards of City Streets Resurfaced	81,279	39,480	37,319	39,877
Community and Economic Development				
Building Permits Issued	4,569	5,232	5,696	5,814
Parks, Recreation and Sports Tourism				
Admissions to Recreation Centers	206,788	198,673	181,669	181,968
Exhibition Hall Occupancy Percentage	63%	62%	65%	70%
Number of Library Volumes	125,563	117,296	140,885	134,627
Water				
Average Daily Consumption (<i>millions of gallons</i>)	9.6	9.6	9.5	10.0
Sewer				
Average Daily Treatment (<i>millions of gallons</i>)	7.9	8.0	8.1	8.4
Municipal Golf Course				
Number of Rounds Played	35,887	34,010	34,050	46,597
Solid Waste Management				
Tons of Refuse Collected	26,369	27,979	25,887	29,167

Sources: Various City departments

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

⁽¹⁾ Includes resurfacing Ocean Boulevard and other streets funded with CTC (County Transportation Committee) funds.

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Fiscal Year					
2017	2018	2019	2020	2021	2022
1,361	1,824	1,555	1,277	1,421	1,695
134,508	121,644	124,511	119,084	121,074	112,696
23,718	27,401	26,516	25,651	22,630	20,312
494	423	418	474	553	574
36,315	39,283	230,547	43,767	61,748	221,480
6,230	7,064	7,178	6,837	7,544	9,018
187,002	194,352	209,478	217,278	116,876	229,422
65%	65%	65%	49%	54%	61%
131,982	130,508	131,840	122,489	114,595	125,291
10.2	9.9	10.0	9.8	10.2	10.7
8.4	8.2	8.1	8.0	8.4	8.8
50,149	50,763	48,608	45,114	50,524	53,104
29,860	30,560	29,303	27,948	31,839	32,915

Schedule 22

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

	Fiscal Year			
	2013	2014	2015	2016
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
Water				
Water Mains (<i>miles</i>)	378	380	382	382
Sewer				
Gravity Sewers (<i>miles</i>)	233	235	237	237
Storm Sewers (<i>miles</i>)	164	170	173	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						
2017	2018	2019	2020	2021	2022	
3	3	3	3	3	3	3
6	6	6	6	6	6	6
142	167	169	175	181	183	
72	73	76	76	94	94	
45	45	45	45	45	45	45
653	653	653	654	654	654	654
4	4	4	4	4	4	4
1	1	1	1	1	1	1
2	2	2	2	2	2	2
388	394	399	406	410	415	
242	247	250	256	259	262	
178	179	181	187	187	187	
1	1	1	1	1	1	1
18	18	18	18	18	18	18
1	1	1	1	1	1	1
26	27	32	32	32	32	32



First in Service

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

<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 Commerce:			
Economic Development Support for Planning Organizations Grant	11.302		\$ <u>36,043</u>
U.S. Department of Housing and Urban Development:			
Passed Through Horry County Government: Community Development Block Grant	14.218	B-20-UC-45006 B-21-UC-45006 B-20-UW-45006	\$ 266,529 226,892 179,401 <u>672,822</u>
Total U.S. Department of Housing and Urban Development			\$ <u>672,822</u>
U.S. Department of the Interior:			
Passed Through the State Department of Parks, Recreation and Tourism: Outdoor Recreation Acquisition, Development and Planning Grant	15.916	45-01135	\$ <u>175,000</u>
U.S. Department of Justice:			
COVID-19 - Coronavirus Emergency Supplemental Funding Grant	16.034		\$ 12,383
Edward Byrne Memorial Justice Assistance Grant	16.738		<u>81,004</u>
Total U.S. Department of Justice			\$ <u>93,387</u>
U.S. Department of Transportation:			
Passed Through the State Department of Public Safety: State and Community Highway Safety Grant	20.600	2JC21015 PT-2022-HS-15-22	\$ 1,911 <u>25,973</u> <u>27,884</u>
Total U.S. Department of Transportation			\$ <u>27,884</u>
U.S. Department of the Treasury:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund Grant	21.027		\$ <u>3,960,348</u>
National Endowment for the Humanities:			
Passed Through the State Library: Grants to States	45-310	IID-ARPA-037 IID-ARPA-038 IID-ARPA-039 IID-ARPA-040	\$ 8,640 5,665 4,063 11,632 <u>30,000</u>
Total National Endowment for the Humanities			\$ <u>30,000</u>

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, 2022**

<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 Health and Human Services:			
Passed Through the State Department of Health and Environmental Control:			
National Bioterrorism Hospital Preparedness Grant	93.889	PD-2-300 PD-2-301	\$ 115,263 687
Total U.S. Department of Health and Human Services			<u>\$ 115,950</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	\$ 3,769
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4394-PA-SC	10,345
Passed Through the State Law Enforcement Division:			
Homeland Security Grant	97.067	19SHSP22 19SHSP26 19SHSP32 20SHSP24 20SHSP28 20SHSP35	77,000 65,282 78,000 65,000 33,357 78,000
Total U.S. Department of Homeland Security			<u>\$ 410,753</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,522,187</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, 2022

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, 2022. 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.



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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, 2022, 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 14, 2022.

Report on 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) as a basis for designing 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 the 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



SMITH SAPP PROFESSIONAL ASSOCIATION
Certified Public Accountants

Myrtle Beach, South Carolina
December 14, 2022



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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 Major Federal Program

Opinion on Major Federal Program

We have audited the City of Myrtle Beach, South Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of Myrtle Beach, South Carolina's major federal program for the year ended June 30, 2022. The City of Myrtle Beach, South Carolina's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Myrtle Beach, South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Myrtle Beach, South Carolina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City of Myrtle Beach, South Carolina's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Myrtle Beach, South Carolina's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Myrtle Beach, South Carolina's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Myrtle Beach, South Carolina's compliance with the requirements of the major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Myrtle Beach, South Carolina's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Myrtle Beach, South Carolina's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Myrtle Beach, South Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 14, 2022

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Summary of Auditors' Results

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

U.S. Department of the Treasury - Coronavirus 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, 2022