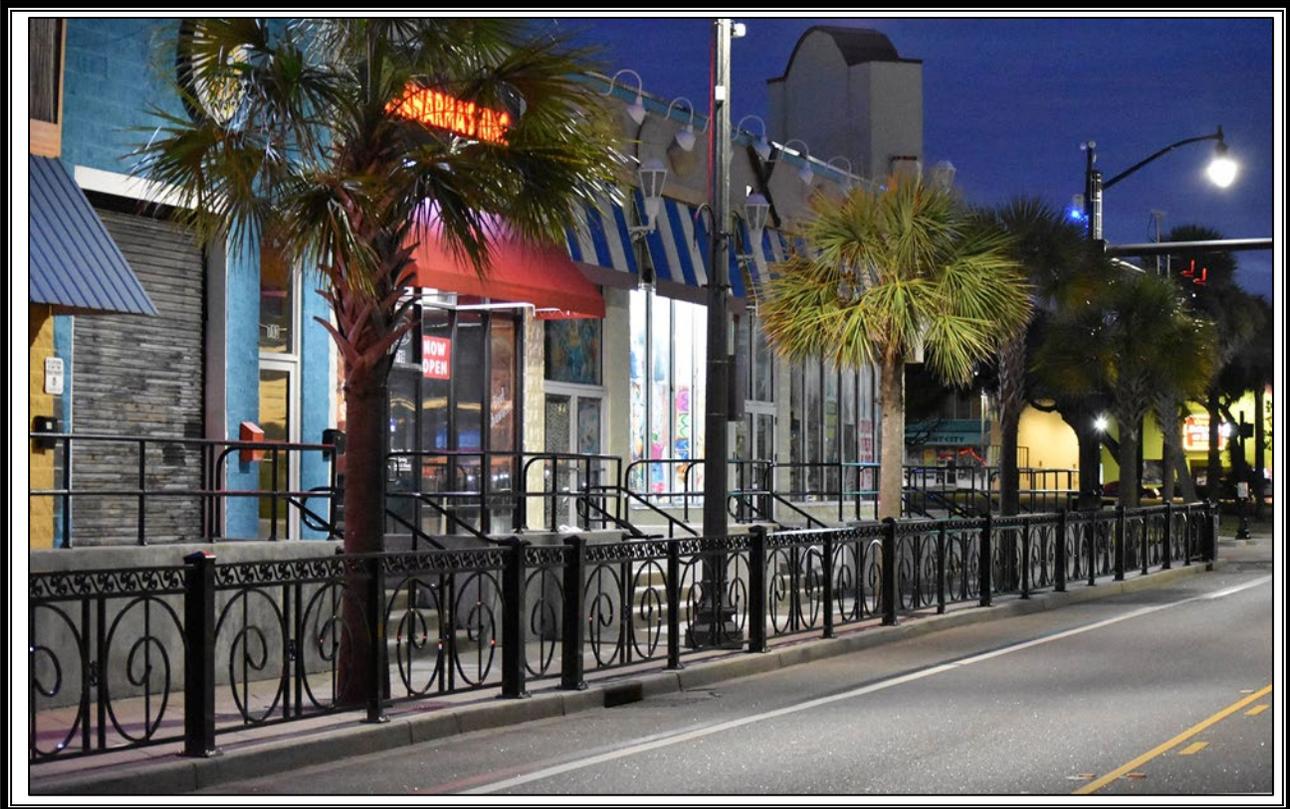




CITY OF MYRTLE BEACH

SOUTH CAROLINA



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2023**

**CITY of MYRTLE BEACH,
SOUTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

CITY COUNCIL

MAYOR BRENDA BETHUNE

MICHAEL CHESTNUT

PHILIP RENDER

MIKE LOWDER

GREGG SMITH

JOHN KRAJC

JACKIE HATLEY

CITY OFFICIALS

JONATHAN “FOX” SIMONS
CITY MANAGER

MICHELLE B. SHUMPERT
CHIEF FINANCIAL OFFICER

BRIAN TUCKER
ASSISTANT CITY MANAGER

DIANA FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT & REPORTING



First in Service

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2023**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents.....	i
Organizational Chart.....	iv
Letter of Transmittal.....	v
Certificate of Achievement for Excellence in Financial Reporting.....	xiv
 FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements:	
A-1 Statement of Net Position.....	14
A-2 Statement of Activities.....	18
Fund Financial Statements:	
A-3 Balance Sheet - Governmental Funds.....	20
A-4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	24
A-5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	25
A-6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
A-7 Statement of Net Position - Proprietary Funds.....	28
A-8 Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	32
A-9 Statement of Cash Flows - Proprietary Funds.....	34
A-10 Statement of Fiduciary Net Position - Custodial Fund.....	38
A-11 Statement of Changes in Fiduciary Net Position - Custodial Fund.....	39
Notes to Financial Statements.....	40
Required Supplementary Information	
B-1 Schedule of the City's Proportionate Share of the SCRS Net Pension Liability.....	75
B-2 Schedule of the City's Proportionate Share of the PORS Net Pension Liability.....	76
B-3 Schedule of City Contributions to the SCRS.....	77
B-4 Schedule of City Contributions to the PORS.....	78
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
B-5 General Fund.....	79
B-6 Convention Center Fund.....	80
B-7 Local Option Tourism Fee Fund.....	81
B-8 Air Base Tax Increment Revenue Fund.....	82
B-9 Storm Water Fund.....	83
B-10 Hospitality Tax Fund.....	84
Notes to Required Supplementary Information.....	85

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2023**

TABLE OF CONTENTS (continued)

	<u>Page</u>
FINANCIAL SECTION (continued)	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds:	
C-1 Combining Balance Sheet.....	88
C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	91
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Nonmajor Governmental Funds:	
C-3 Accommodations Tax Fund.....	94
C-4 Community Development Block Grant Fund.....	95
C-5 Victims Advocate Fund.....	96
C-6 Local Accommodations Tax Fund.....	97
C-7 Ocean Front Tax Increment Revenue Fund.....	98
C-8 Hospitality Fee Fund.....	99
C-9 Sports Tourism Fund.....	100
C-10 Downtown Development Fund.....	101
C-11 Workforce Housing Fund.....	102
C-12 Local Accommodations Tax (New) Fund.....	103
C-13 Baseball Stadium Fund.....	104
C-14 Municipal Golf Course Fund.....	105
C-15 Debt Service Fund.....	106
Capital Projects Fund:	
C-16 Capital Improvements Fund.....	107
Internal Service Funds:	
D-1 Combining Statement of Net Position.....	109
D-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	111
D-3 Combining Statement of Cash Flows.....	112
Discretely Presented Component Unit:	
Myrtle Beach Downtown Redevelopment Corporation:	
E-1 Balance Sheet.....	115
E-2 Statement of Revenues, Expenditures and Changes in Fund Balances.....	116
Other Supplementary Information	
Schedules of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual:	
Enterprise Funds:	
F-1 Water and Sewer Fund.....	118
F-2 Solid Waste Management Fund.....	119
F-3 Parking Utility Fund.....	120
Other Schedule:	
F-4 Schedule of Fines, Assessments and Surcharges.....	121

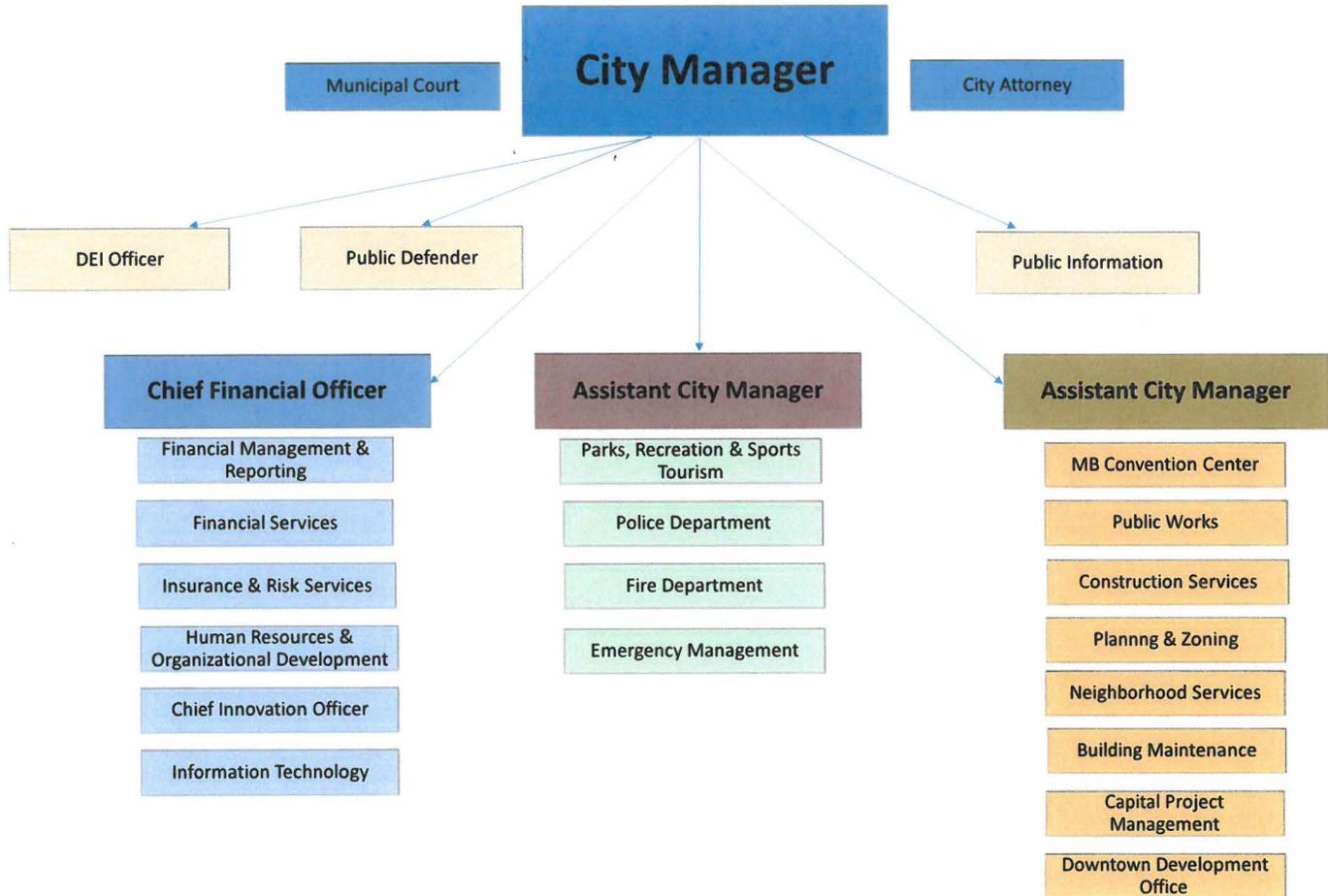
**CITY OF MYRTLE BEACH, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2023**

TABLE OF CONTENTS (continued)

	<u>Page</u>
STATISTICAL SECTION	
Schedule 1 Net Position by Component	123
Schedule 2 Changes in Net Position	125
Schedule 3 Program Revenues by Function/Program	129
Schedule 4 Fund Balances, Governmental Funds	131
Schedule 5 Changes in Fund Balances, Governmental Funds	133
Schedule 6 Assessed Value and Estimated Actual Value of Taxable Property	137
Schedule 7 Direct and Overlapping Property Tax Rates	138
Schedule 8 Principal Property Tax Payers	139
Schedule 9 Property Tax Levies and Collections	140
Schedule 10 Water and Sewer Gallons and Number of Customers	141
Schedule 11 Water and Sewer Rates	143
Schedule 12 Principal Water and Sewer Customers	145
Schedule 13 Ratios of Outstanding Debt by Type	146
Schedule 14 Ratios of Net General Bonded Debt Outstanding	148
Schedule 15 Direct and Overlapping Governmental Activities Debt	149
Schedule 16 Legal Debt Margin Information	150
Schedule 17 Pledged-Revenue Coverage	152
Schedule 18 Demographic and Economic Statistics	154
Schedule 19 Principal Employers	155
Schedule 20 Full-Time Equivalent Employees by Function/Program	156
Schedule 21 Operating Indicators by Function/Program	158
Schedule 22 Capital Asset Statistics by Function/Program	160
 SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	162
Notes to Schedule of Expenditures of Federal Awards	164
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 <i>Government Auditing Standards</i>	165
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	167
Schedule of Findings and Questioned Costs	169



Mayor & City Council





City of Myrtle Beach SOUTH CAROLINA

DEPARTMENT OF FINANCIAL MANAGEMENT & REPORTING

December 14, 2023

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, 2023, 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, 2023. 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 and 2023. *Travel & Leisure* listed Myrtle Beach as one of the top affordable coastal cities to purchase a beach house in the U.S. for 2022. In 2022, *Southern Living* listed Myrtle Beach as “The Ultimate Destination for Families,” and *TripAdvisor* list Myrtle Beach as one of the “Top 10 Winter Destinations for US Travelers” for 2022. *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 two assistant City Managers, 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

South Carolina saw another record breaking year for tourism revenues according to the South Carolina Department of Parks, Recreation and Tourism. All told, the estimated economic impact of tourism in South Carolina is \$29 billion, it supports one in every ten jobs and generates \$1.8 billion in state and local taxes. While state revenues continued to come in strong, inflation continued to rise and national leading economist warned of economic slowdown as the Federal Reserve Board began raising interest rates to slow the economy. As such, a conservative approach was taken when crafting the fiscal year 2024 budget as concerns remained regarding employment, supply chain disruptions, global conflict, rising interest rates, and inflation. Supply chain disruptions, inflation, and labor shortages certainly impacted both costs and services, however

consumer spending, particularly on food and travel, was robust. Many of the City's tourism 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 2.1% in calendar 2022, the United States real (inflation-adjusted) Gross Domestic Product (GDP) slowed in the first quarter of calendar year 2023 (January to March) to a rate of 1.1% and it ticked back up to 2.1% in the second calendar quarter (April to June). According to the U.S. Bureau of Economic Analysis (BEA), utilities, professional, scientific, and technical services, durable goods manufacturing, and mining were the leading contributors to the increase. Accommodation and food services decreased in 49 states and the District of Columbia. Preliminary results indicate that South Carolina GDP was 1.8% in the second calendar quarter of 2023. 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, however, like much of the nation, a very modest decrease in accommodation demand occurred.

In 2023, the ad valorem tax rate increased 10 mills from 2022 to 88.9 mills. Property tax revenue grew by 21.2% in the General Fund. Nationally, single family home prices increased 18.7% from 2021 to 2022 and local housing price inflation was in line with the national average. The increase in median home prices and demand for housing in the City drove the revenue increase in fiscal year 2023. Representing 34.1% of General Fund revenue, property tax revenue is 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 24.1% of total governmental revenues for 2023. While the 2023 percentage of 24.1% of overall revenue is less than 2009's 34.1%, revenue actually grew by \$20.2 million over the 14-year period. TDF revenues for fiscal year 2023 grew by 7.1% over the prior year.

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 and support of tourism. Business license fee revenues represent the largest funding source in the General Fund, comprising 37.3% of general revenues and making up 14.2% of total governmental revenue. Business License revenue continues to show strong growth, coming in 5.2% higher than in fiscal year 2022.

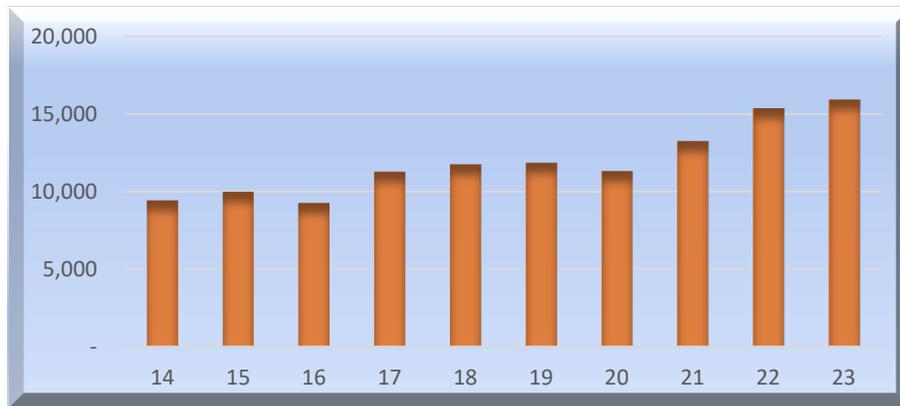
Collectively, other special purpose revenues derived from businesses within the City outpaced pre-pandemic performance during fiscal year 2023. Hospitality Fees and Taxes grew by 1.1% compared to fiscal year 2022. Local Accommodations Tax revenue decreased by 6.8% and State Accommodations Tax revenue decreased 3.8% from the prior year, however fiscal year 2023 collections for both were the second highest on record. As stated previously, the (BEA) reported that the accommodations and food services component of national GDP declined in the second quarter of 2023 and that is clearly demonstrated in the City's fiscal year 2023 accommodations tax revenues. Overall, the impact of inflation on consumer goods and the continued strength of consumer buying power in fiscal year 2023 positively impacted all business driven revenues and all revenues from business driven sources exceeded budgeted amounts as the expected economic slowdown did not materialize. The graph on the following page presents business license, state and local accommodations tax, and hospitality tax collections since 2013. When reviewing the graph, it is important to note that the City began collecting the 1.5% hospitality and accommodations tax previously retained by the County in 2021, as demonstrated by the spike in those revenues beginning in that year. Mediation between the City and County resulted in a change in the method of collection and in the classification of Local Accommodations Taxes. In fiscal year 2022, the County resumed collection of the taxes and began to remit the collections to the City monthly. The monthly remittances from the County are not broken down between Hospitality and Local Accommodations Taxes, rather they are combined and categorized as the Hospitality Tax.

Business License, Hospitality Fees, State and Local Accommodations Tax Revenues, Fiscal Year 2013 – 2023



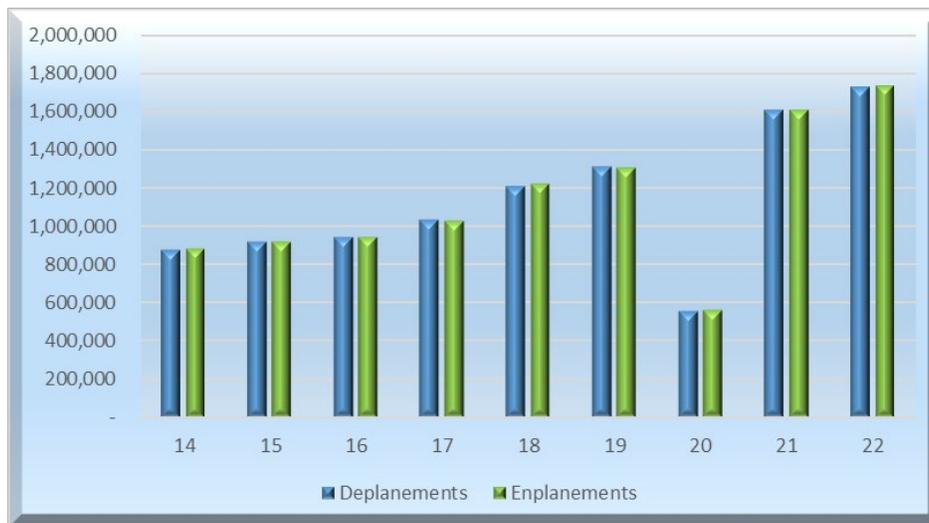
Retail sales figures for Horry County are another indicator of economic conditions. After posting recession driven declines in 2008, 2009, and 2010, retail sales began to recover in 2011 and presented improved numbers through 2019. Retail sales figures for 2020 were clearly impacted by the pandemic. By fiscal year 2021, the combination of inflation and pent up consumer demand brought revenues back in line with pre-pandemic growth and by fiscal year 2023, revenues reached the highest level since inception. Fiscal year revenues for 2023 increased by 11.1% when compared to fiscal year 2022. The graph below provides a visual depiction of the impact of the pandemic and the recovery.

Horry County Retail Sales, Calendar Year 2014 - 2023 (\$ billions)



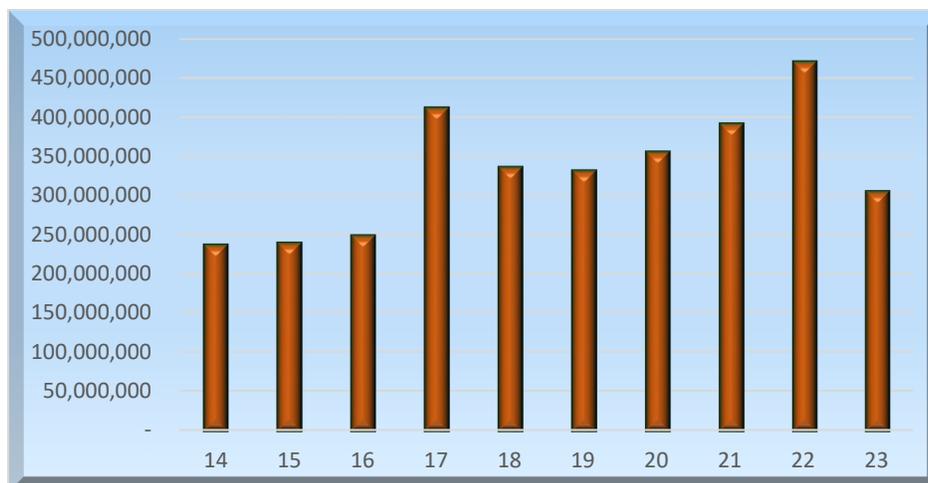
The number of passengers traveling to and from Myrtle Beach fluctuates depending on the number of carriers using the airport, as well as economic conditions. The chart on the following page depicts historical and current fiscal year activity and the impact of the pandemic are clearly reflected in the graphic. When calendar year 2022 is compared to 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 calendar year 2022, numbers were still the second highest recorded in Airport history, edging up 7.8% over the calendar year 2022.

Passengers' Handled - Myrtle Beach International Airport, Calendar Year 2014 – 2022



Construction activity in the City remained strong in 2023, although not at the record levels experienced in fiscal year 2022. Figures for fiscal year 2023 indicate that new buildings permitted by the City totaled \$305.0 million, a decrease of 35.1% from the fiscal year 2022 sum of \$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 stable from 2014 through 2016. Permit values were the fifth highest on record in 2017 at \$411.5 million, 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 and in 2022 obviously represented a bubble. The current level of construction remains in line with the long term growth trend and included 517 new single family homes (down from 762 the year before), 10 new multi-family residential buildings and 24 new commercial buildings.

Construction Permitted Inside Corporate Limit, Fiscal Year 2014-2023



In summary, the City continued to experience growth in the residential sector and continued moderate growth overall 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 retail 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 2023, the Authority did declare a surplus for tax year 2022, and a distribution of \$1.97 million was made to the General Fund for Fiscal Year 2023.

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 25 new police officers in 2023.

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 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 2023 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 47 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, 25 Police positions were added in 2023, providing additional resources for the Police Department and allowing for the deployment of those resources throughout the City. In the Fire Department, three Ocean Rescue positions were added to enhance beach safety efforts and three positions were added to create an opioid outreach team to address addiction and work with individuals to break free from the bondage of the disease.

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. In addition to the continued efforts in the Downtown, two code enforcement positions were added in Construction Services to address property maintenance issues. Enhanced property maintenance efforts not only make the City more attractive for development, it contributes to the overall quality of life for our citizens.



Improving the overall quality of life for our residents, visitors, and business owners involves continually reviewing our services and the staffing required to maintain those services at a level that addresses the overall quality of life initiative. For fiscal year 2023, the City added six right-of-way technicians for beautification and street maintenance. A teen program coordinator was also added in the Recreation division to provide opportunities for engagement and skill building for that demographic.

As our population and tourism base grow, infrastructure expansion and maintenance responsibilities increase. For Fiscal Year 2023, a Sewer pump mechanic and a heavy equipment operator in the Water division were added to address infrastructure maintenance in the Water and Sewer utility system. Growth also increases workload on administrative positions, therefore a utility billing clerk, human resources technician and a cybersecurity analyst 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 2024 budget totaling \$358 million (net of transfers) on June 13, 2023. Approximately 32.5% of the Fiscal Year 2024 budget is comprised of the General Fund and 15.9% of the budget represents the City's Enterprise Funds. Capital improvement projects make up 28.5% 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 \$14.7 million of stormwater funded debt to finance the expansion and renovation of the City's stormwater 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 2025.
- The City anticipates the issuance of \$22 million of long-term bonds to finance the roadway, streetscape and intersection infrastructure in the Arts & Innovation District in 2025.
- 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 stormwater 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, stormwater, 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, 2023, 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, 2022. 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,



Michelle B. Shumpert, CPA
Chief Financial Officer



First in Service



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, 2022

Christopher P. Morrill

Executive Director/CEO



First in Service



**SMITH
SAPP**

Certified Public Accountants & Consultants

MYRTLE BEACH

4728 Jenn Drive
Suite 100
Myrtle Beach, SC 29577

Phone (843) 448-8334
Fax (843) 626-7363
www.sccpa.com

CONWAY

1109 Main Street
Suite A
Conway, SC 29526

Phone (843) 248-5284
Fax (843) 381-0027
www.sccpa.com

PAWLEYS ISLAND

245 Business Center Drive
Suite 4A
Pawleys Island, SC 29585

Phone (843) 237-3453
Fax (843) 237-4809
www.sccpa.com

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, 2023, 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, 2023, 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 22 to the financial statements, the City of Myrtle Beach, South Carolina adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. 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 75 - 78) and budgetary comparison information (pages 79 - 85) 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 12, 2023, 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 12, 2023

This page is intentionally left blank.

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023**

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, 2023. Please read it in conjunction on 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 \$391,862,849 (net position).
- The City’s total net position increased by \$60,252,535. This is the result of an increase in the net position of governmental activities of \$50,695,375, or 24.03%, and an increase in the net position of our business-type activities of \$9,557,159, or 7.92%.
- During the year ended June 30, 2023, the City’s total revenues amounted to \$293,508,959. Revenues of governmental activities totaled \$240,545,021, an increase of 4.22%, and revenues of business-type activities were \$52,963,938, a decrease of 1.10%.
- During the year ended June 30, 2023, the City’s total expenses amounted to \$233,256,425. Expenses of governmental activities totaled \$188,178,848, an increase of 7.19%, and expenses of business-type activities were \$45,077,577, an increase of 6.33%.
- At June 30, 2023, the City’s governmental funds reported combined fund balances of \$158,454,896, an increase of \$21,020,962 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 \$16,223,888 or 5.37%, for governmental activities and an increase of \$824,424, or 0.65%, for business-type activities.
- At year-end, the City had \$197,286,369 in outstanding bonds and notes payable compared to \$195,961,497 last year, an increase of 0.68%.

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 38 - 39 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 40. 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 38 - 39 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 40.

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 75. Combining and individual fund statements and schedules and other supplementary information can be found on pages 87 - 121.

The City as a Whole

Condensed statements of net position at June 30, 2023 and 2022 are shown below.

THE CITY'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 353,836,112	\$ 279,465,132	\$ 47,324,716	\$ 40,039,154	\$ 401,160,828	\$ 319,504,286
Capital Assets (Net)	<u>318,317,636</u>	<u>302,093,748</u>	<u>126,891,783</u>	<u>126,067,359</u>	<u>445,209,419</u>	<u>428,161,107</u>
Total Assets	<u>\$ 672,153,748</u>	<u>\$ 581,558,880</u>	<u>\$ 174,216,499</u>	<u>\$ 166,106,513</u>	<u>\$ 846,370,247</u>	<u>\$ 747,665,393</u>
Deferred Outflows of Resources	\$ <u>16,151,322</u>	\$ <u>17,924,476</u>	\$ <u>1,251,903</u>	\$ <u>1,450,095</u>	\$ <u>17,403,225</u>	\$ <u>19,374,571</u>
Long-Term Liabilities	\$ 271,982,900	\$ 254,049,868	\$ 34,703,701	\$ 35,424,028	\$ 306,686,601	\$ 289,473,896
Other Liabilities	<u>111,125,322</u>	<u>73,771,502</u>	<u>8,827,328</u>	<u>8,317,411</u>	<u>119,952,650</u>	<u>82,088,913</u>
Total Liabilities	<u>\$ 383,108,222</u>	<u>\$ 327,821,370</u>	<u>\$ 43,531,029</u>	<u>\$ 43,741,439</u>	<u>\$ 426,639,251</u>	<u>\$ 371,562,809</u>
Deferred Inflows of Resources	\$ <u>43,537,204</u>	\$ <u>60,697,718</u>	\$ <u>1,734,168</u>	\$ <u>3,169,123</u>	\$ <u>45,271,372</u>	\$ <u>63,866,841</u>
Net Position:						
Net Investment in Capital Assets	\$ 181,067,131	\$ 171,125,009	\$ 102,593,977	\$ 99,660,619	\$ 283,661,108	\$ 270,785,628
Restricted	105,138,790	81,325,296	4,824,391	616,405	109,963,181	81,941,701
Unrestricted	<u>(24,546,277)</u>	<u>(41,486,037)</u>	<u>22,784,837</u>	<u>20,369,022</u>	<u>(1,761,440)</u>	<u>(21,117,015)</u>
Total Net Position	<u>\$ 261,659,644</u>	<u>\$ 210,964,268</u>	<u>\$ 130,203,205</u>	<u>\$ 120,646,046</u>	<u>\$ 391,862,849</u>	<u>\$ 331,610,314</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, 2023 was \$391,862,849, an increase of \$60,252,535, or 18.17%, from a year ago.

The largest portion of the City's net position, \$283,661,108 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, \$109,963,181, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position amounts to \$(1,761,440).

Changes in the City's net position during the years ended June 30, 2023 and 2022 follows.

THE CITY'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 32,040,201	\$ 31,036,921	\$ 46,576,530	\$ 45,559,538	\$ 78,616,731	\$ 76,596,459
Operating Grants and Contributions	4,529,381	6,154,084	85,353	8,716	4,614,734	6,162,800
Capital Grants and Contributions	4,746,283	8,067,419	5,954,887	7,919,611	10,701,170	15,987,030
General Revenues:						
Property Taxes	49,450,011	43,034,092			49,450,011	43,034,092
Local Accommodations Taxes	3,621,173	3,849,037			3,621,173	3,849,037
Business License Taxes	33,484,019	31,842,233			33,484,019	31,842,233
Franchise Taxes	4,997,946	4,990,282			4,997,946	4,990,282
Hospitality Fee Taxes	42,614,095	42,278,837			42,614,095	42,278,837
Local Option Tourism Taxes	44,831,979	41,857,714			44,831,979	41,857,714
Grants and Contributions not Restricted to Specific Programs	17,252,327	17,401,798			17,252,327	17,401,798
Investment Earnings	2,977,606	297,604	347,168	65,102	3,324,774	362,706
Total Revenues	<u>\$ 240,545,021</u>	<u>\$ 230,810,021</u>	<u>\$ 52,963,938</u>	<u>\$ 53,552,967</u>	<u>\$ 293,508,959</u>	<u>\$ 284,362,988</u>
Expenses:						
General Government	\$ 22,599,947	\$ 19,323,216	\$	\$	\$ 22,599,947	\$ 19,323,216
Public Safety	56,696,353	54,058,495			56,696,353	54,058,495
Transportation	13,082,391	12,308,166			13,082,391	12,308,166
Community and Economic Development	55,546,785	51,436,280			55,546,785	51,436,280
Parks, Recreation and Sports Tourism	32,589,600	30,465,082			32,589,600	30,465,082
Public Works	1,811,745	1,726,259			1,811,745	1,726,259
Interest and Fiscal Charges	5,852,027	6,236,059			5,852,027	6,236,059
Water			18,594,499	17,675,709	18,594,499	17,675,709
Sewer			18,469,133	17,210,242	18,469,133	17,210,242
Solid Waste Management			5,980,219	5,995,915	5,980,219	5,995,915
Parking Utility			2,033,726	1,513,202	2,033,726	1,513,202
Total Expenses	<u>\$ 188,178,848</u>	<u>\$ 175,553,557</u>	<u>\$ 45,077,577</u>	<u>\$ 42,395,068</u>	<u>\$ 233,256,425</u>	<u>\$ 217,948,625</u>
Increase in Net Position Before Transfers	\$ 52,366,173	\$ 55,256,464	\$ 7,886,361	\$ 11,157,899	\$ 60,252,534	\$ 66,414,363
Transfers	<u>(1,670,798)</u>	<u>7,340,109</u>	<u>1,670,798</u>	<u>(7,340,109)</u>		
Change in Net Position	\$ 50,695,375	\$ 62,596,573	\$ 9,557,159	\$ 3,817,790	\$ 60,252,534	\$ 66,414,363
Net Position - Beginning	<u>210,964,269</u>	<u>148,367,695</u>	<u>120,646,046</u>	<u>116,828,256</u>	<u>331,610,315</u>	<u>265,195,951</u>
Net Position - Ending	<u>\$ 261,659,644</u>	<u>\$ 210,964,268</u>	<u>\$ 130,203,205</u>	<u>\$ 120,646,046</u>	<u>\$ 391,862,849</u>	<u>\$ 331,610,314</u>

Governmental Activities

The City's net position from governmental activities increased \$50,695,375, or 24.03%. 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 \$(41,486,037) at June 30, 2022 to \$(24,546,277) at the end of this year.

Key elements of this increase are as follows:

The City's total governmental revenues amounted to \$240,545,021 for the year ended June 30, 2023. This is an increase of \$9,735,000, or 4.22%. The largest increase is in the collection of Property Taxes, which accounted for \$6,415,919 of the governmental revenue increase and is a 14.91% increase over the prior fiscal year. The two main drivers of the revenue growth were, the Council adopted 10 mill tax increase and inflation in both the housing and vehicle market. Median single family housing prices jumped by 28.8% between 2021 and 2023.

The Local Option Tourism Development Tax demonstrated the second largest increase in governmental revenues at \$2,974,265 or 7.11%. The combination of the resilient tourism economy and inflation on consumer goods and services drove the increase in the tax.

Investment Earnings were up \$2,680,002, or 900.53%. Strong cash balances and the Federal Reserve Board's attempts to curb inflation by raising interest rates to 5.25%-5.50% allowed the City to increase interest earnings.

Business License fees increased 5.16%, or \$1,641,786 over the previous fiscal year. The reasons for the business license increase are the same as the Local Option Tourism Development Fee, the combination of the resilient tourism economy and inflationary pricing on consumer goods and services. Because the license fee is based on gross revenue, higher prices result in higher revenues for the City.

Hospitality Fee Taxes were up \$335,258 or 0.79%. While the increase was not as strong as seen in Business License or the Local Tourism Development Tax, inflation seems to have kept Hospitality Fee Tax revenue just above the record levels seen in the last fiscal year. The one tourism driven revenue that did show a small decrease was in Accommodations Tax revenue. The Local Accommodations Tax decreased \$227,864 or 5.92% when compared to the prior fiscal year. Likewise, the State Accommodations Tax, which is accounted for in the Grants and Contributions not Restricted to Specific Programs category, decreased \$578,447 or 3.80%. Overall tourism driven revenues remained high as inflationary pressure on the Local Option Tourism Development Tax and Hospitality Taxes offset the slight decline in accommodations demand.

Charges for Services increased \$1,003,280, or 3.23% 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, 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.

The cost of all governmental activities this year was \$188,178,848. However, as shown in the statement of activities beginning on page 18, the amount that our taxpayers ultimately financed for these activities was only \$146,862,983 because some of the cost was paid by those who directly benefited from the programs (\$32,040,201) or by other governments and organizations that subsidized certain programs with grants and contributions (\$9,275,664). Overall, the City's governmental program revenues were \$41,315,865. 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 \$199,229,156.

The largest increase in costs was in Community and Economic Development at \$4,110,505, or 7.99%. As the tourism revenues increased, statutory distributions of these revenues increased resulting in an increase of community and economic development costs.

General Government expenditures demonstrated the second largest increase at \$3,276,731 or 16.96%. Insurance costs, information technology equipment and software, and the addition/transfer of several positions drove the increase in general government activities. Additionally, a city-wide compensation adjustment which increased salaries by an average 8.83% drove expenditures across all departments higher.

The third largest increase occurred in Public Safety with expenditures growing by \$2,637,858 or 4.88%. The Fiscal Year 2023 Budget included an additional 25 police positions, contributing to the increase. Likewise, the aforementioned compensation adjustment drove Public Safety expenditures higher for the year.

Parks, Recreation, and Sports Tourism costs increased by \$2,124,518, or 6.97% as a result of increased service demand, which drove both capital and non-capital costs higher. The compensation adjustment also impacted the overall expenditures.

There was an increase in Transportation of \$774,225, or 6.29% and was the result of higher fuel costs and the impact of inflation on road milling and repaving, sidewalk, and intersection improvement projects.

The City's programs for governmental activities include general government; public safety; transportation; community and economic development; parks, recreation and sports tourism; and public works. Revenues for the City's governmental activities increased 4.22% (\$9,735,000) and total expenditures increased 7.19% (\$12,625,291).

Business-Type Activities

The City's net position from business-type activities increased \$9,557,159, or 7.92%.

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 decreased 1.10% (\$589,029) and expenses increased by 6.33% (\$2,682,509).

The total revenues for business type activities were \$52,963,938. The revenue decrease was primarily due to a decrease in developer capital contributions in Fiscal Year 2023.

The cost for business-type activities increased \$2,682,509, or 6.33%. 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 \$46,576,530 and grants and contributions totaled \$6,040,240. Investment earnings were \$347,168.

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 \$158,454,896, an increase of \$21,020,962 in comparison with the prior year. Of this amount, \$29,746,021, or 18.77%, 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 \$29,746,021, while the total fund balance amounted to \$32,841,721. 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 24.17% of total expenditures, while total fund balance represents 26.69% of that same amount. The General Fund's total fund balance decreased by \$2,341,198 during the current fiscal year. The decrease was due to an intentional use of fund balance for non-recurring capital expenditures.

The Convention Center Fund has a total fund balance of \$2,574,584, an increase of \$800,903 over the prior year. The cause for the increase was the resumption of the ground lease transfer from the Hotel Corporation.

The Local Option Tourism Fee Fund has a total fund balance of \$2,783,160, an increase of \$1,358,974 from the prior year. Revenues increased by \$3,066,794 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 67.45% of residential, owner occupied property tax. As mentioned earlier, strong tourism numbers and inflationary pricing of consumer goods and services drove the growth in the fee revenue.

The Air Base Tax Increment Revenue Fund has a total fund balance of \$23,386,633, an increase of \$3,764,977 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 Storm Water Fund has a total fund balance of \$10,762,359, an increase of \$2,696,806. The was due to an increase in the storm water fee charged to developed sites within the City and investment earnings.

The Hospitality Tax Fund has a total fund balance of \$24,464,756, an increase of \$5,651,104 from the prior year. The growth was due to an extremely robust tourist season and the aforementioned impact of inflation on consumer prices.

The Capital Improvements Fund's total fund balance increased by \$10,796,219 to \$30,932,828 at June 30, 2023. Of this total, \$13,931,999 is restricted for capital projects, debt service, and tourism promotion and support and \$17,000,829 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 \$17,531,020. Total net position increased \$1,105,175 from the prior year. The increase was due to both an increase in revenue driven by the 4.68% rate increase and higher interest earnings.

Unrestricted net position of the Solid Waste Management Fund at the end of the year amounted to \$1,753,193. The increase in total net position in the Solid Waste Management Fund was \$1,499,080, which was due to the continued residential growth the city is experiencing and utilization of the new Transfer Station to commercial haulers.

Unrestricted net position of the Parking Utility Fund at the end of the year amounted to \$(3,116,879) a decrease of \$18,807. Total net position was \$1,112,657, an increase of \$4,122,785. The increase is attributed to a \$4,172,300 for a transfer in from Hospitality Tax to pay off the Loan Pool Balance.

General Fund Budgetary Highlights

The original budget was amended during the year. The resources available for appropriation were \$13,464,649 above the original budgeted amounts. This increase was primarily attributable to business license, state accommodations tax transfers, and intergovernmental revenues exceeding budget estimates. Residential growth and median housing prices continued to grow at a very strong pace and business license revenue did not decline to the extent expected at the time of budget preparation.

Budget to actual comparisons for the General Fund can be found on page 79.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30,2023 amounted to \$445,209,419 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 \$16,223,888, or 5.37%, for governmental activities and an increase of \$824,424, or 0.65%, 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 82,371,653	\$ 65,753,218	\$ 2,663,271	\$ 2,663,271	\$ 85,034,924	\$ 68,416,489
Land Improvements	83,414,521	76,536,508	129,261	129,261	83,543,782	76,665,769
Buildings and Improvements	149,913,182	147,682,817	2,343,089	2,343,089	152,256,271	150,025,906
Distribution Systems			237,780,870	232,997,788	237,780,870	232,997,788
Furniture, Vehicles, and Equipment	92,116,667	85,371,553	6,735,535	6,253,704	98,852,202	91,625,257
Infrastructure	232,839,604	232,233,172			232,839,604	232,233,172
Construction-in-Progress	9,230,349	6,470,954	1,612,962	309,022	10,843,311	6,779,976
Accumulated Depreciation	<u>(331,568,340)</u>	<u>(311,954,474)</u>	<u>(124,373,205)</u>	<u>(118,628,776)</u>	<u>(455,941,545)</u>	<u>(430,583,250)</u>
	<u>\$ 318,317,636</u>	<u>\$ 302,093,748</u>	<u>\$ 126,891,783</u>	<u>\$ 126,067,359</u>	<u>\$ 445,209,419</u>	<u>\$ 428,161,107</u>

More detailed information about the City's capital assets is presented in Note 11 to the financial statements.

Debt

At year-end, the City had \$197,286,369 in outstanding bonds and notes payable compared to \$195,961,497 last year, an increase of 0.68%.

THE CITY'S OUTSTANDING DEBT
Bonds and Notes Payable

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Obligation Bonds	\$ 33,867,000	\$ 37,774,000	\$	\$	\$ 33,867,000	\$ 37,774,000
Revenue Bonds			21,944,042	23,849,292	21,944,042	23,849,292
Tax Increment Revenue Bonds	70,275,000	57,980,000			70,275,000	57,980,000
Storm Water Revenue Bonds	10,696,319	11,937,043			10,696,319	11,937,043
Hospitality Fee Revenue Bonds	54,085,000	57,065,000			54,085,000	57,065,000
Notes Payable	1,376,033	3,334,325	870,694	985,991	2,246,727	4,320,316
Revolving Line of Credit			4,172,281	3,035,846	4,172,281	3,035,846
	<u>\$ 170,299,352</u>	<u>\$ 168,090,368</u>	<u>\$ 26,987,017</u>	<u>\$ 27,871,129</u>	<u>\$ 197,286,369</u>	<u>\$ 195,961,497</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, 2023, the amount of new debt, which could be issued without referendum was \$16,228,099.

More detailed information about the City's long-term liabilities is presented in Note 16 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's financial condition continued to improve during fiscal year 2023. Tourism remained strong and our tourism related revenues continue to exceed pre-COVID-19 levels. 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 increased 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 2024 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 2024 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 as rising inflation impacts consumers. In developing the FY 2024 budget, management considered how inflation and a mild recession would impact revenues and how to incorporate these possibilities in the budget. The 2024 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 2024 budget included increases in 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 2024 are \$123,422,499, an increase of 3.26% from the final fiscal year 2023 budget of \$119,528,380.

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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Temporary Investments	\$ 141,330,869	\$ 28,155,122	\$ 169,485,991
Receivables (Net)	76,014,696	3,474,573	79,489,269
Due From Component Units	42,784,216		42,784,216
Internal Balances	(6,617,503)	6,617,503	
Inventories	494,845	1,090,264	1,585,109
Prepaid Assets	335,467	18,705	354,172
Restricted Cash and Temporary Investments	90,436,706	7,968,549	98,405,255
Right to Use Leased Assets (Net)	5,034,270		5,034,270
Right to Use Subscription Assets (Net)	4,022,546		4,022,546
Land and Construction in Progress	91,602,002	4,276,233	95,878,235
Other Capital Assets (Net)	226,715,634	122,615,550	349,331,184
Total Assets	\$ 672,153,748	\$ 174,216,499	\$ 846,370,247
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Advance Refundings	\$ 988,893	\$ 227,745	\$ 1,216,638
Related to Pension Plans	15,162,429	1,024,158	16,186,587
Total Deferred Outflows of Resources	\$ 16,151,322	\$ 1,251,903	\$ 17,403,225
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 49,578,689	\$ 3,450,833	\$ 53,029,522
Due to Primary Government			
Unearned Revenue	34,238,929	169,633	34,408,562
Liabilities Payable From Restricted Assets	11,521,264	5,089,577	16,610,841
Noncurrent Liabilities:			
Due Within One Year	15,786,440	117,285	15,903,725
Due in More Than One Year	271,982,900	34,703,701	306,686,601
Total Liabilities	\$ 383,108,222	\$ 43,531,029	\$ 426,639,251
DEFERRED INFLOWS OF RESOURCES			
Related to Leases	\$ 37,414,390	\$ 1,234,310	\$ 38,648,700
Related to Pension Plans	6,122,814	499,858	6,622,672
Total Deferred Inflows of Resources	\$ 43,537,204	\$ 1,734,168	\$ 45,271,372

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>
--	---

\$ 678,351	\$ 5,133,023
	804,392

83,340
1,013,405
4,653,077
36,504,051

1,022,049	1,044,591
	26,257,278

<u>\$ 1,700,400</u>	<u>\$ 75,493,157</u>
---------------------	----------------------

\$	\$ 431,253
----	------------

<u>\$</u>	<u>\$ 431,253</u>
-----------	-------------------

\$	\$ 1,399,535
	42,784,216
	329,526
	701,528

2,286,583
47,907,368

<u>\$</u>	<u>\$ 95,408,756</u>
-----------	----------------------

\$	\$
----	----

<u>\$</u>	<u>\$</u>
-----------	-----------

A-1 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$ 181,067,131	\$ 102,593,977	\$ 283,661,108
Restricted for:			
Capital Projects	15,418,574		15,418,574
Capital Replacements			
Community Development	20,360,391		20,360,391
Debt Service	7,714,952	652,091	8,367,043
Library	111,914		111,914
Narcotics Law Enforcement	62,927		62,927
Renewal and Replacement	210,000		210,000
Taxes and Insurance			
Tourism Promotion and Support	61,260,032	4,172,300	65,432,332
Unrestricted	(24,546,277)	22,784,837	(1,761,440)
Total Net Position	\$ 261,659,644	\$ 130,203,205	\$ 391,862,849

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

<u>Component Units</u>	
<u>MB Downtown Redevelopment Corporation</u>	<u>MB Convention Center Hotel Corporation</u>

\$ 1,022,049	\$ 13,468,222
	1,049,329
	2,395,305
	1,081,915
<u>678,351</u>	<u>(37,479,117)</u>
<u>\$ 1,700,400</u>	<u>\$ (19,484,346)</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 22,599,947	\$ 4,903,918	\$ 503,221	\$
Public Safety	56,696,353	2,423,714	2,375,548	
Transportation	13,082,391	4,424,450	121,538	3,173,763
Community and Economic Development	55,546,785	4,981,156	67,240	1,545,998
Parks, Recreation and Sports Tourism	32,589,600	15,306,963	1,094,647	26,522
Public Works	1,811,745		367,187	
Interest and Fiscal Charges	5,852,027			
Total Governmental Activities	<u>\$ 188,178,848</u>	<u>\$ 32,040,201</u>	<u>\$ 4,529,381</u>	<u>\$ 4,746,283</u>
Business-Type Activities:				
Water	\$ 18,594,499	\$ 18,048,964	\$ 24,113	\$ 3,227,999
Sewer	18,469,133	17,509,309	24,113	2,726,888
Solid Waste Management	5,980,219	8,364,055	37,127	
Parking Utility	2,033,726	2,654,202		
Total Business Type Activities	<u>\$ 45,077,577</u>	<u>\$ 46,576,530</u>	<u>\$ 85,353</u>	<u>\$ 5,954,887</u>
Total Primary Government	<u>\$ 233,256,425</u>	<u>\$ 78,616,731</u>	<u>\$ 4,614,734</u>	<u>\$ 10,701,170</u>
Component Units:				
MB Downtown Redevelopment Corporation	\$ 32,149	\$	\$	\$
MB Convention Center Hotel Corporation	21,453,240	20,894,770		
Total Component Units	<u>\$ 21,485,389</u>	<u>\$ 20,894,770</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
\$ (17,192,808)		\$ (17,192,808)		
(51,897,091)		(51,897,091)		
(5,362,640)		(5,362,640)		
(48,952,391)		(48,952,391)		
(16,161,468)		(16,161,468)		
(1,444,558)		(1,444,558)		
(5,852,027)		(5,852,027)		
<u>\$ (146,862,983)</u>	<u>\$</u>	<u>\$ (146,862,983)</u>		
	\$ 2,706,577	\$ 2,706,577		
	1,791,177	1,791,177		
	2,420,963	2,420,963		
	620,476	620,476		
<u>\$</u>	<u>\$ 7,539,193</u>	<u>\$ 7,539,193</u>		
<u>\$ (146,862,983)</u>	<u>\$ 7,539,193</u>	<u>\$ (139,323,790)</u>		
			\$ (32,149)	\$
				(558,470)
			<u>\$ (32,149)</u>	<u>\$ (558,470)</u>
\$ 49,450,011		\$ 49,450,011	\$	
3,621,173		3,621,173		
33,484,019		33,484,019		
4,997,946		4,997,946		
42,614,095		42,614,095		
44,831,979		44,831,979		
17,252,327		17,252,327		
2,977,606	347,168	3,324,774	1,988	292,475
(1,670,798)	1,670,798			
<u>\$ 197,558,358</u>	<u>\$ 2,017,966</u>	<u>\$ 199,576,324</u>	<u>\$ 1,988</u>	<u>\$ 292,475</u>
\$ 50,695,375	\$ 9,557,159	\$ 60,252,534	\$ (30,161)	\$ (265,995)
<u>210,964,269</u>	<u>120,646,046</u>	<u>331,610,315</u>	<u>1,730,561</u>	<u>(19,218,351)</u>
<u>\$ 261,659,644</u>	<u>\$ 130,203,205</u>	<u>\$ 391,862,849</u>	<u>\$ 1,700,400</u>	<u>\$ (19,484,346)</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
ASSETS			
Cash and Temporary Investments	\$ 27,393,972	\$ 2,566,186	\$ 466,583
Receivables (Net):			
Property Taxes	1,433,301		
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Accounts	3,928,488	252,105	
Intergovernmental	2,575,708		11,582,884
Leases	548,966	37,806,523	
Loans	32,250		
Due From Other Funds	5,919,867		
Due From Component Unit		42,784,216	
Inventories	225,715	43,104	
Prepaid Assets	103,610	147	
Restricted Cash and Temporary Investments	812,172		
Total Assets	\$ 42,974,049	\$ 83,452,281	\$ 12,049,467
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Expenditures	\$ 7,511,873	\$ 371,582	\$ 9,266,307
Due to Other Funds			
Payable From Restricted Assets:			
Court Bonds	434,563		
Refundable Deposits	194,262		
Surplus Funds - Overlapping Governments			
Hospitality Settlement			
Other	8,506		
Unearned Revenue	209,892	184,750	
Total Liabilities	\$ 8,359,096	\$ 556,332	\$ 9,266,307
Deferred Inflows of Resources:			
Related to Leases	\$ 489,682	\$ 36,504,051	\$
Unavailable Revenue	1,283,550	43,817,314	
Total Deferred Inflows of Resources	\$ 1,773,232	\$ 80,321,365	\$

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Storm Water Fund</u>	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,206,380	\$ 7,849,168	\$ 18,359,471	\$ 14,489,749	\$ 24,137,286	\$ 97,468,795
21,525				15,858	1,470,684
				607,820	607,820
		3,800,953		2,573,679	6,374,632
	175,693				175,693
				237,525	4,418,118
	8,948	2,309,378	1,717,807	5,574,291	23,769,016
				445,897	38,801,386
				192,685	224,935
			1,682,960		7,602,827
					42,784,216
				20,608	289,427
	19,380			29,934	153,071
<u>28,864,084</u>	<u>36,548,874</u>	<u>4,925,693</u>	<u>15,774,331</u>	<u>3,511,552</u>	<u>90,436,706</u>
<u>\$ 31,091,989</u>	<u>\$ 44,602,063</u>	<u>\$ 29,395,495</u>	<u>\$ 33,664,847</u>	<u>\$ 37,347,135</u>	<u>\$ 314,577,326</u>
\$ 3,657,054	\$ 140,701	\$	\$ 889,686	\$ 1,907,246	\$ 20,087,395
				3,945,773	7,602,827
					434,563
			1,842,333		2,036,595
4,025,907					4,025,907
		4,925,693			4,925,693
				90,000	98,506
	33,699,003			145,284	34,238,929
<u>\$ 7,682,961</u>	<u>\$ 33,839,704</u>	<u>\$ 4,925,693</u>	<u>\$ 2,732,019</u>	<u>\$ 6,088,303</u>	<u>\$ 73,450,415</u>
\$ 22,395	\$	\$	\$	\$ 420,657	\$ 37,414,390
		5,046		129,320	45,257,625
<u>\$ 22,395</u>	<u>\$</u>	<u>\$ 5,046</u>	<u>\$</u>	<u>\$ 549,977</u>	<u>\$ 82,672,015</u>

A-3 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (continued)			
Fund Balances:			
Nonspendable:			
Inventories	\$ 225,715	\$ 43,104	\$
Long-Term Receivables	91,534		
Prepaid Assets	103,610	147	
Restricted for:			
Capital Projects			
Community Development			
Debt Service			
Library	111,914		
Narcotics Law Enforcement	62,927		
Renewal and Replacement			
Tourism Promotion and Support		2,531,333	2,783,160
Assigned for:			
Capital Projects			
Disaster Recovery	2,500,000		
Unassigned	29,746,021		
Total Fund Balances	\$ 32,841,721	\$ 2,574,584	\$ 2,783,160
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 42,974,049	\$ 83,452,281	\$ 12,049,467

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Storm Water Fund</u>	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$	\$	\$
				20,608	289,427
					91,534
	19,380			29,934	153,071
13,192,447			3,827,200	683,454	17,703,101
7,018,160	7,893,109			5,429,742	20,341,011
3,176,026	1,941,112		289,248	3,635,212	9,041,598
					111,914
					62,927
				210,000	210,000
	908,758	24,464,756	9,815,551	20,699,905	61,203,463
			14,000,829		14,000,829
			3,000,000		5,500,000
					29,746,021
<u>\$ 23,386,633</u>	<u>\$ 10,762,359</u>	<u>\$ 24,464,756</u>	<u>\$ 30,932,828</u>	<u>\$ 30,708,855</u>	<u>\$ 158,454,896</u>
<u>\$ 31,091,989</u>	<u>\$ 44,602,063</u>	<u>\$ 29,395,495</u>	<u>\$ 33,664,847</u>	<u>\$ 37,347,135</u>	<u>\$ 314,577,326</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, 2023

Total Fund Balances - Total Governmental Funds	\$ 158,454,896
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.	301,500,272
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,973,122
Right to use subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	4,022,546
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	45,257,625
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.	20,176,587
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(272,725,404)</u>
Net Position of Governmental Activities	<u>\$ 261,659,644</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, 2023

	General Fund	Convention Center Fund	Local Option Tourism Fee Fund
REVENUES			
Property Taxes	\$ 30,648,198	\$	\$
Local Accommodations Taxes			
Hospitality Fee Taxes			
Storm Water Fees			
Local Option Tourism Taxes			44,831,979
Licenses and Permits	42,279,157		
Fines and Forfeitures	1,027,698		
Intergovernmental	6,650,478		
Charges for Services	3,440,976	4,378,002	
Miscellaneous	5,707,475	2,219,193	190,697
Total Revenues	<u>\$ 89,753,982</u>	<u>\$ 6,597,195</u>	<u>\$ 45,022,676</u>
EXPENDITURES			
Current:			
General Government	\$ 21,428,665	\$	\$
Public Safety	66,272,452		
Transportation	4,497,042		
Community and Economic Development	3,872,029		35,982,859
Parks, Recreation and Sports Tourism	17,016,909	7,373,514	
Public Works	1,982,369		
Capital Outlay	6,404,984	272,778	
Debt Service:			
Principal	1,564,075		
Interest and Fiscal Charges	6,674		
Bond Issuance Costs			
Total Expenditures	<u>\$ 123,045,199</u>	<u>\$ 7,646,292</u>	<u>\$ 35,982,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (33,291,217)</u>	<u>\$ (1,049,097)</u>	<u>\$ 9,039,817</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 29,559,388	\$ 1,850,000	\$
Transfers Out	(2,884,760)		(7,680,843)
Issuance of Debt	4,152,287		
Sale of Capital Assets	123,104		
Total Other Financing Sources (Uses)	<u>\$ 30,950,019</u>	<u>\$ 1,850,000</u>	<u>\$ (7,680,843)</u>
Net Change in Fund Balances	<u>\$ (2,341,198)</u>	<u>\$ 800,903</u>	<u>\$ 1,358,974</u>
Fund Balances - Beginning	<u>35,182,919</u>	<u>1,773,681</u>	<u>1,424,186</u>
Fund Balances - Ending	<u>\$ 32,841,721</u>	<u>\$ 2,574,584</u>	<u>\$ 2,783,160</u>

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

<u>Air Base Tax Increment Revenue Fund</u>	<u>Storm Water Fund</u>	<u>Hospitality Tax Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 14,724,742	\$	\$	\$ 273,665	\$ 3,557,619	\$ 49,204,224
				3,600,897	3,600,897
		26,071,321		16,600,274	42,671,595
	4,337,087				4,337,087
					44,831,979
					42,279,157
				127,686	1,155,384
	85,693		3,274,799	15,165,882	25,176,852
				2,904,402	10,723,380
769,794	707,205	208,871	464,115	1,456,046	11,723,396
<u>\$ 15,494,536</u>	<u>\$ 5,129,985</u>	<u>\$ 26,280,192</u>	<u>\$ 4,012,579</u>	<u>\$ 43,412,806</u>	<u>\$ 235,703,951</u>
\$	\$	\$	\$ 1,782,570	\$ 347,130	\$ 23,558,365
			5,200		66,277,652
	3,734,613		1,051,047		9,282,702
4,793,098			1,641,075	5,404,862	51,693,923
			215,975	4,710,753	29,317,151
					1,982,369
	701,214		4,317,953	19,532,338	31,229,267
1,640,000	1,240,724			8,346,899	12,791,698
1,305,533	238,628			4,508,117	6,058,952
				95,503	95,503
<u>\$ 7,738,631</u>	<u>\$ 5,915,179</u>	<u>\$</u>	<u>\$ 9,013,820</u>	<u>\$ 42,945,602</u>	<u>\$ 232,287,582</u>
<u>\$ 7,755,905</u>	<u>\$ (785,194)</u>	<u>\$ 26,280,192</u>	<u>\$ (5,001,241)</u>	<u>\$ 467,204</u>	<u>\$ 3,416,369</u>
\$	\$ 3,482,000	\$	\$ 15,797,460	\$ 10,936,980	\$ 61,625,828
(3,990,928)		(20,629,088)		(28,111,007)	(63,296,626)
				15,000,000	19,152,287
					123,104
<u>\$ (3,990,928)</u>	<u>\$ 3,482,000</u>	<u>\$ (20,629,088)</u>	<u>\$ 15,797,460</u>	<u>\$ (2,174,027)</u>	<u>\$ 17,604,593</u>
\$ 3,764,977	\$ 2,696,806	\$ 5,651,104	\$ 10,796,219	\$ (1,706,823)	\$ 21,020,962
<u>19,621,656</u>	<u>8,065,553</u>	<u>18,813,652</u>	<u>20,136,609</u>	<u>32,415,678</u>	<u>137,433,934</u>
<u>\$ 23,386,633</u>	<u>\$ 10,762,359</u>	<u>\$ 24,464,756</u>	<u>\$ 30,932,828</u>	<u>\$ 30,708,855</u>	<u>\$ 158,454,896</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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 21,020,962
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 (\$31,229,267) exceeded amortization (\$1,332,343), depreciation (\$17,313,474) and the book value of disposals (\$258,437) in the current period.	12,325,013
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,589,912
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.	(6,360,589)
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.	3,852,000
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>15,268,077</u>
Change in Net Position of Governmental Activities	<u>\$ 50,695,375</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, 2023

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
ASSETS			
Current Assets:			
Cash and Temporary Investments	\$ 22,156,571	\$ 4,758,030	\$ 1,240,521
Receivables (Net):			
Accounts	1,638,612	407,107	82,232
Intergovernmental	48,226	37,127	
Leases	187,337		71,813
Inventories	1,090,264		
Prepaid Assets		18,705	
Total Current Assets	\$ 25,121,010	\$ 5,220,969	\$ 1,394,566
Noncurrent Assets:			
Restricted Cash and Temporary Investments	\$ 3,796,249		\$ 4,172,300
Lease Receivables	256,326		745,793
Right to Use Leased Assets (Net)			
Land and Construction in Progress	4,276,233		
Other Capital Assets (Net)	120,748,461	1,809,853	57,236
Total Noncurrent Assets	\$ 129,077,269	\$ 1,809,853	\$ 4,975,329
Total Assets	\$ 154,198,279	\$ 7,030,822	\$ 6,369,895
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Advance Refunding Related to Pension Plan	\$ 227,745		\$
	595,389	428,769	
Total Deferred Outflows of Resources	\$ 823,134	\$ 428,769	\$
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 2,864,992	\$ 333,758	\$ 252,083
Unreported Insurance Claims			
Lease Liabilities			
Notes Payable		117,285	
Payable From Restricted Assets:			
Refundable Deposits	2,878,140		
Interest Payable	266,018		
Revenue Bonds	1,945,419		
Total Current Liabilities	\$ 7,954,569	\$ 451,043	\$ 252,083

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ 28,155,122	\$ 43,862,074
2,127,951	172,412
85,353	
259,150	
1,090,264	205,418
18,705	182,396
<u>\$ 31,736,545</u>	<u>\$ 44,422,300</u>
\$ 7,968,549	\$
1,002,119	
	61,148
4,276,233	5,061,228
<u>122,615,550</u>	<u>11,756,136</u>
<u>\$ 135,862,451</u>	<u>\$ 16,878,512</u>
<u>\$ 167,598,996</u>	<u>\$ 61,300,812</u>
\$ 227,745	\$
<u>1,024,158</u>	<u>93,607</u>
<u>\$ 1,251,903</u>	<u>\$ 93,607</u>
\$ 3,450,833	\$ 28,164,648
	642,668
	15,159
117,285	301,480
2,878,140	
266,018	
1,945,419	
<u>\$ 8,657,695</u>	<u>\$ 29,123,955</u>

A-7 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
LIABILITIES (continued)			
Noncurrent Liabilities:			
Compensated Absences	\$ 92,739	\$ 95,785	\$
Unreported Insurance Claims			
Lease Liabilities			
Notes Payable		753,409	
Revolving Line of Credit			4,172,281
Revenue Bonds (Net)	21,709,437		
Net Pension Liability	4,619,853	3,260,197	
Unearned Revenue	141,895		27,738
Total Noncurrent Liabilities	\$ 26,563,924	\$ 4,109,391	\$ 4,200,019
Total Liabilities	\$ 34,518,493	\$ 4,560,434	\$ 4,452,102
 DEFERRED INFLOWS OF RESOURCES			
Related to Leases	\$ 429,174	\$	\$ 805,136
Related to Pension Plan	293,053	206,805	
Total Deferred Inflows of Resources	\$ 722,227	\$ 206,805	\$ 805,136
 NET POSITION			
Net Investment in Capital Assets	\$ 101,597,582	\$ 939,159	\$ 57,236
Restricted for:			
Debt Service	652,091		
Tourism Promotion and Support			4,172,300
Unrestricted	17,531,020	1,753,193	(3,116,879)
Total Net Position	\$ 119,780,693	\$ 2,692,352	\$ 1,112,657

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>
\$ 188,524	\$ 20,093
	4,001,118
	48,194
753,409	631,247
4,172,281	
21,709,437	
7,880,050	729,451
169,633	
<u>\$ 34,873,334</u>	<u>\$ 5,430,103</u>
<u>\$ 43,531,029</u>	<u>\$ 34,554,058</u>
\$ 1,234,310	\$
<u>499,858</u>	<u>46,271</u>
<u>\$ 1,734,168</u>	<u>\$ 46,271</u>
\$ 102,593,977	\$ 15,882,432
652,091	
4,172,300	
<u>16,167,334</u>	<u>10,911,658</u>
\$ 123,585,702	<u>\$ 26,794,090</u>
<u>6,617,503</u>	
<u>\$ 130,203,205</u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
OPERATING REVENUES			
Charges for Services	\$ 35,242,185	\$ 8,363,656	\$ 2,654,152
OPERATING EXPENSES			
Operations	\$ 32,158,529	\$ 7,141,377	\$ 1,703,357
Amortization			
Depreciation	5,483,877	229,843	30,708
Total Operating Expenses	<u>\$ 37,642,406</u>	<u>\$ 7,371,220</u>	<u>\$ 1,734,065</u>
Operating Income (Loss)	<u>\$ (2,400,221)</u>	<u>\$ 992,436</u>	<u>\$ 920,087</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Earned	\$ 275,712	\$ 37,100	\$ 34,356
Operating Grant Revenue	48,226	37,127	
Miscellaneous Revenue	316,088	399	50
Gain on Disposal of Capital Assets			
Bond Issuance Costs	(52,883)		
Interest and Fiscal Charges	(785,132)	(17,982)	(304,008)
Total Nonoperating Revenues (Expenses)	<u>\$ (197,989)</u>	<u>\$ 56,644</u>	<u>\$ (269,602)</u>
Income (Loss) Before Contributions and Transfers	\$ (2,598,210)	\$ 1,049,080	\$ 650,485
Capital Contributions	5,954,887		
Transfers In		450,000	4,172,300
Transfers Out	<u>(2,251,502)</u>		<u>(700,000)</u>
Change in Net Position	\$ 1,105,175	\$ 1,499,080	\$ 4,122,785
Total Net Position - Beginning	<u>118,675,518</u>	<u>1,193,272</u>	<u>(3,010,128)</u>
Total Net Position - Ending	<u>\$ 119,780,693</u>	<u>\$ 2,692,352</u>	<u>\$ 1,112,657</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>46,259,993</u>	\$ <u>45,885,932</u>
\$ 41,003,263	\$ 25,450,842
	15,287
<u>5,744,428</u>	<u>3,245,727</u>
\$ <u>46,747,691</u>	\$ <u>28,711,856</u>
\$ <u>(487,698)</u>	\$ <u>17,174,076</u>
\$ 347,168	\$ 251,158
85,353	
316,537	407,963
	244,864
(52,883)	
<u>(1,107,122)</u>	<u>(29,865)</u>
\$ <u>(410,947)</u>	\$ <u>874,120</u>
\$ (898,645)	\$ 18,048,196
5,954,887	50,000
4,622,300	788,133
<u>(2,951,502)</u>	<u>(788,133)</u>
\$ 6,727,040	\$ 18,098,196
	<u>8,695,894</u>
	\$ <u><u>26,794,090</u></u>
<u>2,830,119</u>	
\$ <u><u>9,557,159</u></u>	

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 35,094,889	\$ 8,326,663	\$ 2,602,559
Receipts From Interfund Services Provided			
Payments to Suppliers	(26,603,182)	(3,142,708)	(1,656,691)
Payments to Employees	(2,599,347)	(1,872,776)	
Payments for Interfund Services Used	(3,159,611)	(2,431,884)	(14,167)
Payments of Claims			
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 2,732,749</u>	<u>\$ 879,295</u>	<u>\$ 931,701</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	\$	\$ 450,000	\$ 4,172,300
Transfers Out	(2,251,502)		(700,000)
Operating Grants	<u>500,000</u>	<u>1,216</u>	
Net Cash and Cash Equivalents Provided (Used) by Noncapital Financing Activities	<u>\$ (1,751,502)</u>	<u>\$ 451,216</u>	<u>\$ 3,472,300</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	\$ 2,999,897		\$
Proceeds From Revolving Line of Credit			1,136,435
Interest Payments on Interfund Loan			
Principal Payments on Lease Liabilities			
Interest Payments on Lease Liabilities			
Principal Payments on Long-Term Debt	(1,905,250)	(115,297)	
Interest Payments on Long-Term Debt	(881,424)	(19,299)	(294,008)
Payment of Bond Administration Fees	(5,200)		(10,000)
Payment of Bond Issuance Costs	(52,883)		
Purchases of Capital Assets	(3,177,223)	(436,640)	
Proceeds From Disposal of Capital Assets			
Net Cash and Cash Equivalents Provided (Used) by Capital and Related Financing Activities	<u>\$ (3,022,083)</u>	<u>\$ (571,236)</u>	<u>\$ 832,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>\$ 275,712</u>	<u>\$ 37,100</u>	<u>\$ 34,356</u>
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 275,712</u>	<u>\$ 37,100</u>	<u>\$ 34,356</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (1,765,124)</u>	<u>\$ 796,375</u>	<u>\$ 5,270,784</u>
Cash and Cash Equivalents - Beginning	<u>27,717,944</u>	<u>3,961,655</u>	<u>142,037</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 25,952,820</u></u>	<u><u>\$ 4,758,030</u></u>	<u><u>\$ 5,412,821</u></u>

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

<u>Enterprise Funds</u>		
<u>Total</u>	<u>Internal Service Funds</u>	
\$ 46,024,111	\$	
		45,885,932
(31,402,581)		(6,627,749)
(4,472,123)		(404,389)
(5,605,662)		
<u> </u>	<u> </u>	<u>(15,441,788)</u>
\$ <u>4,543,745</u>	\$	<u>23,412,006</u>
\$ 4,622,300	\$	788,133
(2,951,502)		(788,133)
<u>501,216</u>	<u> </u>	
\$ <u>2,172,014</u>	\$	<u> </u>
\$ 2,999,897	\$	50,000
1,136,435		
		(4,887)
		(14,224)
		(865)
(2,020,547)		(1,609,321)
(1,194,731)		(61,306)
(15,200)		
(52,883)		
(3,613,863)		(9,183,979)
<u> </u>	<u> </u>	<u>258,131</u>
\$ <u>(2,760,892)</u>	\$	<u>(10,566,451)</u>
\$ <u>347,168</u>	\$	<u>251,158</u>
\$ <u>347,168</u>	\$	<u>251,158</u>
\$ 4,302,035	\$	13,096,713
<u>31,821,636</u>	<u>30,765,361</u>	
\$ <u><u>36,123,671</u></u>	\$	<u><u>43,862,074</u></u>

A-9 (Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Management Fund	Parking Utility Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents Provided by Operating Activities</u>			
Operating Income (Loss)	\$ (2,400,221)	\$ 992,436	\$ 920,087
Adjustments to Reconcile Operating Income (Loss) to Net Cash and Cash Equivalents Provided by Operating Activities:			
Amortization			
Depreciation	5,483,877	229,843	30,708
(Increase) in Accounts Receivable (Net) and Related Amounts	(516,275)	(37,392)	(50,351)
(Increase) in Inventories	(169,590)		
(Increase) in Prepaid Assets		(18,705)	
Increase in Accounts Payable and Accrued Expenses	394,673	20,949	32,499
Increase in Refundable Deposits Payable	55,266		
Increase in Unreported Insurance Claims			
(Decrease) in Net Pension Liability and Related Amounts	(428,694)	(308,235)	
(Decrease) in Unearned Revenue	(2,375)		(1,292)
Miscellaneous Receipts	316,088	399	50
Net Cash and Cash Equivalents Provided by Operating Activities	\$ 2,732,749	\$ 879,295	\$ 931,701

Noncash Capital and Related Financing Activities

Fair Value of Capital Asset Contributions	\$ 2,954,990	\$
Book Value of Capital Asset Disposals		

Reconciliation of Cash and Cash Equivalents

Unrestricted Cash and Temporary Investments	\$ 22,156,571	\$ 4,758,030	\$ 1,240,521
Restricted Cash and Temporary Investments	3,796,249		4,172,300
	\$ 25,952,820	\$ 4,758,030	\$ 5,412,821

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

<u>Enterprise Funds</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ (487,698)	\$ 17,174,076
	15,287
5,744,428	3,245,727
(604,018)	(19,538)
(169,590)	(119,483)
(18,705)	(87,122)
448,121	2,807,031
55,266	
	74,118
(736,929)	(86,053)
(3,667)	
<u>316,537</u>	<u>407,963</u>
\$ <u>4,543,745</u>	\$ <u>23,412,006</u>
\$ 2,954,990	\$ 13,267
\$ 28,155,122	\$ 43,862,074
7,968,549	
\$ <u>36,123,671</u>	\$ <u>43,862,074</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2023

ASSETS

Cash and Temporary Investments	\$	64,876
Prepaid Assets		<u>2,954</u>
Total Assets	\$	<u><u>67,830</u></u>

NET POSITION

Restricted for Firemen	\$	<u><u>67,830</u></u>
------------------------	----	----------------------

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, 2023

ADDITIONS

Insurance Receipts	\$ 572,338
Miscellaneous	1,488
Total Additions	<u>\$ 573,826</u>

DEDUCTIONS

Retirement Plan	\$ 541,080
Other	35,610
Total Deductions	<u>\$ 576,690</u>

Change in Net Position \$ (2,864)

Net Position - Beginning 70,694

Net Position - Ending \$ 67,830

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, 2023

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, 2023

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, 2023

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 *Storm Water Fund* is a special revenue fund that 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.

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

E. Cash and Temporary Investments

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

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

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

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

F. Receivables

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

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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

G. Interfund Activity

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

H. Inventories

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

I. Prepaid Assets

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

J. Restricted Assets

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

K. 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. Right to Use Subscription Assets

Right to use subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus payments made to the subscription vendor at the beginning of the term, plus capitalizable initial implementation costs and less any subscription vendor incentives. Right to use subscription assets are amortized on a straight-line basis over the life of the subscription term.

M. 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:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

N. Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net assets 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.

O. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets 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 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.

P. 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.

Q. 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.

Subscription liabilities are recorded at the present value of subscription payments expected during the subscription term. Subscription liabilities do not include variable payments that are based on performance, usage of the underlying assets or number of users authorized.

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.

R. Equity Classifications

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 \$109,963,181 of total restricted net position, of which \$65,582,081 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.

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.

S. 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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, \$272,725,404, follows:

Bonds Payable (Net)	\$ 175,214,395
Notes Payable	443,306
Lease Liabilities	4,762,032
Subscription Liabilities	4,019,323
Compensated Absences	5,544,495
Net Pension Liability and Related Amounts	82,404,100
Accrued Interest Payable	1,326,646
Deferred Amounts on Advance Refundings	(988,893)
	<u>\$ 272,725,404</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, \$6,360,589, is comprised of the following:

Tax Increment Revenue Bonds Issued	\$ 15,000,000
Lease Liability Issued	3,701,977
Subscription Liability Issued	450,310
Principal Repayments	(12,791,698)
	<u>\$ 6,360,589</u>

The details of another element in the reconciliation that relates to expenses, \$3,852,000, follows:

Compensated Absences	\$ 290,372
Net Pension Liability	3,229,335
Accrued Interest	66,984
Amortization of Bond Premiums	543,139
Amortization of Deferred Amounts on Advance Refundings	(277,830)
	<u>\$ 3,852,000</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, 2023, expenditures did not exceed appropriations for any of the City's individual funds.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

B. Deficit Fund Equity

At June 30, 2023, no individual funds have fund equity deficits.

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 \$119,442,177 and the financial institutions' balances totaled \$120,774,065. Of that balance, \$24,484,187 was covered by federal depository insurance and \$96,289,878 was collateralized with securities held by the pledging financial institutions' trust department in the City's name. At year-end, the City had \$60,218 in cash on hand.

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

At year-end, the MBDRC's carrying amount of deposits in financial institutions was \$678,351 and the financial institutions' balances totaled \$683,992. Of that balance, \$403,075 was covered by federal depository insurance and \$280,917 was collateralized with securities held by the pledging financial institutions' trust department in the MBDRC's name.

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

At year-end, the MBCCHC's carrying amount of deposits in financial institutions was \$1,237,397 and the financial institutions' balances totaled \$826,569. Of that balance, \$250,000 was covered by federal depository insurance and \$576,659 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	3 Days	Not Rated	\$ 60,004,520	40.42%
U.S. Treasury Bill	0.25 Years	N/A	673,242	0.45
Money Market Mutual Funds	Not Available	AAA	32,670,874	22.01
State Treasurer's Investment Pool	2 Months Average	Not Rated	<u>55,105,091</u>	<u>37.12</u>
			<u>\$ 148,453,727</u>	<u>100.00 %</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

At June 30, 2023, fair value measurements of the City's investments are as follows:

	Fair Value Measurements Using			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Repurchase Agreement	\$	\$ 60,004,520	\$	\$ 60,004,520
U.S. Treasury Bill	673,242			673,242
Money Market Mutual Funds	<u>32,670,874</u>			<u>32,670,874</u>
	<u>\$ 33,344,116</u>	<u>\$ 60,004,520</u>	<u>\$</u>	<u>\$ 93,348,636</u>
Investments Measured at Net Asset Value				
State Treasurer's Investment Pool				<u>55,105,091</u>
				<u>\$ 148,453,727</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>\$ 8,528,703</u>	<u>100.00%</u>

At June 30, 2023, 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, 2023, 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	\$ 4,930,681	\$	\$	\$ 79,046
Local Accommodations Taxes				
Hospitality Fee Taxes				
Storm Water Fees				
Accounts	3,928,488	252,105		
Intergovernmental	2,575,708		11,582,884	
Leases	548,966	37,806,523		
Loans	<u>32,250</u>			
	<u>\$ 12,016,093</u>	<u>\$ 38,058,628</u>	<u>\$ 11,582,884</u>	<u>\$ 79,046</u>
Allowances for Doubtful Accounts	<u>(3,497,380)</u>			<u>(57,521)</u>
	<u>\$ 8,518,713</u>	<u>\$ 38,058,628</u>	<u>\$ 11,582,884</u>	<u>\$ 21,525</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Storm Water Fund	Hospitality Tax Fund	Capital Improvements Fund	Water and Sewer Fund
Property Taxes	\$	\$	\$	\$
Local Accommodations Taxes				
Hospitality Fee Taxes		3,810,162		
Storm Water Fees	311,139			
Accounts				2,439,366
Intergovernmental	8,948	2,309,378	1,717,807	48,226
Leases				443,663
Loans				
	\$ 320,087	\$ 6,119,540	\$ 1,717,807	\$ 2,931,255
Allowances for Doubtful Accounts	(135,446)	(9,209)		(800,754)
	\$ 184,641	\$ 6,110,331	\$ 1,717,807	\$ 2,130,501
	Solid Waste Management Fund	Parking Utility Fund	Nonmajor and Other Funds	Totals
Property Taxes	\$	\$	\$ 45,455	\$ 5,055,182
Local Accommodations Taxes			626,121	626,121
Hospitality Fee Taxes			2,614,968	6,425,130
Storm Water Fees				311,139
Accounts	646,220	82,232	422,949	7,771,360
Intergovernmental	37,127		5,574,291	23,854,369
Leases		817,606	445,897	40,062,655
Loans			192,685	224,935
	\$ 683,347	\$ 899,838	\$ 9,922,366	\$ 84,330,891
Allowances for Doubtful Accounts	(239,113)		(102,199)	(4,841,622)
	\$ 444,234	\$ 899,838	\$ 9,820,167	\$ 79,489,269

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, 2023, lease revenue amounted to \$756,787 and interest revenue on the leases amounted to \$55,499. In addition, variable lease revenue amounted to \$4,287,715.

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

Note 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2023, amounts due to/from other funds were as follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Receivable	Payable
General Fund	\$ 5,919,867	\$
Air Base Tax Increment Revenue Fund		3,657,054
Capital Improvements Fund	1,682,960	
Nonmajor Governmental Funds		3,945,773
	\$ 7,602,827	\$ 7,602,827

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, 2023 were as follows:

Transfers In	Transfers Out		
	General Fund	Local Option Fee Fund	Air Base Tax Increment Revenue Fund
General Fund	\$	\$ 7,162,428	\$ 2,307,968
Convention Center Fund			
Storm Water Fund			
Capital Improvements Fund	2,150,000		1,682,960
Nonmajor Governmental Funds	734,760	518,415	
Solid Waste Management Fund			
Parking Utility Fund			
Internal Service Funds			
	\$ 2,884,760	\$ 7,680,843	\$ 3,990,928

Transfers In	Transfers Out		
	Hospitality Tax Fund	Nonmajor Governmental Funds	Water and Sewer Fund
General Fund	\$ 4,500,000	\$ 13,337,490	\$ 2,251,502
Convention Center Fund	500,000	1,350,000	
Storm Water Fund	1,000,000	2,482,000	
Capital Improvements Fund	5,950,500	6,014,000	
Nonmajor Governmental Funds	4,506,288	4,477,517	
Solid Waste Management Fund		450,000	
Parking Utility Fund	4,172,300		
Internal Service Funds			
	\$ 20,629,088	\$ 28,111,007	\$ 2,251,502

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

<u>Transfers In</u>	<u>Transfers Out</u>		<u>Totals</u>
	<u>Parking Utility Fund</u>	<u>Internal Service Funds</u>	
General Fund	\$	\$	\$ 29,559,388
Convention Center Fund			1,850,000
Storm Water Fund			3,482,000
Capital Improvements Fund			15,797,460
Nonmajor Governmental Funds	700,000		10,936,980
Solid Waste Management Fund			450,000
Parking Utility Fund			4,172,300
Internal Service Funds		788,133	788,133
	<u>\$ 700,000</u>	<u>\$ 788,133</u>	<u>\$ 67,036,261</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, 2023, 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	\$ 42,784,216	\$
MBCCHC		42,784,216
	<u>\$ 42,784,216</u>	<u>\$ 42,784,216</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, 2023, rent expense for this lease amounted to \$3,434,907, which includes the variable rent component of \$626,903.

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, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	2,647,653	1,155,097	3,802,750
2029 - 2033	14,983,156	4,053,094	19,036,250
2034 - 2036	10,542,290	875,961	11,418,251
	<u>\$ 37,806,523</u>	<u>\$ 11,710,128</u>	<u>\$ 49,516,651</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

During the year ended June 30, 2023, lease revenue in the Convention Center Fund was \$2,808,004 and interest revenue on the lease amounted to \$1,640,293. In addition, variable lease revenue amounted to \$626,903.

Note 8 - RESTRICTED CASH AND TEMPORARY INVESTMENTS

The City's restricted cash and temporary investments consisted of the following at June 30, 2023:

Governmental Activities:	
General Fund:	
Court Bonds	\$ 434,563
Confiscated and Seized Funds	71,433
Refundable Deposits	194,262
Other	111,914
Air Base Tax Increment Revenue Fund:	
Air Base Tax Increment Revenue Bond Accounts	28,864,084
Storm Water Fund:	
Grant Funds	33,699,003
Hospitality Fee Taxes	908,758
Storm Water Revenue Bond Accounts	1,941,113
Hospitality Tax Fund:	
Hospitality Settlement	4,925,693
Capital Improvements Fund:	
Bond Proceeds	2,318,391
Hospitality Fee Taxes	9,815,551
PUD Improvements	964,602
Refundable Deposits	1,842,333
Road Projects	833,454
Nonmajor Governmental Funds:	
Hospitality Fee Revenue Bonds	10,899
Hospitality Fee Taxes	2,509,805
Ocean Front Tax Increment Revenue Bonds	690,848
Renewal and Replacement Account	300,000
	<u>\$ 90,436,706</u>
Business-Type Activities:	
Parking Utility Fund:	
Hospitality Fee Taxes	\$ 4,172,300
Water and Sewer Fund:	
Refundable Deposits	2,878,140
Waterworks and Sewer System Revenue Bond Accounts	918,109
	<u>\$ 7,968,549</u>

At June 30, 2023, the MBCCHC's restricted cash and temporary investments consisted of revenue bond accounts totaling \$4,653,077.

Note 9 - RIGHT TO USE LEASED ASSETS (NET)

The City's right to use leased assets activity for the year ended June 30, 2023 was as follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	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	<u>129,152</u>	<u>3,701,977</u>	<u>129,152</u>	<u>3,701,977</u>
	<u>\$ 2,184,464</u>	<u>\$ 3,701,977</u>	<u>\$ 129,152</u>	<u>\$ 5,757,289</u>
Accumulated Amortization for:				
Land	\$ (1,475)	\$ (2,948)	\$	\$ (4,423)
Buildings	(151,497)	(196,901)		(348,398)
Equipment	<u>(32,123)</u>	<u>(370,198)</u>	<u>(32,123)</u>	<u>(370,198)</u>
	<u>\$ (185,095)</u>	<u>\$ (570,047)</u>	<u>\$ (32,123)</u>	<u>\$ (723,019)</u>
Right to Use Leased Assets (Net)	<u>\$ 1,999,369</u>	<u>\$ 3,131,930</u>	<u>\$ 97,029</u>	<u>\$ 5,034,270</u>
Business-Type Activities:				
Right to Use Leased Assets:				
Land	<u>\$ 32,599</u>	<u>\$</u>	<u>\$ 32,599</u>	<u>\$ 0</u>
Accumulated Amortization for:				
Land	<u>\$ (3,501)</u>	<u>\$</u>	<u>\$ (3,501)</u>	<u>\$ 0</u>
Right to Use Leased Assets (Net)	<u>\$ 29,098</u>	<u>\$</u>	<u>\$ 29,098</u>	<u>\$ 0</u>

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

Governmental Activities:	
General Government	\$ 370,198
Community and Economic Development	184,562
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	<u>15,287</u>
	<u>\$ 570,047</u>
Business-Type Activities:	
Solid Waste Management	<u>\$ 0</u>

The MBCCHC's right to use leased assets activity for the year ended June 30, 2023 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)	\$	\$ (5,616,008)
Right to Use Leased Assets (Net)	<u>\$ 39,312,055</u>	<u>\$ (2,808,004)</u>	<u>\$</u>	<u>\$ 36,504,051</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10 - RIGHT TO USE SUBSCRIPTION ASSETS (NET)

The City's right to use subscription assets activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Right to Use Subscription Assets:				
IT Software	\$ <u> </u>	\$ <u>4,800,128</u>	\$ <u> </u>	\$ <u>4,800,128</u>
Accumulated Amortization for:				
IT Software	\$ <u> </u>	\$ <u>(777,582)</u>	\$ <u> </u>	\$ <u>(777,582)</u>
Right to Use Subscription Assets (Net)	\$ <u> </u>	\$ <u>4,022,546</u>	\$ <u> </u>	\$ <u>4,022,546</u>

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

Governmental Activities:	
General Government	\$ <u>777,582</u>

Note 11 - CAPITAL ASSETS (NET)

The City's capital asset activity for the year ended June 30, 2023 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	\$ 65,753,218	\$ 16,752,726	\$ 134,291	\$ 82,371,653
Construction-in-Progress	<u>6,470,954</u>	<u>9,222,044</u>	<u>6,462,649</u>	<u>9,230,349</u>
	\$ <u>72,224,172</u>	\$ <u>25,974,770</u>	\$ <u>6,596,940</u>	\$ <u>91,602,002</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 76,536,508	\$ 6,878,013	\$	\$ 83,414,521
Buildings and Improvements	147,682,817	2,230,365		149,913,182
Furniture, Vehicles and Equipment	85,371,553	7,827,746	1,082,632	92,116,667
Infrastructure	<u>232,233,172</u>	<u>606,432</u>	<u> </u>	<u>232,839,604</u>
	\$ <u>541,824,050</u>	\$ <u>17,542,556</u>	\$ <u>1,082,632</u>	\$ <u>558,283,974</u>
Accumulated Depreciation for:				
Land Improvements	\$ (40,810,529)	\$ (3,928,010)	\$	\$ (44,738,539)
Buildings and Improvements	(82,631,246)	(4,688,078)		(87,319,324)
Furniture, Vehicles and Equipment	(64,261,026)	(5,748,311)	(945,334)	(69,064,003)
Infrastructure	<u>(124,251,673)</u>	<u>(6,194,801)</u>	<u> </u>	<u>(130,446,474)</u>
	\$ <u>(311,954,474)</u>	\$ <u>(20,559,200)</u>	\$ <u>(945,334)</u>	\$ <u>(331,568,340)</u>
Capital Assets (Net)	\$ <u>302,093,748</u>	\$ <u>22,958,126</u>	\$ <u>6,734,238</u>	\$ <u>318,317,636</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 2,663,271	\$	\$	\$ 2,663,271
Construction-in-Progress	309,022	1,303,940		1,612,962
	<u>\$ 2,972,293</u>	<u>\$ 1,303,940</u>	<u>\$</u>	<u>\$ 4,276,233</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 129,261	\$	\$	\$ 129,261
Buildings and Improvements	2,343,089			2,343,089
Distribution System	232,997,788	4,783,082		237,780,870
Furniture, Vehicles and Equipment	6,253,704	481,831		6,735,535
	<u>\$ 241,723,842</u>	<u>\$ 5,264,913</u>	<u>\$</u>	<u>\$ 246,988,755</u>
Accumulated Depreciation for:				
Land Improvements	\$ (111,676)	\$ (2,681)	\$	\$ (114,357)
Buildings and Improvements	(1,998,669)	(47,079)		(2,045,748)
Distribution System	(111,864,757)	(5,409,097)		(117,273,854)
Furniture, Vehicles and Equipment	(4,653,674)	(285,572)		(4,939,246)
	<u>\$ (118,628,776)</u>	<u>\$ (5,744,429)</u>	<u>\$</u>	<u>\$ (124,373,205)</u>
Capital Assets (Net)	<u>\$ 126,067,359</u>	<u>\$ 824,424</u>	<u>\$</u>	<u>\$ 126,891,783</u>

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

Governmental Activities:	
General Government	\$ 1,273,958
Public Safety	1,367,130
Transportation	4,849,289
Community and Economic Development	3,983,037
Parks, Recreation and Sports Tourism	5,781,095
Public Works	58,964
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	<u>3,245,727</u>
	<u>\$ 20,559,200</u>
Business-Type Activities:	
Water	\$ 2,526,568
Sewer	2,957,310
Solid Waste Management	229,843
Parking Utility	30,708
	<u>\$ 5,744,429</u>

The MBDRC's capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not Being Depreciated:				
Land	\$ 1,022,049	\$	\$	\$ 1,022,049

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 79,646	\$	\$	\$ 79,646
Equipment	<u>85,614</u>	<u> </u>	<u> </u>	<u>85,614</u>
	<u>\$ 165,260</u>	<u>\$</u>	<u>\$</u>	<u>\$ 165,260</u>
Accumulated Depreciation for:				
Land Improvements	\$ (79,646)	\$	\$	\$ (79,646)
Equipment	<u>(85,614)</u>	<u> </u>	<u> </u>	<u>(85,614)</u>
	<u>\$ (165,260)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (165,260)</u>
Capital Assets (Net)	<u>\$ 1,022,049</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,022,049</u>

The MBCCHC's capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Construction in Progress	<u>\$</u>	<u>\$ 1,044,591</u>	<u>\$</u>	<u>\$ 1,044,591</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 549,458	\$	\$	\$ 549,458
Building and Improvements	43,479,530	1,219,284	\$	44,698,814
Furnishings and Equipment	<u>17,648,888</u>	<u>1,310,401</u>	<u> </u>	<u>18,959,289</u>
	<u>\$ 61,677,876</u>	<u>\$ 2,529,685</u>	<u>\$</u>	<u>\$ 64,207,561</u>
Accumulated Depreciation for:				
Land Improvements	\$ (1,587,528)	\$ (16,250)	\$	\$ (1,603,778)
Building and Improvements	(19,525,397)	(1,110,450)	\$	(20,635,847)
Furnishings and Equipment	<u>(14,889,060)</u>	<u>(821,598)</u>	<u> </u>	<u>(15,710,658)</u>
	<u>\$ (36,001,985)</u>	<u>\$ (1,948,298)</u>	<u>\$</u>	<u>\$ (37,950,283)</u>
Capital Assets (Net)	<u>\$ 25,675,891</u>	<u>\$ 1,625,978</u>	<u>\$</u>	<u>\$ 27,301,869</u>

Note 12 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES / EXPENDITURES

Accounts payable and accrued expenses / expenditures consisted of the following at June 30, 2023:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Local Option Tourism Fee Fund</u>	<u>Storm Water Fund</u>
Trade Accounts Payable	\$ 4,398,162	\$ 223,584	\$ 9,266,307	\$ 104,054
Accrued Salaries and Wages	3,113,711	147,998		36,647
Compensated Absences				
Accrued Interest Payable				
Retainage Payable	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 7,511,873</u>	<u>\$ 371,582</u>	<u>\$ 9,266,307</u>	<u>\$ 140,701</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	<u>Capital Improvements Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Management Fund</u>	<u>Parking Utility Fund</u>
Trade Accounts Payable	\$ 555,117	\$ 2,566,609	\$ 180,053	\$ 252,083
Accrued Salaries and Wages		129,965	92,524	
Compensated Absences		90,727	51,240	
Accrued Interest Payable			9,941	
Retainage Payable	<u>334,569</u>	<u>77,691</u>		
	<u>\$ 889,686</u>	<u>\$ 2,864,992</u>	<u>\$ 333,758</u>	<u>\$ 252,083</u>

	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Trade Accounts Payable	\$ 29,969,890	\$ 47,515,859
Accrued Salaries and Wages	59,765	3,580,610
Compensated Absences	11,971	153,938
Accrued Interest Payable	11,312	21,253
Retainage Payable	<u>18,956</u>	<u>431,216</u>
	<u>\$ 30,071,894</u>	<u>\$ 51,702,876</u>

Reconciliation to the Government-Wide Statement of Net Position:	
Accrued Interest Payable	<u>1,326,646</u>
	<u>\$ 53,029,522</u>

Note 13 - UNAVAILABLE REVENUE

At June 30, 2023, unavailable revenue consisted of the following:

	<u>General Fund</u>	<u>Convention Center Fund</u>	<u>Air Base Tax Increment Revenue Fund</u>	<u>Hospitality Tax Fund</u>
Property Taxes	\$ 1,209,297	\$	\$ 22,395	\$
Ambulance Fees	73,453			
Lease Revenues		43,777,969		
Other	<u>800</u>	<u>39,345</u>		<u>5,046</u>
	<u>\$ 1,283,550</u>	<u>\$ 43,817,314</u>	<u>\$ 22,395</u>	<u>\$ 5,046</u>

	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Property Taxes	\$ 4,635	\$ 1,236,327
Ambulance Fees		73,453
Lease Revenues		43,777,969
Other	<u>124,685</u>	<u>169,876</u>
	<u>\$ 129,320</u>	<u>\$ 45,257,625</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14 - LEASE LIABILITIES

The City is the lessee of land, buildings and equipment under multiple lease agreements expiring in various years through 2072, which are included in governmental activities. 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, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2024	\$ 756,965	\$ 126,124	\$ 883,089
2025	780,470	102,620	883,090
2026	883,112	78,365	961,477
2027	1,099,389	52,088	1,151,477
2028	322,958	22,042	345,000
2029 - 2033	859,258	40,742	900,000
2034 - 2038	10,558	14,442	25,000
2039 - 2043	11,902	13,098	25,000
2044 - 2048	13,416	11,584	25,000
2049 - 2053	15,123	9,877	25,000
2054 - 2058	17,049	7,951	25,000
2059 - 2063	19,218	5,782	25,000
2064 - 2068	21,665	3,335	25,000
2069 - 2072	14,302	699	15,001
	<u>\$ 4,825,385</u>	<u>\$ 488,749</u>	<u>\$ 5,314,134</u>

Note 15 - SUBSCRIPTION LIABILITIES

The City has entered into multiple information technology software subscription agreements expiring in various years through 2029, which are included in governmental activities. The subscription liabilities are measured at discount rates ranging from 2.52% to 2.66%. Minimum future subscription payments and the net present value of the subscription payments as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2024	\$ 679,115	\$ 101,690	\$ 780,805
2025	715,230	84,377	799,607
2026	598,769	66,149	664,918
2027	640,455	51,060	691,515
2028	684,255	34,921	719,176
2029	701,499	17,678	719,177
	<u>\$ 4,019,323</u>	<u>\$ 355,875</u>	<u>\$ 4,375,198</u>

Note 16 - LONG-TERM DEBT

A. Governmental Activities

At June 30, 2023, long-term debt of the City's governmental activities was as follows:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Original <u>Issue Amount</u>	Interest Rates	Final <u>Maturity Date</u>	<u>Amount</u>
General Obligation Bonds:				
Series 2012A	\$ 4,030,000	1.50 - 2.38%	03/01/32	\$ 2,190,000
Refunding Series 2015B	1,560,000	1.99	09/01/25	504,000
Series 2019	7,000,000	3.00 - 5.00	03/01/34	5,505,000
Series 2020A	5,500,000	2.27	03/01/40	5,025,000
Refunding Series 2020B	14,213,000	1.23	03/01/31	10,211,000
Refunding Series 2020C	6,984,000	1.36	03/01/31	5,172,000
Refunding Series 2020D	5,881,000	1.75	03/01/32	5,260,000
				<u>\$ 33,867,000</u>
Tax Increment Revenue Bonds:				
Refunding Series 2016	43,280,000	3.00 - 5.00	10/01/35	\$ 30,180,000
Refunding Series 2017B	7,245,000	3.00 - 5.00	04/01/34	5,765,000
Series 2021	20,000,000	0.96 - 3.28	04/01/42	19,330,000
Series 2022	15,000,000	3.95	04/01/42	15,000,000
				<u>\$ 70,275,000</u>
Storm Water Revenue Bonds:				
Series 2004	10,499,052	2.25	05/01/27	\$ 2,542,437
Series 2010	2,773,380	1.67	02/01/30	1,036,516
Series 2014	10,609,640	2.00	02/01/36	7,117,366
				<u>\$ 10,696,319</u>
Hospitality Fee Revenue Bonds:				
Refunding Series 2014A	17,400,000	1.05 - 5.90	06/01/39	\$ 11,875,000
Refunding Series 2014B	44,515,000	2.00 - 5.00	06/01/36	34,320,000
Series 2017A	9,575,000	3.00 - 5.00	06/01/38	7,890,000
				<u>\$ 54,085,000</u>
Notes Payable:				
2017	1,400,000	1.94	07/15/22	\$ 298,727
2019	615,703	1.96	12/01/29	443,306
2020	1,080,000	1.88	03/01/27	634,000
				<u>\$ 1,376,033</u>

General Obligation Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	3,400,000	377,723	3,777,723
2029 - 2033	11,341,000	975,896	12,316,896
2034 - 2038	2,202,000	207,940	2,409,940
2039 - 2040	696,000	23,791	719,791
	<u>\$ 33,867,000</u>	<u>\$ 3,849,766</u>	<u>\$ 37,716,766</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2024	\$ 2,975,000	\$ 2,750,077	\$ 5,725,077
2025	3,672,000	2,443,246	6,115,246
2026	3,826,000	2,292,492	6,118,492
2027	3,980,000	2,132,860	6,112,860
2028	4,145,000	1,964,409	6,109,409
2029 - 2033	23,437,000	7,102,621	30,539,621
2034 - 2038	18,971,000	3,141,046	22,112,046
2039 - 2042	9,269,000	846,742	10,115,742
	\$ 70,275,000	\$ 22,673,493	\$ 92,948,493

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, 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	704,919	103,444	808,363
2029 - 2033	3,193,264	317,429	3,510,693
2034 - 2036	1,568,884	43,467	1,612,351
	\$ 10,696,319	\$ 1,134,243	\$ 11,830,562

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:

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 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	3,420,000	2,033,053	5,453,053
2029 - 2033	19,760,000	7,523,064	27,283,064
2034 - 2038	17,560,000	2,512,204	20,072,204
2039	1,100,000	64,922	1,164,922
	<u>\$ 54,085,000</u>	<u>\$ 21,864,002</u>	<u>\$ 75,949,002</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, 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	64,438	3,863	68,301
2029 - 2030	132,924	3,916	136,840
	<u>\$ 1,376,033</u>	<u>\$ 77,008</u>	<u>\$ 1,453,041</u>

B. Business-Type Activities

Long-term debt of the City's business-type activities consisted of the following at June 30, 2023:

	<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	\$ 4,955,000
Series 2016	18,440,000	2.00 - 5.00	03/01/36	12,315,000
Series 2017	6,246,418	1.80	08/01/37	4,674,042
Series 2023A	5,353,753	1.40	08/01/43	0
Series 2023B	2,527,143	1.40	09/01/43	0
				<u>\$ 21,944,042</u>
Note Payable:				
2019	1,209,297	1.96	12/01/29	<u>\$ 870,694</u>
Revolving Line of Credit:				
2021	10,000,000	Prime	01/25/31	<u>\$ 4,172,281</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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:

	Principal	Interest	Total
Year Ending June 30, 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	2,297,050	485,749	2,782,799
2029 - 2033	7,477,153	1,338,761	8,815,914
2034 - 2038	3,891,200	256,659	4,147,859
	\$ 21,944,042	\$ 4,927,790	\$ 26,871,832

Proceeds of the Series 2023A and Series 2023B revenue bonds are received from the South Carolina Water Quality Revolving Fund when eligible project costs are incurred. Accordingly, additional proceeds in the amount of \$5,353,753 and \$2,527,143, respectively, will be received by the City.

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:

	Principal	Interest	Total
Year Ending June 30, 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	126,562	7,587	134,149
2029 - 2030	261,076	7,691	268,767
	\$ 870,694	\$ 69,505	\$ 940,199

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:

	Principal	Interest	Total
Year Ending June 30, 2024	\$	\$ 344,213	\$ 344,213
2025		344,213	344,213
2026		344,213	344,213
2027		344,213	344,213
2028		344,213	344,213
2029 - 2031	4,172,281	860,533	5,032,814
	\$ 4,172,281	\$ 2,581,598	\$ 6,753,879

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

C. MBCCHC

Long-term debt outstanding at June 30, 2023 in the MBCCHC was as follows:

	<u>Original</u> <u>Issue Amount</u>	<u>Interest Rates</u>	<u>Final</u> <u>Maturity Date</u>	<u>Amount</u>
Revenue Bonds:				
Refunding Series 2015	\$ 16,405,000	2.00 - 5.00%	04/01/36	\$ <u>11,935,000</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, 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	870,000	359,112	1,229,112
2029 - 2033	4,770,000	1,368,861	6,138,861
2034 - 2036	<u>3,355,000</u>	<u>341,000</u>	<u>3,696,000</u>
	<u>\$ 11,935,000</u>	<u>\$ 3,891,925</u>	<u>\$ 15,826,925</u>

D. Changes in Long-Term Liabilities

The City's long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 37,774,000	\$	\$ 3,907,000	\$ 33,867,000	\$ 3,990,000
Tax Increment Revenue Bonds	57,980,000	15,000,000	2,705,000	70,275,000	2,975,000
Storm Water Revenue Bonds	11,937,043		1,240,724	10,696,319	1,266,757
Hospitality Fee Revenue Bonds	57,065,000		2,980,000	54,085,000	2,945,000
Unamortized Bond Premiums	<u>6,834,215</u>		<u>543,139</u>	<u>6,291,076</u>	
	\$ 171,590,258	\$ 15,000,000	\$ 11,375,863	\$ 175,214,395	\$ 11,176,757
Notes Payable	3,334,325		1,958,292	1,376,033	361,195
Lease Liabilities	2,063,743	3,701,977	940,335	4,825,385	756,965
Subscription Liabilities		4,800,128	780,805	4,019,323	679,115
Unreported Insurance Claims	4,569,668	13,404,483	13,330,365	4,643,786	642,668
Compensated Absences	<u>5,863,889</u>	<u>2,478,002</u>	<u>2,765,333</u>	<u>5,576,558</u>	<u>2,181,710</u>
	<u>\$ 187,421,883</u>	<u>\$ 39,384,590</u>	<u>\$ 31,150,993</u>	<u>\$ 195,655,480</u>	<u>\$ 15,798,410</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(11,970)	(11,970)
Net Pension Liability	<u>92,125,830</u>	
	<u>\$ 287,769,340</u>	<u>\$ 15,786,440</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	\$ 23,849,292	\$	\$ 1,905,250	\$ 21,944,042	\$ 1,945,419
Unamortized Bond Premiums	<u>1,847,879</u>	<u></u>	<u>137,065</u>	<u>1,710,814</u>	<u></u>
	\$ 25,697,171	\$	\$ 2,042,315	\$ 23,654,856	\$ 1,945,419
Note Payable	985,991		115,297	870,694	117,285
Revolving Line of Credit	3,035,846	1,136,435		4,172,281	
Lease Liability	29,224		29,224		
Compensated Absences	<u>354,851</u>	<u>153,398</u>	<u>177,758</u>	<u>330,491</u>	<u>141,967</u>
	<u>\$ 30,103,083</u>	<u>\$ 1,289,833</u>	<u>\$ 2,364,594</u>	<u>\$ 29,028,322</u>	<u>\$ 2,204,671</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(141,967)	(141,967)
Bonds Payable Included in Liabilities Payable From Restricted Assets	(1,945,419)	(1,945,419)
Net Pension Liability	<u>7,880,050</u>	<u></u>
	<u>\$ 34,820,986</u>	<u>\$ 117,285</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, internal service funds' compensated absences of \$32,064, notes payable of \$932,727, unreported insurance claims of \$4,643,786, lease liability of \$63,353 and net pension liability of \$729,451 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. Subscription liabilities are liquidated by the General Fund.

The MBCCHC's long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 12,345,000	\$	\$ 410,000	\$ 11,935,000	\$ 575,000
Unamortized Bond Premium	<u>1,108,008</u>	<u></u>	<u>80,580</u>	<u>1,027,428</u>	<u></u>
	\$ 13,453,008	\$	\$ 490,580	\$ 12,962,428	\$ 575,000
Lease Liability	<u>40,007,156</u>	<u></u>	<u>2,200,633</u>	<u>37,806,523</u>	<u>2,286,583</u>
	<u>\$ 53,460,164</u>	<u>\$</u>	<u>\$ 2,691,213</u>	<u>\$ 50,768,951</u>	<u>\$ 2,861,583</u>

Reconciliation to the Government-Wide Statement of Net Position:

Bonds Payable Included in Liabilities Payable From Restricted Assets	(575,000)	(575,000)
	<u>\$ 50,193,951</u>	<u>\$ 2,286,583</u>

E. Pledged Revenues

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Pledged Revenue	Purpose	Debt Service Remaining	Term (Year Ending June 30)
Tax Increment Revenue Bonds	Property Taxes	Construction	\$ 92,948,493	2042
Storm Water Revenue Bonds	Storm Water Fees	Construction	11,830,562	2036
Waterworks and Sewer System Revenue Bonds	Water and Sewer Fees	Construction	26,871,832	2038
Hospitality Fee Revenue Bonds	Hospitality Fee Taxes	Debt Extinguishment and Construction	75,949,002	2039
Revolving Line of Credit	Parking Fees	Cash Flow	6,753,879	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, 2023 follows:

	Current Year Pledged Revenue	Percentage of Total Revenue Stream	Current Year Principal and Interest Paid	Percentage of Pledged Revenue
Tax Increment Revenue Bonds	\$ 16,061,577	100.00%	\$ 4,934,533	30.72%
Storm Water Revenue Bonds	4,337,087	100.00	1,474,789	34.00
Waterworks and Sewer System Revenue Bonds	38,517,794	100.00	2,786,674	7.23
Hospitality Fee Revenue Bonds	16,600,274	100.00	5,740,353	34.58
Revolving Line of Credit	2,654,152	100.00	294,008	11.08

Note 17 - PENSION PLANS

A. Plan Descriptions

The South Carolina Retirement System (SCRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA). The SCRS was established pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the State and its political subdivisions. The SCRS covers employees of State agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

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 annual comprehensive financial report that can be obtained at www.peba.sc.gov or by writing to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

B. Membership

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 first-term individuals elected to the South Carolina General Assembly. An employee member with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member with an effective date of membership on or after July 1, 2012 is a Class Three member.

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

C. Benefits Provided

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

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

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

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

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. The

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Retirement Funding and Administration Act of 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. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by one percentage point each year until reaching 18.56% for the SCRS and 21.24% for the PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified the statute such that the employer contribution rates for the SCRS and the PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of the SCRS and the PORS to the maximum amortization period of twenty years from thirty years over a ten year schedule, as determined by the annual actuarial valuations of the plans. Finally, under the revised statute, the contribution rates for the SCRS and the PORS may not be decreased until the plans are at least eighty-five percent funded.

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	17.41%	19.84%
Class Three Member	17.41	19.84
Incidental Death Benefit	0.15	0.20
Accidental Death Benefit	N/A	0.20

The City's contributions to the SCRS and the PORS for the fiscal year ended June 30, 2023 were \$4,817,278 and \$6,102,837, 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, 2023, the City reported a liability of \$49,622,484 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the City's proportion was 0.204695%, which is an decrease of 0.003524% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized SCRS pension expense of \$2,583,950.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

PORS - At June 30, 2023, the City reported a liability of \$50,383,396 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the City's proportion was 1.680018%, which is an decrease of 0.073632% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized PORS pension expense of \$4,283,883.

The City recognized total pension expense of \$6,867,833 for the year ended June 30, 2023.

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

At June 30, 2023, 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	\$ 431,127	\$ 845,332	\$ 1,276,459
Changes of Assumptions	1,591,510	2,098,045	3,689,555
Differences Between Projected and Actual Earnings on Plan Investments	76,528	152,146	228,674
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	2,627	69,157	71,784
City Contributions Subsequent to the Measurement Date	<u>4,817,278</u>	<u>6,102,837</u>	<u>10,920,115</u>
	<u>\$ 6,919,070</u>	<u>\$ 9,267,517</u>	<u>\$ 16,186,587</u>

At June 30, 2023, the City reported deferred inflows of resources related to pension plans from the following sources:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Differences Between Expected and Actual Pension Liability Experience	\$ 216,253	\$ 995,996	\$ 1,212,249
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>2,931,465</u>	<u>2,478,958</u>	<u>5,410,423</u>
	<u>\$ 3,147,718</u>	<u>\$ 3,474,954</u>	<u>\$ 6,622,672</u>

The \$10,920,115 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plans will be recognized in pension expense as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Year Ended June 30, 2024	\$ (594,657)	\$ 85,939	\$ (508,718)
2025	(404,739)	(93,976)	(498,715)
2026	(1,340,653)	(2,260,629)	(3,601,282)
2027	<u>1,294,123</u>	<u>1,958,392</u>	<u>3,252,515</u>
	<u>\$ (1,045,926)</u>	<u>\$ (310,274)</u>	<u>\$ (1,356,200)</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

G. Actuarial Assumptions

The total pension liability in the July 1, 2021 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 2022 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%	6.79%
Bonds	26.0	(0.35)
Private Equity	9.0	8.75
Private Debt	7.0	6.00
Real Assets		
Real Estate	9.0	4.12
Infrastructure	3.0	5.88
	100.0%	

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	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>63,622,147</u>	\$ <u>49,622,484</u>	\$ <u>37,983,582</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>70,256,611</u>	\$ <u>50,383,396</u>	\$ <u>34,115,298</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>133,878,758</u>	\$ <u>100,005,880</u>	\$ <u>72,098,880</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 annual comprehensive financial report.

Note 18 - 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.

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, 2023 was \$4,420,275, net of forfeitures totaling \$0. During the year ended June 30, 2023, the City paid \$2,067,539 for OPEB as benefits came due. At June 30, 2023, the City's OPEB liability amounted to \$26,404,111.

Note 19 - 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.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, the Self Insurance Fund has a claim liability of \$4,001,118. 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, 2023 and 2022 follows:

	2023	2022
Beginning Balance	\$ 3,871,626	\$ 3,370,473
Claims Incurred and Change in Estimate	2,585,077	2,956,583
Claim Payments	<u>(2,455,585)</u>	<u>(2,455,430)</u>
Ending Balance	<u>\$ 4,001,118</u>	<u>\$ 3,871,626</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, 2023, the Health Insurance Fund has a claim liability of \$642,668, 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, 2023 and 2022 follows:

	2023	2022
Beginning Balance	\$ 698,042	\$ 728,929
Claims Incurred and Change in Estimate	10,819,406	11,353,189
Claim Payments	<u>(10,874,780)</u>	<u>(11,384,076)</u>
Ending Balance	<u>\$ 642,668</u>	<u>\$ 698,042</u>

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

Note 20 - 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, 2023, water and wastewater treatment service charges totaled \$18,370,525.

Prior to June 30, 2023, the City entered into various construction contracts. The approximate costs of the contracts were \$5,242,000 of which roughly \$4,972,000 has been incurred as of year-end.

CITY OF MYRTLE BEACH, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 21 - 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 22 - ADOPTION OF GASB STATEMENT NO. 96

During the year ended June 30, 2023, the City adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 requires long-term subscription assets and liabilities to be recorded on the financial statements. As a result, right to use subscription assets and subscription liabilities in the amount of \$4,349,818 were recognized by the City at the beginning of the year.

Note 23 - SUBSEQUENT EVENTS

Subsequent to June 30, 2023, the City issued \$14,485,000 of storm water revenue bonds. The interest rates on the bonds range from 4.625% to 5.250% and the final maturity date is June 1, 2043.

Subsequent to June 30, 2023, the City issued \$612,600 of waterworks and sewer system bonds. The interest rate on the bonds is 1.00% and the final maturity date is September 1, 2030.

Subsequent to June 30, 2023, the City issued \$38,435,000 of waterworks and sewer system bonds. The interest rates on the bonds range from 4.00% to 5.00% and the final maturity date is March 1, 2048.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE SCRS NET PENSION LIABILITY
Last Ten 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>
6/30/23	0.204695 %	\$ 49,622,484	\$ 24,374,970	203.58 %	57.1 %
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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE PORS NET PENSION LIABILITY
Last Ten 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>
6/30/23	1.680018 % \$	50,383,396	\$ 26,587,209	189.50 %	66.4 %
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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF CITY CONTRIBUTIONS TO THE SCRS
Last Ten 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>
6/30/23	\$ 4,817,278	\$ 4,817,278	\$ 0	\$ 27,433,243	17.56 %
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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF CITY CONTRIBUTIONS TO THE PORS
Last Ten 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>
6/30/23	\$ 6,102,837	\$ 6,102,837	\$ 0	\$ 30,152,358	20.24 %
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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 28,797,000	\$ 28,797,000	\$ 30,648,198	\$ 1,851,198
Licenses and Permits	34,516,500	41,698,657	42,279,157	580,500
Fines and Forfeitures	930,000	930,000	1,027,698	97,698
Intergovernmental	3,364,743	4,953,926	6,650,478	1,696,552
Charges for Services	3,571,660	3,571,660	3,440,976	(130,684)
Miscellaneous	4,962,033	4,972,533	5,707,475	734,942
Total Revenues	<u>\$ 76,141,936</u>	<u>\$ 84,923,776</u>	<u>\$ 89,753,982</u>	<u>\$ 4,830,206</u>
EXPENDITURES				
Current:				
General Government	\$ 16,380,652	\$ 25,353,402	\$ 21,428,665	\$ 3,924,737
Public Safety	61,832,044	69,947,128	66,272,452	3,674,676
Transportation	4,557,847	4,589,549	4,497,042	92,507
Community and Economic Development	4,217,987	4,354,460	3,872,029	482,431
Parks, Recreation and Sports Tourism	15,931,945	16,408,887	17,016,909	(608,022)
Public Works	2,107,285	2,169,116	1,982,369	186,747
Capital Outlay	2,658,395	4,158,395	6,404,984	(2,246,589)
Debt Service:				
Principal			1,564,075	(1,564,075)
Interest and Fiscal Charges			6,674	(6,674)
Total Expenditures	<u>\$ 107,686,155</u>	<u>\$ 126,980,937</u>	<u>\$ 123,045,199</u>	<u>\$ 3,935,738</u>
Deficiency of Revenues Under Expenditures	<u>\$ (31,544,219)</u>	<u>\$ (42,057,161)</u>	<u>\$ (33,291,217)</u>	<u>\$ 8,765,944</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 33,782,176	\$ 34,404,604	\$ 29,559,388	\$ (4,845,216)
Transfers Out	(2,435,416)	(2,935,416)	(2,884,760)	50,656
Issuance of Debt			4,152,287	4,152,287
Sale of Capital Assets	200,000	200,000	123,104	(76,896)
Total Other Financing Sources (Uses)	<u>\$ 31,546,760</u>	<u>\$ 31,669,188</u>	<u>\$ 30,950,019</u>	<u>\$ (719,169)</u>
Net Change in Fund Balances	\$ 2,541	\$ (10,387,973)	\$ (2,341,198)	\$ 8,046,775
Fund Balances - Beginning	<u>35,182,919</u>	<u>35,182,919</u>	<u>35,182,919</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 35,185,460</u></u>	<u><u>\$ 24,794,946</u></u>	<u><u>\$ 32,841,721</u></u>	<u><u>\$ 8,046,775</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,375,000	\$ 3,375,000	\$ 4,378,002	\$ 1,003,002
Miscellaneous	1,865,250	1,865,250	2,219,193	353,943
Total Revenues	<u>\$ 5,240,250</u>	<u>\$ 5,240,250</u>	<u>\$ 6,597,195</u>	<u>\$ 1,356,945</u>
EXPENDITURES				
Current:				
Parks, Recreation and Sports Tourism	\$ 7,003,371	\$ 7,151,051	\$ 7,373,514	\$ (222,463)
Capital Outlay	830,000	1,435,026	272,778	1,162,248
Total Expenditures	<u>\$ 7,833,371</u>	<u>\$ 8,586,077</u>	<u>\$ 7,646,292</u>	<u>\$ 939,785</u>
Deficiency of Revenues Under Expenditures	\$ (2,593,121)	\$ (3,345,827)	\$ (1,049,097)	\$ 2,296,730
OTHER FINANCING SOURCES				
Transfers In	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	
Net Change in Fund Balances	\$ (743,121)	\$ (1,495,827)	800,903	\$ 2,296,730
Fund Balances - Beginning	<u>1,773,681</u>	<u>1,773,681</u>	<u>1,773,681</u>	
Fund Balances - Ending	<u>\$ 1,030,560</u>	<u>\$ 277,854</u>	<u>\$ 2,574,584</u>	<u>\$ 2,296,730</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Tourism Taxes	\$ 35,000,000	\$ 44,831,979	\$ 44,831,979	\$
Miscellaneous	100,000	190,697	190,697	
Total Revenues	<u>\$ 35,100,000</u>	<u>\$ 45,022,676</u>	<u>\$ 45,022,676</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 28,080,000	\$ 35,982,859	\$ 35,982,859	\$
Excess of Revenues Over Expenditures	\$ 7,020,000	\$ 9,039,817	\$ 9,039,817	\$
OTHER FINANCING USES				
Transfers Out	<u>(7,040,000)</u>	<u>(7,680,843)</u>	<u>(7,680,843)</u>	
Net Change in Fund Balance	\$ (20,000)	\$ 1,358,974	\$ 1,358,974	\$
Fund Balance - Beginning	<u>1,424,186</u>	<u>1,424,186</u>	<u>1,424,186</u>	
Fund Balance - Ending	<u>\$ 1,404,186</u>	<u>\$ 2,783,160</u>	<u>\$ 2,783,160</u>	<u>\$</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
AIR BASE TAX INCREMENT REVENUE FUND
Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 13,875,000	\$ 14,724,742	\$ 849,742
Miscellaneous	5,000	769,794	764,794
Total Revenues	\$ 13,880,000	\$ 15,494,536	\$ 1,614,536
EXPENDITURES			
Current:			
Community and Economic Development	\$ 5,300,000	\$ 4,793,098	\$ 506,902
Debt Service:			
Principal	1,640,000	1,640,000	
Interest and Fiscal Charges	1,312,300	1,305,533	6,767
Total Expenditures	\$ 8,252,300	\$ 7,738,631	\$ 513,669
Excess of Revenues Over Expenditures	\$ 5,627,700	\$ 7,755,905	\$ 2,128,205
OTHER FINANCING USES			
Transfers Out	(13,070,823)	(3,990,928)	9,079,895
Net Change in Fund Balances	\$ (7,443,123)	\$ 3,764,977	\$ 11,208,100
Fund Balances - Beginning	19,621,656	19,621,656	
Fund Balances - Ending	\$ 12,178,533	\$ 23,386,633	\$ 11,208,100

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
STORM WATER FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Storm Water Fees	\$ 3,900,000	\$ 3,900,000	\$ 4,337,087	\$ 437,087
Intergovernmental	1,000,000	34,277,565	85,693	(34,191,872)
Miscellaneous	254,300	534,300	707,205	172,905
Total Revenues	<u>\$ 5,154,300</u>	<u>\$ 38,711,865</u>	<u>\$ 5,129,985</u>	<u>\$ (33,581,880)</u>
EXPENDITURES				
Current:				
Transportation	\$ 3,205,461	\$ 3,758,560	\$ 3,734,613	\$ 23,947
Capital Outlay	7,915,750	50,159,423	701,214	49,458,209
Debt Service:				
Principal	1,590,725	1,590,725	1,240,724	350,001
Interest and Fiscal Charges	409,295	409,295	238,628	170,667
Total Expenditures	<u>\$ 13,121,231</u>	<u>\$ 55,918,003</u>	<u>\$ 5,915,179</u>	<u>\$ 50,002,824</u>
Deficiency of Revenues Under Expenditures	<u>\$ (7,966,931)</u>	<u>\$ (17,206,138)</u>	<u>\$ (785,194)</u>	<u>\$ 16,420,944</u>
OTHER FINANCING SOURCES				
Transfers In	\$ 6,347,000	\$ 3,482,000	\$ 3,482,000	\$
Issuance of Debt		10,583,105		(10,583,105)
Total Other Financing Sources	<u>\$ 6,347,000</u>	<u>\$ 14,065,105</u>	<u>\$ 3,482,000</u>	<u>\$ (10,583,105)</u>
Net Change in Fund Balances	<u>\$ (1,619,931)</u>	<u>\$ (3,141,033)</u>	<u>\$ 2,696,806</u>	<u>\$ 5,837,839</u>
Fund Balances - Beginning	<u>8,065,553</u>	<u>8,065,553</u>	<u>8,065,553</u>	<u></u>
Fund Balances - Ending	<u>\$ 6,445,622</u>	<u>\$ 4,924,520</u>	<u>\$ 10,762,359</u>	<u>\$ 5,837,839</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hospitality Fee Taxes	\$ 19,075,000	\$ 25,657,300	\$ 26,071,321	\$ 414,021
Miscellaneous	10,000	10,000	208,871	198,871
Total Revenues	<u>\$ 19,085,000</u>	<u>\$ 25,667,300</u>	<u>\$ 26,280,192</u>	<u>\$ 612,892</u>
OTHER FINANCING USES				
Transfers Out	\$ (18,721,788)	\$ (26,129,088)	\$ (20,629,088)	\$ 5,500,000
Net Change in Fund Balance	\$ 363,212	\$ (461,788)	\$ 5,651,104	\$ 6,112,892
Fund Balance - Beginning	<u>18,813,652</u>	<u>18,813,652</u>	<u>18,813,652</u>	
Fund Balance - Ending	<u><u>\$ 19,176,864</u></u>	<u><u>\$ 18,351,864</u></u>	<u><u>\$ 24,464,756</u></u>	<u><u>\$ 6,112,892</u></u>

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

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, 2023, 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, 2023, 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, 2023 as follows:

General Fund	\$ 19,794,782
Convention Center Fund	752,706
Local Option Tourism Fee Fund	8,543,702
Storm Water Fund	42,796,772
Hospitality Tax Fund	7,407,300
Capital Improvements Fund	41,219,670
Water and Sewer Fund	884,970
Solid Waste Management Fund	137,555
Parking Utility Fund	154,161
Nonmajor Governmental Funds:	
Accommodations Tax Fund	4,185,493
Victims Advocate Fund	10,463
Ocean Front Tax Increment Revenue Fund	19,298,244
Hospitality Fee Fund	3,603
Sports Tourism Fund	536,969
Downtown Development Fund	2,393,000
Local Accommodations Tax (New) Fund	35,715
Baseball Stadium Fund	131,118
Municipal Golf Course Fund	56,203

**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.

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

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

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

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

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

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

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

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

Debt Service Fund

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

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds			
	Accommodations Tax	Community Development Block Grant	Victims Advocate	Local Accommodations Tax
ASSETS				
Cash and Temporary Investments	\$	\$ 315,134	\$ 8,714	\$ 2,535,813
Receivables (Net):				
Property Taxes				
Local Accommodations Taxes				607,820
Hospitality Fee Taxes				
Accounts				
Intergovernmental	5,527,969	1,748		
Leases				
Loans		192,685		
Inventories				
Prepaid Assets				
Restricted Cash and Temporary Investments				
Total Assets	\$ 5,527,969	\$ 509,567	\$ 8,714	\$ 3,143,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$ 1,582,196	\$	\$ 8,714	\$
Due to Other Fund	3,945,773			
Payable From Restricted Assets:				
Other				
Unearned Revenue				
Total Liabilities	\$ 5,527,969	\$	\$ 8,714	\$
Deferred Inflows of Resources:				
Related to Leases	\$	\$	\$	\$
Unavailable Revenue				28,453
Total Deferred Inflows of Resources	\$	\$	\$	\$ 28,453
Fund Balances:				
Nonspendable:				
Inventories	\$	\$	\$	\$
Prepaid Assets				
Restricted for:				
Capital Projects				
Community Development		509,567		
Debt Service				
Tourism Promotion and Support				3,115,180
Renewal and Replacement				
Total Fund Balances	\$	\$ 509,567	\$	\$ 3,115,180
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,527,969	\$ 509,567	\$ 8,714	\$ 3,143,633

Special Revenue Funds

Ocean Front Tax Increment Revenue	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Baseball Stadium
\$ 1,985,519	\$ 11,748,964	\$ 650,373	\$ 431,594	\$ 2,530,554	\$	\$ 193,514
15,858						
	2,573,679					
		69,270	11,707			
285,652			160,245			44,574
		20,608				
		29,934				
<u>3,083,848</u>	<u>10,899</u>					<u>416,805</u>
<u>\$ 5,370,877</u>	<u>\$ 14,333,542</u>	<u>\$ 770,185</u>	<u>\$ 603,546</u>	<u>\$ 2,530,554</u>	<u>\$</u>	<u>\$ 654,893</u>
\$ 18,958	\$	\$ 231,567	\$ 58,480	\$	\$	\$ 581
						90,000
		139,666	5,618			
<u>\$ 18,958</u>	<u>\$</u>	<u>\$ 371,233</u>	<u>\$ 64,098</u>	<u>\$</u>	<u>\$</u>	<u>\$ 90,581</u>
\$ 266,063	\$	\$	\$ 154,594	\$	\$	\$
4,635	96,232					
<u>\$ 270,698</u>	<u>\$ 96,232</u>	<u>\$</u>	<u>\$ 154,594</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$	\$	\$ 20,608	\$	\$	\$	\$
		29,934				
683,454						
2,004,767			384,854	2,530,554		
	10,899					
2,393,000	14,226,411	348,410				354,312
						210,000
<u>\$ 5,081,221</u>	<u>\$ 14,237,310</u>	<u>\$ 398,952</u>	<u>\$ 384,854</u>	<u>\$ 2,530,554</u>	<u>\$</u>	<u>\$ 564,312</u>
<u>\$ 5,370,877</u>	<u>\$ 14,333,542</u>	<u>\$ 770,185</u>	<u>\$ 603,546</u>	<u>\$ 2,530,554</u>	<u>\$</u>	<u>\$ 654,893</u>

(Continued)

C-1 (Continued)

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Municipal Golf Course	Total		
ASSETS				
Cash and Temporary Investments	\$ 106,044	\$ 20,506,223	\$ 3,631,063	\$ 24,137,286
Receivables (Net):				
Property Taxes		15,858		15,858
Local Accommodations Taxes		607,820		607,820
Hospitality Fee Taxes		2,573,679		2,573,679
Accounts	156,548	237,525		237,525
Intergovernmental		5,574,291		5,574,291
Leases		445,897		445,897
Loans		192,685		192,685
Inventories		20,608		20,608
Prepaid Assets		29,934		29,934
Restricted Cash and Temporary Investments		3,511,552		3,511,552
Total Assets	<u>\$ 262,592</u>	<u>\$ 33,716,072</u>	<u>\$ 3,631,063</u>	<u>\$ 37,347,135</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$	\$ 1,900,496	\$ 6,750	\$ 1,907,246
Due to Other Fund		3,945,773		3,945,773
Payable From Restricted Assets:				
Other		90,000		90,000
Unearned Revenue		145,284		145,284
Total Liabilities	<u>\$</u>	<u>\$ 6,081,553</u>	<u>\$ 6,750</u>	<u>\$ 6,088,303</u>
Deferred Inflows of Resources:				
Related to Leases	\$	\$ 420,657	\$	\$ 420,657
Unavailable Revenue		129,320		129,320
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$ 549,977</u>	<u>\$</u>	<u>\$ 549,977</u>
Fund Balances:				
Nonspendable:				
Inventories	\$	\$ 20,608	\$	\$ 20,608
Prepaid Assets		29,934		29,934
Restricted for:				
Capital Projects		683,454		683,454
Community Development		5,429,742		5,429,742
Debt Service		10,899	3,624,313	3,635,212
Tourism Promotion and Support	262,592	20,699,905		20,699,905
Renewal and Replacement		210,000		210,000
Total Fund Balances	<u>\$ 262,592</u>	<u>\$ 27,084,542</u>	<u>\$ 3,624,313</u>	<u>\$ 30,708,855</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 262,592</u>	<u>\$ 33,716,072</u>	<u>\$ 3,631,063</u>	<u>\$ 37,347,135</u>



First in Service

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Special Revenue Funds			
	Accommodations	Community	Victims	Local
	Tax	Development Block Grant	Advocate	Accommodations Tax
REVENUES				
Property Taxes	\$	\$	\$	\$
Local Accommodations Taxes				3,600,897
Hospitality Fee Taxes				
Fines and Forfeitures			127,686	
Intergovernmental	14,641,173	524,709		
Charges for Services				
Miscellaneous	22,020	2,441		25,054
Total Revenues	<u>\$ 14,663,193</u>	<u>\$ 527,150</u>	<u>\$ 127,686</u>	<u>\$ 3,625,951</u>
EXPENDITURES				
Current:				
General Government	\$	\$	262,348	\$
Community and Economic Development	2,965,426	3,815		
Parks, Recreation and Sports Tourism				
Capital Outlay		468,654		
Debt Service:				
Principal				
Interest and Fiscal Charges				
Bond Issuance Costs				
Total Expenditures	<u>\$ 2,965,426</u>	<u>\$ 472,469</u>	<u>\$ 262,348</u>	<u>\$</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>\$ 11,697,767</u>	<u>\$ 54,681</u>	<u>\$ (134,662)</u>	<u>\$ 3,625,951</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$	134,662	\$ 31,540
Transfers Out	(11,730,267)			(2,978,000)
Issuance of Debt				
Total Other Financing Sources (Uses)	<u>\$ (11,730,267)</u>	<u>\$</u>	<u>\$ 134,662</u>	<u>\$ (2,946,460)</u>
Net Change in Fund Balances	<u>\$ (32,500)</u>	<u>\$ 54,681</u>	<u>\$</u>	<u>\$ 679,491</u>
Fund Balances - Beginning	<u>32,500</u>	<u>454,886</u>	<u></u>	<u>2,435,689</u>
Fund Balances - Ending	<u><u>\$</u></u>	<u><u>\$ 509,567</u></u>	<u><u>\$</u></u>	<u><u>\$ 3,115,180</u></u>

Special Revenue Funds

Ocean Front Tax Increment Revenue	Hospitality Fee	Sports Tourism	Downtown Development	Workforce Housing	Local Accommodations Tax (New)	Baseball Stadium
\$ 1,336,835	\$	\$	\$	\$	\$	\$
	16,600,274					
135,480	169,849	2,816,495				87,907
<u>1,472,315</u>	<u>16,770,123</u>	<u>153,849</u>	<u>670,508</u>	<u>22,004</u>		<u>16,004</u>
\$ <u>1,472,315</u>	\$ <u>16,770,123</u>	\$ <u>2,970,344</u>	\$ <u>670,508</u>	\$ <u>22,004</u>	\$	\$ <u>103,911</u>
\$ 736,101	\$	\$	\$ 1,594,658	\$ 100,687	\$ 4,175	\$
18,949,934		4,445,290				217,106
		26,250				
1,065,000	2,980,000		45,928			
935,208	2,772,958		31,472			
95,503						
\$ <u>21,781,746</u>	\$ <u>5,752,958</u>	\$ <u>4,471,540</u>	\$ <u>1,672,058</u>	\$ <u>100,687</u>	\$ <u>4,175</u>	\$ <u>217,106</u>
\$ <u>(20,309,431)</u>	\$ <u>11,017,165</u>	\$ <u>(1,501,196)</u>	\$ <u>(1,001,550)</u>	\$ <u>(78,683)</u>	\$ <u>(4,175)</u>	\$ <u>(113,195)</u>
\$ 6,043,488	\$	\$ 1,575,000	\$ 1,170,000	\$ 600,098	\$	\$ 230,000
	(10,978,200)		(2,393,000)		(31,540)	
<u>15,000,000</u>						
\$ <u>21,043,488</u>	\$ <u>(10,978,200)</u>	\$ <u>1,575,000</u>	\$ <u>(1,223,000)</u>	\$ <u>600,098</u>	\$ <u>(31,540)</u>	\$ <u>230,000</u>
\$ 734,057	\$ 38,965	\$ 73,804	\$ (2,224,550)	\$ 521,415	\$ (35,715)	\$ 116,805
<u>4,347,164</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>5,081,221</u>	\$ <u>14,237,310</u>	\$ <u>398,952</u>	\$ <u>384,854</u>	\$ <u>2,530,554</u>	\$	\$ <u>564,312</u>

(Continued)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Municipal Golf Course</u>	<u>Total</u>	<u>Debt Service Fund</u>	
REVENUES				
Property Taxes	\$	\$ 1,336,835	\$ 2,220,784	\$ 3,557,619
Local Accommodations Taxes		3,600,897		3,600,897
Hospitality Fee Taxes		16,600,274		16,600,274
Fines and Forfeitures		127,686		127,686
Intergovernmental		15,165,882		15,165,882
Charges for Services		2,904,402		2,904,402
Miscellaneous	183,487	1,400,696	55,350	1,456,046
Total Revenues	\$ 183,487	\$ 41,136,672	\$ 2,276,134	\$ 43,412,806
EXPENDITURES				
Current:				
General Government	\$	\$ 262,348	\$ 84,782	\$ 347,130
Community and Economic Development		5,404,862		5,404,862
Parks, Recreation and Sports Tourism	48,357	4,710,753		4,710,753
Capital Outlay	87,500	19,532,338		19,532,338
Debt Service:				
Principal		4,090,928	4,255,971	8,346,899
Interest and Fiscal Charges		3,739,638	768,479	4,508,117
Bond Issuance Costs		95,503		95,503
Total Expenditures	\$ 135,857	\$ 37,836,370	\$ 5,109,232	\$ 42,945,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 47,630	\$ 3,300,302	\$ (2,833,098)	\$ 467,204
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$ 9,784,788	\$ 1,152,192	\$ 10,936,980
Transfers Out		(28,111,007)		(28,111,007)
Issuance of Debt		15,000,000		15,000,000
Total Other Financing Sources (Uses)	\$	\$ (3,326,219)	\$ 1,152,192	\$ (2,174,027)
Net Change in Fund Balances	\$ 47,630	\$ (25,917)	\$ (1,680,906)	\$ (1,706,823)
Fund Balances - Beginning	214,962	27,110,459	5,305,219	32,415,678
Fund Balances - Ending	\$ 262,592	\$ 27,084,542	\$ 3,624,313	\$ 30,708,855

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 10,500,000	\$ 14,641,173	\$ 14,641,173	\$
Miscellaneous	10,200	22,020	22,020	
Total Revenues	<u>\$ 10,510,200</u>	<u>\$ 14,663,193</u>	<u>\$ 14,663,193</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 2,297,750	\$ 2,965,426	\$ 2,965,426	\$
Excess of Revenues Over Expenditures	\$ 8,212,450	\$ 11,697,767	\$ 11,697,767	\$
OTHER FINANCING USES				
Transfers Out	<u>(8,212,450)</u>	<u>(11,730,267)</u>	<u>(11,730,267)</u>	
Net Change in Fund Balance	\$	\$ (32,500)	\$ (32,500)	\$
Fund Balance - Beginning	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>	
Fund Balance - Ending	<u>\$ 32,500</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
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 475,000	\$ 524,709	\$ 524,709	\$
Miscellaneous		2,441	2,441	
Total Revenues	<u>\$ 475,000</u>	<u>\$ 527,150</u>	<u>\$ 527,150</u>	<u>\$</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$	\$ 3,815	\$ 3,815	\$
Capital Outlay	475,000	468,654	468,654	
Total Expenditures	<u>\$ 475,000</u>	<u>\$ 472,469</u>	<u>\$ 472,469</u>	<u>\$</u>
Net Change in Fund Balance	\$	\$ 54,681	\$ 54,681	\$
Fund Balance - Beginning	<u>454,886</u>	<u>454,886</u>	<u>454,886</u>	
Fund Balance - Ending	<u><u>\$ 454,886</u></u>	<u><u>\$ 509,567</u></u>	<u><u>\$ 509,567</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and Forfeitures	\$ 100,000	\$ 100,000	\$ 127,686	\$ 27,686
EXPENDITURES				
Current:				
General Government	\$ 285,416	\$ 295,879	\$ 262,348	\$ 33,531
Deficiency of Revenues Under Expenditures	\$ (185,416)	\$ (195,879)	\$ (134,662)	\$ 61,217
OTHER FINANCING SOURCES				
Transfers In	185,416	185,416	134,662	(50,754)
Net Change in Fund Balance	\$	\$ (10,463)	\$	\$ 10,463
Fund Balance - Beginning	_____	_____	_____	_____
Fund Balance - Ending	\$ _____	\$ (10,463)	\$ _____	\$ 10,463

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Accommodations Taxes	\$ 2,802,000	\$ 2,802,000	\$ 3,600,897	\$ 798,897
Miscellaneous	950	950	25,054	24,104
Total Revenues	<u>\$ 2,802,950</u>	<u>\$ 2,802,950</u>	<u>\$ 3,625,951</u>	<u>\$ 823,001</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$ 31,540	\$ 31,540	\$
Transfers Out	(2,978,000)	(2,978,000)	(2,978,000)	
Total Other Financing Sources (Uses)	<u>\$ (2,978,000)</u>	<u>\$ (2,946,460)</u>	<u>\$ (2,946,460)</u>	
Net Change in Fund Balance	\$ (175,050)	\$ (143,510)	\$ 679,491	\$ 823,001
Fund Balance - Beginning	<u>2,435,689</u>	<u>2,435,689</u>	<u>2,435,689</u>	
Fund Balance - Ending	<u><u>\$ 2,260,639</u></u>	<u><u>\$ 2,292,179</u></u>	<u><u>\$ 3,115,180</u></u>	<u><u>\$ 823,001</u></u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
OCEAN FRONT TAX INCREMENT REVENUE FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,153,000	\$ 1,153,000	\$ 1,336,835	\$ 183,835
Miscellaneous	2,945,033	2,945,033	135,480	(2,809,553)
Total Revenues	<u>\$ 4,098,033</u>	<u>\$ 4,098,033</u>	<u>\$ 1,472,315</u>	<u>\$ (2,625,718)</u>
EXPENDITURES				
Current:				
Community and Economic Development	\$ 100,000	\$ 736,101	\$ 736,101	\$
Capital Outlay	16,969,000	35,577,665	18,949,934	16,627,731
Debt Service:				
Principal	1,073,033	1,065,000	1,065,000	
Interest and Fiscal Charges	919,200	935,208	935,208	
Bond Issuance Costs	50,000	95,503	95,503	
Total Expenditures	<u>\$ 19,111,233</u>	<u>\$ 38,409,477</u>	<u>\$ 21,781,746</u>	<u>\$ 16,627,731</u>
Deficiency of Revenues Under Expenditures	<u>\$ (15,013,200)</u>	<u>\$ (34,311,444)</u>	<u>\$ (20,309,431)</u>	<u>\$ 14,002,013</u>
OTHER FINANCING SOURCES				
Transfers In	\$ 4,013,200	\$ 6,406,200	\$ 6,043,488	\$ (362,712)
Issuance of Debt	11,000,000	27,905,244	15,000,000	(12,905,244)
Total Other Financing Sources	<u>\$ 15,013,200</u>	<u>\$ 34,311,444</u>	<u>\$ 21,043,488</u>	<u>\$ (13,267,956)</u>
Net Change in Fund Balances	\$	\$	\$ 734,057	\$ 734,057
Fund Balances - Beginning	<u>4,347,164</u>	<u>4,347,164</u>	<u>4,347,164</u>	<u></u>
Fund Balances - Ending	<u>\$ 4,347,164</u>	<u>\$ 4,347,164</u>	<u>\$ 5,081,221</u>	<u>\$ 734,057</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
HOSPITALITY FEE FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hospitality Fee Taxes	\$ 12,275,000	\$ 12,278,603	\$ 16,600,274	\$ 4,321,671
Miscellaneous	2,265	2,265	169,849	167,584
Total Revenues	<u>\$ 12,277,265</u>	<u>\$ 12,280,868</u>	<u>\$ 16,770,123</u>	<u>\$ 4,489,255</u>
EXPENDITURES				
Debt Service:				
Principal	\$ 2,980,000	\$ 2,980,000	\$ 2,980,000	\$
Interest and Fiscal Charges	2,769,355	2,772,958	2,772,958	
Total Expenditures	<u>\$ 5,749,355</u>	<u>\$ 5,752,958</u>	<u>\$ 5,752,958</u>	<u>\$</u>
Excess of Revenues Over Expenditures	\$ 6,527,910	\$ 6,527,910	\$ 11,017,165	\$ 4,489,255
OTHER FINANCING USES				
Transfers Out	<u>(13,978,200)</u>	<u>(13,978,200)</u>	<u>(10,978,200)</u>	<u>3,000,000</u>
Net Change in Fund Balances	\$ (7,450,290)	\$ (7,450,290)	\$ 38,965	\$ 7,489,255
Fund Balances - Beginning	<u>14,198,345</u>	<u>14,198,345</u>	<u>14,198,345</u>	<u></u>
Fund Balances - Ending	<u>\$ 6,748,055</u>	<u>\$ 6,748,055</u>	<u>\$ 14,237,310</u>	<u>\$ 7,489,255</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 2,269,500	\$ 2,776,540	\$ 2,816,495	\$ 39,955
Miscellaneous	120,000	120,000	153,849	33,849
Total Revenues	<u>\$ 2,389,500</u>	<u>\$ 2,896,540</u>	<u>\$ 2,970,344</u>	<u>\$ 73,804</u>
EXPENDITURES				
Current:				
Parks, Recreation and Sports Tourism	\$ 3,961,431	\$ 4,498,350	\$ 4,445,290	\$ 53,060
Capital Outlay	26,200	26,250	26,250	
Total Expenditures	<u>\$ 3,987,631</u>	<u>\$ 4,524,600</u>	<u>\$ 4,471,540</u>	<u>\$ 53,060</u>
Deficiency of Revenues Under Expenditures	\$ (1,598,131)	\$ (1,628,060)	\$ (1,501,196)	\$ 126,864
OTHER FINANCING SOURCES				
Transfers In	<u>1,575,000</u>	<u>1,575,000</u>	<u>1,575,000</u>	
Net Change in Fund Balances	\$ (23,131)	\$ (53,060)	\$ 73,804	\$ 126,864
Fund Balances - Beginning	<u>325,148</u>	<u>325,148</u>	<u>325,148</u>	
Fund Balances - Ending	<u>\$ 302,017</u>	<u>\$ 272,088</u>	<u>\$ 398,952</u>	<u>\$ 126,864</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 736,000	\$ 736,000	\$ 670,508	\$ (65,492)
EXPENDITURES				
Current:				
Community and Economic Development	\$ 1,862,577	\$ 1,862,577	\$ 1,594,658	\$ 267,919
Debt Service:				
Principal			45,928	(45,928)
Interest and Fiscal Charges			31,472	(31,472)
Total Expenditures	\$ 1,862,577	\$ 1,862,577	\$ 1,672,058	\$ 190,519
Deficiency of Revenues Under Expenditures	\$ (1,126,577)	\$ (1,126,577)	\$ (1,001,550)	\$ 125,027
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,170,000	\$ 1,170,000	\$ 1,170,000	\$
Transfers Out		(2,393,000)	(2,393,000)	
Total Other Financing Sources (Uses)	\$ 1,170,000	\$ (1,223,000)	\$ (1,223,000)	\$
Net Change in Fund Balance	\$ 43,423	\$ (2,349,577)	\$ (2,224,550)	\$ 125,027
Fund Balance - Beginning	2,609,404	2,609,404	2,609,404	
Fund Balance - Ending	\$ 2,652,827	\$ 259,827	\$ 384,854	\$ 125,027

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES			
Miscellaneous	\$ 500	\$ 22,004	\$ 21,504
EXPENDITURES			
Current:			
Community and Economic Development	\$ 1,695,901	\$ 100,687	\$ 1,595,214
Deficiency of Revenues Under Expenditures	\$ (1,695,401)	\$ (78,683)	\$ 1,616,718
OTHER FINANCING SOURCES			
Transfers In	600,000	600,098	98
Net Change in Fund Balance	\$ (1,095,401)	\$ 521,415	\$ 1,616,816
Fund Balance - Beginning	2,009,139	2,009,139	
Fund Balance - Ending	\$ 913,738	\$ 2,530,554	\$ 1,616,816

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Community and Economic Development	\$ _____	\$ 4,175	\$ 4,175	\$ _____
OTHER FINANCING USES				
Transfers Out	\$ _____	\$ 31,540	\$ 31,540	\$ _____
Net Change in Fund Balance	\$ _____	\$ (35,715)	\$ (35,715)	\$ _____
Fund Balance - Beginning	_____	35,715	35,715	_____
Fund Balance - Ending	\$ _____	\$ _____	\$ _____	\$ _____

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 149,200	\$ 149,200	\$ 87,907	\$ (61,293)
Miscellaneous			16,004	16,004
Total Revenues	<u>\$ 149,200</u>	<u>\$ 149,200</u>	<u>\$ 103,911</u>	<u>\$ (45,289)</u>
EXPENDITURES				
Current:				
Parks, Recreation and Sports Tourism	\$ 284,432	\$ 284,432	\$ 217,106	\$ 67,326
Capital Outlay	94,800	225,918		225,918
Total Expenditures	<u>\$ 379,232</u>	<u>\$ 510,350</u>	<u>\$ 217,106</u>	<u>\$ 293,244</u>
Deficiency of Revenues Under Expenditures	\$ (230,032)	\$ (361,150)	\$ (113,195)	\$ 247,955
OTHER FINANCING SOURCES				
Transfers In	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>	
Net Change in Fund Balances	\$ (32)	\$ (131,150)	\$ 116,805	\$ 247,955
Fund Balances - Beginning	<u>447,507</u>	<u>447,507</u>	<u>447,507</u>	
Fund Balances - Ending	<u><u>\$ 447,475</u></u>	<u><u>\$ 316,357</u></u>	<u><u>\$ 564,312</u></u>	<u><u>\$ 247,955</u></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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 142,700	\$ 142,700	\$ 183,487	\$ 40,787
EXPENDITURES				
Current:				
Parks, Recreation and Sports Tourism	\$ 50,996	\$ 50,996	\$ 48,357	\$ 2,639
Capital Outlay	47,000	103,203	87,500	15,703
Total Expenditures	\$ 97,996	\$ 154,199	\$ 135,857	\$ 18,342
Net Change in Fund Balance	\$ 44,704	\$ (11,499)	\$ 47,630	\$ 59,129
Fund Balance - Beginning	214,962	214,962	214,962	
Fund Balance - Ending	\$ 259,666	\$ 203,463	\$ 262,592	\$ 59,129

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,017,500	\$ 2,017,500	\$ 2,220,784	\$ 203,284
Miscellaneous	5,000	5,000	55,350	50,350
Total Revenues	<u>\$ 2,022,500</u>	<u>\$ 2,022,500</u>	<u>\$ 2,276,134</u>	<u>\$ 253,634</u>
EXPENDITURES				
Current:				
General Government	\$ 188,485	\$ 188,485	\$ 84,781	\$ 103,704
Debt Service:				
Principal	4,255,972	4,255,972	4,255,972	
Interest and Fiscal Charges	781,378	781,378	768,479	12,899
Total Expenditures	<u>\$ 5,225,835</u>	<u>\$ 5,225,835</u>	<u>\$ 5,109,232</u>	<u>\$ 116,603</u>
Deficiency of Revenues Under Expenditures	\$ (3,203,335)	\$ (3,203,335)	\$ (2,833,098)	\$ 370,237
OTHER FINANCING SOURCES				
Transfers In	<u>1,133,777</u>	<u>1,152,192</u>	<u>1,152,192</u>	
Net Change in Fund Balance	\$ (2,069,558)	\$ (2,051,143)	\$ (1,680,906)	\$ 370,237
Fund Balance - Beginning	<u>5,305,219</u>	<u>5,305,219</u>	<u>5,305,219</u>	
Fund Balance - Ending	<u>\$ 3,235,661</u>	<u>\$ 3,254,076</u>	<u>\$ 3,624,313</u>	<u>\$ 370,237</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 520,000	\$ 520,000	\$ 273,665	\$ (246,335)
Intergovernmental	1,766,000	4,314,468	3,274,799	(1,039,669)
Miscellaneous	171,000	9,332,963	464,115	(8,868,848)
Total Revenues	<u>\$ 2,457,000</u>	<u>\$ 14,167,431</u>	<u>\$ 4,012,579</u>	<u>\$ (10,154,852)</u>
EXPENDITURES				
Current:				
General Government	\$ 1,325,395	\$ 1,782,570	\$ 1,782,570	\$
Public Safety		5,200	5,200	
Transportation		1,051,047	1,051,047	
Community and Economic Development		1,641,075	1,641,075	
Parks, Recreation and Sports Tourism		215,975	215,975	
Capital Outlay	12,729,200	50,578,398	4,317,953	46,260,445
Total Expenditures	<u>\$ 14,054,595</u>	<u>\$ 55,274,265</u>	<u>\$ 9,013,820</u>	<u>\$ 46,260,445</u>
Deficiency of Revenues Under Expenditures	<u>\$ (11,597,595)</u>	<u>\$ (41,106,834)</u>	<u>\$ (5,001,241)</u>	<u>\$ 36,105,593</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 8,379,500	\$ 25,014,323	\$ 15,797,460	\$ (9,216,863)
Transfers Out	(112,712)	(112,712)		112,712
Issuance of Debt		4,358,702		(4,358,702)
Total Other Financing Sources (Uses)	<u>\$ 8,266,788</u>	<u>\$ 29,260,313</u>	<u>\$ 15,797,460</u>	<u>\$ (13,462,853)</u>
Net Change in Fund Balances	<u>\$ (3,330,807)</u>	<u>\$ (11,846,521)</u>	<u>\$ 10,796,219</u>	<u>\$ 22,642,740</u>
Fund Balances - Beginning	<u>20,136,609</u>	<u>20,136,609</u>	<u>20,136,609</u>	
Fund Balances - Ending	<u><u>\$ 16,805,802</u></u>	<u><u>\$ 8,290,088</u></u>	<u><u>\$ 30,932,828</u></u>	<u><u>\$ 22,642,740</u></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, 2023

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Temporary Investments	\$ 10,454,468	\$ 5,755,315	\$ 27,652,291	\$ 43,862,074
Receivables:				
Accounts		110,225	62,187	172,412
Inventories	205,418			205,418
Prepaid Assets		51,502	130,894	182,396
Total Current Assets	\$ 10,659,886	\$ 5,917,042	\$ 27,845,372	\$ 44,422,300
Noncurrent Assets:				
Right to Use Leased Assets (Net)	\$	\$	\$ 61,148	\$ 61,148
Construction in Progress	5,061,228			5,061,228
Other Capital Assets (Net)	11,756,136			11,756,136
Total Noncurrent Assets	\$ 16,817,364	\$	\$ 61,148	\$ 16,878,512
Total Assets	\$ 27,477,250	\$ 5,917,042	\$ 27,906,520	\$ 61,300,812
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension Plan	\$ 93,607	\$	\$	\$ 93,607
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 649,767	\$ 341,078	\$ 27,173,803	\$ 28,164,648
Unreported Insurance Claims			642,668	642,668
Lease Liability			15,159	15,159
Notes Payable	301,480			301,480
Total Current Liabilities	\$ 951,247	\$ 341,078	\$ 27,831,630	\$ 29,123,955
Noncurrent Liabilities:				
Compensated Absences	\$ 20,093	\$	\$	\$ 20,093
Unreported Insurance Claims		4,001,118		4,001,118
Lease Liability			48,194	48,194
Notes Payable	631,247			631,247
Net Pension Liability	729,451			729,451
Total Noncurrent Liabilities	\$ 1,380,791	\$ 4,001,118	\$ 48,194	\$ 5,430,103
Total Liabilities	\$ 2,332,038	\$ 4,342,196	\$ 27,879,824	\$ 34,554,058
DEFERRED INFLOWS OF RESOURCES				
Related to Pension Plan	\$ 46,271	\$	\$	\$ 46,271

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023**

	<u>Fleet Management Fund</u>	<u>Self Insurance Fund</u>	<u>Health Insurance Fund</u>	<u>Total Internal Service Funds</u>
NET POSITION				
Net Investment in Capital Assets Unrestricted	\$ 15,884,637	\$	\$ (2,205)	\$ 15,882,432
	<u>9,307,911</u>	<u>1,574,846</u>	<u>28,901</u>	<u>10,911,658</u>
Total Net Position	<u>\$ 25,192,548</u>	<u>\$ 1,574,846</u>	<u>\$ 26,696</u>	<u>\$ 26,794,090</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, 2023

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 14,200,010	\$ 8,668,466	\$ 23,017,456	\$ 45,885,932
OPERATING EXPENSES				
Operations	\$ 2,383,317	\$ 6,517,926	\$ 16,549,599	\$ 25,450,842
Amortization			15,287	15,287
Depreciation	3,245,727			3,245,727
Total Operating Expenses	<u>\$ 5,629,044</u>	<u>\$ 6,517,926</u>	<u>\$ 16,564,886</u>	<u>\$ 28,711,856</u>
Operating Income	<u>\$ 8,570,966</u>	<u>\$ 2,150,540</u>	<u>\$ 6,452,570</u>	<u>\$ 17,174,076</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 58,193	\$ 42,376	\$ 150,589	\$ 251,158
Miscellaneous Revenue	1,518	406,445		407,963
Gain on Disposal of Capital Assets	244,864			244,864
Interest Expense	(24,113)		(5,752)	(29,865)
Total Nonoperating Revenues (Expenses)	<u>\$ 280,462</u>	<u>\$ 448,821</u>	<u>\$ 144,837</u>	<u>\$ 874,120</u>
Income Before Contributions and Transfers	\$ 8,851,428	\$ 2,599,361	\$ 6,597,407	\$ 18,048,196
Capital Contributions	50,000			50,000
Transfers In			788,133	788,133
Transfers Out		(788,133)		(788,133)
Change in Net Position	\$ 8,901,428	\$ 1,811,228	\$ 7,385,540	\$ 18,098,196
Total Net Position - Beginning	<u>16,291,120</u>	<u>(236,382)</u>	<u>(7,358,844)</u>	<u>8,695,894</u>
Total Net Position - Ending	<u><u>\$ 25,192,548</u></u>	<u><u>\$ 1,574,846</u></u>	<u><u>\$ 26,696</u></u>	<u><u>\$ 26,794,090</u></u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Fleet Management Fund	Self Insurance Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Interfund Services Provided	\$ 14,200,010	\$ 8,668,466	\$ 23,017,456	\$ 45,885,932
Payments to Suppliers	(1,739,061)	(3,577,905)	(1,310,783)	(6,627,749)
Payments to Employees	(404,389)			(404,389)
Payments of Claims		(2,539,251)	(12,902,537)	(15,441,788)
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 12,056,560</u>	<u>\$ 2,551,310</u>	<u>\$ 8,804,136</u>	<u>\$ 23,412,006</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	\$	\$	\$ 788,133	\$ 788,133
Transfers Out		(788,133)		(788,133)
Net Cash and Cash Equivalents Provided (Used) by Noncapital Financing Activities	<u>\$</u>	<u>\$ (788,133)</u>	<u>\$ 788,133</u>	<u>\$</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	\$ 50,000	\$	\$	\$ 50,000
Interest Payments on Interfund Loan			(4,887)	(4,887)
Principal Payments on Lease Liability			(14,224)	(14,224)
Interest Payments on Lease Liability			(865)	(865)
Principal Payments on Long-Term Debt	(1,609,321)			(1,609,321)
Interest Payments on Long-Term Debt	(61,306)			(61,306)
Purchases of Capital Assets	(9,183,979)			(9,183,979)
Proceeds From Disposal of Capital Assets	258,131			258,131
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	<u>\$ (10,546,475)</u>	<u>\$</u>	<u>\$ (19,976)</u>	<u>\$ (10,566,451)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	\$ 58,193	\$ 42,376	\$ 150,589	\$ 251,158
Net Cash and Cash Equivalents Provided by Investing Activities	<u>\$ 58,193</u>	<u>\$ 42,376</u>	<u>\$ 150,589</u>	<u>\$ 251,158</u>
Net Increase in Cash and Cash Equivalents	\$ 1,568,278	\$ 1,805,553	\$ 9,722,882	\$ 13,096,713
Cash and Cash Equivalents - Beginning	<u>8,886,190</u>	<u>3,949,762</u>	<u>17,929,409</u>	<u>30,765,361</u>
Cash and Cash Equivalents - Ending	<u>\$ 10,454,468</u>	<u>\$ 5,755,315</u>	<u>\$ 27,652,291</u>	<u>\$ 43,862,074</u>

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023**

	<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 to Net Cash and Cash Equivalents Provided by Operating Activities</u>				
Operating Income	\$ 8,570,966	\$ 2,150,540	\$ 6,452,570	\$ 17,174,076
Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities:				
Amortization			15,287	15,287
Depreciation	3,245,727			3,245,727
(Increase) Decrease in Accounts Receivable		(43,955)	24,417	(19,538)
(Increase) in Inventories	(119,483)			(119,483)
(Increase) in Prepaid Assets		(51,502)	(35,620)	(87,122)
Increase (Decrease) in Accounts Payable and Accrued Expenses	443,885	(39,710)	2,402,856	2,807,031
Increase (Decrease) in Unreported Insurance Claims		129,492	(55,374)	74,118
(Decrease) in Net Pension Liability and Related Amounts	(86,053)			(86,053)
Miscellaneous Receipts	<u>1,518</u>	<u>406,445</u>	<u> </u>	<u>407,963</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 12,056,560</u>	<u>\$ 2,551,310</u>	<u>\$ 8,804,136</u>	<u>\$ 23,412,006</u>

Noncash Capital and Related Financing Activities

Book Value of Capital Asset Disposals	\$ <u>13,267</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>13,267</u>
---------------------------------------	------------------	--------------------------------	--------------------------------	------------------

DISCRETELY PRESENTED COMPONENT UNIT

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
MYRTLE BEACH DOWNTOWN REDEVELOPMENT CORPORATION
June 30, 2023**

ASSETS

Cash and Temporary Investments	\$ <u>678,351</u>
--------------------------------	-------------------

FUND BALANCE

Unassigned	\$ <u>678,351</u>
------------	-------------------

Reconciliation to the Statement of Net Position

Total Fund Balance	\$ 678,351
--------------------	------------

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>
--	------------------

Net Position Reported in the Statement of Net Position	\$ <u>1,700,400</u>
--	---------------------

**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, 2023**

REVENUES	
Miscellaneous	\$ <u>1,988</u>
EXPENDITURES	
Current:	
Community and Economic Development	\$ <u>32,149</u>
Net Change in Fund Balance	\$ (30,161)
Fund Balance - Beginning	<u>708,512</u>
Fund Balance - Ending	<u><u>678,351</u></u>

Reconciliation to the Statement of Activities

Net Change in Fund Balance	\$ (30,161)
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>0</u>
Change in Net Position Reported in the Statement of Activities	<u><u>\$ (30,161)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 34,638,500	\$ 34,638,500	\$ 35,242,185	\$ 603,685
OPERATING EXPENSES				
Operations	\$ 30,888,049	\$ 31,521,142	\$ 32,158,529	\$ (637,387)
Depreciation	5,232,000	5,483,877	5,483,877	
Total Operating Expenses	\$ 36,120,049	\$ 37,005,019	\$ 37,642,406	\$ (637,387)
Operating Loss	\$ (1,481,549)	\$ (2,366,519)	\$ (2,400,221)	\$ (33,702)
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 150,000	\$ 150,000	\$ 275,712	\$ 125,712
Operating Grant Revenue			48,226	48,226
Miscellaneous Revenue	525,000	525,000	316,088	(208,912)
Bond Issuance Costs		(52,883)	(52,883)	
Interest and Fiscal Charges	(1,719,076)	(1,666,193)	(785,132)	881,061
Total Nonoperating Revenues (Expenses)	\$ (1,044,076)	\$ (1,044,076)	\$ (197,989)	\$ 846,087
Loss Before Contributions and Transfers	\$ (2,525,625)	\$ (3,410,595)	\$ (2,598,210)	\$ 812,385
Capital Contributions	5,600,000	5,600,000	5,954,887	354,887
Transfers Out	(2,251,503)	(2,251,503)	(2,251,502)	1
Change in Net Position	\$ 822,872	\$ (62,098)	\$ 1,105,175	\$ 1,167,273
Total Net Position - Beginning	<u>118,675,518</u>	<u>118,675,518</u>	<u>118,675,518</u>	
Total Net Position - Ending	<u>\$ 119,498,390</u>	<u>\$ 118,613,420</u>	<u>\$ 119,780,693</u>	<u>\$ 1,167,273</u>

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - BUDGET AND ACTUAL
ENTERPRISE FUND
SOLID WASTE MANAGEMENT FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 8,156,221	\$ 8,156,221	\$ 8,363,656	\$ 207,435
OPERATING EXPENSES				
Operations	\$ 8,252,936	\$ 8,390,491	\$ 7,141,377	\$ 1,249,114
Depreciation	430,000	430,000	229,843	200,157
Total Operating Expenses	\$ 8,682,936	\$ 8,820,491	\$ 7,371,220	\$ 1,449,271
Operating Income (Loss)	\$ (526,715)	\$ (664,270)	\$ 992,436	\$ 1,656,706
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 2,500	\$ 2,500	\$ 37,100	\$ 34,600
Operating Grant Revenue			37,127	37,127
Miscellaneous Revenue	2,000	2,000	399	(1,601)
Interest and Fiscal Charges	(138,814)	(138,814)	(17,982)	120,832
Total Nonoperating Revenues (Expenses)	\$ (134,314)	\$ (134,314)	\$ 56,644	\$ 190,958
Income (Loss) Before Transfers	\$ (661,029)	\$ (798,584)	\$ 1,049,080	\$ 1,847,664
Transfers In	450,000	450,000	450,000	
Change in Net Position	\$ (211,029)	\$ (348,584)	\$ 1,499,080	\$ 1,847,664
Total Net Position - Beginning	1,193,272	1,193,272	1,193,272	
Total Net Position - Ending	\$ 982,243	\$ 844,688	\$ 2,692,352	\$ 1,847,664

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 3,038,350	\$ 3,038,350	\$ 2,654,152	\$ (384,198)
OPERATING EXPENSES				
Operations	\$ 1,563,912	\$ 1,703,357	\$ 1,703,357	
Depreciation	70,000	30,708	30,708	
Total Operating Expenses	\$ 1,633,912	\$ 1,734,065	\$ 1,734,065	
Operating Income	\$ 1,404,438	\$ 1,304,285	\$ 920,087	\$ (384,198)
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	\$ 1,500	\$ 1,500	\$ 34,356	\$ 32,856
Miscellaneous Revenue			50	50
Interest and Fiscal Charges	(250,000)	(304,008)	(304,008)	
Total Nonoperating Revenues (Expenses)	\$ (248,500)	\$ (302,508)	\$ (269,602)	\$ 32,906
Income Before Transfers	\$ 1,155,938	\$ 1,001,777	\$ 650,485	\$ (351,292)
Transfers In		4,172,300	4,172,300	
Transfers Out	(950,000)	(950,000)	(700,000)	250,000
Change in Net Position	\$ 205,938	\$ 4,224,077	\$ 4,122,785	\$ (101,292)
Total Net Position - Beginning	(3,010,128)	(3,010,128)	(3,010,128)	
Total Net Position - Ending	\$ (2,804,190)	\$ 1,213,949	\$ 1,112,657	\$ (101,292)

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
Year Ended June 30, 2023

Court Fines

Court Fines Collected	\$ 655,134
Court Fines Retained by City	(655,134)
Court Fines Remitted to State Treasurer	<u>\$ 0</u>

Court Assessments

Court Assessments Collected	\$ 1,004,776
Court Assessments Retained by City	(80,705)
Court Assessments Remitted to State Treasurer	<u>\$ 924,071</u>

Court Surcharges

Court Surcharges Collected	\$ 46,981
Court Surcharges Retained by City	(46,981)
Court Surcharges Remitted to State Treasurer	<u>\$ 0</u>

Victim Services

Court Assessments Allocated to Victim Services	\$ 80,705
Court Surcharges Allocated to Victim Services	46,981
Total Funds Allocated to Victim Services	<u>\$ 127,686</u>
Victim Services Expenditures	(127,686)
Funds Available for Carryforward From Year Ended June 30, 2023	<u>\$ 0</u>
Funds Carried Forward From Year Ended June 30, 2022	0
Funds Available for Carryforward at June 30, 2023	<u>\$ 0</u>



First in Service

STATISTICAL SECTION

This part of the City of Myrtle Beach's annual comprehensive 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>2014</u>	<u>2015⁽¹⁾</u>	<u>2016</u>
Governmental Activities			
Net Investment in Capital Assets	\$ 100,612,540	\$ 110,367,487	\$ 123,676,431
Restricted	19,761,397	22,418,493	23,929,521
Unrestricted	1,316,485	(61,203,024)	(61,247,710)
Total Governmental Activities Net Position	<u>\$ 121,690,422</u>	<u>\$ 71,582,956</u>	<u>\$ 86,358,242</u>
Business-Type Activities			
Net Investment in Capital Assets	\$ 114,506,690	\$ 116,288,674	\$ 111,740,507
Restricted	945,308	876,221	910,117
Unrestricted	13,655,977	6,055,696	10,998,291
Total Business-Type Activities Net Position	<u>\$ 129,107,975</u>	<u>\$ 123,220,591</u>	<u>\$ 123,648,915</u>
Primary Government			
Net Investment in Capital Assets	\$ 215,119,230	\$ 226,656,161	\$ 235,416,938
Restricted	20,706,705	23,294,714	24,839,638
Unrestricted	14,972,462	(55,147,328)	(50,249,419)
Total Primary Government Net Position	<u>\$ 250,798,397</u>	<u>\$ 194,803,547</u>	<u>\$ 210,007,157</u>

Note:

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

UNAUDITED

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
\$ 131,515,817	\$ 128,663,994	\$ 133,376,414	\$ 160,678,812	\$ 160,855,064	\$ 171,125,009	\$ 181,067,131
32,597,681	35,519,383	35,788,591	50,903,805	52,533,971	81,325,296	105,138,790
(66,827,955)	(67,485,987)	(67,838,279)	(80,320,056)	(65,021,340)	(41,486,037)	(24,546,277)
<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>	<u>\$ 261,659,644</u>
\$ 110,922,505	\$ 111,884,829	\$ 113,318,702	\$ 94,739,086	\$ 96,236,996	\$ 99,660,619	\$ 102,593,977
1,407,580	1,504,625	741,803	552,138	589,586	616,405	4,824,391
13,757,572	15,750,222	15,371,535	17,691,244	20,001,674	20,369,022	22,784,837
<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>	<u>\$ 130,203,205</u>
\$ 242,438,322	\$ 240,548,823	\$ 246,695,116	\$ 255,417,898	\$ 257,092,060	\$ 270,785,628	\$ 283,661,108
34,005,261	37,024,008	36,530,394	51,455,943	53,123,557	81,941,701	109,963,181
(53,070,383)	(51,735,765)	(52,466,744)	(62,628,812)	(45,019,666)	(21,117,015)	(1,761,440)
<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>	<u>\$ 391,862,849</u>

Schedule 2

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

	Fiscal Year		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses			
Governmental Activities:			
General Government	\$ 11,319,984	\$ 12,890,054	\$ 12,822,309
Public Safety	33,247,797	35,816,223	40,622,972
Transportation	8,666,134	8,714,950	9,388,613
Community and Economic Development	28,377,759	29,802,944	32,180,219
Parks, Recreation and Sports Tourism	20,110,668	21,563,521	18,495,957
Public Works	1,399,578	1,455,959	6,594,968
Interest and Fiscal Charges	8,779,399	8,302,467	8,030,037
Total Governmental Activities Expenses	<u>\$ 111,901,319</u>	<u>\$ 118,546,118</u>	<u>\$ 128,135,075</u>
Business-Type Activities:			
Water	\$ 14,235,486	\$ 14,151,418	\$ 15,328,683
Sewer	13,068,631	13,910,465	14,157,157
Baseball Stadium	616,989	631,698	662,068
Municipal Golf Course	1,474,824	969,918	321,713
Solid Waste Management	4,194,082	4,205,444	4,386,728
Parking Utility			
Total Business-Type Activities Expenses	<u>\$ 33,590,012</u>	<u>\$ 33,868,943</u>	<u>\$ 34,856,349</u>
 Total Primary Government Expenses	 <u>\$ 145,491,331</u>	 <u>\$ 152,415,061</u>	 <u>\$ 162,991,424</u>
 Program Revenues ⁽¹⁾			
Governmental Activities:			
Charges for Services	\$ 16,942,434	\$ 17,621,758	\$ 18,204,459
Operating Grants and Contributions	1,577,629	1,985,466	1,508,330
Capital Grants and Contributions	8,155,866	5,959,255	13,083,574
Total Governmental Activities Program Revenues	<u>\$ 26,675,929</u>	<u>\$ 25,566,479</u>	<u>\$ 32,796,363</u>
Business-Type Activities:			
Charges for Services	\$ 29,686,659	\$ 29,735,755	\$ 30,781,010
Operating Grants and Contributions			3,402
Capital Grants and Contributions	3,184,138	4,436,233	4,644,940
Total Business-Type Activities Program Revenues	<u>\$ 32,870,797</u>	<u>\$ 34,171,988</u>	<u>\$ 35,429,352</u>
 Total Primary Government Program Revenues	 <u>\$ 59,546,726</u>	 <u>\$ 59,738,467</u>	 <u>\$ 68,225,715</u>
 Net (Expense) Revenue			
Governmental Activities	\$ (85,225,390)	\$ (92,979,639)	\$ (95,338,712)
Business-Type Activities	(719,215)	303,045	573,003
Total Primary Government Net Expense	<u>\$ (85,944,605)</u>	<u>\$ (92,676,594)</u>	<u>\$ (94,765,709)</u>

UNAUDITED

		Fiscal Year											
		2017	2018	2019	2020	2021	2022	2023					
\$	13,470,951	\$	14,672,604	\$	15,035,878	\$	16,972,598	\$	22,981,475	\$	19,323,216	\$	22,599,947
	44,940,928		50,078,581		53,574,303		55,026,140		56,594,288		54,058,495		56,696,353
	10,506,212		11,212,952		13,029,012		12,387,795		11,216,505		12,308,166		13,082,391
	34,386,272		34,791,477		38,649,385		38,099,380		45,590,891		51,436,280		55,546,785
	20,613,590		22,021,828		22,587,554		23,577,177		29,421,460		30,465,082		32,589,600
	7,305,309		7,529,646		7,588,750		7,525,422		1,464,143		1,726,259		1,811,745
	7,564,990		6,992,235		6,711,720		6,470,780		5,964,111		6,236,059		5,852,027
\$	<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>	\$	<u>188,178,848</u>
\$	15,921,581	\$	16,092,999	\$	17,317,321	\$	16,740,272	\$	17,081,247	\$	17,675,709	\$	18,594,499
	14,160,187		14,696,594		15,581,841		15,095,710		15,640,516		17,210,242		18,469,133
	679,415		699,873		634,356								
	334,440		324,196		341,617								
	7,401,276		5,271,564		5,707,768		6,117,577		7,009,369		5,995,915		5,980,219
									599,296		1,513,202		2,033,726
\$	<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>45,077,577</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>	\$	<u>233,256,425</u>
\$	20,943,663	\$	21,302,259	\$	21,286,060	\$	21,238,194	\$	24,643,561	\$	31,036,921	\$	32,040,201
	3,189,507		1,727,051		3,162,865		2,878,958		13,626,412		6,154,084		4,529,381
	8,568,753		4,488,807		11,034,268		10,007,362		4,329,645		8,067,419		4,746,283
\$	<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>	\$	<u>41,315,865</u>
\$	33,721,529	\$	34,008,194	\$	34,963,750	\$	36,143,576	\$	39,839,209	\$	45,559,538	\$	46,576,530
	2,428,959		59,308		39,665		30,128		364,720		8,716		85,353
	4,981,673		6,197,304		5,062,764		7,023,267		5,641,660		7,919,611		5,954,887
\$	<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>52,616,770</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>	\$	<u>93,932,635</u>
\$	(106,086,329)	\$	(119,781,206)	\$	(121,693,409)	\$	(125,934,778)	\$	(130,633,255)	\$	(130,295,133)	\$	(146,862,983)
	2,635,262		3,179,580		483,276		5,243,412		5,515,161		11,092,797		7,539,193
\$	<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>	\$	<u>(139,323,790)</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>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$ 25,796,261	\$ 30,191,056	\$ 31,603,241
Local Accommodations Taxes	2,333,117	2,538,276	2,628,349
Business License Taxes	19,050,722	20,579,202	22,133,249
Franchise Taxes	3,755,715	3,847,643	3,763,771
Hospitality Fee Taxes	10,077,734	10,859,463	11,333,703
Local Option Tourism Taxes	23,298,736	24,952,836	27,187,371
Grants and Contributions not Restricted to Specific Programs	10,501,165	10,619,104	11,017,066
Investment Earnings	168,740	152,962	225,010
Transfers	179,000	112,276	222,238
Total Governmental Activities	<u>\$ 95,161,190</u>	<u>\$ 103,852,818</u>	<u>\$ 110,113,998</u>
Business-Type Activities:			
Investment Earnings	\$ 82,602	\$ 68,522	\$ 77,559
Transfers	<u>(179,000)</u>	<u>(112,276)</u>	<u>(222,238)</u>
Total Business-Type Activities	<u>\$ (96,398)</u>	<u>\$ (43,754)</u>	<u>\$ (144,679)</u>
Total Primary Government	<u>\$ 95,064,792</u>	<u>\$ 103,809,064</u>	<u>\$ 109,969,319</u>
Change in Net Position			
Governmental Activities	\$ 9,935,800	\$ 10,873,179	\$ 14,775,286
Business-Type Activities	<u>(815,613)</u>	<u>259,291</u>	<u>428,324</u>
Total Primary Government	<u>\$ 9,120,187</u>	<u>\$ 11,132,470</u>	<u>\$ 15,203,610</u>

Note:

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

UNAUDITED

		Fiscal Year											
		2017	2018	2019	2020	2021	2022	2023					
\$	32,715,024	\$	33,638,840	\$	36,868,630	\$	40,138,497	\$	41,797,359	\$	43,034,092	\$	49,450,011
	2,756,944		2,697,237		2,729,372		8,925,995		11,003,726		3,849,037		3,621,173
	25,121,700		25,508,342		26,234,896		24,917,280		25,171,997		31,842,233		33,484,019
	3,894,935		4,049,530		4,942,516		4,717,786		4,717,820		4,990,282		4,997,946
	11,882,628		11,923,034		12,157,102		14,799,599		18,076,659		42,278,837		42,614,095
	28,316,017		28,763,094		29,699,386		28,846,468		32,805,208		41,857,714		44,831,979
	11,716,163		11,698,916		12,091,191		10,642,397		12,125,790		17,401,798		17,252,327
	314,946		645,460		1,212,277		1,090,035		329,339		297,604		2,977,606
	295,273		268,600		387,375		21,792,556		1,710,491		7,340,109		(1,670,798)
\$	<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>	\$	<u>197,558,358</u>
\$	98,753	\$	141,039	\$	196,463	\$	99,572	\$	41,118	\$	65,102	\$	347,168
	(295,273)		(268,600)		(387,375)		(21,792,556)		(1,710,491)		(7,340,109)		1,670,798
\$	<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>2,017,966</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>	\$	<u>199,576,324</u>
\$	10,927,301	\$	(588,153)	\$	4,629,336	\$	29,935,835	\$	17,105,134	\$	62,596,573	\$	50,695,375
	2,438,742		3,052,019		292,364		(16,449,572)		3,845,788		3,817,790		9,557,159
\$	<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>	\$	<u>60,252,534</u>

Schedule 3

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

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year		
	2014	2015	2016
Governmental Activities			
Charges for Services:			
General Government	\$ 2,695,365	\$ 2,731,274	\$ 2,930,087
Public Safety	2,052,795	1,872,412	2,064,558
Transportation	2,177,007	2,227,724	2,260,620
Community and Economic Development	2,510,118	2,393,360	2,314,586
Parks, Recreation and Sports Tourism	7,507,149	8,396,988	8,634,608
Operating Grants and Contributions:			
General Government			
Public Safety	435,211	937,561	702,446
Transportation	88,006	87,631	78,256
Community and Economic Development	329,212	273,962	136,778
Parks, Recreation and Sports Tourism	513,358	649,601	518,915
Public Works	211,842	36,711	71,935
Capital Grants and Contributions:			
General Government			
Public Safety			
Transportation	7,221,160	4,765,947	11,609,972
Community and Economic Development	931,986	1,081,888	1,072,973
Parks, Recreation and Sports Tourism	2,720	111,420	400,629
Total Governmental Activities	<u>\$ 26,675,929</u>	<u>\$ 25,566,479</u>	<u>\$ 32,796,363</u>
Business-Type Activities			
Charges for Services:			
Water	\$ 12,425,117	\$ 12,546,737	\$ 12,993,723
Sewer	12,109,673	12,377,975	12,910,985
Baseball Stadium	36,841	45,364	53,347
Municipal Golf Course	938,737	310,621	53,635
Solid Waste Management	4,176,291	4,455,058	4,769,320
Parking Utility			
Operating Grants and Contributions:			
Water			1,701
Sewer			1,701
Solid Waste Management			
Capital Grants and Contributions:			
Water	1,394,906	1,610,026	2,107,498
Sewer	1,789,232	2,826,207	2,537,442
Parking Utility			
Total Business-Type Activities	<u>\$ 32,870,797</u>	<u>\$ 34,171,988</u>	<u>\$ 35,429,352</u>
Total Primary Government	<u><u>\$ 59,546,726</u></u>	<u><u>\$ 59,738,467</u></u>	<u><u>\$ 68,225,715</u></u>

UNAUDITED

		Fiscal Year											
		2017	2018	2019	2020	2021	2022	2023					
\$	3,150,622	\$	3,324,103	\$	3,237,617	\$	3,468,822	\$	4,055,174	\$	5,360,928	\$	4,903,918
	2,859,641		2,513,149		2,547,392		2,090,687		2,574,773		2,414,602		2,423,714
	2,314,872		2,366,895		2,608,680		2,691,081		2,765,771		3,436,390		4,424,450
	3,014,585		3,255,925		3,203,028		3,426,563		4,516,951		5,138,050		4,981,156
	9,603,943		9,842,187		9,689,343		9,561,041		10,730,892		14,686,951		15,306,963
							258,669		10,708,551		4,370,714		503,221
	1,713,263		1,007,915		1,077,529		1,064,859		1,646,330		919,332		2,375,548
	206,082		57,583		1,080,431		744,600		75,263				121,538
	352,434		216,734		382,306		219,446		553,862		127,161		67,240
	597,851		444,819		561,140		509,303		583,783		676,093		1,094,647
	319,877				61,459		82,081		58,623		60,784		367,187
									305,431				
					192,010								
	6,336,507		1,945,468		4,954,509		8,609,373		3,068,142		5,229,780		3,173,763
	1,975,239		2,526,754		5,781,530		1,386,374		847,244		2,655,848		1,545,998
	257,007		16,585		106,219		11,615		108,828		181,791		26,522
\$	<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>	\$	<u>41,315,865</u>
\$	14,482,382	\$	14,436,891	\$	14,922,271	\$	15,323,410	\$	16,429,211	\$	18,248,603	\$	18,048,964
	13,845,349		13,871,568		14,223,700		14,468,528		15,469,588		17,313,164		17,509,309
	55,226		69,023		59,073								
	156,784		136,726		141,977								
	5,181,788		5,493,986		5,616,729		6,351,638		6,753,138		7,599,769		8,364,055
									1,187,272		2,398,002		2,654,202
	77,166								90,364				24,113
	77,167								90,365				24,113
	2,274,626		59,308		39,665		30,128		183,991		8,716		37,127
	2,300,020		3,073,289		2,581,956		3,370,453		2,430,578		3,998,687		3,227,999
	2,681,653		3,124,015		2,480,808		3,652,814		3,046,366		3,920,924		2,726,888
									164,716				
\$	<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>52,616,770</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>	\$	<u>93,932,635</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>2014</u>	<u>2015</u>	<u>2016</u>
General Fund			
Nonspendable	\$ 145,116	\$ 147,712	\$ 115,756
Restricted	406,711	1,044,520	429,343
Committed	14,667	1,077,273	202,419
Assigned	414,605	931,947	667,884
Unassigned	10,324,445	10,221,505	12,050,165
Total General Fund	<u>\$ 11,305,544</u>	<u>\$ 13,422,957</u>	<u>\$ 13,465,567</u>
 All Other Governmental Funds			
Nonspendable	\$ 722,066	\$ 785,408	\$ 793,725
Restricted	33,329,174	26,786,092	27,217,933
Assigned	12,019,861	12,404,860	12,137,656
Unassigned	(698,740)	(2,303,269)	(2,544,905)
Total All Other Governmental Funds	<u>\$ 45,372,361</u>	<u>\$ 37,673,091</u>	<u>\$ 37,604,409</u>

UNAUDITED

		Fiscal Year											
		2017	2018	2019	2020	2021	2022	2023					
\$	146,664	\$	199,060	\$	195,266	\$	301,701	\$	305,686	\$	404,743	\$	420,859
	361,423		425,970		554,331		275,081		316,955		394,635		174,841
	561,167		618,667		561,167		332,107		332,107				
									2,500,000		2,500,000		2,500,000
	14,564,933		12,608,530		12,243,154		12,674,438		19,645,152		31,883,541		29,746,021
\$	<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>	\$	<u>32,841,721</u>
\$	276,717	\$	89,286	\$	91,505	\$	64,622	\$	45,882	\$	75,777	\$	113,173
	33,320,557		37,702,601		43,607,170		57,105,470		58,436,002		86,720,422		108,499,173
	8,529,539		14,199,140		16,116,409		6,539,370		11,977,083		15,454,816		17,000,829
	(2,678,440)		(1,597,648)		(940,509)								
\$	<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>	\$	<u>125,613,175</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		
	2014	2015	2016
Revenues			
Property Taxes	\$ 25,842,751	\$ 29,807,247	\$ 30,913,506
Local Accommodations Taxes	2,333,163	2,536,515	2,629,777
Hospitality Fee Taxes	10,075,280	10,850,942	11,310,659
Storm Water Fees	2,181,517	2,227,724	2,267,128
Local Option Tourism Taxes	23,298,736	24,952,836	27,187,371
Licenses and Permits	24,807,744	26,426,225	27,847,941
Fines and Forfeitures	1,203,940	1,101,609	1,211,362
Intergovernmental	14,631,456	14,028,776	15,163,681
Charges for Services	5,221,830	6,250,252	6,506,212
Miscellaneous	6,994,794	6,359,649	6,807,139
Total Revenues	\$ 116,591,211	\$ 124,541,775	\$ 131,844,776
Expenditures			
Current:			
General Government	\$ 11,366,081	\$ 12,905,368	\$ 12,328,947
Public Safety	32,761,895	35,413,969	39,613,821
Transportation	5,532,740	5,573,199	5,837,513
Community and Economic Development	25,446,577	26,768,505	29,041,665
Parks, Recreation and Sports Tourism	16,904,085	17,789,917	13,897,123
Public Works	1,394,960	1,429,807	6,452,736
Capital Outlay	13,506,372	21,926,817	11,517,165
Debt Service:			
Principal	8,229,829	7,451,254	8,170,475
Interest and Fiscal Charges	7,031,794	7,643,041	8,775,010
Bond Issuance Costs	590,288	9,822	89,527
Payment to Escrow Agent	1,507,567		
Total Expenditures	\$ 124,272,188	\$ 136,911,699	\$ 135,723,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,680,977)	\$ (12,369,924)	\$ (3,879,206)
Other Financing Sources (Uses)			
Transfers In	\$ 41,514,957	\$ 25,913,703	\$ 27,740,220
Transfers Out	(41,335,957)	(25,801,427)	(27,517,982)
Issuance of Debt	290,000	6,491,485	3,495,038
Proceeds From Refunding	64,557,129		17,462,000
Payment to Escrow Agent	(50,181,917)		(17,374,195)
Sale of Capital Assets		184,306	48,053
Total Other Financing Sources (Uses)	\$ 14,844,212	\$ 6,788,067	\$ 3,853,134
Net Change in Fund Balances	\$ 7,163,235	\$ (5,581,857)	\$ (26,072)

UNAUDITED

		Fiscal Year						
		2017	2018	2019	2020	2021	2022	2023
\$	33,450,822	\$ 33,999,652	\$ 36,667,506	\$ 40,171,757	\$ 41,749,690	\$ 43,145,699	\$ 49,204,224	
	2,755,560	2,698,332	2,722,785	8,930,128	10,982,734	3,865,139	3,600,897	
	11,874,960	11,908,883	12,159,412	14,800,829	18,080,549	42,192,652	42,671,595	
	2,319,629	2,360,916	2,619,359	2,703,711	2,765,271	3,436,138	4,337,087	
	28,316,017	28,763,094	29,699,386	28,846,468	32,805,208	41,857,714	44,831,979	
	31,692,036	32,460,299	33,999,861	32,699,939	33,899,665	41,535,129	42,279,157	
	1,429,939	1,255,638	1,188,906	948,676	1,186,819	1,058,555	1,155,384	
	17,934,520	16,535,412	19,424,885	15,728,545	21,583,122	25,265,840	25,176,852	
	7,570,602	7,778,873	7,808,477	6,512,720	7,601,151	10,601,461	10,723,380	
	8,098,964	7,961,344	11,002,399	7,554,852	11,939,968	8,284,688	11,723,396	
\$	<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>	<u>235,703,951</u>	
\$	12,694,369	\$ 13,148,637	\$ 14,093,595	\$ 15,647,648	\$ 19,691,610	\$ 18,178,949	\$ 23,558,365	
	41,947,516	45,719,606	49,456,616	48,424,884	48,124,728	52,184,462	66,277,652	
	6,256,190	6,750,406	8,627,993	7,502,605	5,869,925	8,043,490	9,282,702	
	31,053,204	31,220,689	35,171,060	34,392,981	41,826,186	47,599,551	51,693,923	
	15,537,265	16,200,606	16,907,269	16,467,121	20,910,255	25,267,396	29,317,151	
	7,117,694	7,190,325	7,430,976	7,084,215	1,375,066	1,508,043	1,982,369	
	12,262,257	12,946,366	11,294,692	8,157,440	13,083,031	38,150,636	31,229,267	
	11,912,278	8,797,084	7,692,499	9,247,410	9,697,385	10,512,384	12,791,698	
	6,025,448	6,809,784	6,668,263	6,612,893	6,086,661	5,705,940	6,058,952	
	554,946	342,821	176,386		126,195	236,770	95,503	
	7,387,801	364,030						
\$	<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>232,287,582</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>	<u>3,416,369</u>	
\$	28,561,689	\$ 39,154,969	\$ 30,901,767	\$ 33,781,583	\$ 56,377,097	\$ 51,135,226	\$ 61,625,828	
	(28,266,416)	(38,886,369)	(30,514,392)	(35,221,198)	(61,618,384)	(43,795,117)	(63,296,626)	
	3,138,385	12,470,221	8,017,660	615,703	5,500,000	21,998,634	19,152,287	
	47,949,194	7,978,922			27,078,000			
	(40,086,136)	(7,809,536)			(26,985,129)			
	21,787	22,750	4,225	327,780	111,359	680,930	123,104	
\$	<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>17,604,593</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>	<u>21,020,962</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		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	<u>13.78%</u>	<u>13.13%</u>	<u>13.64%</u>

Note:

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

UNAUDITED

Fiscal Year						
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</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>	<u>9.38%</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			
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
2023	573,803	66,558	640,361	88.90	11,496,607	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
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
2023	82.90	6.00	88.90	52.50	128.10	0.70

Source: Horry County Treasurer

UNAUDITED

Schedule 8

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

Taxpayer	Type of Business	Fiscal Year 2023	
		Assessed Value	Percentage of Total Assessed Value
Myrtle Beach Farms Company, Inc.	Real Estate, Retail & Amusement	\$ 10,257,120	1.60 %
Broadway at the Beach, Inc.	Retail, Restaurants & Amusement	5,745,060	0.90
Marriott Ownership Resort, Inc.	Real Estate and Accommodations	4,677,650	0.73
Grand Strand Regional Medical Center	Medical Facilities	4,518,410	0.71
Coastal Grand CMBS, LLC	Retail, Restaurants & Amusement	3,735,910	0.58
1600 Development	Real Estate Developers	3,720,000	0.58
Horry Telephone Cooperative LLC	Utility	3,536,260	0.55
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,328,550	0.52
Columbia Prop Myrtle Beach, LLC	Real Estate and Accommodations	2,815,920	0.44
Grand Stand Hotels, LLC	Accommodations	2,730,920	0.43
		<u>\$ 45,065,800</u>	<u>7.04 %</u>

Taxpayer	Type of Business	Fiscal Year 2014	
		Assessed Value	Percentage of Total Assessed Value
Burroughs & Chapin, Inc. ⁽¹⁾	Real Estate, Retail & Amusement	\$ 19,692,871	5.11 %
Marriott Ownership Resort, Inc.	Real Estate & Accommodations	4,606,110	1.20
Frontier Communications	Communications'	4,070,440	1.05
Grand Strand Regional Medical Center	Hospital	3,536,910	0.92
Coastal Grand, LLC	Retail	3,241,205	0.84
Westgate Myrtle Beach, LLC	Real Estate and Accommodations	3,117,324	0.81
Ocean Club Vacations, LLC	Real Estate and Accommodations	2,688,840	0.70
BEI Beach, LLC	Real Estate Developers	2,246,742	0.58
Columbia Property Myrtle Beach, LLC	Real Estate and Accommodations	2,129,244	0.55
South Beach Resort Myrtle Beach, LLC	Real Estate & Accommodations	1,978,866	0.51
		<u>\$ 47,308,552</u>	<u>12.27 %</u>

Source: Horry County Finance Department

Note:

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

UNAUDITED

Schedule 9

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

Fiscal Year	Taxes Levied for the Fiscal Year ⁽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
2014	\$ 20,949,044	\$ 19,802,198	94.53 %	\$ 641,872	\$ 20,444,070	97.59 %
2015	29,150,922	26,078,950	89.46	418,642	26,497,592	90.90
2016	30,256,332	27,672,451	91.46	531,927	28,204,378	93.22
2017	31,768,391	30,387,362	95.65	341,185	30,728,547	96.73
2018	32,073,726	31,025,247	96.73	861,045	31,886,292	99.42
2019	34,216,518	33,788,791	98.75	408,996	34,197,787	99.95
2020	38,759,483	37,891,144	97.76	498,540	38,389,684	99.05
2021	40,267,472	39,775,876	98.78	449,677	40,225,553	99.90
2022	44,504,439	40,674,089	91.39	465,722	41,139,811	92.44
2023	48,603,248	47,498,767	97.73		47,498,767	97.73

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.

UNAUDITED

Schedule 10

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

Fiscal Year	Water				Sewer	Number of Customers
	Gallons Purchased	Gallons Billed	Gallons Unbilled	Percentage Billed	Gallons Billed	
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
2023	4,746,909	3,851,325	895,584	81.13	3,202,911	24,160

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.

UNAUDITED

Total Direct Rate

Water		Sewer	
Base Rate ⁽¹⁾	Usage Rate ⁽²⁾	Base Rate ⁽¹⁾	Usage Rate ⁽²⁾
\$ 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
3.30	3.27	4.45	4.20

Schedule 11

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

	Fiscal Year			
	2014	2015	2016	2017
Water Rates (Inside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	\$ 2.43	\$ 2.47	\$ 2.51	\$ 2.69
1"	4.05	4.12	4.18	4.48
1 1/2"	8.10	8.23	8.35	8.95
2"	12.96	13.16	13.36	14.32
3"	28.35	28.78	29.21	31.31
4"	40.50	41.11	41.73	44.73
6"	81.00	82.22	83.45	89.44
Usage Rate (<i>per 1,000 gallons</i>)				
Up to 4,000 gallons	1.35	1.38	1.40	1.44
5,000 to 15,000 gallons	2.56	2.60	2.64	2.72
16,000 to 30,000 gallons	2.56	2.60	2.64	3.05
31,000 gallons and over	2.89	2.94	2.98	3.25
Water Rates (Outside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	4.86	4.94	5.02	5.38
1"	8.10	8.24	8.36	8.96
1 1/2"	16.20	16.46	16.70	17.90
2"	25.92	26.32	26.72	28.64
3"	56.70	57.56	58.42	62.62
4"	81.00	82.22	83.46	89.46
6"	162.00	164.44	166.90	178.88
Usage Rate (<i>per 1,000 gallons</i>)				
Up to 4,000 gallons	2.70	2.76	2.80	2.88
5,000 to 15,000 gallons	5.12	5.20	5.28	5.44
16,000 to 30,000 gallons	5.12	5.20	5.28	6.10
31,000 gallons and over	5.78	5.88	5.96	6.50
Sewer Rates (Inside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	3.26	3.38	3.50	3.59
1"	5.46	5.66	5.86	6.02
1 1/2"	10.92	11.31	11.71	12.02
2"	17.46	18.08	18.71	19.20
3"	38.25	39.59	40.98	42.04
4"	54.64	56.56	58.54	60.05
6"	109.27	113.10	117.06	120.09
Usage Rate (<i>per 1,000 gallons</i>)				
	3.19	3.24	3.35	3.44
Sewer Rates (Outside City Limits)				
Base Rate (<i>meter size</i>)				
3/4" - 5/8"	6.52	6.76	7.00	7.18
1"	10.92	11.32	11.72	12.04
1 1/2"	21.84	22.62	23.42	24.04
2"	34.92	36.16	37.42	38.40
3"	76.50	79.18	81.96	84.08
4"	109.28	113.12	117.08	120.10
6"	218.34	226.20	234.12	240.18
Usage Rate (<i>per 1,000 gallons</i>)				
	6.38	6.48	6.70	6.88

Source: City Water and Sewer Department

UNAUDITED

		Fiscal Year					
		2018	2019	2020	2021	2022	2023
\$	2.74 \$	2.85 \$	3.05 \$	3.05 \$	3.17 \$	3.30	
	4.57	4.75	5.08	5.08	5.28	5.49	
	9.13	9.49	10.15	10.15	10.56	10.98	
	14.61	15.18	16.24	16.24	16.89	17.57	
	31.94	33.19	35.51	35.51	36.93	38.41	
	45.62	47.40	50.72	50.72	52.75	54.86	
	91.23	94.79	101.42	101.42	105.48	109.70	
	1.47	1.53	1.60	1.60	1.66	1.73	
	2.77	2.88	3.02	3.02	3.15	3.27	
	3.11	3.23	3.39	3.39	3.53	3.67	
	3.31	3.44	3.61	3.61	3.76	3.90	
	5.49	5.70	6.10	6.10	6.34	6.60	
	9.14	9.50	10.16	10.16	10.57	10.99	
	18.26	18.98	20.30	20.30	21.11	21.96	
	29.21	30.36	32.47	32.47	33.78	35.13	
	63.87	66.38	71.01	71.01	73.86	76.82	
	91.25	94.80	101.45	101.45	105.50	109.72	
	182.46	189.58	202.85	202.85	210.95	219.39	
	2.94	3.06	3.21	3.21	3.33	3.46	
	5.55	5.76	6.05	6.05	6.28	6.53	
	6.22	6.46	6.79	6.79	7.05	7.33	
	6.63	6.88	7.23	7.23	7.51	7.81	
	3.70	3.84	4.04	4.04	4.24	4.45	
	6.20	6.44	6.76	6.76	7.10	7.45	
	12.38	12.86	13.51	13.51	14.19	14.89	
	19.78	20.55	21.58	21.58	22.66	23.79	
	43.30	44.99	47.24	47.24	49.60	52.08	
	61.85	64.26	67.48	67.48	70.85	74.40	
	123.68	128.50	134.93	134.93	141.68	148.76	
	3.54	3.68	3.81	3.81	4.00	4.20	
	7.40	7.68	8.07	8.07	8.48	8.91	
	12.40	12.88	13.53	13.53	14.20	14.91	
	24.76	25.72	27.01	27.01	28.37	29.79	
	39.55	41.10	43.15	43.15	45.32	47.58	
	86.60	89.98	94.48	94.48	99.20	104.16	
	123.70	128.52	134.95	134.95	141.71	148.79	
	247.36	257.00	269.86	269.86	283.35	297.53	
	7.09	7.36	7.63	7.63	8.00	8.40	

Schedule 12

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

Customer	Fiscal Year 2023			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Kingston Resort Owner LLC	\$ 310,477	2.13 %	\$ 335,641	2.30 %
Myrtle Beach Travel Park	274,292	1.88	295,498	2.03
Apache Family Campground	213,764	1.47	230,498	1.58
Caribbean Resort	162,265	1.11	175,587	1.20
Grand Strand General Hospital	154,325	1.06	166,867	1.14
Sands Properties Homeowners	127,125	0.87	124,149	0.85
The Margate Tower	101,750	0.70	110,138	0.76
Grande Palms LLC	99,187	0.68	107,756	0.74
Brightwork Laundry Service	90,723	0.62	98,142	0.67
Pan American Tower	89,407	0.61	96,542	0.66
	<u>\$ 1,623,315</u>	<u>11.13 %</u>	<u>\$ 1,740,818</u>	<u>11.93 %</u>

Customer	Fiscal Year 2014			
	Water Revenue		Sewer Revenue	
	Amount	Percentage of Total Water Revenue	Amount	Percentage of Total Sewer Revenue
Felcor-Hilton	\$ 235,978	2.03 %	\$ 209,312	1.75 %
Myrtle Beach Travel Park	168,238	1.44	184,608	1.54
Seawatch Plantation	162,176	1.39	172,502	1.44
Sea Mist Resort	141,668	1.22	148,373	1.24
Magnolia Point HOA	117,823	1.01	124,235	1.04
Grand Strand Regional Medical Center	107,613	0.92	96,536	0.80
Ocean Dunes/Sand Dunes	101,563	0.87	109,284	0.91
Sands Property Homeowners 1 & 2	98,641	0.85	76,671	0.64
Dunes Village Phase II	98,521	0.85	74,693	0.62
Oceanwatch Timeshare	95,293	0.82	93,524	0.78
	<u>\$ 1,327,514</u>	<u>11.40 %</u>	<u>\$ 1,289,738</u>	<u>10.76 %</u>

Source: City Water and Sewer Department

UNAUDITED



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
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
2023	34,559,647		73,761,239	10,696,319	56,197,190	1,376,033

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.

UNAUDITED

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>
\$	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
	23,654,856		870,694	4,172,281	205,288,259	16.35	5,344

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		
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
2023	34,559,647	3,624,313	30,935,334	0.27	805

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.

UNAUDITED

Schedule 15

**CITY OF MYRTLE BEACH, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2023**

	<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	\$ 165,461,003	22.0%	\$ 36,401,421
Horry County School District:			
General Obligation Bonds	210,039,000	22.0%	<u>46,208,580</u>
Total Overlapping Governmental Activities Debt			\$ 82,610,001
City Direct Governmental Activities Debt			<u>176,590,428</u>
Total Direct and Overlapping Governmental Activities Debt			\$ <u><u>259,200,429</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.

UNAUDITED

Schedule 16

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

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	\$ 30,833,102	\$ 26,955,443	\$ 28,933,854	\$ 29,618,254
Total Net Debt Applicable to Debt Limit	<u>(23,525,000)</u>	<u>(22,175,000)</u>	<u>(21,995,000)</u>	<u>(20,814,000)</u>
Legal Debt Margin	<u>\$ 7,308,102</u>	<u>\$ 4,780,443</u>	<u>\$ 6,938,854</u>	<u>\$ 8,804,254</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>76.30%</u>	<u>82.27%</u>	<u>76.02%</u>	<u>70.27%</u>

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

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

UNAUDITED

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 29,544,118	\$ 33,231,160	\$ 34,318,730	\$ 35,079,260	\$ 36,670,643	\$ 39,884,099
<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>(23,656,000)</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>\$ 16,228,099</u>
<u>67.36%</u>	<u>76.77%</u>	<u>69.22%</u>	<u>79.53%</u>	<u>70.37%</u>	<u>59.31%</u>

Legal Debt Margin Calculation:

Assessed Value of Taxable Property	\$ 640,361,311
Assessed Value of Property in TIF Districts	(145,217,103)
Exempt Merchants Inventory (1987 Valuation)	3,407,034
Adjusted Assessed Value of Taxable Property	<u>\$ 498,551,242</u>
Debt Limit (8.0% of Adjusted Assessed Value)	\$ 39,884,099
Debt Applicable to Limit:	
General Obligation Bonds	(33,867,000)
Bonds Issued Under Referendum	<u>10,211,000</u>
Legal Debt Margin	<u>\$ 16,228,099</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		
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	
2023	38,517,794	29,922,793	8,595,001	1,905,250	881,424	3.08	

Fiscal Year	Hospitality Fee Revenue Bonds				Coverage
	Hospitality Fees	Debt Service			
		Principal	Interest		
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	
2023	16,600,274	2,980,000	2,760,353	2.89	

Fiscal Year	Revolving Line of Credit				Coverage
	Parking Fees	Debt Service			
		Principal	Interest		
2022	\$ 2,396,402	\$ 0	\$ 33,689	71.13	
2023	2,654,152	0	294,008	9.03	

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.

UNAUDITED

Tax Increment Revenue Bonds

Property Tax Increment	Debt Service		Coverage
	Principal	Interest	
\$ 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
16,061,577	2,705,000	2,229,533	3.25

Storm Water Revenue Bonds

Storm Water Fees	Debt Service		Coverage
	Principal	Interest	
\$ 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
4,337,087	1,240,724	234,065	2.94

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>
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
2022	38,417	32,691	1,255,890	45.7	4.20

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

UNAUDITED

Schedule 19

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

Employer	Type of Business	Calendar Year 2022	
		Employees	Percentage of Total County Employment
Horry County School District	Education	6,041	3.69 %
Wal-Mart	Retail Sales	3,644	2.23
Horry County Government	County Government	2,598	1.59
Conway Medical Center	Hospital	1,906	1.17
Coastal Carolina University	Higher Education	1,731	1.06
Food Lion	Grocery Store	1,601	0.98
Grand Strand Regional Medical Center	Hospital	1,523	0.93
City of Myrtle Beach	Municipal Government	1,151	0.70
McLeod Loris Seacoast	Hospital	1,089	0.67
Lowes Home Centers, LLC	Retail Sales	743	0.45
		<u>22,027</u>	<u>13.47 %</u>

Employer	Type of Business	Calendar Year 2013	
		Employees	Percentage of Total County Employment
Horry County School District	Education	4,712	4.13 %
Wal-Mart	Retail Sales	2,358	2.07
Horry County Government	County Government	1,800	1.58
AVX Corporation	Manufacturer	1,200	1.05
Conway Medical Center	Hospital	1,100	0.97
Blue Cross/Blue Shield	Health Insurance	1,000	0.88
Grand Strand Regional Medical Center	Hospital	993	0.87
Myrtle Beach National	Golf Courses and Accommodations	970	0.85
Coastal Carolina University	Education	909	0.80
City of Myrtle Beach	Municipal Government	825	0.72
		<u>15,867</u>	<u>13.92 %</u>

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

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

UNAUDITED

Schedule 20

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

	Fiscal Year			
	2014	2015	2016	2017
Full-Time Equivalent Employees				
General Government	80	81	83	84
Public Safety	429	453	467	478
Transportation	26	26	26	27
Community and Economic Development	27	33	38	40
Parks, Recreation and Sports Tourism	165	160	165	178
Public Works	25	25	28	29
Water	30	30	30	30
Sewer	26	26	26	23
Municipal Golf Course	10	10		
Solid Waste Management	30	32	32	34
Total Full-Time Equivalent Employees	<u>848</u>	<u>876</u>	<u>895</u>	<u>923</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.

UNAUDITED

Fiscal Year					
2018	2019	2020	2021	2022	2023
84	91	95	94	120	111
478	488	501	511	523	578
29	28	28	28	28	26
42	42	42	44	35	36
178	182	182	179	239	239
29	30	30	30	27	23
30	30	30	30	31	32
23	23	23	23	24	23
34	34	34	35	42	41
927	948	965	974	1,069	1,109

Schedule 21

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

	Fiscal Year			
	2014	2015	2016	2017
General Government				
New Business Licenses Issued	1,157	1,414	1,518	1,361
Public Safety				
Calls for Services - Police	110,102	115,233	133,761	134,508
Total Arrests	22,417	24,639	23,919	23,718
Fire Calls per Engine Company	393	400	448	494
Transportation ⁽¹⁾				
Square Yards of City Streets Resurfaced	39,480	37,319	39,877	36,315
Community and Economic Development				
Building Permits Issued	5,232	5,696	5,814	6,230
Parks, Recreation and Sports Tourism				
Admissions to Recreation Centers	198,673	181,669	181,968	187,002
Exhibition Hall Occupancy Percentage	62%	65%	70%	65%
Number of Library Volumes	117,296	140,885	134,627	131,982
Water				
Average Daily Consumption (<i>millions of gallons</i>)	9.6	9.5	10.0	10.2
Sewer				
Average Daily Treatment (<i>millions of gallons</i>)	8.0	8.1	8.4	8.4
Municipal Golf Course				
Number of Rounds Played	34,010	34,050	46,597	50,149
Solid Waste Management				
Tons of Refuse Collected	27,979	25,887	29,167	29,860

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.

UNAUDITED

Fiscal Year					
2018	2019	2020	2021	2022	2023
1,824	1,555	1,277	1,421	1,695	1,853
121,644	124,511	119,084	121,074	112,696	117,664
27,401	26,516	25,651	22,630	20,312	23,045
423	418	474	553	574	622
39,283	230,547	43,767	61,748	221,480	57,146
7,064	7,178	6,837	7,544	9,018	7,751
194,352	209,478	217,278	116,876	229,422	266,401
65%	65%	49%	54%	61%	74%
130,508	131,840	122,489	114,595	125,291	122,101
9.9	10.0	9.8	10.2	10.7	10.6
8.2	8.1	8.0	8.4	8.8	8.8
50,763	48,608	45,114	50,524	53,104	56,263
30,560	29,303	27,948	31,839	32,915	37,474

Schedule 22

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

	Fiscal Year			
	2014	2015	2016	2017
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>)	380	382	382	388
Sewer				
Gravity Sewers (<i>miles</i>)	235	237	237	242
Storm Sewers (<i>miles</i>)	170	173	173	178
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.

UNAUDITED

Fiscal Year						
2018	2019	2020	2021	2022	2023	
3	3	3	3	3	3	3
6	6	6	6	6	6	6
167	169	175	181	183	181	181
73	76	76	94	94	94	94
45	45	45	45	45	45	45
653	653	654	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
394	399	406	410	415	414	414
247	250	256	259	262	265	265
179	181	187	187	187	200	200
1	1	1	1	1	1	1
18	18	18	18	18	18	18
1	1	1	1	1	1	1
27	32	32	32	32	32	32



First in Service

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:			
Passed Through Horry County Government:			
Community Development Block Grant	14.218	B-21-UC-450006	\$ 167,183
		B-22-UW-450006	353,711
		B-23-UW-450006	3,815
Total U.S. Department of Housing and Urban Development			<u>\$ 524,709</u>
U.S. Department of Justice:			
COVID-19 - Coronavirus Emergency Supplemental Funding Grant	16.034		\$ 5,338
Bulletproof Vest Partnership Program Grant	16.607		35,230
Passed Through the State Department of Public Safety: Project Safe Neighborhoods Grant	16.609	1P19007/5P00121	104,000
Public Safety Partnership and Community Policing Grant	16.710		798,477
Edward Byrne Memorial Justice Assistance Grant	16.738		151,397
Total U.S. Department of Justice			<u>\$ 1,094,442</u>
U.S. Department of Transportation:			
Passed Through the State Department of Public Safety: State and Community Highway Safety Grant	20.600	PT-2022-HS-15-22	<u>\$ 117,865</u>
U.S. Department of Homeland Security:			
Passed Through the State Emergency Management Division:			
Pre-Disaster Mitigation (PDM) Competitive Grant	97.017	PDMC-PL-04-SC-2018-012	\$ 8,049
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4677-PA-SC	536,149
Hazard Mitigation Grant	97.039	FEMA-4286-PA-SC	76,745
Passed Through the State Law Enforcement Division:			
Homeland Security Grant	97.067	19SHSP22	73,500
		21SHSP14	28,795
		21SHSP26	24,234
		21SHSP33	46,582

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, 2023**

<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 Homeland Security: (continued)			
Staffing for Adequate Fire and Emergency Response Grant	97.083		\$ <u>243,823</u>
Total U.S. Department of Homeland Security			\$ <u>1,037,877</u>
Total Expenditures of Federal Awards			\$ <u><u>2,774,893</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, 2023

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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3 - INDIRECT COST RATE

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



First in Service



**SMITH
SAPP**

Certified Public Accountants & Consultants

MYRTLE BEACH

4728 Jenn Drive
Suite 100
Myrtle Beach, SC 29577

Phone (843) 448-8334
Fax (843) 626-7363
www.sccpa.com

CONWAY

1109 Main Street
Suite A
Conway, SC 29526

Phone (843) 248-5284
Fax (843) 381-0027
www.sccpa.com

PAWLEYS ISLAND

245 Business Center Drive
Suite 4A
Pawleys Island, SC 29585

Phone (843) 237-3453
Fax (843) 237-4809
www.sccpa.com

**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, 2023, 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 12, 2023.

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 12, 2023



**SMITH
SAPP**

Certified Public Accountants & Consultants

MYRTLE BEACH

4728 Jenn Drive
Suite 100
Myrtle Beach, SC 29577

Phone (843) 448-8334
Fax (843) 626-7363
www.sccpa.com

CONWAY

1109 Main Street
Suite A
Conway, SC 29526

Phone (843) 248-5284
Fax (843) 381-0027
www.sccpa.com

PAWLEYS ISLAND

245 Business Center Drive
Suite 4A
Pawleys Island, SC 29585

Phone (843) 237-3453
Fax (843) 237-4809
www.sccpa.com

**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, 2023. 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, 2023.

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 12, 2023

CITY OF MYRTLE BEACH, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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 Justice - Public Safety Partnership and Community Policing Grant - CFDA No. 16.710
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



First in Service