

# CITY OF MYRTLE BEACH

SOUTH CAROLINA



## POPULAR ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017







# Popular Annual Financial Report

## Table of Contents

<b>Purpose of the Report</b>	<b>3</b>
<b>Governance</b>	<b>4</b>
<b>City Profile.</b>	<b>5</b>
<b>Awards &amp; Accolades</b>	<b>6</b>
<b>Community Programs</b>	<b>8</b>
<b>City Team Members</b>	<b>9</b>
<b>Buying Power of Taxes &amp; Fees</b>	<b>10</b>
<b>Governmental Fund Activity</b>	<b>11</b>
<b>Enterprise Fund Activity</b>	<b>14</b>
<b>Long-Term Debt</b>	<b>16</b>

## Purpose of the Report

The Popular Annual Financial Report (PAFR) contains an unaudited summary of managements representations concerning the finances of the City of Myrtle Beach and is prepared primarily from detailed information contained in the Comprehensive Annual Financial Report (CAFR), with certain information from prior year's CAFRs.

The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and contains the audited financial statements. As such, it provides detailed City financial and supplementary information, including full disclosure of material events, which may be both financial and non-financial in nature. The City's CAFR received a favorable audit opinion from our independent auditor, Smith, Sapp, Bookhout, Crumpler, & Calliham, confirming that our financial statements are presented in conformity with GAAP. The CAFR presentation includes the City's component units and information about individual funds.

While extremely informative, the financial statements and disclosures presented in the CAFR tend to be very technical and complex. Conversely, the PAFR is designed to present the financial information from the CAFR in an understandable format without the use of technical accounting terms or excessive detail. The PAFR has not been audited and is not intended to provide the complete financial picture of the City in accordance with GAAP. The goal is to simplify the information contained in the CAFR and provide highlights of our accomplishments and better inform those citizens who wish to gain an overview of the city's basic financial condition and the financial activities of the City's governmental and enterprise funds.

For questions about this document and the information contained herein, you may contact Michelle Shumpert in the Department of Financial Management and Reporting.



The information in this report is taken from the City of Myrtle Beach's Comprehensive Annual Financial Report (CAFR).

A copy of the CAFR is available at

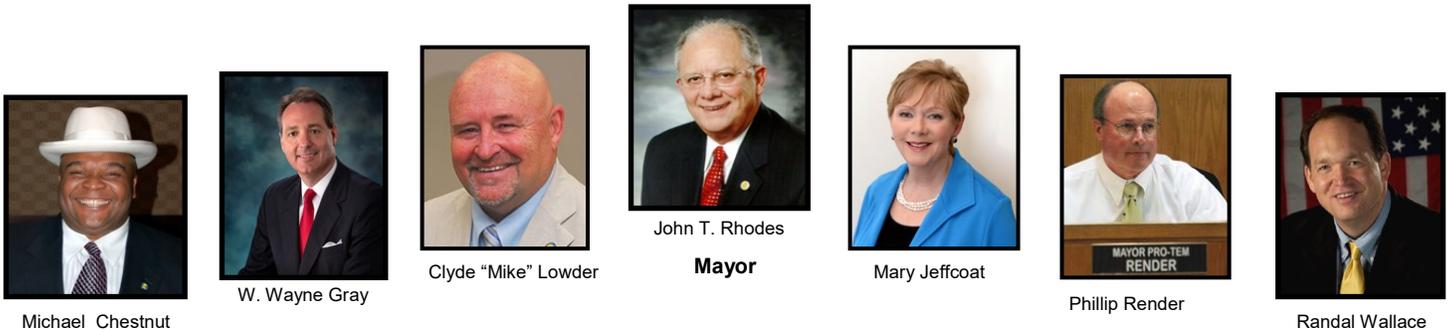
[www.cityofmyrtlebeach.com](http://www.cityofmyrtlebeach.com)



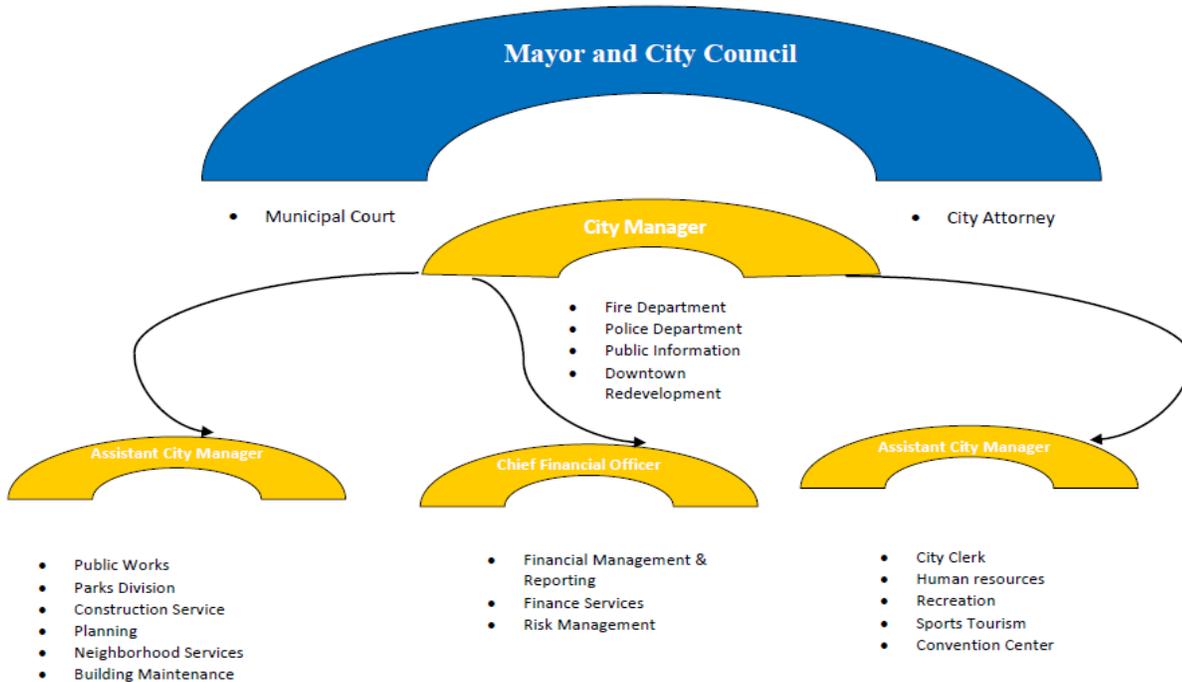


# Governance

The City of Myrtle Beach operates under a council-manager form of government, which was adopted by voters in 1973. Council is the legislative body of government, comprising seven elected members including the Mayor, each serving four-year teams. The Mayor and three Council Members stand for election in one year and two years later the remaining three Council seats are up for election. The Council determines the city's policy direction by enacting ordinances and resolutions and by approving the annual budget. A professional City Manager is appointed by Council, and serves at the pleasure of the Council on a contractual basis. The Manager administers the daily operations of the City through appointed executive staff members and department heads.



## Organizational Chart

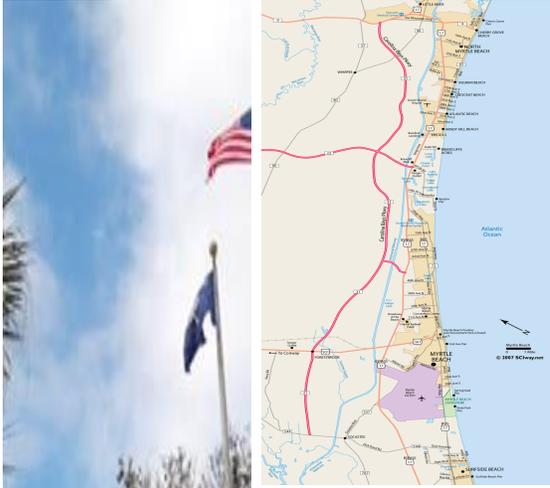


## Vision for the City of Myrtle Beach

**The employees of the City of Myrtle Beach are a diverse group of individuals who blend their unique talents to create the most effective, elite team of public servants in South Carolina.**



# City Profile



The City is committed to being “First in Service,” providing quality service at reasonable prices. This commitment, along with the City’s ideal oceanfront location, combine to position Myrtle Beach among the best resort, business, and residential locations on the East Coast. Public amenities within the City include:

**Year of Incorporation:** 1938

**Form of Government:**  
Council-Manger

**Location:**  
NE coast of SC, 23 miles south of the NC Border

**Total Land Size:**  
15,167 acres (23.7 square miles)

**Population of Myrtle Beach:**  
27,109 (2010 Census)

**History of Population Growth:**

1970 - 1980:	104.50%
1980 - 1990:	34.44%
1990 - 2000:	24.20%
2000 - 2010:	(12.13%)

**2016 Estimate:** 32,240

*US Census Bureau*

- ◇ 6 Fire stations and full Emergency Medical Services.
- ◇ 3 Police stations-including the main headquarters, the police annex, and the joint use of Fire Station #4 on the former Air Force Base.
- ◇ 1.2 mile Oceanfront Boardwalk featuring shops, cafes and an oceanfront park.
- ◇ 12.5 miles of Greenway Bike Pathways,
- ◇ 37 City Parks, three full-service recreation centers and 9.25 miles of beaches, including 141 public beach accesses
- ◇ 18-hole, championship Whispering Pines Golf Course.
- ◇ Myrtle Beach Convention Center with 100,000 square feet of meeting space.
- ◇ 402-room Sheraton Myrtle Beach Convention Center Hotel, with ratings of 4-star by Forbes and Northstar and 3-diamond by AAA.
- ◇ Water and Sewer System serving over 17,000 commercial and residential customers.
- ◇ Full Solid Waste residential and recycling services, as well as limited service for shared compactors along Ocean Boulevard.
- ◇ Myrtle Beach Colored School and the Historic Train Depot, historical sites, and community centers.
- ◇ Chapin Memorial Library, owned and operated by the City.
- ◇ The Myrtle Beach Sports Center, a 100,000 Square foot Indoor Sports Complex located on the Myrtle Beach Convention Center Campus.

## Myrtle Beach MSA, Top 10 Employers

Company/Organization	Type of Business	# Employees
Horry County School District	Education ( K-12)	5,650
Wal-Mart	Retail Sales	2,700
Horry County	County Government	2,300
Coastal Carolina University	Higher Education	2,269
Conway Hospital	Hospital	1,500
Grand Strand Regional Medical Center	Hospital	1,400
Food Lion	Grocery Store	1,050
McLeod Loris Seacoast	Hospital	950
City of Myrtle Beach	Local Government	889
Horry Telephone Cooperative	Utility	690

\* Source: Myrtle Beach Regional Economic Development Corp. & survey of businesses.

# 40.3

Median Age, 2016

# \$28,712

Per Capita Personal Income, 2016





# Awards & Accolades



The Myrtle Beach Metropolitan Statistical Area (MSA) was listed as the 2<sup>nd</sup> fastest growing area in the nation in 2016 by the US Census Bureau. According to 2016 Census estimates, there are more than 449,000 people living in the Myrtle Beach-Conway-North Myrtle Beach MSA .

Popularly known as the Grand Strand, the Myrtle Beach area is one of the largest tourist destinations in the United States. It stretches from Little River to Pawley’s Island. Pristine beaches, abundant dining and entertainment choices, and moderate climate contribute to the areas popularity.

The Travel Channel ranks Myrtle Beach second on its list of top 10 Beaches in America (2017) and, according to *Tipspoke.com*, a google consumer survey named Myrtle Beach the best beach in the U.S. (2016).

<b>#2 Beach in America (2017)</b>	—Travel Channel
<b>#9 Best Beach in Town (2017)</b>	—Coastal Living Magazine
<b>#1 Best Boardwalk in the U.S. (2017)</b>	—Conde’ Nast
<b>#2 Best Labor Day Getaway (2017)</b>	—Southern Living
<b>#1 Best Beach in the U.S. (2016)</b>	—TipsSpoke.com
<b>Most Popular Travel Destination (2014)</b>	—Trip Advisor (Traveler’s Choice)
<b>#3 Top Summer Beach Destination (2014)</b>	—Priceline.com
<b>#11 Best Places to Hold Meetings (2013)</b>	—Convention South
<b>Americas Most Awesome Boardwalks (2013)</b>	—Budget Travel.com
<b>#6 Best Restaurant Cities(2013)</b>	—Huffington Post.com
<b>#6 Best Family Beach Vacations</b>	
<b>#6 Best Family Vacations in the USA</b>	
<b>#7 Best Affordable US Vacations</b>	
<b>#9 Best Beaches USA</b>	—US News and World Reports (2012)
<b>Cheat Sheet of Best Beaches for 2012</b>	—Away.com
<b>America’s Most Fun Affordable Cities</b>	—Better Homes & Gardens (2012)
<b>Top 5 Summer Travel Destinations of 2011</b>	—US News and World Reports (2011)
<b>Top Ten Beach Vacation Spots</b>	—The Travel Channel (2011)
<b>No 25 of 100 “Best Places to Retire”</b>	—TopRetirements.com (2011)



<u>Year</u>	<u>Estimated Number of Visitors (millions)</u>
2010	14.0
2011	14.5
2012	15.2
2013	16.1
2014	17.2

Source Myrtle Beach Area Chamber of Commerce

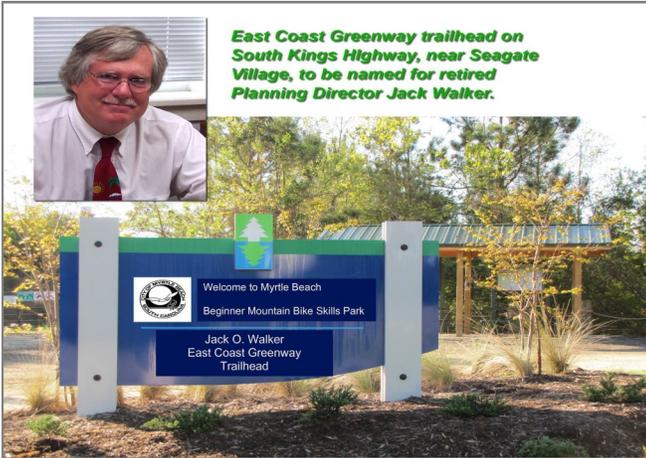
<b>Myrtle Beach International Airport Commercial Passenger Totals</b>		
<u>Year</u>	<u>Arrivals</u>	<u>Departures</u>
2012	742,097	867,106
2013	833,568	831,349
2014	872,734	876,923
2015	916,720	913,351
2016	972,041	970,886

Source Myrtle Beach International Airport





# Awards & Accolades cont'd

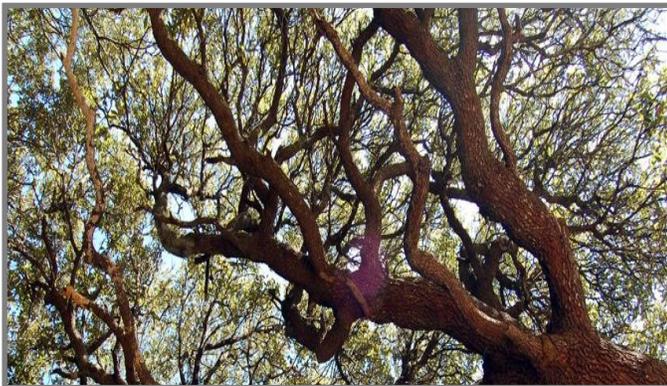


Myrtle Beach is the first in the nation to fully complete its segment of the East Coast Greenway (ECG) bike path. The ECG is a 3,000-mile biking and walking route designed to link the major cities along the Atlantic coast from Calais, Maine, to Key West, Florida. The main pathway and complementary routes are designed to accommodate non-motorized human transportation for everything from local commutes to long-distance trips. The City utilized a number of funding sources to accomplish the border to border greenway connection. General revenues, governmental grants, and local agency participation have combined to enable the City to enjoy the distinction of being first in the nation.

In 2017 the South Carolina Recreation and Parks Association presented the "Excellence Award" to Savannah's Playground in Myrtle Beach. The playground, which is located in The Market Common, is designed as an enabling park, created specifically to accommodate special needs children.



The park has several distinctive play areas. The early childhood playground, a school-age playground, an interactive playground, and a musical park complete with percussive instruments which creates a unique and stimulating experience for the enjoyment of all children.



During the 2017 Arbor Day ceremony, the City of Myrtle Beach received its 21st consecutive Tree City U.S.A. award. Tree City U.S.A. is sponsored by The National Arbor Day Foundation, the U.S. Forest Service and the National Association of State Foresters. The award recognizes excellence in urban forestry management.

Fifty people recently attended a Flood Resiliency Workshop at the Myrtle Beach Train Depot to learn how to prevent future natural disasters and to bounce back quickly when they occur. The resiliency workshop was funded by a grant from the Environmental Protection Agency (EPA). Federal representatives were highly complimentary of the work the city has accomplished in the past 25 years on flood protection and stormwater management.





# Community Programs

The City of Myrtle Beach offers a variety of programs in an effort to provide an unparalleled quality of life for its residents and business owners. A few of those programs are:

**MyBeach101** The MyBeach101 program is an eight week course, held annually. The class provides citizens with a unique opportunity to learn how our city government functions.



**Citizens Police Academy** The Citizens Police Academy is a 10 week course in which participants get a behind-the-scenes look at law enforcement. Topics include crime scene investigation, K-9 units, emergency vehicle operations and simulated firearms training. Class members also ride along with Myrtle Beach police officers.

**Teen Program** Myrtle Beach Recreation Services provides programming for City teens and coordinates participation with teen centered organizations. Programming includes job readiness training, community service projects, life skills, financial management, homework assistance, college field trips, and recreation.



**Child Safety Seat Checks** The Myrtle Beach Fire Police Department offers free child safety seat checks in an effort to improve automobile safety for children.

**Free Smoke Detector Program** The Myrtle Beach Fire Department provides and installs free battery operated smoke detectors to residents



**Operation Fire Safe** is a program where department members meet with area businesses to assist with Emergency Evacuation plans and provide fire extinguisher training.



For Youth...Someplace To Go.  
Someone To Help.

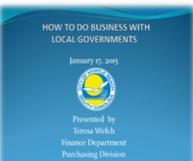
**Safe Place** Yellow diamonds are a symbol to mark the way to a safe place for troubled kids – a modern day underground railroad that leads to freedom from the dangers that lurk in a life on the streets. All fire stations participate in the program.

**Shop With A Hero** Police and Fire staff raise money throughout the year for the Shop with a Hero program. Each child is paired with an officer, who helps them shop for clothing, gifts and toys for themselves and their family members.



**Breakfast with Santa** The Fire department hosts a pancake breakfast with Santa. All donations and proceeds are used to purchase Christmas gifts for children in the Myrtle Beach community.

**Prescription Drug Disposal** The Myrtle Beach Police Department has a prescription drug drop-off box. It's designed to accept all unused, expired and unwanted pharmaceuticals. The box is an effort to get prescription drugs that are no longer needed or outdated out of homes and off the streets.



**Doing Business with the City Workshop** The workshop is held in January as a part of the Martin Luther King Holiday celebration. It provides valuable information to the small business owner on how to do business with local governments. Several Procurement Departments from local governmental agencies in Horry County are in attendance in order to share their procurement policies.



# City Team Members

We believe that the employees of the city are collectively among the most talented and dedicated to be found in any work force. Through the efforts of these employees, the City of Myrtle Beach serves the public in an outstanding manner, providing needed services efficiently and courteously.

We believe that we can learn from the collective experiences of this work force to focus our efforts, provide even better service to the public, and improve the satisfaction experienced by all employees for the contributions they make.



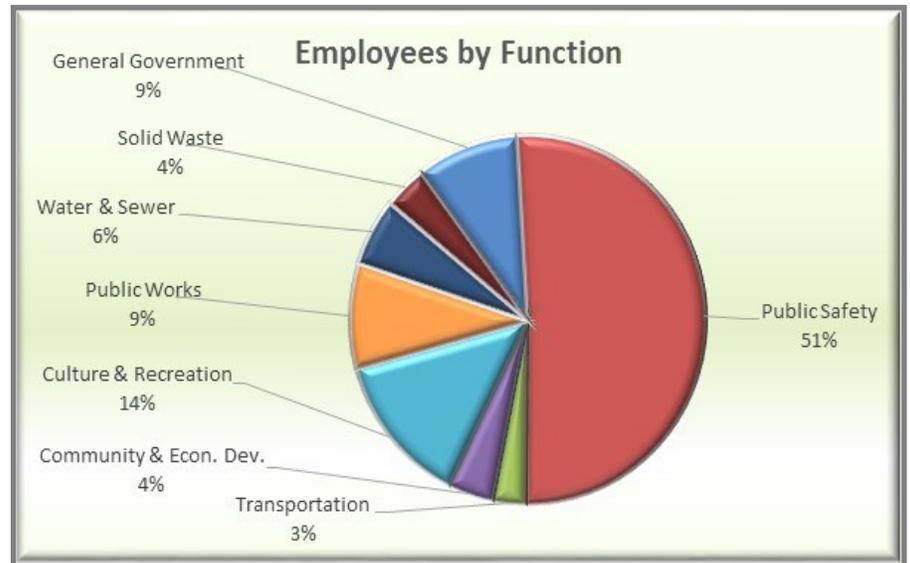
## First in Service

- S**afety -- Comes First
- E**xcellence -- Constantly Improving
- R**espect -- For Ourselves and Others
- V**alue -- The Individual and the Organization
- I**ntegrity -- Fairness and Honesty
- C**ommunication and Courtesy -- To All
- E**ducation -- Knowledge to Help



**As a service organization a significant portion of the operating budget, nearly 40%, is funding for employees who provide services to the citizenry.**

<b>Community Services</b>	<b>2017</b>
Police	298
Municipal Court	18
Victim Witness/Advocate	3
Fire	161
Transportation	10
Parks	54
Recreation	77
Community Development	38
Water & Sewer	53
Convention Center	39
Golf Course	-
Sports Tourism	5
Solid Waste Management	34
Storm Water Management	17
<b>Total Community Services</b>	<b>807</b>



<b>Support Services</b>	
Policy & Administration	14
Financial Operations	43
Human Resources	6
Public Works Administration & Engineering*	29
<b>Total Support Services</b>	<b>92</b>

**Total Authorized Positions 899**

\* Includes 8 staff members from the Fleet Service Internal Service Fund





# Buying Power of a Typical Household's Taxes and Fees

## Average Household:

Based upon a house valued at \$250,000 and two cars valued at \$28,000 and monthly household water consumption of 7,500 gallons, a typical Myrtle Beach household will pay the City's General Government a total of \$1,469.88 this year. This includes:



City Taxes	\$265.20
Water and Sewer charges	583.08
Storm Water Fees	69.00
Solid Waste Fees	312.60
Tourism Development Fee	240.00
<b>Annual Total</b>	<b>\$1,469.88</b>



Two bullet-proof vests or a gun and body camera for one Police Officer



One Level-A Hazardous Material Suit for a Fire Fighter or 250 ft. of fire hose



About 4.5 days' salary and benefits for an entry-level Police Officer or Firefighter or 200 ft. of fire hose

79 linear feet of new paving, 17 street signs or 72.5 linear feet of sidewalk



96 children's books, 32 reference books or 3 IPAD Air (available for loan) for Chapin Library.



100 cubic yards of mulch for landscaped medians and parks

Outfit 9 children for youth football with a helmet, shoulder pads, pants & pads, & a jersey



If you are the typical City resident, your \$1,469.88 will buy any one of these things:



Property Tax Breakdown	
Taxing Agency	Millage
HC School District	133.10
Horry County	51.70
<b>Myrtle Beach</b>	<b>77.50</b>
HC Higher Education	0.70
<b>Total Millage Before Credit</b>	<b>263.00</b>



HC School District 50.6%

Horry County 19.7%

Myrtle Beach 29.3%

HC Higher Education 3%

\*MB TDF Credit for 4% Property 63.5Mils



# Governmental Funds

## Years Ended June 30, 2016 and June 30, 2017

**Governmental Funds** — The City maintains 16 governmental funds. Governmental funds are used to account for basic services provided by the City such as public safety, public works, storm water maintenance, transportation, parks, culture and recreation, general government, and community development. The major governmental funds are the General Fund, Convention Center Fund, Local Option Tourism Fee Fund, and the Capital Improvements Fund.



The General Fund accounts for activity that is not required to be segregated or reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of special revenue sources.

Debt Service Funds are used to account for proceeds from and payment of general long term debt.

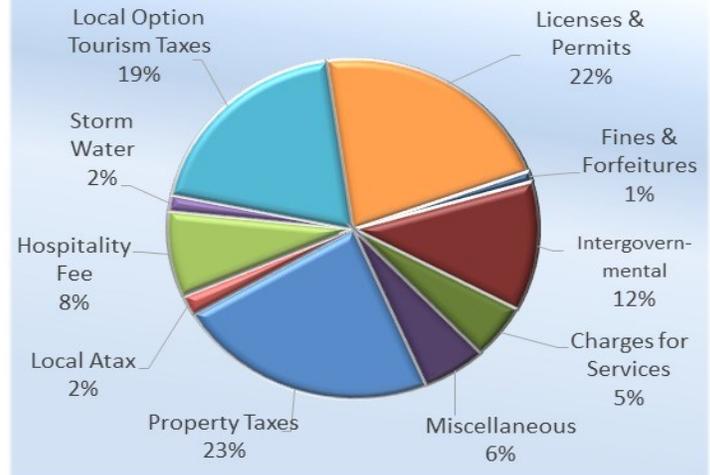
Capital Projects Funds are used to account for capital outlays and improvements.



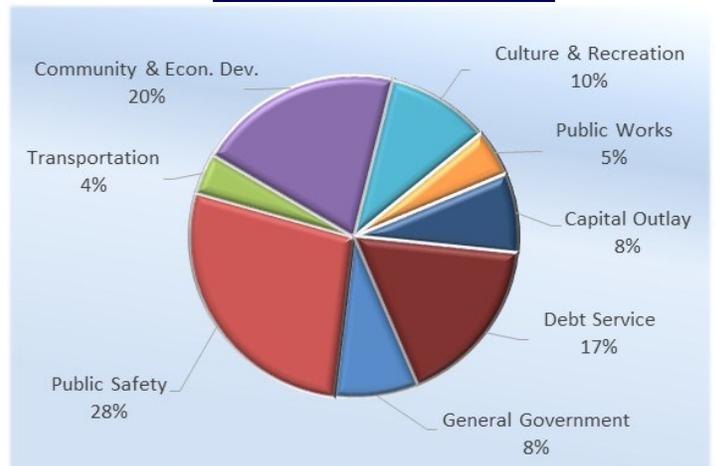
### GOVERNMENTAL FUNDS

Revenues:	2016	2017
<b>Property Taxes</b>	<b>\$ 30,913,506</b>	<b>\$ 33,450,822</b>
Local Accommodations Taxes	2,629,777	2,755,560
Hospitality Fee Taxes	11,310,659	11,874,960
Storm Water Fees	2,267,128	2,319,629
Local Option Tourism Taxes	27,187,371	28,316,017
Licenses and Permits	27,847,941	31,692,036
Fines and Forfeitures	1,211,362	1,429,939
Intergovernmental Revenues	15,163,681	17,934,520
Charges for Services	6,506,212	7,570,602
Miscellaneous	6,807,139	8,098,964
<b>Total Revenues</b>	<b>\$ 131,844,776</b>	<b>\$ 145,443,049</b>
Expenditures by Function:	2016	2017
General Government	\$ 12,328,947	\$ 12,694,369
<b>Public Safety</b>	<b>39,613,821</b>	<b>41,947,516</b>
Transportation	5,837,513	6,256,190
Community and Economic Development	29,041,665	31,053,204
Culture and Recreation	13,897,123	15,537,265
Public Works	6,452,736	7,117,694
Capital Outlay	11,517,165	12,262,257
Debt Service	17,035,012	25,880,473
<b>Total Expenditures</b>	<b>\$ 135,723,982</b>	<b>\$ 152,748,968</b>
Other Financing Sources (Uses):	2016	2017
Transfers In	\$ 27,740,220	\$ 28,561,689
Transfers Out	(27,517,982)	(28,266,416)
Issuance of Bonds	17,462,000	43,280,000
Premium on Issuance of Bonds	-	4,669,194
Payments to Escrow Agent	(17,374,195)	(40,086,136)
Storm Water Revenue		
Bonds Issued	3,495,038	2,355,769
Capital Lease Obligation	-	782,616
Sale of Capital Assets	48,053	21,787
<b>Net Change in Fund Balances</b>	<b>\$ (26,072)</b>	<b>\$ 4,012,584</b>
<b>Fund Balances, Beginning</b>	<b>51,096,048</b>	<b>51,069,976</b>
<b>Fund Balances, Ending</b>	<b>\$ 51,069,976</b>	<b>\$ 55,082,560</b>

### FY 17 REVENUES



### FY 17 EXPENDITURES



At June 30, 2017 Governmental Funds had fund balances of \$55M, an increase of \$4M over the prior year. The increase is primarily due to increased business license collections, property taxes, and growth in tourism related revenues.



MB Convention Center



# Where does the Money Come From?



## Governmental Revenue

### Revenue Source

Property Taxes	23.0%
Licenses and Permits	21.8%
Local Option Tourism Taxes	19.5%
Intergovernmental Revenues	12.3%
Hospitality Fee Taxes	8.1%
Miscellaneous	5.6%
Charges for Services	5.2%
Local Accommodations	1.9%
Storm Water	1.6%
Fines and Forfeitures	1.0%

**Property Tax** is the largest source of operating revenues for the City. Property taxes are levies collected from property within the City based on assessed value and a tax rate.

**Business License** revenue is the second largest revenue source for the City. Licenses and permit revenues are revenues generated through business licensing, construction permit issuance, encroachment permitting, and franchising.

**The Local Option Tourism Tax** is the third largest revenue. It is a general sales and use tax on almost all retail sales taxable under the state sales and use tax.

**The Accommodations tax** is a uniform fee equal to .5% on gross proceeds derived from the rental of transient accommodations.

**The Hospitality Fees** is a uniform fee equal to 1% on gross proceeds derived from the rental of short term or transient accommodations, the sale of all prepared food and beverages, and paid admissions to places of amusement.

**Storm Water Fee** is charged to all developed sites located within the corporate limits of the city. The fee is set by the city to recover the costs of maintaining and operating the storm water system.

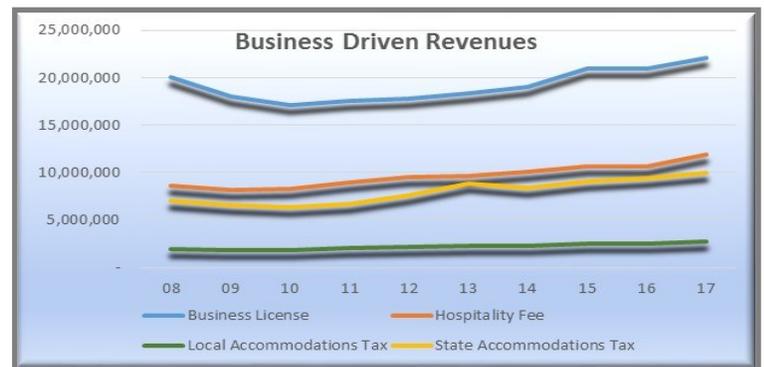
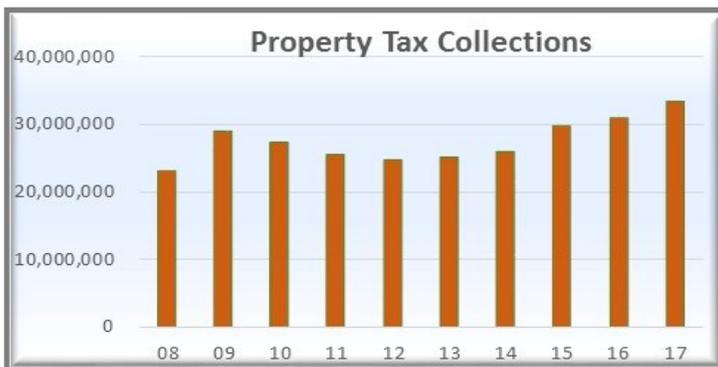
**Fines and Forfeiture** revenues are generated from court and traffic fines, parking violations, and library fines.

**Intergovernmental Revenue** consists of grants and other funding Federal, State, and County sources.

**Charges for Services** are revenues collected for services rendered to the public. Users of the service or facility pay a fee for use of the service or facility. Recreation program and membership fees, concessions revenues, facility or shelter rentals, and cemetery plot sales are examples of charges for service.

**Miscellaneous Revenues** are those that do not fall into designated categories, such as sales tax discounts and vending machine commissions.

Revenue growth in business license fees, local option tourism fees, hospitality fees, and accommodations taxes evidence the strength of the local economy. All of the aforementioned revenues are generated through business conducted in the City limits and, with the exception of the business license fee, all are special purpose revenues that are restricted primarily for capital projects or the promotion of tourism.





# Where does the Money Go?



Governmental Expenditures	
Expenditure	
General Government	8.3%
Public Safety	27.5%
Transportation	4.1%
Community & Economic Development	20.3%
Culture & Recreation	10.2%
Public Works	4.7%
Capital Outlay	8.0%
Debt Service	16.9%

**General Government** expenditures include Council, Administration, Legal, Court Administration, Finance, Insurance and Risk Services, Human Resources and Organizational Development, Public Information, and Information Services.

**Public Safety** includes all operations of the Police Department, Fire Services, and Emergency Services.

**Transportation** includes construction and maintenance of roadways, traffic signals, intersections, bike paths, storm water infrastructure, and sidewalks.

**Community & Economic Development** includes the Planning department, the Neighborhood Services department, and the Construction Services department. The category includes programs and efforts to promote opportunities for growth and development and to build a vibrant and healthy community.

**Culture & Recreation** includes the operation and maintenance of recreation centers, programming, and organization

of recreational athletic leagues by the Recreation Department. Operation of the Library, Train Depot, Myrtle's Market, the Myrtle Beach Convention Center, and Sports Tourism are included in the category as well.

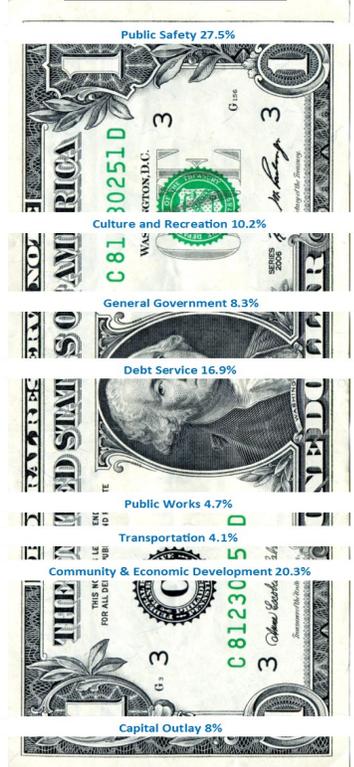
**Public Works** includes expenditures for administrative and engineering staff, right of way maintenance, litter crews, beach maintenance, and capital project management.

**Capital Outlay** expenditures include purchases of capital equipment, major maintenance and renovation projects, and construction. Capital equipment purchases include items such as police vehicles, fire trucks, lawn mowers, and heavy equipment. Maintenance projects involve items such as sidewalk and roadway repair, or roof replacements, and court resurfacing.

**Debt Service** includes principal and interest payments for the City's general obligation, limited obligation, and special obligation debt.



Public Safety expenditures represent the largest operational General Government expense for the City. Funds expended on Public Safety in FY17 were \$42M (5.9%) greater than incurred in the prior year as a result of increased personnel costs and a heightened oceanfront presence by the Police and Fire departments. Community and Economic Development expenditures grew by \$2M (6.9%) over FY16 primarily as a result of an increase in local option tourism fees and the mandated remittances for out-of-market advertising. The next largest increase was \$1.6M in the Culture and Recreation division and represented growth of 11.8% over the prior year. The Myrtle Beach Convention Center and Sports Tourism operations began managing concessions operations in City facilities, resulting in increased costs for staffing and concessions inventory and supplies. Transportation costs increased \$419K (7.2%). Recovery efforts following Hurricane Matthew contributed to the increased costs. Debt Service Expenditures increased as a result of several debt refundings that will result in lower debt service expenditures in the long run.





# Enterprise Funds

## Years Ended June 30, 2016 and June 30, 2017

**Enterprise Funds** — Enterprise funds are used to account for governmental activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the costs for services rendered are generally recovered through user charges. The City's business-type activities include four Enterprise Funds. The Water and Sewer Utility Fund, Baseball Stadium Fund, Municipal Golf Course Fund, and the Solid Waste Management Fund are all Enterprise Funds maintained by the City.



The Water and Sewer Utility Fund is used to account for the provision of water and sewer service.

The Baseball Stadium Fund is used to account for the operation of the baseball stadium.

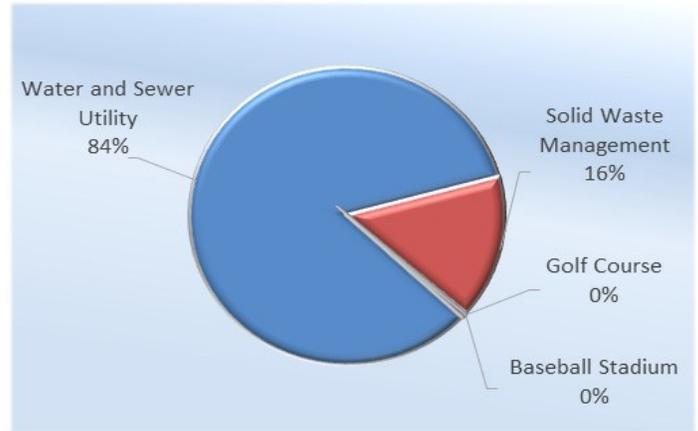
The Solid Waste Fund is used to account for the provision of solid waste collection services and operation of various recycling programs.

The Golf Course Fund is used to account for the operation of the Whispering Pines Golf Course.

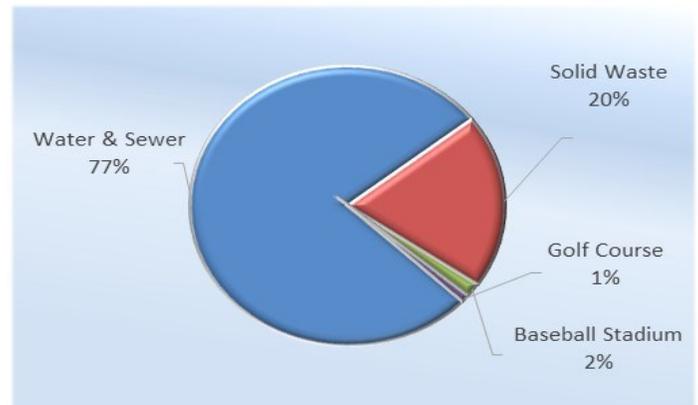


<b>ENTERPRISE FUNDS</b>			
<b>Revenues:</b>	<b>2016</b>	<b>2017</b>	
Water and Sewer Utility	\$ 25,742,886	\$ 28,088,666	
Solid Waste Management	4,766,402	5,181,788	
Baseball Stadium	53,347	55,226	
Golf Course	52,534	156,784	
<b>Total Revenues</b>	<b>\$ 30,615,169</b>	<b>\$ 33,482,464</b>	
<b>Expenditures by Function:</b>	<b>2016</b>	<b>2017</b>	
Water and Sewer Utility	\$ 28,756,519	\$ 29,457,664	
Solid Waste Management	4,772,978	7,628,868	
Baseball Stadium	538,433	591,847	
Golf Course	321,132	334,645	
<b>Total Expenditures</b>	<b>\$ 34,389,062</b>	<b>\$ 38,013,024</b>	
<b>Non-operating Revenue (Expense):</b>	<b>2016</b>	<b>2017</b>	
Interest Earned	\$ 77,559	\$ 98,753	
Operating Grant Revenue	3,402	2,428,959	
Miscellaneous Revenue	165,841	239,065	
Interest and Fiscal Charges	(735,295)	(819,106)	
Bond Issuance Cost	(268,407)	-	
Amortization of Bond Insurance	(8,597)	(8,597)	
<b>Total Nonoperating Revenue (Expenses)</b>	<b>\$ (765,497)</b>	<b>\$ 1,939,074</b>	
<b>Income (Loss) before Contributions &amp; Transfers:</b>	<b>\$ (4,539,390)</b>	<b>\$ (2,591,486)</b>	
Capital Contributions	\$ 4,644,940	\$ 4,981,673	
Transfers In	1,137,500	1,081,700	
Transfers Out	(1,359,738)	(1,376,973)	
<b>Change in Net Position</b>	<b>\$ (116,688)</b>	<b>\$ 2,094,914</b>	
<b>Net Position, Beginning</b>	<b>120,193,884</b>	<b>120,077,196</b>	
<b>Net Position, Ending</b>	<b>\$ 120,077,196</b>	<b>\$ 122,172,110</b>	

### FY 17 REVENUES



### FY 17 EXPENSES



At June 30, 2017 Enterprise Funds had total Net Position of \$122M, an increase of \$2M over the prior year. The increase is primarily due to strong Water and Sewer charges and capital contributions and the implementation of the \$2 Solid Waste container fee.



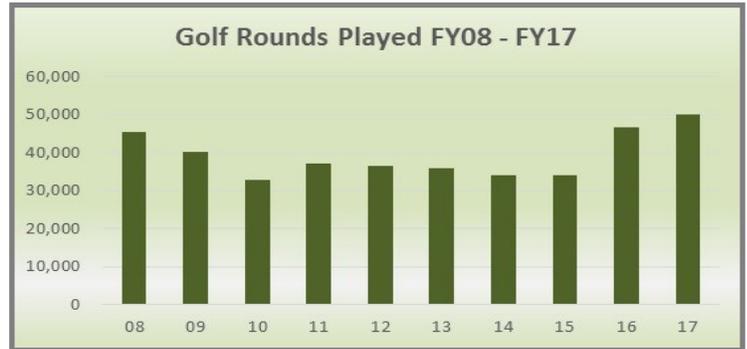


# Where does the Money Come From?

## Enterprise Revenue

### Revenue Source

Water & Sewer	77.5%
Solid Waste Management	14.3%
Baseball Stadium	0.2%
Golf Course	0.4%
FEMA Grants	6.7%
Other Non-Operating	0.9%



**Water & Sewer Utility Operating Revenue** increased by 9.1% over the prior year. The increase was a result of 4.9% growth in the customer base and a blended rate increase of 3.0%-5.6%.

**Solid Waste Management Operating Revenue** increased by 8.7% over the prior year. The increase is primarily due to the \$2 Solid Waste container fee, which was implemented to reduce the upfront cost of container purchases and encourage recycling. As with the Water & Sewer fund, the increase is also driven by growth in the customer base.

**Baseball Stadium and Golf Course Revenues** also increased over the prior year. A management company has been employed to increase revenues and rounds played at the Golf Course.

FEMA Grant Revenue of \$2.4M was recognized in FY17 as a result of reimbursable expenditures related to Hurricane Matthew,



# Where does the Money Go?

Solid Waste Refuse Collection Tonnage  
FY08 - FY17

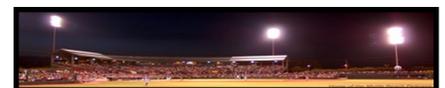


## Enterprise Expenses

### Expenses

Water & Sewer	75.8%
Solid Waste Management	19.6%
Baseball Stadium	1.5%
Golf Course	0.9%
Interest & Fiscal Charges	2.1%
Other Non-Operating Expense	0.1%

**Enterprise Fund Expenses** increased \$3.6M (10.5%) over the prior year. Expenses in the Solid Waste Fund increased \$2.9M (59.8%). In addition to increased debris removal expenses associated with Hurricane Matthew, a sanitation crew consisting of a Trades Worker and Equipment Operator were added to manage growth in the customer base. Water and Sewer expenses increased by \$700K (2.4%) over the prior year. As water consumption and sewer service demand increase, so do the wholesale utility costs recognized in the Water and Sewer Fund.





# Long-Term Debt

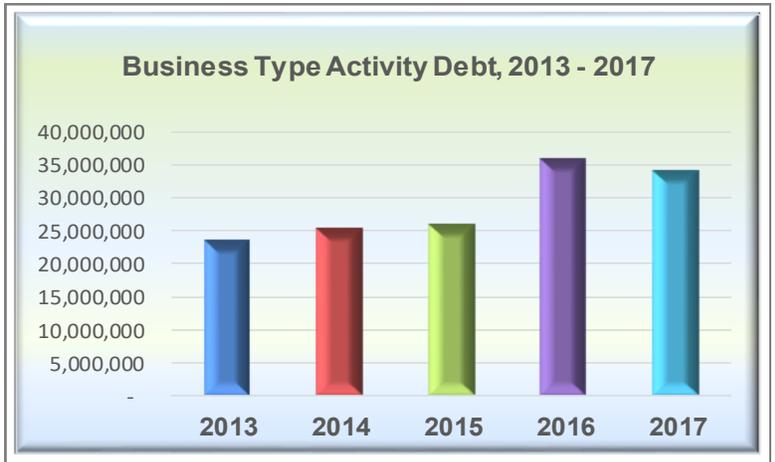
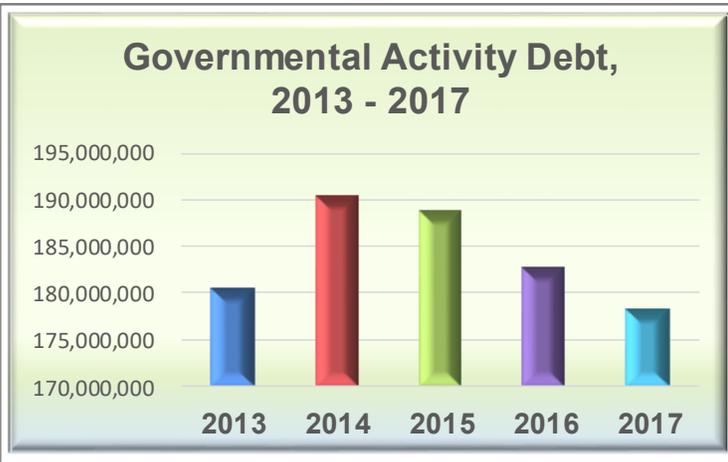


**\$208.4 Million**

The City's Long-Term Debt, including Capital Leases, at June 30, 2017.

A net increase of 3.1% from the Prior Year balance of \$214.9 Million.

	Governmental Activities As of June 30, 2017	Business-Type Activities As of June 30, 2017	Total As of June 30, 2017	Total As of June 30, 2016
General Obligation Bonds	\$41,326,958		\$41,326,958	\$43,961,620
Certificates of Participation	1,625,000	1,499,933	3,124,933	5,425,757
Tax Increment Revenue Bonds	51,896,004		51,896,004	51,792,150
Storm Water Revenue Bonds	17,200,193		17,200,193	15,996,027
Hospitality Fee Revenue Bonds	60,666,807		60,666,807	61,971,904
Capital Lease Obligations	5,513,902		5,513,902	5,717,553
Water And Sewer Revenue Bonds		28,680,331	28,680,331	30,112,621
<b>Total</b>	<b>\$178,228,864</b>	<b>\$30,180,264</b>	<b>\$208,409,128</b>	<b>\$214,977,632</b>



**Credit Ratings** Myrtle Beach obtains credit ratings from two of the major rating agencies to aid the marketability of its bonds and to attain the lowest possible rates. Generally speaking, the higher the credit rating, the lower the costs of borrowing to taxpayers and users of city services. The City also uses bond insurance or other means of credit enhancement when an economic analysis indicates the likelihood that the benefits of the enhancement will be greater than its cost.

Type of Debt	Moody's Rating	Standard & Poor's
Senior-most Tax-Backed Ratings (GO), affirmed July 2011 (Moody's affirmed with stable outlook July 2015)	Aa2	AA
Utility Revenue Bond Rating, affirmed January 2016	Aa3	AA-





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Fiscal Year Ended June 30, 2017  
City of Myrtle Beach