

CITY OF BRANSON, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
December 31, 2013**



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December 31, 2013

Prepared by:
Department of Finance and Administration

**CITY OF BRANSON, MISSOURI
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Introductory Section



August 29, 2014

Honorable Mayor
Members of the Board of Aldermen
Citizens of the City of Branson, Missouri

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Branson, Missouri, (the City) for the fiscal year ended December 31, 2013. This report is submitted to you in compliance with Section 2-423 of the Branson City Code, which requires an annual report presentation to the Board of Aldermen on the financial condition of the City.

Responsibility to report complete and accurate financial data rests with the City. It is our belief that the information reported in this document fairly presents the financial position of the City in all material aspects on a government-wide and fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

To ensure reliability of the accounting data on which the City's financial statements are based, an internal control framework that is designed to protect the City's assets from loss, theft or misuse is utilized. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the transactions are accounted for properly and the city's assets are safeguarded. Additionally, the Finance Department staff prepared this report in conformity with generally accepted accounting principles (GAAP) in the United States of America, which are standard guidelines for financial reporting, further ensuring that the financial position of the City is presented fairly in all material aspects.

The independent auditing firm of Cochran Head Vick & Co., P.C., audited the City of Branson's financial statements. The purpose of the audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2013 are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Branson's MD&A can be found in the Financial Section immediately following the report of the independent auditors.

Profile of the City

The City of Branson (2010 population 10,520) is located in southwest Missouri, 35 miles south of Springfield within the heart of the Ozark Mountains. Branson is surrounded by three prize winning fishing and recreational lakes. The city is 21 square miles (13,440 acres) and plays host to millions of visitors a year. Branson thrives as a tourism destination due to the scenic beauty including three prize-winning fishing and recreational lakes, as well as major family-oriented attractions including dozens of theatres offering live entertainment of all varieties, theme parks and shopping.

The City is governed by a Board of Aldermen-City Administrator form of government. The Board consists of the Mayor and six Board members who are elected on a nonpartisan basis. The Mayor serves a two-year term and is elected at large. Board members also serve a two year term with two members serving from each of three wards within the City, on a staggered two-year election rotation. The City Administrator is the chief executive officer of the City and is responsible for managing the city, enforcement of the laws and ordinances, direction of all officers, employees and departments and for carrying out the policies of the Board of Aldermen.

As the legislative body, the Board of Aldermen is responsible for enacting all ordinances, resolutions and regulations governing the City, as well as for appointing or electing the members of various statutory and ordinance boards, the City Administrator, the City Attorney and the City Clerk.

The City of Branson provides the full range of services normally associated with a municipality, including police and fire protection, emergency communication center, public works street services, facilities maintenance, recycling center, parks and other recreational facilities, development services and general administrative services. The City also operates the sanitary sewerage and the water treatment and distribution system, all of which are accounted for in the financial statements as business-type activities.

The annual budget serves as the foundation for the City of Branson's financial planning and control. During the budget preparation process, each office, department, etc., of the City provides detailed requests for expenditures for evaluation by the City Administrator. These requests are based on the goals and strategies set forth in the Community Plan 2030, and the annual Strategic Plan. Each office, department, etc., also prepares a detailed 5-year Capital Budget Request Projection, which is submitted to the City Administrator. The City Administrator also reviews estimates for all pending capital projects and those recommended for approval in the next budget year. Prior to the beginning of each budget year, the City Administrator presents a proposed budget to the Finance and Budget Committee. The City Administrator, on behalf of the Finance and Budget Committee, then submits to the entire Board of Aldermen a proposed budget. The budget is prepared by fund, department and function. Transfers of appropriations within departments or between departments within a fund may be made with the approval of the City Administrator. However, transfers between funds must be approved by the Board of Aldermen.

Factors Affecting Financial Condition

Local Economy—in 2013, the City of Branson continued to benefit from prior year and recent economic development activities. However, sales growth, as measured by state sales tax filings, is up 3% from calendar year 2012. Branson's economy is still focused primarily on the seasonal tourism industry.

Tourism—Branson and the Tri-Lakes area attracted millions of visitors in 2013 who contributed well over a billion dollars into the local economy. Branson was named in the top ten great U.S. destinations to discover by the Travelers’ Choice Family Award. The Midwest Traveler magazine announced that Branson was named the “Best Small City for a Weekend”. Branson was also recognized as being one of the top ten best holiday light displays in the U.S. Situated in the heart of America and within an 8-hour drive of nearly 33% of the U.S. population, Branson has been a “rubber tire” destination with the vast majority of tourists arriving by vehicles, RV’s and tour buses. An increasing number of visitors are now flying into the area each year. Opening in 2009, the Branson Airport, located a few miles southeast of Branson, now offers visitors a local major airport, along with the Springfield-Branson Regional Airport in Springfield, Missouri, the Taney County Airport at Pt. Lookout, Missouri, and the Harrison Regional Airport in Harrison, Arkansas.

A geographical profile of Branson visitors shows the following:

Come from a radius of 100 miles or less	15%
Radius of 100 to 300 miles	28%
Radius of 300 to 650 miles	27%
Radius of 650 or more miles	30%
Average distance traveled	430 miles

The growth in tourism and the related construction activity over the last decade has increased the tax revenues of the city, particularly sales and tourism tax revenues. Tourism growth has also placed a strain on the city’s infrastructure. This pressure has resulted in significant infrastructure improvements over recent years, financed primarily by the increased revenues from sales, tourism, and tax increment financing activity taxes.

Area Theaters—the music industry’s rapid expansion in the early 90’s launched the Branson community into world-class tourism so fast it was called a phenomenon. Now called *America’s Live Entertainment Capital*, Branson is now home to 37 music theaters with 41,845 seats that conduct live performances, with a variety of music including country, pop, gospel, bluegrass, western, rock n’roll, classical jazz and Broadway. There’s also comedy, magic, and dancing. Each theater hosts from one to three different shows daily. Collectively, they host more than 100 shows and offer live entertainment from early morning until late evening. Together, they create a diversity and balance to suit every musical and entertainment taste. Several of the nationally known performers who came to the area are now permanent residents and actively involved in the community. In turn, these performers have helped to draw recognition to the immense pool of talent in all of Branson’s theaters.

Outdoor Activities- Boating, swimming, skiing, sailing, sunning, scuba diving, parasailing and sightseeing are just some of the activities that can be enjoyed on the area’s three big lakes. Table Rock, Taneycomo and Bull Shoals offer some of the finest fishing in the nation, as well as any freshwater activity you can imagine. Many excursion boats cruise the lakes providing passengers with lunch, dinner, entertainment, and sightseeing.

Providing a wonderful venue for visitors of all ages, Silver Dollar City draw millions of visitors each year. Throughout the year various festivals are held highlighting themes such as bluegrass & BBQ, southern gospel music, a fall harvest festival, and of course, Christmas. They feature unique crafters and artists, rides and amusements, live comedy and drama, dining, dozens of musicians and music shows, water attractions, and roller coasters.

Hikers can enjoy the outdoors on established nature trails that wind through forests and skirt the lakes' shorelines. Spelunking, or cave exploration, is also available in the area's many caves.

Golf- Golfing is one of the fastest-growing interests of vacationers to Branson. They can enjoy their favorite sport on a choice of courses within just a few miles of each other as more than a dozen golf courses are currently open in the Branson/Tri-Lakes Area. Country clubs, pro shops, lessons, restaurants and all amenities are available. Many of Branson's entertainers enjoy golf and are often seen on local courses. Murder Rock Golf & Country Club, the Branson Creek Golf Club and the Payne Stewart Golf Club have been named a "Top 100 in America" by Golf Digest, and were listed as three of the top five courses in Missouri.

Fishing & Hunting- The scene of many national fishing tournaments, Table Rock Lake is a freshwater fisherman's paradise. Fertile waters teeming with an assortment of America's top sport fish like bass and crappie make it the ideal spot for the novice and serious fisherman alike.

With an average water temperature of 58 degrees, Lake Taneycomo is equally famous as a cold-water trout waterway, It is often called one of the best, if not the very best, tailwater trout fisheries in the United States. Rainbow and brown trout abound. Missouri Department of Conservation maintains a fish hatchery near Table Rock Dam, and a tour of this facility is always a tourist favorite.

Beginning where Taneycomo ends, Bull Shoals Lake, only a few miles away, offers much of the same recreational opportunities as Table Rock Lake. With less development than the Table Rock and Taneycomo areas, Bull Shoals offers comfortable resorts and campgrounds along its shorelines, as well as quaint fishing lodges that offer a chance to explore Ozark Mountain scenery.

The area has an abundance of deer, turkey, and other game, drawing hunters by the thousands each season. Sightseeing is always an option for people who prefer to see the outdoors from the comfort of their vehicles; all numbered highways offer scenic vistas of the Ozarks.

Shopping— From Historic Downtown Branson, with its unique family-owned and operated one-of-a-kind retail experience at Dick's 5 & 10 to Branson Landing, a \$420 million, 95-acre development of world-class shopping, dining, lodging, and a spectacular water, light, sound, and fire attraction, to two factory outlet malls, visitors consistently rank shopping among the most popular activities of the area.

Tourists and locals alike enjoy a unique shopping experience at Branson Landing as well as shopping the factory outlet stores located in Tanger Outlet Mall, and The Shoppes at Branson Meadows. With easy access and located on the north edge of Branson, the Branson Hills / Branson Shoppes development offering national brand retailers presenting a diversified mix of retail and food establishments, has become a favorite shopping location. Shoppers can find contemporary goods and handcrafted items all year round. Branson ranks near the top in the nation in the number of factory outlet stores.

Lodging and Restaurants—Visitors are afforded the opportunity to choose lodging from over 15,000 rooms in local motels, hotels, resorts, and bed and breakfast inns. The choices are endless, with room rates ranging from budget accommodations to luxurious suites overlooking Table Rock Lake. The current number of lodging facilities, excluding condominiums, time shares, and campgrounds is 139. Seasonal rates and senior citizen discounts apply at many lodging facilities.

You cannot be hungry in Branson, as visitors have an endless variety of restaurants and food establishments from which to choose, as there are 150 restaurants, coffee shops, and ice cream establishments with over 28,000 seats within the city. Cuisines range from American home-cooking, Southern Bar-B-Q, and a 50's style diner to International fares such as Thai, Greek/Mediterranean, Chinese, Mexican, and Italian.

Conference Facilities— Branson, with an abundance of amenities, is a popular location for holding meetings of all sizes. The Branson area has several conference center hotels in various locations offering a variety of options. Located on the shores of beautiful Table Rock Lake, a conference center with a 302-room hotel has the ability to accommodate up to 3,000 delegates. Located in the heart of the entertainment district, one block from the world famous Highway 76, another facility has meeting and conference capacity of 1,200. Adjacent to the Branson Landing, a waterfront development on Lake Taneycomo in downtown Branson, the City owns a 220,000 square foot convention and exhibition complex, including two exhibit halls totaling 50,000 square feet, which connects to a 23,000 square foot ballroom. There are 12 additional meeting rooms on the second floor. All combined, the convention center has the ability to accommodate approx. 4,500 persons; and in conjunction with two Hilton Hotels the complex has a combined room total of 537 rooms.

Long-term financial planning and debt administration

The City of Branson utilizes a five-year capital improvement program to prioritize public projects. Projects are scheduled over a number of years, and are financed on a pay-as-you-go basis whenever possible. The exception to this rule was the redevelopment of the Taneycomo Lakefront and construction of a Convention Center in the downtown district. This project, including all infrastructure, convention center and other public improvements, have been financed through a series of bond issues secured by the city's annual appropriation pledge and tax increment financing. These projects will be supported by City, State, County and other taxing district's economic activity taxes generated within the district. The City always looks for creative funding solutions such as cost sharing with other governmental agencies, public-private cooperative efforts, and any other source of funding for projects that become available.

At year-end, the City has fourteen debt issues outstanding. These issues include \$22,431,000 in revenue bonds for the Tourism Fund; , \$35,250,000 in special limited obligation bonds for refunding certain bonds previously issued for the Branson Landing redevelopment project, certain city facilities, and infrastructure project costs; and a total of \$185,145,190 debt issuances that is included within the Tax Increment Financing Commission. The TIF Commission is considered a blended component unit included in with the governmental funds presentation.

The City uses funding from the Tourism Tax and the Transportation Tax, to finance needed infrastructure extensions and improvements. Some of the projects during FY2013 included: Veteran's Blvd Bridge repair, Compton Wastewater redesign, Lift Station 30 upgrade, Pedestrian improvements to sidewalks and trails.

Strategic Plan

The Board of Aldermen established guidelines for the Strategic Plan. The departments have used the following guidelines in the course of setting up their goals and as a basis for evaluating their performance:

1. **Economic Goal:** We will have a growing and diverse economy and a vibrant and sustainable community.
2. **Community Goal:** We will show annual improvement as a great place to live, work and visit.
3. **Sustainability:** We will have a vibrant and sustainable community that demonstrates responsible growth
4. **Governance Goal:** We will have an open government that is responsive, accountable and inclusive.
5. **Workplace Goal:** We will continue to be a great place to work, for great people.
6. **Accountability Goal:** We will ensure the efficient and appropriate use of public funds.

Achievements and Acknowledgements

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 Branson for its comprehensive annual financial report for the fiscal year ended December 31. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Our appreciation is extended to the Mayor, the Board of Aldermen, department directors and all city employees for contributing to the sound financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of the various departments of the City, especially assistance from the staff of the Finance Department.

We would also like to thank our auditors, Cochran Head Vick & Co., P.C., for their help in formulating this report.

Respectfully submitted,

William Malinen
City Administrator

Jamie Rouch
Director of Finance



Government Finance Officers Association

**Certificate of
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in Financial
Reporting**

Presented to

**City of Branson
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF BRANSON, MISSOURI

LIST OF PRINCIPAL OFFICIALS As of December 31, 2013

Mayor	Raeanne Presley
Alderman	Mike Booth
Alderman	Bob Simmons
Alderman	Cris Bohinc
Alderman	Dr. Rick Davis
Alderman	Dr. Patrick Parnell
Alderman	Rick Todd
City Administrator	William J. Malinen
Acting City Attorney	Wm. "Dub" Duston
Finance Director	Jamie Rouch
Human Resources Manager	John Butler
City Engineer/Public Works Director	David Miller
Planning & Development Interim Director	Joel Hornickel
Police Chief	Kent Crutcher
Fire Chief	Ted Martin
Utilities Director	Mike Ray
Economic Dev./Communications Director	Garrett Anderson
City Clerk	Lisa Westfall
Information Technology Director	Chad Forster
Parks & Recreation Director	Cindy Shook



City of Branson

ORGANIZATIONAL CHART



Financial Section



INDEPENDENT AUDITOR'S REPORT

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

To the Honorable Mayor and Board of Aldermen
City of Branson, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Branson, Missouri (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, 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.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

6700 Antioch Rd, Suite 460
Merriam, Kansas 66204
(913) 378-1100
(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

Change in Accounting Principle

As described in Note 1 and Note 14 to the financial statements, in 2013, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 61 – The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 non-major fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated August 29, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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's internal control over financial reporting and compliance.

Kansas City, Missouri
August 29, 2014

Cochran Head Vick & Co., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Branson, Missouri, (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the additional information we have furnished in our transmittal letter as well as the financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2013 by \$69,763,058.
- The City's total net position decreased by \$1,119,007. Of this amount, \$849,757 was an increase in the City's "governmental activities", while the City's "business-type activities" decreased by \$1,968,764.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$52,630,553. Approximately 8% of this total amount is unassigned.
- At December 31, 2013, the total unassigned fund balance for the General Fund was \$4,736,771 or approximately 20% of general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information regarding the City's assets and deferred outflows of resources along with liabilities and deferred inflows of resources. The differences between these are reported as net position. The increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other factors to consider are changes in the City's tax base and changes in the condition of the City's infrastructure.

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, engineering services, community development, culture and recreation, convention center, and tourism. The business-type activities of the City include a Water and Sewer Fund.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements. Fund financial statements focus on individual parts of the City's government. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City has eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, tourism tax fund, transportation sales tax fund, capital projects fund and tax increment financing fund, which are considered to be major funds. Data from the Convention Center fund, Parks and Recreation fund, Old School fund and the Red Roof Mall fund are combined with the General fund to provide a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its general fund, debt service funds and special revenue funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's functions. The internal service fund is presented in a single column in the proprietary fund financial statements. The City uses an enterprise fund to account for its water and sewer system operations. The City uses an internal service fund to account for its fleet of vehicles. Because the internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide more detail of the City's business-type activities than the government-wide financial statements. The proprietary fund for water and sewer is a major fund of the City.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 23 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24-53 of this report.

Required Supplementary and Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes budgetary schedules and a schedule of funding progress related to providing pension and other post-employment benefits to City employees. Required supplementary information can be found on pages 54-58 of this report. Other supplementary information includes certain combining and individual fund statements and schedules. These statements are found on pages 59-74 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2013, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$69,763,058.

The largest portion of the City's net position \$200,078,182 reflects its net investment in capital assets (e.g. land, buildings, machinery, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore these 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.

Net Position

The following table reflects the condensed Statement of Net Position as of December 31, 2013 and 2012:

City of Branson Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/2013	12/31/2012*	12/31/2013	12/31/2012	12/31/2013	12/31/2012*
Assets						
Current and other assets	\$ 58,901,898	\$ 60,961,995	\$ 9,219,918	\$ 9,218,326	\$ 68,121,816	\$ 70,180,321
Capital assets	177,975,654	181,983,569	77,211,991	79,405,984	255,187,645	261,389,553
Total assets	<u>236,877,552</u>	<u>242,945,564</u>	<u>86,431,909</u>	<u>88,624,310</u>	<u>323,309,461</u>	<u>331,569,874</u>
Deferred outflows of resources						
Deferred charge on refunding	6,426,537	6,863,146	-	-	6,426,537	6,863,146
Total deferred outflows of resources	<u>6,426,537</u>	<u>6,863,146</u>	<u>-</u>	<u>-</u>	<u>6,426,537</u>	<u>6,863,146</u>
Liabilities						
Long-term obligations	250,098,881	259,386,841	376,709	508,811	250,475,590	259,895,652
Other liabilities	6,269,830	5,433,059	1,462,402	1,553,937	7,732,232	6,986,996
Total liabilities	<u>256,368,711</u>	<u>264,819,900</u>	<u>1,839,111</u>	<u>2,062,748</u>	<u>258,207,822</u>	<u>266,882,648</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	1,765,118	668,307	-	-	1,765,118	668,307
Total deferred inflows of resources	<u>1,765,118</u>	<u>668,307</u>	<u>-</u>	<u>-</u>	<u>1,765,118</u>	<u>668,307</u>
Net Position:						
Net investment in capital assets	122,866,191	123,688,092	77,211,991	79,235,984	200,078,182	202,924,076
Restricted	44,856,588	47,331,188	-	120,209	44,856,588	47,451,397
Unrestricted /(Deficit)	<u>(182,552,519)</u>	<u>(186,698,777)</u>	<u>7,380,807</u>	<u>7,205,369</u>	<u>(175,171,712)</u>	<u>(179,493,408)</u>
Total Net Position (deficit)	<u>\$ (14,829,740)</u>	<u>\$ (15,679,497)</u>	<u>\$ 84,592,798</u>	<u>\$ 86,561,562</u>	<u>\$ 69,763,058</u>	<u>\$ 70,882,065</u>

* as restated per GASB 61

As discussed in Notes to the Basic Financial Statements, Note 14, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*. The purpose of GASB 61 is to improve financial reporting for a governmental financial reporting entity. This Statement amends the criteria for reporting component units as if they are part of the primary government (blending) in certain circumstances.

As a result of blending the City's Tax Increment Financing Commission (the Commission) in accordance with GASB 61, the governmental activities the City are reporting a negative total net position at December 31, 2013 and 2012. Because the Commission serves the purpose of financing economic development (i.e. incurring debt for assets that will be owned and maintained by other parties) and because the nature of that debt contains certain restrictions, the City's unrestricted net position without considering the Commission's outstanding long-term debt would have been a positive \$4,533,754 and \$4,760,383 for the years ended December 31, 2013 and 2012, respectively.

For the year ended December 31, 2013, the City's governmental activities net position increased by \$849,757. The City's business-type activities net position decreased by \$1,968,764, primarily as a result of operating expenses including depreciation exceeding operating revenues.

Changes in Net Position

The following table reflects the revenues and expenses for the fiscal years ended December 31, 2013 and December 31, 2012 from the City's activities:

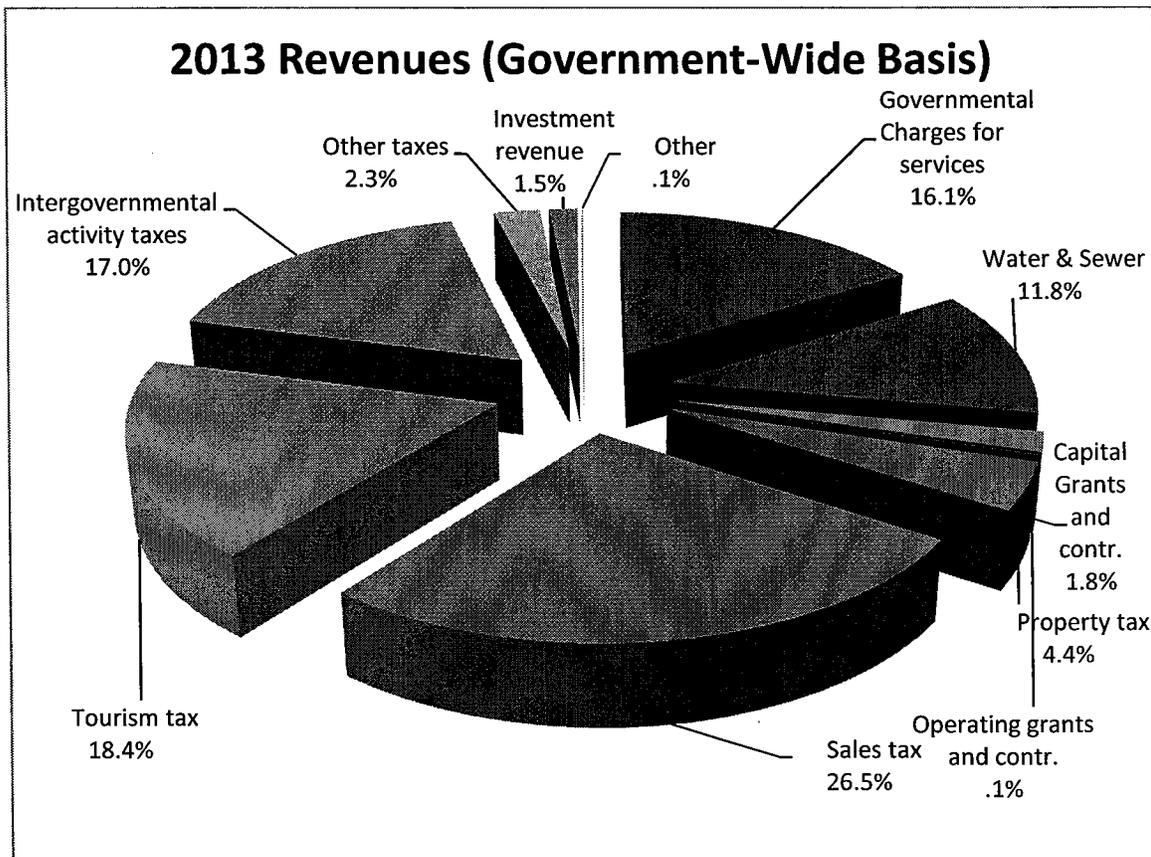
	City of Branson Statement of Activities					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	12/31/2013	12/31/2012*	12/31/2013	12/31/2012	12/31/2013	12/31/2012*
Program revenues:						
Charges for services:						
Governmental	\$ 9,703,960	\$ 12,437,617	\$ -	\$ -	\$ 9,703,960	\$ 12,437,617
Water & Sewer	-	-	7,100,903	6,972,901	7,100,903	6,972,901
Capital Grants and contr.	644,664	2,671,184	455,753	59,050	1,100,417	2,730,234
Operating grants and contr.	49,729	27,011	-	60,787	49,729	87,798
General revenues:						
Property tax	2,649,129	2,553,081	-	-	2,649,129	2,553,081
Sales tax	15,954,250	15,575,662	-	-	15,954,250	15,575,662
Tourism tax	11,110,923	10,883,931	-	-	11,110,923	10,883,931
Intergovernmental activity taxes	10,263,563	9,681,754	-	-	10,263,563	9,681,754
Other taxes	1,418,674	1,232,657	-	-	1,418,674	1,232,657
Investment revenue	876,763	1,206,604	16,684	26,422	893,447	1,233,026
Other	39,111	17,870	-	747	39,111	18,617
Total revenues	52,710,766	56,287,371	7,573,340	7,119,907	60,284,106	63,407,278
Expenses:						
General government	7,559,988	7,317,045	-	-	7,559,988	7,317,045
Public safety	7,058,754	6,946,404	-	-	7,058,754	6,946,404
Public works	8,766,285	9,678,260	-	-	8,766,285	9,678,260
Engineering services	603,529	585,196	-	-	603,529	585,196
Community development	824,607	818,906	-	-	824,607	818,906
Culture and recreation	2,748,371	2,781,959	-	-	2,748,371	2,781,959
Convention center	8,376,158	9,790,922	-	-	8,376,158	9,790,922
Tourism	2,716,287	2,282,803	-	-	2,716,287	2,282,803
Interest on long-term debt	12,354,440	13,888,834	-	-	12,354,440	13,888,834
Water and sewer utility	-	-	10,394,694	9,438,946	10,394,694	9,438,946
Total expenses	51,008,419	54,090,329	10,394,694	9,438,946	61,403,113	63,529,275
Change in net assets before transfers	1,702,347	2,197,042	(2,821,354)	(2,319,039)	(1,119,007)	(121,997)
Transfers	(852,590)	(55,000)	852,590	55,000	-	-
Change in net position	849,757	2,142,042	(1,968,764)	(2,264,039)	(1,119,007)	(121,997)
Net position (deficit), beginning *	(15,679,497)	(17,821,539)	86,561,562	88,825,601	70,882,065	71,004,062
Net position (deficit), ending	\$ (14,829,740)	\$ (15,679,497)	\$ 84,592,798	\$ 86,561,562	\$ 69,763,058	\$ 70,882,065

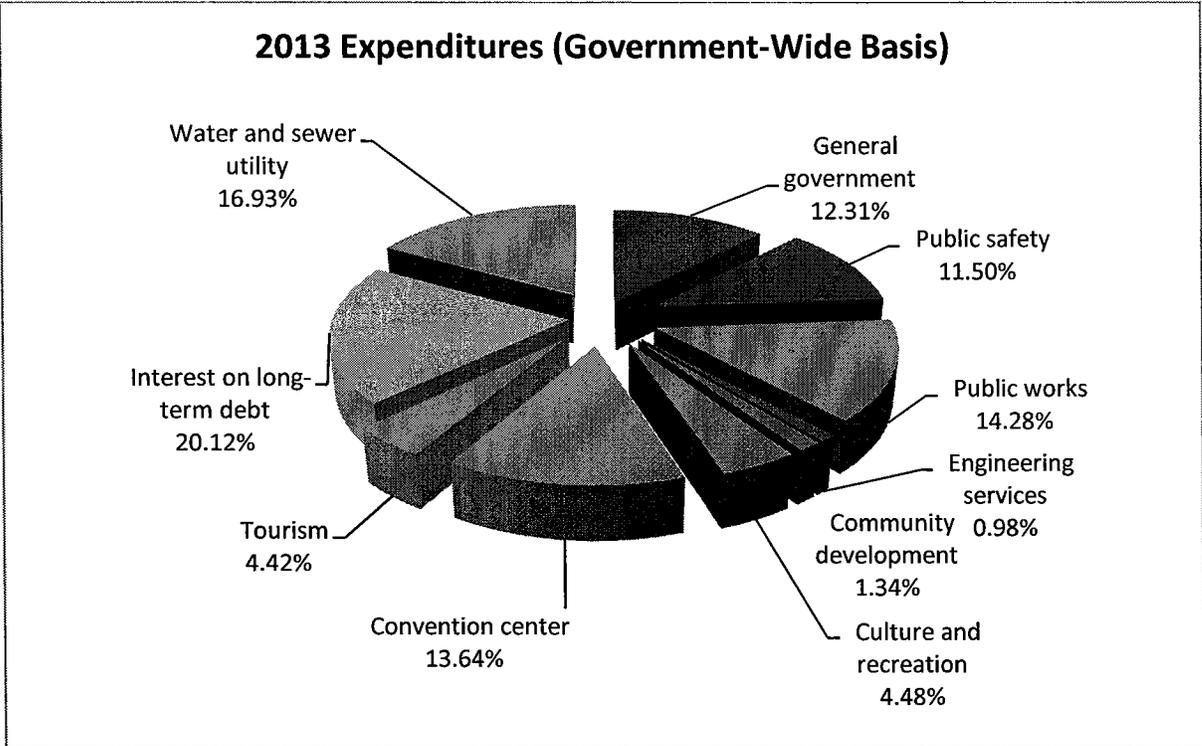
* as restated per GASB 61

Governmental activities

Governmental activities increased the City's net position by \$849,757 during the year ended December 31, 2013. Key elements of this increase are as follows:

- Sales tax and property taxes increased approximately \$474,636
- Tourism tax increased approximately \$226,992
- Other taxes increased approximately \$186,017
- Investment earnings decreased approximately \$329,841
- The transfers to Water-Sewer Capital increased by approximately \$797,590





Business-type activities.

For the fiscal year ended December 31, 2013 business-type activities decreased the City’s net position by \$1,968,764 as previously discussed.

Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Balance Classification Policy is designed to define fund balance classifications that can be applied to enhance fund balance information. The fund balance amounts will be classified according to GASB 54 with the following constraints:

- *Non-Spendable* – includes amounts that are legally or contractually required to be maintained
- *Restricted* – externally imposed constraints i.e., creditors, grantors
- *Committed* – can only be used for specific purposes imposed by formal action (ordinance)
- *Assigned* – amounts constrained for the intent to be used for a specific purpose
- *Unassigned* – all amounts not included in other fund balance classifications

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 of the general fund may serve as a useful measure of the City'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 ending fund balances of \$52,630,553. Of this amount, \$4,258,804 or approximately 8% is the unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balances include the City's non-spendable amount of \$1,206,900, restricted amounts of \$44,851,678 committed amounts of \$562,844 and assigned amounts of \$1,750,327.

The fund balance of the City's General Fund decreased \$886,505 during the current fiscal year. The main factor that caused this decrease was legal expenditures of approximately \$1,445,268 to defend the City's title to its property, as well as other various legal items.

The tourism tax fund has a total restricted fund balance at December 31, 2013 of \$18,690,735, a decrease of \$3,968,399 over December 31, 2012. Restricted fund balance totaling \$12,755,353 is for tourism related purposes and \$5,935,382 is for debt service. A portion of the decrease in the fund balance is due to making an extra payment in the amount of \$1,210,382 towards the loan on the Hwy 248/65 diverging diamond project. This was a joint project with MoDOT and in 2012 MoDOT refunded this amount to the City due to the project cost coming in lower than originally anticipated. Another reason for the decrease in the fund balance is related to a transfer to reimburse the General Fund for \$1,314,000 for prior Airport and legal payments.

The transportation sales tax fund has a restricted fund balance of \$1,646,331. This fund was extended by election in 2004 for the period of time necessary to construct and maintain the City's transportation infrastructure and to provide for debt service on capital projects.

The capital projects fund has a fund balance of \$2,148,790, a decrease of \$1,172,732 from 2012 due to capital outlay expenditures for various projects.

The tax increment financing fund had a fund balance of \$24,514,612 at December 31, 2013. This balance is restricted for debt service. The fund balance increased by \$1,663,349 from December 31, 2012.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Water and Sewer fund at the end of the year totaled \$7,370,832, an increase of \$207,072 from the December 31, 2012. Other factors concerning the finances of the Water and Sewer fund have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Current fiscal year's revenues were \$319,293 less than budgeted revenues. A large portion of this budget variance is related to the taxes coming in \$466,499 less than anticipated. Expenditures were \$390,116 less than the budget due to sound management practices by all departments.

Capital Asset and Debt Administration

Capital assets - The City's capital assets for its governmental and business-type activities as of December 31, 2013 amount to \$255,187,645 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, bridges, and construction-in-process. Major capital asset events during the current fiscal year included the following:

Governmental

- Veteran's Bridge was completed with a total cost of \$537,840
- Additional renovations were done to the Old Branson High School Building in the amount of \$621,276.
- Rainbow Shoals Drainage project was completed totaling \$141,927
- Nature Center/Lakeside Forest Parking Lot project was completed totaling \$216,978
- IT Infrastructure was purchased through a lease in the amount of \$138,820
- Campground Site Improvements were completed totaling \$25,356
- The following projects will continue into FY2014 with the project to date totals listed:
 - Hwy 76 Revitalization – \$1,678,547
 - Downtown Streetscape - \$1,285,748
 - Pedestrian Improvements/Trails - \$78,251
 - Compton Fuel Tank Replacement - \$99,534

Business Type

- Lift Station #9 project was completed totaling \$369,871
- Lift Station #21 project totaled \$28,040
- Meadows #2 Service Pump project was completed totaling \$67,422
- The following projects will continue into FY2014 with the project to date totals listed:
 - Cooper Creek Sewer Plant Anti-degradation Study - \$349,459
 - Wastewater Improvements - \$916,593
 - Meadows Water Treatment Intake Improvement - \$346,642

**City of Branson Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Land and right of way	\$ 53,437,652	\$ 53,362,725	\$ 3,905,511	\$ 3,905,511	\$ 57,343,163	\$ 57,268,236
Construction in progress	3,823,248	384,327	1,856,117	488,280	5,679,365	872,607
Buildings and fixtures	57,178,435	59,785,062	42,502,048	44,394,319	99,680,483	104,179,381
Equipment	2,568,226	3,153,469	1,578,474	1,667,439	4,146,700	4,820,908
Vehicles	471,902	469,983	-	-	471,902	469,983
Infrastructure	58,263,481	62,473,323	27,369,841	28,950,435	85,633,322	91,423,758
Furniture	1,108,507	1,394,690	-	-	1,108,507	1,394,690
Land improvements	1,124,203	959,990	-	-	1,124,203	959,990
Total	\$ 177,975,654	\$ 181,983,569	\$ 77,211,991	\$ 79,405,984	\$ 255,187,645	\$ 261,389,553

Additional information on the City's capital assets can be found in Note 5 of this report.

Debt Administration

The City's debt issues are discussed in Note 7 to the basic financial statements. The City does not have any General Obligation debt at year-end. Revenue bonds outstanding are serviced primarily by the tourism tax.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$242,826,190.

City of Branson Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Bonds:						
Revenue	\$ 22,431,000	\$ 25,309,000	\$ -	\$ 170,000	\$ 22,431,000	\$ 25,479,000
Tax increment financing	185,145,190	189,380,190	-	-	185,145,190	189,380,190
Special Limited Obligation	35,250,000	35,810,000	-	-	35,250,000	35,810,000
Total	\$ 242,826,190	\$ 250,499,190	\$ -	\$ 170,000	\$ 242,826,190	\$ 250,669,190

Economic Factors and Next Year's Budget

- General Fund revenues for FY2014 are projected to be \$18,338,957, an increase of \$1,011,576 from the FY2013 actual amount. This increase is partially due to the City's expectations of a 2.5% growth in sales tax for FY2014.
- The FY2014 annual budget for the General Fund expenditures are estimated at \$16,228,144 an increase of \$310,559 from the 2013 actual amount.
- Health insurance costs decreased for the City by 5% for FY2014.
- Water and Sewer rates were increased in 2014 by 3% as a result from the rate study in an effort to become self-sustaining in this fund.
- Since the FY2014 budget was adopted, the City has enacted a plan to prepare and respond to the significant changes in the economy. The departments are prepared to make additional cuts to the budget if necessary. The financial activities will be closely monitored and reported monthly to the Finance Committee and quarterly to the Board of Aldermen. The City is also looking for efficiencies, ways to increase revenues, ways to cut expenditure costs, and "right-sizing" opportunities.

Financial Contact

The City's financial statements are formatted to present users with a general overview of the City's finances and to demonstrate the City's accountability. Questions or requests for additional information should be directed to the Director of Finance, 110 W. Maddux, Branson, Missouri 65616.

CITY OF BRANSON, MISSOURI
Statement of Net Position
December 31, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 24,835,951	\$ 7,397,523	\$ 32,233,474
Receivables, net:			
Taxes	3,566,591	-	3,566,591
Leases	64,939	150,346	215,285
Intergovernmental	1,456,746	-	1,456,746
Other	725,573	540	726,113
Water and sewer	-	790,783	790,783
Internal balances	(9,975)	9,975	-
Prepays and inventories	81,174	-	81,174
Restricted cash and investments	27,060,083	870,751	27,930,834
Assets held for redevelopment	1,120,816	-	1,120,816
Capital Assets:			
Land and construction in progress, non-depreciable	57,260,900	5,761,628	63,022,528
Other capital assets, net of depreciation	120,714,754	71,450,363	192,165,117
Total assets	236,877,552	86,431,909	323,309,461
Deferred outflows of resources			
Deferred charge on refunding	6,426,537	-	6,426,537
Total deferred outflows of resources	6,426,537	-	6,426,537
Liabilities			
Accounts payable and accrued expenses	4,534,518	591,688	5,126,206
Accrued interest payable	1,716,762	-	1,716,762
Deposits	18,550	870,714	889,264
Long-term liabilities:			
Due in one year	9,916,536	95,000	10,011,536
Due in more than one year	240,182,345	281,709	240,464,054
Total liabilities	256,368,711	1,839,111	258,207,822
Deferred inflows of resources			
Unavailable revenue - property taxes	1,765,118	-	1,765,118
Net Position (Deficit)			
Net investment in capital assets	122,866,191	77,211,991	200,078,182
Restricted for:			
Debt service	30,449,994	-	30,449,994
Tourism and transportation	14,401,684	-	14,401,684
Nonexpendable perpetual care	4,910	-	4,910
Unrestricted (deficit)	(182,552,519)	7,380,807	(175,171,712)
Total net position (deficit)	\$ (14,829,740)	\$ 84,592,798	\$ 69,763,058

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Activities
For the year ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services, Fees, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General government	\$ 7,559,988	\$ 2,508,255	\$ -	\$ -	\$ (5,051,733)	\$ -	\$ (5,051,733)
Public safety	7,058,754	267,602	49,729	-	(6,741,423)	-	(6,741,423)
Public works	8,766,285	4,010	-	644,664	(8,117,611)	-	(8,117,611)
Engineering	603,529	-	-	-	(603,529)	-	(603,529)
Community development	824,607	472,401	-	-	(352,206)	-	(352,206)
Culture and recreation	2,748,371	1,413,677	-	-	(1,334,694)	-	(1,334,694)
Convention center	8,376,158	5,038,015	-	-	(3,338,143)	-	(3,338,143)
Tourism	2,716,287	-	-	-	(2,716,287)	-	(2,716,287)
Interest on long-term debt	12,354,440	-	-	-	(12,354,440)	-	(12,354,440)
Total Governmental Activities	51,008,419	9,703,960	49,729	644,664	(40,610,066)	-	(40,610,066)
Business-Type Activities:							
Water and sewer	10,394,694	7,100,903	-	455,753	-	(2,838,038)	(2,838,038)
Total Business-Type Activities	10,394,694	7,100,903	-	455,753	-	(2,838,038)	(2,838,038)
Total Primary Government	\$ 61,403,113	\$ 16,804,863	\$ 49,729	\$ 1,100,417	(40,610,066)	(2,838,038)	(43,448,104)

General Revenues:			
Taxes:			
Property taxes	2,649,129	-	2,649,129
Sales taxes - general	10,416,878	-	10,416,878
Sales taxes - transportation	5,537,372	-	5,537,372
Tourism taxes	11,110,923	-	11,110,923
Intergovernmental activity taxes	10,263,563	-	10,263,563
Other taxes	1,418,674	-	1,418,674
Other	9,297	-	9,297
Unrestricted investment earnings	876,763	16,684	893,447
Gain on disposal of capital assets	29,814	-	29,814
Transfers	(852,590)	852,590	-
Total general revenues and transfers	41,459,823	869,274	42,329,097
Changes in net position	849,757	(1,968,764)	(1,119,007)
Net position (deficit) - beginning of year, as restated	(15,679,497)	86,561,562	70,882,065
Net position (deficit) - end of year	\$ (14,829,740)	\$ 84,592,798	\$ 69,763,058

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2013

	General	Tourism Tax	Transportation Sales Tax	Capital Projects	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 5,121,055	\$12,859,614	\$ 1,913,646	\$ 2,767,263	\$ 2,169,313	\$ 5,060	\$ 24,835,951
Receivables, net:							
Taxes	1,569,468	626,138	732,467	-	638,518	-	3,566,591
Leases	64,939	-	-	-	-	-	64,939
Intergovernmental	-	-	-	-	1,456,746	-	1,456,746
Other	475,943	-	-	249,630	-	-	725,573
Due from other funds	715,338	-	-	-	-	-	715,338
Restricted cash and investments	18,400	5,935,382	-	-	21,106,301	-	27,060,083
Prepays and inventories	81,174	-	-	-	-	-	81,174
Assets held for redevelopment	1,120,816	-	-	-	-	-	1,120,816
Total assets	\$ 9,167,133	\$19,421,134	\$ 2,646,113	\$ 3,016,893	\$ 25,370,878	\$ 5,060	\$ 59,627,211
Liabilities							
Accounts payable	\$ 1,371,488	\$ 613,409	\$ 962,485	\$ 868,103	\$ 16,019	\$ -	\$ 3,831,504
Accrued liabilities	665,717	-	37,297	-	-	-	703,014
Deposits	18,400	-	-	-	-	150	18,550
Due to other funds	-	116,990	-	-	-	477,967	594,957
Total liabilities	2,055,605	730,399	999,782	868,103	16,019	478,117	5,148,025
Deferred inflows of resources							
Unavailable revenue - property taxes	1,008,386	-	-	-	840,247	-	1,848,633
Fund Balances							
Nonspendable:							
Prepays and inventory	81,174	-	-	-	-	-	81,174
Assets held for redevelopment	1,120,816	-	-	-	-	-	1,120,816
Perpetual care	-	-	-	-	-	4,910	4,910
Restricted for:							
Public works	-	-	1,646,331	-	-	-	1,646,331
Tourism	-	12,755,353	-	-	-	-	12,755,353
Debt service	-	5,935,382	-	-	24,514,612	-	30,449,994
Committed for:							
Contractual and other	133,997	-	-	428,847	-	-	562,844
Assigned for:							
Contractual and other	30,384	-	-	-	-	-	30,384
Capital outlay	-	-	-	1,719,943	-	-	1,719,943
Unassigned (deficit)	4,736,771	-	-	-	-	(477,967)	4,258,804
Total fund balances (deficit)	6,103,142	18,690,735	1,646,331	2,148,790	24,514,612	(473,057)	52,630,553
Total liabilities, deferred inflows, and fund balances	\$ 9,167,133	\$19,421,134	\$ 2,646,113	\$ 3,016,893	\$ 25,370,878	\$ 5,060	\$ 59,627,211

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Position
December 31, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - total governmental funds	\$	52,630,553
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Position</p>		
		177,975,654
<p>Long-term assets are not available to pay for current period expenditures and are therefore are reported as unavailable revenues - property taxes in the fund statements.</p>		
		83,515
<p>Long-term liabilities, including bonds and notes payable, are not due and payable in current period and, therefore, are not reported in the funds. This amount included the following long-liabilities and related items:</p>		
Deferred charge on refunding		6,426,537
Accrued interest payable		(1,716,762)
Long-term liabilities		(250,098,881)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net position. Internal service fund capital assets of \$1,042,285 are included above.</p>		
		<u>(130,356)</u>
Total net position of governmental activities	\$	<u><u>(14,829,740)</u></u>

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended December 31, 2013

	General	Tourism Tax	Transportation Sales Tax	Capital Projects	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 12,179,858	\$ 10,333,014	\$ 4,509,153	\$ -	\$ 4,035,752	\$ -	\$ 31,057,777
Intergovernmental activity taxes	-	-	-	-	10,263,563	-	10,263,563
Licenses and permits	751,652	-	-	-	-	-	751,652
Court fines	444,825	-	-	-	-	-	444,825
Lease and rent	1,088,945	-	-	-	450,000	-	1,538,945
Charges for services	7,095,138	-	-	-	-	-	7,095,138
Intergovernmental	49,706	-	23	-	-	-	49,729
Interest income	29,608	516,477	-	-	330,545	133	876,763
Miscellaneous	292,811	-	4,010	9,297	-	-	306,118
Total revenues	<u>21,932,543</u>	<u>10,849,491</u>	<u>4,513,186</u>	<u>9,297</u>	<u>15,079,860</u>	<u>133</u>	<u>52,384,510</u>
Expenditures:							
Current:							
General government	6,705,697	-	-	-	-	-	6,705,697
Public safety	6,837,956	-	-	-	-	-	6,837,956
Public works	677,643	-	3,441,732	-	-	-	4,119,375
Engineering	508,776	-	-	-	-	-	508,776
Community development	820,381	-	-	-	-	-	820,381
Culture and recreation	2,194,652	-	-	-	-	-	2,194,652
Convention center	5,698,650	-	-	-	-	-	5,698,650
Tourism	-	2,946,340	-	-	-	-	2,946,340
Capital outlay	-	-	-	4,619,594	-	-	4,619,594
Debt service:							
Principal retirement	139,199	4,529,605	-	-	4,235,000	560,000	9,463,804
Interest and fiscal charges	52,634	1,384,387	-	-	9,201,732	1,534,800	12,173,553
Total expenditures	<u>23,635,588</u>	<u>8,860,332</u>	<u>3,441,732</u>	<u>4,619,594</u>	<u>13,436,732</u>	<u>2,094,800</u>	<u>56,088,778</u>
Excess of revenues over (under) expenditures	<u>(1,703,045)</u>	<u>1,989,159</u>	<u>1,071,454</u>	<u>(4,610,297)</u>	<u>1,643,128</u>	<u>(2,094,667)</u>	<u>(3,704,268)</u>
Other financing sources (uses):							
Debt issuance	-	-	-	139,099	-	-	139,099
Sale of assets	46,319	-	-	-	-	-	46,319
Insurance recoveries	216,801	-	-	-	-	-	216,801
Transfers in	1,814,683	-	-	3,298,466	602,997	2,844,186	8,560,332
Transfers (out)	(1,261,263)	(5,957,558)	(1,241,004)	-	(582,776)	(370,321)	(9,412,922)
Total other financing sources (uses)	<u>816,540</u>	<u>(5,957,558)</u>	<u>(1,241,004)</u>	<u>3,437,565</u>	<u>20,221</u>	<u>2,473,865</u>	<u>(450,371)</u>
Net change in fund balances	(886,505)	(3,968,399)	(169,550)	(1,172,732)	1,663,349	379,198	(4,154,639)
Fund balances (deficit) - beginning of year, as restated	<u>6,989,647</u>	<u>22,659,134</u>	<u>1,815,881</u>	<u>3,321,522</u>	<u>22,851,263</u>	<u>(852,255)</u>	<u>56,785,192</u>
Fund balances (deficit) - end of year	<u>\$ 6,103,142</u>	<u>\$ 18,690,735</u>	<u>\$ 1,646,331</u>	<u>\$ 2,148,790</u>	<u>\$ 24,514,612</u>	<u>\$ (473,057)</u>	<u>\$ 52,630,553</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended December 31, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds \$ (4,154,639)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlay	4,876,622
Depreciation expense	(9,507,100)
Disposal of capital assets	(4,683)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Capital contributions	644,664
Changes in unavailable revenue - property taxes	(9,959)

The issuance of long-term debt (eg. bonds, leases) 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 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.

Principal payments	9,463,804
Debt issued	(139,099)
Changes in deferred charge on refunding, bond premiums and discounts, net	(314,576)
Change in accrued interest payable	133,689

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.

Change in accrued compensated absences	(27,020)
Change in net pension obligation	(27,864)
Change in other post employment benefit obligations	(103,894)

Internal service funds are used by management to charge the costs of vehicles and equipment replacement to individual funds. The net revenue of certain activities of the Internal Service fund is reported with governmental activities. \$466,178 of depreciation related to internal service funds is included with depreciation above.

19,812

Total changes in net position of governmental activities \$ 849,757

CITY OF BRANSON, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2013

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Assets		
Current assets:		
Cash and investments	\$ 7,397,523	\$ -
Receivables (net of allowances for uncollectibles)		
Water and sewer billings	790,783	-
Leases and other	150,346	-
Other	540	-
Total current assets	8,339,192	-
Noncurrent assets:		
Restricted cash and investments	870,751	-
Capital Assets:		
Land and improvements	5,761,628	-
Other capital assets, net of depreciation	71,450,363	1,042,285
Total capital assets	77,211,991	1,042,285
Total noncurrent assets	78,082,742	1,042,285
Total assets	86,421,934	1,042,285
Liabilities		
Current liabilities:		
Accounts payable	398,386	-
Accrued liabilities	105,903	-
Utility deposits	870,714	-
Other liabilities	87,399	-
Due to other funds	-	120,381
Long-term liabilities due in one year	95,000	-
Total current liabilities	1,557,402	120,381
Noncurrent liabilities:		
Long-term liabilities	281,709	-
Total noncurrent liabilities	281,709	-
Total liabilities	1,839,111	120,381
Net Position		
Net investment in capital assets	77,211,991	1,042,285
Unrestricted (deficit)	7,370,832	(120,381)
Total net position	84,582,823	\$ 921,904
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	9,975	
Net position of business-type activities	\$ 84,592,798	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2013

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Operating revenues:		
Charges for services (pledged as security for revenue bonds):		
Water	\$ 3,025,503	\$ -
Sewer	3,938,609	-
Miscellaneous	49,762	-
Total operating revenues	7,013,874	-
Operating expenses:		
Personal services	2,885,746	-
Contractual services	2,416,235	-
Commodities	732,660	-
Depreciation	4,320,585	466,178
Total operating expenses	10,355,226	466,178
Operating income (loss)	(3,341,352)	(466,178)
Nonoperating revenues (expenses):		
Sewer capacity fees	87,029	-
Interest income	16,684	-
Gain (loss) on disposal of capital assets	(1,391)	(11,822)
Interest expense	(6,443)	-
Total nonoperating revenues (expenses)	95,879	(11,822)
Income (loss) before transfers and capital contributions	(3,245,473)	(478,000)
Transfers in	852,590	-
Capital contribution	455,753	-
Change in net position	(1,937,130)	(478,000)
Total net position-beginning of year	86,519,953	1,399,904
Total net position-end of year	\$ 84,582,823	\$ 921,904
Change in net position	\$ (1,937,130)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(31,634)	
Change in net position of business-type activities	\$ (1,968,764)	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the year ended December 31, 2013

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Cash flows from operating activities:		
Receipts from customers	\$ 7,172,676	\$ -
Payments to suppliers	(3,281,067)	-
Payments to employees for services	(2,833,189)	-
Net cash provided by operating activities	1,058,420	-
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,953,450)	-
Proceeds from sale of capital assets	-	5,596
Principal paid on capital debt	(170,000)	-
Interest and bond cost paid on capital debt	(12,011)	-
Capital Contributions	281,220	-
Sewer capacity fees	87,029	-
Net cash (used in) capital and related financing activities	(1,767,212)	5,596
Cash flows from noncapital financing activities:		
Interfund advances	-	(5,596)
Transfers from other funds	852,590	-
Net cash provided (used) by noncapital financing activities	852,590	(5,596)
Cash flows from investment activities:		
Interest and dividends	16,684	-
Net cash provided by investing activities	16,684	-
Net increase in cash and cash equivalents	160,482	-
Cash and cash equivalents, beginning of year	8,107,792	-
Cash and cash equivalents, end of year	\$ 8,268,274	\$ -
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (3,341,352)	\$ (466,178)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	4,320,585	466,178
Change in assets and liabilities:		
Receivables (net)	127,256	-
Accounts and other payables	(132,172)	-
Accrued expenses	52,557	-
Utility deposits	31,546	-
Net cash provided by operating activities	\$ 1,058,420	\$ -
Cash consists of :		
Cash and investments	\$ 7,397,523	\$ -
Restricted cash and investments	870,751	-
	\$ 8,268,274	\$ -
Noncash capital and related financing activities:		
Capital contribution	\$ 174,533	\$ -

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Assets and Liabilities -
Agency Fund
December 31, 2013

	<u>Agency Fund</u> <u>Landscape Trust</u>
Assets	
Cash and cash equivalents	\$ <u>938,205</u>
Liabilities	
Due to others	\$ <u>938,205</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

1 - Summary of Significant Accounting Policies

The City of Branson, Missouri (the City) is a municipal corporation governed by an elected mayor and a six member Board of Aldermen. The City provides services to residents in many areas, including law enforcement, fire protection, water and sewer services, community enrichment and development, recreation and various social services.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The following is a summary of the more significant accounting and reporting policies and practices of the City.

The Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) and its component unit, the Tax Increment Financing Commission (the Commission). With the current year implementation of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*, the Commission is now considered to be a blended component unit. The City is financially accountable for the Commission because the City approves the Commission's annual budget and outstanding debt of the Commission is expected to be repaid from payments in lieu of taxes and economic activity taxes collected by the City.

The Commission is governed by an 11-member board, of which six members are appointed by the Board of Aldermen. The remaining five members (two from the county, two from the local school district and one from other taxing jurisdictions) are appointed by the respective taxing districts' boards. Financial transactions of the Commission are processed by the Finance Department of the City on the Commission's behalf. No separate financial statements are issued by the Commission.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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 services. .

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency fund does not have a measurement focus, but does use the accrual basis of accounting to present its financial statements. Revenues from exchange and exchange like transactions are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes 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. A 90-day availability period is used for revenue recognition for all governmental fund revenues except property taxes for which a 60-day availability period is used. 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 claims and judgments, are recorded only when payment is due.

Property taxes, tourism taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are; however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City' therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

The City reports the following major funds:

Major Governmental Funds

General Fund – Is used to account for the general operations of the City and all unrestricted revenues and expenditures not required to be accounted for in other funds.

Tourism Tax Fund – is used to account for the proceeds of tourism tax requiring separate accounting because of legal or regulatory provisions.

Transportation Sales Tax Fund – is used to account for the proceeds of transportation sales tax requiring a separate accounting because of legal or regulatory provisions or administrative action.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Capital Projects Fund – is used to account for the acquisition, construction and renovation of major capital facilities.

Tax Increment Financing (TIF) Fund – is used to account for the accumulation of resources within the special TIF districts and the payment of principal and interest on the long-term debt associated with each district.

Major Proprietary Funds

Water and Sewer Fund – accounts for the activities of the water distribution system, the sewage treatment plant and the sewage pumping stations and collection systems.

Additionally, the government reports the following fund types:

Internal Service Fund - accounts for fleet management services provided to other departments on a cost reimbursement basis.

Agency Funds - are used to account for activities not involving the measurement of results of operations because they are custodial in nature. The City's agency fund is used to account for landscape and tree deposits held by the City as an agent for property owners who have applied for building permits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, producing, and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Investments

Cash and investments of the individual funds are combined to form a pool, which is managed by the Finance Department. Each fund's equity in the pool is included in "cash and investments" in the financial statements. Investment earnings, including interest income, are allocated to the funds required to accumulate interest. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

The investments consist of short-term money market mutual funds held in trust for debt service reserve requirements. The money market mutual funds are recorded at fair value.

Statement of Cash Flows

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectible. An allowance of \$621,479 is recorded at December 31, 2013.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method and consist of supplies and parts. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Restricted Cash and Investments

The City's restricted cash and investments primarily consist of amounts required for future debt service payments and related debt reserves. The City is also statutorily required to maintain customer utility deposits separate from City assets.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The City capitalizes interest on the construction of business-type capital assets when material.

The City's capital assets are depreciated using the straight-line method over the estimated useful life of the capital assets. The estimated useful lives are:

Water and sewer treatment plants	40 - 50 years
Water and sewer mains and lines	20 - 40 years
Equipment	5 - 10 years
Buildings and fixtures	30 - 40 years
Furniture	5 - 10 years
Infrastructure	10 - 40 years
Vehicles	2 - 7 years

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Compensated Absences

City policies permit full-time employees to accumulate sick pay benefits and vacation time based on the number of years of service. Accumulated vacation payable is recorded when incurred in the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, a liability is reported only if it has matured, for example, as a result of employee resignations and retirements. One-half of accumulated sick leave is paid to employees upon leaving the City in good standing. This amount of sick leave is recorded in the government-wide and proprietary fund statements with the amount due within one year estimated based on past payouts. See Note 7 for the accumulated obligation for compensated absences.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest and straight-line methods. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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 cost, whether or not withheld from the accrual debt proceeds received, are reported as debt services expenditures. See Note 7 for information on the City's long-term obligations.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises under the accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental activities and governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – consisting of net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

The City has a net position flow policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted net position first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balances

The governmental funds report the following fund balance classifications:

Non-Spendable – includes amounts that are legally or contractually required to be maintained. Such constraints are binding until legal or contractual requirements are repealed or amounts become spendable or not in spendable form, including but not limited to, inventory, prepaid, supplies, and long-term receivables.

Restricted – Externally imposed constraints, including but not limited to, creditors, grantors, contributors, and constraints by law and regulations. Such constraints are binding unless modified or rescinded by external body, laws, or regulations.

Committed – Specific purpose imposed by formal action, adoption of an ordinance, of the Board of Aldermen. Such constraint is binding unless modified or rescinded, by adoption of an ordinance, by the Board of Aldermen.

Assigned – Constrained by the Board of Aldermen, Finance Committee, or City Administrator's expressed intent in accordance with the City's fund balance policy. Such constraint is binding unless modified or eliminated by the Board of Aldermen, Finance Committee, or City Administrator, whoever made the assignment.

Unassigned – All amounts not included in other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The City has established an operating reserve and a contingency reserve policy consisting of the following:

When preparing the annual proposed budget, the City Administrator will maintain in the General Fund an operating reserve of 20% of General Fund current adopted budgeted expenditures. An operating reserve of 20% is also maintained in the Recreation Fund and Water and Sewer Fund

A contingency reserve account of 10% of the proposed budgeted General Fund expenditures will be annually appropriated by the Board of Aldermen to provide for unanticipated expenditures of a nonrecurring nature and/or meet unexpected increases in costs.

Pending Governmental Accounting Standards Board Statements

The Governmental Accounting Standards Board (GASB) has recently issued the following statements which may impact the City's financial reporting requirements in the future:

- GASB Statement No. 67 – *Accounting and Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, effective for the fiscal year beginning January 1, 2014.
- GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions -an amendment of GASB Statement No. 27*, effective for the fiscal year beginning January 1, 2015.
- GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations*, effective for the fiscal year beginning January 1, 2014.
- GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the fiscal year beginning January 1, 2014.
- GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*, effective for the fiscal year beginning January 1, 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2 - Stewardship, Compliance and Accountability

Budgetary Information

Missouri statutes require that all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted annual budgets are the general fund, the special revenue funds, and the debt service fund. Legally adopted annual budgets are not required for the capital projects fund and the permanent fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Sanction 67.010 RSMo.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of \$444,825. This amount is approximately 2% of total general revenues of \$21,9322,543 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

Expenditures in Excess of Budgeted Appropriations and Deficit Fund Balance

During the current year, expenditures exceeded budgeted appropriations in the Red Roof Mall Fund by \$34,962.

Deficit Fund Equity

The Debt Service Fund had a deficit fund balance of \$477,967 as of December 31, 2013. The fund incurred debt service expenditures that were in excess of available funds. The City plans to transfer funds from other funds to cover the excess expenditures.

3 - Deposits and Investments

As of December 31, 2013, the City's cash and investments consisted of the following:

	2013
Investments:	
Short-term investments held in trust	\$ 21,123,833
Deposits	39,948,310
Petty cash	30,370
 Total cash and investments	 \$ 61,102,513

Deposits and investments of the City are reflected in the financial statements as follows:

	Government-wide statement of net position	Fiduciary fund statement of assets & liabilities	Total
Cash and investments	\$ 32,233,474	\$ 938,205	\$ 33,171,679
Restricted cash and investments	27,930,834	-	27,930,834
	\$ 60,164,308	\$ 938,205	\$ 61,102,513

Investment Policy

Missouri State Statutes authorize the City to deposit funds in open accounts and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by State Statutes and approved by the State.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The City maintains a cash and investment pool, which is available for use by most funds. Each fund type's portion of this pool is displayed as "cash and investments". Interest earned is retained by the General Fund, unless required to be maintained separately. All investments are carried at fair value. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

Interest Rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2013, the City's investments consisted of short-term money market mutual funds held in trust and U.S. Government Agencies with maturities of less than one year.

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Missouri statutes prohibit municipalities from investing in derivative, leveraged, or speculative securities. City Resolution No. 2004-RO12 further limits the City's investments in securities to U.S. Treasury obligations. At December 31, 2013, the City's investments consisted of short-term money market mutual funds held in trust and U.S. Government Agencies with maturities of less than one year.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At December 31, 2013, the City's investments consisted of short-term money market mutual funds and U.S. Government Agencies held in trust which are not subject to such risks.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

As of December 31, 2013, all of the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of December 31, 2013.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

4 - Taxes

Taxes receivable as of December 31, 2013 were as follows:

<u>Fund</u>	<u>Property</u>	<u>Sales Tax</u>	<u>Tourism</u>	<u>Total</u>
	<u>Tax</u>		<u>Tax</u>	
General	\$ 123,811	\$ 1,445,657	\$ -	\$ 1,569,468
Tourism Tax	-	-	626,138	626,138
Transportation Sales Tax	-	732,467	-	732,467
Tax Increment Financing	-	586,644	51,874	638,518
Total	\$ 123,811	\$ 2,764,768	\$ 678,012	\$ 3,566,591

Tax revenues for the year ended December 31, 2013 were as follows:

	<u>Property</u>	<u>Sales Tax</u>	<u>Tourism</u>	<u>Franchise</u>	<u>Other</u>	<u>Total</u>
	<u>Tax</u>		<u>Tax</u>	<u>Tax</u>	<u>Taxes</u>	
Major governmental funds:						
General	\$ 2,659,088	\$ 8,187,254	\$ -	\$ 1,032,038	\$ 301,478	\$ 12,179,858
Tourism Tax	-	-	10,333,014	-	-	10,333,014
Transportation Sales Tax	-	4,509,153	-	-	-	4,509,153
Tax Increment Financing	-	3,257,843	777,909	-	-	4,035,752
Total	\$ 2,659,088	\$ 15,954,250	\$ 11,110,923	\$ 1,032,038	\$ 301,478	\$ 31,057,777

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property in the City. Assessed values are established by the Taney County Assessor's Office. The assessed values at January 1, 2012, upon which the 2012 levy was based and upon which the ad valorem tax revenues for the period ended December 31, 2013 are recorded, are as follows:

Real estate	\$ 422,719,961
Personal property and business personal	<u>49,339,802</u>
	<u>\$ 472,059,763</u>

Property taxes are due and payable on November 1 and become delinquent on January 1. On January 1, a lien attaches to all real property for which taxes are unpaid. Amounts received prior to December 31st related to the 2013 tax year are deferred as those amounts are not available until the following fiscal year.

The 2012 tax levy per \$ 100 assessed valuation was:

General	<u>\$ 0.5464</u>
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City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

5 - Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 53,362,725	\$ 74,927	\$ -	\$ 53,437,652
Construction in progress	384,327	4,619,594	1,180,673	3,823,248
Total Capital assets not being depreciated	<u>53,747,052</u>	<u>4,694,521</u>	<u>1,180,673</u>	<u>57,260,900</u> ✓
Capital Assets being depreciated:				
Buildings and fixtures	77,612,979	8,429	8,684	77,612,724
Equipment	11,798,467	395,562	167,188	12,026,841
Vehicles	1,246,285	102,869	7,001	1,342,153
Infrastructure	167,412,711	1,249,503	-	168,662,214
Furniture	2,954,716	-	-	2,954,716
Land improvements	2,404,901	251,074	-	2,655,975
Total capital assets being depreciated	<u>263,430,059</u>	<u>2,007,438</u>	<u>182,873</u>	<u>265,254,623</u>
Less accumulated depreciation for:				
Buildings and fixtures	17,827,917	2,614,388	8,016	20,434,289
Equipment	8,644,998	961,473	147,856	9,458,615
Vehicles	776,302	98,850	4,901	870,251
Infrastructure	104,939,388	5,459,345	-	110,398,733
Furniture	1,560,026	286,183	-	1,846,209
Land improvements	1,444,911	86,861	-	1,531,772
Total accumulated depreciation	<u>135,193,542</u>	<u>9,507,100</u>	<u>160,773</u>	<u>144,539,869</u>
Total capital assets being depreciated, net	<u>128,236,517</u>	<u>(7,499,662)</u>	<u>22,100</u>	<u>120,714,754</u> ✓
Governmental activities capital assets, net	<u>\$ 181,983,569</u>	<u>\$ (2,805,141)</u>	<u>\$ 1,202,773</u>	<u>\$ 177,975,654</u> ✓

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 3,905,511	\$ -	\$ -	\$ 3,905,511
Construction in progress	488,280	1,880,924	513,087	1,856,117
Total Capital assets not being depreciated	<u>4,393,791</u>	<u>1,880,924</u>	<u>513,088</u>	<u>5,761,628</u>
Capital Assets being depreciated:				
Water and sewer treatment plants	75,218,460	-	-	75,218,460
Water and sewer mains and lines	53,456,505	572,444	-	54,028,949
Machinery and equipment	3,415,084	193,775	14,768	3,594,091
Total capital assets being depreciated	<u>132,090,049</u>	<u>766,219</u>	<u>14,768</u>	<u>132,841,500</u>
Less accumulated depreciation for:				
Water and sewer treatment plants	30,824,141	1,892,271	-	32,716,412
Water and sewer mains and lines	24,506,070	2,153,038	-	26,659,108
Machinery and equipment	1,747,645	275,276	7,304	2,015,617
Total accumulated depreciation	<u>57,077,856</u>	<u>4,320,585</u>	<u>7,304</u>	<u>61,391,137</u>
Total capital assets being depreciated, net	<u>75,012,193</u>	<u>(3,554,366)</u>	<u>7,464</u>	<u>71,450,363</u>
Business-type activities capital assets, net	<u>\$ 79,405,984</u>	<u>\$ (1,673,442)</u>	<u>\$ 520,552</u>	<u>\$ 77,211,991</u>

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

Governmental activities:	
General government	\$ 885,766
Public safety	193,054
Public works	4,596,946
Engineering	88,687
Culture and recreation	536,899
Convention center	2,739,570
Internal service	<u>466,178</u>
Total depreciation expense - governmental activities	<u>\$ 9,507,100</u>
Business-type activities:	
Water and sewer	<u>\$ 4,320,585</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

6 - Leases

Operating Leases

Non-cancellable operating revenue leases for City land expire in various years through 2034. These leases generally contain renewal options for periods ranging from five to thirty-five years and require the lessees to pay all executory cost (property taxes, maintenance and insurance). Lease income includes minimum rentals plus contingent rentals based on sales.

Future lease income on minimum rentals is approximately \$237,000 per year.

The cost of the land the City leases is \$4,000.

For the year ended December 31, 2013, lease income for all operating leases was approximately \$838,023.

Capital Lease

The City has a lease agreement as a lessor on City property with Pointe Royale. This lease agreement qualifies as a capital lease and has therefore been recorded at the present value of the future minimum lease payments as of the inception date. At December 31, 2013 the lease receivable balance was \$150,346.

Future minimum lease payments to be received are as follows:

2014	\$	15,651
2015		16,121
2016		16,604
2017		17,103
2018		17,616
2019-2022		<u>67,251</u>
Present value of minimum lease payments	\$	<u>150,346</u>

Branson Landing Lease – Branson Landing TIF Plan

The City and the Developer have entered into a 99 year master lease agreement related to the Branson Landing project. Under the agreement, commencing on January 2, 2010 and through year thirty (30) of the agreement, a base and contingent rental lease payment is due to the City. The lease payment will consist of an annual base amount of \$252,000 plus a contingent lease payment of 1/4th of 1 percent of sales in excess of \$15 million within the defined boundary area. The total annual lease payments cannot exceed \$450,000. The City received \$450,000 under this agreement for the year ended December 31, 2013.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

7 - Long-Term Obligations

Long-term obligations activity for year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
Revenue Bonds	\$ 25,309,000	\$ -	\$ 2,878,000	\$ 22,431,000	\$ 2,896,000
Special Limited Obligation Bonds	35,810,000	-	560,000	35,250,000	1,305,000
Discounts	(138,156)	-	(15,854)	(122,302)	(15,854)
Total bonds payable	<u>60,980,844</u>	<u>-</u>	<u>3,422,146</u>	<u>57,558,698</u>	<u>4,185,146</u>
Tax increment financing					
Bonds payable	189,380,190	-	4,235,000	185,145,190	4,415,000
Premiums	2,078,970	-	137,887	1,941,083	138,284
Total bonds payable	<u>191,459,160</u>	<u>-</u>	<u>4,372,887</u>	<u>187,086,273</u>	<u>4,553,284</u>
Notes Payable	<u>5,134,580</u>	<u>139,099</u>	<u>1,790,804</u>	<u>3,482,875</u>	<u>577,106</u>
Compensated absences **	1,179,496	1,061,691	1,034,671	1,206,516	601,000
Net pension obligation **	235,169	27,864	-	263,033	-
Other post employment benefits **	<u>397,592</u>	<u>103,894</u>	<u>-</u>	<u>501,486</u>	<u>-</u>
Governmental activities					
long-term obligations	<u>259,386,841</u>	<u>1,332,548</u>	<u>10,620,508</u>	<u>250,098,881</u> ✓	<u>9,916,536</u> ✓
Business-type activities:					
Bonds payable:					
Revenue bonds	170,000	-	170,000	-	-
Compensated absences	200,128	188,613	179,857	208,884	95,000
Net pension obligation	51,403	6,336	-	57,739	-
Other post employment benefits	<u>87,280</u>	<u>22,806</u>	<u>-</u>	<u>110,086</u>	<u>-</u>
Business-type activities					
long-term obligations	<u>508,811</u>	<u>217,755</u>	<u>349,857</u>	<u>376,709</u> ✓	<u>95,000</u> ✓
Total Primary Government	<u>\$ 259,895,652</u>	<u>\$ 1,550,303</u>	<u>\$ 10,970,365</u>	<u>\$ 250,475,590</u>	<u>\$ 10,011,536</u>

** For governmental activities, compensated absences, net pension obligation, and other post employment benefits are generally liquidated by the general fund.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Revenue Bonds

Governmental activities

The City has pledged future tourism tax revenues, net of specified operating expenditures, to repay the bonds described below. The bonds are payable solely from tourism tax net revenues. Annual principal and interest remaining to be paid on the bonds is \$26,570,655. For the year ended December 31, 2013, principal and interest paid were \$5,913,992 and total tourism tax revenues for the year were \$10,333,014. Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$5,935,382 at December 31, 2013. The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

	Balance at December 31, 2013
Limited Obligation bonds (State Revolving Fund Program) Series 1994A of \$3,500,000 issued August 1994; 4.25% to 6.05% interest payable semiannually, remaining principal payments due annually of \$217,000 to \$291,000. Final maturity July 1, 2014.	\$ 291,000
Limited Obligation bonds (State Revolving Fund Program) Series 1995A of \$17,450,000 issued May 1995; 4.75% to 6.05% interest payable semiannually, remaining principal payments due annually of \$190,000 to \$2,350,000. Final maturity July 1, 2016. Bonds maturing after July 1, 2006 and thereafter may be called on July 1, 2005 and every July 1 thereafter at par.	6,550,000
Tourism Tax Revenue Bonds, Series 2007 of \$1,840,000 issued March 2007; 4.45% interest payable semiannually. Principal amount due on January 1, 2019.	1,840,000
Tourism Tax Revenue Refunding bonds, Series 2010A of \$7,995,000 issued February 2010; 3.85% interest payable semiannually, remaining principal payments due annually of \$435,000 to \$3,140,000. Final maturity January 1, 2018. Bonds maturing after January 1, 2016 and thereafter may be called at par.	6,465,000
Tourism Tax Revenue bonds, Series 2010B of \$7,540,000 issued March 2010; 3.0% to 4.35% interest payable semiannually, remaining principal payments due annually of \$125,000 to \$1,345,000. Final maturity January 1, 2022. Bonds maturing after January 1, 2016 and thereafter may be called at par.	7,285,000
	\$ 22,431,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Special Limited Obligation Bonds

The City has the following special limited obligation bonds related to its governmental activities:

	<u>Balance at December 31, 2013</u>
Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Revenue Bonds) Series 2011A, \$35,810,000 issued November 15, 2011; 3.0% to 5.0% interest payable semiannually, principal payments due annually ranging from \$560,000 to \$2,795,000 with final maturity on December 1, 2031.	<u>\$ 35,250,000</u>

The bonds were issued by the Missouri Development Finance Board (MDFB) to refund certain bonds previously issued for the purposes of funding the City's Branson Landing redevelopment project and certain City facilities and infrastructure project costs. The City conveyed certain properties (including City Hall and a fire station) to the MDFB, and the MDFB leases those properties to the City. The City's lease payments are security for the required annual interest and principal payments on the bonds. Upon retirement of the bonds, the properties will revert to the City.

City management has determined that a portion of the Series 2011B bonds related to the Branson Meadows tax increment financing plan be presented in the TIF Fund. \$705,000, the portion attributable to the Branson Meadow tax increment financing plan was paid in full during 2013.

The MDFB 2012A and 2005B Branson Landing Tax Increment Financing Revenue Bonds contain certain pledged revenue and reserve fund priority provisions also known as the "Waterfall" provision. Under the Waterfall, as calculated prior to the next scheduled debt service requirements for the 2012A and 2005B bonds, should there be excess funds available after meeting the priority provisions, those excess funds can be used for debt service requirements of the 2011A bonds. During the year ended December 31, 2013, waterfall amounts of \$582,776 were transferred to the City's Debt Service Fund from the Tax Increment Financing Fund to be used for the 2011A debt service requirements. Total waterfall amounts since inception is \$2,438,569.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Tax Increment Financing Revenue Bonds

The tax increment financing revenue bonds obligation indebtedness are recorded as a liability of the TIF Commission to match revenue streams to the related obligations for which they have been pledged. The obligation of the City and the Commission to pay principal and interest on these bonds is generally limited solely to the tax increment financing (TIF) revenues generated from each project.

Balance at
December 31, 2013

Branson Landing TIF Plan

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Refunding Bonds - City of Branson, Missouri - Branson Landing Project) Series 2012A, \$33,450,000 issued December 6, 2012; 3.0% to 4.0% interest payable semiannually, remaining principal payments due annually ranging from \$1,335,000 to \$2,805,000 with final maturity on December 1, 2027. The bonds were issued by MDFB and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.

\$ 32,115,000

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2005A, \$80,000,000 issued September 2005; 3.75% to 6.0% interest payable semiannually, remaining principal payments due annually ranging from \$470,000 to \$6,930,000 with final maturity on June 1, 2035. Bonds maturing on or after June 1, 2035 may be called on or after June 1, 2015 at par. The bonds were issued by the Missouri Development Finance Board and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.

77,520,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds- Branson Landing Retail Project) Series 2005A, \$18,560,000 issued August 2005; 5.25% to 5.50% interest payable semiannually, remaining principal payments due annually ranging from \$235,000 to \$1,760,000 with final maturity on June 1, 2029.

15,855,000

125,490,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Balance at
December 31, 2013

Branson Hills and Shoppes TIF Plan

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds- Branson Hills Redevelopment Project) Series 2005A, \$14,760,000 issued March 2005; 6.25% to 7.05% interest payable semiannually, remaining principal payments due annually ranging from \$175,000 to \$2,955,000 with final maturity on May 1, 2027. 13,365,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Hills Redevelopment Project) Series 2005B, not to exceed \$1,900,000 issued March 2005; 10% interest, principal payment due with final maturity on May 1, 2027. These bonds are subordinate to the Series 2005A Bonds. 1,899,338

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Hills Redevelopment Project) Series 2007A, \$3,385,000 issued April 2007; 5.75% interest payable semiannually, principal due at final maturity on May 1, 2026 3,385,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2006A, \$35,545,000 issued November 2006; 5.90% to 5.95% interest payable semiannually, remaining principal payments due annually ranging from \$110,000 to \$5,780,000 with final maturity on November 1, 2029. 32,885,000

Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2006B, not to exceed \$9,385,045 issued November 2006; 10% interest, principal payment due with final maturity on November 1, 2029. These bonds are subordinate to the Series 2006A Bonds. 8,120,852

	59,655,190
Total tax increment financing revenue bonds	\$ 185,145,190

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Notes Payable

The City has the following notes payable related to its governmental activities:

	<u>Balance at December 31, 2013</u>
Promissory note payable (Industrial Development Authority) in the amount of \$4,956,636 issued March 15, 2011; 3.49%, principal payments due annually ranging from \$426,025 to \$560,557 with final maturity on June 1, 2020.	\$ 2,337,803
Promissory note payable (Industrial Development Authority) in the amount of \$1,091,000 issued July 15, 2011; 4.79%, principal payments due semiannually ranging from \$1,081 to \$71,609 with final maturity on October 1, 2026.	1,052,346
Computer equipment purchase agreement in the amount of \$139,099 issued in 2013; Semi-annual payments of \$23,703 including interest at 1.8% with final maturity on December 13, 2015.	92,726
	<u><u>\$ 3,482,875</u></u>

The March 15, 2011 promissory note was issued by the Industrial Development Authority (IDA) and the proceeds were used to finance certain road improvements to the Route 248 and Route 65 interchange in connection with a cost participation agreement the City had with the Missouri Highway and Transportation Commission. The note was purchased by the Ozark Mountain Bank (the Bank) and under the terms of the financing agreement the City will make payments to the Bank on behalf of the IDA.

The July 15, 2011 promissory note was issued by the Industrial Development Authority (IDA) and the proceeds were used to finance certain energy efficient improvements to City Hall and the Branson Convention Center. The note was purchased by the Ozark Mountain Bank (the Bank) and under the terms of the financing agreement the City will make payments to the Bank on behalf of the IDA.

Business-type activities

Interest and principal payments on the Water and Sewer Fund Revenue Bonds are payable solely from water and sewer system revenues. The 1992A combined waterworks and Sewerage System Bonds were fully retired during the fiscal year 2013.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Revenue, Special Limited Obligation Bonds, Tax Increment Financing, and Notes Payable debt service requirements to maturity are as follows:

	Governmental activities					
	Revenue Bonds		Special Limited Obligation		TIF - Branson Landing	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 2,896,000	\$ 1,033,732	\$ 1,305,000	\$ 1,518,131	\$ 3,170,000	\$ 5,817,238
2015	2,955,000	871,863	1,340,000	1,478,981	3,475,000	5,678,844
2016	3,070,000	708,178	1,490,000	1,438,781	3,795,000	5,523,763
2017	1,915,000	515,832	1,535,000	1,394,081	4,140,000	5,350,963
2018	3,185,000	418,253	1,580,000	1,348,031	4,500,000	5,159,263
2019-2023	8,410,000	591,797	8,950,000	5,702,256	27,905,000	22,156,587
2024-2028	-	-	11,065,000	3,593,613	36,640,000	14,939,405
2029-2033	-	-	7,985,000	811,751	28,460,000	6,899,150
2034-2036	-	-	-	-	13,405,000	681,625
	<u>\$ 22,431,000</u>	<u>\$ 4,139,655</u>	<u>\$ 35,250,000</u>	<u>\$ 17,285,625</u>	<u>\$ 125,490,000</u>	<u>\$ 72,206,838</u>

	Primary Government					
	TIF - Branson Hill		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 865,000	\$ 3,093,528	\$ 577,106	\$ 132,182	\$ 8,813,106	\$ 11,594,811
2015	970,000	3,042,060	600,507	113,229	9,340,507	11,184,977
2016	1,080,000	2,984,344	578,278	92,706	10,013,278	10,747,772
2017	1,195,000	3,920,084	603,992	71,864	9,388,992	11,252,824
2018	1,330,000	2,848,982	294,864	50,027	10,889,864	9,824,556
2019-2023	8,815,000	12,890,458	432,847	156,538	54,512,847	41,497,636
2024-2028	31,499,338	7,986,332	395,281	34,335	79,599,619	26,553,685
2029-2033	13,900,852	343,910	-	-	50,345,852	8,054,811
2034-2036	-	-	-	-	13,405,000	681,625
	<u>\$ 59,655,190</u>	<u>\$ 37,109,698</u>	<u>\$ 3,482,875</u>	<u>\$ 650,881</u>	<u>\$ 246,309,065</u>	<u>\$ 131,392,697</u>

Deceased Debt

In prior years, the City defeased certain bonds by placing the proceeds for new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2013, \$32,780,000 of bonds outstanding was considered defeased.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Tax Increment Financing Revenues

The City, other taxing districts and governmental entities have pledged a portion of future incremental property tax and sales tax revenues (TIF revenues) to repay the tax increment financing revenue bonds described above. TIF revenues, along with other funding sources for each issuance, were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Annual principal and interest payments remaining on these bonds total approximately \$294.5 million. Should TIF revenues along with any other funding sources described not be sufficient to meet the required debt service obligations, the City is not legally obligated to make such bond payments from any other sources of its revenues. However, the Branson Landing TIF Plan's \$33,450,000 Series 2012A and \$80,000,000 Series 2005A bonds contain an annual appropriation covenant obligating the City to make debt service payments from all legally available moneys of the City to the extent the City has appropriated and included such payments in its annual budget. Annual principal and interest payments remaining on the Series 2012A and 2005A bonds total approximately \$173.4 million. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

For the year ended December 31, 2013, principal and interest paid on tax increment financing bonds totaled approximately \$13.4 million. Incremental tax revenues from the City totaled approximately \$4.0 million. The remaining funds necessary to meet the current year debt service requirements were derived from city contributions, incremental tax revenues from other taxing districts and governmental entities, lease revenues, and interest income totaling approximately \$11.0 million and from prior incremental tax revenues held in debt service funds by the bond trustees.

Bond Indebtedness Limitation

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a City to 10 percent of the assessed valuation of the City by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10 percent for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and sanitary or storm sewer systems, provided the total general obligation indebtedness of a City does not exceed 20 percent of the assessed valuation. Article VI, Section 26(e) provides that a City may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10 percent for the purpose of purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the City, provided that the total general obligation indebtedness of a City does not exceed 20 percent of the assessed valuation.

The City has no outstanding general obligation debt. The City has issued multiple series of Tourism Tax Revenue Bonds. Although they are not general obligation bonds, the outstanding Tourism Tax Revenue Bonds and any additional Tourism Tax Revenue Bonds are payable from a pledge of the City's Tourism Tax and therefore count against the indebtedness limits imposed by the Missouri Constitution. The legal debt capacity of 20% of the City's assessed valuation as of December 31, 2013, based on the 2012 valuation, was \$94,411,953. The total net outstanding indebtedness of the City was \$19,978,493 as of December 31, 2013, leaving a remaining available legal debt capacity of \$74,433,460 as of that date.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

8 - Defined Benefit Pension Plan

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by Statute, Section RSMo. 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status

The City's full-time employees contribute 4% of their gross pay to the pension plan. The statutorily required contribution rates are 14.6% (general), 12.3% (police), and 13.6% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

	Total Primary Government
Annual required contribution	\$ 1,340,254
Interest on net pension obligation	20,776
Adjustment to annual required contribution	<u>(17,402)</u>
Annual pension cost (APC)	1,343,628
Actual contributions	<u>1,309,428</u>
Increase in net pension obligation (NPO)	34,200
NPO - beginning of year	<u>286,572</u>
NPO - end of year	<u><u>\$ 320,772</u></u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and women and (e) post-retirement mortality based on 105% of the 1994 group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of the February 28, 2011 was 30 years the General division, 30 years for the Police division and 23 years for the Fire division. The amortization period as of February 29, 2012 was 25 years for the General division, 30 years for the Police division and 22 years for the Fire division.

Year Ended Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 1,235,934	89.5%	\$ 224,619
6/30/2012	1,296,178	95.2%	286,572
6/30/2013	1,343,628	97.5%	320,772

Funded Status and Funding Progress

As of February 28, 2013, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$21,310,403. The actuarial value of assets was \$15,117,386, which results in an unfunded actuarial accrued liability (UAAL) of \$6,193,017 and a funded ratio of 71 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$9,617,688, which results in a ratio of the UAAL to the covered payroll of 64 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

9 - Post Employment Health Benefits

Plan Description

The City provides for a continuation of medical, prescription drug, hearing, vision, and dental insurance benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS) through a single employer plan. The Plan does not issue separate audited financial statements.

The City requires the retirees to pay 100% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45). Retirees and spouses have the same benefits as active employees, and they are not required to terminate participation upon Medicare eligibility.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years. The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2013, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

	Governmental Activities	Business- Type Activities	Total Primary Government
Annual required contribution	\$ 136,038	\$ 29,862	\$ 165,900
Interest on net OPEB obligation	14,924	3,276	18,200
Adjustment to annual required contribution	<u>(14,678)</u>	<u>(3,222)</u>	<u>(17,900)</u>
Annual OPEB cost (expense)	136,284	29,916	166,200
Less: Net employer contributions	<u>32,390</u>	<u>7,110</u>	<u>39,500</u>
Increase in net OPEB obligation	103,894	22,806	126,700
Net OPEB obligation - beginning of year	<u>397,592</u>	<u>87,280</u>	<u>484,872</u>
Net OPEB obligation - end of year	<u>\$ 501,486</u>	<u>\$ 110,086</u>	<u>\$ 611,572</u>

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the year ending December 31, 2013 is as follows:

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Year Ended Ending	Annual Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net Net OPEB Obligation
12/31/2011	\$ 148,500	13.7%	\$ 355,800
12/31/2012	149,372	13.6%	484,872
12/31/2013	166,200	23.7%	611,572

Funded Status and Funding Progress

As of September 30, 2013, which represents most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$1,302,300. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$12,345,000, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 11.0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit actuarial cost method is used in the September 30, 2013. At the valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 4.0 percent investment rate of return. The actuarial assumptions for the healthcare cost inflation rate is an initial growth factor of 7.0 and 5.0 percent for medical and dental coverage, respectively, with both declining to an ultimate inflation rate of 4.5% for medical and 4.3% for dental. The UAAL will be amortized over a period of 30 years using a level percentage of projected payroll on an open basis.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

10 - Risk Management

The City is exposed to various risks of loss from torts' theft of, damage to or destruction of assets; errors and omissions; business interruption; employee injuries and health matters; and natural disasters. Commercial insurance coverage is purchased for claims arising from these matters. There have been no reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage for each of the last three years.

11 - Commitments and Contingencies

Branson Landing Master Lease

The City as landlord has entered into a Branson Landing lease with HCW Development Company, LLC as the tenant. The lease requires the City to pay 50% or up to \$310,000 of the annual actual costs associated with the maintenance, upkeep and operations of the Main Fountain and the Town Square Fountain. The City will pay for the actual On-Site Public Improvements expense excluding those associated with the fountains listed above, up to \$115,000 per calendar year. Beginning in the calendar year of the fifth anniversary of the lease commencement date (FY2010) and for each year thereafter the maximum fountain and maintenance contribution shall be recalculated by multiplying the maximum contributions by a fraction, the numerator being the Consumer Price Index (CPI) for the month of January for the current year, and the denominator being the CPI for the month of January for the prior year. For the year ended December 31, 2013, the City paid \$404,178 under this lease agreement.

Capital Projects

Commitments have been made for future expenditures related to the City's Five Year Capital Improvement program. At December 31, 2013, the City had approximately \$3.8 million in outstanding construction commitments.

Convention Center Operating Agreement

The City has entered into a convention center management agreement with Hilton Hotels Corporation (Hilton) in connection with the City's Convention Center. The agreement requires a fixed monthly management fee that may increase annually by the lower of 3% or the increase in the Consumer Price Index (CPI). For the year ended December 31, 2013, the City paid \$198,981 under this management agreement.

Effective March 31, 2014, the management agreement with Hilton was terminated. The City entered into a convention center management agreement with SMG, a Pennsylvania general partnership with headquarters in West Conshohocken, PA.

Airport Pay for Performance Agreement

The City has entered into a Pay for Performance Agreement and a related Supplemental Agreement to the Pay for Performance Agreement, collectively, (the Agreement) with a private developer and the Branson, Missouri Regional Airport Transportation Development District (TDD). Under the Agreement, the City will pay a per passenger fee based on qualifying passenger arrivals on a semi-annual basis to the TDD. In no event shall the City's payment obligation under the Agreement exceed \$2,000,000 on an annual basis. Total fees under the Agreement for 2013 were \$731,793 of which \$470,000 is recorded as a payable in accordance with GAAP in the Tourism Fund as of December 31, 2013. In addition, any obligations under this Agreement are subject to annual appropriation by the Board of Aldermen.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Tri-Lakes Biosolids Coalition

The City has entered into a Cooperation Agreement with Taney County and Cities located in Stone and Taney Counties to form the Tri-lakes Biosolids Coalition. Under this agreement, the City will utilize the regional biosolids dewatering and drying facility to provide a long-term solution for the processing and handling of wastewater sludge generated from the City's wastewater treatment facilities. The City of Branson has contracted to operate the regional biosolids dewatering and drying facilities and to provide management, administrative and maintenance services.

The City has entered into a separate lease agreement with Taney County to lease property for the Tri-lakes Biosolids coalition facility. The County will lease property and an existing building at the Cooper Creek Wastewater Plant and also construct an addition to the existing building which after being combined will house the Tri-Lakes Biosolids Dewatering and Drying Facility. The City of Branson contributed \$250,000 to upgrade the original construction and design of the addition to ensure its conformity to the same architectural style and quality of the existing building.

Encumbrances

Outstanding encumbrances at December 31, 2013 were as follows: General Fund \$164,381; Transportation Sales Tax Fund \$330,062; Red Roof Fund \$22,904; and the Capital Projects Fund \$428,847.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Litigation

On January 14, 2010, a judgment was issued by the Circuit Court of Taney County - Taney County Circuit Court Case No. 03-CV-787034 regarding the rights to the title of certain real property located in Branson, Missouri. Although the City was not a party to the case at the time the judgment was issued, but a legal description of the land contained in the judgment of that case included certain real property owned by the City. In 2011, the Missouri Southern District Court of Appeals vacated the January 14, 2010 judgment and remanded the case back to the trial court, finding the City to have been a party for purposes of the trial court's January 14, 2010 judgment, and further finding the trial court committed plain error in entering that judgment. On March 31, 2011, a separate, but related, action was filed in the Circuit Court of Taney County, Case No. 11-AF-CC00244 which seeks to quiet title to certain real property south of the real property involved in the first case. In 2013, judgments were entered in favor of the City in both of the above cases. However, notices of appeal have been filed and remain pending with the Southern District.

Subsequent to yearend, a federal lawsuit claiming ownership of certain properties within the Branson Landing development was filed against the City, HCW Development Company (HCW), and Empire District Electric Company. The suit was based on many of the same facts and circumstances in the 03-CV-787034 action. The plaintiff sought damages of \$150 million. That case was dismissed by Federal Judge Gary Fenner on July 30, 2014 because the Federal Court lacked subject matter jurisdiction over the matter.

The eventual outcome of appellate cases cannot be reasonably determined at this time. The City intends to continue vigorously defending its title to all of its property, whether owned in fee simple or under lease. The City believes that it will retain ownership of the land and the judgments in its favor will be upheld. If it is determined that the City does not own the land, the City's management believes that any loss in excess of applicable title insurance should not have a material impact on the City's financial position or operations.

In association with the above, the City was involved in two separate litigation actions related to two title insurance companies on separate policies the City had on properties effected by the above lawsuits. Those cases sought claims related to fees paid and expenses incurred by the City to defend its title to its property upon which it held title insurance. In connection with litigation involving one of the title insurance companies, HCW has made a cross-claim against the City for alleged breach of the Master Lease Agreement between HCW and the City related to the Branson Landing. The City, HCW, and the title company engaged in mediation to resolve those matters and on August 29, 2014 an agreement was finalized to that end. Under the agreement, legal fees associated with the City's continued defense of its title to certain properties discussed above will be covered by title insurance, and the City will be issued a new 90 million dollar title policy to cover property at the Branson Landing. In addition, the City will share in recovery of monies recovered against the other title insurance company. The outcome and any potential amount the City might recover are not reasonably estimable at this time. In general, there are no reportable gains or losses that would impact the City's financial position as of December 31, 2013

General

The City is a defendant in other various lawsuits relating to easements, condemnations, personal injury, and other matters which are considered normal to the City's operations. As of December 31, 2013, it was the opinion of the City's management that the outcome of these general matters would not result in a material loss to the City in excess of applicable insurance coverage.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Branson Meadows TIF Plan

The Developer associated with the Branson Meadows TIF Plan contributed approximately \$3.9 million to the project which qualifies under the plan as a reimbursable project cost. Any potential reimbursements to the Developer from available TIF revenues are subordinate to the related bond debt service requirements and any cumulative shortfalls covered by the City. The City does not believe that there will be sufficient revenues generated by the TIF Plan to retire this obligation. Accordingly, the City has not recorded an obligation.

12 - Interfund Activity

Interfund transfers for the year ended December 31, 2013, consisted of the following:

<u>Transfers to</u>	<u>Transfers From</u>					<u>Total</u>
	<u>General</u>	<u>Tourism Tax</u>	<u>Transportation Sales Tax</u>	<u>Tax Increment Financing</u>	<u>Other Governmental</u>	
Governmental :						
General	\$ -	\$ 1,814,683	\$ -	\$ -	\$ -	\$ 1,814,683
Capital projects	501,502	2,776,960	20,004	-	-	3,298,466
Tax Increment Financing	232,676				370,321	602,997
Other Governmental	527,085	513,325	1,221,000	582,776		2,844,186
Business-type:						
Water and Sewer	-	852,590	-	-	-	852,590
Total	\$ 1,261,263	\$ 5,957,558	\$ 1,241,004	\$ 582,776	\$ 370,321	\$ 9,412,922

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due including the waterfall provision discussed in Note 7, (3) use unrestricted revenues collected in the general fund finance various programs accounted for in other funds in accordance with budgetary authorizations, (4) to fund capital and repair and maintenance needs including treatment plan expansion in the Water and Sewer Fund.

Interfund receivable and payable balances at December 31, 2013 were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>			<u>Total</u>
	<u>Tourism Tax</u>	<u>Other Governmental</u>	<u>Internal Service</u>	
General	\$ 116,990	\$ 477,967	\$ 120,381	\$ 715,338

The interfund payables due to the General Fund represents timing differences of when amounts are paid and reimbursed for current operating costs and for deficit pooled cash balances.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

13 - Assets Held for Redevelopment

The City is an owner of fee interest in real property consisting of approximately 120 acres fronting West Highway 76, known as the Old Branson Airport. In 2011, the City entered into an agreement that conveyed to the City all of the interest in certain properties. In connection with the agreement and conveyance, the City has recorded assets held for redevelopment of \$1,120,816.

14 - Change in Accounting Principle

The beginning net position/fund balance of the governmental activities/funds and the discretely presented component unit were restated due to the City's implementation of the GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*. The adoption of this statement resulted in a change in the reporting for the Tax Increment Financing Commission from a discretely presented component unit to a blended component unit of the City.

	Governmental Activities	Governmental Funds
Net Position/Fund Balance , beginning of year as previously reported	\$ 173,772,751	\$ 33,933,929
Change in reporting of the Tax Increment Financing Commission as a blended component unit.	(189,452,248)	22,851,263
Net Position, (deficit)/Fund Balance, beginning of year as restated	\$ (15,679,497)	\$ 56,785,192

15 - Subsequent Events

The City has evaluated subsequent events through August 29, 2014, the date the financial statements were available to be issued. Certain subsequent events involving the City and litigation matters are more fully described in Note 11, Litigation.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tourism Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Transportation Sales Tax Fund
- Schedules of Funding Progress

Budgeting

Missouri statutes require that all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted annual budgets are the general fund, the special revenue funds, and the debt service fund. Legally adopted annual budgets are not required for the capital projects fund and the permanent fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting, modified further by the encumbrance method of accounting.

The appropriated budget is prepared by fund, function, and department. State statutes set the legal level of budgetary control at the fund level (i.e., the level at which expenditures may not legally exceed appropriations). Management's level of budgetary control is at the departmental level. The City has elected to pursue a policy of requiring approval of the Board of Aldermen on major purchases exceeding \$15,000.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds financial statements. Encumbrances are reported as restricted, committed or assigned fund balance because they do not constitute expenditures or liabilities.

In connection with the implementation of GASB 54, the Convention Center Fund, Recreation Fund, Old School, and Red Roof Fund (combined funds) are reported in the General Fund as these separate fund activities do not qualify for reporting as special revenue funds. A reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds is as follows:

Change in General Fund balance-budget basis	\$ 90,540
Change in fund balance from combined funds-budget basis	<u>(1,072,229)</u>
Total reconciled change in fund balance-budget basis	(981,689)
Adjustments-encumbrances beginning of year	(92,101)
Adjustments-encumbrances end of year	<u>187,285</u>
Total reconciled change in fund balance-GAAP basis	<u>\$ (886,505)</u>
Fund balance beginning of year -budget basis	\$ 4,575,496
Total reconciled change in fund balance-budget basis	(981,689)
Fund balance beginning of year from combined funds-budget basis	<u>2,322,050</u>
Total reconciled fund balance, beginning of year-budget basis	5,915,857
Adjustments-encumbrances end of year	<u>187,285</u>
Fund balance -end of year-GAAP basis	<u>\$ 6,103,142</u>

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the year ended December 31, 2013

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 12,571,656	\$ 12,571,656	\$ 12,105,157	\$ (466,499)
Licenses and permits:	630,000	630,000	751,652	121,652
City court fines	440,000	440,000	444,825	4,825
Lease and rent	1,160,406	1,160,406	1,081,945	(78,461)
Charges for services	869,475	869,475	943,777	74,302
Intergovernmental	-	-	49,706	49,706
Interest Income	60,000	60,000	29,608	(30,392)
Miscellaneous	118,553	118,553	124,127	5,574
Total revenues	<u>15,850,090</u>	<u>15,850,090</u>	<u>15,530,797</u>	<u>(319,293)</u>
Expenditures:				
General government:				
Mayor and Board	144,625	144,625	61,674	82,951
City Administration	517,156	517,156	475,810	41,346
Human Resources	346,374	346,374	303,570	42,804
Administrative Services	3,295,459	3,295,459	3,317,240	(21,781)
Finance	784,597	784,597	754,827	29,770
Legal	805,072	1,634,072	1,618,276	15,796
Total general government	<u>5,893,283</u>	<u>6,722,283</u>	<u>6,531,397</u>	<u>190,886</u>
Public safety:				
Police	3,982,724	3,982,724	3,853,971	128,753
Fire	3,023,574	3,023,574	2,989,168	34,406
Total public safety	<u>7,006,298</u>	<u>7,006,298</u>	<u>6,843,139</u>	<u>163,159</u>
Public works				
Engineering	638,868	638,868	675,890	(37,022)
Community Development	523,420	523,420	505,416	18,004
Debt service	921,551	921,551	818,806	102,745
Total expenditures	77,510	77,510	125,166	(47,656)
Total expenditures	<u>15,060,930</u>	<u>15,889,930</u>	<u>15,499,814</u>	<u>390,116</u>
Excess of revenues over (under) expenditures	789,160	(39,840)	30,983	70,823
Other Financing Sources (Uses):				
Sale of assets	-	-	46,319	46,319
Transfers in	115,000	1,429,000	1,429,000	-
Transfers (out)	(1,560,085)	(1,792,765)	(1,415,762)	377,003
Total other financing sources (uses)	<u>(1,445,085)</u>	<u>(363,765)</u>	<u>59,557</u>	<u>423,322</u>
Change in fund balances	<u>\$ (655,925)</u>	<u>\$ (403,605)</u>	<u>90,540</u>	<u>\$ 494,145</u>
Fund balance, beginning of year - budget basis			<u>4,575,496</u>	
Fund balance - end of year - budget basis			4,666,036	
Adjustments:				
Encumbrances			<u>164,381</u>	
Fund balance - end of year - GAAP basis			<u>\$ 4,830,417</u>	
Net change in fund balance - budget basis			\$ 90,540	
Adjustments:				
Encumbrances - beginning of year			(68,869)	
Encumbrances - end of year			<u>164,381</u>	
Net change in fund balance - GAAP basis			<u>\$ 186,052</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tourism Tax Fund
For the year ended December 31, 2013

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 10,010,895	\$ 10,010,895	\$ 10,333,014	\$ 322,119
Interest Income	641,940	641,940	516,477	(125,463)
Total revenues	<u>10,652,835</u>	<u>10,652,835</u>	<u>10,849,491</u>	<u>196,656</u>
Expenditures:				
Tourism	2,349,103	2,349,103	2,946,340	(597,237)
Debt service:				
Principal	3,318,894	4,529,276	4,529,605	(329)
Interest and fiscal charges	1,413,180	1,413,180	1,384,387	28,793
Total expenditures	<u>7,081,177</u>	<u>8,291,559</u>	<u>8,860,332</u>	<u>(568,773)</u>
Excess of revenues over (under) expenditures	3,571,658	2,361,276	1,989,159	(372,117)
Other financing sources (uses)				
Transfers (out)	(6,228,210)	(7,542,210)	(5,957,558)	1,584,652
Total other financing sources (uses)	<u>(6,228,210)</u>	<u>(7,542,210)</u>	<u>(5,957,558)</u>	<u>1,584,652</u>
Change in fund balances	<u>\$ (2,656,552)</u>	<u>\$ (5,180,934)</u>	<u>(3,968,399)</u>	<u>\$ 1,212,535</u>
Fund balance, beginning of year			<u>22,659,134</u>	
Fund balance - end of year			<u>\$ 18,690,735</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transportation Sales Tax Fund
For the year ended December 31, 2013

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 4,447,613	\$ 4,447,613	\$ 4,509,153	\$ 61,540
Total revenues	<u>4,447,613</u>	<u>4,447,613</u>	<u>4,513,186</u>	<u>65,573</u>
Expenditures:				
Public works	3,861,647	3,896,647	3,575,613	321,034
Total expenditures	<u>3,861,647</u>	<u>3,896,647</u>	<u>3,575,613</u>	<u>321,034</u>
Excess of revenues over expenditures	585,966	550,966	937,573	386,607
Other financing sources (uses):				
Transfers (out)	(1,241,000)	(1,241,000)	(1,241,004)	(4)
Total other financing sources (uses)	<u>(1,241,000)</u>	<u>(1,241,000)</u>	<u>(1,241,004)</u>	<u>(4)</u>
Change in fund balances	<u>\$ (655,034)</u>	<u>\$ (690,034)</u>	<u>(303,431)</u>	<u>\$ 386,603</u>
Fund balance, beginning of year			<u>1,649,700</u>	
Fund balance - end of year - budget basis			1,346,269	
Adjustments:				
Encumbrances			300,062	
Fund balance - end of year - GAAP basis			<u>\$ 1,646,331</u>	
Net change in fund balance - budget basis			\$ (303,431)	
Adjustments:				
Encumbrances - beginning of year			(166,181)	
Encumbrances - end of year			300,062	
Net change in fund balance - GAAP basis			<u>\$ (169,550)</u>	

CITY OF BRANSON, MISSOURI

Schedules of Funding Progress

Missouri LAGERS Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2/28/2011	\$ 13,773,629	\$ 20,325,379	\$ 6,551,750	68%	\$ 9,393,950	70%
2/29/2012	13,625,955	21,338,793	7,712,838	64%	10,136,837	76%
2/28/2013	15,117,386	21,310,403	6,193,017	71%	9,617,688	64%

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations please contact the LAGERS office in Jefferson City, Missouri.

Other Post- Employment Benefits Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Projected Unit Credit Cost Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/2009	\$ -	\$ 1,082,100	\$ 1,082,100	0%	\$ 8,507,895	13%
9/30/2011	-	1,174,800	1,174,800	0%	10,700,000	11%
9/30/2013	-	1,302,300	1,302,300	0%	12,345,000	11%

Other Supplementary Information
Combining and Individual Fund
Statements and Schedules

NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on long-term debt other than the debt reported in the Tax Increment Financing Fund.

Perpetual Care Fund is used to account for monies legally restricted by statute for the care of the City Cemetery.

CITY OF BRANSON, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2013

Assets	<u>Debt Service</u>	<u>Perpetual Care</u>	<u>Total Other Governmental Funds</u>
Cash and investments	\$ -	\$ 5,060	\$ 5,060
Total assets	<u>\$ -</u>	<u>\$ 5,060</u>	<u>\$ 5,060</u>
Liabilities			
Deposits	\$ -	\$ 150	\$ 150
Due to other funds	477,967	-	477,967
Total liabilities	<u>477,967</u>	<u>150</u>	<u>478,117</u>
Fund Balances			
Nonspendable:			
Perpetual care	-	4,910	4,910
Unassigned (deficit)	(477,967)	-	(477,967)
Total fund balances (deficit)	<u>(477,967)</u>	<u>4,910</u>	<u>(473,057)</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 5,060</u>	<u>\$ 5,060</u>

CITY OF BRANSON, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the year ended December 31, 2013

	<u>Debt Service</u>	<u>Perpetual Care</u>	<u>Total Other Governmental Funds</u>
Revenues:			
Interest income	\$ 133	\$ -	\$ 133
Total revenues	<u>133</u>	<u>-</u>	<u>133</u>
Expenditures:			
Debt service:			
Principal retirement	560,000	-	560,000
Interest and fiscal charges	1,534,800	-	1,534,800
Total expenditures	<u>2,094,800</u>	<u>-</u>	<u>2,094,800</u>
Excess of revenues over (under) expenditures	<u>(2,094,667)</u>	<u>-</u>	<u>(2,094,667)</u>
Other financing sources (uses):			
Transfers in	2,844,186	-	2,844,186
Transfers out	<u>(370,321)</u>	<u>-</u>	<u>(370,321)</u>
Total other financing sources (uses)	<u>2,473,865</u>	<u>-</u>	<u>2,473,865</u>
Net change in fund balances	<u>379,198</u>	<u>-</u>	<u>379,198</u>
Fund balances (deficit) - beginning of year	<u>(857,165)</u>	<u>4,910</u>	<u>(852,255)</u>
Fund balances (deficit) - end of year	<u>\$ (477,967)</u>	<u>\$ 4,910</u>	<u>\$ (473,057)</u>

City of Branson, Missouri
Combining Balance Sheet
Tax Increment Financing Commission Fund
December 31, 2013

	<u>Branson Meadows</u>	<u>Branson Landing</u>	<u>Branson Hills</u>	<u>Total</u>
Assets				
Cash and investments	\$ -	\$ 1,400,714	\$ 768,599	\$ 2,169,313
Receivables:				
Taxes	32,876	361,691	243,951	638,518
Intergovernmental	34,405	869,223	553,118	1,456,746
Restricted cash and investments	-	11,673,596	9,432,705	21,106,301
Total assets	<u>\$ 67,281</u>	<u>\$ 14,305,224</u>	<u>\$ 10,998,373</u>	<u>\$ 25,370,878</u>
Liabilities				
Liabilities:				
Accounts payable	\$ -	\$ 16,019	\$ -	\$ 16,019
Total liabilities	<u>-</u>	<u>16,019</u>	<u>-</u>	<u>16,019</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	<u>-</u>	<u>528,887</u>	<u>311,360</u>	<u>840,247</u>
Fund balances:				
Restricted for debt service	<u>67,281</u>	<u>13,760,318</u>	<u>10,687,013</u>	<u>24,514,612</u>
Total fund balances	<u>67,281</u>	<u>13,760,318</u>	<u>10,687,013</u>	<u>24,514,612</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 67,281</u>	<u>\$ 14,305,224</u>	<u>\$ 10,998,373</u>	<u>\$ 25,370,878</u>

City of Branson, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Tax Increment Financing Commission Fund
For the year ended December 31, 2013

	Branson Meadows	Branson Landing	Branson Hills	Total
Revenues:				
Taxes	\$ 173,571	\$ 2,576,170	\$ 1,286,011	\$ 4,035,752
Intergovernmental activity taxes	173,571	6,370,964	3,719,028	10,263,563
Lease revenues	-	450,000	-	450,000
Interest	-	330,004	541	330,545
Total revenues	<u>347,142</u>	<u>9,727,138</u>	<u>5,005,580</u>	<u>15,079,860</u>
Expenditures				
Debt service:				
Principal	705,000	2,430,000	1,100,000	4,235,000
Interest	12,486	5,917,366	3,271,880	9,201,732
Total expenditures	<u>717,486</u>	<u>8,347,366</u>	<u>4,371,880</u>	<u>13,436,732</u>
Excess of revenues over (under) expenditures	(370,344)	1,379,772	633,700	1,643,128
Other financing sources (uses):				
Transfers in	370,321	232,676	-	602,997
Transfers out	-	(582,776)	-	(582,776)
Total other financing sources (uses)	<u>370,321</u>	<u>(350,100)</u>	<u>-</u>	<u>20,221</u>
Net change in fund balances	(23)	1,029,672	633,700	1,663,349
Fund balances - beginning of year	<u>67,304</u>	<u>12,730,646</u>	<u>10,053,313</u>	<u>22,851,263</u>
Fund balances - end of year	<u>\$ 67,281</u>	<u>\$ 13,760,318</u>	<u>\$ 10,687,013</u>	<u>\$ 24,514,612</u>

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Convention Center Fund
For the year ended December 31, 2013

	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Charges for services	\$ 5,294,649	\$ 4,821,214	\$ (473,435)
Total revenues	<u>5,294,649</u>	<u>4,821,214</u>	<u>(473,435)</u>
Expenditures:			
Convention center	6,081,676	5,698,650	383,026
Total expenditures	<u>6,081,676</u>	<u>5,698,650</u>	<u>383,026</u>
Excess of revenues over (under) expenditures	(787,027)	(877,436)	(90,409)
Other financing sources (uses):			
Insurance recoveries	-	216,801	216,801
Transfers in	500,000	385,683	(114,317)
Total other financing sources (uses)	<u>500,000</u>	<u>602,484</u>	<u>102,484</u>
Change in fund balances	<u>\$ (287,027)</u>	<u>(274,952)</u>	<u>\$ 12,075</u>
Fund balances, beginning of year		<u>997,306</u>	
Fund balances, end of year		<u>\$ 722,354</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
For the year ended December 31, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 65,000	\$ 74,701	\$ 9,701
Charges for services	1,378,352	1,330,147	(48,205)
Miscellaneous	165,500	163,825	(1,675)
Total revenues	<u>1,608,852</u>	<u>1,568,673</u>	<u>(40,179)</u>
Expenditures:			
Culture and recreation	<u>2,289,202</u>	<u>2,171,420</u>	<u>117,782</u>
Excess of revenues over (under) expenditures	(680,350)	(602,747)	77,603
Other financing sources (uses):			
Transfers in	<u>727,000</u>	<u>570,000</u>	<u>(157,000)</u>
Total other financing sources (uses)	<u>727,000</u>	<u>570,000</u>	<u>(157,000)</u>
Change in fund balances	<u>\$ 46,650</u>	<u>(32,747)</u>	<u>\$ (79,397)</u>
Fund balance, beginning of year		<u>513,328</u>	
Fund balance - end of year - budget basis		480,581	
Adjustments:			
Encumbrances		-	
Fund balance - end of year - GAAP basis		<u>\$ 480,581</u>	
Net change in fund balance - budget basis		\$ (32,747)	
Adjustments:			
Encumbrances - beginning of year		(23,232)	
Encumbrances - end of year		-	
Net change in fund balance - GAAP basis		<u>\$ (55,979)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Old School Fund
For the year ended December 31, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous Revenues	\$ -	\$ -	\$ -
Expenditures:			
General governmental Total expenditures	114,132	\$ 113,826	306
	114,132	113,826	306
Excess of revenues over (under) expenditures	(114,132)	(113,826)	306
Other financing sources (uses):			
Transfer Out	(415,501)	(415,501)	-
Change in fund balances	\$ (529,633)	(529,327)	\$ 306
Fund balance, beginning of year		606,357	
Fund balance - end of year		\$ 77,030	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Red Roof Mall Fund
For the year ended December 31, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Lease and rent	\$ -	\$ 7,000	\$ 7,000
Miscellaneous	-	4,859	4,859
Total revenues	<u>-</u>	<u>11,859</u>	<u>11,859</u>
Expenditures:			
General Government	212,100	247,062	(34,962)
Total expenditures	<u>212,100</u>	<u>247,062</u>	<u>(34,962)</u>
Excess of revenues over (under) expenditures	(212,100)	(235,203)	(23,103)
Change in fund balances	<u>\$ (212,100)</u>	<u>(235,203)</u>	<u>\$ (23,103)</u>
Fund balance, beginning of year - budget basis		<u>205,059</u>	
Fund balance (deficit) - end of year - budget basis		(30,144)	
Adjustments:			
Encumbrances		22,904	
Fund balance (deficit) - end of year - GAAP basis		<u>\$ (7,240)</u>	
Net change in fund balance - budget basis		\$ (235,203)	
Adjustments:			
Encumbrances - beginning of year		-	
Encumbrances - end of year		22,904	
Net change in fund balance - GAAP basis		<u>\$ (212,299)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the year ended December 31, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Interest income	\$ -	133	\$ 133
Total revenues	<u>-</u>	<u>133</u>	<u>133</u>
Expenditures:			
Debt Service:			
Principal	560,000	560,000	-
Interest	1,539,917	1,534,800	5,117
Total expenditures	<u>2,099,917</u>	<u>2,094,800</u>	<u>5,117</u>
Excess of revenues over (under) expenditures	(2,099,917)	(2,094,667)	5,250
Other Financing Sources (Uses)			
Transfers in	3,237,889	2,844,186	(393,703)
Transfers out	(390,392)	(370,321)	20,071
Total other financing sources (uses)	<u>2,847,497</u>	<u>2,473,865</u>	<u>(373,632)</u>
Change in fund balances	<u>\$ 747,580</u>	379,198	<u>\$ (368,382)</u>
Fund balance (deficit), beginning of year		<u>(857,165)</u>	
Fund balance (deficit), end of year		<u>\$ (477,967)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the year ended December 31, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous	\$ -	\$ 9,297	\$ 9,297
Total revenues	<u>-</u>	<u>9,297</u>	<u>9,297</u>
Expenditures:			
Capital outlay	4,951,501	3,555,221	1,396,280
Total expenditures	<u>4,951,501</u>	<u>3,555,221</u>	<u>1,396,280</u>
Excess of revenues over (under) expenditures	(4,951,501)	(3,545,924)	1,405,577
Other financing sources (uses):			
Debt issuance	-	139,099	139,099
Transfers in	4,136,000	3,298,466	(837,534)
Total other financing sources (uses)	<u>4,136,000</u>	<u>3,437,565</u>	<u>(698,435)</u>
Change in fund balances	<u>\$ (815,501)</u>	<u>(108,359)</u>	<u>\$ 707,142</u>
Fund balance, beginning of year - budget basis		<u>1,828,301</u>	
Fund balance - end of year - budget basis		1,719,942	
Adjustments:			
Encumbrances		428,848	
Fund balance - end of year - GAAP basis		<u>\$ 2,148,790</u>	
Net change in fund balance - budget basis		\$ (108,359)	
Adjustments:			
Encumbrances - beginning of year		(1,493,221)	
Encumbrances - end of year		428,848	
Net change in fund balance - GAAP basis		<u>\$ (1,172,732)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Branson Meadows TIF Project
For the year ended December 31, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 164,804	\$ 173,571	\$ (8,767)
Intergovernmental activity taxes	164,804	173,571	(8,767)
Total revenues	<u>329,608</u>	<u>347,142</u>	<u>(17,534)</u>
Expenditures:			
Debt Service:			
Principal	705,000	705,000	-
Interest	15,000	12,486	(2,514)
Total expenditures	<u>720,000</u>	<u>717,486</u>	<u>(2,514)</u>
Excess of revenues over (under) expenditures	(390,392)	(370,344)	20,048
Other Financing Sources (Uses)			
Transfers in	390,392	370,321	(20,071)
Total other financing sources (uses)	<u>390,392</u>	<u>370,321</u>	<u>(20,071)</u>
Change in fund balances	<u>\$ -</u>	(23)	<u>\$ (23)</u>
Fund balance, beginning of year		<u>67,304</u>	
Fund balance, end of year		<u>\$ 67,281</u>	

STATISTICAL SECTION

This part of the City of Branson's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health.

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Financial Trends

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These tables contain information to help the reader assess the City's most significant local revenue sources: sales tax, tourism tax, and property tax.

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These tables 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.

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Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

Table 1

CITY OF BRANSON, MISSOURI
Net Position by Component
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Government activities										
Net Investment										
in capital assets	\$ 7,713,950	\$ 12,523,781	\$ 22,280,129	\$ 141,919,127	\$ 145,177,108	\$ 144,289,962	\$ 129,557,224	\$ 126,777,920	\$ 123,688,092	\$ 122,866,191
Restricted	28,372,238	23,716,023	17,980,262	17,204,507	17,791,624	14,686,790	21,582,752	20,830,167	24,479,925	44,856,588
Unrestricted	18,261,987	17,979,313	20,709,745	16,681,197	13,200,540	14,845,152	9,950,868	5,922,405	2,753,471	(182,552,519)
Total governmental activities net position	\$ 54,348,175	\$ 54,219,117	\$ 60,970,136	\$ 175,804,831	\$ 176,169,272	\$ 173,821,904	\$ 161,090,844	\$ 153,530,492	\$ 150,921,488	\$ (14,829,740)
Business-type activities										
Net Investment										
in capital assets	\$ 71,208,320	\$ 76,130,789	\$ 75,427,333	\$ 73,609,515	\$ 77,523,944	\$ 75,955,579	\$ 81,930,467	\$ 81,599,165	\$ 79,235,984	\$ 77,211,991
Restricted	-	-	-	172,367	185,812	189,393	3,217,997	2,461,091	120,209	-
Unrestricted	5,205,263	1,435,607	1,530,171	1,801,365	2,982,009	4,123,488	4,435,196	4,765,345	7,205,369	7,380,807
Total business-type activities net position	\$ 76,413,583	\$ 77,566,396	\$ 76,957,504	\$ 75,583,247	\$ 80,691,765	\$ 80,268,460	\$ 89,583,660	\$ 88,825,601	\$ 86,561,562	\$ 84,592,798
Primary government										
Net Investment										
in capital assets	\$ 78,922,270	\$ 88,654,570	\$ 97,707,462	\$ 215,528,642	\$ 217,620,480	\$ 220,245,541	\$ 211,487,691	\$ 208,377,085	\$ 202,924,076	\$ 200,078,182
Restricted	28,372,238	23,716,023	17,980,262	17,376,874	17,977,436	14,876,183	24,800,749	23,291,258	24,600,134	44,856,588
Unrestricted (deficit)	23,467,250	19,414,920	22,239,916	18,482,562	21,263,121	18,968,640	14,386,064	10,687,750	9,958,840	(175,171,712)
Total primary government net position	\$ 130,761,758	\$ 131,785,513	\$ 137,927,640	\$ 251,388,078	\$ 256,861,037	\$ 254,090,364	\$ 250,674,504	\$ 242,356,093	\$ 237,483,050	\$ 69,763,058

Note: In 2008, the City's TIF Commission and tax increment financing activities were removed from the Primary Government presentation and shown as a discretely presented component unit.

Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.

In 2013, the City implemented GASB 61; as a result of this the TIF Commission component unit is now blended with the Governmental activities.

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year

October thru December 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to the Calendar basis.

Table 2

CITY OF BRANSON, MISSOURI
Changes in Net Position
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 3,035,778	\$ 3,029,990	\$ 3,331,264	\$ 4,528,246	\$ 4,939,024	\$ 4,813,249	\$ 6,288,554	\$ 6,508,380	\$ 7,317,045	\$ 7,559,988
Public safety	4,785,882	5,258,799	5,814,712	5,708,173	7,284,189	5,656,388	6,717,714	6,566,479	6,946,404	7,058,754
Public works	6,452,454	6,859,721	7,417,832	8,120,098	9,139,399	2,663,332	9,482,818	14,784,274	9,678,260	8,766,285
Engineering services	530,728	538,614	613,902	646,429	726,971	606,672	658,103	552,491	585,196	603,529
Community development	626,690	624,574	709,621	1,086,542	1,461,803	1,293,578	1,430,800	825,744	1,381,794	824,607
Culture and recreation	1,148,777	1,495,974	2,270,578	2,010,813	2,316,661	2,099,264	2,643,310	2,784,808	2,781,959	2,748,371
Convention Center	-	-	-	872,144	7,229,165	5,348,111	7,471,163	8,389,119	9,790,922	8,376,158
Tourism	2,950,686	3,145,185	2,714,475	2,754,357	2,453,257	2,392,731	2,248,108	3,634,159	2,282,803	2,716,287
Interest on long-term debt	4,968,306	4,928,299	5,515,916	6,000,615	3,938,218	3,635,473	3,824,038	2,800,553	3,343,781	12,354,440
Total governmental expense	<u>24,499,301</u>	<u>25,881,156</u>	<u>28,188,300</u>	<u>31,727,417</u>	<u>39,488,687</u>	<u>28,508,798</u>	<u>40,764,608</u>	<u>46,846,007</u>	<u>44,108,164</u>	<u>51,008,419</u>
Business-type activities:										
Water & sewer services	7,338,921	7,185,700	7,587,129	7,938,306	8,701,225	8,526,666	8,270,508	9,228,202	9,438,946	10,394,694
Total business-type activities expense	<u>7,338,921</u>	<u>7,185,700</u>	<u>7,587,129</u>	<u>7,938,306</u>	<u>8,701,225</u>	<u>8,526,666</u>	<u>8,270,508</u>	<u>9,228,202</u>	<u>9,438,946</u>	<u>10,394,694</u>
Total primary governmental expense	<u>\$ 31,838,222</u>	<u>\$ 33,066,856</u>	<u>\$ 35,775,429</u>	<u>\$ 39,665,723</u>	<u>\$ 48,189,912</u>	<u>\$ 37,035,464</u>	<u>\$ 49,035,116</u>	<u>\$ 56,074,209</u>	<u>\$ 53,547,110</u>	<u>\$ 61,403,113</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,624,581	\$ 1,786,399	\$ 1,777,350	\$ 2,470,833	\$ 2,589,876	\$ 2,746,768	\$ 2,802,297	\$ 2,694,761	\$ 3,883,018	\$ 2,508,255
Public safety	275,509	313,549	341,522	43,849	43,281	19,968	13,466	152,213	256,570	267,602
Public works	71,093	60,342	75,061	13,740	30,307	2,424	-	-	30,000	4,010
Engineering services	7,758	11,053	11,773	2,002	1,577	1,165	1,616	-	-	-
Community development	393,853	491,521	799,609	740,409	591,472	229,631	162,255	21,730	28,443	472,401
Culture and recreation	700,034	687,708	1,076,808	1,164,916	1,224,259	1,390,871	1,519,887	1,337,484	1,341,381	1,413,677
Convention center	-	-	-	-	3,937,780	4,001,137	4,637,819	4,986,726	6,648,205	5,038,015
Tourism	-	62,397	119,620	19,442	-	-	-	-	-	-
Operating grants & contributions	264,352	317,233	345,589	45,622	206,563	45,565	315,980	1,401,141	452,643	49,729
Capital grants & contributions	-	-	265,216	381,654	2,750,119	1,016,376	251,439	1,420,806	2,671,184	644,664
Total governmental program revenues	<u>\$ 3,337,180</u>	<u>\$ 3,730,202</u>	<u>\$ 4,812,548</u>	<u>\$ 4,882,467</u>	<u>\$ 11,375,234</u>	<u>\$ 9,453,905</u>	<u>\$ 9,704,759</u>	<u>\$ 12,014,861</u>	<u>\$ 15,111,444</u>	<u>\$ 10,398,353</u>

Changes in Net Position, Cont.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services - water & sewer	\$ 3,913,997	\$ 3,852,735	\$ 4,980,028	\$ 5,195,680	\$ 5,906,548	\$ 5,856,243	\$ 6,077,393	\$ 6,991,270	\$ 6,972,901	\$ 7,100,903
Capital grants & contributions	911,433	-	-	596,804	6,523,130	1,199,077	3,996,655	788,201	119,837	455,753
Total business-type activities program revenues	4,825,430	3,852,735	4,980,028	5,792,484	12,429,678	7,055,320	10,074,048	7,779,471	7,092,738	7,556,656
Total primary governmental program revenues	\$ 8,162,610	\$ 7,582,937	\$ 9,792,576	\$ 10,674,951	\$ 23,804,912	\$ 16,509,225	\$ 19,778,807	\$ 19,794,332	\$ 22,204,182	\$ 17,955,009
Net (expense)/revenue										
Governmental activities	\$ (21,162,121)	\$ (22,150,954)	\$ (23,375,752)	\$ (26,844,950)	\$ (28,113,453)	\$ (19,054,893)	\$ (31,059,849)	\$ (34,831,146)	\$ (28,996,720)	\$ (40,610,066)
Business-type activities	(2,513,491)	(3,332,965)	(2,607,101)	(2,145,822)	3,728,453	(1,471,346)	1,803,540	(1,448,731)	(2,346,208)	(2,838,038)
Total primary governmental net expense	\$ (23,675,612)	\$ (25,483,919)	\$ (25,982,853)	\$ (28,990,772)	\$ (24,385,000)	\$ (20,526,239)	\$ (29,256,309)	\$ (36,279,877)	\$ (31,342,928)	\$ (43,448,104)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	\$ 1,773,199	\$ 1,875,088	\$ 1,793,951	\$ 2,061,835	\$ 2,052,194	\$ 2,370,101	\$ 2,560,923	\$ 2,648,293	\$ 2,553,081	\$ 2,649,129
Sales tax	12,325,171	12,454,943	12,884,856	12,443,263	12,981,038	12,102,118	12,321,436	12,478,162	12,459,908	15,954,250
Tourism tax	10,678,801	10,495,936	10,935,304	11,810,276	11,769,977	10,888,188	10,907,769	10,453,937	10,321,084	11,110,923
Other taxes	837,370	872,555	1,730,423	1,079,175	1,512,676	1,360,473	1,396,916	1,453,969	1,232,656	1,418,674
Intergovernmental Activity taxes	-	-	-	-	-	-	-	-	-	10,283,563
Other	-	-	-	-	-	-	-	-	-	9,297
(Loss)/gain on sale of capital assets	(113,160)	-	60,347	9,515	-	-	104,256	15,047	17,870	29,814
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	1,638,491	1,719,869	4,513,670	2,397,427	1,505,009	876,037	888,518	885,386	681,791	876,763
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Transfers out	(6,362,558)	(4,435,998)	(1,658,925)	(725,608)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)	(852,590)
Total governmental activities	20,777,314	22,982,393	30,259,626	29,075,883	28,477,894	26,596,917	20,118,595	27,270,794	27,211,390	41,459,823
Business-type activities:										
Unrestricted investment earnings	56,763	49,780	59,211	45,957	37,065	48,041	31,030	23,919	26,422	16,684
Gain of sale of capital assets	-	-	280,073	-	-	-	-	2,753	747	-
Transfers in	6,362,558	4,435,998	1,658,925	725,608	1,343,000	1,000,000	8,061,223	664,000	55,000	852,590
Total business-type activities	6,419,321	4,485,778	1,998,209	771,565	1,380,065	1,048,041	8,092,253	690,672	82,169	869,274
Total primary government	\$ 27,196,635	\$ 27,468,171	\$ 32,257,835	\$ 29,847,448	\$ 29,857,959	\$ 27,644,958	\$ 28,210,848	\$ 27,961,466	\$ 27,293,559	\$ 42,329,097
Change in Net Position										
Governmental activities	\$ (384,807)	\$ 831,439	\$ 6,883,874	\$ 2,230,933	\$ 364,441	\$ 7,542,024	\$ (10,941,254)	\$ (7,560,352)	\$ (1,785,330)	\$ 849,757
Business-type activities	3,905,830	1,152,813	(608,892)	(1,374,257)	5,108,518	(423,305)	9,895,793	(758,059)	(2,264,039)	(1,968,764)
Total primary government	\$ 3,521,023	\$ 1,984,252	\$ 6,274,982	\$ 856,676	\$ 5,472,959	\$ 7,118,719	\$ (1,045,461)	\$ (8,318,411)	\$ (4,049,369)	\$ (1,119,007)

1 The increase from the prior period was caused by the opening of the new recreation complex.

2 The Convention Center opened in September 2007

Note: In 2008, the City's TIF Commission and tax increment financing activities were removed from the Primary Government presentation and shown as a discretely presented component unit.

Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.

In 2013, the City implemented GASB 61; as a result of this the TIF Commission component unit is now blended with the Governmental activities.

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.

October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 3

City of Branson, Missouri
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009
General Fund						
Reserved	\$ 1,651,092	\$ 1,650,890	\$ 1,756,039	\$ 2,200,693	\$ 1,265,717	\$ 1,319,086
Unreserved	3,515,412	3,196,765	6,029,006	4,534,005	8,062,100	5,739,682
Total General Fund	<u>\$ 5,166,504</u>	<u>\$ 4,847,655</u>	<u>\$ 7,785,045</u>	<u>\$ 6,734,698</u>	<u>\$ 9,327,817</u>	<u>\$ 7,058,768</u>
All other governmental funds						
Reserved	\$ 15,656,867	\$ 18,110,669	\$ 20,786,620	\$ 10,928,435	\$ 41,091,787	\$ 19,583,280
Unreserved, reported in:						
Special revenue funds	8,619,880	17,461,153	14,250,375	17,620,241	12,648,957	5,357,555
Capital project funds	2,476,752	(3,837,893)	(10,687,320)	(1,859,546)	(29,245,744)	(10,675,562)
Debt service funds	92,704	92,278	86,300	82,229	71,068	56,553
Permanent funds	13,274	13,616	14,220	9,670	-	-
Total all other governmental funds	<u>\$ 26,859,477</u>	<u>\$ 31,839,823</u>	<u>\$ 24,450,195</u>	<u>\$ 26,781,029</u>	<u>\$ 24,566,068</u>	<u>\$ 14,321,826</u>
	2010	2011	2012	2013		
General Fund						
Nonspendable	\$ 27,612	\$ 1,242,963	\$ 1,233,132	\$ 1,201,990		
Committed	-	45,315	57,280	133,997		
Assigned	65,075	130,506	36,896	30,384		
Unassigned	5,463,010	8,688,556	5,662,339	4,736,771		
	<u>\$ 5,555,697</u>	<u>\$ 8,107,340</u>	<u>\$ 6,989,647</u>	<u>\$ 6,103,142</u>		
All other governmental funds						
Nonspendable	\$ 92,690	\$ 4,660	\$ 4,910	\$ 4,910		
Restricted	22,597,488	20,825,507	24,475,015	44,851,678		
Committed	463,860	-	-	428,847		
Assigned	3,774,721	3,638,838	3,321,522	1,719,943		
Unassigned (deficit)	-	(898,756)	(857,165)	(477,967)		
	<u>\$ 26,928,559</u>	<u>\$ 23,570,049</u>	<u>\$ 26,944,282</u>	<u>\$ 46,527,411</u>		

Note: In 2008 the Tax Increment Financing funds were removed from the primary government presentation and shown as a discretely presented component unit. In 2013, the City implemented GASB 61; as a result of this the TIF Commission component unit is now blended with the Governmental activities.

Note: In 2011 GASB 54 was implemented which changes the Fund Balance classifications. 2010 has been restated for the new categories as well.

Table 4

CITY OF BRANSON, MISSOURI										
Changes in Fund Balances of Governmental Funds										
LAST TEN FISCAL YEARS										
(modified accrual basis of accounting)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 25,614,541	\$ 25,698,522	\$ 26,715,964	\$ 27,329,795	\$ 28,314,241	\$ 26,668,284	\$ 27,076,663	\$ 27,069,935	\$ 26,635,541	\$ 31,057,777
Licenses and permits	682,281	793,548	1,175,142	1,205,100	1,061,481	648,553	594,662	630,822	752,465	751,652
Court fines	255,761	221,967	257,509	429,633	642,078	853,158	721,396	462,319	424,167	444,825
Charges for services	686,036	731,963	1,155,310	2,128,886	6,160,864	6,506,679	6,537,071	7,028,189	5,342,403	7,095,138
Lease and rent	966,594	1,094,985	959,224	1,118,492	1,065,826	1,202,484	1,299,524	1,270,272	1,082,494	1,538,945
Lease termination	-	-	-	-	-	-	-	1,420,806	-	-
Intergovernmental activity taxes	-	-	628,570	26,208	-	216,243	315,981	67,057	1,292,613	10,263,563
Contributions from component unit	-	-	-	-	-	-	-	1,234,122	425,632	49,729
Investment earnings	1,638,491	1,719,868	4,513,670	2,397,427	1,505,009	876,037	888,518	885,386	681,791	876,763
Miscellaneous and contributions	1,189,035	1,323,840	1,643,675	650,014	613,085	107,630	313,010	353,163	184,270	306,118
Total revenues	\$ 31,032,739	\$ 31,584,693	\$ 37,249,064	\$ 35,285,655	\$ 39,382,584	\$ 36,879,068	\$ 37,746,825	\$ 40,422,071	\$ 36,821,376	\$ 52,384,510
Expenditures										
General government	\$ 3,272,068	\$ 3,314,430	\$ 3,736,872	\$ 5,190,074	\$ 4,593,757	\$ 4,813,249	\$ 5,919,194	\$ 5,399,751	\$ 6,508,377	\$ 6,705,697
Public safety	4,768,290	5,103,631	5,364,949	5,798,774	6,814,114	5,656,388	5,980,396	6,452,580	6,917,136	6,837,956
Public works	1,686,681	1,748,692	2,102,618	2,716,631	2,901,678	2,663,332	3,128,528	3,875,368	4,166,290	4,119,375
Engineering	1,149,382	1,142,415	1,305,456	1,462,282	662,870	606,672	595,835	487,858	516,275	508,776
Community Development	-	-	-	-	1,386,627	1,293,578	1,359,711	825,744	1,376,767	820,381
Culture and recreation	1,039,792	1,362,018	1,754,399	1,838,694	2,086,656	2,099,264	2,020,121	2,141,406	2,217,011	2,194,652
Convention Center	-	-	-	-	5,162,094	5,348,111	5,395,970	5,645,608	7,163,096	5,698,650
Tourism	2,950,686	3,145,185	2,714,475	2,995,042	2,679,977	2,392,731	2,479,293	3,897,022	2,282,803	2,946,340
Capital outlay	26,250,125	39,558,654	44,911,191	36,981,252	7,614,255	8,224,332	745,892	6,588,219	372,336	4,619,594
Debt service:										
Principal	5,337,000	5,530,000	5,938,000	2,572,000	2,676,000	2,787,000	2,827,000	3,062,869	3,978,187	9,463,804
Cost of issuance	502,317	695,845	500,538	-	-	-	-	691,412	-	-
Interest	4,753,058	4,526,874	4,269,891	6,049,762	3,777,489	3,636,473	3,683,624	2,745,690	3,254,415	12,173,553
Advance refunding payment	-	-	-	-	-	-	-	5,490,478	-	-
Total expenditures	\$ 51,709,400	\$ 66,327,544	\$ 72,618,491	\$ 65,604,511	\$ 40,365,517	\$ 37,520,130	\$ 34,225,564	\$ 47,303,985	\$ 38,762,693	\$ 56,086,778
Excess of revenues over (under) expenditures	(20,676,661)	(34,742,851)	(35,369,427)	(30,318,956)	(882,933)	(641,062)	3,521,261	(6,861,914)	(1,931,317)	(3,704,266)
Other financing sources (uses)										
Transfers in (out)	(6,362,558)	(4,435,998)	(1,658,925)	(692,162)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)	(852,590)
Proceeds from the sale of capital assets	133,521	-	60,347	-	-	-	-	-	8,084	46,319
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	1,840,000	-	-	-	-	4,234,773	216,801
Bonds issued	40,000,000	80,000,000	-	-	-	-	15,535,000	-	-	-
Issuance premium on bonds	-	2,085,146	-	-	-	-	(98,377)	-	-	-
Payments to refunded bond escrow agent	-	-	-	(1,681,461)	-	-	(7,854,917)	(35,788,589)	-	-
Bonds, notes or leases issued, net	-	-	-	-	-	-	-	42,527,638	-	139,099
Total other financing sources (uses)	33,770,963	77,649,148	(1,598,578)	(533,623)	(1,343,000)	(1,000,000)	(479,517)	6,075,047	4,187,857	(450,371)
Net change in fund balances	\$ 13,094,302	\$ 42,906,297	\$ (36,968,005)	\$ (30,852,579)	\$ (2,325,833)	\$ (1,641,062)	\$ 3,041,744	\$ (806,867)	\$ 2,256,540	\$ (4,154,639)
Debt service as a percentage of noncapital expenditures	41.61%	40.92%	38.65%	30.12%	19.70%	20.52%	19.75%	15.96%	23.61%	42.25%

Notes: In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit. Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.

In 2013, the City implemented GASB #1; as a result of this the TIF Component Unit is now blended with the Governmental activities.

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.

October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 5

CITY OF BRANSON, MISSOURI
Governmental Activities Tax Revenues By Source
LAST TEN FISCAL YEARS
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Ad valorem Taxes</u>	<u>Sales Taxes</u>	<u>Motor Fuel Taxes</u>	<u>911 Taxes</u>	<u>Franchise Taxes</u>	<u>Cigarette Taxes</u>	<u>Tourism Taxes</u>	<u>Total</u>
2004	\$ 1,773,199	\$ 12,325,171	\$ 255,940	\$ 171,428	\$ 525,083	\$ 56,347	\$ 10,678,801	\$ 25,785,969
2005	1,875,088	12,454,943	262,098	205,114	550,556	59,901	10,495,936	25,903,636
2006	1,793,951	13,000,198	258,270	194,055	655,484	72,758	10,935,304	26,910,020
2007	2,023,289	12,443,263	270,035	-	679,204	103,728	11,810,276	27,329,795
2008	2,050,551	12,981,038	246,870	415,990	761,274	88,541	11,769,977	28,314,241
2009	2,370,101	12,102,118	233,944	217,454	807,533	101,542	10,888,188	26,720,880
2010	2,560,923	12,321,436	240,232	227,876	846,302	82,506	10,907,769	27,187,044
2011	2,683,867	12,478,162	237,976	228,641	908,505	78,847	10,453,937	27,069,935
2012	2,621,893	12,082,847	377,060	236,900	928,980	66,777	10,321,084	26,635,541
2013	2,659,088	15,573,114	381,136	226,779	1,032,036	74,701	11,110,923	31,057,777

Note: In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit. Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.

In 2013, the City implemented GASB 61; as a result of this the TIF Commission component unit is now blended with the Governmental activities.

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.

October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 6

CITY OF BRANSON, MISSOURI TAXABLE SALES BY CATEGORY LAST TEN FISCAL YEARS												
<u>TAXPAYER CATEGORY</u>		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
		TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	
		SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	
General Merchandise	Retail	N/A	\$ 181,831,212	\$ 233,238,711	\$ 247,941,199	\$ 274,916,762	\$ 293,755,942	\$ 305,409,447	\$ 304,129,831	\$ 304,221,868	\$317,482,589	
Apparel Stores	Retail	N/A	114,098,588	144,203,807	156,639,697	153,781,942	149,567,706	159,559,192	160,920,220	161,241,244	160,710,474	
Eating & Drinking Estab.	Restaurant	N/A	110,376,222	127,624,964	140,899,909	140,575,324	139,578,728	144,308,545	136,259,334	137,183,377	142,971,391	
Lodging and Campgrounds	Lodging	N/A	126,026,619	136,073,056	147,904,609	145,965,525	136,213,320	144,420,254	137,644,396	132,745,848	143,412,507	
Theaters & Live Entertainment	Theater	N/A	114,421,244	117,618,250	132,746,946	131,198,900	110,920,763	110,492,928	104,837,779	103,111,671	102,825,242	
Non-Theater Entertainment	Amusement	N/A	44,612,295	49,144,737	43,430,933	42,250,999	39,744,145	27,375,675	26,159,203	38,938,056	40,162,361	
Grocery & Liquor Stores	Grocery	N/A	36,066,461	39,661,454	42,577,167	37,874,690	30,043,796	40,811,110	40,072,158	18,226,500	29,887,999	
Automotive Sales, Leasing & Service	Automotive	N/A	32,278,740	34,427,998	37,854,669	31,906,102	26,532,936	31,155,749	30,760,824	26,660,992	21,571,973	
Ice Cream, Candy, Coffee Shops	Restaurant	N/A	4,953,857	7,136,372	7,919,103	9,173,807	9,507,717	9,396,129	9,051,637	9,465,643	10,000,439	
Other	Other	N/A	54,467,848	48,138,601	52,664,196	55,790,979	57,355,398	66,595,045	68,319,561	71,427,996	70,359,000	
Total			<u>\$ 823,260,200</u>	<u>\$ 819,133,086</u>	<u>\$ 937,267,950</u>	<u>\$ 1,010,578,428</u>	<u>\$ 1,023,435,030</u>	<u>\$ 993,220,451</u>	<u>\$ 1,039,524,074</u>	<u>\$ 1,018,154,943</u>	<u>\$ 1,003,223,195</u>	<u>\$ 1,039,383,975</u>
N/A - Information not available												
City direct sales tax rate = 1.5%												
Information provided by City of Branson based on business tax filings with the Missouri Dept. of Revenue												
Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.												
October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.												

Table 7

**City of Branson, Missouri
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	Taney County	Ambulance District	Missouri State	Tourism Enhancement
2004	1.500%	1.500%	0.250%	4.225%	0.000%
2005	1.500%	1.500%	0.250%	4.225%	0.000%
2006	1.500%	1.500%	0.250%	4.225%	0.000%
2007	1.500%	1.625%	0.250%	4.225%	1.000% *
2008	1.500%	1.625%	0.250%	4.225%	1.000%
2009	1.500%	1.625%	0.250%	4.225%	1.000%
2010	1.500%	1.625%	0.250%	4.225%	1.000%
2011	1.500%	1.625%	0.250%	4.225%	1.000%
2012	1.500%	1.625%	0.250%	4.225%	1.000%
2013	1.500%	1.625%	0.250%	4.225%	1.000%

Sources: City of Branson

Missouri State Sales Tax Exemption:

Motor fuel or special fuel subject to an excise tax of this state.

All sales of insulin and prosthetic or orthopedic devices, hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items.

Additional Tourism Enhancement Tax Exemptions:

*All ticketed amusements, theater seats, hotel & overnight accommodations subject to the city of Branson tourism tax. *All sales of food & beverage are subject to enhancement tax rate of .875% instead of 1%.*

New or used motor vehicles

Trailers, boats or other outboard motors

All utilities, telephone and wireless services

Funeral services

Table 8

**CITY OF BRANSON, MISSOURI
TOURISM TAX SALES BY CATEGORY
Last Ten Fiscal Years**

TAXPAYER CATEGORY		2003	2004	2006	2007	2008	2009	2010	2011	2012	2013
	Rate										
Food & Beverage	0.5%	\$ 135,414,748	\$ 140,029,016	\$ 165,341,642	\$ 183,826,494	\$ 192,232,182	\$ 185,492,490	\$ 189,410,826	\$ 185,915,054	\$ 184,191,502	\$192,692,662
Hotel/Motel	4%	108,306,489	104,476,099	108,838,475	117,508,578	123,261,606	118,544,535	119,770,515	114,314,645	108,863,270	114,850,886
Theaters & Live Entertainment	4%	99,075,740	94,157,517	85,079,727	89,343,455	96,945,457	92,319,474	91,214,446	82,348,037	80,190,214	80,908,396
Amusements	4%	33,608,269	34,050,351	39,962,350	45,445,089	39,173,591	32,769,206	33,739,168	34,119,917	33,126,047	35,312,122
Overnight Rentals	4%	9,936,828	10,908,174	16,662,845	18,107,712	21,069,582	16,176,190	16,946,656	17,503,855	19,366,302	21,051,438
Ticket & Package Resellers	4%	-	-	4,514,672	4,946,058	6,230,486	4,765,733	6,347,949	6,887,015	5,142,011	1,292,207
Campground	4%	1,791,142	2,106,443	2,199,980	2,785,245	2,500,028	2,516,223	2,772,319	2,222,503	2,384,765	2,535,074
Total		\$ 388,133,216	\$ 385,727,599	\$ 422,599,691	\$ 461,962,631	\$ 481,412,932	\$ 452,583,851	\$ 460,201,879	\$ 443,311,026	\$ 433,264,111	\$448,642,785

Information provided by City of Branson.

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.

October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 9

**CITY OF BRANSON, MISSOURI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Estate			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate		Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Agriculture			Residential	Commercial		
2004	\$ 58,383,360	\$ 239,575,880	\$ 865,990	\$ 44,005,735	\$ 342,830,965	4.3155	4.3459	\$ 1,196,522,763	28.65%
2005	64,544,680	237,525,180	915,110	43,810,847	346,795,817	4.1959	4.3459	1,222,361,089	28.37%
2006	76,972,950	239,188,800	918,710	44,976,176	362,056,636	4.1969	4.3469	1,296,533,149	27.92%
2007	86,838,260	242,921,000	908,690	47,643,099	378,311,049	4.1961	4.3461	1,368,117,043	27.65%
2008	91,625,510	245,957,340	907,650	47,429,491	385,919,991	4.2010	4.3510	1,402,145,694	27.52%
2009	93,546,920	327,653,640	800,410	58,490,528	480,491,498	4.6112	4.7612	1,700,183,943	28.26%
2010	124,023,461	265,362,796	866,180	59,963,492	450,215,929	4.6732	4.8232	1,670,939,514	26.94%
2011	146,247,385	279,274,073	928,940	56,826,281	483,276,679	4.6875	4.8375	1,822,396,575	26.52%
2012	150,241,732	270,660,662	958,770	54,572,853	476,434,017	4.7930	4.9430	1,809,922,558	26.32%
2013	142,171,721	279,589,720	958,520	49,339,802	472,059,763	4.8846	5.0346	1,779,492,309	26.53%

1. Assessed values are set by the Taney County Assessor as of May 14 each year as adjusted by the Taney County Board of Equalization.
2. Real estate ratios were finalized during reassessment in 1985 at 19% for residential, 32% for commercial and 12% for agriculture. Personal property ratio remained at 33.3%
3. Commercial Property was reduced by the amount of the Commercial Property in the TIF district.

Table 10

CITY OF BRANSON, MISSOURI PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS PER \$100 ASSESSED VALUATION LAST TEN FISCAL YEARS											
Fiscal Year	City of Branson	Branson R-4	Ambulance District	State Levy	Handicapped	Sr. Citizens Service Fund	Health	Total Levy Resident	Surtax	Total Levy Commercial	
2004	\$ 0.4842	\$3.3700	\$ 0.2009	\$0.0300	\$ 0.0904	\$ -	\$0.1400	\$ 4.3155	\$0.1500	\$ 4.4655	
2005	0.4851	3.4500	-	0.0300	0.0904	-	0.1404	4.1959	0.1500	4.3459	
2006	0.4853	3.4508	-	0.0300	0.0904	-	0.1404	4.1969	0.1500	4.3469	
2007	0.4853	3.4500	-	0.0300	0.0904	-	0.1404	4.1961	0.1500	4.3461	
2008	0.4902	3.4500	-	0.0300	0.0904	-	0.1404	4.2010	0.1500	4.3510	
2009	0.4535	3.9000	-	0.0300	0.0873	-	0.1404	4.6112	0.1500	4.7612	
2010	0.5155	3.9000	-	0.0300	0.0873	-	0.1404	4.6732	0.1500	4.8232	
2011	0.5186	3.8605	-	0.0300	0.0880	0.0500	0.1404	4.6875	0.1500	4.8375	
2012	0.5394	3.9436	-	0.0300	0.0896	0.0500	0.1404	4.7930	0.1500	4.9430	
2013	0.5464	4.0280	-	0.0300	0.0898	0.0500	0.1404	4.8846	0.1500	5.0346	

Information provided by Taney County, which is responsible for assessing and collecting such taxes by contract with the City. Commercial property is assessed an additional \$1.50 surtax to replace the merchants and manufacturers' inventory tax, which was repealed in 1985. The total commercial property rate for 2007-08 is \$4.7612. The Ambulance District levy was replaced by a \$.25 sales tax in 2004.

Table 11

**CITY OF BRANSON, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
FOR FISCAL YEAR ENDING 2012 AND NINE YEARS AGO**

Taxpayer		2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sight & Sound Ministries	Theater	\$ 8,555,670	1	1.81%	N/A	N/A	N/A
Chateau on the Lake	Lodging	7,904,940	2	1.67%	\$ 7,311,420	1	2.19%
Tanger Mall	Retail	6,150,150	3	1.30%	5,555,790	2	1.67%
Branson Landing Hotel	Lodging	4,950,080	4	1.05%	N/A	N/A	N/A
Wal-Mart	Retail	3,858,850	5	0.82%	N/A	N/A	N/A
Summit Natural Gas	Utilities	3,828,460	6	0.81%	N/A	N/A	N/A
Grand Palace	Theater	N/A	N/A	N/A	\$ 3,700,330	5	1.11%
Branson Meadows Mall	Retail	3,663,800	7	0.78%	4,629,500	3	1.39%
Factory Merchants (Red Roof)	Retail	N/A	N/A	N/A	3,548,320	6	1.06%
Mansion America Theater	Theater	N/A	N/A	N/A	3,190,770	7	0.96%
Welk Resort	Lodging/Theater	N/A	N/A	N/A	3,184,800	8	0.96%
Tri-Lakes Center	Theater	N/A	N/A	N/A	3,178,620	9	0.95%
Branson Promenade Hotel/Condos	Lodging	2,537,280	8	0.54%	N/A	N/A	N/A
Moon River Enterprises	Theater	2,483,960	9	0.53%	2,377,410	10	0.71%
Radisson Hotel	Lodging	2,240,000	10	0.47%	4,029,530	4	1.21%
Totals		\$ 46,173,190			\$ 40,706,490		12.21%

Information provided by the Taney County Assessors Office

Table 12

**CITY OF BRANSON, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Total Tax Levy for Fiscal Year *	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 1,711,649	\$ 1,650,741	96.44%	\$ 60,908	\$ 1,711,649	100.00%
2005	1,756,337	1,703,667	97.00%	47,390	1,750,980	99.69%
2006	2,018,244	1,789,232	88.65%	229,012	2,018,244	100.00%
2007	1,913,283	1,834,840	95.90%	57,576	1,892,416	98.91%
2008	2,060,727	1,995,285	96.82%	65,442	2,060,727	100.00%
2009	2,326,642	2,197,617	94.45%	122,500	2,320,117	99.72%
2010	2,466,884	2,273,423	92.16%	138,695	2,412,118	97.78%
2011	2,528,144	2,417,758	95.63%	90,431	2,508,189	99.21%
2012	2,578,496	2,492,531	96.67%	60,253	2,552,784	99.00%
2013	2,598,661	2,486,617	95.69%	-	2,486,617	95.69%

*Collection data is presented on the cash basis.
Collection data is provided by Taney County Collector's Office.
* Includes penalties and interest*

Table 13

CITY OF BRANSON, MISSOURI Ratios of Outstanding Debt by Type Last Ten Fiscal Years								
Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income	Per Capita
	Special Revenue Bonds	Notes Payable	Tax Increment Financing	Water & Sewer Revenue Bonds				
2004	\$ 128,687,000	\$ -	\$ -	\$ 2,690,000		\$ 131,377,000	62.85%	\$ 19,489
2005	203,157,000	-	-	1,855,000		205,012,000	88.99%	29,876
2006	197,219,000	-	-	990,000		198,209,000	78.42%	27,834
2007	70,002,000	-	-	875,000		70,877,000	35.62%	9,533
2008	67,326,000	-	-	750,000		68,076,000	32.29%	8,823
2009	64,539,000	-	-	620,000		65,159,000	29.35%	8,275
2010	68,907,000	-	-	480,000		69,387,000	26.44%	6,596
2011	64,592,000	5,639,767		330,000		70,561,767	25.70%	6,411
2012	61,119,000	5,134,580		170,000		66,423,580	23.03%	5,889
2013	57,681,000	3,482,875	185,145,190	-		246,309,065	80.28%	21,581

Note: In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit. Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.

In 2013, the City implemented GASB 61; as a result of this the TIF Component Unit is now blended with the Governmental activities.

Information provided by the City of Branson Economic Development Division and contains information from other sources.

Per Capita is calculated using the population of 7499

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.

October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal year to a calendar basis.

Table 14

CITY OF BRANSON, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
R-4 School District	\$ 86,885,000	68.86%	\$ 59,831,496
Taney County	-	<u>45.20%</u>	<u>-</u>
Subtotal, overlapping debt			59,831,496
City of Branson - Direct debt			<u>246,309,065</u>
Total direct and overlapping debt			<u>\$ 306,140,561</u>
<p><i>Sources: Assessed value data used to estimate applicable percentages provided by the County and Assessment Debt outstanding data provided by the county.</i></p> <p><i>Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Branson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses, should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.</i></p> <p><i>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city government's boundaries and dividing it by the entity's total taxable assessed value.</i></p>			

Table 15

CITY OF BRANSON, MISSOURI Legal Debt Margin Information LAST TEN FISCAL YEARS											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Debt Limit	\$ 69,359,163	\$ 72,411,327	\$ 75,662,210	\$ 77,183,998	\$ 96,098,300	\$ 90,043,186	\$ 96,655,336	\$ 96,655,336	\$ 95,286,803	\$ 94,411,953	
Total debt applicable to limit	<u>29,553,300</u>	<u>27,514,500</u>	<u>26,937,260</u>	<u>19,436,890</u>	<u>22,331,128</u>	<u>19,888,233</u>	<u>24,751,072</u>	<u>22,107,137</u>	<u>24,466,076</u>	<u>19,978,493</u>	
Legal debt margin	<u>\$ 39,805,863</u>	<u>\$ 44,896,827</u>	<u>\$ 48,724,950</u>	<u>\$ 57,747,108</u>	<u>\$ 73,767,172</u>	<u>\$ 70,154,953</u>	<u>\$ 71,904,264</u>	<u>\$ 74,548,199</u>	<u>\$ 70,820,727</u>	<u>\$ 74,433,460</u>	
Total net debt applicable to limit as a percentage of debt	43%	38%	36%	25%	23%	22%	26%	23%	26%	21%	
Legal Debt Margin Calculation for Fiscal Year 2012											
										Assessed value	\$ 472,059,763
										Debt limit (20% of total assessed value)	94,411,953
Obligations:											
										Tourism revenue bonds	22,431,000
										General obligation bonds	-
										Promissory notes	3,482,875
										Total bonded debt	<u>25,913,875</u>
Less:											
										Debt reserve funds	(5,935,382)
										Total net debt applicable to limit	<u>19,978,493</u>
										Legal debt margin	<u>\$ 74,433,460</u>
<p><i>Note: Under state finance law, the city's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.</i></p>											

Table 16

**CITY OF BRANSON, MISSOURI
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Tourism Tax Revenue Bonds</u>							Coverage
	<u>Tourism Tax Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Debt Service Requirements</u>		<u>Total</u>	
					<u>Interest</u>			
2004	\$ 10,678,801	\$ 2,950,686	\$ 7,728,115	\$ 1,887,000	\$ 2,093,091	\$ 3,980,091	1.94	
2005	10,495,936	3,145,185	7,350,751	1,970,000	1,988,785	3,958,785	1.86	
2006	10,935,304	2,714,475	8,220,829	2,063,000	1,884,480	3,947,480	2.08	
2007	11,810,276	2,995,042	8,815,234	2,157,000	1,909,197	4,066,197	2.17	
2008	11,769,977	2,679,977	9,090,000	2,256,000	1,581,911	3,837,911	2.37	
2009	10,888,188	2,392,731	8,495,457	2,357,000	1,545,988	3,902,988	2.18	
2010	10,907,769	2,479,293	8,428,476	2,462,000	1,343,401	3,805,401	2.21	
2011	10,453,937	3,897,022	6,556,915	2,455,000	1,591,946	4,046,946	1.62	
2012	10,321,084	2,282,803	8,038,281	2,803,000	1,345,386	4,148,386	1.94	
2013	11,110,923	2,946,338	8,164,585	2,878,000	1,192,948	4,070,948	2.01	
	**Water & Sewer Revenue Bonds							
	<u>Water & Sewer Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Debt Service Requirements</u>		<u>Total</u>	<u>Coverage</u>
					<u>Interest</u>			
2004	\$ 3,555,565	\$ 4,376,710	\$ (821,145)	\$ 825,000	\$ 197,239	\$ 1,022,239	(0.80)	
2005	3,604,003	4,236,308	(632,305)	835,000	156,662	991,662	(0.64)	
2006	3,997,956	4,577,632	(579,676)	865,000	107,940	972,940	(0.60)	
2007	4,616,278	4,934,497	(318,219)	115,000	64,605	179,605	(1.77)	
2008	5,368,710	5,586,910	(218,200)	125,000	57,188	182,188	(1.20)	
2009	5,663,961	4,878,421	785,540	130,000	60,720	190,720	4.12	
2010	5,978,496	4,686,561	1,291,935	140,000	31,440	171,440	7.54	
2011	6,935,185	5,438,532	1,496,653	150,000	15,720	165,720	9.03	
2012	6,926,349	5,591,008	1,335,341	160,000	21,615	181,615	7.35	
2013	7,191,923	5,816,601	1,375,322	170,000	11,135	181,135	7.59	
	***Annual Appropriation Bonds							
	<u>General Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Debt Service Requirements</u>		<u>Total</u>	<u>Coverage</u>
					<u>Interest</u>			
2004	\$ 31,032,739	\$ 14,866,899	\$ 16,165,840	\$ 3,450,000	\$ 2,659,967	\$ 6,109,967	2.65	
2005	31,584,693	15,816,371	15,768,322	3,560,000	2,538,089	6,098,089	2.59	
2006	37,249,064	16,998,771	20,250,293	3,875,000	2,385,511	6,260,511	3.23	
2007	35,285,555	20,001,497	15,284,058	415,000	2,110,607	2,525,607	6.05	
2008	39,382,584	26,297,773	13,084,811	420,000	2,106,470	2,526,470	5.18	
2009	36,879,068	24,873,325	12,005,743	430,000	2,064,110	2,494,110	4.81	
2010	37,746,825	26,869,048	10,877,777	465,000	2,061,979	2,526,979	4.30	
2011	39,301,255	28,725,317	10,575,938	-	2,043,377	2,043,377	5.18	
2012	36,821,376	31,147,755	5,673,621	-	1,603,150	1,603,150	3.54	
2013	37,304,650	34,451,421	2,853,229	560,000	1,534,931	2,094,931	1.36	

**The water and sewer fund has been supported by transfers from the tourism tax fund.

*** In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit. Amounts for 2007 have been reclassified. Amount presented prior to 2007 have not been reclassified.

Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.

October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 17

<p style="text-align: center;">CITY OF BRANSON, MISSOURI Demographic and Economic Statistics Last Ten Fiscal years</p>							
FISCAL YEAR	POPULATION	PERSONAL INCOME	AVERAGE ANNUAL WAGE (county)	MEDIAN AGE (county)	EDUCATION LEVEL IN YEARS OF SCHOOLING (county)	PUBLIC SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2004	6,741	\$ 160,840,260	23,860	N/A	N/A	3,337	9.0%
2005	6,862	166,753,462	24,301	43.0	N/A	3,416	8.7%
2006	7,121	181,735,041	25,521	N/A	N/A	3,615	6.8%
2007	7,435	198,960,600	26,760	40.9	13.1	3,866	6.8%
2008	7,716	210,831,984	27,324	39.5	14.2	4,066	7.7%
2009	7,874	221,975,934	28,191	41.3	14.1	4,206	11.2%
2010	10,520	262,452,960	24,948	44.1	13.4	4,389	12.6%
2011	11,006	274,577,688	24,948	44.1	13.4	4,557	12.1%
2012	11,280	288,395,760	25,567	41.4	13	4,635	9.9%
2013	11,413	306,827,092	26,884	41.4	13	4,654	8.9%

Source: Branson Department of Public Relations/Economic Development (county) numbers won't be updated again until 2015.

Table 18

CITY OF BRANSON, MISSOURI Principal Employers in Branson Area CURRENT YEAR AND TEN YEARS AGO							
Taxpayer		2013			2003		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Herschend Family Entertainment	Theme Parks	2182	1	8.25%	442	5	1.95%
Cox Health (Skaggs)	Hospital	1139	2	4.31%	658	1	2.90%
Wal-mart (2 stores)	Retail	607	3	2.29%	184	9	0.81%
Branson Public Schools	Education	613	4	2.32%	311	3	1.37%
Big Cedar Resort	Lodging	550	5	2.08%	N/A	N/A	0.00%
Hilton Hotels/Convention Center	Lodging	275	6	1.04%	N/A	N/A	0.00%
College of the Ozarks	Education	258	7	0.98%	N/A	N/A	0.00%
City of Branson	Government	252	8	0.95%	196	7	0.86%
Wyndham Vacation Resorts	Lodging	231	9	0.87%	N/A	N/A	0.00%
Westgate Resorts	Lodging	228	10	0.86%	N/A	N/A	0.00%
Totals		6,335		23.95%	1,791		7.90%

Source: Branson Department of Public Relations
Missouri Economic Research and Information Center

Table 19

CITY OF BRANSON, MISSOURI										
Full-time Equivalent City Government Employees by Function										
Last Ten Fiscal years										
Full-time Equivalent Employees as of December 31, 2013										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administrative services	23	24	24	25	32	29	29	29	27	27
Finance	8	8	9	9	8	9	9	9	9	11
Planning	11	11	11	13	11	11	12	12	13	13
Police										
Officers	53	53	53	53	52	44	43	43	45	45
Civilians	4	4	4	4	4	12	15	15	15	15
Fire										
Firefighters	34	35	35	37	41	36	37	37	38	38
Civilians	1	1	1	2	4	2	2	2	2	2
Public Works/Utilities										
Facilities	28	28	27	28	29	20	11	11	10	10
Water	19	19	20	22	16	16	17	17	16	17
Wastewater	26	26	24	25	23	24	24	24	24	24
Other	5	5	6	6	6	5	8	8	13	13
Engineering	8	9	9	9	7	8	8	8	7	7
Parks & Recreation	12	12	11	12	13	11	18	18	18	18
TOTAL	232	235	234	245	246	227	233	233	237	240
Per City Budget	240	262	281	301	321	254	235	235	237	240
<i>Sources: Various government departments.</i>										

Table 20

CITY OF BRANSON, MISSOURI										
Operating Indicators by Function										
Last Ten Fiscal years										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
Police Department										
Physical arrests	1,127	993	1,091	1,316	1,553	1,338	1,771	1,682	1,263	1,281
Parking violations (CY)	1,924	1,820	1,606	2,280	2,125	2,103	2,192	1,845	2,076	2,225
Traffic violations	2,990	2,287	3,342	5,837	8,370	9,606	8,511	5,401	5,529	5,606
Fire Department										
Emergency Responses	2,282	2,652	2,644	3,098	3,479	3,296	3,574	2,402	3,627	3,215
Fires extinguished	60	77	68	44	53	66	56	76	77	98
Inspections	950	1,000	1,400	1,540	1,728	1,737	1,262	1,643	1,453	1,327
Planning & Development										
Building permits issued (CY)	1,572	1,941	2,870	1,793	1,650	1,740	1,506	1,438	1,882	1,488
Building inspections (CY)	5,524	5,240	5,700	4,411	3,321	3,598	3,900	3,390	3,685	2,628
Public Works										
Street Resurfacing	0.23	3.04	1.5	1.42	0	1.6	2	3.6	4.64	2.65
Potholes Repaired	497	4,225	1,144	2,685	1,234	1,912	1,080	2,606	7,273	3,854
New water connections	176	180	196	72	57	15	59	14	7	14
Water main breaks	34	52	55	45	42	47	112	101	74	68
Average daily consumption	N/A	2,569,000	2,851,000	3,769,786	3,584,106	3,357,000	3,468,906	3,464,452	3,463,386	3,443,134
Peak daily consumption	N/A	4,950,000	5,120,000	7,056,000	6,270,000	5,983,000	6,282,000	6,616,000	6,380,000	6,194,000
Average daily sewage treatment	3.266 mgd	3.258 mgd	3.479 mgd	3.95 mgd	4.29mgd	4.16 mgd	4.12 mgd	4.46 mgd	3.83 mgd	4.06 mgd
Parks & Recreation										
Pool admissions	N/A	14,956	21,995	22,297	31,587	27,953	26,524	30,864	24,873	17,268
Golf - rounds	7,908	7,233	7,630	9,038	9,608	7,683	6,740	4,621	5,529	4,973
Athletic field - events	81	80	87	90	94	98	101	99	100	99
<i>Sources: Various government departments.</i>										
<i>Note: Indicators are not available for the general governmental function.</i>										

Table 21

CITY OF BRANSON, MISSOURI										
Capital Asset Statistics by Function/Program										
Last Ten Fiscal years										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	2	2	2	0	0	0
Patrol Units	13	13	13	14	15	16	16	16	16	18
Fire Department										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Street (miles)	84.23	84.23	84.23	97	97	0	97.5	97.5	97.5	88.55
Street Lights	N/A	N/A	1,517	1,609	1,609	0	1,631	1,643	1,625	1,633
* Traffic Signals	7	7	10	12	13	13	15	12	12	12
*Other traffic signals maintained by Missouri Dept of Transportation										
Utilities										
Water mains (miles)	81.5	81.5	90	90	92.09	95.3	93.86	95	95.15	95.15
Fire Hydrants	815	840	865	865	882	580	743	763	763	763
Storage capacity (thousand gals)	4,400,000	4,800,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	4,800,000	4,800,000
Utilities										
Sanitary sewers (miles)	123	123	130	179	210	172	231	233	233	234
Storm sewers (miles)	58	60	65	65	65	80	65	65	65	65
Treatment capacity (thousand gals)	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000
Parks & Recreation										
Acreage	243	285	290	290	290	290	290	290	290	290
Playgrounds	8	9	9	9	9	9	9	9	9	9
Baseball/softball fields	4	8	8	8	8	8	8	8	8	8
Soccer/football fields	1	3	3	3	3	3	3	3	3	3
Community/recreation centers	1	2	2	2	2	2	2	2	2	2
Campgrounds/RV parks	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
<i>Sources: Various government departments.</i>										
<i>Note: Indicators are not available for the general governmental function.</i>										