

CITY OF BRANSON, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
September 30, 2008**



CITY OF BRANSON, MISSOURI

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September 30, 2008

Prepared by:
Department of Finance and Administration

CITY OF BRANSON, MISSOURI
Comprehensive Annual Financial Report
Year Ended September 30, 2008

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Introductory Section



March 26, 2009

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, for the fiscal year ended September 30, 2008. 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, internal controls are utilized to provide reasonable assurance that 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 September 30, 2008 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 and 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 (2008 population 7,499) 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 19.8 square miles and plays host to an estimated 8.3 million visitors a year. The city has become the focus of international attention as both a major development area and an entertainment and tourism Mecca. The reasons are numerous and range from the scenic natural beauty of the region to the star studded theaters with their line-up of major recording artists, world-class shopping opportunities, lake activities and other family oriented entertainment offerings.

The City has operated under the 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.

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, public health services, 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.

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 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 reporting entity provides detailed requests for expenditures for evaluation by the City Administrator. 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 Board of Aldermen finance and budget committee. The City Administrator then submits to the entire Board of Aldermen a final 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 2008, the City of Branson continued to benefit from prior year and recent economic development activities. Sales growth, as measured by state sales tax filings, is up 2.9% from fiscal year 2007. The city continues to experience growth and expansion with new projects and venues under construction. Branson's economy is focused primarily on the seasonal tourism industry.

Tourism—Situating within an 8-hour drive of nearly 33% of the U.S. population, Branson and the Tri-Lakes area attracted an estimated 8.3 million visitors in 2008 who contribute well over a billion dollars into the local economy. Branson has been a “rubber tire” destination with the vast majority of tourists arriving by vehicles, RV’s and tour buses. Branson holds the title of America’s Top Motor Coach Vacation Destination. However, an increasing number of visitors are now flying into the area each year via the Springfield-Branson Regional Airport, the Taney County Airport at Pt. Lookout, Missouri and the Harrison Regional Airport at Harrison, Arkansas. The Branson Airport, located south of Branson and east of Hwy. 65 is scheduled to open in May, 2009 and will add a new dimension to air travel.

A survey of the American Society of Travel Agents (ASTA) ranked Branson the “number one up and coming most-booked destination for travel agents”.

A geographical profile of Branson visitors shows the following:

| | |
|---|-----------|
| Come from a radius of 100 miles or less | 28% |
| Radius of 100 to 300 miles | 37% |
| Radius of over 300 miles | 35% |
| Average distance traveled | 231 miles |

The growth in tourism and the related construction activity over the last decade has greatly 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--Branson resounds with the best of American music. It is America’s Live Entertainment Capital, and among its residents are well-known names in contemporary and country music. The variety of music includes country, pop, gospel, bluegrass, western, rock n’roll, classical jazz and Broadway. There’s also comedy, magic, and Irish dancing. A successful Midwestern family vacation destination for many years, the music industry’s rapid expansion in the past decade has launched the community into world-class tourism. It’s been called a phenomenon. Branson is home to 53 music theaters with 59,757 seats that conduct live performances. There are approximately 10,000 more theater seats in Branson than on Broadway in New York City. 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. Several of the widely 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. Together, they create a diversity and balance to suit every musical and entertainment taste.

Family Attractions--Three big lakes—Table Rock, Taneycomo and Bull Shoals—offer some of the finest fishing in the nation and any freshwater activity you can imagine. You can enjoy boating, swimming, skiing, sailing, sunning, scuba diving, parasailing and sightseeing. Many excursion boats cruise the lakes providing passengers with lunch, dinner and sightseeing.

Three large area theme parks draw millions of visitors. These parks provide a wonderful venue for visitors of all ages. They feature unique crafters and artists, rides and amusements, live comedy and drama, many dining places, dozens of musicians and music shows, and water attractions such as wet rides and wave pools.

Golf--More than a dozen golf courses are currently open in the Branson/Tri-Lakes Area. Golfing is one of the fastest-growing interests of vacationers who can enjoy their favorite sport on a choice of courses within just a few miles of each other. Country clubs, pro shops, lessons, restaurants and all amenities are available. And who knows, you may see a familiar famous face or two teeing off on the next fairway. Many of Branson's entertainers enjoy golf and are often seen on local courses.

Outdoor Activities--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. Table Rock Lake is the scene of many national fishing tournaments. Water sports enthusiasts can also swim, ski, wakeboard, sail, kayak or scuba dive.

Lake Taneycomo is equally famous as a cold-water trout waterway. Rainbow and brown trout abound. Missouri Department of Conservation maintains a fish hatchery near Table Rock Dam.

Bull Shoals Lake, only a few miles away, offers much of the same recreational opportunities as Table Rock Lake. It's less densely developed than the Table Rock and Taneycomo areas; however, comfortable resorts and campgrounds are available along its shorelines.

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.

Hunters come by the thousands each season for deer, turkey and other game. For people who prefer to see the outdoors from the comfort of their vehicles, all numbered highways offer scenic vistas of the Ozarks.

Shopping-- Visitors consistently rank shopping among the most popular activities of the area. Shopping venues include Branson Landing with 1,000,000 sq. ft. of world-class shopping, the new Branson Hills / Branson Shoppes development offering Kohl's, Target, Home Depot, Wal-Mart Super Center, Michaels, and Bed, Bath & Beyond, as well as a soon to open Best Buy. Three large factory outlet malls, a thriving downtown district and specialty stores throughout the city add to the shopping experience. 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--Today over 18,800 rooms are available in local motels, hotels, resorts, and bed and breakfast inns. The current number of lodging facilities, excluding condominiums, is 207. Room rates range from \$22 per night for budget accommodations to \$600 for luxurious suites overlooking Table Rock Lake. Seasonal rates and senior citizen discounts apply at many lodging facilities.

Visitors have an endless variety of restaurants and food establishments from which to choose as there are 458 restaurants, coffee shops, and ice cream establishments with 38,800 seats within the city. Cuisines range from American to International.

Conference Facilities--The Branson area has several conference center hotels. A conference center with a 302-room hotel is located on the shores of beautiful Table Rock Lake and has the ability to accommodate up to 3,000 delegates. In addition, another facility one block from the world famous Highway 76 has meeting and conference capacity of 1,200. The City has completed a 220,000 square foot convention and exhibition complex in conjunction with a convention center hotel all adjacent to the city's waterfront development Branson Landing on Lake Taneycomo in downtown Branson.

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 as funds become available. 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 with 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 fifteen debt issues outstanding. These issues include \$27,641,000 in revenue bonds for the Tourism Fund; \$750,000 in revenue bonds for the Water & Sewer Fund, \$39,685,000 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 \$199,726,785 debt issuances that is included within the Tax Increment Financing Commission. The Commission is reported as a discretely presented component unit of the City. .

The City uses funding from the Tourism Tax and the Transportation Tax, net of debt service, exclusively to finance needed infrastructure extensions and improvements. The city has participated with Taney County in the extension of sewer services throughout the Fall Creek Basin and currently into the Bee Creek area. These projects have been financed through the county ½ cent sewer tax, state and federal grants and Department of Natural Resources loans.

Cash management policies and practices

The primary objectives, in priority order, of the City's investment activities encompass safety, liquidity and yield. Investments are undertaken in a competitive manner and are subject to restrictions imposed by the Constitution and laws of the State of Missouri, City ordinances, and documents authorizing the issuance of bonds, notes, or other obligations. The city may invest monies in the following:

- Obligations of the State of Missouri
- United States Treasury Securities
- United States Government Instrumentality Obligations
- Forward Delivery Agreements
- Repurchase Agreements
- Collateralized Public Deposits

Risk Management

The City maintains all general liability insurance coverage with insurance provided through Akers & Arney, a local insurance brokerage. Additional information can be found in Note 9 of the notes to the basic financial statements.

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 September 30, 2007. This was the fourth 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.

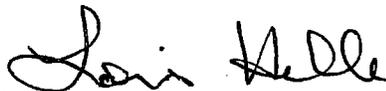
Our appreciation is extended to the Mayor, the Board of Aldermen, department directors and all city employees for contributing to the sound financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of the various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

We would like to thank our auditors, Cochran Head Vick & Co., P.C., for their help in formulating this report. Our sincere gratitude is extended to you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,



Dean Kruithof
City Administrator



Lori Helle
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Branson
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF BRANSON, MISSOURI

LIST OF PRINCIPAL OFFICIALS

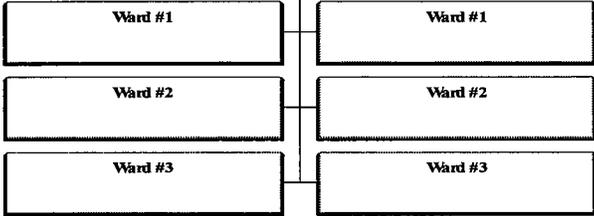
| | |
|----------|-----------------|
| Mayor | Raeanne Presley |
| Alderman | Stan Barker |
| Alderman | Bob McDowell |
| Alderman | Cris Bohinc |
| Alderman | Dr. Rick Davis |
| Alderman | Sandra Williams |
| Alderman | Steven Marshall |

| | |
|-------------------------------|--------------------|
| City Administrator | Dean Kruithof |
| Acting City Attorney | Wm. "Dub" Duston |
| Finance Director | Lori Helle |
| Human Resources | Deborah Durler |
| City Engineer | David Miller |
| Acting Planning & Development | Ruth Denham |
| Police Chief | Carroll McCullough |
| Fire Chief | Carl Sparks |
| Public Works | Larry Van Gilder |
| Communications | Jerry Adams |
| City Clerk | Lisa Westfall |
| CIS | D. J. Cline |
| Park & Recreation | Cindy Shook |

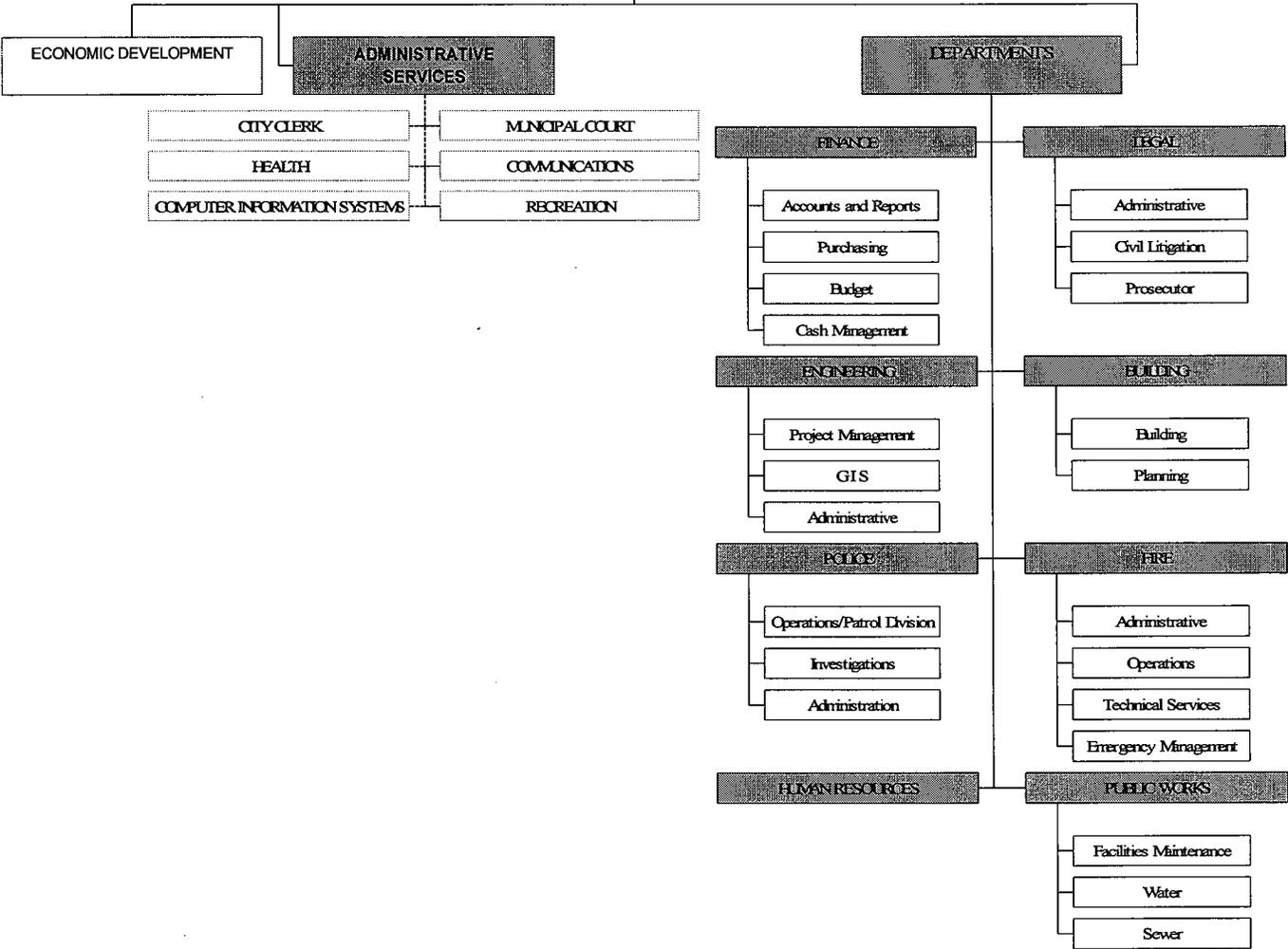
CITIZENS

MAYOR

BOARD OF ALDERMAN



CITY ADMINISTRATION



Financial Section



COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Branson, Missouri (the City) as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. 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 standards applicable to 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

317 W. Young
Warrensburg, MO 64093
(660) 747-9125
(660) 747-9490 FAX

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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Notes 1 and 12, the City has determined that the Tax Increment Financing Commission of Branson, Missouri and related activities should be reported in the City's financial statements as a discretely presented component unit. Accordingly, the net assets of the governmental activities and discretely presented component unit and the fund balance of certain governmental funds, as of October 1, 2007, have been restated.

The City adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* and important for assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information, and other required supplementary information, as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 nonmajor fund financial statements and other schedules, and statistical tables are presented for purposes of additional analysis are not a required part of the basic financial statements of the City. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

March 5, 2009

Calvin Head Vick & Co., P.C.

Management's Discussion and Analysis

As management of the City of Branson, Missouri, we offer readers of the City of Branson's financial statements this narrative overview and analysis of the financial activities of the City of Branson for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with the additional information we have furnished in our letter of transmittal.

The City's management determined that the financial reporting of the Tax Increment Financing Commission (the Commission) of Branson, Missouri's activities should be changed. The Commission and the various activities and related long-term obligations associated with the Commission's TIF plans are presented in the City financial statements as a discretely presented component unit for the year ended September 30, 2008. Previously, the Commission's activities were accounted for within the City's governmental activities. As a result of this change and other changes as described more fully in Notes 1 and 12, the amounts presented in the MD&A for 2007 have been restated.

Fiscal Year Financial Highlights

- On a government-wide basis, the City's assets exceeded its liabilities at the close of fiscal year 2008 by \$256,861,037. Of this amount, \$21,263,121 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$5,472,959. Of this amount, \$364,441 was from the City's "governmental activities," while the City's "business type activities" increased by \$5.1 million.
- During the 2008 fiscal year, the City of Branson's governmental funds have invested \$7,614,255 in capital assets. These expenditures represent a significant addition to the City's capital assets. The governmental funds use the modified accrual method of accounting which treats all expenditures for capital assets as current expenditures. Accordingly, the expenditure for capital assets was one of the primary reasons for the \$2,325,933 reduction in the combined governmental fund balances.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,854,030, a decrease of \$2,325,933 in comparison with the prior year. Approximately 69.4% of this total amount or \$22,114,085 is unreserved.
- At September 30, 2008, the total unreserved fund balance for the General Fund was \$8,887,059 or 61.4% of general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Branson's basic financial statements. The City of Branson's basic financial statements consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information 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 of Branson's finances, in a manner similar to a private-sector business.

The statement of net assets presents information regarding the City of Branson's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Branson is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 of Branson 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 of Branson include general government, public safety, tourism, public works, engineering services, community development and culture and recreation. The business-type activities of the City of Branson include a Water and Sewer Fund.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements

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 of Branson, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Branson can be 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may 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 of Branson maintains nine 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, the tourism fund, transportation sales tax fund, convention center fund, debt service fund and the capital projects fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Branson adopts an annual budget for its general fund, debt service fund 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 17-20 of this report.

Proprietary funds

The City of Branson 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 City of Branson uses an enterprise fund to account for its Water and Sewer System Operations. The City of Branson 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 of Branson.

The internal service fund is presented in a single column in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 21-23 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 of Branson'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 24 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 25-46 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 benefits to City employees. Required supplementary information can be found on pages 47-51 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52-59 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At September 30, 2008, the City of Branson's assets exceeded liabilities by \$256,861,037.

By far the largest portion of the City of Branson's net assets (85 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The City of Branson uses these capital assets to provide services to citizens; consequently, these

assets are not available for future spending. Although the City of Branson'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 assets

The following table reflects the condensed Statement of Net Assets:

| | City of Branson Net Assets | | | | | |
|--|-----------------------------------|-----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | (as restated) | | | | (as restated) | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Current and other assets | \$ 36,603,440 | \$ 37,380,326 | \$ 4,648,643 | \$ 3,475,969 | \$ 41,252,083 | \$ 40,856,295 |
| Capital assets | 211,855,303 | 211,163,163 | 78,273,944 | 74,312,148 | 290,129,247 | 285,475,311 |
| Total assets | <u>248,458,743</u> | <u>248,543,489</u> | <u>82,922,587</u> | <u>77,788,117</u> | <u>331,381,330</u> | <u>326,331,606</u> |
| Long-term obligations | 67,762,905 | 70,349,102 | 946,087 | 1,113,129 | 68,708,992 | 71,462,231 |
| Other liabilities | 4,526,566 | 2,389,556 | 1,284,735 | 1,091,741 | 5,811,301 | 3,481,297 |
| Total liabilities | <u>72,289,471</u> | <u>72,738,658</u> | <u>2,230,822</u> | <u>2,204,870</u> | <u>74,520,293</u> | <u>74,943,528</u> |
| Net assets: | | | | | | |
| Investment in capital assets, net of related debt | 143,881,498 | 142,835,884 | 73,738,982 | 73,609,515 | 217,620,480 | 216,445,399 |
| Restricted | 17,791,624 | 17,204,507 | 185,812 | 172,367 | 17,977,436 | 17,376,874 |
| Unrestricted | 14,496,150 | 15,764,440 | 6,766,971 | 1,801,365 | 21,263,121 | 17,565,805 |
| Total net assets | <u>\$ 176,169,272</u> | <u>\$ 175,804,831</u> | <u>\$ 80,691,765</u> | <u>\$ 75,583,247</u> | <u>\$ 256,861,037</u> | <u>\$ 251,388,078</u> |

An additional portion of the City of Branson's net assets (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$21,263,121) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2008, the City of Branson reported positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Positive balances also existed at September 30, 2007.

There was an increase in net assets reported in connection with the City of Branson's business type activities. This resulted primarily from donated infrastructure capital assets from developers.

The governmental net assets increased by \$364,441 during the current fiscal year. Most of this increase is a result of higher revenues when compared to the prior year. The main components of revenue growth are increases in charges for services, sales taxes, and contributed infrastructure capital assets from developers.

Changes in Net Assets

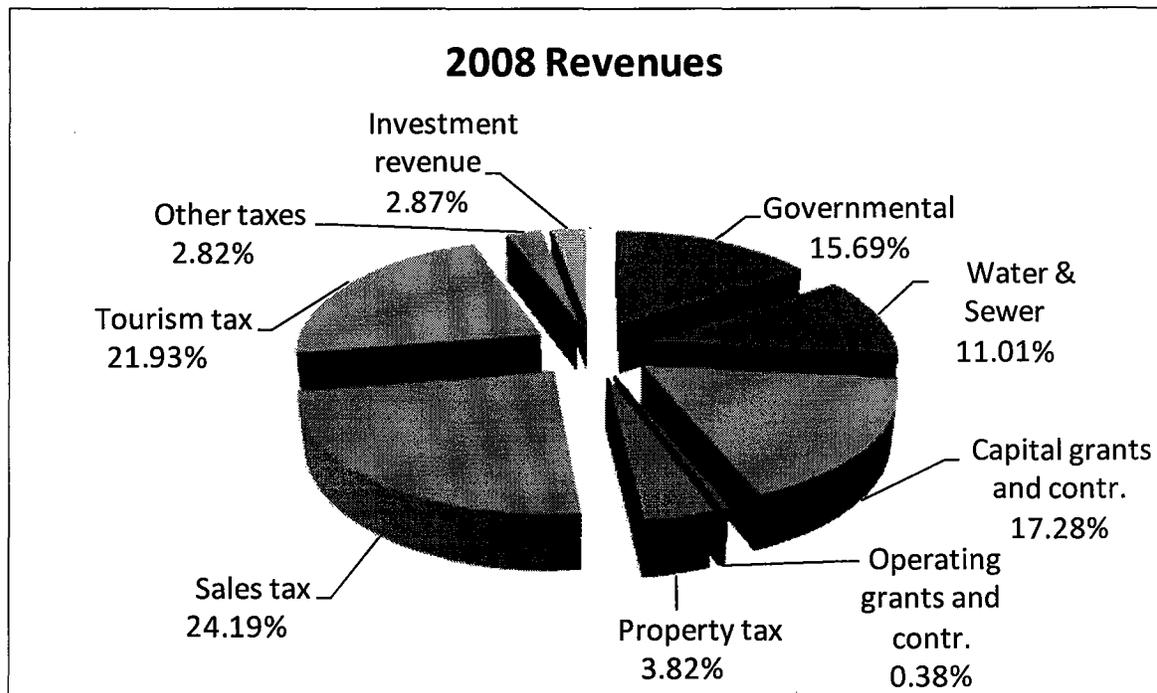
The following table reflects the revenues and expenses from the City's activities:

| City of Branson Statement of Activities | | | | | | |
|--|--------------------------------|-----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | (as restated) | | | | (as restated) | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Program revenues: | | | | | | |
| Charges for services: | | | | | | |
| Governmental | \$ 8,418,552 | \$ 4,455,191 | \$ - | \$ - | \$ 8,418,552 | \$ 4,455,191 |
| Water & Sewer | - | - | 5,906,548 | 5,195,680 | 5,906,548 | 5,195,680 |
| Capital grants and contr. | 2,750,119 | 381,654 | 6,523,130 | - | 9,273,249 | 381,654 |
| Operating grants and contr. | 206,563 | 45,622 | - | 596,804 | 206,563 | 642,426 |
| General revenues: | | | | | | |
| Property tax | 2,052,194 | 2,061,835 | - | - | 2,052,194 | 2,061,835 |
| Sales tax | 12,981,038 | 12,443,263 | - | - | 12,981,038 | 12,443,263 |
| Tourism tax | 11,769,977 | 11,810,276 | - | - | 11,769,977 | 11,810,276 |
| Other taxes | 1,512,676 | 1,079,175 | - | - | 1,512,676 | 1,079,175 |
| Investment revenue | 1,505,009 | 2,397,427 | 37,065 | 45,957 | 1,542,074 | 2,443,384 |
| Other | - | 9,515 | - | - | - | 9,515 |
| Total revenues | 41,196,128 | 34,683,958 | 12,466,743 | 5,838,441 | 53,662,871 | 40,522,399 |
| Expenses: | | | | | | |
| General government | 4,939,024 | 4,528,246 | - | - | 4,939,024 | 4,528,246 |
| Public safety | 7,284,189 | 5,708,173 | - | - | 7,284,189 | 5,708,173 |
| Public works | 9,139,399 | 8,120,098 | - | - | 9,139,399 | 8,120,098 |
| Engineering services | 726,971 | 646,429 | - | - | 726,971 | 646,429 |
| Community development | 1,461,803 | 1,086,542 | - | - | 1,461,803 | 1,086,542 |
| Culture and recreation | 2,316,661 | 2,010,813 | - | - | 2,316,661 | 2,010,813 |
| Convention center | 7,229,165 | 872,144 | - | - | 7,229,165 | 872,144 |
| Tourism | 2,453,257 | 2,754,357 | - | - | 2,453,257 | 2,754,357 |
| Interest on long-term debt | 3,938,218 | 6,000,615 | - | 83,993 | 3,938,218 | 6,084,608 |
| Water and sewer utility | - | - | 8,701,225 | 7,854,313 | 8,701,225 | 7,854,313 |
| Total expenses | 39,488,687 | 31,727,417 | 8,701,225 | 7,938,306 | 48,189,912 | 39,665,723 |
| Change in net assets before transfers | 1,707,441 | 2,956,541 | 3,765,518 | (2,099,865) | 5,472,959 | 856,676 |
| Transfers | (1,343,000) | (725,608) | 1,343,000 | 725,608 | - | - |
| Change in net assets | 364,441 | 2,230,933 | 5,108,518 | (1,374,257) | 5,472,959 | 856,676 |
| Net assets, beginning | 175,804,831 | 173,573,898 | 75,583,247 | 76,957,504 | 251,388,078 | 250,531,402 |
| Net assets, ending | \$ 176,169,272 | \$ 175,804,831 | \$ 80,691,765 | \$ 75,583,247 | \$ 256,861,037 | \$ 251,388,078 |

Governmental activities

Governmental activities increased the City of Branson's net assets by \$364,441. Key elements of this increase are as follows:

- Sales taxes increased by \$537,775 (4.32 percent) during the year. Most of this increase is the result of economic development activities within the city.
- Charges for services increased \$3,963,361 as the City's Convention Center completed its first year of operations.
- Governmental investment earnings decreased \$892,418, in part due to the decrease of capital project funds available for investment. Interest rates also fell during the year.
- Recreation fund revenues increased \$88,667 due to the reopening of a campground after the Branson Landing construction and the continued focus on sound management practices.
- Governmental capital grants increased by \$2,368,465, primarily resulting from infrastructure capital assets donated to the City by developers.

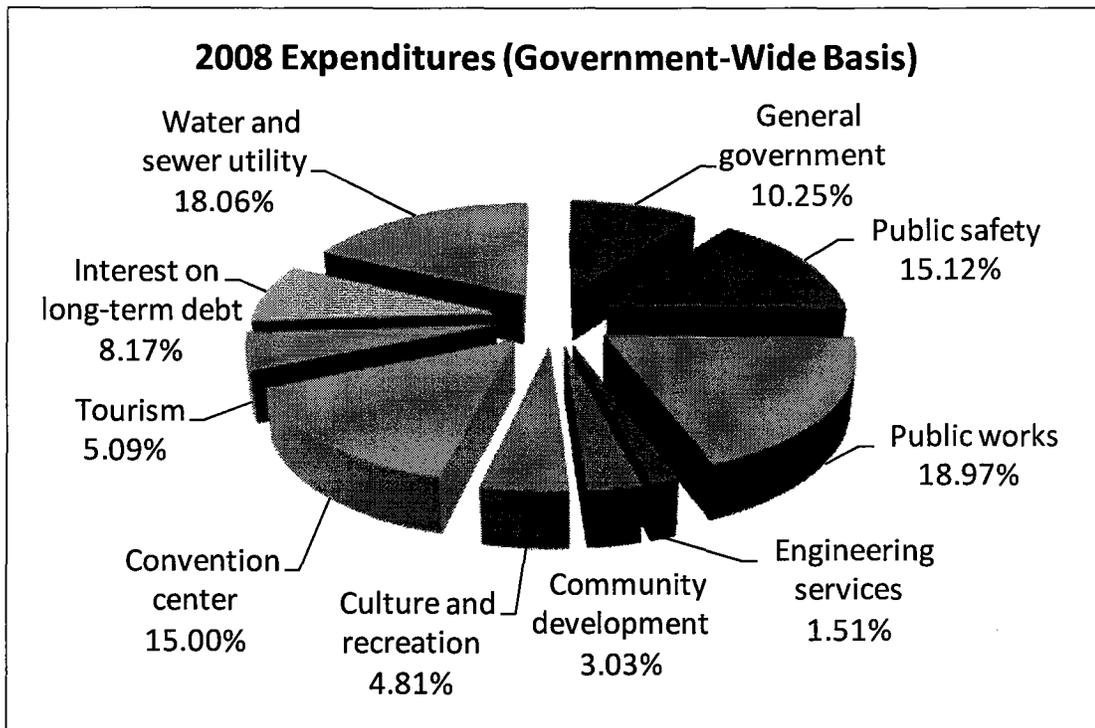


Significant changes in expenses over the last year include:

- Operational activities of the Convention Center began in September 2007. As such, Convention Center expenses (exclusive of depreciation) in 2008 of \$5.1 million represent a full year of operations.
- Increases in expenses for General Government, Public Safety, and Public Works from 2007 were largely influenced by the increased costs incurred in the normal operating activities.

Business-type activities. Business type activities increased the City of Branson's net assets by \$6,482,775. Significant factors include:

- Contributed infrastructure for developers totaling over \$6.5 million.
- Increases in expenses (primarily costs of producing new water and sewer connection fees) to operate the water and sewer utility continue to outstrip the related increases in charges for such services.
- During the year, there was a transfer of revenues from governmental activities amounting to \$1,343,000.
- Water and sewer rate increases have been approved for 2008 and 2009. This additional revenue should contribute to the reduction of the operating deficit of the Water & Sewer Fund.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Branson'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 of Branson's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Branson's governmental funds reported combined ending fund balances of \$31,854,030. This reflects capital outlay's of almost \$7.6 million primarily for the convention center and related infrastructure, which contributed to the combined fund balance decrease of \$2,325,933 in 2008. Approximately 69 percent of the total fund balance consists of unreserved, fund balance, which is available for spending at the government's discretion. The reserved or designated amount includes the city's designation of \$5,491,123 General Fund balance, as a "contingency reserve". The remaining reserve that is not available for new spending has been committed primarily to liquidate contracts and purchase orders of the prior period, \$928,026, and to provide reserves for debt service \$8,499,579.

The fund balance of the City of Branson's general fund decreased by \$ 3,551,386 during the current fiscal year. Key factors in this decrease are as follows:

- An increase in transfers out related to the new convention center.
- Other across-the-board increases in general operating expenditures.

The tourism tax fund has a total fund balance at September 30, 2008 of \$11,685,835, of which \$54,000 is reserved for encumbrances. The remainder of \$11,631,835 is available for future debt service on tourism bonds and future capital projects.

The transportation sales tax fund has a total fund balance of \$2,912,122. 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. Undesignated funds available for this purpose exceeded \$2.9 million.

The convention center fund balance increased \$560,013 primarily as a result of transfers in from the general fund.

The debt service fund has a total fund balance of \$3,189,707 all of which is available for future debt service.

The capital projects fund has an ending fund balance at September 30, 2008 of \$3,760,905 a decrease of \$10,344 resulting from project expenditures in excess of financing sources.

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

Unrestricted net assets of the Water and Sewer fund at the end of the year totaled \$6,513,918 and for the Equipment and Vehicle fund \$652,910. 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 exceeded the prior year's fiscal revenues by \$695,872 but were \$979,198 less than budgeted revenues. The largest budget-to-actual revenue variance was related to interest income which reflects lower interest rates than anticipated. Expenditures were \$297,713 above budget primarily as a result of additional administrative and financial services.

Capital Asset and Debt Administration

Capital assets. The City of Branson's capital assets for its governmental and business-type activities as of September 30, 2008 amounts to \$290,129,247 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges, and construction-in-process. The total increase in the City of Branson's investment in capital assets for the current fiscal year was \$692,140 for governmental activities and \$3,961,796 for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Construction was completed on the Branson Landing and Convention Center Projects.
- Work continued on Roark Valley improvements, with construction in progress totals of \$237,403.
- Work continued on the Epps Extension/Fall Creek Road, with construction in progress totals of \$6,507,892 with \$2.5 million completed in 2008.
- Various city equipment and improvements totaled \$209,012.
- Various building and system additions and improvements were completed in the Water and Sewer facilities at a cost of \$374,159.

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Land | \$ 50,662,006 | \$ 48,004,331 | \$ 3,784,962 | \$ 3,784,962 | \$ 54,446,968 | \$ 51,789,293 |
| Buildings | 69,365,259 | 20,470,064 | 46,785,259 | 48,581,897 | 116,150,518 | 69,051,961 |
| Land improvements | 1,114,400 | 932,642 | - | - | 1,114,400 | 932,642 |
| Equipment and vehicles | 8,136,658 | 7,095,739 | 908,566 | 948,579 | 9,045,224 | 8,044,318 |
| Infrastructure | 79,990,445 | 72,804,556 | 26,795,157 | 20,996,710 | 106,785,602 | 93,801,266 |
| Construction in progress | 2,586,535 | 61,855,831 | - | - | 2,586,535 | 61,855,831 |
| Total | \$ 211,855,303 | \$ 211,163,163 | \$ 78,273,944 | \$ 74,312,148 | \$ 290,129,247 | \$ 285,475,311 |

Additional information on the City of Branson's capital assets can be found in Note 5, on pages 33-34 of this report.

Long-term debt. At the end of the current fiscal year, the City of Branson had total bonded debt outstanding of \$68,076,000. Of this amount \$27,641,000 consists of revenue bonds backed by the City's tourism tax.

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; one issue is serviced with funds provided by the water & sewer utility.

City of Branson Net Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------|----------------------------|----------------|-----------------------------|------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Bonds: | | | | | | |
| Revenue | \$ 27,641,000 | \$ 29,897,000 | \$ 750,000 | \$ 875,000 | \$ 28,391,000 | \$ 30,772,000 |
| Special Limited Obligation | 39,685,000 | 40,105,000 | - | - | 39,685,000 | 40,105,000 |
| Total | \$ 67,326,000 | \$ 70,002,000 | \$ 750,000 | \$ 875,000 | \$ 68,076,000 | \$ 70,877,000 |
| | | | | | | |
| Component Unit: | | | | | | |
| Tax increment financing bonds | \$ 199,726,785 | \$ 197,295,264 | | | | |

Economic Outlook

The development and opening of the Branson Landing and Branson Hills retail developments has resulted in increases in sales tax receipts during 2008. Currently there is significant activity in all phases of the Branson Landing and Branson Hills development projects.

Tourism tax collections in 2008 were slightly down when compared to 2007. Amusements and campgrounds were the main business classifications that resulted in the decrease. The future outlook will decline even more due to the closure of Celebration City. However, the downturn in the national economy was also a factor.

A group of private investors has formed to build an airport just south of the city limits of Branson. Its development should positively impact the ability of tourists to access the city's attractions. The airport grand opening is scheduled for May 2009.

The Mayor and Board of Aldermen authorized a rate study for water and sewer rates at the end of fiscal year 2008. Currently, revenues are not covering expenditures; therefore, this study will help the City assess the current financial situation and generate new ideas for future years. However, a slight increase in water and sewer rates was authorized for fiscal year 2009.

Due to the decrease in the overall economy, the 2009 budget was adopted with projected revenues equal to actual 2007 numbers. General fund expenditures for 2009 are projected to be less than 2008, but more than 2007. Several items contributed to this increase from the 2007 expenditures, including 2009 containing a partial payment for the Branson Airport; an increase in the LAGERS' benefits; and a modest pay increase for employees.

All of the above items were considered in preparing the City's budget for fiscal year 2009. Since the 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 on a daily basis and reported monthly to the Finance Committee Board and the Board of Aldermen. The city is also looking for efficiencies, ways to increase revenues, and ways to cut expenditure costs. The City also set a floor for fiscal year 2009—the City's general fund will not fall below the 2009 Rainy Day Fund of \$6 million.

Compared to a vast number of cities nationwide, Branson is doing relatively well during these difficult economic times, but our "caution light" continues to be lit.

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 Assets
September 30, 2008

| | Primary Government | | | Component Unit |
|---|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash and investments | \$ 21,927,004 | \$ 3,205,225 | \$ 25,132,229 | \$ 1,149,357 |
| Receivables, net: | | | | |
| Taxes | 3,853,963 | - | 3,853,963 | - |
| Leases | 191,523 | 225,723 | 417,246 | - |
| Intergovernmental | - | - | - | 1,249,300 |
| Other | 1,380,979 | - | 1,380,979 | - |
| Water and sewer | - | 778,830 | 778,830 | - |
| Internal balances | (253,053) | 253,053 | - | - |
| Due from primary government | - | - | - | 522,540 |
| Prepays and inventories | 308,380 | - | 308,380 | - |
| Unamortized bond issue costs | 872,688 | - | 872,688 | 4,021,327 |
| Restricted cash and investments | 8,321,956 | 185,812 | 8,507,768 | 24,767,106 |
| Capital Assets: | | | | |
| Land and construction in progress, non-depreciable | 53,248,541 | 3,784,962 | 57,033,503 | - |
| Other capital assets, net of depreciation | 158,606,762 | 74,488,982 | 233,095,744 | - |
| Total assets | 248,458,743 | 82,922,587 | 331,381,330 | 31,709,630 |
| Liabilities | | | | |
| Accounts payable and accrued expenses | 2,800,680 | 562,492 | 3,363,172 | - |
| Accrued interest payable | 1,124,607 | 12,248 | 1,136,855 | 3,804,614 |
| Unearned revenue | 78,739 | - | 78,739 | - |
| Due to component unit | 522,540 | - | 522,540 | - |
| Customer deposits | - | 709,995 | 709,995 | - |
| Long-term liabilities: | | | | |
| Due in one year | 3,411,934 | 270,000 | 3,681,934 | 2,105,981 |
| Due in more than one year | 64,350,971 | 676,087 | 65,027,058 | 199,013,597 |
| Total liabilities | 72,289,471 | 2,230,822 | 74,520,293 | 204,924,192 |
| Net Assets (Deficit) | | | | |
| Invested in capital assets, net of related debt | 143,881,498 | 73,738,982 | 217,620,480 | - |
| Restricted for: | | | | |
| Capital projects | - | - | - | 911,828 |
| Debt service | 8,499,579 | 185,812 | 8,685,391 | 26,776,475 |
| Tourism and transportation | 9,288,085 | - | 9,288,085 | - |
| Nonexpendable perpetual care | 3,960 | - | 3,960 | - |
| Unrestricted (deficit) | 14,496,150 | 6,766,971 | 21,263,121 | (200,902,865) |
| Total Net Assets | \$ 176,169,272 | \$ 80,691,765 | \$ 256,861,037 | \$(173,214,562) |

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Activities
For the Year Ended September 30, 2008

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Unit |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 4,939,024 | \$ 2,589,876 | \$ 4,507 | \$ - | \$ (2,344,641) | \$ - | \$ (2,344,641) | \$ - |
| Public safety | 7,284,189 | 43,281 | - | 279,135 | (6,961,773) | - | (6,961,773) | - |
| Public works | 9,139,399 | 30,307 | 129,434 | 2,470,984 | (6,508,674) | - | (6,508,674) | - |
| Engineering | 726,971 | 1,577 | - | - | (725,394) | - | (725,394) | - |
| Community Development | 1,461,803 | 591,472 | - | - | (870,331) | - | (870,331) | - |
| Culture and recreation | 2,316,661 | 1,224,259 | 72,622 | - | (1,019,780) | - | (1,019,780) | - |
| Convention center | 7,229,165 | 3,937,780 | - | - | (3,291,385) | - | (3,291,385) | - |
| Tourism | 2,453,257 | - | - | - | (2,453,257) | - | (2,453,257) | - |
| Interest on long-term debt | 3,938,218 | - | - | - | (3,938,218) | - | (3,938,218) | - |
| Total Governmental Activities | 39,488,687 | 8,418,552 | 206,563 | 2,750,119 | (28,113,453) | - | (28,113,453) | - |
| Business-Type Activities: | | | | | | | | |
| Water and Sewer | 8,701,225 | 5,906,548 | - | 6,523,130 | - | 3,728,453 | 3,728,453 | - |
| Total Business-Type Activities | 8,701,225 | 5,906,548 | - | 6,523,130 | - | 3,728,453 | 3,728,453 | - |
| Total Primary Government | \$ 48,189,912 | \$ 14,325,100 | \$ 206,563 | \$ 9,273,249 | (28,113,453) | 3,728,453 | (24,385,000) | - |
| Component Unit: | | | | | | | | |
| Community development | 6,390,435 | - | 392,493 | - | - | - | - | (5,997,942) |
| Interest on long-term debt | 10,777,267 | - | - | - | - | - | - | (10,777,267) |
| Total Component Unit | \$ 17,167,702 | \$ - | \$ 392,493 | \$ - | - | - | - | (16,775,209) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | | | | | 2,052,194 | - | 2,052,194 | - |
| Sales taxes | | | | | 12,981,038 | - | 12,981,038 | 2,462,317 |
| Tourism taxes | | | | | 11,769,977 | - | 11,769,977 | 731,851 |
| Intergovernmental activity taxes | | | | | - | - | - | 6,807,488 |
| Other taxes | | | | | 1,512,676 | - | 1,512,676 | - |
| Unrestricted investment earnings | | | | | 1,505,009 | 37,065 | 1,542,074 | 756,490 |
| Transfers | | | | | (1,343,000) | 1,343,000 | - | - |
| Total general revenues and transfers | | | | | 28,477,894 | 1,380,065 | 29,857,959 | 10,758,146 |
| Changes in net assets | | | | | 364,441 | 5,108,518 | 5,472,959 | (6,017,063) |
| Net assets (deficit) - beginning of year, as restated | | | | | 175,804,831 | 75,583,247 | 251,388,078 | (167,197,499) |
| Net assets (deficit) - end of year | | | | | \$ 176,169,272 | \$ 80,691,765 | \$ 256,861,037 | \$ (173,214,562) |

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
September 30, 2008

| | General | Tourism Tax | Transportation Sales Tax | Convention Center | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------|-------------------------------------|------------------------------|-------------------------|-----------------------------|---|---|
| Assets | | | | | | | | |
| Cash and investments | \$ 8,525,378 | \$ 5,459,864 | \$ 2,307,429 | \$ 654,368 | \$ 177,623 | \$ 3,801,519 | \$ 285,092 | \$ 21,211,273 |
| Receivables, net: | | | | | | | | |
| Taxes | 1,741,826 | 1,283,000 | 829,137 | - | - | - | - | 3,853,963 |
| Leases | 191,523 | - | - | - | - | - | - | 191,523 |
| Other | 230,698 | - | - | 900,652 | - | 249,629 | - | 1,380,979 |
| Restricted cash and investments | - | 5,309,872 | - | - | 3,012,084 | - | - | 8,321,956 |
| Prepays and inventories | 152,934 | - | - | 155,446 | - | - | - | 308,380 |
| Total assets | \$ 10,842,359 | \$ 12,052,736 | \$ 3,136,566 | \$ 1,710,466 | \$ 3,189,707 | \$ 4,051,148 | \$ 285,092 | \$ 35,268,074 |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 547,311 | \$ 299,218 | \$ 50,008 | \$ 287,608 | \$ - | \$ 290,243 | \$ 51,813 | \$ 1,526,201 |
| Accrued expenditures | 529,060 | - | 32,779 | 606,037 | - | - | 43,782 | 1,211,658 |
| Deferred revenue | 153,645 | - | - | - | - | - | - | 153,645 |
| Due to component unit | 313,200 | 67,683 | 141,657 | - | - | - | - | 522,540 |
| Total Liabilities | 1,543,216 | 366,901 | 224,444 | 893,645 | - | 290,243 | 95,595 | 3,414,044 |
| Fund Balances | | | | | | | | |
| Reserved for: | | | | | | | | |
| Encumbrances | 259,150 | 54,000 | 51,501 | - | - | 546,256 | 17,119 | 928,026 |
| Prepays and inventories | 152,934 | - | - | 155,446 | - | - | - | 308,380 |
| Debt service | - | 5,309,872 | - | - | 3,189,707 | - | - | 8,499,579 |
| Other purposes | - | - | - | - | - | - | 3,960 | 3,960 |
| Unreserved: | | | | | | | | |
| Designated for: | | | | | | | | |
| Contingencies and other | 3,372,891 | 2,118,232 | - | - | - | - | - | 5,491,123 |
| Undesignated, reported in: | | | | | | | | |
| General fund | 5,514,168 | - | - | - | - | - | - | 5,514,168 |
| Special revenue fund | - | 4,203,731 | 2,860,621 | 661,375 | - | - | 135,484 | 7,861,211 |
| Capital projects fund | - | - | - | - | - | 3,214,649 | 32,934 | 3,247,583 |
| Total Fund Balances | 9,299,143 | 11,685,835 | 2,912,122 | 816,821 | 3,189,707 | 3,760,905 | 189,497 | 31,854,030 |
| Total liabilities and fund balances | \$ 10,842,359 | \$ 12,052,736 | \$ 3,136,566 | \$ 1,710,466 | \$ 3,189,707 | \$ 4,051,148 | \$ 285,092 | \$ 35,268,074 |

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Assets
September 30, 2008

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

| | |
|---|---------------|
| Ending fund balances - total governmental funds | \$ 31,854,030 |
|---|---------------|

| | |
|---|-------------|
| Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets 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 Assets | 211,855,303 |
|---|-------------|

| | |
|---|--------|
| Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements | 74,906 |
|---|--------|

| | |
|--|--------------|
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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: | |
| Bond issuance costs, net | 872,688 |
| Accrued interest payable | (1,124,607) |
| Long-term debt | (67,762,905) |

| | |
|--|---------|
| 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 assets. Internal service fund capital assets of \$2,331,675 are included above. | 399,857 |
|--|---------|

| | |
|---|----------------|
| Total net assets of governmental activities | \$ 176,169,272 |
|---|----------------|

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2008

| | General | Tourism Tax | Transportation Sales Tax | Convention Center | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|----------------------|--------------------------------|----------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | | | |
| Taxes | \$ 11,843,758 | \$ 11,769,977 | \$ 4,611,965 | \$ - | \$ - | \$ - | \$ 88,541 | \$ 28,314,241 |
| Licenses and permits | 1,061,481 | - | - | - | - | - | - | 1,061,481 |
| Court Fines | 642,078 | - | - | - | - | - | - | 642,078 |
| Lease and rent | 1,065,826 | - | - | - | - | - | - | 1,065,826 |
| Charges for services | 1,070,191 | - | - | 3,937,780 | - | - | 1,172,893 | 6,180,864 |
| Intergovernmental | 413,076 | - | - | - | - | - | - | 413,076 |
| Interest Income | 473,705 | 901,900 | - | - | 129,404 | - | - | 1,505,009 |
| Miscellaneous | 76,021 | - | - | - | - | - | 123,988 | 200,009 |
| Total revenues | <u>16,646,136</u> | <u>12,671,877</u> | <u>4,611,965</u> | <u>3,937,780</u> | <u>129,404</u> | <u>-</u> | <u>1,385,422</u> | <u>39,382,584</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 4,591,872 | - | - | - | - | 1,885 | - | 4,593,757 |
| Public safety | 6,814,114 | - | - | - | - | - | - | 6,814,114 |
| Public works | 1,410,412 | - | 1,491,266 | - | - | - | - | 2,901,678 |
| Engineering | 662,870 | - | - | - | - | - | - | 662,870 |
| Community Development | 994,134 | - | - | - | 392,493 | - | - | 1,386,627 |
| Culture and recreation | - | - | - | - | - | - | 2,096,656 | 2,096,656 |
| Convention center | - | - | - | 5,162,094 | - | - | - | 5,162,094 |
| Tourism | - | 2,679,977 | - | - | - | - | - | 2,679,977 |
| Capital outlay | - | - | - | - | - | 7,614,255 | - | 7,614,255 |
| Debt service: | | | | | | | | |
| Principal retirement | - | 2,256,000 | - | - | 420,000 | - | - | 2,676,000 |
| Interest and fiscal charges | - | 1,671,019 | - | - | 2,106,470 | - | - | 3,777,489 |
| Total expenditures | <u>14,473,402</u> | <u>6,606,996</u> | <u>1,491,266</u> | <u>5,162,094</u> | <u>2,918,963</u> | <u>7,616,140</u> | <u>2,096,656</u> | <u>40,365,517</u> |
| Excess of revenues over (under) expenditures | <u>2,172,734</u> | <u>6,064,881</u> | <u>3,120,699</u> | <u>(1,224,314)</u> | <u>(2,789,559)</u> | <u>(7,616,140)</u> | <u>(711,234)</u> | <u>(982,933)</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | 925,004 | - | - | 1,784,327 | 2,169,000 | 7,605,796 | 800,001 | 13,284,128 |
| Transfers out | (6,649,124) | (5,768,004) | (2,210,000) | - | - | - | - | (14,627,128) |
| Total other financing sources (uses) | <u>(5,724,120)</u> | <u>(5,768,004)</u> | <u>(2,210,000)</u> | <u>1,784,327</u> | <u>2,169,000</u> | <u>7,605,796</u> | <u>800,001</u> | <u>(1,343,000)</u> |
| Net change in fund balances | (3,551,386) | 296,877 | 910,699 | 560,013 | (620,559) | (10,344) | 88,767 | (2,325,933) |
| Fund balances - beginning of year year, as restated | <u>12,850,529</u> | <u>11,388,958</u> | <u>2,001,423</u> | <u>256,808</u> | <u>3,810,266</u> | <u>3,771,249</u> | <u>100,730</u> | <u>34,179,963</u> |
| Fund balances - end of year | <u>\$ 9,299,143</u> | <u>\$ 11,685,835</u> | <u>\$ 2,912,122</u> | <u>\$ 816,821</u> | <u>\$ 3,189,707</u> | <u>\$ 3,760,905</u> | <u>\$ 189,497</u> | <u>\$ 31,854,030</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 September 30, 2008

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

| | | |
|---|----|-------------|
| Net changes in fund balances - total governmental funds | \$ | (2,325,933) |
|---|----|-------------|

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 | | 7,661,384 |
| Depreciation expense | | (10,110,077) |

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

| | | |
|-----------------------|--|-----------|
| Capital contributions | | 2,470,984 |
| Deferred revenue | | 1,643 |

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 assets. Also, governmental funds report the effect of issuance costs, 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 | | 2,876,000 |
| Amortization of issuance costs and deferred amounts, net | | (154,228) |
| Interest and fiscal charges | | (6,501) |

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.

| | | |
|----------------------|--|-----------|
| Compensated absences | | (179,644) |
|----------------------|--|-----------|

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.

| | | |
|--|--|----------------|
| | | <u>130,813</u> |
|--|--|----------------|

| | | |
|--|----|----------------|
| Total changes in net assets of governmental activities | \$ | <u>364,441</u> |
|--|----|----------------|

CITY OF BRANSON, MISSOURI
Statement of Net Assets
Proprietary Funds
September 30, 2008

| | Enterprise Water and Sewer | Internal Service Equipment Replacement |
|---|----------------------------------|--|
| Assets | | |
| Current assets: | | |
| Cash and investments | \$ 3,205,225 | \$ 715,731 |
| Receivables (net of allowances for uncollectibles) | | |
| Water and sewer billings | 778,830 | - |
| Leases | 225,723 | - |
| Total current assets | 4,209,778 | 715,731 |
| Noncurrent assets: | | |
| Restricted cash and investments | 185,812 | - |
| Capital Assets: | | |
| Land and improvements | 3,784,962 | - |
| Other capital assets, net of depreciation | 74,488,982 | 2,331,675 |
| Total capital assets | 78,273,944 | 2,331,675 |
| Total noncurrent assets | 78,459,756 | 2,331,675 |
| Total assets | 82,669,534 | 3,047,406 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 323,331 | 62,821 |
| Accrued expenses | 147,259 | - |
| Accrued interest | 12,248 | - |
| Utility deposits | 709,995 | - |
| Other liabilities | 91,902 | - |
| Long-term debt due in one year | 270,000 | - |
| Total current liabilities | 1,554,735 | 62,821 |
| Noncurrent liabilities: | | |
| Accrued compensated absences | 56,087 | - |
| Long-term debt | 620,000 | - |
| Total noncurrent liabilities | 676,087 | - |
| Total liabilities | 2,230,822 | 62,821 |
| Net Assets | | |
| Invested in capital assets, net of related debt | 73,738,982 | 2,331,675 |
| Restricted - debt service | 185,812 | - |
| Unrestricted | 6,513,918 | 652,910 |
| Total net assets | 80,438,712 | \$ 2,984,585 |
| Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities | 253,053 | |
| Net assets of business-type activities | \$ 80,691,765 | |

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2008

| | <u>Enterprise Water and Sewer</u> | <u>Internal Service Equipment Replacement</u> |
|---|---|---|
| Operating revenues: | | |
| Charges for services (pledged as security for revenue bonds): | | |
| Water | \$ 2,536,923 | \$ - |
| Sewer | 2,814,055 | - |
| Rental income | - | 728,356 |
| Miscellaneous | 17,732 | - |
| Total operating revenues | <u>5,368,710</u> | <u>728,356</u> |
| Operating expenses: | | |
| Personal services | 2,692,301 | - |
| Contractual services | 2,215,142 | - |
| Commodities | 679,467 | - |
| Depreciation | 3,083,031 | 531,501 |
| Total operating expenses | <u>8,669,941</u> | <u>531,501</u> |
| Operating income (loss) | <u>(3,301,231)</u> | <u>196,855</u> |
| Nonoperating revenues (expenses): | | |
| Sewer capacity fees | 537,838 | - |
| Interest income | 37,065 | - |
| Gain (loss) on disposal of capital assets | (2,498) | (34,596) |
| Interest expense | (60,232) | - |
| Total nonoperating revenues (expenses) | <u>512,173</u> | <u>(34,596)</u> |
| Income (loss) before transfers and capital contributions | (2,789,058) | 162,259 |
| Transfers in | 1,343,000 | - |
| Capital contribution | <u>6,523,130</u> | <u>-</u> |
| Change in net assets | 5,077,072 | 162,259 |
| Total net assets-beginning of year | <u>75,361,640</u> | <u>2,822,326</u> |
| Total net assets-end of year | <u>\$ 80,438,712</u> | <u>\$ 2,984,585</u> |
| Change in net assets | \$ 5,077,072 | |
| Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities | <u>31,446</u> | |
| Change in net assets of business-type activities | <u>\$ 5,108,518</u> | |

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2008

| | <u>Enterprise Water and Sewer</u> | <u>Internal Service Equipment Replacement</u> |
|--|---|---|
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 5,410,431 | \$ 728,356 |
| Payments to suppliers | (2,799,132) | 62,536 |
| Payments to employees for services | (2,665,628) | - |
| Net cash provided by (used in) operating activities | <u>(54,329)</u> | <u>790,892</u> |
| Cash flows from capital and related financing activities: | | |
| Purchases of capital assets | (524,195) | (1,201,350) |
| Proceeds from sales of capital assets | - | (34,596) |
| Principal paid on capital debt | (125,000) | - |
| Interest and bond cost paid on capital debt | (62,125) | - |
| Sewer capacity fees | 537,838 | - |
| Net cash (used in) capital and related financing activities | <u>(173,482)</u> | <u>(1,235,946)</u> |
| Cash flows from noncapital financing activities: | | |
| Transfers from other funds | <u>1,343,000</u> | <u>-</u> |
| Cash flows from investment activities: | | |
| Interest and dividends | <u>37,065</u> | <u>-</u> |
| Net cash provided by (used in) investing activities | <u>37,065</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | 1,152,254 | (445,054) |
| Cash and cash equivalents, beginning of year | <u>2,238,783</u> | <u>1,160,785</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,391,037</u> | <u>\$ 715,731</u> |
| Reconciliation of operating income (loss) to net cash provided provided by (used in) operating activities | | |
| Operating income (loss) | \$ (3,301,231) | \$ 196,855 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 3,083,031 | 531,501 |
| Change in assets and liabilities: | | |
| Receivables (net) | 11,026 | - |
| Accounts and other payables | 95,477 | 62,536 |
| Accrued expenses | 26,673 | - |
| Utility deposits | 30,695 | - |
| Net cash provided by (used in) operating activities | <u>\$ (54,329)</u> | <u>\$ 790,892</u> |
| Cash consists of : | | |
| Cash and investments | \$ 3,205,225 | \$ 715,731 |
| Restricted cash and investments | 185,812 | - |
| | <u>\$ 3,391,037</u> | <u>\$ 715,731</u> |
| Noncash capital and related financing activities: | | |
| Capital contribution | <u>\$ 6,523,130</u> | <u>\$ -</u> |

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Net Assets -
Fiduciary Funds
September 30, 2008

| | <u>Agency Fund</u> <u>Landscape Trust</u> |
|---------------------------|--|
| Assets | |
| Cash and cash equivalents | <u>\$ 1,213,316</u> |
| Liabilities | |
| Due to others | <u>\$ 1,213,316</u> |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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 for 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.

For the year ended September 30, 2008, the City's management determined that the financial reporting of the Tax Increment Financing Commission (the Commission) of Branson, Missouri's activities should be changed. Management believes that this change in financial reporting of the Commission's activities presents a more meaningful presentation of the City's aggregate tax increment financing related activities and obligations. Accordingly, the Commission and the various activities and related long-term obligations associated with the Commission's TIF plans are presented in the City financial statements as a discretely presented component unit. Previously, the Commission's activities were accounted for within the City's governmental activities. See Note 12 for additional information on this change in financial reporting.

This report includes the financial statements of the City (the primary government) and its component unit, the Commission. The Commission is considered to be a discretely presented component unit and is presented in a separate column on the government-wide financial statements to emphasize that it is a separate entity from 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 assets 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 support.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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.

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 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 year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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.

Convention Center Fund – is used to account for the City's convention center activities.

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 Component Unit.

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

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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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.

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 uncollectibles. An allowance of \$247,658 is recorded at September 30, 2008.

Inventories

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

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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 - 20 years |
| Vehicles | 2 - 7 years |

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 assets. Bond premiums and discounts, as well as issuance cost, 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. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt. See Note 7 for debt included within the City's discretely presented component unit.

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.

Equity Classifications

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

- (1) Invested in capital assets, net of related debt – 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.
- (2) Restricted net assets – consisting of net assets 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.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

- (3) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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.

Pending Governmental Accounting Standards Board Statements

At September 30, 2008, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was issued in June 2004. This statement establishes standards for the measurement, recognition and display of other postemployment benefits (OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The term “other postemployment benefits” refers to postemployment benefits other than pension benefits and includes (a) postemployment healthcare benefits and, (b) other types of postemployment benefits (i.e., life insurance) if provided separately from a pension plan. The provisions of this statement are effective for the City for the fiscal year beginning October 1, 2008.

2 - Stewardship, Compliance and Accountability

Budgetary Information

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.

Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Sanction 67.010 RSMo.

Excess expenditures over approved budgetary appropriations

Actual expenditures exceeded budgetary appropriations in the General Fund, Tourism Fund, Convention Center Fund, and Capital Projects Fund.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

3 - Taxes

Taxes receivable as of September 30, 2008 were as follows:

| | <u>Property Tax</u> | <u>City Sales Tax</u> | <u>Tourism Tax</u> | <u>Total</u> |
|--------------------------|-------------------------|---------------------------|------------------------|---------------------|
| Fund: | | | | |
| General | \$ 74,906 | \$ 1,666,920 | \$ - | \$ 1,741,826 |
| Tourism Tax | - | - | 1,283,000 | 1,283,000 |
| Transportation Sales Tax | - | 829,137 | - | 829,137 |
| Total | <u>\$ 74,906</u> | <u>\$ 2,496,057</u> | <u>\$ 1,283,000</u> | <u>\$ 3,853,963</u> |

Tax revenue for the year ended September 30, 2008 was as follows:

| | <u>Property Tax</u> | <u>City Sales Tax</u> | <u>Tourism Tax</u> | <u>Franchise Tax</u> | <u>Other Taxes</u> | <u>Total</u> |
|---------------------------|-------------------------|---------------------------|------------------------|--------------------------|------------------------|----------------------|
| Major governmental funds: | | | | | | |
| General | \$ 2,050,551 | \$ 8,615,943 | \$ - | \$ 761,274 | \$ 415,990 | \$ 11,843,758 |
| Tourism Tax | - | - | 11,769,977 | - | - | 11,769,977 |
| Transportation Sales Tax | - | 4,365,095 | - | - | 246,870 | 4,611,965 |
| Nonmajor funds | - | - | - | - | 88,541 | 88,541 |
| Total | <u>\$ 2,050,551</u> | <u>\$ 12,981,038</u> | <u>\$ 11,769,977</u> | <u>\$ 761,274</u> | <u>\$ 751,401</u> | <u>\$ 28,314,241</u> |

The Cities 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 Assessors Office. The assessed values at January 1, 2007, upon which the 2007 levy was based and upon which the ad valorem tax revenues for the year ended September 30, 2008 are recorded, are as follows:

| | |
|---|-----------------------|
| Real estate | \$ 422,000,970 |
| Personal property and business personal | <u>58,490,528</u> |
| | <u>\$ 480,491,498</u> |

Property taxes are due and payable on November 1 and become delinquent of January 1.

The 2007 tax levy per \$ 100 assessed valuation was:

| | |
|---------|-----------|
| General | \$ 0.4535 |
|---------|-----------|

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

4 - Deposits and Investments

As of September 30, 2008, the City's cash and investments consisted of the following:

| | 2008 |
|--------------------------------------|---------------|
| Investments: | |
| Short-term investments held in trust | \$ 39,337,205 |
| Deposits | 21,427,901 |
| Petty cash | 4,670 |
| Total cash and investments | \$ 60,769,776 |

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

| | Government-wide statement of net assets | Fiduciary funds statement of net assets | Component Unit | Grand Total |
|---------------------------------|--|--|---------------------------|------------------------|
| Cash and investments | \$ 25,132,229 | \$ 1,213,316 | \$ 1,149,357 | \$ 27,494,902 |
| Restricted cash and investments | 8,507,768 | - | 24,767,106 | 33,274,874 |
| | \$ 33,639,997 | \$ 1,213,316 | \$ 25,916,463 | \$ 60,769,776 |

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.

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 September 30, 2008, all of the City's investments were short-term money market mutual funds held in trust 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 September 30, 2008, all of the City's investments were short-term money market mutual funds held in trust which are not subject to such risks.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At September 30, 2008, all of the City's investments were short-term money market mutual funds 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.

At September 30, 2008, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully 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 or investments was exposed to custodial credit risk as of September 30, 2008.

5 - Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|----------------------|------------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 48,004,331 | \$ 2,657,675 | \$ - | \$ 50,662,006 |
| Construction in progress | 61,855,831 | 6,520,866 | 65,790,162 | 2,586,535 |
| Total Capital assets not being depreciated | 109,860,162 | 9,178,541 | 65,790,162 | 53,248,541 |
| Capital Assets being depreciated: | | | | |
| Buildings and fixtures | 24,955,790 | 51,150,213 | - | 76,106,003 |
| Equipment | 9,312,453 | 1,671,800 | 473,728 | 10,510,525 |
| Vehicles | 1,361,881 | 249,065 | 451,602 | 1,159,344 |
| Infrastructure | 143,666,172 | 13,640,624 | - | 157,306,796 |
| Furniture | 2,533,569 | 427,800 | 5,202 | 2,956,167 |
| Land improvements | 1,846,579 | 370,121 | - | 2,216,700 |
| Total capital assets being depreciated | 183,676,444 | 67,509,623 | 930,532 | 250,255,535 |
| Less accumulated depreciation for: | | | | |
| Buildings and fixtures | (4,485,726) | (2,255,018) | - | (6,740,744) |
| Equipment | (4,578,451) | (1,019,215) | 377,943 | (5,219,723) |
| Vehicles | (1,352,736) | (13,028) | 451,602 | (914,162) |
| Infrastructure | (70,861,616) | (6,454,735) | - | (77,316,351) |
| Furniture | (180,977) | (179,718) | 5,202 | (355,493) |
| Land improvements | (913,937) | (188,363) | - | (1,102,300) |
| Total accumulated depreciation | (82,373,443) | (10,110,077) | 834,747 | (91,648,773) |
| Total capital assets being depreciated, net | 101,303,001 | 57,399,546 | (95,785) | 158,606,762 |
| Governmental activities capital assets, net | \$ 211,163,163 | \$ 66,578,087 | \$ (65,885,947) | \$ 211,855,303 |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|---------------------|----------------------|
| Business type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,784,962 | \$ - | \$ - | \$ 3,784,962 |
| Construction in progress | - | 374,159 | 374,159 | - |
| Total Capital assets not being depreciated | 3,784,962 | 374,159 | 374,159 | 3,784,962 |
| Capital Assets being depreciated: | | | | |
| Water and sewer treatment plants | 70,174,500 | - | 46,781 | 70,127,719 |
| Water and sewer mains and lines | 37,243,873 | 6,961,250 | 3,500 | 44,201,623 |
| Machinery and equipment | 2,011,598 | 120,241 | 141,618 | 1,990,221 |
| Total capital assets being depreciated | 109,429,971 | 7,081,491 | 191,899 | 116,319,563 |
| Less accumulated depreciation for: | | | | |
| Water and sewer treatment plants | (21,592,603) | (1,771,565) | 21,708 | (23,342,460) |
| Water and sewer mains and lines | (16,247,163) | (1,162,615) | 3,312 | (17,406,466) |
| Machinery and equipment | (1,063,019) | (148,851) | 130,215 | (1,081,655) |
| Total accumulated depreciation | (38,902,785) | (3,083,031) | 155,235 | (41,830,581) |
| Total capital assets being depreciated, net | 70,527,186 | 3,998,460 | (36,664) | 74,488,982 |
| Business-type activities capital assets, net | \$ 74,312,148 | \$ 4,372,619 | \$ (410,823) | \$ 78,273,944 |

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

| | |
|---|----------------------|
| Governmental activities: | |
| General government | \$ 304,006 |
| Public safety | 476,206 |
| Public works | 6,578,145 |
| Engineering | 55,118 |
| Community Development | 64,398 |
| Culture and recreation | 565,133 |
| Convention center | 2,067,071 |
| Total depreciation expense - governmental activities | \$ 10,110,077 |
| Business-type activities: | |
| Water and sewer | \$ 3,083,031 |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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 \$750,000 per year.

The cost of the capital assets the City leases is \$32,900, with accumulated depreciation of \$15,090, resulting in net carrying value of \$17,810 at September 30, 2008.

For the year ended September 30, 2008, lease income for all operating leases was approximately \$1,066,000 including contingent lease income of approximately \$316,000.

Branson Landing Lease

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 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.

Capital Leases

The City has a lease agreement as a lessor on City property. 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 September 30, 2008 the lease receivable balance was \$225,723.

Future minimum lease payments to be received are as follows:

| | | |
|---|----|-----------------------|
| 2009 | \$ | 13,402 |
| 2010 | | 13,804 |
| 2011 | | 14,218 |
| 2012 | | 14,644 |
| 2013 | | 15,083 |
| 2014-2018 | | 82,484 |
| 2019-2022 | | <u>72,088</u> |
| Present value of minimum lease payments | \$ | <u><u>225,723</u></u> |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

7 - Long-Term Obligations

Long-term obligation activity for the year ended September 30, 2008 was as follows:

| | Beginning Balance (as restated) | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---------------------------------------|---------------------|---------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable | | | | | |
| Revenue Bonds | \$ 29,897,000 | \$ - | \$ 2,256,000 | \$ 27,641,000 | \$ 2,357,000 |
| Special Limited Obligation Bonds | 40,105,000 | - | 420,000 | 39,685,000 | 430,000 |
| Less deferred amounts: | | | | | |
| For issuance discounts | (99,907) | - | (6,140) | (93,767) | (6,047) |
| On refunding | (658,057) | - | (104,019) | (554,038) | (104,019) |
| Total bonds payable | <u>69,244,036</u> | <u>-</u> | <u>2,565,841</u> | <u>66,678,195</u> | <u>2,676,934</u> |
| Compensated absences | 905,066 | 911,708 | 732,064 | 1,084,710 | 735,000 |
| Other payable | <u>200,000</u> | <u>-</u> | <u>200,000</u> | <u>-</u> | <u>-</u> |
| Governmental activities long-term obligations | <u>70,349,102</u> | <u>911,708</u> | <u>3,497,905</u> | <u>67,762,905</u> | <u>3,411,934</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds | \$ 875,000 | \$ - | \$ 125,000 | \$ 750,000 | \$ 130,000 |
| Compensated absences | <u>238,129</u> | <u>93,103</u> | <u>135,145</u> | <u>196,087</u> | <u>140,000</u> |
| Business-type activities long-term obligations | <u>1,113,129</u> | <u>93,103</u> | <u>260,145</u> | <u>946,087</u> | <u>270,000</u> |
| Total Primary Government | <u>\$ 71,462,231</u> | <u>\$ 1,004,811</u> | <u>\$ 3,758,050</u> | <u>\$ 68,708,992</u> | <u>\$ 3,681,934</u> |
| For governmental activities, compensated absences are generally liquidated by the general fund. | | | | | |
| Discretely Presented Component Unit: | | | | | |
| Bonds payable: | | | | | |
| Tax Increment Financing | \$ 197,295,264 | \$ 3,646,521 | \$ 1,215,000 | \$ 199,726,785 | \$ 2,040,000 |
| Less deferred amounts: | | | | | |
| For issuance discounts | (414,652) | - | (29,532) | (385,120) | (29,532) |
| Premiums | 1,873,426 | - | 95,513 | 1,777,913 | 95,513 |
| Total bonds payable | <u>\$ 198,754,038</u> | <u>\$ 3,646,521</u> | <u>\$ 1,280,981</u> | <u>\$ 201,119,578</u> | <u>\$ 2,105,981</u> |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Revenue Bonds

Governmental activities

The City issues bonds where the government pledges income derived from the acquired or constructed assets to pay the debt service. The City has pledged future tourism tax revenues, net of specified operating expenses, 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 \$36,161,943. For the year ended September 30, 2008, principal and interest paid was \$3,837,911 and total tourism tax revenues were \$11,769,977. Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$5,309,872 at September 30, 2008.

The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

| | <u>Balance at</u> <u>September 30, 2008</u> |
|--|--|
| <p>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. Bonds maturing after July 1, 2006 and thereafter may be called on June 1, 2005 and every June 1 and December 1 thereafter at par.</p> | \$ 1,516,000 |
| <p>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.</p> | 12,505,000 |
| <p>Tourism Tax Revenue Bonds, Series 1998A of \$9,630,000 issued May 1998; 3.75% to 5.00% interest payable semiannually, remaining principal payments due annually of \$1,220,000 to \$1,305,000. Final maturity January 1, 2010. Bonds maturing in the years 2009 and thereafter may be called on January 1, 2008 and thereafter at par.</p> | 2,525,000 |
| <p>Tourism Tax Revenue Bonds, Series 1998B of \$17,435,000 issued May 1998; 3.75% to 5.00% interest payable semiannually, remaining principal payments due annually of \$730,000 to \$3,210,000. Final maturity January 1, 2018. Bonds maturing in the years 2009 and thereafter may be called during calendar 2008 at 101 and thereafter at par.</p> | 9,255,000 |
| <p>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.</p> | <u>1,840,000</u> |
| | <u>\$ 27,641,000</u> |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Business-type activities

Interest and principal payments on the Water and Sewer Fund Revenue Bonds are payable solely from water and sewer system revenues. Bond indentures require monthly cash transfers to restricted accounts in order to accumulate necessary payment funding. The bonds are secured by the City's waterworks and sewerage system. Restricted debt service reserves for this issue at September 30, 2008 totaled \$185,812.

Balance at
September 30, 2008

Combined Waterworks and Sewerage System Bonds of \$2,000,000 issued as part of Missouri State Environmental and Energy Resources Authority Water Pollution Control Revenue Bonds Series 1992A, issued August 1, 1992; 4.5% to 6.5% interest payable semiannually, remaining principal payments due annually of \$130,000 to \$ 170,000. Final maturity July 1, 2013. Bonds maturing June 1, 2008 and July 1, 2013 may be called every June 1 and December 1 after June 1, 2004 at par.

\$ 750,000

Special Limited Obligation Bonds

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

Balance at
September 30, 2008

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds) Series 2003A of \$56,290,000 issued January 2003; 2.5% to 5.5% interest payable semiannually, principal payments due annually ranging from \$1,070,000 to \$2,940,000 with final maturity on December 1, 2032. Bonds maturing on or after December 1, 2017 may be called on or after December 1, 2012 at par. During the fiscal year ended September 30, 2008, City management determined that a portion of the original amount of this obligation should be reported as follows: \$6,690,000 in the discretely presented Tax Increment Financing Commission and \$49,600,000 should be reported in this governmental activities section of long-term obligations.

\$ 39,685,000

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 demised 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 and an annual appropriation pledge are security for the required annual interest and principal payments on the bonds. Restricted investment reserves for the above special limited obligation bonds at September 30, 2008 were \$3,012,084.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Revenue and Special Limited Obligation bonds debt service requirements to maturity are as follows:

| | Governmental activities | | | | | |
|-----------|--------------------------------|---------------------|-----------------------------------|----------------------|--------------------------------------|----------------------|
| | Revenue Bonds | | Special Limited Obligation | | Total Governmental Activities | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2009 | \$ 2,357,000 | \$ 1,465,704 | 430,000 | 2,085,725 | \$ 2,787,000 | \$ 3,551,429 |
| 2010 | 2,462,000 | 1,345,009 | 450,000 | 2,070,303 | 2,912,000 | 3,415,312 |
| 2011 | 2,535,000 | 1,256,621 | 465,000 | 2,052,678 | 3,000,000 | 3,309,299 |
| 2012 | 2,608,000 | 1,109,036 | 485,000 | 2,033,195 | 3,093,000 | 3,142,231 |
| 2013 | 2,683,000 | 957,502 | 505,000 | 2,012,152 | 3,188,000 | 2,969,654 |
| 2014-2018 | 13,156,000 | 2,346,131 | 6,090,000 | 9,274,970 | 19,246,000 | 11,621,101 |
| 2019-2023 | 1,840,000 | 40,940 | 7,825,000 | 7,476,831 | 9,665,000 | 7,517,771 |
| 2024-2028 | - | - | 10,180,000 | 5,070,305 | 10,180,000 | 5,070,305 |
| 2029-2033 | - | - | 13,255,000 | 1,900,389 | 13,255,000 | 1,900,389 |
| | <u>\$ 27,641,000</u> | <u>\$ 8,520,943</u> | <u>\$ 39,685,000</u> | <u>\$ 33,976,548</u> | <u>\$ 67,326,000</u> | <u>\$ 42,497,491</u> |

| | Business-type Activities | | Primary Government | |
|-----------|---------------------------------|-------------------|---------------------------|----------------------|
| | Revenue Bonds | | Total | |
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 130,000 | \$ 49,125 | \$ 2,917,000 | \$ 3,600,554 |
| 2010 | 140,000 | 40,610 | 3,052,000 | 3,455,922 |
| 2011 | 150,000 | 31,440 | 3,150,000 | 3,340,739 |
| 2012 | 160,000 | 21,615 | 3,253,000 | 3,163,846 |
| 2013 | 170,000 | 11,135 | 3,358,000 | 2,980,789 |
| 2014-2018 | - | - | 19,246,000 | 11,621,101 |
| 2019-2023 | - | - | 9,665,000 | 7,517,771 |
| 2024-2028 | - | - | 10,180,000 | 5,070,305 |
| 2029-2033 | - | - | 13,255,000 | 1,900,389 |
| | <u>\$ 750,000</u> | <u>\$ 153,925</u> | <u>\$ 68,076,000</u> | <u>\$ 42,651,416</u> |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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
September 30, 2008

Branson Meadows TIF Plan

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds) Series 2003A of \$56,290,000 issued January 2003; 2.5% to 5.5% interest payable semiannually, principal payments due annually ranging from \$1,070,000 to \$2,940,000 with final maturity on December 1, 2032. Bonds maturing on or after December 1, 2017 may be called on or after December 1, 2012 at par. During the fiscal year ended September 30, 2008, City management determined that a portion of the original amount of this obligation should be reported as follows: \$6,690,000 in the discretely presented Tax Increment Financing Commission and \$49,600,000 should be reported in the governmental activities section of long-term obligations. The remaining annual principal installments related to tax increment financing activities are payable through 2013 and range from \$670,000 to \$775,000.

\$ 3,600,000

Branson Landing TIF Plan

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2004A of \$ 40,000,000 issued June 2004; 2.8% to 5.625% interest payable semiannually, remaining principal payments due annually ranging from \$300,000 to \$3,095,000 with final maturity on December 1, 2028. Bonds maturing on or after December 1, 2014 may be called on or after June 1, 2014 at par. 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, future mortgages on a parking garage and a convention center, and certain pledged revenues.

39,625,000

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2005A of \$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, 2015 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, future mortgages on a parking garage and a convention center, and certain pledged revenues.

80,000,000

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 of \$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.

18,305,000
137,930,000

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Balance at
September 30, 2008

Branson Hills and Shoppes TIF Plan

| | |
|---|----------------|
| <p>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 of \$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.</p> | 14,640,000 |
| <p>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.</p> | 1,899,338 |
| <p>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 of \$3,385,000 issued April 2007; 5.75% interest payable semiannually, principal due at final maturity on May 1, 2026</p> | 3,385,000 |
| <p>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 of \$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.</p> | 35,545,000 |
| <p>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.</p> | 2,727,447 |
| | 58,196,785 |
| <p>Total tax increment financing revenue bonds</p> | \$ 199,726,785 |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Tax Increment Financing bond debt service requirements to maturity are as follows:

| | Tax Increment Financing Bonds | | | | | |
|-----------|--------------------------------------|-------------------|---------------------|------------------------|-----------------------|-----------------------|
| | Branson Meadows | | | Branson Landing | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2009 | \$ 670,000 | \$ 129,999 | \$ 799,999 | \$ 1,005,000 | \$ 7,102,881 | \$ 8,107,881 |
| 2010 | 690,000 | 106,181 | 796,181 | 1,820,000 | 7,043,269 | 8,863,269 |
| 2011 | 720,000 | 79,016 | 799,016 | 2,190,000 | 6,965,719 | 9,155,719 |
| 2012 | 745,000 | 48,969 | 793,969 | 2,185,000 | 6,870,988 | 9,055,988 |
| 2013 | 775,000 | 16,662 | 791,662 | 2,455,000 | 6,771,800 | 9,226,800 |
| 2014-2018 | - | - | - | 17,115,000 | 31,621,731 | 48,736,731 |
| 2019-2023 | - | - | - | 27,075,000 | 25,818,006 | 52,893,006 |
| 2024-2028 | - | - | - | 39,125,000 | 17,516,084 | 56,641,084 |
| 2029-2033 | - | - | - | 31,555,000 | 7,702,097 | 39,257,097 |
| 2034-2035 | - | - | - | 13,405,000 | 1,016,750 | 14,421,750 |
| | <u>\$ 3,600,000</u> | <u>\$ 380,827</u> | <u>\$ 3,980,827</u> | <u>\$ 137,930,000</u> | <u>\$ 118,429,325</u> | <u>\$ 256,359,325</u> |

| | Branson Hills and Shoppes | | | Total | | |
|-----------|----------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| | 2009 | \$ 175,000 | \$ 3,331,485 | \$ 3,506,485 | \$ 1,850,000 | \$ 10,564,365 |
| 2010 | 330,000 | 3,317,275 | 3,647,275 | 2,840,000 | 10,466,725 | 13,306,725 |
| 2011 | 765,000 | 3,284,931 | 4,049,931 | 3,675,000 | 10,329,666 | 14,004,666 |
| 2012 | 885,000 | 3,236,433 | 4,121,433 | 3,815,000 | 10,156,389 | 13,971,389 |
| 2013 | 1,015,000 | 3,180,213 | 4,195,213 | 4,245,000 | 9,968,675 | 14,213,675 |
| 2014-2018 | 7,335,000 | 14,728,414 | 22,063,414 | 24,450,000 | 46,350,145 | 70,800,145 |
| 2019-2023 | 12,320,000 | 15,530,033 | 27,850,033 | 39,395,000 | 41,348,039 | 80,743,039 |
| 2024-2028 | 24,079,338 | 13,116,184 | 37,195,522 | 63,204,338 | 30,632,268 | 93,836,606 |
| 2029-2033 | 11,292,447 | 9,091,999 | 20,384,446 | 42,847,447 | 16,794,096 | 59,641,543 |
| 2034-2035 | - | - | - | 13,405,000 | 1,016,750 | 14,421,750 |
| | <u>\$ 58,196,785</u> | <u>\$ 68,816,965</u> | <u>\$ 127,013,750</u> | <u>\$ 199,726,785</u> | <u>\$ 187,627,117</u> | <u>\$ 387,353,902</u> |

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 \$387 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 City has made an annual appropriation pledge in association with the tax increment financing revenue bonds issued by the Missouri Development Finance Board. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

For the current year, principal and interest paid on tax increment financing bonds totaled approximately \$11.9 million. Incremental revenues from the City totaled approximately \$3.2 million. Incremental revenues from other taxing districts and governmental entities totaled approximately \$6.8 million. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues and other sources from other taxing districts and governmental entities, cash reserves, and debt trust funds.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Bond Indebtedness Limitation

Under the Missouri Constitution, the limit of general obligation bonded indebtedness is 10% of the most recent assessed valuation. The legal debt margin (constitutional debt limit – 2007 valuation) of the City at September 30, 2008 was approximately \$48,000,000. The City has no outstanding general obligation bonded debt at September 30, 2008.

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 state 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.

The Missouri Local Government Employees Retirement System (LAGERS) issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to 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 political subdivision is required to contribute at an actuarially determined rate; the current rate is 9.4% (general), 7.7% (police), and 11.0% (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

For the plan year 2008, the City's annual pension cost of \$1,160,963 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2008 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% 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 the RP-2000 Combined Healthy Table set back zero years for men and women and (e) post-retirement mortality based on the 1971 group Annuity Mortality table projected to 2000 set back one year for men and seven 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 at February 29, 2008 was 15 years.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

| Fiscal Year Ending September 30, | Annual Pension Costs (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--|----------------------------------|-------------------------------------|------------------------------|
| 2006 | \$ 1,078,350 | 100% | \$ - |
| 2007 | 1,130,774 | 100% | - |
| 2008 | 1,160,963 | 100% | - |

Funded Status and Funding Progress

As of February 29, 2008, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$14,432,315. The actuarial value of assets was \$14,091,461, which results in an unfunded actuarial accrued liability (UAAL) of \$340,854 and a funded ratio of 98 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$8,239,463, which results in a ratio of the UAAL to the covered payroll of 4 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.

9 - 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 natural disasters. These risks are covered by the City's participation in the Missouri Intergovernmental Risk Management Association (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for its members. The City pays an annual premium to the Pool for its property, liability, workers' compensation, auto and crime insurance coverage's. The Pool's governing agreement specifies that the Pool itself will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop loss amounts. Settlements have not exceeded insurance coverage for each of the last three years. There have been no reductions in insurance converge from the prior year. Commercial insurance coverage is purchased for claims arising from employee health matters.

10 - Commitments and Contingencies

Branson Landing Master Lease

The City as landlord has entered into 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 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 September 30, 2008, the City paid \$417,115 under this lease agreement.

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Capital Projects

Normal commitments have been made for future expenditures related to the City's capital projects program.

Convention Center Operating Agreement

The City has entered into convention center management agreement with Hilton Hotels Corporation 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). Subject to certain agreement clauses, the term of the agreement is for 15 years from the opening of the Convention Center and includes options for renewal for two 5 year periods. For the year ended September 30, 2008, the City paid \$180,000 under this management agreement.

Performance Agreement

The City has entered into an airport performance agreement with a private developer. Under the agreement, the City will pay the developer a per passenger arrival fee on a quarterly basis. The fee will not exceed \$500,000 in any of the first three quarters and will not exceed \$2,000,000 on an annual basis. The airport is scheduled to begin providing services in 2009.

Litigation

The City is a defendant in various lawsuits relating to easements, condemnations and other matters which are considered normal to the City's operations. It is the opinion of the city's management that the outcome of the litigation will not result in a material loss to the City in excess of applicable insurance coverage.

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. Accordingly, the City has not recorded an obligation.

11 - Interfund Activity

Interfund transfers for the year ended September 30, 2008, 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>Capital Projects</u> | |
| Governmental : | | | | | |
| General Fund | \$ - | \$ 925,004 | \$ - | \$ - | \$ 925,004 |
| Convention Center | 1,784,327 | - | - | - | 1,784,327 |
| Debt Service | 1,550,000 | - | 619,000 | - | 2,169,000 |
| Capital Projects | 2,514,796 | 3,500,000 | 1,591,000 | - | 7,605,796 |
| Other Governmental | 800,001 | - | - | - | 800,001 |
| Business-type: | | | | | |
| Water and Sewer | - | 1,343,000 | - | - | 1,343,000 |
| Total | \$ 6,649,124 | \$ 5,768,004 | \$ 2,210,000 | \$ - | \$ 14,627,128 |

City of Branson, Missouri
Notes to the Basic Financial Statements
September 30, 2008

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, and (3) use unrestricted revenues collected in the general fund finance various programs accounted for in other funds in accordance with budgetary authorizations.

12 - Prior Period Adjustments

For the year ended September 30, 2008, management determined that the following adjustments were to be made to the opening net assets and fund balances:

1. Advances made for the operational activities associated with the Branson Convention Center should be recorded and reported in a separate fund.
2. Determined that Tax Increment Financing Commission of Branson, Missouri should be reported in the City's financial statements as a discretely presented component unit. Previously, the Commission's activities were accounted for within the City's governmental activities. Accordingly, the activities of the Commission and the various related long-term obligations associated with the City's TIF plans have been reclassified. In addition, certain other long-term tax increment financing obligations issued in prior years have been recorded. See Note 1 for additional information.

| | Governmental Activates | Discretely Presented Component Unit | Debt Service Fund | Convention Center Fund |
|---|---------------------------|--|----------------------|---------------------------|
| Beginning net assets / fund balance | \$ 65,144,212 | \$ - | \$ 18,948,775 | \$ - |
| Convention Center | 256,808 | - | - | 256,808 |
| Reclassification of long-term debt and related accounts attributable to the Tax Increment Financing Commission: | | | | |
| Bond trust accounts and other assets | (15,138,509) | 15,138,509 | (15,138,509) | - |
| Outstanding bonds and related accounts | 125,542,320 | (125,542,320) | - | - |
| Recording of the Industrial Development Authority issued TIF bonds: | | | | |
| Bond trust accounts and other assets | - | 16,045,915 | - | - |
| Outstanding bonds and related accounts | - | (72,839,603) | - | - |
| Beginning net assets / fund balance as restated | \$ 175,804,831 | \$ (167,197,499) | \$ 3,810,266 | \$ 256,808 |

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
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Convention Center 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 reservations of fund balances because they do not constitute expenditures or liabilities.

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2008

| | Original and Final Amended Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (negative) |
|--|---|-------------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 11,494,413 | \$ 11,843,758 | \$ 349,345 |
| Licenses and permits: | 1,265,722 | 1,061,481 | (204,241) |
| City court fines | 280,000 | 642,078 | 362,078 |
| Lease and rent | 1,261,212 | 1,065,826 | (195,386) |
| Charges for services | 1,500,905 | 1,070,191 | (430,714) |
| Intergovernmental | 16,600 | 413,076 | 396,476 |
| Interest Income | 1,302,766 | 473,705 | (829,061) |
| Miscellaneous | 503,716 | 76,021 | (427,695) |
| Total revenues | <u>17,625,334</u> | <u>16,646,136</u> | <u>(979,198)</u> |
| Expenditures: | | | |
| General government: | | | |
| Mayor and board | 111,840 | 135,841 | (24,001) |
| City Administration | 484,506 | 184,774 | 299,732 |
| Human Resources | 277,547 | 258,067 | 19,480 |
| Administrative Services | 2,312,644 | 2,577,824 | (265,180) |
| Finance | 749,501 | 1,047,889 | (298,388) |
| Legal | 602,771 | 494,717 | 108,054 |
| Total general government | <u>4,538,809</u> | <u>4,699,112</u> | <u>(160,303)</u> |
| Public safety: | | | |
| Police | 3,853,405 | 3,954,630 | (101,225) |
| Fire | 2,816,746 | 2,919,832 | (103,086) |
| Total public safety | <u>6,670,151</u> | <u>6,874,462</u> | <u>(204,311)</u> |
| Public works | | | |
| Engineering | 1,441,704 | 1,340,650 | 101,054 |
| Community Development | 707,704 | 654,739 | 52,965 |
| Total expenditures | <u>913,899</u> | <u>1,001,017</u> | <u>(87,118)</u> |
| Total expenditures | <u>14,272,267</u> | <u>14,569,980</u> | <u>(297,713)</u> |
| Excess of revenues over (under) expenditures | 3,353,067 | 2,076,156 | (1,276,911) |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | 925,004 | 925,004 |
| Transfers out | (4,854,796) | (6,649,124) | (1,794,328) |
| Total other financing sources (uses) | <u>(4,854,796)</u> | <u>(5,724,120)</u> | <u>(869,324)</u> |
| Change in fund balances | <u>\$ (1,501,729)</u> | <u>(3,647,964)</u> | <u>\$ (2,146,235)</u> |
| Fund balance, beginning of year | | <u>12,687,957</u> | |
| Fund balance - end of year - budget basis | | 9,039,993 | |
| Adjustments: | | | |
| Encumbrances | | 259,150 | |
| Fund balance - end of year - GAAP basis | | <u>\$ 9,299,143</u> | |
| Net change in fund balance - budget basis | | \$ (3,647,964) | |
| Adjustments: | | | |
| Encumbrances - beginning of year | | (162,572) | |
| Encumbrances - end of year | | 259,150 | |
| Net change in fund balance - GAAP basis | | <u>\$ (3,551,386)</u> | |

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tourism Tax Fund
For the Year Ended September 30, 2008

| | Original and Final Amended Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (negative) |
|---|---|-------------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 11,472,027 | \$ 11,769,977 | \$ 297,950 |
| Interest Income | 795,333 | 901,900 | 106,567 |
| Total revenues | <u>12,267,360</u> | <u>12,671,877</u> | <u>404,517</u> |
| Expenditures: | | | |
| Tourism | 3,040,088 | 2,626,635 | 413,453 |
| Debt service: | | | |
| Principal | 2,256,000 | 2,256,000 | - |
| Interest and fiscal charges | 1,671,911 | 1,671,019 | 892 |
| Total expenditures | <u>6,967,999</u> | <u>6,553,654</u> | <u>414,345</u> |
| Excess of revenues over expenditures | 5,299,361 | 6,118,223 | 818,862 |
| Other financing sources (uses) | | | |
| Transfers out | (5,228,922) | (5,768,004) | (539,082) |
| Total other financing sources (uses) | <u>(5,228,922)</u> | <u>(5,768,004)</u> | <u>(539,082)</u> |
| Change in fund balances | <u>\$ 70,439</u> | 350,219 | <u>\$ 279,780</u> |
| Fund balance, beginning of year | | <u>11,281,616</u> | |
| Fund balance - end of year - budget basis | | 11,631,835 | |
| Adjustments: | | | |
| Encumbrances | | <u>54,000</u> | |
| Fund balance - end of year - GAAP basis | | <u>\$ 11,685,835</u> | |
| Net change in fund balance - budget basis | | \$ 350,219 | |
| Adjustments: | | | |
| Encumbrances - beginning of year | | (107,342) | |
| Encumbrances - end of year | | 54,000 | |
| Net change in fund balance - GAAP basis | | <u>\$ 296,877</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 September 30, 2008

| | Original and Final Amended Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (negative) |
|---|---|-------------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 5,176,000 | \$ 4,611,965 | \$ (564,035) |
| Other | 280,000 | - | (280,000) |
| Total revenues | <u>5,456,000</u> | <u>4,611,965</u> | <u>(844,035)</u> |
| Expenditures: | | | |
| Public works | <u>1,799,997</u> | <u>1,486,467</u> | <u>313,530</u> |
| Excess of revenues over expenditures | 3,656,003 | 3,125,498 | (530,505) |
| Other financing sources (uses): | | | |
| Transfers out | <u>(3,008,928)</u> | <u>(2,210,000)</u> | <u>798,928</u> |
| Change in fund balances | <u>\$ 647,075</u> | <u>915,498</u> | <u>\$ 268,423</u> |
| Fund balance, beginning of year | | <u>1,945,123</u> | |
| Fund balance - end of year - budget basis | | 2,860,621 | |
| Adjustments: | | | |
| Encumbrances | | <u>51,501</u> | |
| Fund balance - end of year - GAAP basis | | <u>\$ 2,912,122</u> | |
| Net change in fund balance - budget basis | | \$ 915,498 | |
| Adjustments: | | | |
| Encumbrances - beginning of year | | (56,300) | |
| Encumbrances - end of year | | 51,501 | |
| Net change in fund balance - GAAP basis | | <u>\$ 910,699</u> | |

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Convention Center Fund
For the Year Ended September 30, 2008

| | Original and Final Amended Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (negative) |
|--------------------------------------|---|-------------------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 3,665,610 | \$ 3,937,780 | \$ 272,170 |
| Total revenues | <u>3,665,610</u> | <u>3,937,780</u> | <u>272,170</u> |
| Expenditures: | | | |
| Convention Center Operations | 4,886,750 | 5,162,094 | (275,344) |
| Total expenditures | <u>4,886,750</u> | <u>5,162,094</u> | <u>(275,344)</u> |
| Excess of revenues over expenditures | (1,221,140) | (1,224,314) | (3,174) |
| Other financing sources | | | |
| Transfers in | - | 1,784,327 | 1,784,327 |
| Total other financing sources (uses) | - | 1,784,327 | 1,784,327 |
| Change in fund balances | <u>\$ (1,221,140)</u> | 560,013 | <u>\$ 1,781,153</u> |
| Fund balance, beginning of year | | <u>256,808</u> | |
| Fund balance, end of year | | <u>\$ 816,821</u> | |

**City of Branson, Missouri
Historical Trend Information
September 30, 2008**

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) |
|--------------------------------|--|--|------------------------------------|----------------------------|-------------------------------------|---|
| 2/28/2006 | \$ 11,875,002 | \$ 12,984,865 | \$ 1,109,863 | 91% | \$ 7,602,474 | 15% |
| 2/28/2007 | 13,010,515 | 13,862,056 | 851,541 | 94% | 7,870,458 | 11% |
| 2/29/2008 | 14,091,461 | 14,432,315 | 340,854 | 98% | 8,239,463 | 4% |

Note: 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, 2006 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 Supplementary Information
Combining and Individual Fund
Statements and Schedules**

NON-MAJOR GOVERNMENTAL FUNDS

Recreation Fund is used to account for park and recreation programs and activities.

Capital Projects Planning Fund is used to account for non-capital expenditures related to planning of major capital projects.

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
September 30, 2008

| | Special Revenue | Capital Projects | Permanent | |
|---------------------------------------|--------------------|---------------------------------|-------------------|--|
| Assets | Recreation | Capital Projects Planning | Perpetual Care | Total Nonmajor Governmental Funds |
| Cash and cash equivalents | \$ 248,198 | \$ 32,934 | \$ 3,960 | \$ 285,092 |
| | | | | |
| Total assets | \$ 248,198 | \$ 32,934 | \$ 3,960 | \$ 285,092 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 51,813 | \$ - | \$ - | \$ 51,813 |
| Accrued expenditures | 43,782 | - | - | 43,782 |
| | | | | |
| Total liabilities | 95,595 | - | - | 95,595 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | 17,119 | - | - | 17,119 |
| Other purposes | - | - | 3,960 | 3,960 |
| Unreserved: | | | | |
| Special revenue fund | 135,484 | - | - | 135,484 |
| Capital projects fund | - | 32,934 | - | 32,934 |
| | | | | |
| Total fund balances | 152,603 | 32,934 | 3,960 | 189,497 |
| | | | | |
| Total liabilities and fund balance | \$ 248,198 | \$ 32,934 | \$ 3,960 | \$ 285,092 |

CITY OF BRANSON, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2008

| | Special Revenue | Capital Projects | Permanent | |
|--|--------------------|------------------------------|-----------------|---|
| | Recreation | Capital Projects Planning | Perpetual Care | Total Nonmajor Governmental Funds |
| Revenues: | | | | |
| Taxes | \$ 88,541 | \$ - | \$ - | \$ 88,541 |
| Charges for services | 1,172,893 | - | - | 1,172,893 |
| Miscellaneous | 123,888 | - | 100 | 123,988 |
| Total revenues | <u>1,385,322</u> | <u>-</u> | <u>100</u> | <u>1,385,422</u> |
| Expenditures: | | | | |
| Culture and recreation | 2,096,656 | - | - | 2,096,656 |
| Total expenditures | <u>2,096,656</u> | <u>-</u> | <u>-</u> | <u>2,096,656</u> |
| Excess (deficiency) of revenues over expenditures | <u>(711,334)</u> | <u>-</u> | <u>100</u> | <u>(711,234)</u> |
| Other financing sources: | | | | |
| Transfers in | 800,001 | - | - | 800,001 |
| | <u>800,001</u> | <u>-</u> | <u>-</u> | <u>800,001</u> |
| Net change in fund balances | <u>88,667</u> | <u>-</u> | <u>100</u> | <u>88,767</u> |
| Fund balances - beginning of year | <u>63,936</u> | <u>32,934</u> | <u>3,860</u> | <u>100,730</u> |
| Fund balances - end of year | <u>\$ 152,603</u> | <u>\$ 32,934</u> | <u>\$ 3,960</u> | <u>\$ 189,497</u> |

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
For the Year Ended September 30, 2008

| | Original and Final amended Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---|-------------------|--|
| Revenues: | | | |
| Taxes | \$ 71,000 | \$ 88,541 | \$ 17,541 |
| Charges for services | 1,228,185 | 1,172,893 | (55,292) |
| Donations and other | 40,400 | - | (40,400) |
| Miscellaneous | 2,500 | 123,888 | 121,388 |
| Total revenues | <u>1,342,085</u> | <u>1,385,322</u> | <u>43,237</u> |
| Expenditures: | | | |
| Culture and recreation | <u>2,125,454</u> | <u>2,098,116</u> | <u>27,338</u> |
| Excess of revenues over (under) expenditures | (783,369) | (712,794) | 70,575 |
| Other financing sources (uses): | | | |
| Transfers in | <u>800,000</u> | <u>800,001</u> | <u>1</u> |
| Change in fund balances | <u>\$ 16,631</u> | 87,207 | <u>\$ 70,576</u> |
| Fund balance, beginning of year | | <u>48,277</u> | |
| Fund balance - end of year - budget basis | | 135,484 | |
| Adjustments: | | | |
| Encumbrances | | 17,119 | |
| Fund balance - end of year - GAAP basis | | <u>\$ 152,603</u> | |
| Net change in fund balance - budget basis | | \$ 87,207 | |
| Adjustments: | | | |
| Encumbrances - beginning of year | | (15,659) | |
| Encumbrances - end of year | | 17,119 | |
| Net change in fund balance - GAAP basis | | <u>\$ 88,667</u> | |

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the Year Ended September 30, 2008

| | Original and Final amended Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---|---------------------|--|
| Revenues: | | | |
| Interest income | \$ 180,000 | \$ 129,404 | \$ (50,596) |
| Total revenues | <u>180,000</u> | <u>129,404</u> | <u>(50,596)</u> |
| Expenditures: | | | |
| Community development | - | 392,493 | (392,493) |
| Debt Service: | | | |
| Principal | 1,070,000 | 420,000 | 650,000 |
| Interest | 2,258,924 | 2,106,470 | 152,454 |
| Total expenditures | <u>3,328,924</u> | <u>2,918,963</u> | <u>409,961</u> |
| Excess of revenues over (under) expenditures | (3,148,924) | (2,789,559) | (460,557) |
| Other Financing Sources (Uses) | | | |
| Transfers in | 2,169,300 | 2,169,000 | (300) |
| Total other financing sources (uses) | <u>2,169,300</u> | <u>2,169,000</u> | <u>(300)</u> |
| Change in fund balances | <u>\$ (979,624)</u> | (620,559) | <u>\$ (460,857)</u> |
| Fund balance, beginning of year, as restated | | 3,810,266 | |
| Fund balance, end of year | | <u>\$ 3,189,707</u> | |

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended September 30, 2008

| | Original and Final amended Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---|---------------------|--|
| Revenues: | | | |
| Rents and leases | \$ 34,333 | \$ - | \$ (34,333) |
| Miscellaneous | 115,000 | - | (115,000) |
| Total revenues | <u>149,333</u> | - | <u>(149,333)</u> |
| Expenditures: | | | |
| General government | - | 1,885 | (1,885) |
| Capital Outlays | 8,132,000 | 8,160,511 | (28,511) |
| Total expenditures | <u>8,132,000</u> | <u>8,162,396</u> | <u>(30,396)</u> |
| Excess of revenues over (under) expenditures | (7,982,667) | (8,162,396) | (118,937) |
| Other financing sources (uses): | | | |
| Transfers in | <u>7,495,796</u> | <u>7,605,796</u> | <u>110,000</u> |
| Change in fund balances | <u>\$ (486,871)</u> | <u>(556,600)</u> | <u>\$ (8,937)</u> |
| Fund balance, beginning of year | | <u>3,771,249</u> | |
| Fund balance - end of year - budget basis | | 3,214,649 | |
| Adjustments: | | | |
| Encumbrances | | 546,256 | |
| Fund balance - end of year - GAAP basis | | <u>\$ 3,760,905</u> | |
| Net change in fund balance - budget basis | | \$ (556,600) | |
| Adjustments: | | | |
| Encumbrances - end of year | | 546,256 | |
| Net change in fund balance - GAAP basis | | <u>\$ (10,344)</u> | |

City of Branson, Missouri
Combining Balance Sheet - Discretely Presented Component Unit
Tax Increment Financing Commission
September 30, 2008

| Assets | <u>Branson Meadows</u> | <u>Branson Landing</u> | <u>Branson Hills</u> | <u>Total</u> |
|--|----------------------------|----------------------------|--------------------------|----------------------|
| Cash and cash equivalents | \$ - | \$ 856,171 | \$ 293,186 | \$ 1,149,357 |
| Receivables: | | | | |
| Intergovernmental | 64,453 | 840,273 | 344,574 | 1,249,300 |
| Due from primary government | 29,965 | 355,013 | 137,562 | 522,540 |
| Restricted cash and equivalents | 410,739 | 16,304,127 | 8,052,240 | 24,767,106 |
| Total Assets | <u>\$ 505,157</u> | <u>\$ 18,355,584</u> | <u>\$ 8,827,562</u> | <u>\$ 27,688,303</u> |
| Liabilities and Fund Balances | | | | |
| Fund balances: | | | | |
| Reserved for capital projects | \$ - | \$ 900,474 | \$ 11,354 | \$ 911,828 |
| Reserved for debt service | 505,157 | 17,455,110 | 8,816,208 | 26,776,475 |
| Total fund balances | <u>505,157</u> | <u>18,355,584</u> | <u>8,827,562</u> | <u>27,688,303</u> |
| Total liabilities and fund balances | <u>\$ 505,157</u> | <u>\$ 18,355,584</u> | <u>\$ 8,827,562</u> | <u>\$ 27,688,303</u> |

Amounts reported in the government-wide statements are different because:

| | |
|---|-------------------------|
| Fund balances | \$ 27,688,303 |
| Long term liabilities for bonds payable are not due in the current period and therefore are not reported in the funds | (201,119,578) |
| Unamortized bond issuance costs are capitalized in the government-wide financial statements but do not represent assets available for current obligations and therefore are not reported in the governmental fund statements. | 4,021,327 |
| Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements. | <u>(3,804,614)</u> |
| Net assets (deficit) of component unit | <u>\$ (173,214,562)</u> |

City of Branson, Missouri
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Discretely Presented Component Unit - Tax Increment Financing Commission
For the Year Ended September 30, 2008

| | Branson Meadows | Branson Landing | Branson Hills | Total |
|---|--------------------|----------------------|---------------------|----------------------|
| Revenues: | | | | |
| Taxes | \$ 194,647 | \$ 2,422,714 | \$ 576,807 | \$ 3,194,168 |
| Intergovernmental activity taxes | 194,647 | 5,037,142 | 1,575,699 | 6,807,488 |
| Contributions from City | 392,493 | - | - | 392,493 |
| Interest | 17,647 | 498,827 | 240,016 | 756,490 |
| Total Revenues | <u>799,434</u> | <u>7,958,683</u> | <u>2,392,522</u> | <u>11,150,639</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | - | 1,597,119 | 4,793,316 | 6,390,435 |
| Debt service: | | | | |
| Principal | 650,000 | 465,000 | 100,000 | 1,215,000 |
| Interest | 150,804 | 7,131,994 | 3,405,068 | 10,687,866 |
| Total expenditures | <u>800,804</u> | <u>9,194,113</u> | <u>8,298,384</u> | <u>18,293,301</u> |
| Excess of revenues over (under) expenditures | (1,370) | (1,235,430) | (5,905,862) | (7,142,662) |
| Other financing sources: | | | | |
| Proceeds from bond issuance | - | - | 3,646,541 | 3,646,541 |
| Net change in fund balances | (1,370) | (1,235,430) | (2,259,321) | (3,496,121) |
| Fund balances - beginning of year | 506,527 | 19,591,014 | 11,086,883 | 31,184,424 |
| Fund balances - end of year | <u>\$ 505,157</u> | <u>\$ 18,355,584</u> | <u>\$ 8,827,562</u> | <u>\$ 27,688,303</u> |

Amounts reported in the government-wide statements are different because:

Change in fund balances \$ (3,496,121)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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.

| | |
|--|---------------|
| Proceeds from bond issuances | (3,646,541) |
| Principal payments on long-term debt | 1,215,000 |
| Change in accrued interest payable | 27,907 |
| Change in bond issuance costs, net | (183,309) |
| Change in bond premiums and discounts, net | <u>66,001</u> |

Change in net assets of discretely presented component unit \$ (6,017,063)

CITY OF BRANSON, MISSOURI

Combining Statement of Changes in Assets and Liabilities -
Agency Fund
For the Year Ended September 30, 2008

| Landscape Trust Fund | Balance September 30, 2007 | Additions | Deductions | Balance September 30, 2008 |
|-----------------------------|---|-------------------|-------------------|---|
| Assets | | | | |
| Cash and cash equivalents | <u>\$ 1,178,135</u> | <u>\$ 138,429</u> | <u>\$ 103,248</u> | <u>\$ 1,213,316</u> |
| Liabilities | | | | |
| Due to others | <u>\$ 1,178,135</u> | <u>\$ 138,429</u> | <u>\$ 103,248</u> | <u>\$ 1,213,316</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.

Contents

Table

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.

1-4

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.

5-12

Debt Capacity

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.

13-16

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.

17-18

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.

19-21

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; tables presenting government-wide information include information beginning in that year.

Table 1

| CITY OF BRANSON, MISSOURI | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net Assets by Component | | | | | | |
| LAST SIX FISCAL YEARS | | | | | | |
| (accrual basis of accounting) | | | | | | |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Government activities | | | | | | |
| Invested in capital assets, net of related debt | \$ 31,789,576 | \$ 7,713,950 | \$ 12,523,781 | \$ 22,280,129 | \$ 141,919,127 | \$ 143,881,498 |
| Restricted | 36,864,006 | 28,372,238 | 23,716,023 | 17,980,262 | 17,204,507 | 17,791,624 |
| Unrestricted | (13,920,600) | 18,261,987 | 17,979,313 | 20,709,745 | 16,681,197 | 14,496,150 |
| Total governmental activities net assets | \$ 54,732,982 | \$ 54,348,175 | \$ 54,219,117 | \$ 60,970,136 | \$ 175,804,831 | \$ 176,169,272 |
| Business-type activities | | | | | | |
| Invested in capital assets, net of related debt | \$ 72,271,911 | \$ 71,208,320 | \$ 76,130,789 | \$ 75,427,333 | \$ 73,609,515 | \$ 73,738,982 |
| Restricted | 505,000 | - | - | - | 172,367 | 185,812 |
| Unrestricted | 341,832 | 5,205,263 | 1,435,607 | 1,530,171 | 1,801,365 | 6,766,971 |
| Total business-type activities net assets | \$ 73,118,743 | \$ 76,413,583 | \$ 77,566,396 | \$ 76,957,504 | \$ 75,583,247 | \$ 80,691,765 |
| Primary government | | | | | | |
| Invested in capital assets, net of related debt | \$ 104,061,487 | \$ 78,922,270 | \$ 88,654,570 | \$ 97,707,462 | \$ 215,528,642 | \$ 217,620,480 |
| Restricted | 37,369,006 | 28,372,238 | 23,716,023 | 17,980,262 | 17,376,874 | 17,977,436 |
| Unrestricted | (13,578,768) | 23,467,250 | 19,414,920 | 22,239,916 | 18,482,562 | 21,263,121 |
| Total primary government net assets | \$ 127,851,725 | \$ 130,761,758 | \$ 131,785,513 | \$ 137,927,640 | \$ 251,388,078 | \$ 256,861,037 |
| 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. | | | | | | |

Table 2

| CITY OF BRANSON, MISSOURI Changes in Net Assets LAST SIX FISCAL YEARS (accrual basis of accounting) | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Expenses | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 3,426,587 | \$ 3,035,778 | \$ 3,029,990 | \$ 3,331,264 | \$ 4,528,246 | \$ 4,939,024 |
| Public safety | 4,832,990 | 4,785,882 | 5,258,799 | 5,614,712 | 5,708,173 | 7,284,189 |
| Public works | 7,581,808 | 6,452,454 | 6,859,721 | 7,417,832 | 8,120,098 | 9,139,399 |
| Engineering services | 508,286 | 530,728 | 538,614 | 613,902 | 646,429 | 726,971 |
| Community development | 642,009 | 626,690 | 624,574 | 709,621 | 1,086,542 | 1,461,803 |
| Culture and recreation | 1,135,835 | 1,148,777 | 1,495,974 *1 | 2,270,578 | 2,010,813 | 2,316,661 |
| Convention Center | N/A | N/A | N/A | N/A *2 | 872,144 | 7,229,165 |
| Tourism | 2,823,843 | 2,950,686 | 3,145,185 | 2,714,475 | 2,754,357 | 2,453,257 |
| Interest on long-term debt | 5,810,923 | 4,968,306 | 4,928,299 | 5,515,916 | 6,000,615 | 3,938,218 |
| Total governmental expense | <u>26,762,281</u> | <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> |
| Business-type activities: | | | | | | |
| Water & sewer services | 6,608,215 | 7,338,921 | 7,185,700 | 7,587,129 | 7,938,306 | 8,701,225 |
| Total business-type activities expense | <u>6,608,215</u> | <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> |
| Total primary governmental expense | <u>\$ 33,370,496</u> | <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> |
| Program Revenues | | | | | | |
| Governmental activities: | | | | | | |
| Charges for services: | | | | | | |
| General government | \$ 2,440,264 | \$ 1,624,581 | \$ 1,786,399 | \$ 1,777,350 | \$ 2,470,833 | \$ 2,589,876 |
| Public safety | 152,654 | 275,509 | 313,549 | 341,522 | 43,849 | 43,281 |
| Public works | 90,100 | 71,093 | 60,342 | 75,061 | 13,740 | 30,307 |
| Engineering services | 7,440 | 7,758 | 11,053 | 11,773 | 2,002 | 1,577 |
| Community development | 330,908 | 393,853 | 491,521 | 799,609 | 740,409 | 591,472 |
| Culture and recreation | 756,700 | 700,034 | 687,708 | 1,076,808 | 1,164,916 | 1,224,259 |
| Convention center | N/A | N/A | N/A | N/A | N/A | 3,937,780 |
| Tourism | - | - | 62,397 | 119,620 | 19,442 | - |
| Operating grants & contributions | 156,914 | 264,352 | 317,233 | 345,589 | 45,622 | 206,563 |
| Capital grants & contributions | 908,144 | - | - | 265,216 | 381,654 | 2,750,119 |
| Total governmental program revenues | <u>\$ 4,843,124</u> | <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> |

Changes in Net Assets, Con't

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Business-type activities: | | | | | | |
| Charges for services - water & sewer | \$ 3,727,684 | 3,913,997 | 3,852,735 | 4,980,028 | 5,195,680 | 5,906,548 |
| Operating grants & contributions | - | - | - | - | - | - |
| Capital grants & contributions | <u>3,781,351</u> | <u>911,433</u> | - | - | 596,804 | 6,523,130 |
| Total business-type activities program revenues | <u>7,509,035</u> | <u>4,825,430</u> | <u>3,852,735</u> | <u>4,980,028</u> | <u>5,792,484</u> | <u>12,429,678</u> |
| Total primary governmental program revenues | <u>\$ 12,352,159</u> | <u>\$ 8,162,610</u> | <u>\$ 7,582,937</u> | <u>\$ 9,792,576</u> | <u>\$ 10,674,951</u> | <u>\$ 23,804,912</u> |
| Net (expense)revenue | | | | | | |
| Governmental activities | \$ (21,919,157) | \$ (21,162,121) | \$ (22,150,954) | \$ (23,375,752) | \$ (26,844,950) | \$ (28,113,453) |
| Business-type activities | 900,820 | (2,513,491) | (3,332,965) | (2,607,101) | (2,145,822) | 3,728,453 |
| Total primary governmental net expense | <u>\$ (21,018,337)</u> | <u>\$ (23,675,612)</u> | <u>\$ (25,483,919)</u> | <u>\$ (25,982,853)</u> | <u>\$ (28,990,772)</u> | <u>\$ (24,385,000)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | |
| Governmental activities: | | | | | | |
| Taxes: | | | | | | |
| Property tax | \$ 1,727,592 | \$ 1,773,199 | \$ 1,875,088 | \$ 1,793,951 | \$ 2,061,835 | \$ 2,052,194 |
| Sales tax | 12,682,693 | 12,325,171 | 12,454,943 | 12,884,856 | 12,443,263 | 12,981,038 |
| Tourism tax | 10,843,815 | 10,678,801 | 10,495,936 | 10,935,304 | 11,810,276 | 11,769,977 |
| Other taxes | 779,852 | 837,370 | 872,555 | 1,730,423 | 1,079,175 | 1,512,676 |
| (Loss)/gain on sale of capital assets | - | (113,160) | - | 60,347 | 9,515 | - |
| Unrestricted grants and contributions | 17,738 | - | - | - | - | - |
| Unrestricted investment earnings | 2,037,916 | 1,638,491 | 1,719,869 | 4,513,670 | 2,397,427 | 1,505,009 |
| Transfers out | <u>(2,115,113)</u> | <u>(6,362,558)</u> | <u>(4,435,998)</u> | <u>(1,658,925)</u> | <u>(725,608)</u> | <u>(1,343,000)</u> |
| Total governmental activities | <u>25,974,493</u> | <u>20,777,314</u> | <u>22,982,393</u> | <u>30,259,626</u> | <u>29,075,883</u> | <u>28,477,894</u> |
| Business-type activities: | | | | | | |
| Unrestricted investment earnings | - | 56,763 | 49,780 | 59,211 | 45,957 | 37,065 |
| Gain of sale of capital assets | - | - | - | 280,073 | - | - |
| Transfers in | <u>2,115,113</u> | <u>6,362,558</u> | <u>4,435,998</u> | <u>1,658,925</u> | <u>725,608</u> | <u>1,343,000</u> |
| Total business-type activities | <u>2,115,113</u> | <u>6,419,321</u> | <u>4,485,778</u> | <u>1,998,209</u> | <u>771,565</u> | <u>1,380,065</u> |
| Total primary government | <u>\$ 28,089,606</u> | <u>\$ 27,196,635</u> | <u>\$ 27,468,171</u> | <u>\$ 32,257,835</u> | <u>\$ 29,847,448</u> | <u>\$ 29,857,959</u> |
| Change in Net Assets | | | | | | |
| Governmental activities | \$ 4,055,336 | \$ (384,807) | \$ 831,439 | \$ 6,883,874 | \$ 2,230,933 | \$ 364,441 |
| Business-type activities | <u>3,015,933</u> | <u>3,905,830</u> | <u>1,152,813</u> | <u>(608,892)</u> | <u>(1,374,257)</u> | <u>5,108,518</u> |
| Total primary government | <u>\$ 7,071,269</u> | <u>\$ 3,521,023</u> | <u>\$ 1,984,252</u> | <u>\$ 6,274,982</u> | <u>\$ 856,676</u> | <u>\$ 5,472,959</u> |

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 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.

Table 3

| CITY OF BRANSON, MISSOURI | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Fund Balances of Governmental Funds | | | | | | | | | | |
| LAST TEN FISCAL YEARS | | | | | | | | | | |
| (modified accrual basis of accounting) | | | | | | | | | | |
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| General fund | | | | | | | | | | |
| Reserved | \$ 3,119,304 | \$ 4,047,397 | \$ 4,518,147 | \$ 4,593,629 | \$ 5,138,890 | \$ 5,252,939 | \$ 5,265,217 | \$ 5,119,202 | \$ 183,111 | \$ 412,084 |
| Unreserved | <u>4,753,406</u> | <u>6,752,481</u> | <u>8,732,579</u> | <u>9,485,639</u> | <u>8,612,913</u> | <u>8,280,375</u> | <u>7,677,293</u> | <u>8,535,266</u> | <u>12,667,418</u> | <u>8,887,059</u> |
| Total general fund | <u>\$ 7,872,710</u> | <u>\$ 10,799,878</u> | <u>\$ 13,250,726</u> | <u>\$ 14,079,268</u> | <u>\$ 13,751,803</u> | <u>\$ 13,533,314</u> | <u>\$ 12,942,510</u> | <u>\$ 13,654,468</u> | <u>\$ 12,850,529</u> | <u>\$ 9,299,143</u> |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 14,581,299 | \$ 22,460,774 *1 | \$ 29,132,204 *2 | \$ 4,521,747 *3 | \$ 34,926,473 *4 | \$ 48,265,816 *5 | \$ 32,102,221 *6 | \$ 22,556,803 *7 | \$ 11,486,514 *8 | \$ 9,327,861 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 2,068,305 | 1,435,926 | 2,801,914 | 5,155,075 | 10,670,108 | 10,998,244 | 4,874,978 | 6,947,610 | 8,267,616 | 9,979,443 |
| Capital projects funds | - | - | - | - | - | - | 65,783,962 | 35,576,785 *7 | 1,575,304 | 3,247,583 |
| Permanent funds | <u>2,560</u> | <u>2,560</u> | <u>2,760</u> | <u>2,760</u> | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 16,652,164</u> | <u>\$ 23,899,260</u> | <u>\$ 31,936,878</u> | <u>\$ 9,679,582</u> | <u>\$ 45,596,581</u> | <u>\$ 59,264,060</u> | <u>\$ 102,761,161</u> | <u>\$ 65,081,198</u> | <u>\$ 21,329,434</u> | <u>\$ 22,554,887</u> |
| *1 Increases in reserves result from increased tourism and sales tax revenues reserved for debt service. | | | | | | | | | | |
| *2 Increases in reserves result from the issuance of temporary notes to fund the acquisition of property for the capital projects. | | | | | | | | | | |
| *3 Decrease in reserves result from expenditures within the capital projects fund to be funded by a subsequent 2002 MDFB bond issue. | | | | | | | | | | |
| *4 Increases in reserves are a result of the 2002 MDFB bond issue. | | | | | | | | | | |
| *5 Increases in reserves are a result of the 2004 MDFB bond issue funds in excess of 2004 capital project expenditures. | | | | | | | | | | |
| *6 Increases in reserves are a result of the 2005 MDFB bond issue funds in excess of 2005 capital project expenditures. | | | | | | | | | | |
| *7 Reclassification of capital project reserve funds | | | | | | | | | | |
| *8 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. | | | | | | | | | | |

Table 4

| CITY OF BRANSON, MISSOURI | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|-----------------------|
| Changes in Fund Balances of Governmental Funds | | | | | | | | | | |
| LAST TEN FISCAL YEARS | | | | | | | | | | |
| (modified accrual basis of accounting) | | | | | | | | | | |
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 22,567,247 | \$ 24,124,110 | \$ 24,316,276 | \$ 25,649,697 | \$ 26,033,952 | \$ 25,614,541 | \$ 25,698,522 | \$ 26,715,964 | \$ 27,329,795 | \$ 28,314,241 |
| Licenses and permits | 596,775 | 644,057 | 563,857 | 655,608 | 647,917 | 682,281 | 793,548 | 1,175,142 | 1,205,100 | 1,061,481 |
| Court fines | 250,226 | 195,269 | 112,650 | 203,504 | 215,256 | 255,761 | 221,967 | 257,509 | 429,633 | 642,078 |
| Charges for services | 666,699 | 701,592 | 714,667 | 735,144 | 743,076 | 686,036 | 731,963 | 1,155,310 | 2,128,886 | 6,180,864 |
| Lease and rent | 1,392,260 | 1,325,663 | 1,563,759 | 1,603,768 | 960,308 | 966,594 | 1,094,985 | 959,224 | 1,118,492 | 1,065,826 |
| Intergovernmental activity taxes | - | - | - | - | - | - | - | 628,570 | 26,208 | - |
| Investment earnings | 1,828,920 | 2,396,269 | 3,156,115 | 2,624,947 | 2,037,916 | 1,638,491 | 1,719,868 | 4,513,670 | 2,397,427 | 1,505,009 |
| Miscellaneous and contributions | 1,150,908 | 2,396,748 | 2,153,097 | 1,527,452 | 2,001,207 | 1,189,035 | 1,323,840 | 1,843,675 | 650,014 | 613,085 |
| Total revenues | \$ 28,453,035 | \$ 31,783,708 | \$ 32,580,421 | \$ 33,000,120 | \$ 32,639,632 | \$ 31,032,739 | \$ 31,584,693 | \$ 37,249,064 | \$ 35,285,555 | \$ 39,382,584 |
| Expenditures | | | | | | | | | | |
| General government | 2,834,550 | 2,923,341 | 3,100,281 | 3,326,894 | 3,106,030 | 3,272,068 | 3,314,430 | 3,736,872 | 5,190,074 | 4,593,757 |
| Public safety | 3,443,778 | 3,811,491 | 4,147,861 | 4,436,413 | 4,636,878 | 4,768,290 | 5,103,631 | 5,384,949 | 5,798,774 | 6,814,114 |
| Public works | 1,530,318 | 1,444,038 | 1,618,008 | 1,745,717 | 1,807,382 | 1,686,681 | 1,748,692 | 2,102,618 | 2,716,631 | 2,901,678 |
| Engineering and community development | 802,755 | 844,062 | 903,939 | 1,057,152 | 1,125,822 | 1,149,382 | 1,142,415 | 1,305,458 | 1,462,282 | 662,870 |
| Community Development | - | - | - | - | - | - | - | - | - | 1,386,627 |
| Culture and recreation | 891,576 | 903,910 | 610,358 | 1,035,766 | 1,023,857 | 1,039,792 | 1,362,018 | 1,754,399 | 1,838,694 | 2,096,656 |
| Convention Center | - | - | - | - | - | - | - | - | - | 5,162,094 |
| Tourism | 2,357,080 | 2,594,732 | 2,611,558 | 2,600,000 | 2,823,843 | 2,950,686 | 3,145,185 | 2,714,475 | 2,995,042 | 2,679,977 |
| Capital outlay | 2,151,824 | 1,743,874 | 2,459,574 | 32,904,103 | 6,851,191 | 26,250,126 | 39,558,654 | 44,911,191 | 36,981,252 | 7,614,255 |
| Debt service | | | | | | | | | | |
| Principal | 5,816,000 | 3,493,000 | 4,237,000 | 4,584,000 | 4,946,000 | 5,337,000 | 5,530,000 | 5,938,000 | 2,572,000 | 2,676,000 |
| Cost of Issuance | - | - | - | - | 925,715 | - | 895,645 | 500,538 | - | - |
| Interest | 4,379,885 | 3,907,564 | 3,750,171 | 3,645,220 | 5,505,182 | 4,753,058 | 4,526,874 | 4,269,991 | 6,049,762 | 3,777,489 |
| Total expenditures | 24,207,766 | 21,666,012 | 23,438,750 | 55,335,265 | 32,751,900 | 51,207,083 | 66,327,544 | 72,618,491 | 65,604,511 | 40,365,517 |
| Excess of revenues over (under) expenditures | 4,245,269 | 10,117,696 | 9,141,671 | (22,335,145) | (112,268) | (20,174,344) | (34,742,851) | (35,369,427) | (30,318,956) | (982,933) |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in (out) | - | - | 1,346,595 | (730,493) | (45,214) | (6,362,558) | (4,435,998) | (1,658,925) | (692,162) | (1,343,000) |
| Proceeds from the sale of capital assets | - | - | - | - | - | 133,521 | - | 60,347 | - | - |
| Refunding bonds issued | - | - | - | - | 56,160,602 | - | - | - | 1,840,000 | - |
| Bonds issued | - | - | - | - | - | 40,000,000 | 80,000,000 | - | - | - |
| Issuance premium on bonds | - | - | - | - | - | - | 2,085,146 | - | - | - |
| Payments to refunded bond escrow agent | - | - | - | - | (53,913,586) | - | - | - | (1,681,461) | - |
| Bond anticipation note proceeds, net | - | - | - | 33,500,000 | 33,500,000 | - | - | - | - | - |
| Bond issue costs | - | - | - | - | - | (502,317) | - | - | - | - |
| Total other financing sources (uses) | - | - | 1,346,595 | 32,769,507 | 35,701,802 | 33,268,646 | 77,649,148 | (1,598,578) | (533,623) | (1,343,000) |
| Net change in fund balances | \$ 4,245,269 | \$ 10,117,696 | \$ 10,488,266 | \$ 10,434,362 | \$ 35,589,534 | \$ 13,094,302 | \$ 42,906,297 | \$ (36,968,005) | \$ (30,852,579) | \$ (2,325,933) |
| Debt service as a percentage of noncapital expenditures | 46.23% | 37.15% | 38.07% | 36.69% | 43.93% | 40.43% | 40.92% | 38.65% | 30.12% | 24.58% |

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.

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> |
|--------------------|-------------------------|--------------------|-------------------------|------------------|------------------------|------------------------|----------------------|---------------|
| 1998-99 | \$ 1,397,898 | \$ 10,693,071 | \$ 148,708 | \$ 114,765 | \$ 313,370 | \$ 55,197 | \$ 9,959,003 | \$ 22,682,012 |
| 1999-00 | 1,417,258 | 11,783,865 | 152,722 | 118,208 | 746,941 | 56,568 | 9,966,756 | 24,242,318 |
| 2000-01 | 1,598,543 | 11,951,494 | 153,451 | 121,755 | 458,809 | 46,971 | 10,107,008 | 24,438,031 |
| 2001-02 | 1,650,295 | 12,304,462 | 219,615 | 121,755 | 490,065 | 47,359 | 10,937,901 | 25,771,452 |
| 2002-03 | 1,727,592 | 12,682,693 | 243,981 | 168,373 | 482,139 | 53,733 | 10,843,815 | 26,202,326 |
| 2003-04 | 1,773,199 | 12,325,171 | 255,940 | 171,428 | 525,083 | 56,347 | 10,678,801 | 25,785,969 |
| 2004-05 | 1,875,088 | 12,454,943 | 262,098 | 205,114 | 550,556 | 59,901 | 10,495,936 | 25,903,636 |
| 2005-06 | 1,793,951 | 13,000,198 | 258,270 | 194,055 | 655,484 | 72,758 | 10,935,304 | 26,910,020 |
| 2006-07 | 2,023,289 | 12,443,263 | 270,035 | - | 679,204 | 103,728 | 11,810,276 | 27,329,795 |
| 2007-08 | 2,050,551 | 12,981,038 | 246,870 | 415,990 | 761,274 | 88,541 | 11,769,977 | 28,314,241 |

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.

Table 6

| CITY OF BRANSON, MISSOURI TAXABLE SALES BY CATEGORY LAST TEN FISCAL YEARS | | | | | | | | | | | |
|---|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| TAXPAYER CATEGORY | | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| | | TOTAL SALES |
| General Merchandise | Retail | N/A | N/A | N/A | N/A | N/A | N/A | \$177,208,988 | \$205,677,257 | \$232,556,046 | \$ 252,176,744 |
| Apparel Stores | Retail | N/A | N/A | N/A | N/A | N/A | N/A | 113,902,933 | 136,305,610 | 159,534,737 | 161,000,615 |
| Lodging & Campgrounds | Overnight | N/A | N/A | N/A | N/A | N/A | N/A | 125,673,887 | 131,343,282 | 144,064,848 | 147,062,677 |
| Eating & Drinking Estab. | Restaurant | N/A | N/A | N/A | N/A | N/A | N/A | 109,997,378 | 122,437,851 | 136,474,474 | 137,226,298 |
| Theaters & Live Entertainment | Theater | N/A | N/A | N/A | N/A | N/A | N/A | 114,421,244 | 112,857,524 | 120,625,973 | 121,574,205 |
| Other (Utilities, building supply) | Retail | N/A | N/A | N/A | N/A | N/A | N/A | 67,067,020 | 55,378,127 | 62,177,725 | 50,489,553 |
| Non-Theater Entertainment | Amusement | N/A | N/A | N/A | N/A | N/A | N/A | 44,612,295 | 49,142,151 | 53,290,623 | 40,197,587 |
| Food Related Stores | Grocery | N/A | N/A | N/A | N/A | N/A | N/A | 36,066,461 | 39,630,872 | 41,575,072 | 33,103,047 |
| Service Station & Repairs | Automotive | N/A | N/A | N/A | N/A | N/A | N/A | 31,823,002 | 33,785,928 | 37,425,430 | 8,668,278 |
| Ice Cream, Candy, Coffee Shop | Retail | N/A | N/A | N/A | N/A | N/A | N/A | 4,960,436 | 6,347,712 | 5,700,108 | 69,649,745 |
| Total | | \$739,268,000 | \$779,764,100 | \$785,645,400 | \$810,212,800 | \$823,260,200 | \$811,475,800 | \$825,733,644 | \$892,906,314 | \$993,425,036 | \$ 1,021,148,749 |

N/A - Information not available
 City direct sales tax rate = 1.5%
 Information provided by City of Branson.

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 |
| 1999 | 1.500% | 1.500% | 0.000% | 4.225% | 0.000% |
| 2000 | 1.500% | 1.500% | 0.000% | 4.225% | 0.000% |
| 2001 | 1.500% | 1.500% | 0.000% | 4.225% | 0.000% |
| 2002 | 1.500% | 1.500% | 0.000% | 4.225% | 0.000% |
| 2003 | 1.500% | 1.500% | 0.250% | 4.225% | 0.000% |
| 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% | 1.625% | 0.250% | 4.225% | 1.000% |
| 2007 | 1.500% | 1.625% | 0.250% | 4.225% | 1.000% * |
| 2008 | 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**

| <u>TAXPAYER CATEGORY</u> | | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|-------------------------------|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Rate</u> | | | | | | | | | | |
| Amusements | 4% | \$ 17,240,953 | \$ 18,905,149 | \$ 20,119,931 | \$ 26,232,518 | \$ 33,608,269 | \$ 34,050,351 | \$ 34,073,910 | \$ 39,962,350 | \$ 46,023,118 | \$ 39,173,591 |
| Theaters & Live Entertainment | 4% | 105,297,922 | 104,682,059 | 104,281,279 | 104,854,568 | 99,075,740 | 94,157,517 | 87,920,681 | 85,079,727 | 87,727,641 | 96,946,457 |
| Hotel/Motel | 4% | 100,035,766 | 106,409,473 | 104,650,608 | 109,519,697 | 108,306,489 | 104,476,099 | 103,253,854 | 108,838,475 | 119,015,510 | 123,237,364 |
| Campground | 4% | 1,902,737 | 1,857,130 | 1,788,430 | 1,914,671 | 1,791,142 | 2,106,443 | 2,039,266 | 2,199,980 | 2,628,493 | 2,500,028 |
| Overnight/rentals | 4% | 6,707,210 | 8,094,217 | 9,165,559 | 9,314,928 | 9,936,828 | 10,908,174 | 12,280,162 | 16,662,845 | 18,454,481 | 21,069,582 |
| Resellers | 4% | - | - | - | - | - | - | 1,479,998 | 4,514,672 | 5,851,602 | 6,230,486 |
| Food/beverage | 0.5% | 118,366,666 | 131,496,104 | 132,434,464 | 133,948,308 | 135,414,748 | 140,029,016 | 145,024,030 | 165,341,642 | 184,617,304 | 192,232,200 |
| Total | | \$ 349,551,254 | \$ 371,444,132 | \$ 372,440,271 | \$ 385,784,690 | \$ 388,133,216 | \$ 385,727,599 | \$ 386,071,901 | \$ 422,599,691 | \$ 464,318,149 | \$ 481,388,708 |

Information provided by City of Branson.

Tourism tax rates have not changed during the last ten years.

Table 9

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

| Fiscal Year | Real Estate | | | | Total Taxable | Total Direct Tax Rate | | Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|-------------|---------------|----------------|-------------|-------------------|----------------|-----------------------|------------|------------------------|--|
| | Residential | Commercial | Agriculture | Personal Property | Assessed Value | Residential | Commercial | | |
| 1998-99 | \$ 31,368,260 | \$ 210,922,860 | \$ 888,280 | \$ 32,399,489 | \$ 275,578,889 | 4.1300 | 4.2800 | \$ 929,812,646 | 29.64% |
| 1999-00 | 34,207,480 | 222,192,160 | 790,630 | 35,213,103 | 292,403,373 | 4.1300 | 4.2800 | 987,684,824 | 29.60% |
| 2000-01 | 48,858,170 | 230,995,840 | 791,810 | 39,442,245 | 320,088,065 | 4.1713 | 4.3213 | 1,105,130,634 | 28.96% |
| 2001-02 | 52,305,980 | 238,326,900 | 857,640 | 41,867,566 | 333,358,086 | 4.1755 | 4.3255 | 1,154,084,606 | 28.89% |
| 2002-03 | 58,383,360 | 239,575,880 | 865,990 | 44,005,735 | 342,830,965 | 4.3155 | 4.4655 | 1,196,522,763 | 28.65% |
| 2003-04 | 64,544,680 | 237,525,180 | 915,110 | 43,810,847 | 346,795,817 | 4.1959 | 4.3459 | 1,222,361,089 | 28.37% |
| 2004-05 | 76,972,950 | 239,188,800 | 918,710 | 44,976,176 | 362,056,636 | 4.1969 | 4.3469 | 1,296,533,149 | 27.92% |
| 2005-06 | 86,838,260 | 242,921,000 | 908,690 | 47,643,099 | 378,311,049 | 4.1961 | 4.3461 | 1,368,117,043 | 27.65% |
| 2006-07 | 91,625,510 | 245,957,340 | 907,650 | 47,429,491 | 385,919,991 | 4.2010 | 4.3510 | 1,402,145,694 | 27.52% |
| 2007-08 | 121,870,890 | 322,487,950 | 866,340 | 58,269,599 | 503,494,779 | 4.6112 | 4.7612 | 1,832,994,623 | 27.47% |

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%

Table 10

| CITY OF BRANSON, MISSOURI PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS PER \$100 ASSESSED VALUATION LAST TEN FISCAL YEARS | | | | | | | | | |
|--|------------------------|--------------------|---------------------------|-------------------|--------------------|---------------|----------------------------|---------------|------------------------------|
| <u>Fiscal Year</u> | <u>City of Branson</u> | <u>Branson R-4</u> | <u>Ambulance District</u> | <u>State Levy</u> | <u>Handicapped</u> | <u>Health</u> | <u>Total Levy Resident</u> | <u>Surtax</u> | <u>Total Levy Commercial</u> |
| 1998-99 | 0.4800 | 3.2400 | 0.2000 | 0.0300 | 0.0900 | 0.0900 | 4.1300 | 0.1500 | 4.2800 |
| 1999-00 | 0.4800 | 3.2400 | 0.2000 | 0.0300 | 0.0900 | 0.0900 | 4.1300 | 0.1500 | 4.2800 |
| 2000-01 | 0.4800 | 3.2800 | 0.2009 | 0.0300 | 0.0900 | 0.0904 | 4.1713 | 0.1500 | 4.3213 |
| 2001-02 | 0.4842 | 3.2800 | 0.2009 | 0.0300 | 0.0900 | 0.0904 | 4.1755 | 0.1500 | 4.3255 |
| 2002-03 | 0.4842 | 3.3700 | 0.2009 | 0.0300 | 0.0904 | 0.1400 | 4.3155 | 0.1500 | 4.4655 |
| 2003-04 | 0.4851 | 3.4500 | - | 0.0300 | 0.0904 | 0.1404 | 4.1959 | 0.1500 | 4.3459 |
| 2004-05 | 0.4853 | 3.4508 | - | 0.0300 | 0.0904 | 0.1404 | 4.1969 | 0.1500 | 4.3469 |
| 2005-06 | 0.4853 | 3.4500 | - | 0.0300 | 0.0904 | 0.1404 | 4.1961 | 0.1500 | 4.3461 |
| 2006-07 | 0.4902 | 3.4500 | - | 0.0300 | 0.0904 | 0.1404 | 4.2010 | 0.1500 | 4.3510 |
| 2007-08 | 0.4535 | 3.9000 | - | 0.0300 | 0.0873 | 0.1404 | 4.6112 | 0.1500 | 4.7612 |

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 2008 AND NINE YEARS AGO**

| Taxpayer | | 2008 | | | 1999 | | |
|---------------------------------|-------------------|------------------------|------|--|------------------------|------|--|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| BLH Development | Developer | \$ 8,465,490 | 1 | 1.68% | N/A | N/A | N/A |
| Chateau on the Lake | Lodging | 7,912,380 | 2 | 1.57% | \$ 7,597,220 | 1 | 2.76% |
| Tanger Properties | Retail | 6,166,780 | 3 | 1.22% | 5,652,280 | 2 | 2.05% |
| Radisson Hotel | Lodging | 4,178,350 | 4 | 0.83% | 4,194,640 | 4 | 1.52% |
| Factory Merchants Mall | Retail | 3,779,880 | 5 | 0.75% | 3,548,320 | 6 | 1.29% |
| Shoppes at Branson Meadows | Retail | 3,312,000 | 6 | 0.66% | 4,629,500 | 3 | 1.68% |
| Welk Resort Center | Theater & Lodging | 3,268,290 | 7 | 0.65% | 3,318,600 | 7 | 1.20% |
| Branson's Magical Mansion, Inc. | Theater | 3,354,640 | 8 | 0.67% | 3,190,770 | 8 | 1.16% |
| Grand Palace | Theater | 3,086,770 | 9 | 0.61% | 3,700,330 | 5 | 1.34% |
| Hilton Hotels (Boutique Hotel) | Lodging | 2,457,080 | 10 | 0.49% | N/A | N/A | N/A |
| Tri-Lakes Church | Theater/Church | N/A | N/A | N/A | 3,178,620 | 9 | 1.15% |
| Moon River Enterprises, Inc | Theater | N/A | N/A | N/A | 2,313,080 | 10 | 0.84% |
| Totals | | <u>\$ 45,981,660</u> | | <u>12.15%</u> | <u>\$ 41,323,360</u> | | <u>14.73%</u> |

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 30-Sep | 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 |
| 1998-99 | \$ 1,322,779 | N/A | N/A | \$ 78 | \$ 1,390,531 | 105.12% |
| 1999-00 | 1,403,536 | N/A | N/A | 88 | 1,417,095 | 100.97% |
| 2000-01 | 1,536,423 | N/A | N/A | 18,317 | 1,615,885 | 105.17% |
| 2001-02 | 1,614,120 | N/A | N/A | 44,278 | 1,694,433 | 104.98% |
| 2002-03 | 1,659,600 | N/A | N/A | 136,156 | 1,863,748 | 112.30% |
| 2003-04 | 1,680,982 | 1,650,741 | 98.20% | 60,908 | 1,711,649 | 101.82% |
| 2004-05 | 1,756,337 | 1,703,667 | 97.00% | 47,390 | 1,750,980 | 99.69% |
| 2005-06 | 1,835,944 | 1,789,232 | 97.46% | 228,989 | 2,018,221 | 109.93% |
| 2006-07 | 1,913,283 | 1,834,840 | 95.90% | 55,382 | 1,890,222 | 98.79% |
| 2007-08 | 2,000,756 | 1,995,285 | 99.73% | - | 1,995,285 | 99.73% |

Collection data is presented on the cash basis.
 Collection data is provided by Taney County Collector's Office.
 Subsequent year collections are based on collections from fiscal year 2004 forward.
 N/A - Information not available

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 | Claims Judgments & Refunds | Water & Sewer Revenue Bonds | Other Debt & Capital Leases | | | |
| 1999 | \$ 74,419,000 | \$ 178,000 | \$ 6,085,000 | \$ 354,998 | \$ 81,036,998 | 44.91% | \$ 13,477 |
| 2000 | 70,926,000 | 283,000 | 5,475,000 | 272,617 | 76,956,617 | 41.54% | 12,720 |
| 2001 | 66,689,000 | 83,000 | 4,920,000 | 202,910 | 71,894,910 | 37.48% | 11,617 |
| 2002 | 62,105,000 | 83,000 | 4,265,000 | 126,867 | 66,579,867 | 35.01% | 10,791 |
| 2003 | 94,024,000 | - | 3,515,000 | - | 97,539,000 | 50.57% | 15,654 |
| 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% | 28,474 |
| 2006 | 197,219,000 | - | 990,000 | - | 198,209,000 | 78.42% | 25,971 |
| 2007 | 70,002,000 | - | 875,000 | - | 70,877,000 | 26.96% | 9,287 |
| 2008 | 67,326,000 | - | 750,000 | - | 68,076,000 | 17.13% | 9,078 |

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.

*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*

Table 14

| CITY OF BRANSON, MISSOURI | | | |
|--|---|--|--|
| Direct and Overlapping Governmental Activities Debt | | | |
| September 30, 2008 | | | |
| <u>Governmental Unit</u> | <u>Net Bonded General Obligation Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
| Debt repaid with property taxes: | | | |
| City of Branson | \$ - | 100.00% | \$ - |
| R-4 School District | 48,300,000 | 83.49% | 40,327,290 |
| Taney County | <u>-</u> | <u>80.50%</u> | <u>-</u> |
| Total direct and overlapping debt | <u>\$ 48,300,000</u> | 83.49% | <u>\$40,327,290</u> |
| <i>Sources: Assessed value data used to estimate applicable percentages provided by the County and Assessment Debt outstanding data provided by the county.</i> | | | |
| <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> | | | |
| <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 entitie's total taxable assessed value.</i> | | | |

Table 15

| CITY OF BRANSON, MISSOURI Legal Debt Margin Information LAST TEN FISCAL YEARS | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Debt Limit | \$ 27,557,888 | \$ 29,240,337 | \$ 32,008,806 | \$ 33,358,809 | \$ 34,283,096 | \$ 34,679,582 | \$ 36,205,664 | \$ 37,831,105 | \$ 38,591,999 | \$ 50,349,478 |
| Total debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 27,557,888</u> | <u>\$ 29,240,337</u> | <u>\$ 32,008,806</u> | <u>\$ 33,358,809</u> | <u>\$ 34,283,096</u> | <u>\$ 34,679,582</u> | <u>\$ 36,205,664</u> | <u>\$ 37,831,105</u> | <u>\$ 38,591,999</u> | <u>\$ 50,349,478</u> |
| Total net debt applicable to limit as a percentage of debt | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Legal Debt Margin Calculation for Fiscal Year 2007 | | | | | | | | | | |
| Assessed value \$ 503,494,779 | | | | | | | | | | |
| Debt limit (10% of total assessed value) 50,349,478 | | | | | | | | | | |
| General obligation bonds - | | | | | | | | | | |
| Legal debt margin <u>\$ 50,349,478</u> | | | | | | | | | | |
| <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> | | | | | | | | | | |

Table 16

| CITY OF BRANSON, MISSOURI PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS | | | | | | | |
|--|---------------------------|-----------------------|-----------------------------|--------------|---------------------------------------|--------------|----------|
| Fiscal Year | Tourism Tax Revenue Bonds | | | | | | |
| | Tourism Tax Revenues | Operating Expenses | Net Available Revenue | Principal | Debt Service Requirements Interest | Total | Coverage |
| 1998-99 | \$ 9,959,003 | \$ 2,357,080 | \$ 7,601,923 | \$ 1,381,000 | \$ 2,730,059 | \$ 4,111,059 | 1.85 |
| 1999-00 | 9,966,756 | 2,594,732 | 7,372,024 | 1,633,000 | 2,415,559 | 4,048,559 | 1.82 |
| 2000-01 | 10,107,008 | 2,611,558 | 7,495,450 | 1,682,000 | 2,348,702 | 4,030,702 | 1.86 |
| 2001-02 | 10,937,901 | 2,600,000 | 8,337,901 | 1,744,000 | 2,368,911 | 4,112,911 | 2.03 |
| 2002-03 | 10,843,815 | 2,823,843 | 8,019,972 | 1,811,000 | 2,179,148 | 3,990,148 | 2.01 |
| 2003-04 | 10,678,801 | 2,950,686 | 7,728,115 | 1,887,000 | 2,093,091 | 3,980,091 | 1.94 |
| 2004-05 | 10,495,936 | 3,145,185 | 7,350,751 | 1,970,000 | 1,988,785 | 3,958,785 | 1.86 |
| 2005-06 | 10,908,933 | 2,714,475 | 8,194,458 | 2,063,000 | 1,884,480 | 3,947,480 | 2.08 |
| 2006-07 | 11,810,276 | 2,995,042 | 8,815,234 | 2,157,000 | 1,909,197 | 4,066,197 | 2.17 |
| 2007-08 | 11,769,977 | 2,679,977 | 9,090,000 | 2,256,000 | 1,581,911 | 3,837,911 | 2.37 |
| **Water & Sewer Revenue Bonds | | | | | | | |
| | Water & Sewer Revenues | Operating Expenses | Net Available Revenue | Principal | Debt Service Requirements Interest | Total | Coverage |
| 1998-99 | \$ 3,663,471 | \$ 3,087,517 | \$ 575,954 | \$ 510,000 | \$ 399,316 | \$ 909,316 | 0.63 |
| 1999-00 | 3,492,686 | 3,109,896 | 382,790 | 610,000 | 380,474 | 990,474 | 0.39 |
| 2000-01 | 3,564,249 | 3,318,886 | 245,363 | 555,000 | 342,845 | 897,845 | 0.27 |
| 2001-02 | 3,504,816 | 3,590,726 | (85,910) | 655,000 | 344,016 | 999,016 | 0.00 |
| 2002-03 | 3,378,487 | 3,952,806 | (574,319) | 750,000 | 231,851 | 981,851 | 0.00 |
| 2003-04 | 3,555,565 | 4,376,710 | (821,145) | 825,000 | 197,239 | 1,022,239 | 0.00 |
| 2004-05 | 3,604,003 | 4,236,308 | (632,305) | 835,000 | 156,662 | 991,662 | 0.00 |
| 2005-06 | 3,997,956 | 4,577,632 | (579,676) | 865,000 | 107,940 | 972,940 | 0.00 |
| 2006-07 | 4,616,278 | 4,934,497 | (318,219) | 115,000 | 64,605 | 179,605 | 0.00 |
| 2007-08 | 5,368,710 | 5,586,910 | (218,200) | 125,000 | 57,188 | 182,188 | 0.00 |
| ***Annual Appropriation Bonds | | | | | | | |
| | General Revenues | Operating Expenses | Net Available Revenue | Principal | Debt Service Requirements Interest | Total | Coverage |
| 2002-03 | \$ 32,639,632 | \$ 18,513,960 | \$ 14,125,672 | \$ 3,135,000 | \$ 3,326,034 | \$ 6,461,034 | 2.19 |
| 2003-04 | 31,032,739 | 18,846,990 | 12,185,749 | 3,450,000 | 2,659,967 | 6,109,967 | 1.99 |
| 2004-05 | 31,584,693 | 19,775,156 | 11,809,537 | 3,560,000 | 2,538,089 | 6,098,089 | 1.94 |
| 2005-06 | 37,249,064 | 21,052,821 | 16,196,243 | 3,875,000 | 2,385,511 | 6,260,511 | 2.59 |
| 2006-07 | 35,285,555 | 17,006,455 | 18,279,100 | 415,000 | 2,110,607 | 2,525,607 | 7.24 |
| 2007-08 | 39,382,584 | 26,297,773 | 13,084,811 | 420,000 | 2,106,470 | 2,526,470 | 5.18 |

**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.

Table 17

| CITY OF BRANSON, MISSOURI Demographic and Economic Statistics Last Ten Fiscal years | | | | | | | |
|---|------------|-----------------|----------------------------|---------------------|--|--------------------------|-------------------|
| FISCAL YEAR | POPULATION | PERSONAL INCOME | PER CAPITA INCOME (county) | MEDIAN AGE (county) | EDUCATION LEVEL IN YEARS OF SCHOOLING (county) | PUBLIC SCHOOL ENROLLMENT | UNEMPLOYMENT RATE |
| 1998-99 | 6,013 | \$ 180,462,156 | \$ 30,012 | 38.9 | N/A | 2,800 | 7.3% |
| 1999-00 | 6,050 | 185,281,250 | 30,625 | 38.7 | N/A | 2,889 | 7.4% |
| 2000-01 | 6,189 | 191,840,433 | 30,997 | 38.8 | 12.9 | 2,923 | 8.1% |
| 2001-02 | 6,170 | 190,196,420 | 30,826 | 40.9 | 12.8 | 2,995 | 8.3% |
| 2002-03 | 6,231 | 192,886,836 | 30,956 | 40.5 | N/A | 3,143 | 7.5% |
| 2003-04 | 6,741 | 209,038,410 | 31,010 | N/A | N/A | 3,416 | 7.5% |
| 2004-05 | 6,739 | 215,627,783 | 31,997 | 43.0 | N/A | 3,415 | 7.5% |
| 2005-06 | 7,632 | 252,748,143 | 33,117 | N/A | N/A | 3,867 | 7.8% |
| 2006-07 | 7,435 | 262,858,060 | 35,104 | 40.9 | 13.1 | 4,110 | 6.9% |
| 2007-08 | 7,499 | 397,489,000 | 34,753 | 39.5 | 14.2 | 4,206 | 9.6% |

Source: Branson Department of Public Relations

Table 18

| CITY OF BRANSON, MISSOURI Principal Employers in Branson CURRENT YEAR AND NINE YEARS AGO | | | | | | | | |
|--|-------------|---------------------------|------|--------------------------------------|---------------------------|------|--------|--------------------------------------|
| Taxpayer | | 2008 | | | 1999 | | | Percentage of Total Employment |
| | | Number of Employees | Rank | Percentage of Total Employment | Number of Employees | Rank | | |
| Skaggs Community Health Ctr | Hospital | 1139 | 1 | 5.11% | 658 | 1 | 2.47% | |
| Wal-Mart | Retail | 600 | 2 | 2.69% | 184 | 9 | 0.69% | |
| Branson R-IV Schools | Education | 558 | 3 | 2.50% | 311 | 3 | 1.17% | |
| Tanger Factroy Outlet | Retail | 550 | 4 | 2.47% | 420 | 2 | 1.58% | |
| Herschend Family Entertainment | Theme Parks | 400 | 5 | 1.80% | 216 | 5 | 0.81% | |
| Hilton Hotels/Convention Center | Lodging | 275 | 6 | 1.23% | N/A | N/A | N/A | |
| City of Branson | Government | 252 | 7 | 1.13% | 196 | 7 | 0.74% | |
| Wyndham Vacation Resorts | Lodging | 231 | 8 | 1.04% | N/A | N/A | N/A | |
| Westgate Resorts | Lodging | 228 | 9 | 1.02% | N/A | N/A | N/A | |
| Factory Merchants Mall | Retail | 200 | 10 | 0.90% | 198 | 6 | 0.74% | |
| Factory Shoppes of America | Retail | | | | 270 | 4 | 1.01% | |
| Holiday Inns of Branson | Lodging | | | | 194 | 8 | 0.73% | |
| McGuffey's Restaurants, Inc | Restaurant | | | | 157 | 10 | 0.59% | |
| Totals | | 4,433 | | 19.90% | 2,804 | | 10.53% | |

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 | | | | | | | | | | |
| <u>Full-time Equivalent Employees as of September 30</u> | | | | | | | | | | |
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| General Government | | | | | | | | | | |
| Administrative services | 15 | 15 | 18 | 19 | 20 | 23 | 24 | 24 | 25 | 32 |
| Finance | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 8 |
| Planning | 10 | 10 | 11 | 12 | 12 | 11 | 11 | 11 | 13 | 11 |
| Police | | | | | | | | | | |
| Officers | 52 | 52 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 52 |
| Civilians | 2 | 2 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Fire | | | | | | | | | | |
| Firefighters | 29 | 31 | 31 | 32 | 33 | 34 | 35 | 35 | 37 | 41 |
| Civilians | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 4 |
| Public Works | | | | | | | | | | |
| Facilities | 22 | 22 | 24 | 26 | 27 | 28 | 28 | 27 | 28 | 29 |
| Water | 17 | 17 | 17 | 17 | 17 | 19 | 19 | 20 | 22 | 16 |
| Wastewater | 23 | 23 | 24 | 24 | 24 | 26 | 26 | 24 | 25 | 23 |
| Other | 5 | 5 | 6 | 6 | 6 | 5 | 5 | 6 | 6 | 6 |
| Engineering | 7 | 7 | 7 | 8 | 8 | 8 | 9 | 9 | 9 | 7 |
| Parks & Recreation | 14 | 7 | 11 | 12 | 12 | 12 | 12 | 11 | 12 | 13 |
| TOTAL | 205 | 200 | 215 | 222 | 225 | 232 | 235 | 234 | 245 | 246 |
| Per City Budget | 212 | 208 | 223 | 230 | 234 | 240 | 262 | 281 | 301 | 321 |
| <i>Sources: Various government departments.</i> | | | | | | | | | | |

Table 20

| CITY OF BRANSON, MISSOURI | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Operating Indicators by Function | | | | | | | | | | |
| Last Ten Fiscal years | | | | | | | | | | |
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Function | | | | | | | | | | |
| Police Department | | | | | | | | | | |
| Physical arrests | N/A | N/A | 854 | 506 | 960 | 1,127 | 993 | 1,091 | 1,316 | 1,553 |
| Parking violations (CY) | 3,038 | 2,050 | 1,382 | 1,920 | 1,490 | 1,924 | 1,820 | 1,606 | 2,280 | 2,125 |
| Traffic violations | 2,352 | 1,928 | 1,260 | 2,239 | 2,593 | 2,990 | 2,287 | 3,342 | 5,837 | 8,370 |
| Fire Department | | | | | | | | | | |
| Emergency Responses | 1,448 | 1,768 | 1,988 | 2,052 | 2,276 | 2,282 | 2,652 | 2,644 | 3,098 | 3,479 |
| Fires extinguished | 126 | 127 | 74 | 92 | 57 | 60 | 77 | 68 | 44 | 53 |
| Inspections | N/A | 25 | 875 | 750 | 980 | 950 | 1,000 | 1,400 | 1,540 | 1,728 |
| Planning & Development | | | | | | | | | | |
| Building permits issued (CY) | 796 | 926 | 1,261 | 1,390 | 1,497 | 1,572 | 1,941 | 2,870 | 1,793 | 1,650 |
| Building inspections (CY) | 2,693 | 4,531 | 5,849 | 4,447 | 4,752 | 5,524 | 5,240 | 5,700 | 4,411 | 3,321 |
| Public Works | | | | | | | | | | |
| Street Resurfacing | N/A | N/A | N/A | 0.49 | 0.88 | 0.23 | 3.04 | 1.5 | 1.42 | 0 |
| Potholes Repaired | N/A | N/A | N/A | N/A | 633 | 497 | 4,225 | 1,144 | 2,685 | 1,234 |
| New water connections | 96 | 134 | 131 | 94 | 142 | 176 | 180 | 196 | 72 | 57 |
| Water main breaks | 50 | 62 | 78 | 43 | 43 | 34 | 52 | 55 | 45 | 42 |
| Average daily consumption | N/A | N/A | N/A | N/A | N/A | N/A | 2,569,000 | 2,851,000 | 3,769,786 | 3,584,106 |
| Peak daily consumption | N/A | N/A | N/A | N/A | N/A | N/A | 4,950,000 | 5,120,000 | 7,056,000 | 6,270,000 |
| Average daily sewage treatment | 2.977 mgd | 3.279 mgd | 3.162 mgd | 3.277 mgd | 3.267 mgd | 3.266 mgd | 3.258 mgd | 3.479 mgd | 3.95 mgd | 4.29mgd |
| Parks & Recreation | | | | | | | | | | |
| Pool admissions | N/A | N/A | N/A | N/A | N/A | N/A | 2,787 | 36,195 | 35,648 | 31,587 |
| Golf - rounds | 5,994 | 7,270 | 6,869 | 7,038 | 8,350 | 7,908 | 7,233 | 7,630 | 9,038 | 9,608 |
| Athletic field - events | 84 | 74 | 79 | 80 | 84 | 81 | 80 | 87 | 90 | 94 |
| <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 | | | | | | | | | | |
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Function | | | | | | | | | | |
| Police Department | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Zone offices | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Patrol Units | 11 | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 14 | 15 |
| Fire Department | | | | | | | | | | |
| Fire Stations | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public Works | | | | | | | | | | |
| Street (miles) | N/A | N/A | N/A | N/A | N/A | 84.23 | 84.23 | 84.23 | 97 | 97 |
| Street Lights | N/A | 1,517 | 1,609 | 1,609 |
| * Traffic Signals | N/A | N/A | N/A | N/A | N/A | 7 | 7 | 10 | 12 | 13 |
| *Other traffic signals maintained by Missouri Dept of Transportation | | | | | | | | | | |
| Public Works | | | | | | | | | | |
| Water mains (miles) | N/A | N/A | N/A | N/A | N/A | 81.5 | 81.5 | 90 | 90 | 92.09 |
| Fire Hydrants | N/A | N/A | N/A | N/A | N/A | 815 | 840 | 865 | 865 | 882 |
| Storage capacity (thousand gals) | N/A | N/A | N/A | N/A | N/A | 4,400,000 | 4,800,000 | 5,700,000 | 5,700,000 | 5,700,000 |
| Public Works | | | | | | | | | | |
| Sanitary sewers (miles) | N/A | N/A | N/A | N/A | N/A | 123 | 123 | 130 | 179 | 210 |
| Storm sewers (miles) | N/A | N/A | N/A | N/A | N/A | 58 | 60 | 65 | 65 | 65 |
| Treatment capacity (thousand gals) | N/A | N/A | N/A | N/A | N/A | 8,700,000 | 8,700,000 | 8,700,000 | 8,700,000 | 8,700,000 |
| Parks & Recreation | | | | | | | | | | |
| Acreage | 253 | 253 | 253 | 255 | 255 | 243 | 285 | 290 | 290 | 290 |
| Playgrounds | 9 | 9 | 9 | 10 | 10 | 8 | 9 | 9 | 9 | 9 |
| Baseball/softball fields | 5 | 5 | 5 | 1 | 5 | 4 | 8 | 8 | 8 | 8 |
| Soccer/football fields | 0 | 0 | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 3 |
| Community/recreation centers | 1 | 1 | 1 | 1 | 1 | 1 | 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 |
| Sources: Various government departments. | | | | | | | | | | |
| Note: Indicators are not available for the general governmental function. | | | | | | | | | | |