

CITY OF BRANSON, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
December 31, 2011**



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December 31, 2011

Prepared by:
Department of Finance and Administration

CITY OF BRANSON, MISSOURI
Comprehensive Annual Financial Report
Year Ended December 31, 2011

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Introductory Section



CITY OF BRANSON

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July 20, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Branson, Missouri, (the City) for the fiscal year ended December 31, 2011. This report is submitted to you in compliance with Section 2-423 of the Branson City Code, which requires an annual report presentation to the Board of Aldermen on the financial condition of the City.

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

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

The independent auditing firm of Cochran Head Vick & Co., P.C., audited the City of Branson's financial statements. The purpose of the audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2011 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 MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Branson's MD&A can be found in the Financial Section immediately following the report of the independent auditors.

Profile of the City

The City of Branson (2010 population 10,520) is located in southwest Missouri, 35 miles south of Springfield within the heart of the Ozark Mountains. Branson is surrounded by three prize winning fishing and recreational lakes. The city is 20.85 square miles (13,272.325 acres) and plays host to millions of 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 is governed by a Board of Aldermen-City Administrator form of government. The Board consists of the Mayor and six Board members who are elected on a nonpartisan basis. The Mayor serves a two-year term and is elected at large. Board members also serve a two year term with two members serving from each of three wards within the City, on a staggered two-year election rotation. The City Administrator is the chief executive officer of the City and is responsible for managing the city, enforcement of the laws and ordinances, direction of all officers, employees and departments and for carrying out the policies of the Board of Aldermen.

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

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

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

Factors Affecting Financial Condition

Local Economy—in 2011, the City of Branson continued to benefit from prior year and recent economic development activities. However, sales growth, as measured by state sales tax filings, is up 2.7% from calendar year 2010. Branson’s economy is still focused primarily on the seasonal tourism industry.

Tourism—Branson and the Tri-Lakes area attracted millions of visitors in 2011 who contributed well over a billion dollars into the local economy. Branson was named in the top ten great U.S. destinations to discover by the Travelers’ Choice Family Award. The Midwest Traveler magazine announced that Branson was named the “Best Small City for a Weekend”. Branson was also recognized as being one of the top ten best holiday light displays in the U.S. Situated in the heart of America and within an 8-hour drive of nearly 33% of the U.S. population, Branson has been a “rubber tire” destination with the vast majority of tourists arriving by vehicles, RV’s and tour buses. An increasing number of visitors are now flying into the area each year. Opening in 2009, the Branson Airport, located a few miles southeast of Branson, now offers visitors a local major airport, along with the Springfield-Branson Regional Airport in Springfield, Missouri, the Taney County Airport at Pt. Lookout, Missouri, and the Harrison Regional Airport in Harrison, Arkansas.

A geographical profile of Branson visitors shows the following:

Come from a radius of 100 miles or less	8.6%
Radius of 100 to 300 miles	29.4%
Radius of over 300 miles	62.0%
Average distance traveled	430 miles

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

Area Theaters— The music industry’s rapid expansion in the early 90’s launched the Branson community into world-class tourism so fast it was called a phenomenon. Now called *America’s Live Entertainment Capital*, Branson is now home to 41 music theaters with 48,108 seats that conduct live performances, with a variety of music including country, pop, gospel, bluegrass, western, rock n’roll, classical jazz and Broadway. There’s also comedy, magic, and dancing. Each theater hosts from one to three different shows daily. Collectively, they host more than 100 shows and offer live entertainment from early morning until late evening. Together, they create a diversity and balance to suit every musical and entertainment taste. Several of the nationally known performers who came to the area are now permanent residents and actively involved in the community. In turn, these performers have helped to draw recognition to the immense pool of talent in all of Branson’s theaters.

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

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

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

Outdoor Activities-- The scene of many national fishing tournaments, Table Rock Lake is a freshwater fisherman's paradise. Fertile waters teeming with an assortment of America's top sport fish like bass and crappie make it the ideal spot for the novice and serious fisherman alike. Visitors and local water sports enthusiasts can also swim, ski, wakeboard, sail, kayak or scuba dive in the pristine water.

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

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

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

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

Shopping— From Historic Downtown Branson, with its unique family-owned and operated one-of-a-kind retail experience at Dick's 5 & 10 to Branson Landing, a \$420 million, 95-acre development of world-class shopping, dining, lodging, and a spectacular water, light, sound, and fire attraction, to three factory outlet malls, visitors consistently rank shopping among the most popular activities of the area. Tourists and locals alike enjoy a unique shopping experience at Branson Landing as well as shopping the factory outlet stores located in Tanger Outlet Mall, and The Shoppes at Branson Meadows. With easy access and located on the north edge of Branson, the Branson Hills / Branson Shoppes development offering Kohl's, Target, Home Depot, Wal-Mart Super Center, Michaels, Bed, Bath & Beyond, and Best Buy, plus additional stores presenting a diversified mix of retail and food establishments, has become a favorite shopping location. The outlet malls, mixed with a thriving downtown district and specialty stores throughout the city add to the shopping event. Shoppers can find contemporary goods and handcrafted items all year round. Branson ranks near the top in the nation in the number of factory outlet stores.

Lodging and Restaurants—Visitors are afforded the opportunity to choose lodging from over 14,000 rooms in local motels, hotels, resorts, and bed and breakfast inns. The choices are endless, with room rates ranging from \$22 per night for budget accommodations to \$600 for luxurious suites overlooking Table Rock Lake. The current number of lodging facilities, excluding condominiums, time shares, and campgrounds is 139. Seasonal rates and senior citizen discounts apply at many lodging facilities.

You cannot be hungry in Branson, as visitors have an endless variety of restaurants and food establishments from which to choose, as there are 200 restaurants, coffee shops, and ice cream establishments with over 28,000 seats within the city. Cuisines range from American home-cooking, Southern Bar-B-Q, and a 50's style diner to International fares such as Thai, Greek/Mediterranean, Chinese, Mexican, and Italian.

Conference Facilities— Branson, with an abundance of amenities, is a popular location for holding meetings of all sizes. The Branson area has several conference center hotels in various locations offering a variety of options. Located on the shores of beautiful Table Rock Lake, a conference center with a 302-room hotel has the ability to accommodate up to 3,000 delegates. Located in the heart of the entertainment district, one block from the world famous Highway 76, another facility has meeting and conference capacity of 1,200. Adjacent to the Branson Landing, a waterfront development on Lake Taneycomo in downtown Branson, the City owns a 220,000 square foot convention and exhibition complex, including two exhibit halls totaling 50,000 square feet, which connects to a 23,000 square foot ballroom. There are 5 additional meeting rooms on the second floor. All combined, the convention center has the ability to accommodate approx. 4,500 persons; and in conjunction with two Hilton Hotels the complex has a combined room total of 537 rooms.

Long-term financial planning and debt administration

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

At year-end, the City has fifteen debt issues outstanding. These issues include \$28,112,000 in revenue bonds for the Tourism Fund; \$330,000 in revenue bonds for the Water & Sewer Fund, \$35,810,000 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 \$194,745,190 debt issuances that is included within the Tax Increment Financing Commission. The TIF Commission is considered a discretely presented component unit of the City 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 City is financially accountable for the Commission because the City approves the Commission's annual budget.

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 into the Bee Creek area. These projects have been financed through the county's ½ cent sewer tax, state and federal grants and Department of Natural Resources loans.

Major Initiatives

The Board of Aldermen participated in a strategic goal-setting session, and set goals for 2012. From those discussions, the Board identified the following goals:

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

Achievements and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Branson for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

Dean Kruihof
City Administrator

Jamie Rouch
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
December 31, 2010

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.



Linda C. Davison

President

Jeffrey R. Enow

Executive Director

CITY OF BRANSON, MISSOURI

LIST OF PRINCIPAL OFFICIALS

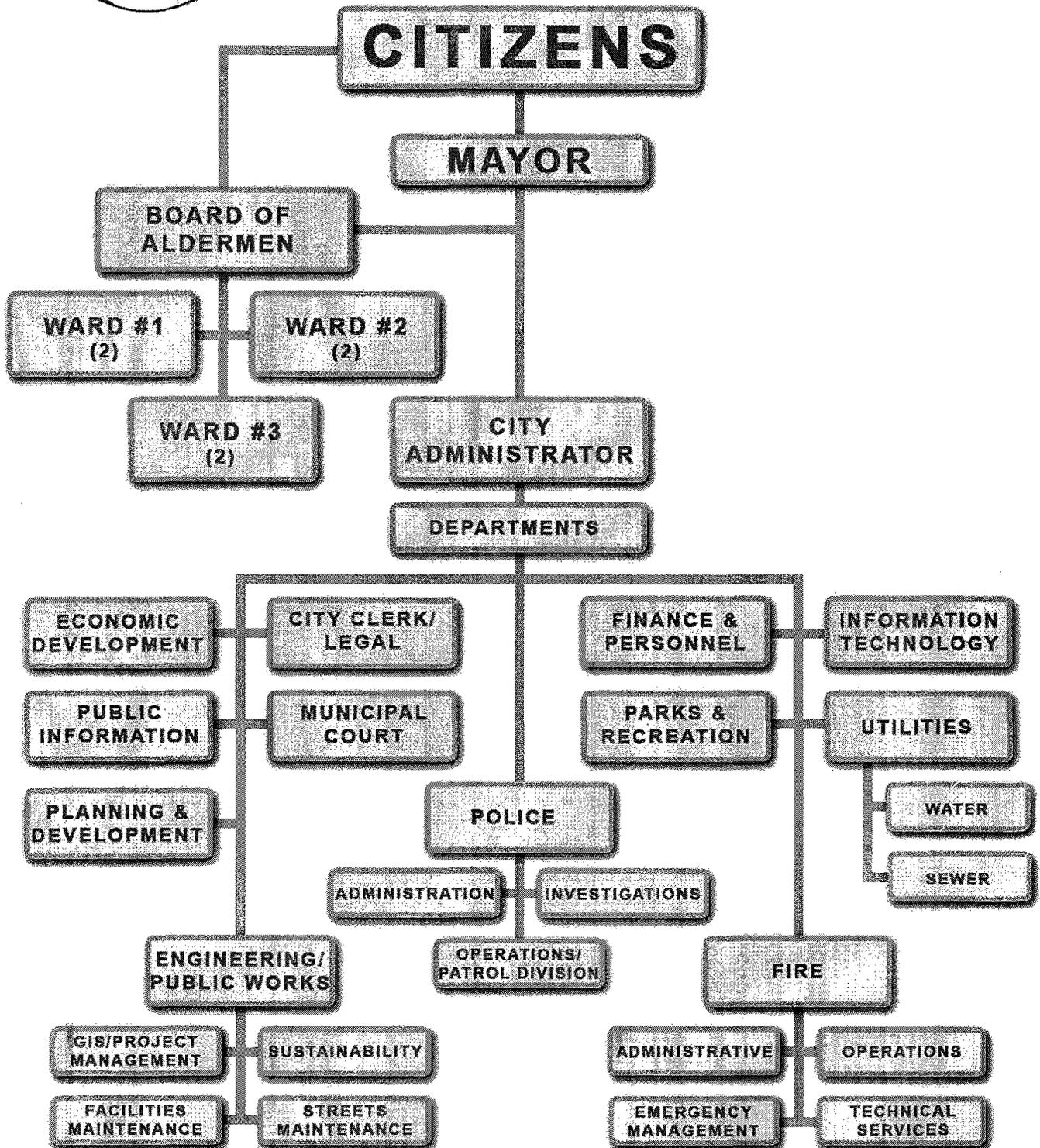
Mayor	Raeanne Presley
Alderman	Mike Booth
Alderman	Bob Simmons
Alderman	Cris Bohinc
Alderman	Dr. Rick Davis
Alderman	Dr. Patrick Parnell
Alderman	Rick Todd

City Administrator	Dean Kruithof
Acting City Attorney	Wm. "Dub" Duston
Finance & Personnel Director	Jamie Rouch
Human Resources	Kelli Fleck
City Engineer/Public Works	David Miller
Planning & Development	Jim Lawson
Police Chief	Kent Crutcher
Fire Chief	Ted Martin
Utilities	Mike Ray
Economic Dev./Communications	Garrett Anderson
City Clerk	Lisa Westfall
Information Technology	D. J. Cline
Park & Recreation	Cindy Shook



City of Branson

ORGANIZATIONAL CHART





Financial Section



COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

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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 December 31, 2011, 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.

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 December 31, 2011, 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 Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2012 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, 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 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 should be considered in assessing the results of our audit.

Other Offices

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

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

July 20, 2012

Cochran Hand V. de 463 P. C.

Management's Discussion and Analysis

As management of the City of Branson, Missouri, (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. 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 of Branson adopted a new Fund Balance Policy in FY 2011. The Fund Balance Classification Policy is designed to define fund balance classifications that can be applied to enhance fund balance information. The fund balance amounts will be classified according to GASB 54 with the following constraints:

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

Fiscal Year Financial Highlights

- On a government-wide basis, the City's assets exceeded its liabilities at the close of fiscal year 2011 by \$242,356,093. Of this amount, \$10,687,750 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$8,318,411. Of this amount, \$7,560,352 was a decrease in the City's "governmental activities", while the City's "business type activities" decreased by \$758,059.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,677,389, a decrease of \$808,867. Approximately 19% of this total amount is unassigned.
- At December 31, 2011, the total unassigned fund balance for the General Fund was \$6,688,556 or approximately 30% of general fund expenditures.

Overview of the Financial Statements

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

The statement of net assets presents information regarding the City'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 is improving or deteriorating. Other factors to consider are changes in the City's tax base and changes in the condition of the City's infrastructure.

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

The government-wide financial statements can be found on pages 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, 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 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 reports eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, tourism tax fund, transportation sales tax fund, and debt service fund, which are considered to be major funds. Data from the convention center fund and the parks and recreation fund are combined with the general fund and the data from the other four 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 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 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 uses an enterprise fund to account for its water and sewer system operations. The City uses an internal service fund to account for its fleet of vehicles. Because the internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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

The 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'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 25-53 of this report.

Required Supplementary and Other Supplementary Information

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

The combining statements referred to earlier in connection with non major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 59-69 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 December 31, 2011, the City's assets exceeded liabilities by \$242,356,093.

By far the largest portion of the City's net assets (83 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 uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net 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>	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Current and other assets	\$ 36,728,207	\$ 37,563,380	\$ 9,098,640	\$ 10,723,825	\$ 45,826,847	\$ 48,287,205
Capital assets	189,597,628	197,834,226	81,929,165	82,410,467	271,526,793	280,244,693
Total assets	<u>226,325,835</u>	<u>235,397,606</u>	<u>91,027,805</u>	<u>93,134,292</u>	<u>317,353,640</u>	<u>328,531,898</u>
Long-term obligations	67,634,756	69,623,367	632,341	755,253	68,267,097	70,378,620
Other liabilities	5,160,587	4,683,395	1,569,863	2,795,379	6,730,450	7,478,774
Total liabilities	<u>72,795,343</u>	<u>74,306,762</u>	<u>2,202,204</u>	<u>3,550,632</u>	<u>74,997,547</u>	<u>77,857,394</u>
Net assets:						
Investment in capital assets, net of related debt	126,777,920	129,557,224	81,599,165	81,930,467	208,377,085	211,487,691
Restricted	20,830,167	21,582,752	2,461,091	3,217,997	23,291,258	24,800,749
Unrestricted	5,922,405	9,950,868	4,765,345	4,435,196	10,687,750	14,386,064
Total net assets	<u>\$ 153,530,492</u>	<u>\$ 161,090,844</u>	<u>\$ 88,825,601</u>	<u>\$ 89,583,660</u>	<u>\$ 242,356,093</u>	<u>\$ 250,674,504</u>

An additional portion of the City's net assets (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$10,687,750 may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2011 and 2010, the City 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.

For the year ended December 31, 2011, there was a decrease in net assets reported in connection with the City's business-type activities of \$758,059, primarily as a result of operating expenses including depreciation exceeding operating revenues.

For the year ended December 31, 2011, the City's governmental net assets decreased by \$7,560,352 primarily related to the \$4.9 million funding of the diamond interchange at the intersection of State Highway 248 and 65. The transfer to the City's business-type activities to fund certain wastewater treatment projects also had an effect on the decrease.

Changes in Net Assets

The following table reflects the revenues and expenses for the fiscal years ended December 31, 2011 and December 31, 2010 from the City's activities:

	City of Branson Statement of Activities					
	Governmental Activities		Business-Type Activities		Total	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Program revenues:						
Charges for services:						
Governmental	\$ 9,192,914	\$ 9,137,339	\$ -	\$ -	\$ 9,192,914	\$ 9,137,339
Water & Sewer	-	-	6,991,270	6,073,643	6,991,270	6,073,643
Capital grants and contr.	1,420,806	315,980	674,375	3,996,655	2,095,181	4,312,635
Operating grants and contr.	1,401,141	251,439	113,826	3,750	1,514,967	255,189
General revenues:						
Property tax	2,648,293	2,560,923	-	-	2,648,293	2,560,923
Sales tax	12,478,162	12,321,436	-	-	12,478,162	12,321,436
Tourism tax	10,453,937	10,907,769	-	-	10,453,937	10,907,769
Other taxes	1,453,969	1,396,916	-	-	1,453,969	1,396,916
Investment revenue	885,386	888,518	23,919	31,030	909,305	919,548
Lease termination and other	1,435,853	104,256	2,753	-	1,438,606	104,256
Total revenues	41,370,461	37,884,576	7,806,143	10,105,078	49,176,604	47,989,654
Expenses:						
General government	6,508,380	6,288,554	-	-	6,508,380	6,288,554
Public safety	6,566,479	6,717,714	-	-	6,566,479	6,717,714
Public works	14,784,274	9,482,818	-	-	14,784,274	9,482,818
Engineering services	552,491	658,103	-	-	552,491	658,103
Community development	825,744	1,430,800	-	-	825,744	1,430,800
Culture and recreation	2,784,808	2,643,310	-	-	2,784,808	2,643,310
Convention center	8,389,119	7,471,163	-	-	8,389,119	7,471,163
Tourism	3,634,159	2,248,108	-	-	3,634,159	2,248,108
Interest on long-term debt	2,800,553	3,824,038	-	-	2,800,553	3,824,038
Water and sewer utility	-	-	9,228,202	8,270,508	9,228,202	8,270,508
Total expenses	46,846,007	40,764,608	9,228,202	8,270,508	56,074,209	49,035,116
Change in net assets before transfers	(5,475,546)	(2,880,032)	(1,422,059)	1,834,570	(6,897,605)	(1,045,462)
Transfers	(664,000)	(8,061,223)	664,000	8,061,223	-	-
Change in net assets	(6,139,546)	(10,941,255)	(758,059)	9,895,793	(6,897,605)	(1,045,462)
Net assets, beginning	161,090,844	172,032,099	89,583,660	79,687,867	250,674,504	251,719,966
Net assets, ending	\$ 154,951,298	\$ 161,090,844	\$ 88,825,601	\$ 89,583,660	\$ 243,776,899	\$ 250,674,504

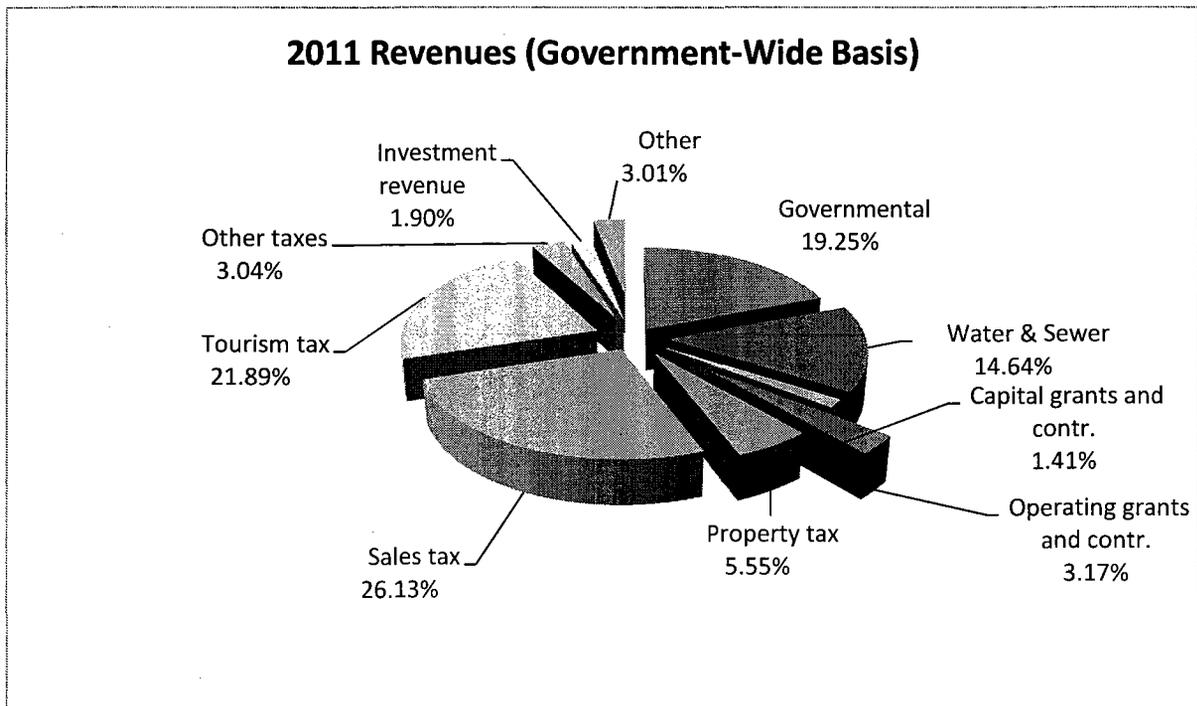
Governmental activities

Governmental activities decreased the City's net assets by \$7,560,352 during the year ended December 31, 2011. Key elements of this decrease are as follows:

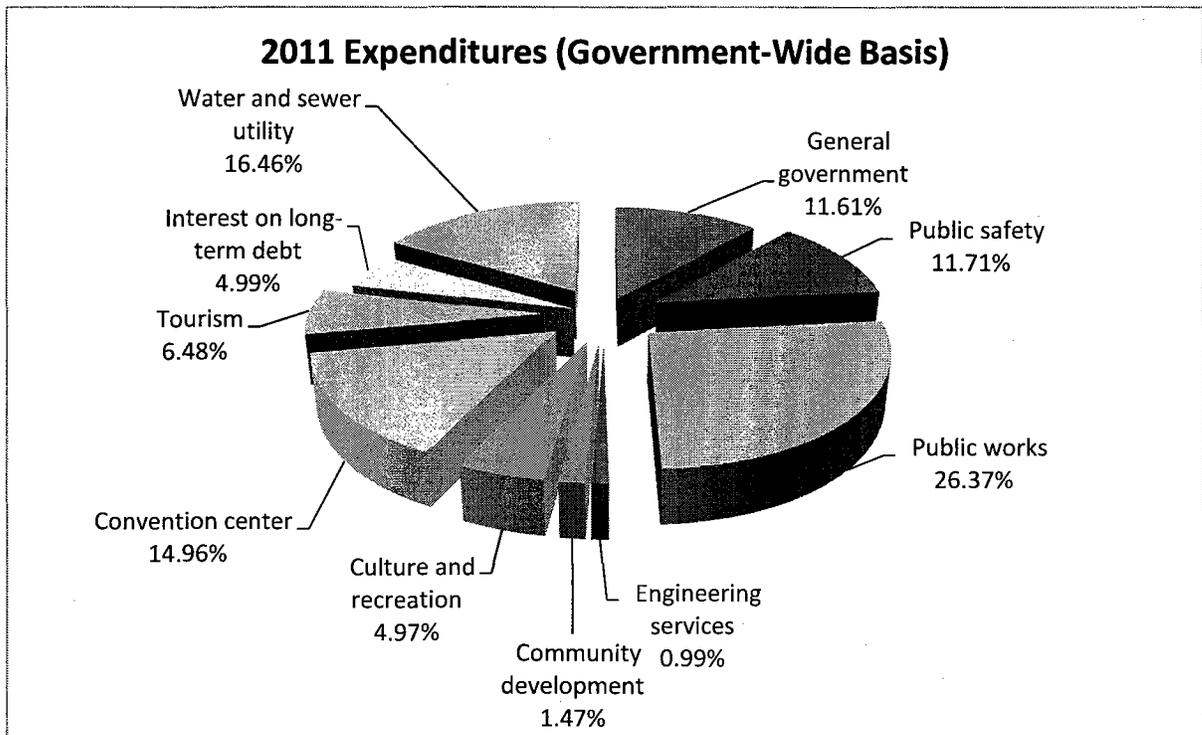
- There were additional transfers to the water and sewer fund totaling \$664,000; this was due to the Compton wastewater treatment plant upgrade and the upgrade to lift station 30 projects both of which were funded through the 2010 tourism bond issuance.

The Highway 248 and 65 interchange project that restructured the intersection was completed. This was a matching capital project with the State. The expense to the City was \$4,936,636.

- In FY2011, the City paid the Branson Airport \$327,770 through the Pay for Performance Agreement. However, \$150,327 was for July 2010 through September 2010 and \$177,443 was for October 2010 through December 2010. The City also paid the Chamber of Commerce for the reimbursement to the airport in the amount of \$195,752 for marketing expenses. This payment also met the qualifications of the pay for performance agreement.



Business-type activities. Business-type activities decreased the City's net assets by \$758,059 during the current fiscal year as previously discussed.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance of the general fund may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,677,389. Approximately 18 percent of the total fund balance consists of unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balances include the City's nonspendable amount of \$1,247,623, restricted amount of \$20,825,507, a committed amount of \$45,315 and assigned amount of \$3,769,144.

The fund balance of the City's general fund increased by \$1,405,057 during the current fiscal year. Key factors in this increase are as follows:

- Increase in sales tax of 2.7%.
- Increase in property tax revenue.
- Increase in our Franchise revenue.
- Increase in lease termination revenue

The tourism tax fund has a total restricted fund balance at December 31, 2011 of \$18,707,107, an increase of \$895,246 over December 31, 2010. Restricted fund balance totaling \$12,702,244 is for tourism related purposes and \$6,004,863 is for debt service.

The transportation sales tax fund has a restricted fund balance of \$2,118,400. This fund was extended by election in 2004 for the period of time necessary to construct and maintain the City's transportation infrastructure and to provide for debt service on capital projects.

The debt service fund has a total negative fund balance of \$898,756 for the current fiscal year; this is due to amounts related to advanced refunding payments related to refunding bonds in 2011 and shortage of internal transfers into this fund during the change of fiscal years.

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

Unrestricted net assets of the Water and Sewer fund at the end of the year totaled \$4,686,751, an increase of \$371,082 from the December 31, 2010. Other factors concerning the finances of the Water and Sewer fund have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Current fiscal year's revenues were \$1,947,912 greater than budgeted revenues. The largest budget-to-actual revenue variance was related to the lease termination agreement and taxes which reflect an increase in local business revenue greater than what was anticipated. Expenditures were \$222,827 less than the budget due to sound management practices by all departments.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2011 amount to \$271,526,793 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, bridges, and construction-in-process. Major capital asset events during the current fiscal year included the following:

Governmental

- The courts expansion was completed in FY2011 totaling \$205,177.
- The Old Branson High School Building was acquired by the city through a promissory note payable for \$200,000.
- The Orthophotography project was completed with a total cost of \$58,790.
- The Energy Performance project continues but is in the final stages of completion.
- The New Trail Project is ongoing at the end of FY2011 with a construction in progress total of \$144,567.

Business Type

- Lift Station #30 project is ongoing with an accumulated construction in progress of \$3,176,460. This project is scheduled to be completed in 2012.
- Compton Wastewater Redesign project is scheduled to be completed in 2012 the construction in progress cumulative total is \$4,802,508.
- The 2" Water Meter Replacement project was completed in FY2011 with an additional cost of \$94,477 bringing the project total to \$284,227.
- The Cooper Creek Sewer Plant Project continues with a construction in progress total of \$89,459.

	Governmental Activities		Business-type Activities		Total	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Land	\$ 52,263,597	\$ 52,122,799	\$ 3,905,511	\$ 3,905,511	\$ 56,169,108	\$ 56,028,310
Buildings	61,212,554	63,435,823	40,968,159	42,736,677	102,180,713	106,172,500
Land improvements	855,020	950,829	-	-	855,020	950,829
Equipment and vehicles	5,830,543	6,453,839	1,041,991	944,767	6,872,534	7,398,606
Infrastructure	68,198,986	74,495,676	27,292,766	28,391,879	95,491,752	102,887,555
Construction in progress	1,236,928	375,260	8,720,738	6,431,633	9,957,666	6,806,893
Total	\$ 189,597,628	\$ 197,834,226	\$ 81,929,165	\$ 82,410,467	\$ 271,526,793	\$ 280,244,693

Additional information on the City's capital assets can be found in Note 5, on pages 35-36 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$64,922,000. Of this amount \$28,112,000 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.

City of Branson Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Bonds:						
Revenue	\$ 28,112,000	\$ 30,567,000	\$ 330,000	\$ 480,000	\$ 28,442,000	\$ 31,047,000
Special Limited Obligation	36,480,000	38,340,000	-	-	36,480,000	38,340,000
Total	\$ 64,592,000	\$ 68,907,000	\$ 330,000	\$ 480,000	\$ 64,922,000	\$ 69,387,000

	12/31/2011	12/31/2010
Component Unit:		
Tax increment financing bonds	\$ 194,085,190	\$ 197,240,190

Economic Factors and Next Year's Budget

- In FY2011, the City paid the Branson Airport \$327,770 through the Pay for Performance Agreement. \$361,745 has been estimated for July 2011 through December 2011 which will be a 2012 budgetary expenditure.
- General Fund revenues for fiscal year 2012 are projected to be \$17,619,872, an increase of \$1,762,198 from the 2011 actual numbers. This is due to the City's expectations of a 1% growth in sales tax as well as an increase in franchise fees due to a rate increase for the electricity and due to the beginning of the natural gas franchise revenue. While the City is doing relatively well during these difficult economic times, the "caution light" continues to be lit.
- The fiscal year 2012 annual budget for the General Fund expenditures are estimated at \$14,478,564, an increase of \$218,761 (1.5%) from the 2011 actual numbers.
- Health insurance costs stayed the same for 2012 due to policy change with increased employee co-pays and deductibles. The City began a very vigorous wellness plan to help reduce the City's overall costs. Programs will be put in place in FY2012 to encourage employees to actively pursue wellness as a new "norm".
- The Mayor and Board of Aldermen set a City floor for fiscal year 2011—the City's general fund balance will not fall below 28.5% of the operating expenditures.
- Water and Sewer rates were examined and increased so that the Water & Sewer Fund will become self-sustaining. The study proposed rates for the next 5 years and allows small capital equipment to be funded from the user rates
- Since the FY2012 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 and the Board of Aldermen. The City is also looking for efficiencies, ways to increase revenues, ways to cut expenditure costs, and "right-sizing" opportunities.

Financial Contact

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

CITY OF BRANSON, MISSOURI
Statement of Net Assets
December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 24,064,472	\$ 5,491,810	\$ 29,556,282	\$ 1,537,358
Receivables, net:				
Taxes	3,646,880	-	3,646,880	-
Leases	145,189	180,281	325,470	-
Lease termination	299,990	-	299,990	-
Intergovernmental	-	-	-	1,703,602
Other	484,812	655	485,467	-
Water and sewer	-	886,209	886,209	-
Internal balances	(78,594)	78,594	-	-
Due from primary government	-	-	-	635,596
Prepays and inventories	122,147	-	122,147	-
Unamortized bond issue costs	823,674	-	823,674	3,437,754
Restricted cash and investments	6,098,821	2,461,091	8,559,912	22,240,223
Assets held for redevelopment	1,120,816	-	1,120,816	-
Capital Assets:				
Land and construction in progress, non-depreciable	53,500,525	12,626,243	66,126,768	-
Other capital assets, net of depreciation	136,097,103	69,302,922	205,400,025	-
Total assets	226,325,835	91,027,805	317,353,640	29,554,533
Liabilities				
Accounts payable and accrued expenses	3,133,840	771,148	3,904,988	-
Accrued interest payable	987,653	20,633	1,008,286	1,119,281
Unearned revenue	403,498	-	403,498	378,248
Due to component unit	635,596	-	635,596	-
Customer deposits	-	778,082	778,082	-
Long-term liabilities:				
Due in one year	4,283,479	290,000	4,573,479	4,013,802
Due in more than one year	63,351,277	342,341	63,693,618	191,133,805
Total liabilities	72,795,343	2,202,204	74,997,547	196,645,136
Net Assets (Deficit)				
Invested in capital assets, net of related debt	126,777,920	81,599,165	208,377,085	-
Restricted for:				
Capital projects	-	-	-	12,077
Debt service	6,004,863	2,461,091	8,465,954	25,726,454
Tourism and transportation	14,820,644	-	14,820,644	-
Nonexpendable perpetual care	4,660	-	4,660	-
Unrestricted (deficit)	5,922,405	4,765,345	10,687,750	(192,829,134)
Total Net Assets	\$ 153,530,492	\$ 88,825,601	\$ 242,356,093	\$(167,090,603)

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Activities
For the year ended December 31, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General government	\$ 6,508,380	\$ 2,694,763	\$ 26,648	\$ -	\$ (3,786,969)	\$ -	\$ (3,786,969)	\$ -
Public safety	6,566,479	152,213	40,409	-	(6,373,857)	-	(6,373,857)	-
Public works	14,784,274	-	-	-	(14,784,274)	-	(14,784,274)	-
Engineering	552,491	-	-	-	(552,491)	-	(552,491)	-
Community development	825,744	21,730	1,234,122	-	430,108	-	430,108	-
Culture and recreation	2,784,808	1,337,482	99,962	-	(1,347,364)	-	(1,347,364)	-
Convention center	8,389,119	4,986,726	-	-	(3,402,393)	-	(3,402,393)	-
Tourism	3,634,159	-	-	-	(3,634,159)	-	(3,634,159)	-
Interest on long-term debt	2,800,553	-	-	-	(2,800,553)	-	(2,800,553)	-
Total Governmental Activities	46,846,007	9,192,914	1,401,141	-	(36,251,952)	-	(36,251,952)	-
Business-Type Activities:								
Water and sewer	9,228,202	6,991,270	113,826	674,375	-	(1,448,731)	(1,448,731)	-
Total Business-Type Activities	9,228,202	6,991,270	113,826	674,375	-	(1,448,731)	(1,448,731)	-
Total Primary Government	\$ 56,074,209	\$ 16,184,184	\$ 1,514,967	\$ 674,375	(36,251,952)	(1,448,731)	(37,700,683)	-
Component Unit:								
Community development	11,654,156	453,938	-	-	-	-	-	(11,200,218)
Total Component Unit	\$ 11,654,156	\$ 453,938	\$ -	\$ -	-	-	-	(11,200,218)
General Revenues:								
Taxes:								
Property taxes					2,648,293	-	2,648,293	-
Sales taxes - general					8,298,573	-	8,298,573	3,132,785
Sales taxes - transportation					4,179,589	-	4,179,589	-
Tourism taxes					10,453,937	-	10,453,937	731,851
Intergovernmental activity taxes					-	-	-	9,957,973
Other taxes					1,453,969	-	1,453,969	-
Unrestricted investment earnings					885,386	23,919	909,305	442,050
Gain on disposal of capital assets					15,047	2,753	17,800	-
Lease termination					1,420,806	-	1,420,806	-
Transfers					(664,000)	664,000	-	-
Total general revenues and transfers					28,691,600	690,672	29,382,272	14,264,659
Changes in net assets					(7,560,352)	(758,059)	(8,318,411)	3,064,441
Net assets (deficit) - beginning of year					161,090,844	89,583,660	250,674,504	(170,155,044)
Net assets (deficit) - end of year					\$ 153,530,492	\$ 88,825,601	\$ 242,356,093	\$ (167,090,603)

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2011

	General	Tourism Tax	Transportation Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 5,909,324	\$ 12,521,056	\$ 1,782,013	\$ -	\$ 3,852,079	\$ 24,064,472
Receivables, net:						
Taxes	1,980,363	768,498	898,019	-	-	3,646,880
Leases	145,189	-	-	-	-	145,189
Lease termination	299,990	-	-	-	-	299,990
Other	235,183	-	-	-	249,629	484,812
Due from other funds	1,044,799	-	-	-	-	1,044,799
Restricted cash and investments	-	6,004,863	-	93,958	-	6,098,821
Prepays and inventories	122,147	-	-	-	-	122,147
Assets held for redevelopment	1,120,816	-	-	-	-	1,120,816
Total assets	\$ 10,857,811	\$ 19,294,417	\$ 2,680,032	\$ 93,958	\$ 4,101,708	\$ 37,027,926
Liabilities						
Accounts payable	\$ 843,125	\$ 326,789	\$ 350,556	\$ 185,169	\$ 458,410	\$ 2,164,049
Accrued expenditures	941,667	-	26,455	-	-	968,122
Deferred revenue	565,784	-	-	-	-	565,784
Due to component unit	399,895	51,080	184,621	-	-	635,596
Due to other funds	-	209,441	-	807,545	-	1,016,986
Total Liabilities	2,750,471	587,310	561,632	992,714	458,410	5,350,537
Fund Balances						
Nonspendable:						
Prepays and inventory	122,147	-	-	-	-	122,147
Assets held for redevelopment	1,120,816	-	-	-	-	1,120,816
Perpetual care	-	-	-	-	4,660	4,660
Restricted for:						
Public works	-	-	2,118,400	-	-	2,118,400
Tourism	-	12,702,244	-	-	-	12,702,244
Debt service	-	6,004,863	-	-	-	6,004,863
Committed for:						
General government	19,303	-	-	-	-	19,303
Culture and recreation	26,012	-	-	-	-	26,012
Assigned for:						
General government	689	-	-	-	-	689
Public safety	14,068	-	-	-	-	14,068
Public works	83,775	-	-	-	-	83,775
Culture and recreation	31,974	-	-	-	-	31,974
Capital outlay	-	-	-	-	3,638,638	3,638,638
Unassigned (deficit)	6,688,556	-	-	(898,756)	-	5,789,800
Total fund balances (deficit)	8,107,340	18,707,107	2,118,400	(898,756)	3,643,298	31,677,389
Total liabilities and fund balances	\$ 10,857,811	\$ 19,294,417	\$ 2,680,032	\$ 93,958	\$ 4,101,708	\$ 37,027,926

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
December 31, 2011

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

Ending fund balances - total governmental funds	\$	31,677,389
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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		189,597,628
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Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements		162,286
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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		823,674
Accrued interest payable		(987,653)
Long-term debt		(67,634,756)

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 \$1,964,623 are included above.		<u>(108,076)</u>
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Total net assets of governmental activities	\$	<u><u>153,530,492</u></u>
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CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended December 31, 2011

	General	Tourism Tax	Transportation Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 12,198,433	\$ 10,453,937	\$ 4,417,565	\$ -	\$ -	\$ 27,069,935
Licenses and permits	630,822	-	-	-	-	630,822
Court fines	462,319	-	-	-	-	462,319
Lease and rent	1,270,272	-	-	-	-	1,270,272
Lease termination	1,420,806	-	-	-	-	1,420,806
Charges for services	7,028,189	-	-	-	-	7,028,189
Intergovernmental	59,933	-	7,124	-	-	67,057
Contributions from component unit	-	-	-	1,234,122	-	1,234,122
Interest income	57,572	711,785	-	116,029	-	885,386
Miscellaneous	352,813	-	-	-	350	353,163
Total revenues	<u>23,481,159</u>	<u>11,165,722</u>	<u>4,424,689</u>	<u>1,350,151</u>	<u>350</u>	<u>40,422,071</u>
Expenditures:						
Current:						
General government	5,399,751	-	-	-	-	5,399,751
Public safety	6,452,560	-	-	-	-	6,452,560
Public works	1,027,223	-	2,848,145	-	-	3,875,368
Engineering	487,858	-	-	-	-	487,858
Community development	825,744	-	-	-	-	825,744
Culture and recreation	2,141,406	-	-	-	-	2,141,406
Convention center	5,645,608	-	-	-	-	5,645,608
Tourism	-	3,897,022	-	-	-	3,897,022
Capital outlay	-	4,936,636	-	-	1,651,583	6,588,219
Debt service:						
Principal retirement	66,667	2,996,202	-	-	-	3,062,869
Interest and fiscal charges	-	1,724,001	-	1,021,689	-	2,745,690
Cost of issuance	-	-	-	691,412	-	691,412
Advance refunding payment	-	-	-	5,490,478	-	5,490,478
Total expenditures	<u>22,046,817</u>	<u>13,553,861</u>	<u>2,848,145</u>	<u>7,203,579</u>	<u>1,651,583</u>	<u>47,303,985</u>
Excess of revenues over (under) expenditures	<u>1,434,342</u>	<u>(2,388,139)</u>	<u>1,576,544</u>	<u>(5,853,428)</u>	<u>(1,651,233)</u>	<u>(6,881,914)</u>
Other financing sources (uses):						
Bond and note proceeds	-	4,956,636	-	36,480,000	1,091,000	42,527,636
Payment to bond escrow agent	-	-	-	(35,788,589)	-	(35,788,589)
Transfers in	497,799	-	-	2,259,536	332,934	3,090,269
Transfers out	(527,084)	(1,673,251)	(1,221,000)	-	(332,934)	(3,754,269)
Total other financing sources (uses)	<u>(29,285)</u>	<u>3,283,385</u>	<u>(1,221,000)</u>	<u>2,950,947</u>	<u>1,091,000</u>	<u>6,075,047</u>
Net change in fund balances	1,405,057	895,246	355,544	(2,902,481)	(560,233)	(806,867)
Fund balances - beginning of year	<u>6,702,283</u>	<u>17,811,861</u>	<u>1,762,856</u>	<u>2,003,725</u>	<u>4,203,531</u>	<u>32,484,256</u>
Fund balances - end of year	<u>\$ 8,107,340</u>	<u>\$ 18,707,107</u>	<u>\$ 2,118,400</u>	<u>\$ (898,756)</u>	<u>\$ 3,643,298</u>	<u>\$ 31,677,389</u>

See Accompanying Notes to the Basic Financial Statements
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CITY OF BRANSON, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended December 31, 2011

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

Net changes in fund balances - total governmental funds \$ (806,867)

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	1,538,884
Depreciation expense	(10,369,048)

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

Deferred revenue	(70,523)
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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	3,062,869
Payment to bond escrow agent	35,788,589
Advance refunding payment	5,490,478
Debt issued	(42,527,636)
Bond issuance costs, net of amortization	691,412
Bond discounts and deferred amounts, net of amortization	(93,952)
Change in accrued interest payable	39,089

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences	(42,991)
Change in net pension obligation	(115,689)
Change in other post employment benefit obligations	(118,902)

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. \$521,164 of depreciation related to internal service funds is included with depreciation above.

(26,065)

Total changes in net assets of governmental activities	<u>\$ (7,560,352)</u>
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CITY OF BRANSON, MISSOURI
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Assets		
Current assets:		
Cash and investments	\$ 5,491,810	\$ -
Receivables (net of allowances for uncollectibles)		
Water and sewer billings	886,209	-
Leases and other	180,281	-
Other	655	-
Total current assets	6,558,955	-
Noncurrent assets:		
Restricted cash and investments	2,461,091	-
Capital Assets:		
Land and improvements	12,626,243	-
Other capital assets, net of depreciation	69,302,922	1,964,623
Total capital assets	81,929,165	1,964,623
Total noncurrent assets	84,390,256	1,964,623
Total assets	90,949,211	1,964,623
Liabilities		
Current liabilities:		
Accounts payable	615,651	1,669
Accrued expenses	82,430	-
Accrued interest	20,633	-
Utility deposits	778,082	-
Other liabilities	73,067	-
Due to other fund	-	27,813
Long-term liabilities due in one year	290,000	-
Total current liabilities	1,859,863	29,482
Noncurrent liabilities:		
Long-term liabilities	342,341	-
Total noncurrent liabilities	342,341	-
Total liabilities	2,202,204	29,482
Net Assets		
Invested in capital assets, net of related debt	81,599,165	1,964,623
Restricted - debt service	2,461,091	-
Unrestricted (deficit)	4,686,751	(29,482)
Total net assets	88,747,007	\$ 1,935,141
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
	78,594	
Net assets of business-type activities	\$ 88,825,601	

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 December 31, 2011

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Operating revenues:		
Charges for services (pledged as security for revenue bonds):		
Water	\$ 2,876,817	\$ -
Sewer	4,004,953	-
Miscellaneous	53,415	-
Total operating revenues	6,935,185	-
Operating expenses:		
Personal services	2,851,186	-
Contractual services	1,905,128	-
Commodities	682,218	82,045
Depreciation	3,709,912	521,164
Total operating expenses	9,148,444	603,209
Operating income (loss)	(2,213,259)	(603,209)
Nonoperating revenues (expenses):		
Sewer capacity fees	56,085	-
Interest income	23,919	-
Intergovernmental	113,826	-
Gain (loss) on disposal of capital assets	2,753	15,047
Interest expense	(38,825)	-
Total nonoperating revenues (expenses)	157,758	15,047
Income (loss) before transfers and capital contributions	(2,055,501)	(588,162)
Transfers in	664,000	-
Capital contribution	674,375	-
Change in net assets	(717,126)	(588,162)
Total net assets-beginning of year	89,464,133	2,523,303
Total net assets-end of year	\$ 88,747,007	\$ 1,935,141
Change in net assets	\$ (717,126)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(40,933)	
Change in net assets of business-type activities	\$ (758,059)	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the year ended December 31, 2011

	Enterprise	Internal Service
	Water and	Equipment
	Sewer	Replacement
Cash flows from operating activities:		
Receipts from customers	\$ 6,640,774	\$ -
Payments to suppliers	(3,857,464)	(89,026)
Payments to employees for services	(2,837,452)	-
Net cash provided by (used in) operating activities	(54,142)	(89,026)
Cash flows from capital and related financing activities:		
Purchases of capital assets	(2,551,482)	(378,519)
Principal paid on capital debt	(130,000)	-
Interest and bond cost paid on capital debt	(33,912)	-
Intergovernmental	113,826	-
Sewer capacity fees	56,085	-
Net cash (used in) capital and related financing activities	(2,545,483)	(378,519)
Cash flows from noncapital financing activities:		
Interfund advances	-	27,813
Transfers from other funds	664,000	-
Net cash provided by noncapital financing activities	664,000	27,813
Cash flows from investment activities:		
Interest and dividends	23,919	-
Net cash provided by (used in) investing activities	23,919	-
Net increase (decrease) in cash and cash equivalents	(1,911,706)	(439,732)
Cash and cash equivalents, beginning of year	9,864,607	439,732
Cash and cash equivalents, end of year	\$ 7,952,901	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (2,213,259)	\$ (603,209)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	3,709,912	521,164
Change in assets and liabilities:		
Receivables (net)	(327,454)	-
Accounts and other payables	(1,270,118)	(6,981)
Accrued expenses	13,734	-
Utility deposits	33,043	-
Net cash provided by (used in) operating activities	\$ (54,142)	\$ (89,026)
Cash consists of :		
Cash and investments	\$ 5,491,810	\$ -
Restricted cash and investments	2,461,091	-
	\$ 7,952,901	\$ -
Noncash capital and related financing activities:		
Capital contribution	\$ 674,375	\$ -

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Net Assets -
Fiduciary Funds
December 31, 2011

	<u>Agency Fund</u> <u>Landscape Trust</u>
Assets	
Cash and cash equivalents	\$ <u>924,620</u>
Liabilities	
Due to others	\$ <u>924,620</u>

See Accompanying Notes to the Basic Financial Statements

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

This report includes the financial statements of the City (the primary government) and its component unit, the Tax Increment Financing Commission (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 City is financially accountable for the Commission because the City approves the Commission's annual budget.

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.

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental fund revenues except property taxes for which a 60-day availability period is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The City reports the following major funds:

Major Governmental Funds

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

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

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

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.

Cash and Investments

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

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

Statement of Cash Flows

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 \$ 554,195 is recorded at December 31, 2011.

Inventories and Prepaid Items

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.

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

Restricted Cash and Investments

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

Capital Assets

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

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

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

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the accrual debt proceeds received, are reported as debt services expenditures. See Note 7 for information on the City's long-term obligations as well as for information on debt included within the City's discretely presented component unit.

Fund Balances/Net Assets

The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the year ended December 31, 2011. This statement changed the fund balance classifications for the governmental funds. In the fund financial statements, governmental funds now report the following fund balance classifications:

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

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

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

Assigned – Constrained by the Board of Aldermen, Finance Committee, or City Administrator's expressed intent. Includes all remaining amounts not classified in governmental funds, except the general fund. Such constraint is binding unless modified or eliminated by the Board of Aldermen, Finance Committee, or City Administrator, whoever made the assignment.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

The City has established a General Fund balance policy consisting of the following:

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

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

Net Asset 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.
- (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.”

Pending Governmental Accounting Standards Board Statements

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

- GASB Statement 57 – *OPEB Measurements by Agent Employers and Agent-Multiple Employer Plans*, effective for the fiscal year beginning January 1, 2012.
- GASB Statement 60 – *Accounting and Financial Reporting for Service Concession Arrangements*, effective for the fiscal year beginning January 1, 2012.
- GASB Statement 61 – *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, effective for the fiscal year beginning January 1, 2013.
- GASB Statement 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for the fiscal year beginning January 1, 2012.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

- GASB Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for the fiscal year beginning January 1, 2012.
- GASB Statement 64 – *Derivative Instruments: Application of Hedge Accounting Termination Provisions -- an amendment of GASB Statement No. 53*, effective for the fiscal year beginning January 1, 2013.
- GASB Statement No. 65 - *Items Previously Reported as Assets and Liabilities*, effective for the fiscal year beginning January 1, 2013.
- GASB Statement No. 66 - *an amendment of GASB Statements No. 10 and No. 62*, effective for the fiscal year beginning January 1, 2013.

Use of Estimates

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

2 - Stewardship, Compliance and Accountability

Budgetary Information

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

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

Expenditures in Excess of Budgeted Appropriations and Deficit Fund Balance

During the current year, the Missouri Development Finance Board issued \$ 37,925,000 Special Limited Obligation Bonds, Series 2011A and Series 2011B to refund the Series 2003A Special Limited Obligation Bonds. While the Board of Alderman approved the issuance of these bonds and the Finance Committee approved the budget amendment, the City's 2011 budget was not formally amended by the Board of Aldermen to include the advance refunding payment and other financing sources and uses of the bonds. As a result, actual expenditures exceeded budgeted appropriations in the Debt Service Fund by \$ 3,107,935.

Deficit Fund Equity

The Debt Service Fund had a deficit fund balance of \$898,756 as of December 31, 2011. The fund incurred debt service expenditures that were in excess of available funds. The City plans to transfer funds from the other funds cover the excess expenditures.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

3 - Deposits and Investments

As of December 31, 2011, the City's cash and investments consisted of the following:

	2011
Investments:	
Short-term investments held in trust	\$ 36,126,228
Deposits	26,667,697
Petty cash	24,470
 Total cash and investments	 \$ 62,818,395

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

	Government-wide statement of net assets	Fiduciary funds statement of net assets	Component Unit	Grand Total
Cash and investments	\$ 29,556,282	\$ 924,620	\$ 1,537,358	\$ 32,018,260
Restricted cash and investments	8,559,912	-	22,240,223	30,800,135
	\$ 38,116,194	\$ 924,620	\$ 23,777,581	\$ 62,818,395

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 December 31, 2011, the City's investments consisted of short-term money market mutual funds held in trust and U.S. Government Agencies with maturities of less than one year.

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Missouri statutes prohibit municipalities from investing in derivative, leveraged, or speculative securities. City Resolution No. 2004-RO12 further limits the City's investments in securities to U.S. Treasury obligations. At December 31, 2011, the City's investments consisted of short-term money market mutual funds held in trust and U.S. Government Agencies with maturities of less than one year.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At December 31, 2011, the City's investments consisted of short-term money market mutual funds and U.S. Government Agencies held in trust which are not subject to such risks.

Custodial Credit Risk

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

As of December 31, 2011, all of the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of December 31, 2011.

4 - Taxes

Taxes receivable as of December 31, 2011 were as follows:

	<u>Property Tax</u>	<u>City Sales Tax</u>	<u>Tourism Tax</u>	<u>Total</u>
General	\$ 177,919	\$ 1,802,444	\$ -	\$ 1,980,363
Tourism Tax	-	-	768,498	768,498
Transportation Sales Tax	-	898,019	-	898,019
Total	\$ 177,919	\$ 2,700,463	\$ 768,498	\$ 3,646,880

Tax revenues for the year ended December 31, 2011 were 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	\$ 2,683,867	\$ 8,298,573	\$ -	\$ 908,505	\$ 307,488	\$ 12,198,433
Tourism Tax	-	-	10,453,937	-	-	10,453,937
Transportation Sales Tax	-	4,179,589	-	-	237,976	4,417,565
Total	\$ 2,683,867	\$ 12,478,162	\$ 10,453,937	\$ 908,505	\$ 545,464	\$ 27,069,935

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Sales Tax Claims Payable

A petition for review of a decision of the Administrative Hearing Commission regarding certain sales tax "resale" exemptions and certain refund claims requested by Music City Centre Management, LLC versus the Director of Revenue was ruled upon by the Supreme Court of Missouri (Case No. SC89547). The Supreme Court's ruling both affirmed significant portions and reversed other portions of the Administrative Hearing Commission decision that certain sales qualified for the "resale" exemption and the Music City Centre Management, LLC was entitled to a refund claim for certain taxes paid. City management has determined that other entities may file claims as a result of the above ruling and originally recorded an estimated sale tax claims payable obligation totaling \$900,000. As of December 31, 2011, all of the outstanding claims payable have been paid in full and any remaining balance was adjusted to sales tax revenue in the current year.

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property in the City. Assessed values are established by the Taney County Assessor's Office. The assessed values at January 1, 2010, upon which the 2010 levy was based and upon which the ad valorem tax revenues for the period ended December 31, 2011 are recorded, are as follows:

Real estate	\$ 426,450,398
Personal property and business personal	<u>56,826,281</u>
	<u>\$ 483,276,679</u>

Property taxes are due and payable on November 1 and become delinquent on January 1. On January 1, a lien attaches to all real property for which taxes are unpaid. Amounts received prior to December 31st related to the 2011 tax year are deferred as those amounts are not available until the following fiscal year.

The 2010 tax levy per \$ 100 assessed valuation was:

General	<u>\$ 0.5186</u>
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City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

5 - Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 52,122,799	\$ 160,314	\$ 19,516	\$ 52,263,597
Construction in progress	375,260	1,651,583	789,915	1,236,928
Total Capital assets not being depreciated	<u>52,498,059</u>	<u>1,811,897</u>	<u>809,431</u>	<u>53,500,525</u>
Capital Assets being depreciated:				
Buildings and fixtures	76,192,457	361,355	61,845	76,491,967
Equipment	11,182,496	655,973	332,986	11,505,483
Vehicles	1,079,772	84,018	170,820	992,970
Infrastructure	167,082,630	83,627	-	167,166,257
Furniture	2,954,716	-	-	2,954,716
Land improvements	2,263,556	-	35,969	2,227,587
Total capital assets being depreciated	<u>260,755,627</u>	<u>1,184,973</u>	<u>601,620</u>	<u>261,338,980</u>
Less accumulated depreciation for:				
Buildings and fixtures	12,756,634	2,554,805	32,026	15,279,413
Equipment	6,931,184	1,026,083	324,965	7,632,302
Vehicles	844,401	42,945	170,820	716,526
Infrastructure	92,586,954	6,380,317	-	98,967,271
Furniture	987,560	286,238	-	1,273,798
Land improvements	1,312,727	76,757	16,917	1,372,567
Total accumulated depreciation	<u>115,419,460</u>	<u>10,367,145</u>	<u>544,728</u>	<u>125,241,877</u>
Total capital assets being depreciated, net	<u>145,336,167</u>	<u>(9,182,172)</u>	<u>56,892</u>	<u>136,097,103</u>
Governmental activities capital assets, net	<u>\$ 197,834,226</u>	<u>\$ (7,370,275)</u>	<u>\$ 866,323</u>	<u>\$ 189,597,628</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 3,905,511	\$ -	\$ -	\$ 3,905,511
Construction in progress	6,431,633	2,383,582	94,483	8,720,732
Total Capital assets not being depreciated	<u>10,337,144</u>	<u>2,383,582</u>	<u>94,483</u>	<u>12,626,243</u>
Capital Assets being depreciated:				
Water and sewer treatment plants	70,012,844	-	-	70,012,844
Water and sewer mains and lines	49,291,219	674,381	-	49,965,600
Machinery and equipment	2,344,318	265,130	9,742	2,599,706
Total capital assets being depreciated	<u>121,648,381</u>	<u>939,511</u>	<u>9,742</u>	<u>122,578,150</u>
Less accumulated depreciation for:				
Water and sewer treatment plants	27,276,167	1,768,518	-	29,044,685
Water and sewer mains and lines	20,899,340	1,773,488	-	22,672,828
Machinery and equipment	1,399,551	167,906	9,742	1,557,715
Total accumulated depreciation	<u>49,575,058</u>	<u>3,709,912</u>	<u>9,742</u>	<u>53,275,228</u>
Total capital assets being depreciated, net	<u>72,073,323</u>	<u>(2,770,401)</u>	<u>-</u>	<u>69,302,922</u>
Business-type activities capital assets, net	<u>\$ 82,410,467</u>	<u>\$ (386,819)</u>	<u>\$ 94,483</u>	<u>\$ 81,929,165</u>

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

Governmental activities:	
General government	\$ 835,937
Public safety	157,946
Public works	5,518,437
Engineering	64,633
Culture and recreation	527,419
Convention center	2,743,512
Internal service	519,261
Total depreciation expense - governmental activities	<u>\$ 10,367,145</u>
Business-type activities:	
Water and sewer	<u>\$ 3,709,912</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 \$238,000 per year.

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

For the year ended December 31, 2011, lease income for all operating leases was approximately \$1,028,000.

Capital Lease

The City has a lease agreement as a lessor on City property with Pointe Royale. This lease agreement qualifies as a capital lease and has therefore been recorded at the present value of the future minimum lease payments as of the inception date. At December 31, 2011 the lease receivable balance was \$180,281.

Future minimum lease payments to be received are as follows:

2012	\$	14,753
2013		15,195
2014		15,651
2015		16,121
2016		16,604
2017-2021		90,800
2022		11,157
		180,281
Present value of minimum lease payments	\$	180,281

Branson Landing Lease – Branson Landing TIF Plan

The City and the Developer have entered into a 99 year master lease agreement related to the Branson Landing project. Under the agreement, commencing on January 2, 2010 and through year thirty of the agreement, a base and contingent rental lease payment is due to the City. The lease payment will consist of an annual base amount of \$252,000 plus a contingent lease payment of 1/4th of 1 percent of sales in excess of \$15 million within the defined boundary area. The total annual lease payments cannot exceed \$450,000. The City received \$ 453,938, including interest of \$3,938, under this agreement for the year ended December 31, 2011.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

7 - Long-Term Obligations

Long-term obligations activity for year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
Revenue Bonds	\$ 30,567,000	\$ -	\$ 2,455,000	\$ 28,112,000	\$ 2,803,000
Special Limited Obligation Bonds	38,340,000	36,480,000	38,340,000	36,480,000	670,000
Less deferred amounts:					
For issuance discounts	(172,517)	(74,700)	(93,029)	(154,188)	(15,995)
On refunding	(457,481)	(3,684,682)	(75,393)	(4,066,770)	(253,713)
Total bonds payable	<u>68,277,002</u>	<u>32,720,618</u>	<u>40,626,578</u>	<u>60,371,042</u>	<u>3,203,292</u>
Notes Payable	-	6,247,636	607,869	5,639,767	505,187
Compensated absences **	1,036,569	1,169,695	1,058,583	1,147,681	575,000
Net pension obligation **	68,821	115,689		184,510	-
Other post employment benefits **	172,854	118,902	-	291,756	-
Governmental activities long-term obligations	<u>69,555,246</u>	<u>40,372,540</u>	<u>42,293,030</u>	<u>67,634,756</u>	<u>4,283,479</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 480,000	\$ -	\$ 150,000	\$ 330,000	\$ 160,000
Compensated absences	185,866	196,447	184,125	198,188	130,000
Net pension obligation	25,454	14,655		40,109	-
Other post employment benefits	63,932	112	-	64,044	-
Business-type activities long-term obligations	<u>755,252</u>	<u>211,214</u>	<u>334,125</u>	<u>632,341</u>	<u>290,000</u>
Total Primary Government	<u>\$ 70,310,498</u>	<u>\$ 40,583,754</u>	<u>\$ 42,627,155</u>	<u>\$ 68,267,097</u>	<u>\$ 4,573,479</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Discretely Presented Component Unit:					
Bonds payable:					
Tax Increment Financing	\$ 197,240,190	\$ 1,445,000	\$ 4,600,000	\$ 194,085,190	\$ 3,955,000
Less deferred amounts:					
For issuance discounts	(319,825)	(2,959)	(28,126)	(294,658)	(28,680)
On refunding	-	(115,095)	(457)	(114,638)	(5,481)
Premiums	1,565,173	-	93,460	1,471,713	92,963
Total bonds payable	<u>\$ 198,485,538</u>	<u>\$ 1,326,946</u>	<u>\$ 4,664,877</u>	<u>\$ 195,147,607</u>	<u>\$ 4,013,802</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Revenue Bonds

Governmental activities

The City has pledged future tourism tax revenues, net of specified operating expenditures, to repay the bonds described below. The bonds are payable solely from tourism tax net revenues. Annual principal and interest remaining to be paid on the bonds is \$34,789,990. For the year ended December 31, 2011, principal and interest paid were \$4,308,868 and total tourism tax revenues for the year were \$10,453,937. Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$6,004,863 at December 31, 2011. The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

	Balance at December 31, 2011
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.	\$ 822,000
Limited Obligation bonds (State Revolving Fund Program) Series 1995A of \$17,450,000 issued May 1995; 4.75% to 6.05% interest payable semiannually, remaining principal payments due annually of \$190,000 to \$2,350,000. Final maturity July 1, 2016. Bonds maturing after July 1, 2006 and thereafter may be called on July 1, 2005 and every July 1 thereafter at par.	10,350,000
Tourism Tax Revenue Bonds, Series 2007 of \$1,840,000 issued March 2007; 4.45% interest payable semiannually. Principal amount due on January 1, 2019.	1,840,000
Tourism Tax Revenue Refunding bonds, Series 2010A of \$7,995,000 issued February 2010; 3.85% interest payable semiannually, remaining principal payments due annually of \$435,000 to \$3,140,000. Final maturity January 1, 2018. Bonds maturing after January 1, 2016 and thereafter may be called at par.	7,560,000
Tourism Tax Revenue bonds, Series 2010B of \$7,540,000 issued March 2010; 3.0% to 4.35% interest payable semiannually, remaining principal payments due annually of \$125,000 to \$1,345,000. Final maturity January 1, 2022. Bonds maturing after January 1, 2016 and thereafter may be called at par.	7,540,000
	\$ 28,112,000

Advance Refunding

The Missouri Development Finance Board (the Board) issued \$35,810,000 Infrastructure Facilities Revenue Bonds (City of Branson, Missouri), Series 2011A and \$2,115,000 Missouri Taxable Infrastructure Facilities Revenue Bonds (City of Branson, Missouri), Series 2011B to advance refund the City's Series 2003A Special Limited Obligation Bonds. Management has determined that \$1,445,000 of the Series 2011B was used to advance refund the portion of the Special Limited Obligation Bond that was reported in the discretely presented Tax Increment Financing Commission. The net bond proceeds of the bonds together with other available funds totaling \$42,914,162 were deposited in trust with an escrow agent to provide for all future debt service payments on the refunded Series 2003A Special Limited Obligation Bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds have been removed from the long-term debt. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,684,682. This amount is reported as a deduction from bonds payable and is amortized over the remaining life of the refunded debt using the straight-line method. The City completed this advance refunding to reduce its debt service payments by \$2,408,988 and to obtain an economic gain of \$1,681,879.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Special Limited Obligation Bonds

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

	Balance at <u>December 31, 2011</u>
<p>Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Revenue Bonds) Series 2011A of \$35,810,000 issued November 15, 2011; 3.0% to 5.0% interest payable semiannually, principal payments due annually ranging from \$560,000 to \$2,795,000 with final maturity on December 1, 2031.</p>	<p>\$ 35,810,000</p>
<p>Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Revenue Bonds) Series 2011B of \$2,115,000 issued November 15, 2011; 1.53% to 1.771% interest payable semiannually, principal payments due annually ranging from \$705,000 to \$1,410,000 with final maturity on December 1, 2013. City management has determined that a portion of the original amount of this obligation should be reported as follows: \$1,445,000 in the discretely presented Tax Increment Financing Commission and \$670,000 should be reported in this governmental activities section of long-term obligations.</p>	<p style="text-align: right;">670,000</p> <p><u>\$ 36,480,000</u></p>

The bonds were issued by the Missouri Development Finance Board (MDFB) to refund certain bonds previously issued for the purposes of funding the City's Branson Landing redevelopment project and certain City facilities and infrastructure project costs. The City conveyed certain properties (including City Hall and a fire station) to the MDFB, and the MDFB leases those properties to the City. The City's lease payments are security for the required annual interest and principal payments on the bonds. Upon retirement of the bonds, the properties will revert to the City. Restricted investment reserves for the above special limited obligation bonds at December 31, 2011 were \$93,958.

As discussed above, City management has determined that a portion of the Series 2011B bonds related to the Branson Meadows tax increment financing plan be presented in the discretely presented Tax Increment Financing Commission. During the year ending December 31, 2011, the Tax Increment Financing Commission component unit contributed \$445,368 to the City's Debt Service Fund related to the refunding of the Branson Meadows portion of the 2003A bonds.

The MDFB 2004A and 2005B Branson Landing Tax Increment Financing Revenue Bonds contain certain pledged revenue and reserve fund priority provisions also know as the "Waterfall" provision. Under the Waterfall, as calculated prior to the next scheduled debt service requirements of the 2004A and 2005B bonds, should there be excess funds available after meeting the priority provisions, those excess funds can be used for debt service requirements of the 2003A bonds. During the year ended December 31, 2011, waterfall amounts of \$788,754 were contributed to the City's Debt Service Fund from the Tax Increment Financing Commission to be used for the 2003A debt service requirements prior to their refunding. Total waterfall amounts since inception is \$1,430,161.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Notes Payable

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

	Balance at <u>December 31, 2011</u>
Promissory note payable (Industrial Development Authority) in the amount of \$4,956,636 issued March 15, 2011; 3.49%, principal payments due annually ranging from \$426,025 to \$560,557 with final maturity on June 1, 2020.	\$ 4,415,434
Promissory note payable (Industrial Development Authority) in the amount of \$1,091,000 issued July 15, 2011; 4.79%, principal payments due semiannually ranging from \$1,081 to \$71,609 with final maturity on October 1, 2026.	1,091,000
Promissory note payable in the amount of \$200,000 issued September 1, 2011; non interest bearing, payable in three equal principal payments of \$66,667 due on September 1, 2011, January 10, 2012 and January 10, 2013.	133,333
	<u>\$ 5,639,767</u>

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

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

The September 1, 2011 promissory note was used to finance the purchase the former Branson High School.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 December 31, 2011 totaled \$106,856.

Balance at
December 31, 2011

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.

\$ 330,000

Revenue, Special Limited Obligation Bonds and Promissory Notes debt service requirements to maturity are as follows:

	Governmental activities					
	Revenue Bonds		Special Limited Obligation		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 2,803,000	\$ 1,345,386	\$ 670,000	\$ 1,620,054	\$ 505,187	\$ 216,639
2013	2,878,000	1,192,949	560,000	1,534,931	533,719	190,581
2014	2,896,000	1,033,732	1,305,000	1,518,131	488,008	173,875
2015	2,955,000	871,863	1,340,000	1,478,981	509,970	156,360
2016	3,070,000	708,178	1,490,000	1,438,781	532,991	137,993
2017-2021	12,165,000	1,496,628	8,250,000	6,395,506	2,471,103	381,483
2022-2026	1,345,000	29,254	10,155,000	4,504,825	598,789	84,682
2027-2031	-	-	12,710,000	1,949,400	-	-
	<u>\$ 28,112,000</u>	<u>\$ 6,677,990</u>	<u>\$ 36,480,000</u>	<u>\$ 20,440,609</u>	<u>\$ 5,639,767</u>	<u>\$ 1,341,613</u>

	Total Governmental Activities		Business-type Activities Revenue Bonds		Primary Government Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2012	\$ 3,978,187	\$ 3,182,079	\$ 160,000	\$ 21,615	\$ 4,138,187
2013	3,971,719	2,918,461	170,000	11,135	4,141,719	2,929,596
2014	4,689,008	2,725,738	-	-	4,689,008	2,725,738
2015	4,804,970	2,507,204	-	-	4,804,970	2,507,204
2016	5,092,991	2,284,952	-	-	5,092,991	2,284,952
2017-2021	22,886,103	8,273,617	-	-	22,886,103	8,273,617
2022-2026	12,098,789	4,618,761	-	-	12,098,789	4,618,761
2027-2031	12,710,000	1,949,400	-	-	12,710,000	1,949,400
	<u>\$ 70,231,767</u>	<u>\$ 28,460,212</u>	<u>\$ 330,000</u>	<u>\$ 32,750</u>	<u>\$ 70,561,767</u>	<u>\$ 28,492,962</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Tax Increment Financing Revenue Bonds

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

Balance at
December 31, 2011

Branson Meadows TIF Plan

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Revenue Bonds) Series 2011B of \$2,115,000 issued November 15, 2011; 1.53% to 1.771% interest payable semiannually, principal payments due annually ranging from \$705,000 to \$1,410,000 with final maturity on December 1, 2013. City management has determined that a portion of the original amount of this obligation should be reported as follows: \$1,445,000 in the discretely presented Tax Increment Financing Commission and \$670,000 should be reported in this governmental activities section of long-term obligations.

\$ 1,445,000

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, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.

35,560,000

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, 2035 may be called on or after June 1, 2015 at par. The bonds were issued by the Missouri Development Finance Board and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.

78,640,000

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.

16,710,000

130,910,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Balance at
December 31, 2011

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>	13,995,000
<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>	34,330,000
<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>	8,120,852
	<u>61,730,190</u>
<p>Total tax increment financing revenue bonds</p>	<u>\$ 194,085,190</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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
2012	\$ 740,000	\$ 18,669	\$ 758,669	\$ 2,240,000	\$ 6,782,677	\$ 9,022,677
2013	705,000	12,486	717,486	2,515,000	6,678,931	9,193,931
2014	-	-	-	2,810,000	6,549,863	9,359,863
2015	-	-	-	3,130,000	6,396,281	9,526,281
2016	-	-	-	3,480,000	6,216,562	9,696,562
2017-2021	-	-	-	23,365,000	27,656,005	51,021,005
2022-2026	-	-	-	34,410,000	20,320,492	54,730,492
2027-2031	-	-	-	33,865,000	10,298,064	44,163,064
2032-2036	-	-	-	25,095,000	2,616,875	27,711,875
	<u>\$ 1,445,000</u>	<u>\$ 31,155</u>	<u>\$ 1,476,155</u>	<u>\$ 130,910,000</u>	<u>\$ 93,515,750</u>	<u>\$ 224,425,750</u>

	Branson Hills and Shoppes			Total		
	Principal	Interest	Total	Principal	Interest	Total
	2012	\$ 975,000	\$ 3,218,879	\$ 4,193,879	\$ 3,955,000	\$ 10,020,225
2013	1,100,000	3,159,984	4,259,984	4,320,000	9,851,401	14,171,401
2014	1,245,000	3,093,528	4,338,528	4,055,000	9,643,391	13,698,391
2015	1,400,000	3,015,270	4,415,270	4,530,000	9,411,551	13,941,551
2016	1,570,000	2,927,239	4,497,239	5,050,000	9,143,801	14,193,801
2017-2021	10,795,000	12,917,602	23,712,602	34,160,000	40,573,607	74,733,607
2022-2026	20,290,000	8,783,701	29,073,701	54,700,000	29,104,193	83,804,193
2027-2031	24,355,190	1,738,964	26,094,154	58,220,190	12,037,028	70,257,218
2032-2036	-	-	-	25,095,000	2,616,875	27,711,875
	<u>\$ 61,730,190</u>	<u>\$ 38,855,167</u>	<u>\$ 100,585,357</u>	<u>\$ 194,085,190</u>	<u>\$ 132,402,072</u>	<u>\$ 326,487,262</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 \$327.0 million. Should TIF revenues along with any other funding sources described not be sufficient to meet the required debt service obligations, the City is not legally obligated to make such bond payments from any other sources of its revenues. However, the Branson Landing TIF Plan's \$40,000,000 Series 2004A and \$80,000,000 Series 2005A bonds contain an annual appropriation covenant obligating the City to make debt service payments from all legally available moneys of the City to the extent the City has appropriated and included such payments in its annual budget. Annual principal and interest payments remaining on the Series 2004A and 2005B bonds total approximately \$197.5 million. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

For the year ended December 31, 2011, principal and interest paid on tax increment financing bonds totaled approximately \$13.3 million. Incremental tax revenues from the City totaled approximately \$3.9 million. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities totaling approximately \$10 million and from prior incremental tax revenues held in debt service funds by the bond trustees.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Bond Indebtedness Limitation

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

The City has no outstanding general obligation debt. The City has issued multiple series of Tourism Tax Revenue Bonds. Although they are not general obligation bonds, the outstanding Tourism Tax Revenue Bonds and any additional Tourism Tax Revenue Bonds are payable from a pledge of the City's Tourism Tax and therefore count against the indebtedness limits imposed by the Missouri Constitution. The legal debt capacity of 20% of the City's assessed valuation as of December 31, 2011, based on the 2010 valuation, was \$96,655,336. The total net outstanding indebtedness of the City was \$22,107,137 as of December 31, 2011, leaving a remaining available legal debt capacity of \$74,548,199 as of that date.

8 - Defined Benefit Pension Plan

Plan Description

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

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

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

Funding Status

The City's full-time employees contribute 4% of their gross pay to the pension plan. The statutorily required contribution rates are 12.6% (general), 10.3% (police), and 13.0% (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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

	Total Primary Government
Annual required contribution	\$ 1,233,917
Interest on net pension obligation	7,071
Adjustment to annual required contribution	(5,054)
Annual pension cost (APC)	<u>1,235,934</u>
Actual contributions	<u>1,105,590</u>
Increase in net pension obligation (NPO)	130,344
NPO - beginning of year	<u>94,275</u>
NPO - end of year	<u><u>\$ 224,619</u></u>

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5.0% 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 1994 group Annuity Mortality table projected to 2000 set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of the February 28, 2009 was 30 years for all divisions. The amortization period as of the February 28, 2010 was 30 years for all divisions.

Year Ended Ending	Pension Cost (APC)	of APC Contributed	Pension Obligation
6/30/2009	\$ 866,015	100.0%	\$ -
6/30/2010	1,013,710	90.7%	94,275
6/30/2011	1,235,934	89.5%	224,619

Funded Status and Funding Progress

As of February 28, 2011, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$20,325,379. The actuarial value of assets was \$13,773,629, which results in an unfunded actuarial accrued liability (UAAL) of \$6,551,750 and a funded ratio of 68 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$9,393,950, which results in a ratio of the UAAL to the covered payroll of 70 percent.

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

9 - Post Employment Health Benefits

Plan Description

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years. The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2011, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

	Governmental Activities	Business- Type Activities	Total Primary Government
Annual required contribution	\$ 120,540	\$ 26,460	\$ 147,000
Interest on net OPEB obligation	7,462	1,638	9,100
Adjustment to annual required contribution	(6,232)	(1,368)	(7,600)
Annual OPEB cost (expense)	121,770	26,730	148,500
Less: Net employer contributions	16,646	3,654	20,300
Increase in net OPEB obligation	105,124	23,076	128,200
Net OPEB obligation - beginning of year	186,632	40,968	227,600
Net OPEB obligation - end of year	\$ 291,756	\$ 64,044	\$ 355,800

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the year ending December 31, 2011 is as follows:

	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
<i>Governmental Activities:</i>			
12/31/2011	\$ 120,540	18.1%	\$ 291,756
<i>Business-Type Activities:</i>			
12/31/2011	\$ 26,460	18.1%	\$ 64,044

Funded Status and Funding Progress

As of September 30, 2011, which represents most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$1,174,800. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,700,000, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 11.0 percent.

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

Actuarial Methods and Assumptions

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

The projected unit credit actuarial cost method is used in the September 30, 2009, initial actuarial valuation. At this initial valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the initial plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 4.0 percent investment rate of return. The actuarial assumptions for the healthcare cost inflation rate is an initial growth factor of 7.0 and 5.0 percent for medical and dental coverage, respectively, with both declining to an ultimate inflation rate of 4.6% for both. The UAAL will be amortized over a period of 30 years using a level percentage of projected payroll on an open basis.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

10 - Risk Management

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

11 - Commitments and Contingencies

Branson Landing Master Lease

The City as landlord has entered into Branson Landing lease with HCW Development Company, LLC as the tenant. The lease requires the City to pay 50% or up to \$310,000 of the annual actual costs associated with the maintenance, upkeep and operations of the Main Fountain and the Town Square Fountain. The City will pay for the actual On-Site Public Improvements expense excluding those associated with the fountains listed above, up to \$115,000 per calendar year. Beginning in the calendar year of the fifth anniversary of the lease commencement date (FY2010) and for each year thereafter the maximum fountain and maintenance contribution shall be recalculated by multiplying the maximum contributions by a fraction, the numerator being the Consumer Price Index (CPI) for the month of January for the current year, and the denominator being the CPI for the month of January for the prior year. For the year ended December 31, 2011, the City paid \$376,974 under this lease agreement.

Capital Projects

Normal commitments have been made for future expenditures related to the City's Five Year Capital Improvement program. At December 31, 2011, the City had no significant construction commitments.

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 December 31, 2011, the City paid \$204,060 under this management agreement.

Airport Pay for Performance Agreement

The City has entered into a Pay for Performance Agreement and related Supplemental Agreement to the Pay for Performance Agreement, collectively, (the Agreement) with a private developer and the Branson, Missouri Regional Airport Transportation Development District (TDD). Under the Agreement, the City will pay a per passenger fee based on qualifying passenger arrivals on a semi-annual basis to the TDD. In no event shall the City's payment obligation under the Agreement exceed \$2,000,000 on an annual basis. In addition, any obligations under this Agreement are subject to annual appropriation by the Board of Aldermen. Total fees under the Agreement for 2011 were \$557,497 of which \$195,753 was passed through the Branson Area Chamber of Commerce with a payment from the Tourism Fund and \$361,744 is recorded as a payable in the General Fund as of December 31, 2011.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Litigation

Real Property Issues

City Owned Property

On January 14, 2010, a judgment was issued by Taney County Circuit Court Case No. 03CV787034 regarding the rights to the title of certain real property located in Branson, Missouri. Although the City was not a party to the case at the time the judgment was issued, the legal description of the land contained in the judgment includes certain real property owned by the City. Accordingly, the ownership of certain real property of the City is in question.

The City analyzed the impact of the January 14, 2010 judgment and has vigorously defended its title to its property included in the judgment including appealing the judgment to the Missouri Court of Appeals (said appeal currently pending before the court) and shall similarly vigorously oppose any other party's efforts to contest the City's title to its property. The eventual outcome of the case cannot be determined at this time. The City believes that it will retain ownership of the land. If it is determined that the City does not own the land, the City's management believes that any loss in excess of applicable insurance will not have a material impact on the City's financial position or operations.

General

The City is a defendant in other various lawsuits relating to easements, condemnations and other matters which are considered normal to the City's operations. At December 31, 2011, it was the opinion of the City's management that the outcome of the litigation would 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. The City does not believe that there will be sufficient revenues generated by the TIF Plan to retire this obligation. Accordingly, the City has not recorded an obligation.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

12 - Interfund Activity

Interfund transfers for the year ended December 31, 2011, 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>Other Governmental</u>	
Governmental :					
General	\$ -	\$ 497,799	\$ -	\$ -	\$ 497,799
Debt Service	527,084	511,452	1,221,000	-	2,259,536
Other Governmental	-	-	-	332,934	332,934
Business-type:					
Water and Sewer	-	664,000	-	-	664,000
Total	\$ 527,084	\$ 1,673,251	\$ 1,221,000	\$ 332,934	\$ 3,754,269

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, (3) use unrestricted revenues collected in the general fund finance various programs accounted for in other funds in accordance with budgetary authorizations, (4) to fund capital and repair and maintenance needs including treatment plan expansion in the Water and Sewer Fund.

Interfund receivable and payable balances at December 31, 2011 were as follows:

<u>Interfund Receivable</u>	<u>Tourism</u>	<u>Interfund Payable</u>		<u>Total</u>
		<u>Debt Service</u>	<u>Internal Service</u>	
General Fund	\$ 209,441	\$ 807,545	\$ 27,813	\$ 1,044,799

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

13 - Change in Presentation

The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the year ended December 31, 2011. Prior to GASB 54, the City reported the convention center activities and the recreation activities in special revenue funds. Under GASB 54, these activities do not qualify for reporting as special revenue funds. Accordingly, these activities are reported in the General Fund. The fund balance at the beginning of the year has been restated to reflect the change in presentation as follows:

	General Fund	Convention Fund	Recreation Fund
Fund balance, as previously reported	\$ 5,555,697	\$ 551,028	\$ 595,558
GASB 54 implementation	1,146,586	(551,028)	(595,558)
Fund balance, as restated	\$ 6,702,283	\$ -	\$ -

14 - Lease Termination

The City is an owner of fee interest in real property consisting of approximately 120 acres fronting West Highway 76, known as the Old Branson Airport. H & W Development Co. entered into a lease agreement with the City for the redevelopment and use of a portion of the Old Branson Airport property; originally dated July 30, 1986, as amended and supplemented from time to time (the "Lease"). Through amendments, supplements and assignments to the Lease, CPG Partners, L.P. ("CPG") was the current lessee under the Lease. The lease term was scheduled to expire November 30, 2021.

CPG was the owner of real property, including buildings, improvements and fixtures located on or adjacent to the City's property (the properties). On December 29, 2011 the City entered into an agreement with CPG whereby CPG agreed to convey to the City all of its interest in the properties and pay to the City at closing \$300,000 as additional consideration. The consideration for the acquisition of the properties includes the termination of the lease less a purchase price of \$10 to be paid by the City at closing. The closing under this agreement took place on January 5, 2012.

The City has recorded lease termination revenue of \$1,420,806 at December 31, 2011. This amount represents the net present value of the future lease payments and property taxes that the City has relinquished in exchange for the properties plus the additional consideration of \$299,990. At December 31, 2011, the financial statements include assets held for redevelopment of \$1,120,816 and a net lease termination receivable of \$299,990.

15 - Subsequent Events

On February 29, 2012 a tornado damaged certain property owned by the City. In particular, the former Branson High School that was purchased in 2011 sustained extensive damage and for insurance purposes was considered a total loss. The City has filed a loss claim and is expected to receive insurance recovery proceeds of approximately \$660,000 during 2012. In addition, the City has filed a business interruption and losses claim related to the City's convention center.

The City has evaluated subsequent events through July 20, 2012, the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

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

Such information includes:

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

Budgeting

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

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

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

In connection with the implementation of GASG 54 the Recreation Fund and Convention Center Fund are reported in the General Fund. A reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds is as follows:

Change in General Fund Balance-budget basis	\$ 1,265,524
Change in Fund Balance from combined Funds-budget basis	<u>(6,800)</u>
Total Reconciled change in fund balance-budget basis	1,258,724
Adjustments-Encumbrances beginning of year	(66,526)
Adjustments-Encumbrances end of year	<u>212,859</u>
Total Reconciled change in fund balance-GAAP basis	1,405,057
Fund Balance beginning of year -budget basis	5,490,622
Total Reconciled change in fund balance-budget basis	1,258,724
Fund Balance beginning of year from combined funds-budget basis	<u>1,145,135</u>
Total reconciled fund balance, beginning of year-budget basis	7,894,481
Adjustments-Encumbrances end of year	<u>212,859</u>
Fund Balance -end of year-GAAP basis	<u><u>\$ 8,107,340</u></u>

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the year ended December 31, 2011

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 11,002,912	\$ 11,514,363	\$ 12,119,586	\$ 605,223
Licenses and permits:	581,850	581,850	630,822	48,972
City court fines	725,000	725,000	462,319	(262,681)
Lease and rent	1,279,000	1,279,000	1,270,272	(8,728)
Lease termination	-	-	1,420,806	1,420,806
Charges for services	740,940	740,940	767,801	26,861
Intergovernmental	50,925	50,925	59,933	9,008
Interest Income	30,000	30,000	57,572	27,572
Miscellaneous	108,500	108,500	189,379	80,879
Total revenues	<u>14,519,127</u>	<u>15,030,578</u>	<u>16,978,490</u>	<u>1,947,912</u>
Expenditures:				
General government:				
Mayor and Board	86,315	86,385	59,993	26,392
City Administration	471,479	476,024	464,043	11,981
Human Resources	300,635	325,423	319,801	5,622
Administrative Services	2,900,353	3,204,432	3,056,671	147,761
Finance	745,289	751,973	692,996	58,977
Legal	758,643	760,791	788,697	(27,906)
Total general government	<u>5,262,714</u>	<u>5,605,028</u>	<u>5,382,201</u>	<u>222,827</u>
Public safety:				
Police	3,770,259	3,826,841	3,647,801	179,040
Fire	2,869,437	2,928,502	2,857,390	71,112
Total public safety	<u>6,639,696</u>	<u>6,755,343</u>	<u>6,505,191</u>	<u>250,152</u>
Public works				
Engineering	1,014,244	1,049,613	1,079,802	(30,189)
Community Development	514,168	526,200	484,286	41,914
Debt Service-Principal	885,168	896,138	831,454	64,684
	-	70,000	66,667	3,333
Total expenditures	<u>14,315,990</u>	<u>14,902,322</u>	<u>14,349,601</u>	<u>552,721</u>
Excess of revenues over (under) expenditures	203,137	128,256	2,628,889	2,500,633
Other Financing Sources (Uses):				
Transfers in	115,000	115,000	115,000	-
Transfers out	(1,501,724)	(1,501,724)	(1,478,365)	23,359
Total other financing sources (uses)	<u>(1,386,724)</u>	<u>(1,386,724)</u>	<u>(1,363,365)</u>	<u>23,359</u>
Change in fund balances	<u>\$ (1,183,587)</u>	<u>\$ (1,258,468)</u>	1,265,524	<u>\$ 2,523,992</u>
Fund balance, beginning of year - budget basis			<u>5,490,622</u>	
Fund balance - end of year - budget basis			6,756,146	
Adjustments:				
Encumbrances			154,873	
Fund balance - end of year - GAAP basis			<u>\$ 6,911,019</u>	
Net change in fund balance - budget basis			\$ 1,265,524	
Adjustments:				
Encumbrances - beginning of year			(65,075)	
Encumbrances - end of year			154,873	
Net change in fund balance - GAAP basis			<u>\$ 1,355,322</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tourism Tax Fund
For the year ended December 31, 2011

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 11,010,071	\$ 11,010,071	\$ 10,453,937	\$ (556,134)
Interest Income	725,000	725,000	711,785	(13,215)
Total revenues	<u>11,735,071</u>	<u>11,735,071</u>	<u>11,165,722</u>	<u>(569,349)</u>
		11,727,071		
Expenditures:				
Tourism	3,300,140	4,034,761	3,901,339	133,422
Capital Outlays	-	4,936,636	4,936,636	-
Debt service:				
Principal	2,455,000	2,996,202	2,996,202	-
Interest and fiscal charges	1,592,946	1,631,868	1,724,001	(92,133)
Cost of issuance	-	20,000	-	20,000
Total expenditures	<u>7,348,086</u>	<u>13,619,467</u>	<u>13,558,178</u>	<u>61,289</u>
Excess of revenues over (under) expenditures	4,386,985	(1,884,396)	(2,392,456)	(508,060)
Other financing sources (uses)				
Note proceeds	-	4,956,636	4,956,636	-
Transfers out	(615,000)	(1,790,451)	(1,673,251)	117,200
Total other financing sources (uses)	<u>(615,000)</u>	<u>3,166,185</u>	<u>3,283,385</u>	<u>117,200</u>
Change in fund balances	<u>\$ 3,771,985</u>	<u>\$ 1,281,789</u>	890,929	<u>\$ (390,860)</u>
Fund balance, beginning of year			<u>17,786,287</u>	
Fund balance - end of year - budget basis			18,677,216	
Adjustments:				
Encumbrances			29,891	
Fund balance - end of year - GAAP basis			<u>\$ 18,707,107</u>	
Net change in fund balance - budget basis			\$ 890,929	
Adjustments:				
Encumbrances - beginning of year			(25,574)	
Encumbrances - end of year			29,891	
Net change in fund balance - GAAP basis			<u>\$ 895,246</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transportation Sales Tax Fund
For the year ended December 31, 2011

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 4,460,012	\$ 4,460,012	\$ 4,417,565	\$ (42,447)
Total revenues	<u>4,460,012</u>	<u>4,460,012</u>	<u>4,424,689</u>	<u>(35,323)</u>
Expenditures:				
Public works	3,123,507	3,162,595	3,152,542	10,053
Total expenditures	<u>3,123,507</u>	<u>3,162,595</u>	<u>3,152,542</u>	<u>10,053</u>
Excess of revenues over expenditures	1,336,505	1,297,417	1,272,147	(25,270)
Other financing sources (uses):				
Transfers out	(1,221,000)	(1,221,000)	(1,221,000)	-
Total other financing sources (uses)	<u>(1,221,000)</u>	<u>(1,221,000)</u>	<u>(1,221,000)</u>	<u>-</u>
Change in fund balances	<u>\$ 115,505</u>	<u>\$ 76,417</u>	51,147	<u>\$ (25,270)</u>
Fund balance, beginning of year			<u>1,750,721</u>	
Fund balance - end of year - budget basis			1,801,868	
Adjustments:				
Encumbrances			<u>316,532</u>	
Fund balance - end of year - GAAP basis			<u>\$ 2,118,400</u>	
Net change in fund balance - budget basis			\$ 51,147	
Adjustments:				
Encumbrances - beginning of year			(12,135)	
Encumbrances - end of year			<u>316,532</u>	
Net change in fund balance - GAAP basis			<u>\$ 355,544</u>	

CITY OF BRANSON, MISSOURI

Schedules of Funding Progress

Missouri LAGERS Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2/29/2009	\$ 12,521,486	\$ 18,373,176	\$ 5,851,690	68%	\$ 8,507,895	69%
2/28/2010	12,763,217	18,288,527	5,525,310	70%	8,726,647	63%
2/28/2011	13,773,629	20,325,379	6,551,750	68%	9,393,950	70%

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

Other Post- Employment Benefits Schedule of Funding Progress

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



**Other Supplementary Information
Combining and Individual Fund
Statements and Schedules**



CITY OF BRANSON, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2011

	General	Convention Center	Recreation	Total
Assets				
Cash and investments	\$ 4,659,628	\$ 624,436	\$ 625,260	\$ 5,909,324
Receivables, net:				
Taxes	1,980,363	-	-	1,980,363
Leases	145,189	-	-	145,189
Lease termination	299,990	-	-	299,990
Other	8,520	225,196	1,467	235,183
Due from other funds	835,358	209,441	-	1,044,799
Prepays and inventories	46,608	75,539	-	122,147
Assets held for redevelopment	1,120,816	-	-	1,120,816
Total assets	<u>\$ 9,096,472</u>	<u>\$ 1,134,612</u>	<u>\$ 626,727</u>	<u>\$ 10,857,811</u>
Liabilities				
Accounts payable	\$ 312,410	\$ 483,024	\$ 47,691	\$ 843,125
Accrued expenditures	907,364	-	34,303	941,667
Deferred revenue	565,784	-	-	565,784
Due to component unit	399,895	-	-	399,895
Total Liabilities	<u>2,185,453</u>	<u>483,024</u>	<u>81,994</u>	<u>2,750,471</u>
Fund Balances				
Nonspendable:				
Prepays and inventory	46,608	75,539	-	122,147
Assets held for redevelopment	1,120,816	-	-	1,120,816
Committed for:				
General government	19,303	-	-	19,303
Culture and recreation	-	-	26,012	26,012
Assigned for:				
General government	689	-	-	689
Public safety	14,068	-	-	14,068
Public works	83,775	-	-	83,775
Culture and recreation	-	-	31,974	31,974
Unassigned	5,625,760	576,049	486,747	6,688,556
Total Fund Balances	<u>6,911,019</u>	<u>651,588</u>	<u>544,733</u>	<u>8,107,340</u>
Total liabilities and fund balances	<u>\$ 9,096,472</u>	<u>\$ 1,134,612</u>	<u>\$ 626,727</u>	<u>\$ 10,857,811</u>

CITY OF BRANSON, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the year ended December 31, 2011

	General	Convention Center	Recreation	Eliminations	Total
Revenues:					
Taxes	\$ 12,119,586	\$ -	\$ 78,847	\$ -	\$ 12,198,433
Licenses and permits	630,822	-	-	-	630,822
Court fines	462,319	-	-	-	462,319
Lease and rent	1,270,272	-	-	-	1,270,272
Lease termination	1,420,806	-	-	-	1,420,806
Charges for services	767,801	4,986,727	1,273,661	-	7,028,189
Intergovernmental	59,933	-	-	-	59,933
Interest income	57,572	-	-	-	57,572
Miscellaneous	189,379	-	163,434	-	352,813
Total revenues	<u>16,978,490</u>	<u>4,986,727</u>	<u>1,515,942</u>	<u>-</u>	<u>23,481,159</u>
Expenditures:					
Current:					
General government	5,399,751	-	-	-	5,399,751
Public safety	6,452,560	-	-	-	6,452,560
Public works	1,027,223	-	-	-	1,027,223
Engineering	487,858	-	-	-	487,858
Community development	825,744	-	-	-	825,744
Culture and recreation	-	-	2,141,406	-	2,141,406
Convention center	-	5,645,608	-	-	5,645,608
Debt service:					
Principal retirement	66,667	-	-	-	66,667
Total expenditures	<u>14,259,803</u>	<u>5,645,608</u>	<u>2,141,406</u>	<u>-</u>	<u>22,046,817</u>
Excess of revenues over (under) expenditures	<u>2,718,687</u>	<u>(658,881)</u>	<u>(625,464)</u>	<u>-</u>	<u>1,434,342</u>
Other financing sources (uses):					
Transfers in	115,000	759,441	574,639	(951,281)	497,799
Transfers out	(1,478,365)	-	-	951,281	(527,084)
Total other financing sources (uses)	<u>(1,363,365)</u>	<u>759,441</u>	<u>574,639</u>	<u>-</u>	<u>(29,285)</u>
Net change in fund balances	1,355,322	100,560	(50,825)	-	1,405,057
Fund balances - beginning of year	<u>5,555,697</u>	<u>551,028</u>	<u>595,558</u>	<u>-</u>	<u>6,702,283</u>
Fund balances - end of year	<u>\$ 6,911,019</u>	<u>\$ 651,588</u>	<u>\$ 544,733</u>	<u>\$ -</u>	<u>\$ 8,107,340</u>

NON-MAJOR GOVERNMENTAL FUNDS

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

Energy Efficiency Project fund is used to account for energy project expenditures.

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

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



CITY OF BRANSON, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2011

Assets	Capital Projects		Permanent		Total Nonmajor Governmental Funds
	Capital Projects Planning	Energy Efficiency Project	Capital Projects	Perpetual Care	
Cash and cash equivalents	\$ -	\$ 452,050	\$ 3,395,369	\$ 4,660	\$ 3,852,079
Receivables, net:					
Other	-	-	249,629	-	249,629
Total assets	\$ -	\$ 452,050	\$ 3,644,998	\$ 4,660	\$ 4,101,708
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ 452,050	\$ 6,360	\$ -	\$ 458,410
Total liabilities	-	452,050	6,360	-	458,410
Fund Balances:					
Nonspendable:					
Perpetual care	-	-	-	4,660	4,660
Restricted for:					
Capital outlay	-	-	3,638,638	-	3,638,638
Total fund balances	-	-	3,638,638	4,660	3,643,298
Total liabilities and fund balance	\$ -	\$ 452,050	\$ 3,644,998	\$ 4,660	\$ 4,101,708

CITY OF BRANSON, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the year ended December 31, 2011

	Capital Projects			Permanent	
	Capital Projects Planning	Energy Efficiency Project	Capital Projects	Perpetual Care	Total Nonmajor Governmental Funds
Revenues:					
Miscellaneous	\$ -	\$ -	\$ -	\$ 350	\$ 350
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>350</u>
Expenditures:					
Capital outlay	-	1,091,000	560,583	-	1,651,583
Total expenditures	<u>-</u>	<u>1,091,000</u>	<u>560,583</u>	<u>-</u>	<u>1,651,583</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(1,091,000)</u>	<u>(560,583)</u>	<u>350</u>	<u>(1,651,233)</u>
Other financing sources (uses):					
Note proceeds	-	1,091,000	-	-	1,091,000
Transfers in	-	-	332,934	-	332,934
Transfers out	(332,934)	-	-	-	(332,934)
Total other financing sources (uses)	<u>(332,934)</u>	<u>1,091,000</u>	<u>332,934</u>	<u>-</u>	<u>1,091,000</u>
Net change in fund balances	<u>(332,934)</u>	<u>-</u>	<u>(227,649)</u>	<u>350</u>	<u>(560,233)</u>
Fund balances - beginning of year	<u>332,934</u>	<u>-</u>	<u>3,866,287</u>	<u>4,310</u>	<u>4,203,531</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,638,638</u>	<u>\$ 4,660</u>	<u>\$ 3,643,298</u>

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Convention Center Fund
For the year ended December 31, 2011

	Original and Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Charges for services	\$ 4,873,086	\$ 4,986,727	\$ 113,641
Total revenues	<u>4,873,086</u>	<u>4,986,727</u>	<u>113,641</u>
Expenditures:			
Convention Center Operations	5,700,901	5,645,608	55,293
Total expenditures	<u>5,700,901</u>	<u>5,645,608</u>	<u>55,293</u>
Excess of revenues over expenditures	(827,815)	(658,881)	168,934
Other financing sources (uses):			
Transfers in	900,000	759,441	(140,559)
Total other financing sources (uses)	<u>900,000</u>	<u>759,441</u>	<u>(140,559)</u>
Change in fund balances	<u>\$ 72,185</u>	100,560	<u>\$ 28,375</u>
Fund balance, beginning of year		<u>551,028</u>	
Fund balance, end of year		<u>\$ 651,588</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
For the year ended December 31, 2011

	Original Budget	Final Amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 90,000	\$ 90,000	\$ 78,847	\$ (11,153)
Charges for services	1,393,402	1,393,402	1,273,661	(119,741)
Miscellaneous	45,000	45,000	163,434	118,434
Total revenues	<u>1,528,402</u>	<u>1,528,402</u>	<u>1,515,942</u>	<u>(12,460)</u>
Expenditures:				
Culture and recreation	<u>2,191,115</u>	<u>2,223,936</u>	<u>2,197,941</u>	<u>25,995</u>
Excess of revenues over (under) expenditures	(662,713)	(695,534)	(681,999)	13,535
Other financing sources (uses):				
Transfers in	<u>574,639</u>	<u>574,639</u>	<u>574,639</u>	<u>-</u>
Change in fund balances	<u>\$ (88,074)</u>	<u>\$ (120,895)</u>	<u>(107,360)</u>	<u>\$ 13,535</u>
Fund balance, beginning of year			<u>594,107</u>	
Fund balance - end of year - budget basis			486,747	
Adjustments:				
Encumbrances			57,986	
Fund balance - end of year - GAAP basis			<u>\$ 544,733</u>	
Net change in fund balance - budget basis			\$ (107,360)	
Adjustments:				
Encumbrances - beginning of year			(1,451)	
Encumbrances - end of year			57,986	
Net change in fund balance - GAAP basis			<u>\$ (50,825)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the year ended December 31, 2011

	Original and Final amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions from component unit	\$ 898,754	\$ 1,234,122	\$ 335,368
Interest income	145,000	116,029	(28,971)
Total revenues	<u>1,043,754</u>	<u>1,350,151</u>	<u>306,397</u>
Expenditures:			
Community development	750,300	-	750,300
Debt Service:			
Principal	1,230,000	-	1,230,000
Interest	2,115,344	1,021,689	1,093,655
Cost of issuance	-	691,412	(691,412)
Advance refunding payment	-	5,490,478	(5,490,478)
Total expenditures	<u>4,095,644</u>	<u>7,203,579</u>	<u>(3,107,935)</u>
Excess of revenues over (under) expenditures	(3,051,890)	(5,853,428)	(2,801,538)
Other Financing Sources (Uses)			
Bond proceeds	-	36,480,000	36,480,000
Payment to bond escrow agent	-	(35,788,589)	(35,788,589)
Transfers in	2,557,700	2,259,536	(298,164)
Total other financing sources (uses)	<u>2,557,700</u>	<u>2,950,947</u>	<u>393,247</u>
Change in fund balances	<u>\$ (494,190)</u>	<u>(2,902,481)</u>	<u>\$ (2,408,291)</u>
Fund balance, beginning of year		<u>2,003,725</u>	
Fund balance (deficit), end of year		<u>\$ (898,756)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the year ended December 31, 2011

	Original and Final amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Capital Outlays	1,310,000	96,923	1,213,077
Total expenditures	<u>1,310,000</u>	<u>96,923</u>	<u>1,213,077</u>
Excess of revenues over (under) expenditures	(1,310,000)	(96,923)	1,213,077
Other financing sources (uses):			
Transfers in	-	332,934	332,934
Change in fund balances	<u>\$ (1,310,000)</u>	236,011	<u>\$ 1,546,011</u>
Fund balance, beginning of year		<u>3,402,627</u>	
Fund balance - end of year - budget basis		3,638,638	
Adjustments:			
Encumbrances		-	
Fund balance - end of year - GAAP basis		<u>\$ 3,638,638</u>	
Net change in fund balance - budget basis		\$ 236,011	
Adjustments:			
Encumbrances - beginning of year		(463,660)	
Encumbrances - end of year		-	
Net change in fund balance - GAAP basis		<u>\$ (227,649)</u>	

City of Branson, Missouri
Combining Balance Sheet - Discretely Presented Component Unit
Tax Increment Financing Commission
December 31, 2011

Assets	<u>Branson Meadows</u>	<u>Branson Landing</u>	<u>Branson Hills</u>	<u>Total</u>
Cash and cash equivalents	\$ 82,149	\$ 1,058,420	\$ 396,789	\$ 1,537,358
Receivables:				
Intergovernmental	32,146	1,081,677	589,779	1,703,602
Due from primary government	30,730	372,090	232,776	635,596
Restricted cash and equivalents	-	14,058,736	8,181,487	22,240,223
Total Assets	<u>\$ 145,025</u>	<u>\$ 16,570,923</u>	<u>\$ 9,400,831</u>	<u>\$ 26,116,779</u>
 Liabilities and Fund Balances				
Liabilities:				
Deferred revenue	\$ -	\$ 378,248	\$ -	\$ 378,248
Total liabilities	<u>-</u>	<u>378,248</u>	<u>-</u>	<u>378,248</u>
Fund balances:				
Reserved for capital projects	-	-	12,077	12,077
Reserved for debt service	145,025	16,192,675	9,388,754	25,726,454
Total fund balances	<u>145,025</u>	<u>16,192,675</u>	<u>9,400,831</u>	<u>25,738,531</u>
Total liabilities and fund balances	<u>\$ 145,025</u>	<u>\$ 16,570,923</u>	<u>\$ 9,400,831</u>	<u>\$ 26,116,779</u>

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

Fund balances \$ 25,738,531

The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction has any effect on net assets. The Commission's 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:

Long-term debt	(195,147,607)
Bond issuance costs, net	3,437,754
Accrued interest payable	<u>(1,119,281)</u>
Net assets (deficit) of component unit	<u>\$ (167,090,603)</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 December 31, 2011

	Branson Meadows	Branson Landing	Branson Hills	Total
Revenues:				
Taxes	\$ 161,302	\$ 2,523,496	\$ 1,179,838	\$ 3,864,636
Intergovernmental activity taxes	161,302	6,326,841	3,469,830	9,957,973
Lease and rent	-	453,938	-	453,938
Interest	15,821	425,602	627	442,050
Total Revenues	<u>338,425</u>	<u>9,729,877</u>	<u>4,650,295</u>	<u>14,718,597</u>
Expenditures:				
Current:				
Community development -				
Contributions to City	445,368	788,754	-	1,234,122
Debt service:				
Principal	-	2,240,000	840,000	3,080,000
Interest	35,266	6,896,919	3,372,678	10,304,863
Cost of issuance	24,428	-	-	24,428
Advance refunding payment	217,482	-	-	217,482
Total expenditures	<u>722,544</u>	<u>9,925,673</u>	<u>4,212,678</u>	<u>14,860,895</u>
Excess of revenues over (under) expenditures	(384,119)	(195,796)	437,617	(142,298)
Other financing sources:				
Issuance of bonds	1,445,000	-	-	1,445,000
Payment to bond escrow agent	(1,417,613)	-	-	(1,417,613)
Total other financing sources	<u>27,387</u>	<u>-</u>	<u>-</u>	<u>27,387</u>
Net change in fund balances	(356,732)	(195,796)	437,617	(114,911)
Fund balances - beginning of year	501,757	16,388,471	8,963,214	25,853,442
Fund balances - end of year	<u>\$ 145,025</u>	<u>\$ 16,192,675</u>	<u>\$ 9,400,831</u>	<u>\$ 25,738,531</u>

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

Change in fund balances \$ (114,911)

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

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

Proceeds from bond issuances	193,054
Principal payments on long-term debt	3,080,000
Change in accrued interest payable	12,526
Change in bond issuance costs, net	(171,105)
Change in bond premiums and discounts, net	64,877

Change in net assets of discretely presented component unit \$ 3,064,441

CITY OF BRANSON, MISSOURI

Combining Statement of Changes in Assets and Liabilities -
Agency Fund
For the year ended December 31, 2011

Landscape Trust Fund	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
Assets				
Cash and cash equivalents	<u>\$ 938,496</u>	<u>\$ 138,283</u>	<u>\$ 152,159</u>	<u>\$ 924,620</u>
Liabilities				
Due to others	<u>\$ 938,496</u>	<u>\$ 138,283</u>	<u>\$ 152,159</u>	<u>\$ 924,620</u>



Statistical Section

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.

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Revenue Capacity

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

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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.

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Demographic and Economic Information

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

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Operating Information

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

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. 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 SEVEN FISCAL YEARS							
(accrual basis of accounting)							
	2005	2006	2007	2008	2009	2010	2011
Government activities							
Invested in capital assets, net of related debt	\$ 12,523,781	\$ 22,290,129	\$ 141,919,127	\$ 145,177,108	\$ 144,289,962	\$ 129,557,224	\$ 126,777,920
Restricted	23,716,023	17,980,262	17,204,507	17,791,624	14,686,790	21,582,752	20,830,167
Unrestricted	17,979,313	20,709,745	16,681,197	13,200,540	14,845,152	9,950,868	5,922,405
Total governmental activities net assets	\$ 54,219,117	\$ 60,970,136	\$ 175,804,831	\$ 176,169,272	\$ 173,821,904	\$ 161,090,844	\$ 153,530,492
Business-type activities							
Invested in capital assets, net of related debt	\$ 76,130,789	\$ 76,427,333	\$ 73,609,515	\$ 77,523,944	\$ 75,955,579	\$ 81,930,467	\$ 81,599,165
Restricted	-	-	172,367	185,812	189,393	3,217,997	2,461,091
Unrestricted	1,435,607	1,530,171	1,801,365	2,982,009	4,123,488	4,435,196	4,765,345
Total business-type activities net assets	\$ 77,566,396	\$ 76,957,504	\$ 75,583,247	\$ 80,691,765	\$ 80,268,460	\$ 89,583,660	\$ 88,825,601
Primary government							
Invested in capital assets, net of related debt	\$ 88,654,570	\$ 97,707,462	\$ 215,528,642	\$ 217,620,480	\$ 220,245,541	\$ 211,487,691	\$ 208,377,085
Restricted	23,716,023	17,980,262	17,376,874	17,977,436	14,876,183	24,800,749	23,291,258
Unrestricted	19,414,920	22,239,916	18,482,562	21,263,121	18,968,640	14,386,064	10,687,750
Total primary government net assets	\$ 131,785,513	\$ 137,927,640	\$ 251,388,078	\$ 256,861,037	\$ 254,090,364	\$ 250,674,504	\$ 242,356,093
<p>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.</p> <p>Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year</p> <p>October thru December 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to the Calendar basis.</p>							

Table 2

CITY OF BRANSON, MISSOURI							
Changes in Net Assets							
LAST SEVEN FISCAL YEARS							
	2005	2006	2007	2008	2009	2010	2011
Expenses							
Governmental activities:							
General government	\$ 3,029,990	\$ 3,331,264	\$ 4,528,246	\$ 4,939,024	\$ 4,813,249	\$ 6,288,554	\$ 6,508,380
Public safety	5,258,799	5,614,712	5,708,173	7,284,189	5,656,388	6,717,714	6,566,479
Public works	6,859,721	7,417,832	8,120,098	9,139,399	2,663,332	9,482,818	14,784,274
Engineering services	638,614	613,902	646,429	726,971	806,672	658,103	552,491
Community development	624,574	709,821	1,086,542	1,461,803	1,293,578	1,430,800	825,744
Culture and recreation	1,495,974	2,270,578	2,010,813	2,316,661	2,099,264	2,643,310	2,784,808
Convention Center	N/A	N/A	872,144	7,229,165	5,348,111	7,471,163	8,389,119
Tourism	3,145,185	2,714,475	2,754,357	2,453,257	2,392,731	2,248,108	3,634,159
Interest on long-term debt	4,928,299	5,515,916	6,000,815	3,938,218	3,635,473	3,824,038	2,800,553
Total governmental expense	25,881,156	28,188,300	31,727,417	39,488,687	28,508,798	40,764,608	46,846,007
Business-type activities:							
Water & sewer services	7,185,700	7,587,129	7,938,306	8,701,225	8,526,666	8,270,508	9,226,202
Total business-type activities expense	7,185,700	7,587,129	7,938,306	8,701,225	8,526,666	8,270,508	9,226,202
Total primary governmental expense	\$ 33,066,856	\$ 35,775,429	\$ 39,665,723	\$ 48,189,912	\$ 37,035,464	\$ 49,035,116	\$ 56,074,209
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 1,786,399	\$ 1,777,350	\$ 2,470,833	\$ 2,589,876	\$ 2,746,768	\$ 2,802,297	\$ 2,694,761
Public safety	313,549	341,522	43,849	43,281	19,968	13,466	152,213
Public works	60,342	75,061	13,740	30,307	2,424	-	-
Engineering services	11,053	11,773	2,002	1,577	1,165	1,616	-
Community development	491,521	799,609	740,409	591,472	229,631	162,255	21,730
Culture and recreation	687,708	1,076,808	1,164,916	1,224,259	1,390,871	1,519,887	1,337,484
Convention center	N/A	N/A	N/A	3,937,780	4,001,137	4,637,819	4,986,726
Tourism	62,397	119,620	19,442	-	-	-	-
Operating grants & contributions	317,233	345,589	45,622	206,563	45,565	315,980	1,401,141
Capital grants & contributions	-	265,216	381,654	2,750,119	1,016,376	251,439	1,420,806
Total governmental program revenues	\$ 3,730,202	\$ 4,812,548	\$ 4,862,467	\$ 11,375,234	\$ 9,453,905	\$ 9,704,759	\$ 12,014,861

Changes in Net Assets, Con't

	2005	2006	2007	2008	2009	2010	2011
Business-type activities:							
Charges for services - water & sewer	\$ 3,852,735	\$ 4,980,028	\$ 5,195,680	\$ 5,906,548	\$ 5,856,243	\$ 6,077,393	\$ 6,991,270
Capital grants & contributions	-	-	566,804	6,523,130	1,199,077	3,986,655	788,201
Total business-type activities program revenues	<u>3,852,735</u>	<u>4,980,028</u>	<u>5,792,484</u>	<u>12,429,678</u>	<u>7,055,320</u>	<u>10,074,048</u>	<u>7,779,471</u>
Total primary governmental program revenues	<u>\$ 7,582,937</u>	<u>\$ 9,792,576</u>	<u>\$ 10,674,951</u>	<u>\$ 23,804,912</u>	<u>\$ 16,509,225</u>	<u>\$ 19,776,807</u>	<u>\$ 19,794,332</u>
Net (expense)/revenue							
Governmental activities	\$ (22,150,954)	\$ (23,375,752)	\$ (26,844,950)	\$ (28,113,453)	\$ (19,054,893)	\$ (31,059,849)	\$ (34,831,148)
Business-type activities	(3,332,985)	(2,807,101)	(2,145,822)	3,728,453	(1,471,346)	1,903,540	(1,448,731)
Total primary governmental net expense	<u>\$ (25,483,919)</u>	<u>\$ (25,982,853)</u>	<u>\$ (28,990,772)</u>	<u>\$ (24,385,000)</u>	<u>\$ (20,526,239)</u>	<u>\$ (29,256,309)</u>	<u>\$ (36,279,877)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property tax	\$ 1,875,088	\$ 1,793,951	\$ 2,061,835	\$ 2,052,194	\$ 2,370,101	\$ 2,560,923	\$ 2,648,293
Sales tax	12,454,943	12,884,856	12,443,263	12,981,038	12,102,118	12,321,436	12,478,162
Tourism tax	10,495,936	10,935,304	11,810,276	11,769,977	10,888,188	10,907,769	10,453,937
Other taxes	872,555	1,730,423	1,079,175	1,512,676	1,360,473	1,386,916	1,453,969
(Loss)/gain on sale of capital assets	-	60,347	9,515	-	-	104,256	15,047
Unrestricted investment earnings	1,719,869	4,513,670	2,397,427	1,505,009	876,037	888,518	885,386
Transfers out	(4,435,998)	(1,658,925)	(725,608)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)
Total governmental activities	<u>22,982,393</u>	<u>30,259,626</u>	<u>29,075,883</u>	<u>28,477,894</u>	<u>26,596,917</u>	<u>20,116,595</u>	<u>27,270,794</u>
Business-type activities:							
Unrestricted investment earnings	49,780	59,211	45,957	37,065	48,041	31,030	23,919
Gain of sale of capital assets	-	280,073	-	-	-	-	2,753
Transfers in	4,435,998	1,658,925	725,608	1,343,000	1,000,000	8,061,223	664,000
Total business-type activities	<u>4,485,778</u>	<u>1,998,209</u>	<u>771,565</u>	<u>1,380,065</u>	<u>1,048,041</u>	<u>8,092,253</u>	<u>690,672</u>
Total primary government	<u>\$ 27,468,171</u>	<u>\$ 32,257,835</u>	<u>\$ 29,847,448</u>	<u>\$ 29,857,959</u>	<u>\$ 27,644,958</u>	<u>\$ 28,210,848</u>	<u>\$ 27,961,466</u>
Change in Net Assets							
Governmental activities	\$ 531,439	\$ 6,863,874	\$ 2,230,933	\$ 364,441	\$ 7,542,024	\$ (10,941,254)	\$ (7,560,352)
Business-type activities	1,152,813	(608,892)	(1,374,257)	5,108,518	(423,305)	9,895,793	(758,059)
Total primary government	<u>\$ 1,984,252</u>	<u>\$ 6,274,982</u>	<u>\$ 856,676</u>	<u>\$ 5,472,959</u>	<u>\$ 7,118,719</u>	<u>\$ (1,045,461)</u>	<u>\$ (8,318,411)</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.
 Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.
 October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 2,781,944	\$ 2,035,038	\$ 1,651,092	\$ 1,650,890	\$ 1,756,039	\$ 2,200,693	\$ 1,265,717	\$ 1,319,086
Unreserved	4,312,262	2,924,267	3,515,412	3,196,765	6,029,006	4,534,005	8,062,100	5,739,882
Total General Fund	<u>\$ 7,094,206</u>	<u>\$ 4,959,305</u>	<u>\$ 5,166,504</u>	<u>\$ 4,847,655</u>	<u>\$ 7,785,045</u>	<u>\$ 6,734,698</u>	<u>\$ 9,327,817</u>	<u>\$ 7,058,768</u>
All other governmental funds								
Reserved	\$ 13,698,370	\$ 11,092,566	\$ 15,656,867	\$ 18,110,669	\$ 20,786,620	\$ 10,928,435	\$ 41,091,787	\$ 19,583,280
Unreserved, reported in:								
Special revenue funds	2,377,668	6,324,381	8,619,880	17,461,153	14,250,375	17,620,241	12,648,957	5,357,555
Capital project funds	4,105,280	4,508,288	2,476,752	(3,837,893)	(10,687,320)	(1,859,546)	(29,245,744)	(10,675,562)
Debt service funds	-	-	92,704	92,278	86,300	82,229	71,068	56,553
Permanent funds	12,966	13,160	13,274	13,616	14,220	9,670	-	-
Total all other governmental funds	<u>\$ 20,194,284</u>	<u>\$ 21,938,395</u>	<u>\$ 26,859,477</u>	<u>\$ 31,839,823</u>	<u>\$ 24,450,195</u>	<u>\$ 26,781,029</u>	<u>\$ 24,566,068</u>	<u>\$ 14,321,826</u>
	2010	2011						
General Fund								
Nonspendable	\$ 27,612	\$ 1,242,963						
Restricted	-	-						
Committed	-	45,315						
Assigned	65,075	130,506						
Unassigned	5,463,010	6,688,556						
	<u>\$ 5,555,697</u>	<u>\$ 8,107,340</u>						
All other governmental funds								
Nonspendable	\$ 92,690	\$ 4,660						
Restricted	22,597,488	20,825,507						
Committed	463,660	-						
Assigned	3,774,721	3,638,638						
Unassigned	-	(898,756)						
	<u>\$ 26,928,559</u>	<u>\$ 23,570,049</u>						

Not In 2005 the Tax Increment Financing funds were removed from the primary government presentation and shown as a component unit.

Not In 2011 GASB 54 was implemented which changes the Fund Balance classifications. 2010 has been restated for the new categories as well.

Table 4

CITY OF BRANSON, MISSOURI										
Changes in Fund Balances of Governmental Funds										
LAST TEN FISCAL YEARS										
(modified accrual basis of accounting)										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 25,649,697	\$ 26,033,952	\$ 25,614,541	\$ 25,698,522	\$ 26,715,964	\$ 27,329,795	\$ 28,314,241	\$ 26,668,284	\$ 27,076,663	\$ 27,068,935
Licenses and permits	665,639	647,917	662,291	793,549	1,175,742	1,205,100	1,051,481	646,533	594,662	630,322
Court fines	203,504	215,256	255,761	221,957	257,809	429,633	642,078	653,198	721,306	482,319
Charges for services	735,144	743,076	686,036	731,963	1,155,310	2,128,886	6,180,864	6,506,679	6,537,071	1,270,272
Lease and rent	1,603,789	960,309	966,594	1,094,985	959,224	1,118,492	1,065,026	1,202,484	1,298,524	7,028,189
Lease termination	-	-	-	-	-	-	-	-	-	1,420,806
Intergovernmental activity taxes	-	-	-	-	628,570	26,208	-	-	216,243	315,981
Investment earnings	2,624,947	2,037,916	1,638,481	1,719,868	4,513,670	2,397,427	1,505,009	876,037	886,518	685,396
Miscellaneous and contributions	1,527,452	2,001,207	1,189,038	1,323,840	1,643,675	636,014	613,085	107,530	313,010	1,582,295
Total revenues	33,000,120	32,639,692	31,632,739	31,584,693	37,249,864	35,295,555	39,382,584	36,676,066	37,746,825	40,422,071
Expenditures										
General government	3,326,894	3,106,030	3,272,086	3,314,430	3,736,872	5,190,074	4,593,757	4,813,249	5,919,194	5,399,751
Public safety	4,436,413	4,636,878	4,768,290	5,103,631	5,384,949	5,798,774	6,814,114	5,656,388	5,990,396	6,452,560
Public works	1,745,717	1,807,382	1,686,881	1,748,692	2,102,618	2,716,631	2,901,678	2,663,332	3,128,528	3,875,368
Engineering and community development	1,057,152	1,125,822	1,148,382	1,142,415	1,305,458	1,462,282	662,870	606,672	595,635	487,898
Community Development	-	-	-	-	-	-	1,306,627	1,253,578	1,359,711	625,744
Culture and recreation	1,035,766	1,023,857	1,039,792	1,362,019	1,754,399	1,836,694	2,096,656	2,099,264	2,020,121	2,141,406
Convention Center	-	-	-	-	-	-	5,182,094	5,348,111	5,385,970	5,645,608
Tourism	2,600,000	2,823,843	2,950,696	3,145,185	2,714,475	2,996,042	2,679,977	2,392,731	2,475,293	3,897,022
Capital outlay	32,904,103	6,851,191	26,250,126	39,558,654	44,911,191	36,981,252	7,614,255	6,224,332	745,692	6,589,219
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	4,584,000	4,946,000	5,337,000	5,530,000	5,938,000	2,572,000	2,676,000	2,787,000	2,927,000	3,062,869
Cost of issuance	-	925,715	-	895,645	500,538	-	-	-	-	591,412
Interest	3,645,220	5,505,182	4,753,058	4,628,874	4,269,991	6,049,762	3,777,489	3,635,473	3,683,624	2,745,690
Advance refunding payment	-	-	-	-	-	-	-	-	-	5,490,478
Total expenditures	55,335,265	32,751,900	51,207,083	66,327,544	72,618,491	65,604,511	40,365,517	37,520,130	34,225,564	47,303,985
Excess of revenues over (under) expenditures	(22,335,145)	(112,208)	(20,174,344)	(34,742,851)	(35,368,627)	(30,318,956)	(982,933)	(641,062)	3,521,261	(6,881,914)
Other financing sources (uses)										
Transfers in (out)	(730,493)	(45,214)	(6,362,558)	(4,435,998)	(1,659,825)	(692,162)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)
Proceeds from the sale of capital assets	-	-	133,521	-	80,347	-	-	-	-	-
Refunding bonds issued	-	56,160,602	-	-	-	1,840,000	-	-	-	-
Bonds issued	-	-	40,000,000	80,000,000	-	-	-	-	15,535,000	-
Issuance premium on bonds	-	-	-	2,065,146	-	-	-	-	(98,377)	-
Payments to refunded bond escrow agent	-	(53,913,586)	-	-	-	(1,681,461)	-	-	(7,854,917)	(35,788,589)
Bond and note proceeds, net	33,500,000	33,500,000	-	-	-	-	-	-	-	42,527,636
Bond issue costs	-	-	(502,317)	-	-	-	-	-	-	-
Total other financing sources (uses)	32,769,507	35,701,802	33,268,846	77,649,148	(1,598,578)	(933,623)	(1,343,000)	(1,000,000)	(479,517)	6,075,047
Net change in fund balances	\$ 10,434,362	\$ 35,589,534	\$ 13,058,392	\$ 42,606,297	\$ (36,988,005)	\$ (30,652,579)	\$ (2,325,933)	\$ (1,641,062)	\$ 3,041,744	\$ (806,867)
Debt service as a percentage of noncapital expenditures	36.69%	43.93%	40.43%	40.92%	38.65%	30.12%	19.70%	20.52%	19.75%	15.98%

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.

Note: 2010 Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year. October thru December of 2009 are not reported in the financial section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 5

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

<u>Fiscal Year</u>	<u>Ad valorem Taxes</u>	<u>Sales Taxes</u>	<u>Motor Fuel Taxes</u>	<u>911 Taxes</u>	<u>Franchise Taxes</u>	<u>Cigarette Taxes</u>	<u>Tourism Taxes</u>	<u>Total</u>
2002	\$ 1,650,295	\$ 12,304,462	\$ 219,615	\$ 121,755	\$ 490,065	\$ 47,359	\$ 10,937,901	\$ 25,771,452
2003	1,727,592	12,682,693	243,981	168,373	482,139	53,733	10,843,815	26,202,326
2004	1,773,199	12,325,171	255,940	171,428	525,083	56,347	10,678,801	25,785,969
2005	1,875,088	12,454,943	262,098	205,114	550,556	59,901	10,495,936	25,903,636
2006	1,793,951	13,000,198	258,270	194,055	655,484	72,758	10,935,304	26,910,020
2007	2,023,289	12,443,263	270,035	-	679,204	103,728	11,810,276	27,329,795
2008	2,050,551	12,981,038	246,870	415,990	761,274	88,541	11,769,977	28,314,241
2009	2,370,101	12,102,118	233,944	217,454	807,533	101,542	10,888,188	26,720,880
2010	2,560,923	12,321,436	240,232	227,876	846,302	82,506	10,907,769	27,187,044
2011	2,683,867	12,478,162	237,976	228,641	908,505	78,847	10,453,937	27,069,935

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.

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

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

Table 6

CITY OF BRANSON, MISSOURI TAXABLE SALES BY CATEGORY LAST TEN FISCAL YEARS											
TAXPAYER CATEGORY		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
		TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES
General Merchandise	Retail	N/A	N/A	N/A	\$ 181,831,212	\$ 233,238,711	\$ 247,941,199	\$ 274,916,762	\$ 293,755,942	\$ 305,409,447	\$ 304,129,831
Apparel Stores	Retail	N/A	N/A	N/A	114,098,588	144,203,807	156,639,697	153,781,942	149,567,706	159,559,192	160,920,220
Eating & Drinking Estab.	Restaurant	N/A	N/A	N/A	110,376,222	127,624,964	140,899,909	140,575,324	139,578,728	144,308,545	136,259,334
Lodging and Campgrounds	Lodging	N/A	N/A	N/A	126,026,619	136,073,056	147,904,609	145,965,525	136,213,320	144,420,254	137,644,396
Theaters & Live Entertainment	Theater	N/A	N/A	N/A	114,421,244	117,618,250	132,746,946	131,198,900	110,920,763	110,492,928	104,837,779
Non-Theater Entertainment	Amusement	N/A	N/A	N/A	44,612,295	49,144,737	43,430,933	42,250,999	39,744,145	27,375,675	26,159,203
Grocery & Liquor Stores	Grocery	N/A	N/A	N/A	36,066,461	39,661,454	42,577,167	37,874,690	30,043,796	40,811,110	40,072,158
Automotive Sales, Leasing & Service	Automotive	N/A	N/A	N/A	32,278,740	34,427,998	37,854,669	31,906,102	26,532,936	31,155,749	30,760,824
Ice Cream, Candy, Coffee Shops	Restaurant	N/A	N/A	N/A	4,953,857	7,136,372	7,919,103	9,173,807	9,507,717	9,396,129	9,051,637
Other	Other	N/A	N/A	N/A	54,467,848	48,138,601	52,664,196	55,790,979	57,355,398	66,595,045	68,319,561
Total		\$ 785,645,400	\$ 810,212,800	\$ 823,260,200	\$ 819,133,086	\$ 937,267,950	\$ 1,010,578,428	\$ 1,023,435,030	\$ 993,220,451	\$ 1,039,524,074	\$ 1,018,154,943
N/A - Information not available											
City direct sales tax rate = 1.5%											
Information provided by City of Branson based on business tax filings with the Missouri Dept. of Revenue											
Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.											
October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.											

Table 7

City of Branson, Missouri Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years					
Fiscal Year	City Direct Rate	Taney County	Ambulance District	Missouri State	Tourism Enhancement
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%
2009	1.500%	1.625%	0.250%	4.225%	1.000%
2010	1.500%	1.625%	0.250%	4.225%	1.000% *
2011	1.500%	1.625%	0.250%	4.225%	1.000%

Sources: City of Branson

Missouri State Sales Tax Exemption:

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

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

Additional Tourism Enhancement Tax Exemptions:

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

New or used motor vehicles

Trailers, boats or other outboard motors

All utilities, telephone and wireless services

Funeral services

Table 8

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

TAXPAYER CATEGORY	Rate	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Food & Beverage	0.5%	\$ 133,948,308	\$ 135,414,748	\$ 140,029,016	\$ 145,024,030	\$ 165,341,642	\$ 183,826,494	\$ 192,232,182	\$ 185,492,490	\$ 189,410,826	\$ 185,915,054
Hotel/Motel	4%	109,519,697	108,306,489	104,476,099	103,253,854	108,838,475	117,508,578	123,261,606	118,544,535	119,770,515	114,314,645
Theaters & Live Entertainment	4%	104,854,568	99,075,740	94,157,517	87,920,681	85,079,727	89,343,455	96,945,457	92,319,474	91,214,446	82,348,037
Amusements	4%	26,232,518	33,608,269	34,050,351	34,073,910	39,962,350	45,445,089	39,173,591	32,769,206	33,739,168	34,119,917
Overnight Rentals	4%	9,314,928	9,936,828	10,908,174	12,280,162	16,662,845	18,107,712	21,069,582	16,176,190	16,946,656	17,503,855
Ticket & Package Resellers	4%	-	-	-	1,479,998	4,514,672	4,946,058	6,230,486	4,765,733	6,347,949	6,887,015
Campground	4%	1,914,671	1,791,142	2,106,443	2,039,266	2,199,980	2,785,245	2,500,028	2,516,223	2,772,319	2,222,503
Total		\$ 385,784,690	\$ 388,133,216	\$ 385,727,599	\$ 386,071,901	\$ 422,599,691	\$ 461,962,631	\$ 481,412,932	\$ 452,583,851	\$ 460,201,879	\$ 443,311,026

Information provided by City of Branson.

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

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

Table 9

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

Fiscal Year	Real Estate			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate		Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Agriculture			Residential	Commercial		
2002	\$ 48,858,170	\$ 230,995,840	\$ 791,810	\$ 39,442,245	\$ 320,088,065	4.1713	4.3213	\$ 1,105,130,634	28.96%
2003	52,305,980	238,326,900	857,640	41,867,566	333,358,086	4.1755	4.3255	1,154,084,606	28.89%
2004	58,383,360	239,575,880	865,990	44,005,735	342,830,965	4.3155	4.3459	1,196,522,763	28.65%
2005	64,544,680	237,525,180	915,110	43,810,847	346,795,817	4.1959	4.3459	1,222,361,089	28.37%
2006	76,972,950	239,188,800	918,710	44,976,176	362,056,636	4.1969	4.3469	1,296,533,149	27.92%
2007	86,838,260	242,921,000	908,690	47,643,099	378,311,049	4.1961	4.3461	1,368,117,043	27.65%
2008	91,625,510	245,957,340	907,650	47,429,491	385,919,991	4.2010	4.3510	1,402,145,694	27.52%
2009	93,546,920	327,653,640	800,410	58,490,528	480,491,498	4.6112	4.7612	1,700,183,943	28.26%
2010	124,023,461	265,362,796	866,180	59,963,492	450,215,929	4.6732	4.8232	1,670,939,514	26.94%
2011	146,247,385	279,274,073	928,940	56,826,281	483,276,679	4.6875	4.8375	1,822,396,575	26.52%

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

Table 10

CITY OF BRANSON, MISSOURI PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS PER \$100 ASSESSED VALUATION LAST TEN FISCAL YEARS										
Fiscal Year	City of Branson	Branson R-4	Ambulance District	State Levy	Handicapped	Health	Total Levy Resident	Surtax	Total Levy Commercial	
2002	\$ 0.4800	\$ 3.2800	\$ 0.2009	\$ 0.0300	\$ 0.0900	\$ 0.0904	\$ 4.1713	\$ 0.1500	\$ 4.3213	
2003	0.4842	3.2800	0.2009	0.0300	0.0900	0.0904	4.1755	0.1500	4.3255	
2004	0.4842	3.3700	0.2009	0.0300	0.0904	0.1400	4.3155	0.1500	4.4655	
2005	0.4851	3.4500	-	0.0300	0.0904	0.1404	4.1959	0.1500	4.3459	
2006	0.4853	3.4508	-	0.0300	0.0904	0.1404	4.1969	0.1500	4.3469	
2007	0.4853	3.4500	-	0.0300	0.0904	0.1404	4.1961	0.1500	4.3461	
2008	0.4902	3.4500	-	0.0300	0.0904	0.1404	4.2010	0.1500	4.3510	
2009	0.4535	3.9000	-	0.0300	0.0873	0.1404	4.6112	0.1500	4.7612	
2010	0.5155	3.9000	-	0.0300	0.0873	0.1404	4.6732	0.1500	4.8232	
2011	0.5186	3.8605	-	0.0300	0.1380	0.1404	4.6875	0.1500	4.8375	

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 2011 AND NINE YEARS AGO**

Taxpayer		2011				2002			
		Taxable Assessed		Percentage of Total Taxable		Taxable Assessed		Percentage of Total Taxable	
		Value	Rank	Assessed Value	Assessed Value	Value	Rank	Assessed Value	Assessed Value
Sight & Sound Ministries	Theater	\$ 9,893,890	1	2.05%	N/A	N/A	N/A	N/A	
Chateau on the Lake	Lodging	7,912,380	2	1.64%	\$ 7,597,220	1	2.37%		
Tanger Properties	Retail	6,127,750	3	1.27%	5,652,280	2	1.77%		
BLH Development	Condominiums	4,950,080	4	1.02%	N/A	N/A	N/A		
Radisson Hotel	Lodging	4,178,350	5	0.86%	N/A	N/A	N/A		
Wal-Mart	Retail	3,888,020	6	0.80%	4,194,640	4	1.31%		
Branson's Magical Mansion, Inc.	Theater	3,354,640	7	0.69%	4,629,500	3	1.45%		
Branson Meadows Mall	Retail	3,312,000	8	0.69%	3,548,320	6	1.11%		
Grand Palace	Theater	3,086,770	9	N/A	3,318,600	7	1.04%		
Welk Resort Group	Theater	3,045,570	10	0.63%	3,190,770	8	1.00%		
Moon River Enterprises	Theater	N/A	N/A	N/A	3,700,330	5	1.16%		
Remington Theater	Theater	N/A	N/A	N/A	2,313,080	9	0.72%		
Lodge of the Ozarks	Lodging	N/A	N/A	N/A	2,222,740	10	0.69%		
Totals		\$ 49,749,450		10.29%	\$ 40,367,480		12.61%		

Information provided by the Taney County Assessors Office

Table 12

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

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 1,614,120	N/A	N/A	\$ 44,278	\$ 1,694,433	104.98%
2003	1,659,600	N/A	N/A	136,156	1,863,748	112.30%
2004	1,680,982	1,650,741	98.20%	60,908	1,711,649	101.82%
2005	1,756,337	1,703,667	97.00%	47,390	1,750,980	99.69%
2006	1,835,944	1,789,232	97.46%	229,012	2,018,244	109.93%
2007	1,913,283	1,834,840	95.90%	57,575	1,892,415	98.91%
2008	2,017,499	1,995,285	98.90%	64,189	2,059,474	102.08%
2009	2,302,621	2,247,701	97.61%	143,402	2,391,103	103.84%
2010	2,501,491	2,135,966	85.39%	353,623	2,489,589	99.52%
2011	2,549,098	2,215,970	86.93%	-	2,215,970	86.93%

*Total Collections to Date include penalties and interest.

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	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Special Revenue Bonds	Claims Judgments & Refunds	Water & Sewer Revenue Bonds	Other Debt & Capital Leases			
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%	29,876
2006	197,219,000	-	990,000	-	198,209,000	78.42%	27,834
2007	70,002,000	-	875,000	-	70,877,000	35.62%	9,533
2008	67,326,000	-	750,000	-	68,076,000	32.29%	8,823
2009	64,539,000	-	620,000	-	65,159,000	29.35%	8,275
2010	68,907,000	-	480,000	-	69,387,000	26.44%	6,596
2011	64,592,000	-	330,000	-	64,922,000	23.64%	5,899

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

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

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

Table 14

CITY OF BRANSON, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2011

<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	\$ 28,112,000	100.00%	\$28,112,000
R-4 School District	47,820,000	73.66%	35,222,438
Taney County	<u>-</u>	<u>73.66%</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 75,932,000</u>	83.41%	<u>\$63,334,438</u>
<p><i>Sources: Assessed value data used to estimate applicable percentages provided by the County and Assessment Debt outstanding data provided by the county.</i></p> <p><i>Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Branson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses, should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.</i></p> <p><i>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city government's boundaries and dividing it by the entity's total taxable assessed value.</i></p>			

Table 15

CITY OF BRANSON, MISSOURI
Legal Debt Margin Information
LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 66,671,617	\$ 68,566,193	\$ 69,359,163	\$ 72,411,327	\$ 75,662,210	\$ 77,183,998	\$ 96,098,300	\$ 90,043,186	\$ 96,655,336	\$ 96,655,336
Total debt applicable to limit	<u>33,317,000</u>	<u>31,480,000</u>	<u>29,553,300</u>	<u>27,514,500</u>	<u>26,937,260</u>	<u>19,436,890</u>	<u>22,331,128</u>	<u>19,888,233</u>	<u>24,751,072</u>	<u>22,107,137</u>
Legal debt margin	<u>\$ 33,354,617</u>	<u>\$ 37,086,193</u>	<u>\$ 39,805,863</u>	<u>\$ 44,896,827</u>	<u>\$ 48,724,950</u>	<u>\$ 57,747,108</u>	<u>\$ 73,767,172</u>	<u>\$ 70,154,953</u>	<u>\$ 71,904,264</u>	<u>\$ 74,548,199</u>
Total net debt applicable to limit as a percentage of debt	50%	46%	43%	38%	36%	25%	23%	22%	26%	23%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 483,276,679
Debt limit (20% of total assessed value)	96,655,336
Obligations:	
Tourism revenue bonds	28,112,000
General obligation bonds	-
Total bonded debt	<u>28,112,000</u>
Less:	
Debt reserve funds	<u>(6,004,863)</u>
Total net debt applicable to limit	<u>22,107,137</u>
Legal debt margin	<u>\$ 74,548,199</u>

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.

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
2002	\$ 10,937,901	\$ 2,600,000	\$ 8,337,901	\$ 1,744,000	\$ 2,368,911	\$ 4,112,911	2.03	
2003	10,843,815	2,823,843	8,019,972	1,811,000	2,179,148	3,990,148	2.01	
2004	10,678,801	2,950,686	7,728,115	1,887,000	2,093,091	3,980,091	1.94	
2005	10,495,936	3,145,185	7,350,751	1,970,000	1,988,785	3,958,785	1.86	
2006	10,935,304	2,714,475	8,220,829	2,063,000	1,884,480	3,947,480	2.08	
2007	11,810,276	2,995,042	8,815,234	2,157,000	1,909,197	4,066,197	2.17	
2008	11,769,977	2,679,977	9,090,000	2,256,000	1,581,911	3,837,911	2.37	
2009	10,888,188	2,392,731	8,495,457	2,357,000	1,545,988	3,902,988	2.18	
2010	10,907,769	2,479,293	8,428,476	2,462,000	1,343,401	3,805,401	2.21	
2011	10,453,937	3,897,022	6,556,915	2,455,000	1,591,946	4,046,946	1.62	
**Water & Sewer Revenue Bonds								
	Water & Sewer Revenues	Operating Expenses	Net Available Revenue	Principal	Debt Service Requirements Interest		Total	Coverage
2002	\$ 3,504,816	\$ 3,590,726	\$(85,910)	\$ 655,000	\$ 344,016	\$ 999,016	-0.09	
2003	3,378,487	3,952,806	(574,319)	750,000	231,851	981,851	-0.58	
2004	3,555,565	4,376,710	(821,145)	825,000	197,239	1,022,239	-0.80	
2005	3,604,003	4,236,308	(632,305)	835,000	156,662	991,662	-0.64	
2006	3,997,956	4,577,632	(579,676)	865,000	107,940	972,940	-0.60	
2007	4,616,278	4,934,497	(318,219)	115,000	64,605	179,605	-1.77	
2008	5,368,710	5,586,910	(218,200)	125,000	57,188	182,188	-1.20	
2009	5,663,961	4,878,421	785,540	130,000	60,720	190,720	4.12	
2010	5,978,496	4,686,561	1,291,935	140,000	31,440	171,440	7.54	
2011	6,935,185	5,438,532	1,496,653	150,000	15,720	165,720	9.03	
***Annual Appropriation Bonds								
	General Revenues	Operating Expenses	Net Available Revenue	Principal	Debt Service Requirements Interest		Total	Coverage
2003	\$ 32,639,632	\$ 14,523,812	\$ 18,115,820	\$ 3,135,000	\$ 3,326,034	\$ 6,461,034	2.19	
2004	31,032,739	14,866,899	16,165,840	3,450,000	2,659,987	6,109,987	1.99	
2005	31,584,693	15,816,371	15,768,322	3,560,000	2,538,089	6,098,089	1.94	
2006	37,249,064	16,998,771	20,250,293	3,875,000	2,385,511	6,260,511	2.59	
2007	35,285,555	20,001,497	15,284,058	415,000	2,110,607	2,525,607	6.05	
2008	39,382,584	26,297,773	13,084,811	420,000	2,106,470	2,526,470	5.18	
2009	36,879,068	24,873,325	12,005,743	430,000	2,084,110	2,494,110	4.81	
2010	37,746,825	26,869,048	10,877,777	465,000	2,061,979	2,526,979	4.30	
2011	39,301,255	28,725,317	10,575,938	-	2,043,377	2,043,377	5.18	

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

*** In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit.

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

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

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

Table 17

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
2002	6,170	\$ 137,615,680	\$ 22,304	40.9	12.8	2,995	8.8%
2003	6,231	143,119,839	22,969	40.5	N/A	3,143	8.7%
2004	6,741	160,840,260	23,860	N/A	N/A	3,337	9.0%
2005	6,862	166,753,462	24,301	43.0	N/A	3,416	8.7%
2006	7,121	181,735,041	25,521	N/A	N/A	3,615	6.8%
2007	7,435	198,960,600	26,760	40.9	13.1	3,866	6.8%
2008	7,716	210,831,984	27,324	39.5	14.2	4,066	7.7%
2009	7,874	221,975,934	28,191	41.3	14.1	4,206	11.2%
2010	10,520	262,452,960	24,948	44.1	13.4	4,389	12.6%
2011	11,006	274,577,688	24,948	44.1	13.4	4,557	12.1%

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

Table 18

CITY OF BRANSON, MISSOURI
Principal Employers in Branson
CURRENT YEAR AND NINE YEARS AGO

Taxpayer		2011			2002		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Herschend Family Entertainment	Theme Parks	2182	1	10.40%	442	5	1.85%
Skaggs	Hospital	1139	2	5.43%	658	1	2.76%
Wal-mart (2 stores)	Retail	607	3	2.89%	184	9	0.78%
Branson Public Schools	Education	558	4	2.66%	311	3	1.30%
Big Cedar Resort	Lodging	550	5	2.62%	N/A	N/A	0.00%
Hilton Hotels/Convention Center	Lodging	275	6	1.31%	N/A	N/A	0.00%
College of the Ozarks	Education	258	7	1.23%	N/A	N/A	0.00%
City of Branson	Government	252	8	1.20%	196	7	0.82%
Wyndham Vacation Resorts	Lodging	231	9	1.10%	N/A	N/A	0.00%
Westgate Resorts	Lodging	228	10	1.09%	N/A	N/A	0.00%
Totals		6,280		29.93%	1,791		7.51%

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

Table 19

CITY OF BRANSON, MISSOURI										
Full-time Equivalent City Government Employees by Function										
Last Ten Fiscal years										
Full-time Equivalent Employees as of December 31, 2011										
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
Administrative services	19	20	23	24	24	25	32	29	29	29
Finance	8	8	8	8	9	9	8	9	9	9
Planning	12	12	11	11	11	13	11	11	12	12
Police										
Officers	53	53	53	53	53	53	52	44	43	44
Civilians	4	4	4	4	4	4	4	12	15	13
Fire										
Firefighters	32	33	34	35	35	37	41	36	37	37
Civilians	1	1	1	1	1	2	4	2	2	2
Public Works/Utilities										
Facilities	26	27	28	28	27	28	29	20	11	10
Water	17	17	19	19	20	22	16	16	17	17
Wastewater	24	24	26	26	24	25	23	24	24	26
Other	6	6	5	5	6	6	6	5	8	12
Engineering	8	8	8	9	9	9	7	8	8	8
Parks & Recreation	12	12	12	12	11	12	13	11	18	18
TOTAL	222	225	232	235	234	245	246	227	233	237
Per City Budget	230	234	240	262	281	301	321	254	235	241
<i>Sources: Various government departments.</i>										

Table 20

CITY OF BRANSON, MISSOURI										
Operating Indicators by Function										
Last Ten Fiscal years										
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function										
Police Department										
Physical arrests	506	960	1,127	993	1,091	1,316	1,553	1,338	1,771	1,682
Parking violations (CY)	1,920	1,490	1,924	1,820	1,606	2,280	2,125	2,103	2,192	1,845
Traffic violations	2,239	2,593	2,990	2,287	3,342	5,837	8,370	9,606	8,511	5,401
Fire Department										
Emergency Responses	2,052	2,276	2,282	2,652	2,644	3,098	3,479	3,296	3,574	2,402
Fires extinguished	92	57	60	77	68	44	53	66	56	76
Inspections	750	980	950	1,000	1,400	1,540	1,728	1,737	1,262	1,643
Planning & Development										
Building permits issued (CY)	1,390	1,497	1,572	1,941	2,870	1,793	1,650	1,740	1,506	653
Building inspections (CY)	4,447	4,752	5,524	5,240	5,700	4,411	3,321	3,598	3,900	1,590
Public Works										
Street Resurfacing	0.49	0.88	0.23	3.04	1.5	1.42	0	1.6	2	3.6
Potholes Repaired	N/A	633	497	4,225	1,144	2,685	1,234	1,912	1,080	2,606
New water connections	94	142	176	180	196	72	57	15	59	14
Water main breaks	43	43	34	52	55	45	42	47	112	101
Average daily consumption	N/A	N/A	N/A	2,569,000	2,851,000	3,769,786	3,584,106	3,357,000	3,468,906	3,464,452
Peak daily consumption	N/A	N/A	N/A	4,950,000	5,120,000	7,056,000	6,270,000	5,983,000	6,282,000	6,616,000
Average daily sewage treatment	3.277 mgd	3.267 mgd	3.266 mgd	3.258 mgd	3.479 mgd	3.95 mgd	4.29mgd	4.16 mgd	4.12 mgd	4.46 mgd
Parks & Recreation										
Pool admissions	N/A	N/A	N/A	14,956	21,995	22,297	31,587	27,953	26,524	30,864
Golf - rounds	7,038	8,350	7,908	7,233	7,630	9,038	9,608	7,683	6,740	4,621
Athletic field - events	80	84	81	80	87	90	94	98	101	99

Sources: Various government departments.

Note: Indicators are not available for the general governmental function.

Table 21

CITY OF BRANSON, MISSOURI										
Capital Asset Statistics by Function/Program										
Last Ten Fiscal years										
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function										
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	2	2	2	2	2	2
Patrol Units	13	13	13	13	13	14	15	16	16	16
Fire Department										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Street (miles)	N/A	N/A	84.23	84.23	84.23	97	97	0	97.5	97.5
Street Lights	N/A	N/A	N/A	N/A	1,517	1,609	1,609	0	1,631	1,643
* Traffic Signals	N/A	N/A	7	7	10	12	13	13	15	12
*Other traffic signals maintained by Missouri Dept of Transportation										
Public Works										
Water mains (miles)	N/A	N/A	81.5	81.5	90	90	92.09	95.3	93.86	95
Fire Hydrants	N/A	N/A	815	840	865	865	882	580	743	763
Storage capacity (thousand gals)	N/A	N/A	4,400,000	4,800,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Public Works										
Sanitary sewers (miles)	N/A	N/A	123	123	130	179	210	172	231	233
Storm sewers (miles)	N/A	N/A	58	60	65	65	65	80	65	65
Treatment capacity (thousand gals)	N/A	N/A	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000
Parks & Recreation										
Acreage	255	255	243	285	290	290	290	290	290	290
Playgrounds	10	10	8	9	9	9	9	9	9	9
Baseball/softball fields	1	5	4	8	8	8	8	8	8	8
Soccer/football fields	1	1	1	3	3	3	3	3	3	3
Community/recreation centers	1	1	1	2	2	2	2	2	2	2
Campgrounds/RV parks	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Sources: Various government departments.										
Note: Indicators are not available for the general governmental function.										