

CITY OF BRANSON, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
December 31, 2012**



CITY OF BRANSON, MISSOURI

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December 31, 2012

Prepared by:
Department of Finance and Administration

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**CITY OF BRANSON, MISSOURI
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Introductory Section

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CITY OF BRANSON

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(417) 334-3345 • Fax (417) 334-6095

May 10, 2013

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, 2012. 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, 2012 are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

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

Profile of the City

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

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

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

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

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

Factors Affecting Financial Condition

Leap Day Tornado—On February 29, 2012, an F2 tornado ripped through the middle of Branson causing destruction along its path. The City, along with several other agencies and volunteers, came together to assist in the process of clean-up and restoration.

Local Economy—in 2012, 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 down 0.80% from calendar year 2011. Branson’s economy is still focused primarily on the seasonal tourism industry.

Tourism—Branson and the Tri-Lakes area attracted millions of visitors in 2012 who contributed well over a billion dollars into the local economy. Branson was named in the top ten great U.S. destinations to discover by the Travelers’ Choice Family Award. The Midwest Traveler magazine announced that Branson was named the “Best Small City for a Weekend”. Branson was also recognized as being one of the top ten best holiday light displays in the U.S. Situated in the heart of America and within an 8-hour drive of nearly 33% of the U.S. population, Branson has been a “rubber tire” destination with the vast majority of tourists arriving by vehicles, RV’s and tour buses. An increasing number of visitors are now flying into the area each year. Opening in 2009, the Branson Airport, located a few miles southeast of Branson, now offers visitors a local major airport, along with the Springfield-Branson Regional Airport in Springfield, Missouri, the Taney County Airport at Pt. Lookout, Missouri, and the Harrison Regional Airport in Harrison, Arkansas.

A geographical profile of Branson visitors shows the following:

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

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

Area Theaters—the music industry’s rapid expansion in the early 90’s launched the Branson community into world-class tourism so fast it was called a phenomenon. Now called *America’s Live Entertainment Capital*, Branson is now home to 37 music theaters with 43,145 seats that conduct live performances, with a variety of music including country, pop, gospel, bluegrass, western, rock n’roll, classical jazz and Broadway. There’s also comedy, magic, and dancing. Each theater hosts from one to three different shows daily. Collectively, they host more than 100 shows and offer live entertainment from early morning until late evening. Together, they create a diversity and balance to suit every musical and entertainment taste. Several of the nationally known performers who came to the area are now permanent residents and actively involved in the community. In turn, these performers have helped to draw recognition to the immense pool of talent in all of Branson’s theaters.

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

Providing a wonderful venue for visitors of all ages, Silver Dollar City 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, water attractions, and roller coasters.

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

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

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

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

Beginning where Taneycomo ends, Bull Shoals Lake, only a few miles away, offers much of the same recreational opportunities as Table Rock Lake. 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.

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

You cannot be hungry in Branson, as visitors have an endless variety of restaurants and food establishments from which to choose, as there are 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 \$25,309,000 in revenue bonds for the Tourism Fund; \$170,000 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 \$189,370,190 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, to finance needed infrastructure extensions and improvements. Some of the projects during FY2012 included: Veteran's Blvd Bridge repair, Compton Wastewater redesign, Lift Station 30 upgrade, Pedestrian improvements to sidewalks and trails.

Strategic Plan

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

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

Achievements and Acknowledgements

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

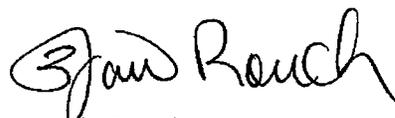
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,


Dean Kruithof
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, 2011

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.



Christopher P. Movell

President

Jeffrey R. Emer

Executive Director

CITY OF BRANSON, MISSOURI

LIST OF PRINCIPAL OFFICIALS

As of December 31, 2012

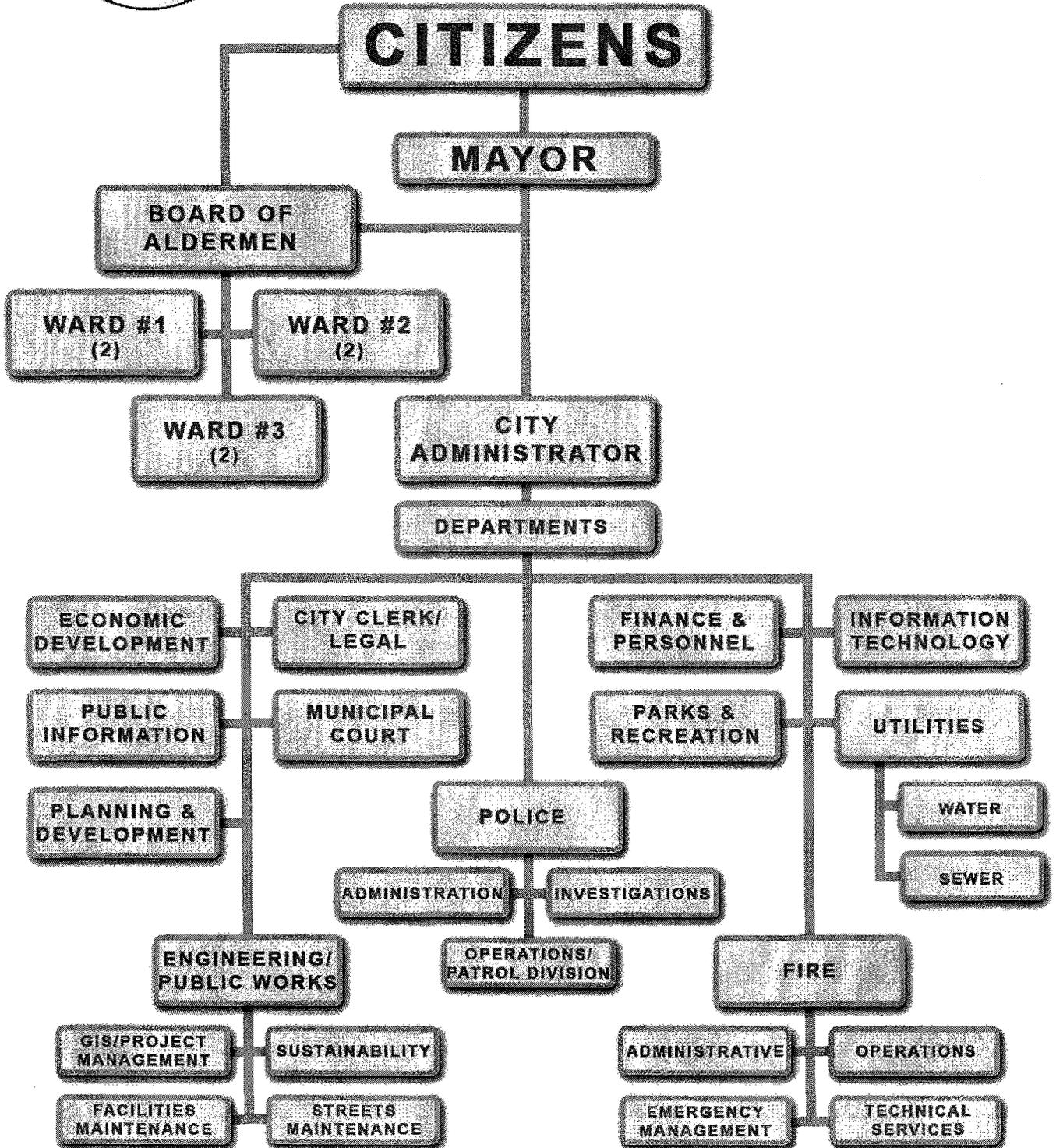
Mayor	Raeanne Presley
Alderman	Mike Booth
Alderman	Bob Simmons
Alderman	Cris Bohinc
Alderman	Dr. Rick Davis
Alderman	Dr. Patrick Parnell
Alderman	Rick Todd

City Administrator	Dean Kruithof
Acting City Attorney	Wm. "Dub" Duston
Finance 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	Chad Forster
Park & Recreation	Cindy Shook



City of Branson

ORGANIZATIONAL CHART



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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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other Offices

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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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note 1 to the financial statements, during 2012, the City adopted the provisions of Governmental Financial Standards Board Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*.

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 10, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kansas City, Missouri
May 10, 2013

Cochran Hood Ullrich & Co. P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Branson, Missouri, (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the additional information we have furnished in our transmittal letter as well as the financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2012 by \$237,483,050. Of this amount, \$9,958,840 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$4,049,369. Of this amount, \$1,785,330 was a decrease in the City's "governmental activities", while the City's "business type activities" decreased by \$2,264,039.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,933,929, an increase of \$2,256,540. Approximately 14% of this total amount is unassigned.
- At December 31, 2012, the total unassigned fund balance for the General Fund was \$5,662,339 or approximately 23% of general fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The City has ten 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, the parks and recreation fund, the old school fund and the red roof mall fund are combined with the general fund and the data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its general fund, debt service 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 16-19 of this report.

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

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

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

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

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

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

Required Supplementary and Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes budgetary schedules and a schedule of funding progress related to providing pension and other post-employment benefits to City employees. Required supplementary information can be found on pages 54-58 of this report. Other supplementary information includes certain combining and individual fund statements and schedules. These statements are found on pages 59-71 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2012, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$237,483,050.

The largest portion of the City's net position \$202,924,076 (85.4 percent) reflects its net investment in capital assets (e.g. land, buildings, machinery, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

The following table reflects the condensed Statement of Net Position as of December 31, 2012 and 2011:

City of Branson Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/2012	12/31/2011*	12/31/2012	12/31/2011	12/31/2012	12/31/2011*
Assets						
Current and other assets	\$ 38,492,523	\$ 35,904,533	\$ 9,218,326	\$ 9,098,640	\$ 47,710,849	\$ 45,003,173
Capital assets	181,983,569	189,597,628	79,405,984	81,929,165	261,389,553	271,526,793
Total assets	<u>220,476,092</u>	<u>225,502,161</u>	<u>88,624,310</u>	<u>91,027,805</u>	<u>309,100,402</u>	<u>316,529,966</u>
Deferred outflows of resources						
Deferred charge on refunding	3,830,538	4,066,770	-	-	3,830,538	4,066,770
Total deferred outflows of resources	<u>3,830,538</u>	<u>4,066,770</u>	<u>-</u>	<u>-</u>	<u>3,830,538</u>	<u>4,066,770</u>
Liabilities						
Long-term obligations	67,927,681	71,701,526	508,811	632,341	68,436,492	72,333,867
Other liabilities	5,056,103	4,757,089	1,553,937	1,569,863	6,610,040	6,326,952
Total liabilities	<u>72,983,784</u>	<u>76,458,615</u>	<u>2,062,748</u>	<u>2,202,204</u>	<u>75,046,532</u>	<u>78,660,819</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	401,358	403,498	-	-	401,358	403,498
Total deferred inflows of resources	<u>401,358</u>	<u>403,498</u>	<u>-</u>	<u>-</u>	<u>401,358</u>	<u>403,498</u>
Net Position:						
Investment in capital assets, net of related debt	123,688,092	126,777,920	79,235,984	81,599,165	202,924,076	208,377,085
Restricted	24,479,925	20,830,167	120,209	106,856	24,600,134	20,937,023
Unrestricted	<u>2,753,471</u>	<u>5,098,731</u>	<u>7,205,369</u>	<u>7,119,580</u>	<u>9,958,840</u>	<u>12,218,311</u>
Total Net Position	<u>\$ 150,921,488</u>	<u>\$ 152,706,818</u>	<u>\$ 86,561,562</u>	<u>\$ 88,825,601</u>	<u>\$ 237,483,050</u>	<u>\$ 241,532,419</u>

* as restated

An additional portion of the City's net position (10 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$9,958,840 may be used to meet the City's ongoing obligations to citizens and creditors.

At December 31, 2012 and 2011, the City reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

For the year ended December 31, 2012, there was a decrease in net position reported in connection with the City's business-type activities of \$2,264,039, primarily as a result of operating expenses including depreciation exceeding operating revenues.

For the year ended December 31, 2012, the City's governmental net position decreased by \$1,785,330 as compared to FY2011 decrease of \$7,505,919.

Changes in Net Position

The following table reflects the revenues and expenses for the fiscal years ended December 31, 2012 and December 31, 2011 from the City's activities:

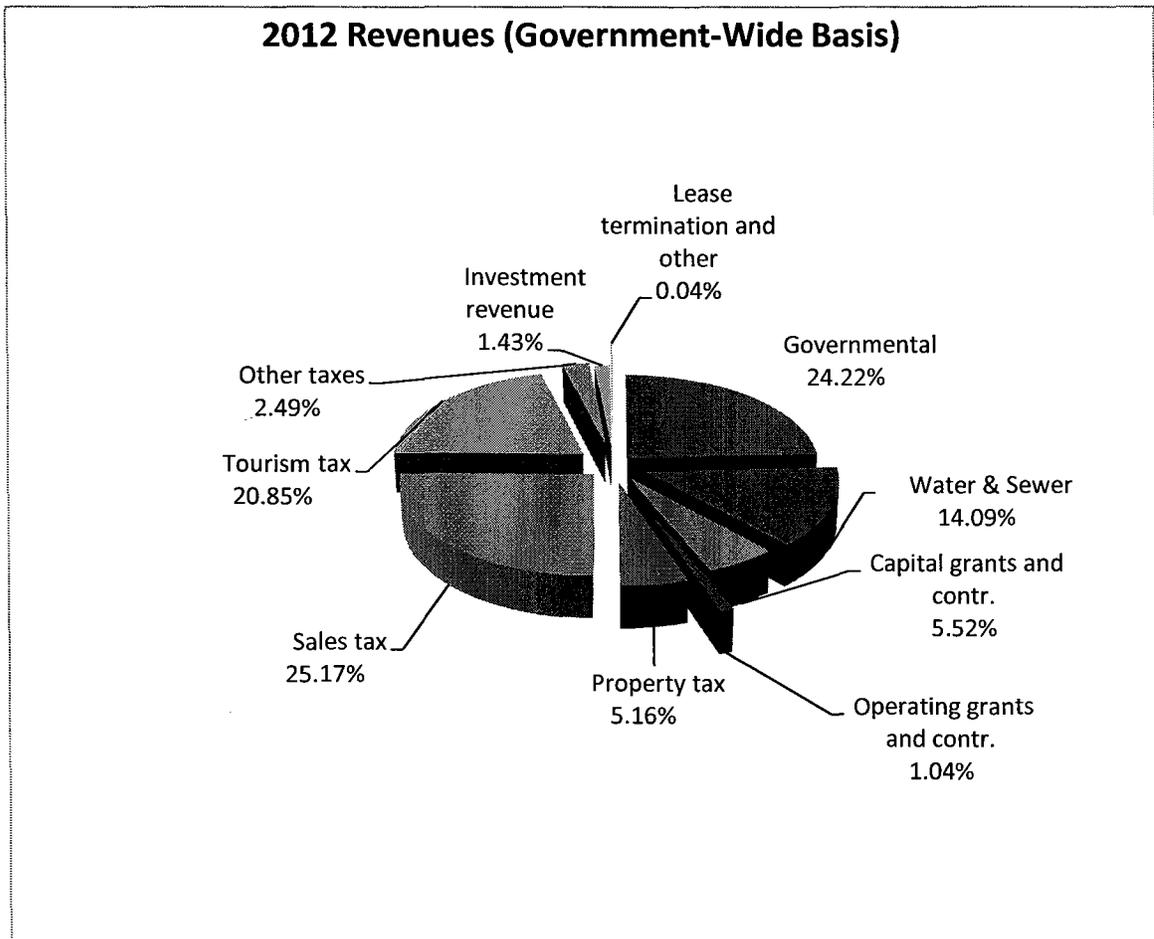
	City of Branson Statement of Activities					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	12/31/2012	12/31/2011*	12/31/2012	12/31/2011	12/31/2012	12/31/2011*
Program revenues:						
Charges for services:						
Governmental	\$ 11,987,617	\$ 9,192,914	\$ -	\$ -	\$ 11,987,617	\$ 9,192,914
Water & Sewer	-	-	6,972,901	6,991,270	6,972,901	6,991,270
Capital Grants and contr.	2,671,184	-	59,050	674,375	2,730,234	674,375
Operating grants and contr.	452,643	1,401,141	60,787	113,826	513,430	1,514,967
General revenues:						
Property tax	2,553,081	2,648,293	-	-	2,553,081	2,648,293
Sales tax	12,459,907	12,478,162	-	-	12,459,907	12,478,162
Tourism tax	10,321,084	10,453,937	-	-	10,321,084	10,453,937
Other taxes	1,232,657	1,453,969	-	-	1,232,657	1,453,969
Investment revenue	681,791	885,386	26,422	23,919	708,213	909,305
Lease termination and other	17,870	1,435,853	747	2,753	18,617	1,438,606
Total revenues	42,377,834	39,949,655	7,119,907	7,806,143	49,497,741	47,755,798
Expenses:						
General government	7,317,045	6,508,380	-	-	7,317,045	6,508,380
Public safety	6,946,404	6,566,479	-	-	6,946,404	6,566,479
Public works	9,678,260	14,784,274	-	-	9,678,260	14,784,274
Engineering services	585,196	552,491	-	-	585,196	552,491
Community development	1,381,794	825,744	-	-	1,381,794	825,744
Culture and recreation	2,781,959	2,784,808	-	-	2,781,959	2,784,808
Convention center	9,790,922	8,389,119	-	-	9,790,922	8,389,119
Tourism	2,282,803	3,634,159	-	-	2,282,803	3,634,159
Interest on long-term debt	3,343,781	2,746,120	-	-	3,343,781	2,746,120
Water and sewer utility	-	-	9,438,946	9,228,202	9,438,946	9,228,202
Total expenses	44,108,164	46,791,574	9,438,946	9,228,202	53,547,110	56,019,776
Change in net assets before transfers	(1,730,330)	(6,841,919)	(2,319,039)	(1,422,059)	(4,049,369)	(8,263,978)
Transfers	(55,000)	(664,000)	55,000	664,000	-	-
Change in net position	(1,785,330)	(7,505,919)	(2,264,039)	(758,059)	(4,049,369)	(8,263,978)
Net position, beginning *	152,706,818	160,212,737	88,825,601	89,583,660	241,532,419	249,796,397
Net position, ending	\$ 150,921,488	\$ 152,706,818	\$ 86,561,562	\$ 88,825,601	\$ 237,483,050	\$ 241,532,419

* as restated

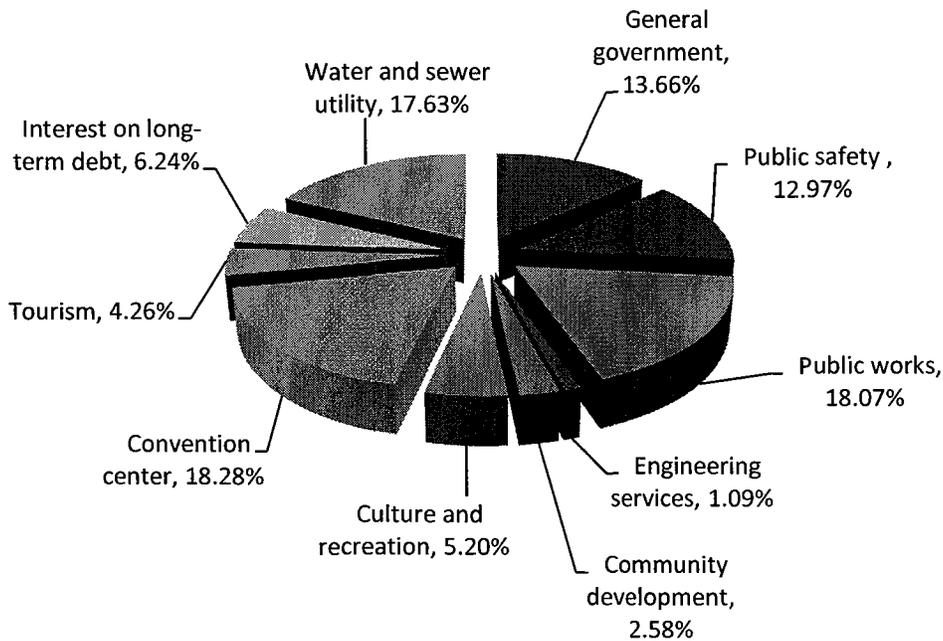
Governmental activities

Governmental activities decreased the City's net position by \$1,785,330 during the year ended December 31, 2012. Key elements of this decrease are as follows:

- Sales tax and property taxes decreased approximately \$113,000.
- Tourism tax decreased approximately \$133,000
- Other taxes decreased approximately \$221,000
- Investment earnings decreased approximately \$203,000
- Lease Termination of \$1.4M recorded as revenue in FY2011 reflected a net change in FY2012 related to the acquisition of the Red Roof mall.
- The transfers to Water-Sewer Capital decreased by approximately \$600,000.



2012 Expenses (Government-Wide Basis)



Business-type activities.

For the fiscal year ended December 31, 2012 business-type activities decreased the City's net position by \$2,264,039 as previously discussed.

Financial Analysis of the Government's Funds

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

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

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,933,929. Of this amount, \$4,805,174 or approximately 14% is the unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balances include the City's non-spendable amount of \$1,238,042, restricted amounts of \$24,475,015, committed amounts of \$57,280 and assigned amounts of \$3,358,418.

The fund balance of the City's General Fund decreased \$1,117,693 during the current fiscal year. Key factors in this decrease are as follows:

- Legal expenditures of approximately \$600,000 to defend the City's title to its property.
- In FY2012, the City paid the Branson MO Regional Airport TDD \$592,577 through the Pay for Performance Agreement.

The tourism tax fund has a total restricted fund balance at December 31, 2012 of \$22,659,134, an increase of \$3,952,027 over December 31, 2011. Restricted fund balance totaling \$16,681,630 is for tourism related purposes and \$5,977,504 is for debt service.

The transportation sales tax fund has a restricted fund balance of \$1,815,881. 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 \$857,165 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.

The unrestricted net position of the Water and Sewer fund at the end of the year totaled \$7,205,369, an increase of \$85,789 from the December 31, 2011. 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 \$495,363 greater than budgeted revenues. A large portion of this budget variance is related to the additional licenses and permits issued to contractors as a result of the Leap Day tornado. In addition, Natural Gas Franchise fees began in FY2012. Expenditures were \$310,486 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, 2012 amount to \$261,389,553 (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 rehabilitation project for the courts at Stockstill, Cantwell and Parnell parks was completed with a total cost of \$30,512.
- The renovation of the Old Branson High School Building was started with \$59,893 being spent in FY2012.
- Energy Performance project was completed totaling \$1,091,000.
- New Trail Project was completed in FY2012 totaling \$151,735.
- The following projects will continue into FY2013:
 - Veteran's Bridge
 - Rainbow Shoals Drainage
 - Hwy 76 Revitalization
 - Downtown Streetscape
 - Pedestrian Improvements/Trails
 - Compton Fuel Tank Replacement
 - Gretna/Wildwood Intersection Study

Business Type

- Lift Station #30 project was completed totaling \$3,431,855.
- Compton Wastewater Redesign project was completed totaling \$5,188,320.
- Water Meter Replacement project was completed totaling \$353,112
- The Cooper Creek Sewer Plant Project continues with a construction in progress total of \$204,459.
- The following projects will continue into FY2013:
 - Sunset Lift Station
 - Lift Station #25
 - Wastewater Improvements
 - Meadows Intake Improvement
 - Animal Safari Gravity Sewer

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

	Governmental Activities		Business-type Activities		Total	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Land and right of way	\$ 53,362,725	\$ 52,263,597	\$ 3,905,511	\$ 3,905,511	\$ 57,268,236	\$ 56,169,108
Construction in progress	384,327	1,236,928	488,280	8,720,732	872,607	9,957,660
Buildings and fixtures	59,785,062	61,212,554	44,394,319	40,968,159	104,179,381	102,180,713
Equipment	3,153,469	3,873,181	1,667,439	1,041,991	4,820,908	4,915,172
Vehicles	469,983	276,444	-	-	469,983	276,444
Infrastructure	62,473,323	68,198,986	28,950,435	27,292,772	91,423,758	95,491,758
Furniture	1,394,690	1,680,918	-	-	1,394,690	1,680,918
Land improvements	959,990	855,020	-	-	959,990	855,020
Total	\$ 181,983,569	\$ 189,597,628	\$ 79,405,984	\$ 81,929,165	\$ 261,389,553	\$ 271,526,793

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

Debt Administration

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$61,289,000. Of this amount \$25,309,000 consists of revenue bonds backed by the City's tourism tax.

City of Branson Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Bonds:						
Revenue	\$ 25,309,000	\$ 28,112,000	\$ 170,000	\$ 330,000	\$ 25,479,000	\$ 28,442,000
Special Limited Obligation	35,810,000	36,480,000	-	-	35,810,000	36,480,000
Total	\$ 61,119,000	\$ 64,592,000	\$ 170,000	\$ 330,000	\$ 61,289,000	\$ 64,922,000
Component Unit:						
Tax increment financing bonds	\$ 189,380,190	\$ 194,085,190				

Economic Factors and Next Year's Budget

- General Fund revenues for FY2013 are projected to be \$18,372,790, an increase of \$1,065,172 from the FY2012 actual amount. This is due to the City's expectations of a 2% growth in sales tax as well as an increase in franchise fees due to a rate increase for the electricity and due to the natural gas franchise revenue increase.
- The FY2013 annual budget for the General Fund expenditures are estimated at \$15,060,930 a decrease of \$89,277 from the 2012 actual numbers.
- Health insurance costs increased 3% for 2013. The City began a very vigorous wellness plan to help minimize the City's overall increase. Programs were put in place in FY2012 to encourage employees to actively pursue wellness as a new way of life.
- 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 FY2013 budget was adopted, the City has enacted a plan to prepare and respond to the significant changes in the economy. The departments are prepared to make additional cuts to the budget if necessary. The financial activities will be closely monitored and reported monthly to the Finance Committee and quarterly to the Board of Aldermen. The City is also looking for efficiencies, ways to increase revenues, ways to cut expenditure costs, and "right-sizing" opportunities.

Financial Contact

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

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CITY OF BRANSON, MISSOURI
Statement of Net Position
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 24,444,759	\$ 7,987,583	\$ 32,432,342	\$ 1,459,765
Receivables, net:				
Taxes	3,674,555	-	3,674,555	-
Leases	61,212	165,528	226,740	-
Intergovernmental	1,210,382	-	1,210,382	1,509,759
Other	1,658,248	905	1,659,153	-
Water and sewer	-	902,492	902,492	-
Internal balances	(41,609)	41,609	-	-
Due from primary government	-	-	-	664,759
Prepays and inventories	112,316	-	112,316	-
Restricted cash and investments	6,251,844	120,209	6,372,053	19,499,948
Assets held for redevelopment	1,120,816	-	1,120,816	-
Capital Assets:				
Land and construction in progress, non-depreciable	53,747,052	4,393,791	58,140,843	-
Other capital assets, net of depreciation	128,236,517	75,012,193	203,248,710	-
Total assets	220,476,092	88,624,310	309,100,402	23,134,231
Deferred outflows of resources				
Deferred charge on refunding	3,830,538	-	3,830,538	3,032,608
Total deferred outflows of resources	3,830,538	-	3,830,538	3,032,608
Liabilities				
Accounts payable and accrued expenses	3,292,249	709,201	4,001,450	16,019
Accrued interest payable	824,755	5,568	830,323	1,025,696
Deposits	274,340	839,168	1,113,508	-
Due to component unit	664,759	-	664,759	-
Long-term liabilities:				
Due in one year	4,541,863	300,000	4,841,863	4,372,887
Due in more than one year	63,385,818	208,811	63,594,629	187,086,273
Total liabilities	72,983,784	2,062,748	75,046,532	192,500,875
Deferred inflows of resources				
Unavailable revenue - property taxes	401,358	-	401,358	266,949
Net Position (Deficit)				
Net investment in capital assets	123,688,092	79,235,984	202,924,076	-
Restricted for:				
Debt service	5,977,504	120,209	6,097,713	22,851,263
Tourism and transportation	18,497,511	-	18,497,511	-
Nonexpendable perpetual care	4,910	-	4,910	-
Unrestricted (deficit)	2,753,471	7,205,369	9,958,840	(189,452,248)
Total net position (deficit)	\$ 150,921,488	\$ 86,561,562	\$ 237,483,050	\$(166,600,985)

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Activities
For the year ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services, Fees, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General government	\$ 7,317,045	\$ 3,683,018	\$ -	\$ -	\$ (3,634,027)	\$ -	\$ (3,634,027)	\$ -
Public safety	6,946,404	256,570	27,011	-	(6,662,823)	-	(6,662,823)	-
Public works	9,678,260	30,000	-	2,671,184	(6,977,076)	-	(6,977,076)	-
Engineering	585,196	-	-	-	(585,196)	-	(585,196)	-
Community development	1,381,794	28,443	425,632	-	(927,719)	-	(927,719)	-
Culture and recreation	2,781,959	1,341,381	-	-	(1,440,578)	-	(1,440,578)	-
Convention center	9,790,922	6,648,205	-	-	(3,142,717)	-	(3,142,717)	-
Tourism	2,282,803	-	-	-	(2,282,803)	-	(2,282,803)	-
Interest on long-term debt	3,343,781	-	-	-	(3,343,781)	-	(3,343,781)	-
Total Governmental Activities	44,108,164	11,987,617	452,643	2,671,184	(28,996,720)	-	(28,996,720)	-
Business-Type Activities:								
Water and sewer	9,438,946	6,972,901	60,787	59,050	-	(2,346,208)	(2,346,208)	-
Total Business-Type Activities	9,438,946	6,972,901	60,787	59,050	-	(2,346,208)	(2,346,208)	-
Total Primary Government	\$ 53,547,110	\$ 18,960,518	\$ 513,430	\$ 2,730,234	(28,996,720)	(2,346,208)	(31,342,928)	-
Component Unit:								
Community development	\$ 10,970,685	\$ 450,000	\$ 562,888	\$ -	-	-	-	(9,957,797)
Total Component Unit	\$ 10,970,685	\$ 450,000	\$ 562,888	\$ -	-	-	-	(9,957,797)

General Revenues:								
Taxes:								
Property taxes					2,553,081	-	2,553,081	-
Sales taxes - general					8,032,973	-	8,032,973	2,132,459
Sales taxes - transportation					4,426,934	-	4,426,934	983,296
Tourism taxes					10,321,084	-	10,321,084	562,847
Intergovernmental activity taxes					-	-	-	9,681,754
Other taxes					1,232,657	-	1,232,657	-
Unrestricted investment earnings					681,791	26,422	708,213	524,813
Gain on disposal of capital assets					17,870	747	18,617	-
Transfers					(55,000)	55,000	-	-
Total general revenues and transfers					27,211,390	82,169	27,293,559	13,885,169
Changes in net position					(1,785,330)	(2,264,039)	(4,049,369)	3,927,372
Net position (deficit) - beginning of year, as restated					152,706,818	88,825,601	241,532,419	(170,528,357)
Net position (deficit) - end of year	\$	\$	\$	\$	\$ 150,921,488	\$ 86,561,562	\$ 237,483,050	\$ (166,600,985)

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2012

	<u>General</u>	<u>Tourism Tax</u>	<u>Transportation Sales Tax</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and investments	\$ 5,005,523	\$ 14,909,864	\$ 1,325,359	\$ -	\$ 3,204,013	\$ 24,444,759
Receivables, net:						
Taxes	1,986,966	768,248	919,341	-	-	3,674,555
Leases	61,212	-	-	-	-	61,212
Intergovernmental	-	1,210,382	-	-	-	1,210,382
Other	1,408,619	-	-	-	249,629	1,658,248
Due from other funds	1,023,403	-	-	-	-	1,023,403
Restricted cash and investments	274,340	5,977,504	-	-	-	6,251,844
Prepays and inventories	112,316	-	-	-	-	112,316
Assets held for redevelopment	1,120,816	-	-	-	-	1,120,816
Total assets	\$ 10,993,195	\$ 22,865,998	\$ 2,244,700	\$ -	\$ 3,453,642	\$ 39,557,535
Liabilities						
Accounts payable	\$ 1,821,884	\$ 112,936	\$ 205,078	\$ 4,181	\$ 127,210	\$ 2,271,289
Accrued liabilities	991,435	-	29,525	-	-	1,020,960
Deposits	274,340	-	-	-	-	274,340
Due to other funds	-	44,442	-	852,984	-	897,426
Due to component unit	421,057	49,486	194,216	-	-	664,759
Total liabilities	3,508,716	206,864	428,819	857,165	127,210	5,128,774
Deferred inflows of resources						
Unavailable revenue - property taxes	494,832	-	-	-	-	494,832
Fund Balances						
Nonspendable:						
Prepays and inventory	112,316	-	-	-	-	112,316
Assets held for redevelopment	1,120,816	-	-	-	-	1,120,816
Perpetual care	-	-	-	-	4,910	4,910
Restricted for:						
Public works	-	-	1,815,881	-	-	1,815,881
Tourism	-	16,681,630	-	-	-	16,681,630
Debt service	-	5,977,504	-	-	-	5,977,504
Committed for:						
Contractual and other	57,280	-	-	-	-	57,280
Assigned for:						
Contractual and other	36,896	-	-	-	-	36,896
Capital outlay	-	-	-	-	3,321,522	3,321,522
Unassigned (deficit)	5,662,339	-	-	(857,165)	-	4,805,174
Total fund balances (deficit)	6,989,647	22,659,134	1,815,881	(857,165)	3,326,432	33,933,929
Total liabilities, deferred inflows, and fund balances	\$ 10,993,195	\$ 22,865,998	\$ 2,244,700	\$ -	\$ 3,453,642	\$ 39,557,535

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Position
December 31, 2012

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

Ending fund balances - total governmental funds	\$ 33,933,929
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Position</p>	
	181,983,569
<p>Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements - property taxes</p>	
	93,474
<p>Long-term liabilities, including bonds and notes payable, are not due and payable in current period and, therefore, are not reported in the funds. This amount included the following long-liabilities and related items:</p>	
Deferred charge on refunding	3,830,538
Accrued interest payable	(824,755)
Long-term liabilities	(67,927,681)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net position. Internal service fund capital assets of \$1,525,881 are included above.</p>	
	<u>(167,586)</u>
 Total net position of governmental activities	 <u><u>\$ 150,921,488</u></u>

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended December 31, 2012

	General	Tourism Tax	Transportation Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,887,523	\$ 10,321,084	\$ 4,426,934	\$ -	\$ -	\$ 26,635,541
Licenses and permits	752,465	-	-	-	-	752,465
Court fines	424,167	-	-	-	-	424,167
Lease and rent	1,082,494	-	-	-	-	1,082,494
Charges for services	5,342,403	-	-	-	-	5,342,403
Intergovernmental	27,011	1,210,382	-	-	55,220	1,292,613
Contributions from component unit	-	-	-	425,632	-	425,632
Interest income	56,150	625,641	-	-	-	681,791
Miscellaneous	184,020	-	-	-	250	184,270
Total revenues	19,756,233	12,157,107	4,426,934	425,632	55,470	36,821,376
Expenditures:						
Current:						
General government	6,508,377	-	-	-	-	6,508,377
Public safety	6,917,136	-	-	-	-	6,917,136
Public works	627,837	-	3,538,453	-	-	4,166,290
Engineering	516,275	-	-	-	-	516,275
Community development	1,028,307	-	-	348,460	-	1,376,767
Culture and recreation	2,217,011	-	-	-	-	2,217,011
Convention center	7,163,096	-	-	-	-	7,163,096
Tourism	-	2,282,803	-	-	-	2,282,803
Capital outlay	-	-	-	-	372,336	372,336
Debt service:						
Principal retirement	79,162	3,229,025	-	670,000	-	3,978,187
Interest and fiscal charges	62,540	1,564,884	-	1,626,991	-	3,254,415
Total expenditures	25,119,741	7,076,712	3,538,453	2,645,451	372,336	38,752,693
Excess of revenues over (under) expenditures	(5,363,508)	5,080,395	888,481	(2,219,819)	(316,866)	(1,931,317)
Other financing sources (uses):						
Sale of assets	8,084	-	-	-	-	8,084
Insurance recoveries	4,204,773	-	30,000	-	-	4,234,773
Transfers in	560,043	-	-	2,261,410	-	2,821,453
Transfers (out)	(527,085)	(1,128,368)	(1,221,000)	-	-	(2,876,453)
Total other financing sources (uses)	4,245,815	(1,128,368)	(1,191,000)	2,261,410	-	4,187,857
Net change in fund balances	(1,117,693)	3,952,027	(302,519)	41,591	(316,866)	2,256,540
Fund balances - beginning of year	8,107,340	18,707,107	2,118,400	(898,756)	3,643,298	31,677,389
Fund balances - end of year	\$ 6,989,647	\$ 22,659,134	\$ 1,815,881	\$ (857,165)	\$ 3,326,432	\$ 33,933,929

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended December 31, 2012

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

Net changes in fund balances - total governmental funds \$ 2,256,540

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	882,451
Depreciation expense	(9,971,176)
Loss on disposal	(32,955)

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

Capital contributions	1,405,582
Unavailable revenue - property taxes	(68,812)

The issuance of long-term debt (eg. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	3,978,187
Changes in deferred charge on refunding, bond premiums and discounts, net	(252,264)
Change in accrued interest payable	162,898

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	(31,815)
Change in net pension obligation	(50,659)
Change in other post employment benefit obligations	(105,836)

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. \$540,781 of depreciation related to internal service funds is included with depreciation above.

42,529

Total changes in net position of governmental activities \$ (1,785,330)

CITY OF BRANSON, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2012

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Assets		
Current assets:		
Cash and investments	\$ 7,987,583	\$ -
Receivables (net of allowances for uncollectibles)		
Water and sewer billings	902,492	-
Leases and other	165,528	-
Other	905	-
Total current assets	9,056,508	-
Noncurrent assets:		
Restricted cash and investments	120,209	-
Capital Assets:		
Land and improvements	4,393,791	-
Other capital assets, net of depreciation	75,012,193	1,525,881
Total capital assets	79,405,984	1,525,881
Total noncurrent assets	79,526,193	1,525,881
Total assets	88,582,701	1,525,881
Liabilities		
Current liabilities:		
Accounts payable	539,206	-
Accrued liabilities	91,244	-
Accrued interest	5,568	-
Utility deposits	839,168	-
Other liabilities	78,751	-
Due to other funds	-	125,977
Long-term liabilities due in one year	300,000	-
Total current liabilities	1,853,937	125,977
Noncurrent liabilities:		
Long-term liabilities	208,811	-
Total noncurrent liabilities	208,811	-
Total liabilities	2,062,748	125,977
Net Position		
Net investment in capital assets	79,235,984	1,525,881
Restricted - debt service	120,209	-
Unrestricted (deficit)	7,163,760	(125,977)
Total net position	86,519,953	\$ 1,399,904
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
	41,609	
Net position of business-type activities	\$ 86,561,562	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2012

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Operating revenues:		
Charges for services (pledged as security for revenue bonds):		
Water	\$ 2,934,448	\$ -
Sewer	3,944,140	-
Miscellaneous	47,761	-
Total operating revenues	6,926,349	-
Operating expenses:		
Personal services	2,789,544	-
Contractual services	2,070,249	-
Commodities	731,215	4,242
Depreciation	3,802,628	540,781
Total operating expenses	9,393,636	545,023
Operating income (loss)	(2,467,287)	(545,023)
Nonoperating revenues (expenses):		
Sewer capacity fees	46,552	-
Interest income	26,422	-
Intergovernmental	60,787	-
Gain (loss) on disposal of capital assets	747	9,786
Interest expense	(8,325)	-
Total nonoperating revenues (expenses)	126,183	9,786
Income (loss) before transfers and capital contributions	(2,341,104)	(535,237)
Transfers in	55,000	-
Capital contribution	59,050	-
Change in net position	(2,227,054)	(535,237)
Total net position-beginning of year	88,747,007	1,935,141
Total net position-end of year	\$ 86,519,953	\$ 1,399,904
Change in net position	\$ (2,227,054)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(36,985)	
Change in net position of business-type activities	\$ (2,264,039)	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the year ended December 31, 2012

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Cash flows from operating activities:		
Receipts from customers	\$ 6,985,655	\$ -
Payments to suppliers	(2,872,225)	(5,911)
Payments to employees for services	(2,774,260)	-
Net cash provided by (used in) operating activities	1,339,170	(5,911)
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,219,650)	(92,253)
Principal paid on capital debt	(130,000)	-
Interest and bond cost paid on capital debt	(23,390)	-
Intergovernmental	60,787	-
Sewer capacity fees	46,552	-
Net cash (used in) capital and related financing activities	(1,265,701)	(92,253)
Cash flows from noncapital financing activities:		
Interfund advances	-	98,164
Transfers from other funds	55,000	-
Net cash provided by noncapital financing activities	55,000	98,164
Cash flows from investment activities:		
Interest and dividends	26,422	-
Net cash provided by investing activities	26,422	-
Net increase in cash and cash equivalents	154,891	-
Cash and cash equivalents, beginning of year	7,952,901	-
Cash and cash equivalents, end of year	\$ 8,107,792	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (2,467,287)	\$ (545,023)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	3,802,628	540,781
Change in assets and liabilities:		
Receivables (net)	(1,780)	-
Accounts and other payables	(70,761)	(1,669)
Accrued expenses	15,284	-
Utility deposits	61,086	-
Net cash provided by (used in) operating activities	\$ 1,339,170	\$ (5,911)
Cash consists of :		
Cash and investments	\$ 7,987,583	\$ -
Restricted cash and investments	120,209	-
	\$ 8,107,792	\$ -
Noncash capital and related financing activities:		
Capital contribution	\$ 59,050	\$ -

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Assets and Liabilities -
Agency Fund
December 31, 2012

	<u>Agency Fund</u> <u>Landscape Trust</u>
Assets	
Cash and cash equivalents	\$ <u>943,776</u>
Liabilities	
Due to others	\$ <u>943,776</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, 2012

1 - Summary of Significant Accounting Policies

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

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

The Financial Reporting Entity

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

This report includes the financial statements of the City (the primary government) and its component unit, the Tax Increment Financing Commission (the Commission). 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 position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency fund does not have a measurement focus, but does use the accrual basis of accounting to present its financial statements. Revenues from exchange and exchange like transactions are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The City reports the following major funds:

Major Governmental Funds

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

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

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.

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, 2012

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 \$599,627 is recorded at December 31, 2012.

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, 2012

Compensated Absences

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

Long-term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Net Position Classifications

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

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – 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 position – All other net position that do not meet the definition of “restricted net position” or “net, investment in capital assets.”

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

Fund Balances Policies

The governmental funds report the following fund balance classifications:

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

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

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

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

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 an operating reserve and a contingency reserve policy consisting of the following:

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

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

Pending Governmental Accounting Standards Board Statements

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

- GASB Statement 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 No. 66 - *an amendment of GASB Statements No. 10 and No. 62*, effective for the fiscal year beginning January 1, 2013.
- GASB Statement No. 67 – *Accounting and Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, effective for the fiscal year beginning January 1, 2014.
- GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions -an amendment of GASB Statement No. 27*, effective for the fiscal year beginning January 1, 2015.
- GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations*, effective for the fiscal year beginning January 1, 2014.
- GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the fiscal year beginning January 1, 2014.

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, expenditures exceeded budgeted appropriations in the Convention Center Fund by \$1,110,046 and the Old School Fund by \$59,893.

Deficit Fund Equity

The Debt Service Fund had a deficit fund balance of \$857,165 as of December 31, 2012. The fund incurred debt service expenditures that were in excess of available funds. The City plans to transfer funds from other funds to cover the excess expenditures.

3 - Deposits and Investments

As of December 31, 2012, the City's cash and investments consisted of the following:

	2012
Investments:	
Short-term investments held in trust	\$ 32,984,229
Deposits	27,703,285
Petty cash	20,370
 Total cash and investments	 \$ 60,707,884

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

	Government-wide statement of net position	Fiduciary funds statement of net position	Component Unit	Grand Total
Cash and investments	\$ 32,432,342	\$ 943,776	\$ 1,459,765	\$ 34,835,883
Restricted cash and investments	6,372,053	-	19,499,948	25,872,001
	\$ 38,804,395	\$ 943,776	\$ 20,959,713	\$ 60,707,884

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012, 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, 2012, the City's investments consisted of short-term money market mutual funds held in trust and U.S. Government Agencies with maturities of less than one year.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At December 31, 2012, 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, 2012, 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, 2012.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

4 - Taxes

Taxes receivable as of December 31, 2012 were as follows:

<u>Fund</u>	<u>Property Tax</u>	<u>City Sales Tax</u>	<u>Tourism Tax</u>	<u>Total</u>
General	\$ 134,201	\$ 1,852,765	\$ -	\$ 1,986,966
Tourism Tax	-	-	768,248	768,248
Transportation Sales Tax	-	919,341	-	919,341
Total	\$ 134,201	\$ 2,772,106	\$ 768,248	\$ 3,674,555

Tax revenues for the year ended December 31, 2012 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	\$ 2,621,893	\$ 8,032,973	\$ -	\$ 928,980	\$ 303,677	\$ 11,887,523
Tourism Tax	-	-	10,321,084	-	-	10,321,084
Transportation Sales Tax	-	4,426,934	-	-	-	4,426,934
Total	\$ 2,621,893	\$ 12,459,907	\$ 10,321,084	\$ 928,980	\$ 303,677	\$ 26,635,541

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, 2011, upon which the 2011 levy was based and upon which the ad valorem tax revenues for the period ended December 31, 2012 are recorded, are as follows:

Real estate	\$ 421,861,164
Personal property and business personal	<u>54,572,853</u>
	<u><u>\$ 476,434,017</u></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 2012 tax year are deferred as those amounts are not available until the following fiscal year.

The 2011 tax levy per \$ 100 assessed valuation was:

General	<u><u>\$ 0.5394</u></u>
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City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

5 - Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 52,263,597	\$ 1,099,128	\$ -	\$ 53,362,725
Construction in progress	1,236,928	410,131	1,262,732	384,327
Total Capital assets not being depreciated	53,500,525	1,509,259	1,262,732	53,747,052
Capital Assets being depreciated:				
Buildings and fixtures	76,491,967	1,158,482	37,470	77,612,979
Equipment	11,505,483	308,161	15,177	11,798,467
Vehicles	992,970	253,315	-	1,246,285
Infrastructure	167,166,257	246,454	-	167,412,711
Furniture	2,954,716	-	-	2,954,716
Land improvements	2,227,587	177,314	-	2,404,901
Total capital assets being depreciated	261,338,980	2,143,726	52,647	263,430,059
Less accumulated depreciation for:				
Buildings and fixtures	15,279,413	2,553,019	4,515	17,827,917
Equipment	7,632,302	1,027,692	14,996	8,644,998
Vehicles	716,526	59,776	-	776,302
Infrastructure	98,967,271	5,972,117	-	104,939,388
Furniture	1,273,798	286,228	-	1,560,026
Land improvements	1,372,567	72,344	-	1,444,911
Total accumulated depreciation	125,241,877	9,971,176	19,511	135,193,542
Total capital assets being depreciated, net	136,097,103	(7,827,450)	33,136	128,236,517
Governmental activities capital assets, net	\$ 189,597,628	\$ (6,318,191)	\$ 1,295,868	\$ 181,983,569

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	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	8,720,732	1,167,756	9,400,208	488,280
Total Capital assets not being depreciated	12,626,243	1,167,756	9,400,208	4,393,791
Capital Assets being depreciated:				
Water and sewer treatment plants	70,012,844	5,205,616	-	75,218,460
Water and sewer mains and lines	49,965,600	3,490,905	-	53,456,505
Machinery and equipment	2,599,706	815,378	-	3,415,084
Total capital assets being depreciated	122,578,150	9,511,899	-	132,090,049
Less accumulated depreciation for:				
Water and sewer treatment plants	29,044,685	1,779,456	-	30,824,141
Water and sewer mains and lines	22,672,828	1,833,242	-	24,506,070
Machinery and equipment	1,557,715	189,930	-	1,747,645
Total accumulated depreciation	53,275,228	3,802,628	-	57,077,856
Total capital assets being depreciated, net	69,302,922	5,709,271	-	75,012,193
Business-type activities capital assets, net	\$ 81,929,165	\$ 6,877,027	\$ 9,400,208	\$ 79,405,984

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

Governmental activities:	
General government	\$ 800,689
Public safety	151,286
Public works	5,283,508
Engineering	61,907
Culture and recreation	505,179
Convention center	2,627,826
Internal service	540,781
Total depreciation expense - governmental activities	\$ 9,971,176
Business-type activities:	
Water and sewer	\$ 3,802,628

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

In February 2012, the City was impacted by a tornado and certain assets were destroyed or damaged. The City suffered losses to a building and damage to the City's convention center facility. The City evaluated its capital assets in accordance with GASB Statement No. 42 and realized a loss from impairment of \$32,955. The City and the convention center management company had purchased commercial insurance to cover its risk of loss and as of December 31, 2012, the City has recorded a receivable totaling \$1,178,500 for insurance recoveries related to convention center business interruption claim and assets destroyed or damaged related to the tornado. In the statement of activities, insurance recoveries are reported as program revenues related to the following functions or programs:

General government, net of loss	\$ 696,779
Public works	30,000
Culture and recreation	8,582
Convention center	3,466,460
	<u>\$ 4,201,821</u>

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, 2012, lease income for all operating leases was approximately \$817,600.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012 the lease receivable balance was \$165,528.

Future minimum lease payments to be received are as follows:

2013	\$	15,195
2014		15,651
2015		16,121
2016		16,604
2017		17,103
2018-2022		<u>84,854</u>
Present value of minimum lease payments	\$	<u><u>165,528</u></u>

Branson Landing Lease – Branson Landing TIF Plan

The City and the Developer have entered into a 99 year master lease agreement related to the Branson Landing project. Under the agreement, commencing on January 2, 2010 and through year thirty of the agreement, a base and contingent rental lease payment is due to the City. The lease payment will consist of an annual base amount of \$252,000 plus a contingent lease payment of 1/4th of 1 percent of sales in excess of \$15 million within the defined boundary area. The total annual lease payments cannot exceed \$450,000. The City received \$450,000 under this agreement for the year ended December 31, 2012.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

7 - Long-Term Obligations

Long-term obligations activity for year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
Revenue Bonds	\$ 28,112,000	\$ -	\$ 2,803,000	\$ 25,309,000	\$ 2,878,000
Special Limited Obligation Bonds	36,480,000	-	670,000	35,810,000	560,000
Discounts	(154,188)	-	(16,032)	(138,156)	(19,856)
Total bonds payable	<u>64,437,812</u>	<u>-</u>	<u>3,456,968</u>	<u>60,980,844</u>	<u>3,418,144</u>
Notes Payable	5,639,767	-	505,187	5,134,580	533,719
Compensated absences **	1,147,681	1,116,898	1,085,083	1,179,496	590,000
Net pension obligation **	184,510	50,659		235,169	-
Other post employment benefits **	291,756	105,836	-	397,592	-
Governmental activities long-term obligations	<u>71,701,526</u>	<u>1,273,393</u>	<u>5,047,238</u>	<u>67,927,681</u>	<u>4,541,863</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 330,000	\$ -	\$ 160,000	\$ 170,000	\$ 170,000
Compensated absences	198,188	185,624	183,684	200,128	130,000
Net pension obligation	40,109	11,294		51,403	-
Other post employment benefits	64,044	23,236	-	87,280	-
Business-type activities long-term obligations	<u>632,341</u>	<u>220,154</u>	<u>343,684</u>	<u>508,811</u>	<u>300,000</u>
Total Primary Government	<u>\$ 72,333,867</u>	<u>\$ 1,493,547</u>	<u>\$ 5,390,922</u>	<u>\$ 68,436,492</u>	<u>\$ 4,841,863</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	\$ 194,085,190	\$ 33,450,000	\$ 38,155,000	\$ 189,380,190	\$ 4,235,000
Less deferred amounts:					
Discounts	(294,658)	-	(293,363)	(1,295)	(1,295)
Premiums	1,471,713	701,515	92,963	2,080,265	139,182
Total bonds payable	<u>\$ 195,262,245</u>	<u>\$ 34,151,515</u>	<u>\$ 37,954,600</u>	<u>\$ 191,459,160</u>	<u>\$ 4,372,887</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 \$30,641,604. For the year ended December 31, 2012, principal and interest paid were \$4,793,909 and total tourism tax revenues for the year were \$10,321,084. Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$5,977,504 at December 31, 2012. The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

	Balance at December 31, 2012
<p>Limited Obligation bonds (State Revolving Fund Program) Series 1994A of \$3,500,000 issued August 1994; 4.25% to 6.05% interest payable semiannually, remaining principal payments due annually of \$217,000 to \$291,000. Final maturity July 1, 2014. Bonds maturing after July 1, 2006 and thereafter may be called on June 1, 2005 and every June 1 and December 1 thereafter at par.</p>	\$ 564,000
<p>Limited Obligation bonds (State Revolving Fund Program) Series 1995A of \$17,450,000 issued May 1995; 4.75% to 6.05% interest payable semiannually, remaining principal payments due annually of \$190,000 to \$2,350,000. Final maturity July 1, 2016. Bonds maturing after July 1, 2006 and thereafter may be called on July 1, 2005 and every July 1 thereafter at par.</p>	8,500,000
<p>Tourism Tax Revenue Bonds, Series 2007 of \$1,840,000 issued March 2007; 4.45% interest payable semiannually. Principal amount due on January 1, 2019.</p>	1,840,000
<p>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.</p>	6,990,000
<p>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.</p>	7,415,000
	\$ 25,309,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Special Limited Obligation Bonds

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

	<u>Balance at</u> <u>December 31, 2012</u>
Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Revenue Bonds) Series 2011A, \$35,810,000 issued November 15, 2011; 3.0% to 5.0% interest payable semiannually, principal payments due annually ranging from \$560,000 to \$2,795,000 with final maturity on December 1, 2031.	<u>\$ 35,810,000</u>

The bonds were issued by the Missouri Development Finance Board (MDFB) to refund certain bonds previously issued for the purposes of funding the City's Branson Landing redevelopment project and certain City facilities and infrastructure project costs. The City conveyed certain properties (including City Hall and a fire station) to the MDFB, and the MDFB leases those properties to the City. The City's lease payments are security for the required annual interest and principal payments on the bonds. Upon retirement of the bonds, the properties will revert to the City. Restricted investment reserves for the above special limited obligation bonds at December 31, 2012 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, 2012, the General Fund contributed \$348,460 to the Tax Increment Financing Commission related to the Series 2011B bonds related to Branson Meadows.

The MDFB 2004A and 2005B Branson Landing Tax Increment Financing Revenue Bonds contain certain pledged revenue and reserve fund priority provisions also known as the "Waterfall" provision. Under the Waterfall, as calculated prior to the next scheduled debt service requirements for the 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 2011A bonds. During the year ended December 31, 2012, waterfall amounts of \$425,632 were contributed to the City's Debt Service Fund from the Tax Increment Financing Commission to be used for the 2011A debt service requirements prior to their refunding. Total waterfall amounts since inception is \$1,855,793.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Notes Payable

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

	<u>Balance at</u> <u>December 31, 2012</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.	\$ 3,989,409
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.	1,078,505
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.	66,666
	\$ 5,134,580

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, 2012 promissory note was used to finance the purchase of the former Branson High School.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 \$120,209.

Balance at
December 31, 2012

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.

\$ 170,000

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
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	1,915,000	515,832	1,535,000	1,394,081	557,124	118,732
2018-2022	11,595,000	1,010,050	8,585,000	6,063,256	2,010,160	290,295
2023-2027	-	-	10,595,000	4,066,681	502,608	57,138
2028-2031	-	-	10,400,000	1,325,713	-	-
	<u>\$ 25,309,000</u>	<u>\$ 5,332,604</u>	<u>\$ 35,810,000</u>	<u>\$ 18,820,555</u>	<u>\$ 5,134,580</u>	<u>\$ 1,124,974</u>

	Total Governmental Activities		Business-type Activities		Primary Government	
	Revenue Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	4,007,124	2,028,645	-	-	4,007,124	2,028,645
2018-2022	22,190,160	7,363,601	-	-	22,190,160	7,363,601
2023-2027	11,097,608	4,123,819	-	-	11,097,608	4,123,819
2028-2031	10,400,000	1,325,713	-	-	10,400,000	1,325,713
	<u>\$ 66,253,580</u>	<u>\$ 25,278,133</u>	<u>\$ 170,000</u>	<u>\$ 11,135</u>	<u>\$ 66,423,580</u>	<u>\$ 25,289,268</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 <u>December 31, 2012</u>
Branson Meadows TIF Plan	
Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Revenue Bonds) Series 2011B, \$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 as governmental activities. The governmental activities portion was retired in 2012.	<u>\$ 705,000</u>
Branson Landing TIF Plan	
Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Refunding Bonds - City of Branson, Missouri - Branson Landing Project) Series 2012A, \$33,450,000 issued December 6, 2012; 3.0% to 4.0% interest payable semiannually, remaining principal payments due annually ranging from \$1,335,000 to \$2,805,000 with final maturity on December 1, 2027. The bonds were issued by MDFB and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.	33,450,000
Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2005A, \$80,000,000 issued September 2005; 3.75% to 6.0% interest payable semiannually, remaining principal payments due annually ranging from \$470,000 to \$6,930,000 with final maturity on June 1, 2035. Bonds maturing on or after June 1, 2035 may be called on or after June 1, 2015 at par. The bonds were issued by the Missouri Development Finance Board and the proceeds were made available to the City. The City's obligation to make payments is secured by an annual appropriation covenant, mortgages on a parking garage and a convention center, and certain pledged revenues. See discussions on the previous page regarding certain pledged revenue and reserve fund priority provision also know as the "Waterfall" provision.	78,165,000
Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds- Branson Landing Retail Project) Series 2005A , \$18,560,000 issued August 2005; 5.25% to 5.50% interest payable semiannually, remaining principal payments due annually ranging from \$235,000 to \$1,760,000 with final maturity on June 1, 2029.	16,305,000
	127,920,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	<u>Balance at December 31, 2012</u>
Branson Hills and Shoppes TIF Plan	
Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds- Branson Hills Redevelopment Project) Series 2005A, \$14,760,000 issued March 2005; 6.25% to 7.05% interest payable semiannually, remaining principal payments due annually ranging from \$175,000 to \$2,955,000 with final maturity on May 1, 2027.	13,700,000
Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Hills Redevelopment Project) Series 2005B, not to exceed \$1,900,000 issued March 2005; 10% interest, principal payment due with final maturity on May 1, 2027. These bonds are subordinate to the Series 2005A Bonds.	1,899,338
Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Hills Redevelopment Project) Series 2007A, \$3,385,000 issued April 2007; 5.75% interest payable semiannually, principal due at final maturity on May 1, 2026	3,385,000
Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2006A, \$35,545,000 issued November 2006; 5.90% to 5.95% interest payable semiannually, remaining principal payments due annually ranging from \$110,000 to \$5,780,000 with final maturity on November 1, 2029.	33,650,000
Tax Increment Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2006B, not to exceed \$9,385,045 issued November 2006; 10% interest, principal payment due with final maturity on November 1, 2029. These bonds are subordinate to the Series 2006A Bonds.	8,120,852
	60,755,190
Total tax increment financing revenue bonds	\$ 189,380,190

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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
2013	\$ 705,000	\$ 12,486	\$ 717,486	\$ 2,430,000	\$ 5,967,786	\$ 8,397,786
2014	-	-	-	3,170,000	5,891,863	9,061,863
2015	-	-	-	3,475,000	5,760,763	9,235,763
2016	-	-	-	3,795,000	5,613,425	9,408,425
2017	-	-	-	4,140,000	5,448,951	9,588,951
2018-2022	-	-	-	26,725,000	23,927,525	50,652,525
2023-2027	-	-	-	36,885,000	17,211,189	54,096,189
2028-2032	-	-	-	27,845,000	9,059,275	36,904,275
2033-2036	-	-	-	19,455,000	1,989,500	21,444,500
	<u>\$ 705,000</u>	<u>\$ 12,486</u>	<u>\$ 717,486</u>	<u>\$ 127,920,000</u>	<u>\$ 80,870,277</u>	<u>\$ 208,790,277</u>

	Branson Hills and Shoppes			Total		
	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 1,100,000	\$ 3,159,984	\$ 4,259,984	\$ 4,235,000	\$ 9,140,256
2014	1,245,000	3,093,528	4,338,528	4,415,000	8,985,391	13,400,391
2015	1,400,000	3,015,270	4,415,270	4,875,000	8,776,033	13,651,033
2016	1,570,000	2,927,239	4,497,239	5,365,000	8,540,664	13,905,664
2017	1,740,000	2,828,434	4,568,434	5,880,000	8,277,385	14,157,385
2018-2022	11,915,000	12,237,820	24,152,820	38,640,000	36,165,345	74,805,345
2023-2027	25,099,338	7,520,486	32,619,824	61,984,338	24,731,675	86,716,013
2028-2032	16,685,852	853,528	17,539,380	44,530,852	9,912,803	54,443,655
2033-2036	-	-	-	19,455,000	1,989,500	21,444,500
	<u>\$ 60,755,190</u>	<u>\$ 35,636,289</u>	<u>\$ 96,391,479</u>	<u>\$ 189,380,190</u>	<u>\$ 116,519,052</u>	<u>\$ 305,899,242</u>

Advance Refunding

The Missouri Development Finance Board (the Board) issued \$33,450,000 Infrastructure Facilities Refunding Revenue Bonds (City of Branson, Missouri), Series 2012A to advance refund the City's Series 2004A The Missouri Development Finance Board Infrastructure Facilities Revenue Bonds (City of Branson, Missouri). The net bond proceeds of the bonds together with other available funds totaling \$32,832,298 were deposited in trust with an escrow agent to provide for all future debt service payments on the refunded Series 2004A Infrastructure Facilities Revenue 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 \$2,923,451. This amount is reported as a deferred outflow of resources 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 \$4,993,076 and to obtain an economic gain of \$4,025,515.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 \$306.6 million. Should TIF revenues along with any other funding sources described not be sufficient to meet the required debt service obligations, the City is not legally obligated to make such bond payments from any other sources of its revenues. However, the Branson Landing TIF Plan's \$33,450,000 Series 2012A and \$80,000,000 Series 2005A bonds contain an annual appropriation covenant obligating the City to make debt service payments from all legally available moneys of the City to the extent the City has appropriated and included such payments in its annual budget. Annual principal and interest payments remaining on the Series 2012A and 2005A bonds total approximately \$182.3 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, 2012, principal and interest paid on tax increment financing bonds totaled approximately \$14.7 million. Incremental tax revenues from the City totaled approximately \$3.7 million. The remaining funds necessary to meet the current year debt service requirements were derived from city contributions, incremental tax revenues from other taxing districts and governmental entities, lease revenues, and interest income totaling approximately \$10.7 million and from prior incremental tax revenues held in debt service funds by the bond trustees.

Bond Indebtedness Limitation

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

The City has no outstanding general obligation debt. The City has issued multiple series of Tourism Tax Revenue Bonds. Although they are not general obligation bonds, the outstanding Tourism Tax Revenue Bonds and any additional Tourism Tax Revenue Bonds are payable from a pledge of the City's Tourism Tax and therefore count against the indebtedness limits imposed by the Missouri Constitution. The legal debt capacity of 20% of the City's assessed valuation as of December 31, 2012, based on the 2011 valuation, was \$95,286,803. The total net outstanding indebtedness of the City was \$24,466,076 as of December 31, 2012, leaving a remaining available legal debt capacity of \$70,820,727 as of that date.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 13.6% (general), 11.3% (police), and 12.8% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

	Total Primary Government
Annual required contribution	\$ 1,292,382
Interest on net pension obligation	16,285
Adjustment to annual required contribution	(12,489)
Annual pension cost (APC)	1,296,178
Actual contributions	1,234,225
Increase in net pension obligation (NPO)	61,953
NPO - beginning of year	224,619
NPO - end of year	\$ 286,572

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 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% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and women and (e) post-retirement mortality based on 105% of the 1994 group Annuity

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of the February 28, 2010 was 30 years for all divisions. The amortization period as of the February 28, 2011 was 30 years for the General and Police division, and 23 years for the Fire division.

Year Ended Ending	Pension Cost (APC)	of APC Contributed	Pension Obligation
6/30/2010	\$ 1,013,710	90.7%	\$ 94,275
6/30/2011	1,235,934	89.5%	224,619
6/30/2012	1,296,178	95.2%	286,572

Funded Status and Funding Progress

As of February 29, 2012, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$21,338,793. The actuarial value of assets was \$13,625,955, which results in an unfunded actuarial accrued liability (UAAL) of \$7,712,838 and a funded ratio of 64 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$10,136,837, which results in a ratio of the UAAL to the covered payroll of 76 percent.

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

9 - 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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012, 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	\$ 120,537	\$ 26,463	\$ 147,000
Interest on net OPEB obligation	11,670	2,562	14,232
Adjustment to annual required contribution	(9,725)	(2,135)	(11,860)
Annual OPEB cost (expense)	122,482	26,890	149,372
Less: Net employer contributions	16,646	3,654	20,300
Increase in net OPEB obligation	105,836	23,236	129,072
Net OPEB obligation - beginning of year	291,756	64,044	355,800
Net OPEB obligation - end of year	<u>\$ 397,592</u>	<u>\$ 87,280</u>	<u>\$ 484,872</u>

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the year ending December 31, 2012 is as follows:

Year Ended Ending	Annual Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net Net OPEB Obligation
12/31/2010	\$ 144,886	18.0%	\$ 227,600
12/31/2011	148,500	13.7%	355,800
12/31/2012	149,372	13.6%	484,872

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

10 - Risk Management

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

11 - Commitments and Contingencies

Branson Landing Master Lease

The City as landlord has entered into a Branson Landing lease with HCW Development Company, LLC as the tenant. The lease requires the City to pay 50% or up to \$310,000 of the annual actual costs associated with the maintenance, upkeep and operations of the Main Fountain and the Town Square Fountain. The City will pay for the actual On-Site Public Improvements expense excluding those associated with the fountains listed above, up to \$115,000 per calendar year. Beginning in the calendar year of the fifth anniversary of the lease commencement date (FY2010) and for each year thereafter the maximum fountain and maintenance contribution shall be recalculated by multiplying the maximum contributions by a fraction, the numerator being the Consumer Price Index (CPI) for the month of January for the current year, and the denominator being the CPI for the month of January for the prior year. For the year ended December 31, 2012, the City paid \$399,087 under this lease agreement.

Capital Projects

Commitments have been made for future expenditures related to the City's Five Year Capital Improvement program. At December 31, 2012, the City had no significant construction commitments.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Convention Center Operating Agreement

The City has entered into a 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 2007 opening of the Convention Center and includes options for renewal for two 5 year periods. For the year ended December 31, 2012, the City paid \$195,237 under this management agreement.

Airport Pay for Performance Agreement

The City has entered into a Pay for Performance Agreement and a related Supplemental Agreement to the Pay for Performance Agreement, collectively, (the Agreement) with a private developer and the Branson, Missouri Regional Airport Transportation Development District (TDD). Under the Agreement, the City will pay a per passenger fee based on qualifying passenger arrivals on a semi-annual basis to the TDD. In no event shall the City's payment obligation under the Agreement exceed \$2,000,000 on an annual basis. Total fees under the Agreement for 2012 were \$592,577 of which \$375,000 is recorded as a payable in accordance with GAAP in the General Fund as of December 31, 2012. In addition, any obligations under this Agreement are subject to annual appropriation by the Board of Aldermen.

Encumbrances

Outstanding encumbrances at December 31, 2012 were as follows: General Fund \$70,944, Transportation Sales Tax Fund \$166,181, and Culture and Recreation Fund \$23,232.

Litigation

Real Property Issues

City Owned Property

On January 14, 2010, a judgment was issued by the Circuit Court of Taney County - 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. In 2011, the Court of Appeals vacated the January 14, 2010 judgment and remanded the case back to the trial court, finding the City to have been a party for purposes of the trial court's January 14, 2010 judgment, and further finding the trial court committed plain error in entering that judgment. The case now remains pending before the trial court. On March 31, 2011, a separate, but related, action was filed in the Circuit Court of Taney County, Case No. 11AF-CC00244 which seeks to quiet title to certain real property south of the real property involved in the first case.

The City intends to continue vigorously defending its title to all of its property, whether owned in fee simple or under lease. As of December 31, 2012 there were dispositive motions pending by the City to conclude both suits. 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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

In connection with the above, the City has filed suits against multiple title companies seeking claims related to fees paid and expenses incurred by the City to defend its title to its property. The City and the title companies have engaged in mediation in an attempt to settle these matters. Any amount the City might recover is not reasonable estimated.

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, 2012, 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.

12 - Interfund Activity

Interfund transfers for the year ended December 31, 2012, 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>	
Governmental :				
General	\$ -	\$ 560,043	\$ -	\$ 560,043
Debt Service	527,085	513,325	1,221,000	2,261,410
Business-type:				
Water and Sewer	-	55,000	-	55,000
Total	<u>\$ 527,085</u>	<u>\$ 1,128,368</u>	<u>\$ 1,221,000</u>	<u>\$ 2,876,453</u>

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Interfund receivable and payable balances at December 31, 2012 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	\$ 44,442	\$ 852,984	\$ 125,977	\$ 1,023,403

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.

13 - Assets Held for Redevelopment

The City is an owner of fee interest in real property consisting of approximately 120 acres fronting West Highway 76, known as the Old Branson Airport. 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). In 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 recorded lease termination revenue of \$1,420,806 in 2011. This amount represented 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. The City also recorded assets held for redevelopment of \$1,120,816.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

14 - Restatement of Prior Period Net Position

As of December 31, 2011, the beginning net position of the governmental activities and the discretely presented component unit were restated due to the implementation of the Governmental Accounting Standards Board Statement No. 65 (GASB 65). Under GASB 65, debt issuance costs should be expenses as incurred.

	Governmental Activities	Component Unit
Net Position, (deficit) beginning of year as previously reported	\$ 153,530,492	\$ (167,090,603)
Debt issuance costs	(823,674)	(3,437,754)
Net Position, (deficit) beginning of year as restated	\$ 152,706,818	\$ (170,528,357)

15 - Subsequent Events

The City has evaluated subsequent events through May 10, 2013, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

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

Such information includes:

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

Budgeting

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

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

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

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

Change in General Fund balance-budget basis	\$	(2,180,650)
Change in fund balance from combined funds-budget basis		1,183,715
Total reconciled change in fund balance-budget basis		(996,935)
Adjustments-encumbrances beginning of year		(212,859)
Adjustments-encumbrances end of year		92,101
Total reconciled change in fund balance-GAAP basis	\$	(1,117,693)
Fund balance beginning of year -budget basis	\$	6,756,146
Total reconciled change in fund balance-budget basis		(996,935)
Fund balance beginning of year from combined funds-budget basis		1,138,335
Total reconciled fund balance, beginning of year-budget basis		6,897,546
Adjustments-encumbrances end of year		92,101
Fund balance -end of year-GAAP basis	\$	6,989,647

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CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the year ended December 31, 2012

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 11,781,520	\$ 11,781,520	\$ 11,820,746	\$ 39,226
Licenses and permits:	591,960	591,960	752,465	160,505
City court fines	-	-	424,167	424,167
Lease and rent	1,301,401	1,301,401	1,058,916	(242,485)
Charges for services	797,591	797,591	896,217	98,626
Intergovernmental	9,800	9,800	27,011	17,211
Interest Income	57,000	57,000	56,150	(850)
Miscellaneous	101,000	116,949	115,912	(1,037)
Total revenues	<u>14,640,272</u>	<u>14,656,221</u>	<u>15,151,584</u>	<u>495,363</u>
Expenditures:				
General government:				
Mayor and Board	97,520	97,520	63,624	33,896
City Administration	484,238	484,088	497,653	(13,565)
Human Resources	327,145	327,462	338,108	(10,646)
Administrative Services	3,232,971	3,681,077	3,610,338	70,739
Finance	694,108	707,257	660,472	46,785
Legal	670,290	1,279,952	1,201,995	77,957
Total general government	<u>5,506,272</u>	<u>6,577,356</u>	<u>6,372,190</u>	<u>205,166</u>
Public safety:				
Police	3,909,807	3,969,172	3,883,784	85,388
Fire	2,959,293	2,993,807	2,972,417	21,390
Total public safety	<u>6,869,100</u>	<u>6,962,979</u>	<u>6,856,201</u>	<u>106,778</u>
Public works				
Engineering	649,452	711,921	545,730	166,191
Community Development	512,296	518,165	520,280	(2,115)
Debt service	867,571	873,591	1,039,125	(165,534)
Debt service	75,035	141,702	141,702	-
Total expenditures	<u>14,479,726</u>	<u>15,785,714</u>	<u>15,475,228</u>	<u>310,486</u>
Excess of revenues over (under) expenditures	160,546	(1,129,493)	(323,644)	805,849
Other Financing Sources (Uses):				
Sale of assets	25,000	25,000	8,084	(16,916)
Insurance recoveries	-	-	63,481	63,481
Transfers in	585,000	585,000	115,000	(470,000)
Transfers (out)	(1,543,612)	(2,058,030)	(2,043,571)	14,459
Total other financing sources (uses)	<u>(933,612)</u>	<u>(1,448,030)</u>	<u>(1,857,006)</u>	<u>(408,976)</u>
Change in fund balances	<u>\$ (773,066)</u>	<u>\$ (2,577,523)</u>	<u>(2,180,650)</u>	<u>\$ 396,873</u>
Fund balance, beginning of year - budget basis			<u>6,756,146</u>	
Fund balance - end of year - budget basis			4,575,496	
Adjustments:				
Encumbrances			68,869	
Fund balance - end of year - GAAP basis			<u>\$ 4,644,365</u>	
Net change in fund balance - budget basis			\$ (2,180,650)	
Adjustments:				
Encumbrances - beginning of year			(154,873)	
Encumbrances - end of year			68,869	
Net change in fund balance - GAAP basis			<u>\$ (2,266,654)</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, 2012

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 10,394,374	\$ 10,394,374	\$ 10,321,084	\$ (73,290)
Intergovernmental	-	-	1,210,382	1,210,382
Interest Income	699,930	699,930	625,641	(74,289)
Total revenues	<u>11,094,304</u>	<u>11,094,304</u>	<u>12,157,107</u>	<u>1,062,803</u>
Expenditures:				
Tourism	2,594,280	2,624,171	2,252,912	371,259
Debt service:				
Principal	3,229,025	3,229,025	3,229,025	-
Interest and fiscal charges	1,580,485	1,580,485	1,564,884	15,601
Cost of issuance	-	-	-	-
Total expenditures	<u>7,403,790</u>	<u>7,433,681</u>	<u>7,046,821</u>	<u>386,860</u>
Excess of revenues over (under) expenditures	3,690,514	3,660,623	5,110,286	1,449,663
Other financing sources (uses)				
Transfers in		-	-	-
Transfers (out)	(1,128,325)	(1,183,325)	(1,128,368)	54,957
Total other financing sources (uses)	<u>(1,128,325)</u>	<u>(1,183,325)</u>	<u>(1,128,368)</u>	<u>54,957</u>
Change in fund balances	<u>\$ 2,562,189</u>	<u>\$ 2,477,298</u>	3,981,918	<u>\$ 1,504,620</u>
Fund balance, beginning of year			<u>18,677,216</u>	
Fund balance - end of year - budget basis			22,659,134	
Adjustments:				
Encumbrances			-	
Fund balance - end of year - GAAP basis			<u>\$ 22,659,134</u>	
Net change in fund balance - budget basis			\$ 3,981,918	
Adjustments:				
Encumbrances - beginning of year			(29,891)	
Encumbrances - end of year			-	
Net change in fund balance - GAAP basis			<u>\$ 3,952,027</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, 2012

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 4,255,038	\$ 4,255,038	\$ 4,426,934	\$ 171,896
Total revenues	<u>4,255,038</u>	<u>4,255,038</u>	<u>4,426,934</u>	<u>171,896</u>
Expenditures:				
Public works	3,607,261	4,023,623	3,388,102	635,521
Total expenditures	<u>3,607,261</u>	<u>4,023,623</u>	<u>3,388,102</u>	<u>635,521</u>
Excess of revenues over expenditures	647,777	231,415	1,038,832	807,417
Other financing sources (uses):				
Insurance recoveries	-	-	30,000	30,000
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>(1,191,000)</u>	<u>30,000</u>
Change in fund balances	<u>\$ (573,223)</u>	<u>\$ (989,585)</u>	<u>(152,168)</u>	<u>\$ 837,417</u>
Fund balance, beginning of year			<u>1,801,868</u>	
Fund balance - end of year - budget basis			1,649,700	
Adjustments:				
Encumbrances			<u>166,181</u>	
Fund balance - end of year - GAAP basis			<u>\$ 1,815,881</u>	
Net change in fund balance - budget basis			\$ (152,168)	
Adjustments:				
Encumbrances - beginning of year			(316,532)	
Encumbrances - end of year			<u>166,181</u>	
Net change in fund balance - GAAP basis			<u>\$ (302,519)</u>	

CITY OF BRANSON, MISSOURI

Schedules of Funding Progress

Missouri LAGERS Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2/28/2010	\$ 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%
2/29/2012	13,625,955	21,338,793	7,712,838	64%	10,136,837	76%

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**

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CITY OF BRANSON, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2012

	General	Convention Center	Recreation	Old School	Red Roof	Total
Assets						
Cash and investments	\$ 2,782,800	\$ 681,530	\$ 647,313	\$ 615,385	\$ 278,495	\$ 5,005,523
Receivables, net:						
Taxes	1,986,966	-	-	-	-	1,986,966
Leases	61,212	-	-	-	-	61,212
Other	39,180	1,369,439	-	-	-	1,408,619
Due from other funds	978,961	44,442	-	-	-	1,023,403
Restricted cash and investments	274,340	-	-	-	-	274,340
Prepays and inventories	53,003	59,313	-	-	-	112,316
Assets held for redevelopment	1,120,816	-	-	-	-	1,120,816
Total assets	<u>\$ 7,297,278</u>	<u>\$ 2,154,724</u>	<u>\$ 647,313</u>	<u>\$ 615,385</u>	<u>\$ 278,495</u>	<u>\$ 10,993,195</u>
Liabilities						
Accounts payable	\$ 513,158	\$ 1,157,418	\$ 69,344	\$ 9,028	\$ 72,936	\$ 1,821,884
Accrued liabilities	949,526	-	41,409	-	500	991,435
Deposits	274,340	-	-	-	-	274,340
Due to component unit	421,057	-	-	-	-	421,057
Total liabilities	<u>2,158,081</u>	<u>1,157,418</u>	<u>110,753</u>	<u>9,028</u>	<u>73,436</u>	<u>3,508,716</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	494,832	-	-	-	-	494,832
Fund Balances						
Nonspendable:						
Prepays and inventory	53,003	59,313	-	-	-	112,316
Assets held for redevelopment	1,120,816	-	-	-	-	1,120,816
Committed for:						
Contractual and other	34,048	-	23,232	-	-	57,280
Assigned for:						
Contractual and other	36,896	-	-	-	-	36,896
Unassigned	3,399,602	937,993	513,328	606,357	205,059	5,662,339
Total fund balances	<u>4,644,365</u>	<u>997,306</u>	<u>536,560</u>	<u>606,357</u>	<u>205,059</u>	<u>6,989,647</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,297,278</u>	<u>\$ 2,154,724</u>	<u>\$ 647,313</u>	<u>\$ 615,385</u>	<u>\$ 278,495</u>	<u>\$ 10,993,195</u>

CITY OF BRANSON, MISSOURI
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the year ended December 31, 2012

	General	Convention Center	Recreation	Old School	Red Roof	Eliminations	Total
Revenues:							
Taxes	\$ 11,820,746	\$ -	\$ 66,777	\$ -	\$ -	\$ -	\$ 11,887,523
Licenses and permits	752,465	-	-	-	-	-	752,465
Court fines	424,167	-	-	-	-	-	424,167
Lease and rent	1,058,916	-	-	-	23,578	-	1,082,494
Charges for services	896,217	3,181,745	1,264,441	-	-	-	5,342,403
Intergovernmental	27,011	-	-	-	-	-	27,011
Interest income	56,150	-	-	-	-	-	56,150
Miscellaneous	115,912	-	68,108	-	-	-	184,020
Total revenues	<u>15,151,584</u>	<u>3,181,745</u>	<u>1,399,326</u>	<u>-</u>	<u>23,578</u>	<u>-</u>	<u>19,756,233</u>
Expenditures:							
Current:							
General government	6,329,975	-	-	59,893	118,509	-	6,508,377
Public safety	6,917,136	-	-	-	-	-	6,917,136
Public works	627,837	-	-	-	-	-	627,837
Engineering	516,275	-	-	-	-	-	516,275
Community development	1,028,307	-	-	-	-	-	1,028,307
Culture and recreation	-	-	2,217,011	-	-	-	2,217,011
Convention center	-	7,163,096	-	-	-	-	7,163,096
Debt service:							
Principal retirement	79,162	-	-	-	-	-	79,162
Interest and fiscal charges	62,540	-	-	-	-	-	62,540
Total expenditures	<u>15,561,232</u>	<u>7,163,096</u>	<u>2,217,011</u>	<u>59,893</u>	<u>118,509</u>	<u>-</u>	<u>25,119,741</u>
Excess of revenues over (under) expenditures	<u>(409,648)</u>	<u>(3,981,351)</u>	<u>(817,685)</u>	<u>(59,893)</u>	<u>(94,931)</u>	<u>-</u>	<u>(5,363,508)</u>
Other financing sources (uses):							
Sale of assets	8,084	-	-	-	-	-	8,084
Insurance recoveries	63,481	3,466,460	8,582	666,250	-	-	4,204,773
Transfers in	115,000	860,609	800,930	-	299,990	(1,516,486)	560,043
Transfers (out)	(2,043,571)	-	-	-	-	1,516,486	(527,085)
Total other financing sources (uses)	<u>(1,857,006)</u>	<u>4,327,069</u>	<u>809,512</u>	<u>666,250</u>	<u>299,990</u>	<u>-</u>	<u>4,245,815</u>
Net change in fund balances	<u>(2,266,654)</u>	<u>345,718</u>	<u>(8,173)</u>	<u>606,357</u>	<u>205,059</u>	<u>-</u>	<u>(1,117,693)</u>
Fund balances - beginning of year	<u>6,911,019</u>	<u>651,588</u>	<u>544,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,107,340</u>
Fund balances - end of year	<u>\$ 4,644,365</u>	<u>\$ 997,306</u>	<u>\$ 536,560</u>	<u>\$606,357</u>	<u>\$205,059</u>	<u>\$ -</u>	<u>\$ 6,989,647</u>

NON-MAJOR GOVERNMENTAL FUNDS

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.

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CITY OF BRANSON, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2012

Assets	<u>Capital Projects</u>	<u>Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
Cash and investments	\$ 3,199,103	\$ 4,910	\$ 3,204,013
Receivables, net:			
Other	<u>249,629</u>	<u>-</u>	<u>249,629</u>
 Total assets	 <u>\$ 3,448,732</u>	 <u>\$ 4,910</u>	 <u>\$ 3,453,642</u>
 Liabilities			
Accounts payable	<u>\$ 127,210</u>	<u>\$ -</u>	<u>\$ 127,210</u>
Total liabilities	<u>127,210</u>	<u>-</u>	<u>127,210</u>
 Fund Balances			
Nonspendable:			
Perpetual care	-	4,910	4,910
Assigned for:			
Capital outlay	<u>3,321,522</u>	<u>-</u>	<u>3,321,522</u>
Total fund balances	<u>3,321,522</u>	<u>4,910</u>	<u>3,326,432</u>
 Total liabilities and fund balance	 <u>\$ 3,448,732</u>	 <u>\$ 4,910</u>	 <u>\$ 3,453,642</u>

CITY OF BRANSON, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the year ended December 31, 2012

	Capital Projects	Perpetual Care	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 55,220	\$ -	\$ 55,220
Miscellaneous	-	250	250
Total revenues	<u>55,220</u>	<u>250</u>	<u>55,470</u>
Expenditures:			
Capital outlay	<u>372,336</u>	-	<u>372,336</u>
Total expenditures	<u>372,336</u>	-	<u>372,336</u>
Excess of revenues over (under) expenditures	<u>(317,116)</u>	<u>250</u>	<u>(316,866)</u>
Net change in fund balances	<u>(317,116)</u>	<u>250</u>	<u>(316,866)</u>
Fund balances - beginning of year	<u>3,638,638</u>	<u>4,660</u>	<u>3,643,298</u>
Fund balances - end of year	<u>\$ 3,321,522</u>	<u>\$ 4,910</u>	<u>\$ 3,326,432</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, 2012

	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Charges for services	\$ 5,291,044	\$ 3,181,745	\$ (2,109,299)
Total revenues	<u>5,291,044</u>	<u>3,181,745</u>	<u>(2,109,299)</u>
Expenditures:			
Convention center	6,052,050	7,163,096	(1,111,046)
Total expenditures	<u>6,052,050</u>	<u>7,163,096</u>	<u>(1,111,046)</u>
Excess of revenues over (under) expenditures	(761,006)	(3,981,351)	(3,220,345)
Other financing sources (uses):			
Insurance recoveries	-	3,466,460	3,466,460
Transfers in	715,597	860,609	145,012
Total other financing sources (uses)	<u>715,597</u>	<u>4,327,069</u>	<u>3,611,472</u>
Change in fund balances	<u>\$ (45,409)</u>	345,718	<u>\$ 391,127</u>
Fund balances, beginning of year		<u>651,588</u>	
Fund balances, end of year		<u>\$ 997,306</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 81,000	\$ 66,777	\$ (14,223)
Charges for services	1,394,402	1,264,441	(129,961)
Miscellaneous	66,700	68,108	1,408
Total revenues	<u>1,542,102</u>	<u>1,399,326</u>	<u>(142,776)</u>
Expenditures:			
Culture and recreation	<u>2,366,062</u>	<u>2,182,257</u>	<u>183,805</u>
Excess of revenues over (under) expenditures	(823,960)	(782,931)	41,029
Other financing sources (uses):			
Insurance recoveries	-	8,582	8,582
Transfers in	800,930	800,930	-
Total other financing sources (uses)	<u>800,930</u>	<u>809,512</u>	<u>8,582</u>
Change in fund balances	<u>\$ (23,030)</u>	26,581	<u>\$ 49,611</u>
Fund balance, beginning of year		<u>486,747</u>	
Fund balance - end of year - budget basis		513,328	
Adjustments:			
Encumbrances		23,232	
Fund balance - end of year - GAAP basis		<u>\$ 536,560</u>	
Net change in fund balance - budget basis		\$ 26,581	
Adjustments:			
Encumbrances - beginning of year		(57,986)	
Encumbrances - end of year		23,232	
Net change in fund balance - GAAP basis		<u>\$ (8,173)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Old School Fund
For the year ended December 31, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous Revenues	\$ -	\$ -	\$ -
Expenditures:			
General governmental Total expenditures	-	\$ 59,893	(59,893)
Excess of revenues over (under) expenditures	-	(59,893)	(59,893)
Other financing sources (uses):			
Insurance recoveries	-	666,250	666,250
Change in fund balances	<u>\$ -</u>	606,357	<u>\$ 606,357</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ 606,357</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Red Roof Mall Fund
For the year ended December 31, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Lease and rent	\$ -	\$ 23,578	\$ 23,578
Total revenues	<u>-</u>	<u>23,578</u>	<u>23,578</u>
Expenditures:			
General Government	132,000	118,509	13,491
Total expenditures	<u>132,000</u>	<u>118,509</u>	<u>13,491</u>
Excess of revenues over (under) expenditures	(132,000)	(94,931)	37,069
Other financing sources (uses):			
Transfers in	<u>299,990</u>	<u>299,990</u>	-
Change in fund balances	<u>\$ 167,990</u>	<u>205,059</u>	<u>\$ 37,069</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ 205,059</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions from component unit	\$ 425,632	\$ 425,632	\$ -
Interest income	146,450	-	(146,450)
Total revenues	<u>572,082</u>	<u>425,632</u>	<u>(146,450)</u>
Expenditures:			
Community development	-	348,460	(348,460)
Debt Service:			
Principal	1,410,000	670,000	740,000
Interest	1,933,834	1,626,991	306,843
Total expenditures	<u>3,343,834</u>	<u>2,645,451</u>	<u>698,383</u>
Excess of revenues over (under) expenditures	(2,771,752)	(2,219,819)	551,933
Other Financing Sources (Uses)			
Transfers in	2,421,136	2,261,410	(159,726)
Total other financing sources (uses)	<u>2,421,136</u>	<u>2,261,410</u>	<u>(159,726)</u>
Change in fund balances	<u>\$ (350,616)</u>	41,591	<u>\$ 392,207</u>
Fund balance (deficit), beginning of year		<u>(898,756)</u>	
Fund balance (deficit), end of year		<u>\$ (857,165)</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 55,220	\$ 55,220
Total revenues	<u>-</u>	<u>55,220</u>	<u>55,220</u>
Expenditures:			
Capital outlay	3,025,500	372,336	2,653,164
Total expenditures	<u>3,025,500</u>	<u>372,336</u>	<u>2,653,164</u>
Excess of revenues over (under) expenditures	(3,025,500)	(317,116)	2,708,384
Change in fund balances	<u>\$ (3,025,500)</u>	<u>(317,116)</u>	<u>\$ 2,708,384</u>
Fund balance, beginning of year		<u>3,638,638</u>	
Fund balance - end of year		<u>\$ 3,321,522</u>	

City of Branson, Missouri
Combining Balance Sheet - Discretely Presented Component Unit
Tax Increment Financing Commission
December 31, 2012

	<u>Branson Meadows</u>	<u>Branson Landing</u>	<u>Branson Hills</u>	<u>Total</u>
Assets				
Cash and investments	\$ -	\$ 1,151,560	\$ 308,205	\$ 1,459,765
Receivables:				
Intergovernmental	34,416	848,550	626,793	1,509,759
Due from primary government	32,888	372,171	259,700	664,759
Restricted cash and investments	-	10,641,333	8,858,615	19,499,948
Total Assets	<u>\$ 67,304</u>	<u>\$ 13,013,614</u>	<u>\$ 10,053,313</u>	<u>\$ 23,134,231</u>
Liabilities				
Liabilities:				
Accounts payable	\$ -	\$ 16,019	\$ -	\$ 16,019
Total liabilities	<u>-</u>	<u>16,019</u>	<u>-</u>	<u>16,019</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	<u>-</u>	<u>266,949</u>	<u>-</u>	<u>266,949</u>
Fund balances:				
Restricted for debt service	<u>67,304</u>	<u>12,730,646</u>	<u>10,053,313</u>	<u>22,851,263</u>
Total fund balances	<u>67,304</u>	<u>12,730,646</u>	<u>10,053,313</u>	<u>22,851,263</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 67,304</u>	<u>\$ 13,013,614</u>	<u>\$ 10,053,313</u>	<u>\$ 23,134,231</u>

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

Fund balances	\$ 22,851,263
Long-term liabilities, including bonds payable, are not due and payable in current period and, therefore, are not reported in the funds. This amount included the following long-liabilities and related items:	
Long-term debt	(191,459,160)
Deferred charge on refunding	3,032,608
Accrued interest payable	<u>(1,025,696)</u>
Net position (deficit) of component unit	<u>\$ (166,600,985)</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, 2012

	Branson Meadows	Branson Landing	Branson Hills	Total
Revenues:				
Taxes	\$ 166,243	\$ 2,222,709	\$ 1,289,650	\$ 3,678,602
Intergovernmental activity taxes	166,243	5,861,466	3,654,045	9,681,754
Lease revenues	-	450,000	-	450,000
Contributions from City	348,460	214,428	-	562,888
Interest	-	524,259	554	524,813
Total revenues	<u>680,946</u>	<u>9,272,862</u>	<u>4,944,249</u>	<u>14,898,057</u>
Expenditures				
Current:				
Community development -				
Contributions to City	-	425,632	-	425,632
Debt service:				
Principal	740,000	2,240,000	975,000	3,955,000
Interest	18,667	7,388,476	3,316,767	10,723,910
Total expenditures	<u>758,667</u>	<u>10,054,108</u>	<u>4,291,767</u>	<u>15,104,542</u>
Excess of revenues over (under) expenditures	(77,721)	(781,246)	652,482	(206,485)
Other financing sources (uses):				
Issuance of bonds	-	33,450,000	-	33,450,000
Premium	-	701,515	-	701,515
Payment to bond escrow agent	-	(36,832,298)	-	(36,832,298)
Total other financing sources (uses)	<u>-</u>	<u>(2,680,783)</u>	<u>-</u>	<u>(2,680,783)</u>
Net change in fund balances	(77,721)	(3,462,029)	652,482	(2,887,268)
Fund balances - beginning of year	<u>145,025</u>	<u>16,192,675</u>	<u>9,400,831</u>	<u>25,738,531</u>
Fund balances - end of year	<u>\$ 67,304</u>	<u>\$ 12,730,646</u>	<u>\$ 10,053,313</u>	<u>\$ 22,851,263</u>

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

Change in fund balances \$ (2,887,268)

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 position. Also, the Commission's governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the

Proceeds from bond issuances	(33,450,000)
Principal payments of long-term debt	3,955,000
Change in accrued interest payable	93,585
Payment to bond escrow agent	36,832,298
Changes in deferred charge on refunding, bond premiums and discounts, net	<u>(616,243)</u>

Change in net position of discretely presented component unit \$ 3,927,372

CITY OF BRANSON, MISSOURI

Statement of Changes in Assets and Liabilities -
Agency Fund
For the year ended December 31, 2012

Landscape Trust Fund	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
Assets				
Cash and cash investments	<u>\$ 924,620</u>	<u>\$ 24,156</u>	<u>\$ 5,000</u>	<u>\$ 943,776</u>
Liabilities				
Due to others	<u>\$ 924,620</u>	<u>\$ 24,156</u>	<u>\$ 5,000</u>	<u>\$ 943,776</u>

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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.

<u>Contents</u>	<u>Table</u>
Financial Trends	
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity	
These tables contain information to help the reader assess the City's most significant local revenue sources: sales tax, tourism tax, and property tax.	5-12
Debt Capacity	
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	13-16
Demographic and Economic Information	
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	17-18
Operating Information	
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	19-21

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

Table 1

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Government activities										
Invested in capital assets, net of related debt	\$ 31,789,576	\$ 7,713,950	\$ 12,523,781	\$ 22,280,129	\$ 141,919,127	\$ 145,177,108	\$ 144,289,962	\$ 129,557,224	\$ 126,777,920	\$ 123,688,092
Restricted	36,864,006	28,372,238	23,716,023	17,980,262	17,204,507	17,791,624	14,686,790	21,582,752	20,830,167	24,479,925
Unrestricted	(13,920,600)	18,261,987	17,979,313	20,709,745	16,681,197	13,200,540	14,845,152	9,950,868	5,922,405	2,753,471
Total governmental activities net assets/position	\$ 54,732,982	\$ 54,348,175	\$ 54,219,117	\$ 60,970,136	\$ 175,804,831	\$ 176,169,272	\$ 173,821,904	\$ 161,090,844	\$ 153,530,492	\$ 150,921,488
Business-type activities										
Invested in capital assets, net of related debt	\$ 72,271,911	\$ 71,208,320	\$ 76,130,789	\$ 75,427,333	\$ 73,609,515	\$ 77,523,944	\$ 75,955,579	\$ 81,930,467	\$ 81,599,165	\$ 79,235,984
Restricted	505,000	-	-	-	172,367	185,812	189,393	3,217,997	2,461,091	120,209
Unrestricted	341,832	5,205,263	1,435,607	1,530,171	1,801,365	2,982,009	4,123,488	4,435,196	4,765,345	7,205,369
Total business-type activities net assets/position	\$ 73,118,743	\$ 76,413,583	\$ 77,566,396	\$ 76,957,504	\$ 75,583,247	\$ 80,691,765	\$ 80,268,460	\$ 89,583,660	\$ 88,825,601	\$ 86,561,562
Primary government										
Invested in capital assets, net of related debt	\$ 104,061,487	\$ 78,922,270	\$ 88,654,570	\$ 97,707,462	\$ 215,528,642	\$ 217,620,480	\$ 220,245,541	\$ 211,487,691	\$ 208,377,085	\$ 202,924,076
Restricted	37,369,006	28,372,238	23,716,023	17,980,262	17,376,874	17,977,436	14,876,183	24,800,749	23,291,258	24,600,134
Unrestricted (deficit)	(13,578,768)	23,467,250	19,414,920	22,239,916	18,482,562	21,263,121	18,968,640	14,386,064	10,687,750	9,958,840
Total primary government net assets/position	\$ 127,851,725	\$ 130,761,758	\$ 131,785,513	\$ 137,927,640	\$ 251,388,078	\$ 256,861,037	\$ 254,090,364	\$ 250,674,504	\$ 242,356,093	\$ 237,483,050

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

Table 2

CITY OF BRANSON, MISSOURI Changes in Net Assets/Position LAST SEVEN FISCAL YEARS										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 3,426,587	\$ 3,035,778	\$ 3,029,990	\$ 3,331,264	\$ 4,528,246	\$ 4,939,024	\$ 4,813,249	\$ 6,288,554	\$ 6,508,380	\$ 7,317,045
Public safety	4,832,990	4,785,882	5,258,799	5,814,712	5,708,173	7,284,189	5,856,388	6,717,714	6,566,479	6,946,404
Public works	7,581,808	6,452,454	6,659,721	7,417,832	8,120,098	9,139,389	2,663,332	9,462,618	14,784,274	9,679,260
Engineering services	508,286	530,728	638,614	613,902	646,429	726,971	606,872	658,103	552,491	585,196
Community development	642,009	626,690	624,574	709,821	1,086,542	1,461,803	1,293,579	1,430,800	825,744	1,381,794
Culture and recreation	1,135,835	1,148,777	1,495,974	2,270,578	2,010,813	2,316,661	2,059,264	2,843,310	2,784,808	2,781,959
Convention Center	-	-	-	-	872,144	7,229,165	5,348,111	7,471,163	8,389,119	9,790,922
Tourism	2,823,843	2,950,686	3,145,185	2,714,475	2,754,357	2,453,257	2,392,731	2,248,108	3,634,159	2,282,803
Interest on long-term debt	5,810,923	4,968,306	4,928,299	5,515,916	6,000,615	3,938,218	3,635,473	3,824,038	2,800,553	3,343,781
Total governmental expense	<u>26,762,281</u>	<u>24,489,301</u>	<u>25,881,156</u>	<u>28,188,300</u>	<u>31,727,417</u>	<u>39,488,687</u>	<u>28,508,798</u>	<u>40,764,608</u>	<u>46,846,007</u>	<u>44,108,164</u>
Business-type activities:										
Water & sewer services	6,608,215	7,338,921	7,185,700	7,587,129	7,938,306	8,701,225	8,526,666	8,270,508	9,228,202	9,438,946
Total business-type activities expense	<u>6,608,215</u>	<u>7,338,921</u>	<u>7,185,700</u>	<u>7,587,129</u>	<u>7,938,306</u>	<u>8,701,225</u>	<u>8,526,666</u>	<u>8,270,508</u>	<u>9,228,202</u>	<u>9,438,946</u>
Total primary governmental expense	<u>\$ 33,370,496</u>	<u>\$ 31,828,222</u>	<u>\$ 33,066,856</u>	<u>\$ 35,775,429</u>	<u>\$ 39,665,723</u>	<u>\$ 48,189,912</u>	<u>\$ 37,035,464</u>	<u>\$ 49,035,116</u>	<u>\$ 56,074,209</u>	<u>\$ 53,547,110</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,440,264	\$ 1,624,581	\$ 1,786,399	\$ 1,777,350	\$ 2,470,833	\$ 2,589,876	\$ 2,746,768	\$ 2,802,297	\$ 2,694,761	\$ 3,683,018
Public safety	152,654	275,509	313,549	341,522	43,849	43,281	19,968	13,466	152,213	256,570
Public works	90,100	71,093	60,342	75,061	13,740	30,307	2,424	-	-	30,000
Engineering services	7,440	7,758	11,053	11,773	2,002	1,577	1,165	1,616	-	-
Community development	330,908	383,853	491,521	789,609	740,409	591,472	229,631	162,255	21,730	28,443
Culture and recreation	756,700	700,034	687,708	1,076,808	1,164,916	1,224,259	1,390,871	1,519,887	1,337,484	1,341,381
Convention center	-	-	-	-	-	3,937,780	4,001,137	4,637,819	4,986,726	6,648,205
Tourism+ C13	-	-	62,397	119,620	19,442	-	-	-	-	-
Operating grants & contributions	156,914	264,352	317,233	345,569	45,622	206,563	45,566	315,980	1,401,141	452,643
Capital grants & contributions	908,144	-	-	265,216	381,654	2,750,119	1,016,376	251,439	1,420,806	2,671,184
Total governmental program revenues	<u>\$ 4,843,124</u>	<u>\$ 3,337,180</u>	<u>\$ 3,730,202</u>	<u>\$ 4,812,548</u>	<u>\$ 4,882,467</u>	<u>\$ 11,375,234</u>	<u>\$ 9,453,905</u>	<u>\$ 9,704,759</u>	<u>\$ 12,014,861</u>	<u>\$ 15,111,444</u>

Changes in Net Assets/Position, Cont.										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services - water & sewer	\$ 3,727,684	\$ 3,913,997	\$ 3,852,735	\$ 4,980,028	\$ 5,195,680	\$ 5,906,548	\$ 5,856,243	\$ 6,077,393	\$ 6,991,270	\$ 6,972,901
Capital grants & contributions	3,781,351	911,433	-	-	696,804	6,523,130	1,199,077	3,996,655	788,201	119,837
Total business-type activities program revenues	7,509,035	4,825,430	3,852,735	4,980,028	5,792,484	12,429,678	7,055,320	10,074,048	7,779,471	7,092,738
Total primary governmental program revenues	\$ 12,352,159	\$ 8,162,610	\$ 7,582,937	\$ 9,792,576	\$ 10,674,951	\$ 23,804,912	\$ 16,509,225	\$ 19,776,807	\$ 19,794,332	\$ 22,204,162
Net (expense)/revenue										
Governmental activities	\$ (21,918,157)	\$ (21,162,121)	\$ (22,150,854)	\$ (23,375,752)	\$ (26,844,950)	\$ (28,113,453)	\$ (19,054,893)	\$ (31,059,849)	\$ (34,831,146)	\$ (28,996,720)
Business-type activities	900,820	(2,513,491)	(3,332,965)	(2,607,101)	(2,145,822)	3,728,453	(1,471,346)	1,803,540	(1,448,731)	(2,346,238)
Total primary governmental net expense	\$ (21,018,337)	\$ (23,675,612)	\$ (25,483,819)	\$ (25,982,853)	\$ (28,990,772)	\$ (24,385,000)	\$ (20,526,239)	\$ (29,256,309)	\$ (36,279,877)	\$ (31,342,958)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Taxes:										
Property tax	\$ 1,727,592	\$ 1,773,199	\$ 1,875,088	\$ 1,793,951	\$ 2,061,835	\$ 2,052,194	\$ 2,370,101	\$ 2,580,923	\$ 2,648,293	\$ 2,553,081
Sales tax	12,682,693	12,325,171	12,454,843	12,884,856	12,443,263	12,981,038	12,102,118	12,321,436	12,478,162	12,459,908
Tourism tax	10,843,815	10,678,801	10,495,936	10,935,304	11,810,276	11,769,977	10,888,188	10,907,769	10,453,937	10,321,064
Other taxes	779,852	837,370	872,555	1,730,423	1,078,175	1,512,676	1,360,473	1,396,916	1,453,969	1,232,656
(Loss)/gain on sale of capital assets	-	(113,160)	-	60,347	9,515	-	-	104,256	15,047	17,870
Unrestricted grants and contributions	17,738	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	2,037,916	1,638,491	1,719,869	4,513,670	2,397,427	1,505,009	876,037	886,518	885,386	681,791
Transfers out	(2,115,113)	(6,362,558)	(4,435,988)	(1,658,925)	(725,608)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)
Total governmental activities	25,974,493	20,777,314	22,982,393	30,259,626	29,075,883	28,477,894	26,596,917	20,118,595	27,270,794	27,211,390
Business-type activities:										
Unrestricted investment earnings	-	56,763	49,780	59,211	45,957	37,065	48,041	31,030	23,919	26,422
Gain of sale of capital assets	-	-	-	280,073	-	-	-	-	2,753	747
Transfers in	2,115,113	6,362,558	4,435,988	1,658,925	725,608	1,343,000	1,000,000	8,061,223	664,000	55,000
Total business-type activities	2,115,113	6,419,321	4,485,778	1,939,209	771,565	1,380,065	1,048,041	8,092,253	690,672	82,169
Total primary government	\$ 28,089,606	\$ 27,196,635	\$ 27,468,171	\$ 32,257,835	\$ 29,847,448	\$ 29,857,959	\$ 27,644,958	\$ 28,210,848	\$ 27,961,466	\$ 27,293,559
Change in Net Assets/Position										
Governmental activities	\$ 4,055,336	\$ (384,807)	\$ 831,439	\$ 6,883,874	\$ 2,230,933	\$ 364,441	\$ 7,542,024	\$ (10,941,254)	\$ (7,560,352)	\$ (1,785,330)
Business-type activities	3,015,933	3,905,830	1,162,813	(606,892)	(1,374,267)	5,108,518	(423,305)	9,895,793	(758,059)	(2,284,039)
Total primary government	\$ 7,071,269	\$ 3,521,023	\$ 1,994,252	\$ 6,277,982	\$ 856,676	\$ 5,472,959	\$ 7,118,719	\$ (1,045,461)	\$ (8,318,411)	\$ (4,049,369)

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 2008 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.

Table 3

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

	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 2,035,038	\$ 1,651,092	\$ 1,650,890	\$ 1,756,039	\$ 2,200,693	\$ 1,265,717	\$ 1,319,086
Unreserved	2,924,267	3,515,412	3,196,765	6,029,006	4,534,005	8,062,100	5,739,682
Total General Fund	\$ 4,959,305	\$ 5,166,504	\$ 4,847,655	\$ 7,785,045	\$ 6,734,698	\$ 9,327,817	\$ 7,058,768
All other governmental funds							
Reserved	\$ 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	6,324,381	8,619,880	17,461,153	14,250,375	17,620,241	12,648,957	5,357,555
Capital project funds	4,508,288	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	13,160	13,274	13,616	14,220	9,670	-	-
Total all other government	\$ 21,938,395	\$ 26,859,477	\$ 31,839,823	\$ 24,450,195	\$ 26,781,029	\$ 24,566,068	\$ 14,321,826
	2010	2011	2012				
General Fund							
Nonspendable	\$ 27,612	\$ 1,242,963	\$ 1,233,132				
Restricted	-	-	-				
Committed	-	45,315	57,280				
Assigned	65,075	130,506	36,896				
Unassigned	5,463,010	6,688,556	5,662,339				
	\$ 5,555,697	\$ 8,107,340	\$ 6,989,847				
All other governmental funds							
Nonspendable	\$ 92,690	\$ 4,660	\$ 4,910				
Restricted	22,597,488	20,825,507	24,475,015				
Committed	463,660	-	-				
Assigned	3,774,721	3,638,638	3,321,522				
Unassigned (deficit)	-	(898,756)	(857,165)				
	\$ 26,928,559	\$ 23,570,049	\$ 26,944,282				

Note: In 2008 the Tax Increment Financing funds were removed from the primary government presentation and shown as a component unit.

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

Table 4

CITY OF BRANSON, MISSOURI										
Changes in Fund Balances of Governmental Funds										
LAST TEN FISCAL YEARS										
(modified accrual basis of accounting)										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 26,033,952	\$ 25,614,541	\$ 25,698,922	\$ 26,715,964	\$ 27,329,795	\$ 28,314,241	\$ 26,868,284	\$ 27,076,663	\$ 27,089,935	\$ 26,635,541
Licenses and permits	647,917	682,281	793,546	1,175,142	1,205,100	1,061,481	648,553	594,662	630,822	752,465
Court fines	215,256	255,761	221,967	257,509	428,633	642,078	653,158	721,396	462,319	424,167
Charges for services	743,076	696,036	731,963	1,155,310	2,128,886	6,160,664	6,506,679	6,537,071	7,028,189	6,342,403
Lease and rent	960,308	966,594	1,054,985	959,224	1,118,492	1,065,826	1,202,484	1,299,524	1,270,272	1,082,494
Lease termination	-	-	-	-	-	-	-	-	1,420,806	-
Intergovernmental activity taxes	-	-	-	628,570	26,208	-	-	-	67,067	1,292,613
Contributions from component unit	-	-	-	-	-	-	216,243	315,981	1,234,122	425,632
Investment earnings	2,037,916	1,638,491	1,719,868	4,513,670	2,397,427	1,505,009	876,037	888,518	885,386	681,791
Miscellaneous and contributions	2,001,207	1,189,035	1,323,840	1,843,675	650,014	613,065	107,630	313,010	353,163	184,270
Total revenues	\$ 32,639,632	\$ 31,032,739	\$ 31,684,693	\$ 37,249,064	\$ 35,285,555	\$ 39,382,584	\$ 36,679,068	\$ 37,746,826	\$ 40,422,071	\$ 36,821,376
Expenditures										
General government	\$ 3,106,030	\$ 3,272,068	\$ 3,314,430	\$ 3,736,872	\$ 5,190,074	\$ 4,593,757	\$ 4,813,249	\$ 5,919,194	\$ 5,399,751	\$ 6,508,377
Public safety	4,656,878	4,768,290	5,103,631	5,394,949	5,798,774	6,814,114	5,636,368	5,980,396	6,452,560	6,917,136
Public works	1,307,382	1,886,681	1,748,692	2,102,816	2,716,631	2,931,678	2,893,332	3,128,528	3,875,368	4,168,293
Engineering	1,125,822	1,149,382	1,142,415	1,305,458	1,482,282	662,870	606,672	595,835	487,858	516,275
Community Development	-	-	-	-	-	1,396,627	1,293,578	1,359,711	825,744	1,376,767
Culture and recreation	1,023,857	1,039,752	1,362,018	1,754,359	1,838,694	2,096,656	2,099,264	2,020,121	2,141,406	2,217,011
Convention Center	-	-	-	-	-	5,162,094	5,348,111	5,385,970	5,645,608	7,163,096
Tourism	2,823,843	2,950,686	3,145,185	2,714,475	2,985,042	2,679,977	2,392,731	2,479,293	3,897,022	2,282,803
Capital outlay	6,651,191	26,250,126	39,559,654	44,911,191	36,961,252	7,614,255	6,224,332	745,692	6,588,219	372,336
Debt service										
Principal	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	3,978,187
Cost of Issuance	925,715	-	895,645	500,538	-	-	-	-	691,412	-
Interest	5,505,182	4,753,058	4,526,874	4,269,991	6,049,762	3,777,499	3,635,473	3,683,624	2,745,660	3,254,415
Advance refunding payment	-	-	-	-	-	-	-	-	5,490,478	-
Total expenditures	\$ 32,751,900	\$ 51,207,063	\$ 66,327,544	\$ 72,618,491	\$ 65,604,511	\$ 40,365,517	\$ 37,920,130	\$ 34,229,564	\$ 47,303,965	\$ 38,752,693
Excess of revenues over (under) expenditures	(112,268)	(20,174,344)	(34,742,851)	(35,369,427)	(30,318,956)	(982,933)	(641,062)	3,521,261	(6,881,914)	(1,931,317)
Other financing sources (uses)										
Transfers in (out)	(45,214)	(6,362,558)	(4,435,998)	(1,658,925)	(692,162)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)
Proceeds from the sale of capital assets	-	133,521	-	60,347	-	-	-	-	-	8,084
Insurance recoveries	-	-	-	-	-	-	-	-	-	4,234,773
Refunding bonds issued	56,160,602	-	-	-	1,840,000	-	-	-	-	-
Bonds issued	-	40,000,000	80,000,000	-	-	-	-	15,535,000	-	-
Issuance premium on bonds	-	-	2,085,146	-	-	-	-	(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	-	-	-	-	-	-	-	42,527,636	-
Bond issue costs	-	(602,317)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	35,701,802	33,268,646	77,649,148	(1,598,578)	(533,823)	(1,343,000)	(1,000,000)	(479,517)	6,075,047	4,187,857
Net change in fund balances	\$ 35,589,534	\$ 13,094,302	\$ 42,906,297	(36,968,005)	(30,652,579)	(2,325,933)	(1,641,062)	3,041,744	(606,867)	2,256,540
Debt service as a percentage of noncapital expenditures	43.93%	40.43%	40.92%	38.65%	30.12%	19.70%	20.52%	19.75%	15.96%	23.61%

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 5

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

Fiscal Year	Ad valorem Taxes	Sales Taxes	Motor Fuel Taxes	911 Taxes	Franchise Taxes	Cigarette Taxes	Tourism Taxes	Total
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
2012	2,621,893	12,082,847	377,060	236,900	928,980	66,777	10,321,084	26,635,541

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		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
		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	\$181,831,212	\$233,238,711	\$ 247,941,199	\$ 274,916,762	\$ 293,755,942	\$ 305,409,447	\$ 304,129,831	\$ 304,221,868
Apparel Stores	Retail	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	161,241,244
Eating & Drinking Estab.	Restaurant	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	137,183,377
Lodging and Campgrounds	Lodging	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	132,745,848
Theaters & Live Entertainment	Theater	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	103,111,671
Non-Theater Entertainment	Amusement	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	38,938,056
Grocery & Liquor Stores	Grocery	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	18,226,500
Automotive Sales, Leasing & Service	Automotive	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	26,660,992
Ice Cream, Candy, Coffee Shops	Restaurant	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	9,465,643
Other	Other	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	71,427,996
Total		\$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	\$ 1,003,223,195

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
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%
2012	1.500%	1.625%	0.250%	4.225%	1.000%

Sources: City of Branson

Missouri State Sales Tax Exemption:
*Motor fuel or special fuel subject to an excise tax of this state.
 All sales of insulin and prosthetic or orthopedic devices, hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items.*

Additional Tourism Enhancement Tax Exemptions:
*All ticketed amusements, theater seats, hotel & overnight accommodations subject to the city of Branson tourism tax. *All sales of food & beverage are subject to enhancement tax rate of .875% instead of 1%.
 New or used motor vehicles
 Trailers, boats or other outboard motors
 All utilities, telephone and wireless services
 Funeral services*

Table 8

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

<u>TAXPAYER CATEGORY</u>	<u>Rate</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>	<u>2012</u>
Food & Beverage	0.5%	\$ 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	\$ 184,191,502
Hotel/Motel	4%	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	108,863,270
Theaters & Live Entertainment	4%	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	80,190,214
Amusements	4%	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	33,126,047
Overnight Rentals	4%	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	19,366,302
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	5,142,011
Campground	4%	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	2,384,765
Total		\$ 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	\$ 433,264,111

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		
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%
2012	150,241,732	270,660,662	958,770	54,572,853	476,434,017	4.8846	5.0346	1,809,922,558	26.32%

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

Table 10

CITY OF BRANSON, MISSOURI PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS PER \$100 ASSESSED VALUATION LAST TEN FISCAL YEARS										
Fiscal Year	City of Branson	Branson R-4	Ambulance District	State Levy	Handicapped	Sr. Citizens Service Fund	Health	Total Levy Resident	Surtax	Total Levy Commercial
2003	\$ 0.4842	\$3.2800	\$ 0.2009	\$0.0300	\$ 0.9000		\$0.0904	\$ 4.9855	\$0.1500	\$ 5.1355
2004	0.4842	3.3700	0.2009	0.0300	0.0904		0.1400	4.3155	0.1500	4.4655
2005	0.4851	3.4500	-	0.0300	0.0904		0.1404	4.1959	0.1500	4.3459
2006	0.4853	3.4508	-	0.0300	0.0904		0.1404	4.1969	0.1500	4.3469
2007	0.4853	3.4500	-	0.0300	0.0904		0.1404	4.1961	0.1500	4.3461
2008	0.4902	3.4500	-	0.0300	0.0904		0.1404	4.2010	0.1500	4.3510
2009	0.4535	3.9000	-	0.0300	0.0873		0.1404	4.6112	0.1500	4.7612
2010	0.5155	3.9000	-	0.0300	0.0873		0.1404	4.6732	0.1500	4.8232
2011	0.5186	3.8605	-	0.0300	0.0880	0.0500	0.1404	4.6875	0.1500	4.8375
2012	0.5394	3.9436	-	0.0300	0.0896	0.0500	0.1404	4.7930	0.1500	4.9430

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

Table 11

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

Taxpayer		2012			2003		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sight & Sound Ministries	Theater	\$ 9,708,290	1	2.04%	N/A	N/A	N/A
Chateau on the Lake	Lodging	7,834,030	2	1.64%	\$ 7,311,420	1	2.19%
Tanger Mall	Retail	5,974,060	3	1.25%	5,555,790	2	1.67%
Branson Landing Hotel	Lodging	4,950,080	4	1.04%	N/A	N/A	N/A
Summit Natural Gas	Utilities	4,126,150	5	0.87%	N/A	N/A	N/A
Wal-Mart	Retail	3,858,850	6	0.81%	N/A	N/A	N/A
Radisson Hotel	Lodging	3,616,000	7	0.76%	4,029,530	4	1.21%
Red Roof Mall	Retail	N/A	N/A	N/A	3,548,320	6	1.06%
Branson Meadows Mall	Retail	3,312,000	8	0.70%	4,629,500	3	1.39%
Branson's Magical Mansion, Inc.	Theater	N/A	N/A	N/A	3,190,770	7	0.96%
Welk Resort	Lodging/Theater	N/A	N/A	N/A	3,184,800	8	0.96%
Tri-Lakes Center	Theater	N/A	N/A	N/A	3,178,620	9	0.95%
Grand Palace	Theater	3,079,600	9	N/A	3,700,330	5	1.11%
Branson Landing Boutiques	Retail	2,537,280	10	0.53%	N/A	N/A	N/A
Moon River Enterprises	Theater	N/A	N/A	N/A	2,377,410	10	0.71%
Totals		\$ 48,996,340		10.28%	\$ 40,706,490		12.21%

Information provided by the Taney County Assessors Office

Table 12

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

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy *
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%	57,576	1,892,416	98.91%
2008	2,017,499	1,995,285	98.90%	65,443	2,060,728	102.14%
2009	2,302,621	2,247,701	97.61%	144,655	2,392,356	103.90%
2010	2,501,491	2,135,966	85.39%	356,522	2,492,488	99.64%
2011	2,549,098	2,215,970	86.93%	89,396	2,305,367	90.44%
2012	2,569,885	2,377,476	92.51%	-	2,377,476	92.51%

*For years 2003 through 2009 - 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	Notes Payable	Water & Sewer Revenue Bonds	Other Debt & Capital Leases			
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	5,639,767	330,000	-	70,561,767	25.70%	6,411
2012	61,119,000	5,134,580	170,000	-	66,423,580	23.03%	5,889

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, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
R-4 School District	\$ 79,370,000	73.66%	\$ 58,460,998
Taney County	-	73.66%	-
Subtotal, overlapping debt			58,460,998
City of Branson - Direct debt			<u>66,253,580</u>
Total direct and overlapping debt			<u>\$ 124,714,578</u>
<i>Sources: Assessed value data used to e data provided by the county.</i>			
<i>Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Branson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses, should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.</i>			
<i>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city government's boundaries and dividing it by the entitie's total taxable assessed value.</i>			

Table 15

CITY OF BRANSON, MISSOURI Legal Debt Margin Information LAST TEN FISCAL YEARS										
	<u>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>	<u>2012</u>
Debt Limit	\$ 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	\$ 95,286,803
Total debt applicable to limit	<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>	<u>24,466,076</u>
Legal debt margin	<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>	<u>\$ 70,820,727</u>
Total net debt applicable to limit as a percentage of debt	46%	43%	38%	36%	25%	23%	22%	26%	23%	26%
Legal Debt Margin Calculation for Fiscal Year 2012										
										\$ 476,434,017
										95,286,803
										25,309,000
										General obligation bonds
										5,134,580
										Total bonded debt
										<u>30,443,580</u>
										Less:
										Debt reserve funds
										<u>(5,977,504)</u>
										Total net debt applicable to limit
										<u>24,466,076</u>
										Legal debt margin
										<u>\$ 70,820,727</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 PLEDGED 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
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
2012	10,453,937	2,282,803	8,171,134	2,803,000	1,345,386	4,148,386	1.97
**Water & Sewer Revenue Bonds							
	Water & Sewer Revenues	Operating Expenses	Net Available Revenue	Principal	Debt Service Requirements Interest	Total	Coverage
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
2012	6,926,349	5,591,008	1,335,341	160,000	21,615	181,615	7.35
***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	2.80
2004	31,032,739	14,866,899	16,165,840	3,450,000	2,659,967	6,109,967	2.65
2005	31,584,693	15,816,371	15,768,322	3,560,000	2,538,089	6,098,089	2.59
2006	37,249,064	16,998,771	20,250,293	3,875,000	2,385,511	6,260,511	3.23
2007	35,285,555	20,001,497	15,284,058	415,000	2,110,607	2,525,607	6.05
2008	39,382,584	26,297,773	13,084,811	420,000	2,106,470	2,526,470	5.18
2009	36,879,068	24,873,325	12,005,743	430,000	2,064,110	2,494,110	4.81
2010	37,746,825	26,869,048	10,877,777	465,000	2,061,979	2,526,979	4.30
2011	39,301,255	28,725,317	10,575,938	-	2,043,377	2,043,377	5.18
2012	36,821,376	31,147,755	5,673,621	-	1,603,150	1,603,150	3.54

**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	AVERAGE ANNUAL WAGE (county)	MEDIAN AGE (county)	EDUCATION LEVEL IN YEARS OF SCHOOLING (county)	PUBLIC SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
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%
2012	11,280	288,395,760	25,567	41.4	13	4,635	9.9%

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

Table 18

CITY OF BRANSON, MISSOURI Principal Employers in Branson CURRENT YEAR AND TEN YEARS AGO							
Taxpayer		2012			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%
Cox Health (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	613	4	2.92%	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		6,335		30.20%	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.										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Administrative services	20	23	24	24	25	32	29	29	29	27
Finance	8	8	8	9	9	8	9	9	9	9
Planning	12	11	11	11	13	11	11	12	12	13
Police										
Officers	53	53	53	53	53	52	44	43	43	45
Civilians	4	4	4	4	4	4	12	15	15	15
Fire										
Firefighters	33	34	35	35	37	41	36	37	37	38
Civilians	1	1	1	1	2	4	2	2	2	2
Public Works/Utilities										
Facilities	27	28	28	27	28	29	20	11	11	10
Water	17	19	19	20	22	16	16	17	17	16
Wastewater	24	26	26	24	25	23	24	24	24	24
Other	6	5	5	6	6	6	5	8	8	13
Engineering	8	8	9	9	9	7	8	8	8	7
Parks & Recreation										
	12	12	12	11	12	13	11	18	18	18
TOTAL	225	232	235	234	245	246	227	233	233	237
Per City Budget	234	240	262	281	301	321	254	235	235	237
<i>Sources: Various government departments.</i>										

Table 20

CITY OF BRANSON, MISSOURI										
Operating Indicators by Function										
Last Ten Fiscal years										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
Police Department										
Physical arrests	960	1,127	993	1,091	1,316	1,553	1,338	1,771	1,682	1,263
Parking violations (CY)	1,490	1,924	1,820	1,606	2,280	2,125	2,103	2,192	1,845	2,076
Traffic violations	2,593	2,990	2,287	3,342	5,837	8,370	9,606	8,511	5,401	5,529
Fire Department										
Emergency Responses	2,276	2,282	2,652	2,644	3,098	3,479	3,296	3,574	2,402	3,627
Fires extinguished	57	60	77	68	44	53	66	56	76	77
Inspections	980	950	1,000	1,400	1,540	1,728	1,737	1,262	1,643	1,453
Planning & Development										
Building permits issued (CY)	1,497	1,572	1,941	2,870	1,793	1,650	1,740	1,506	1,438	1,882
Building inspections (CY)	4,752	5,524	5,240	5,700	4,411	3,321	3,598	3,900	3,390	3,685
Public Works										
Street Resurfacing	0.88	0.23	3.04	1.5	1.42	0	1.6	2	3.6	4.64
Potholes Repaired	633	497	4,225	1,144	2,685	1,234	1,912	1,080	2,606	7,273
New water connections	142	176	180	196	72	57	15	59	14	7
Water main breaks	43	34	52	55	45	42	47	112	101	74
Average daily consumption	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	3,463,386
Peak daily consumption	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	6,380,000
Average daily sewage treatment	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	3.83 mgd
Parks & Recreation										
Pool admissions	N/A	N/A	14,956	21,995	22,297	31,587	27,953	26,524	30,864	24,873
Golf - rounds	8,350	7,908	7,233	7,630	9,038	9,608	7,683	6,740	4,621	5,529
Athletic field - events	84	81	80	87	90	94	98	101	99	100

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										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	14	15	16	16	16	16
Fire Department										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Street (miles)	N/A	84.23	84.23	84.23	97	97	0	97.5	97.5	97.5
Street Lights	N/A	N/A	N/A	1,517	1,609	1,609	0	1,631	1,643	1,625
* Traffic Signals	N/A	7	7	10	12	13	13	15	12	12
*Other traffic signals maintained by Missouri Dept of Transportation										
Utilities										
Water mains (miles)	N/A	81.5	81.5	90	90	92.09	95.3	93.86	95	95.15
Fire Hydrants	N/A	815	840	865	865	882	580	743	763	763
Storage capacity (thousand gals)	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	4,800,000
Utilities										
Sanitary sewers (miles)	N/A	123	123	130	179	210	172	231	233	233
Storm sewers (miles)	N/A	58	60	65	65	65	80	65	65	65
Treatment capacity (thousand gals)	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	8,700,000
Parks & Recreation										
Acreage	255	243	285	290	290	290	290	290	290	290
Playgrounds	10	8	9	9	9	9	9	9	9	9
Baseball/softball fields	5	4	8	8	8	8	8	8	8	8
Soccer/football fields	1	1	3	3	3	3	3	3	3	3
Community/recreation centers	1	1	2	2	2	2	2	2	2	2
Campgrounds/RV parks	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
<i>Sources: Various government departments.</i>										
<i>Note: Indicators are not available for the general governmental function.</i>										