



CITY OF BRANSON, MISSOURI

**Comprehensive Annual
Financial Report**

**For The Fiscal Year Ended
December 31, 2016**

**Prepared by:
Department of Finance**



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**City of Branson, Missouri
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016**

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Introductory Section



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June 21, 2017

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, 2016. 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 designed to protect the City's assets from loss, theft or misuse is utilized. 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 Allen, Gibbs, & Houlik, L.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, 2016 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 (13,550 acres) and plays host to millions of visitors a year. Branson thrives as a tourism destination due to the scenic beauty including three prize-winning fishing and recreational lakes, as well as major family-oriented attractions including dozens of theatres offering live entertainment of all varieties, theme parks and shopping.

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

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

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

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

Factors Affecting Financial Condition

Local Economy—in 2016, the City of Branson continued to benefit from prior year and recent economic development activities. These activities shows in the sales growth, as measured by state sales tax filings, considering that filings increased by 2.0% from calendar year 2015. Branson’s economy is still focused primarily on the seasonal tourism industry.

Tourism—Branson and the Tri-Lakes area attracted millions of visitors in 2016 who contributed well over a billion dollars into the local economy. In 2017, Branson was named in the top twenty U.S. destinations by TripAdvisor. In 2016 and 2017, Trivago named Branson as the number one best value city 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 commercial 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	14.8%
Radius of 100 to 300 miles	28.7%
Radius of 300 to 650 miles	30.1%
Radius of 650 or more miles	26.3%

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 34 music theaters with over 40,000 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.

Providing a wonderful venue for visitors of all ages, Silver Dollar City draw millions of visitors each year. Throughout the year various festivals are held highlighting themes such as Bluegrass & BBQ, Southern Gospel Picnic, the new Star Spangled Summer, and of course, Old Time 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. Included in the courses available in the Branson area is Buffalo Ridge Golf Course which was voted by Golf Digest as one of the top 100 public golf courses in America. Other golf courses in the area include Payne Stewart, Pointe Royale, Thousand Hills, Ledgestone, Top of the Rock, Holiday Hills, and Murder Rock.

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

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

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

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

Shopping— From Historic Downtown Branson, with its unique family-owned and operated one-of-a-kind retail experience at Dick's 5 & 10 to Branson Landing, a \$420 million, 95-acre development of world-class shopping, dining, lodging, and a spectacular water, light, sound, and fire attraction, to two factory outlet malls, visitors consistently rank shopping among the most popular activities of the area. Tourists and locals alike enjoy a unique shopping experience at Branson Landing as well as shopping the factory outlet stores located in Tanger Outlet Mall, and The Shoppes at Branson Meadows. With easy access and located on the north edge of Branson,

the Branson Hills / Branson Shoppes development offering national brand retailers presenting a diversified mix of retail and food establishments, has become a favorite shopping location. Shoppers can find contemporary goods and handcrafted items all year round.

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 in city limits is 111.

You cannot be hungry in Branson, as visitors have an endless variety of restaurants and food establishments from which to choose, as there are 127 restaurants, coffee shops, and ice cream establishments with over 25,000 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. Also new this year—Branson is now allowing food trucks.

Conference Facilities— Branson, with an abundance of amenities and nationally centralized location, is a popular place for holding meetings of all sizes. The Branson area has several conference center hotels in various locations offering a variety of options. Some of the larger conference facilities include the following. Located on the shores of beautiful Table Rock Lake, Chateau on the 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, Radisson Inn has meeting and conference capacity of 1,200. Adjacent to the Branson Landing, a waterfront development on Lake Taneycomo in downtown Branson, the City owns a 220,000 square foot convention and exhibition complex, including two exhibit halls totaling 50,000 square feet, which connects to a 23,000 square foot ballroom. There are 12 additional meeting rooms on the second floor. All combined, the Branson Convention Center has the ability to accommodate approx. 4,500 persons and is connected to one of the two Hilton Hotels which has a combined room total of 537 hotel rooms.

Long-term financial planning and debt administration

The City of Branson utilizes a five-year capital improvement program to prioritize public projects. The City has also developed a 20-year capital improvement plan that is based on the 2030 Community Plan. The 2030 Community Plan was created in 2010 and is a guide to realize our vision for the future. 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 thirteen debt issues outstanding. These issues include \$13,510,000 in revenue bonds for the Tourism Fund; \$31,115,000 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 \$164,010,190 debt issuances that is included within the Tax Increment Financing District. The TIF District is considered a blended component unit included in with the governmental funds presentation. The City is financially accountable for the District because the City approves the District'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 FY2016 included: Highway 76 Complete Streets Projects and Downtown Branson Streetscapes as well as repairing aging water and sewer infrastructure.

Strategic Plan

The Board of Aldermen established guidelines for the Strategic Plan and the priorities needed to meet the goals of our city as described to us in our 2030 Community Plan. The departments have created an inventory of all the services performed on behalf of the city and then rated those services according to how well each service meets the needs and expectations of our community. The departments then used the following guidelines in the course of setting up their goals and as a basis for evaluating their performance. Below are the summarized priorities of our City:

1. Land Use
2. Tourism
3. Economic Development
4. Community Character
5. Parks, Open Space & Recreation
6. Community Needs: Safety, Health & Socio-Economic
7. Community Needs: Arts, Culture & Education
8. Transportation
9. Infrastructure & Environment
10. Good Governance.

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 eleventh 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.

The Government Finance Officers Association of the United States and Canada (GFOA) has also awarded a Distinguished Budget Presentation Award to the City of Branson. This award represents a significant achievement and reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting.

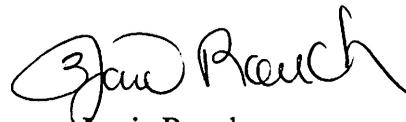
Our appreciation is extended to the Mayor, the Board of Aldermen, department directors and all city employees for their support concerning the financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of the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

We would also like to thank our auditors, Allen, Gibbs & Houlik, L.C. for their help in formulating this report.

Respectfully submitted,



Stanley Dobbins
City Administrator



Jamie Rouch
Finance Director



Government Finance Officers Association

**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, 2015

Executive Director/CEO

CITY OF BRANSON, MISSOURI

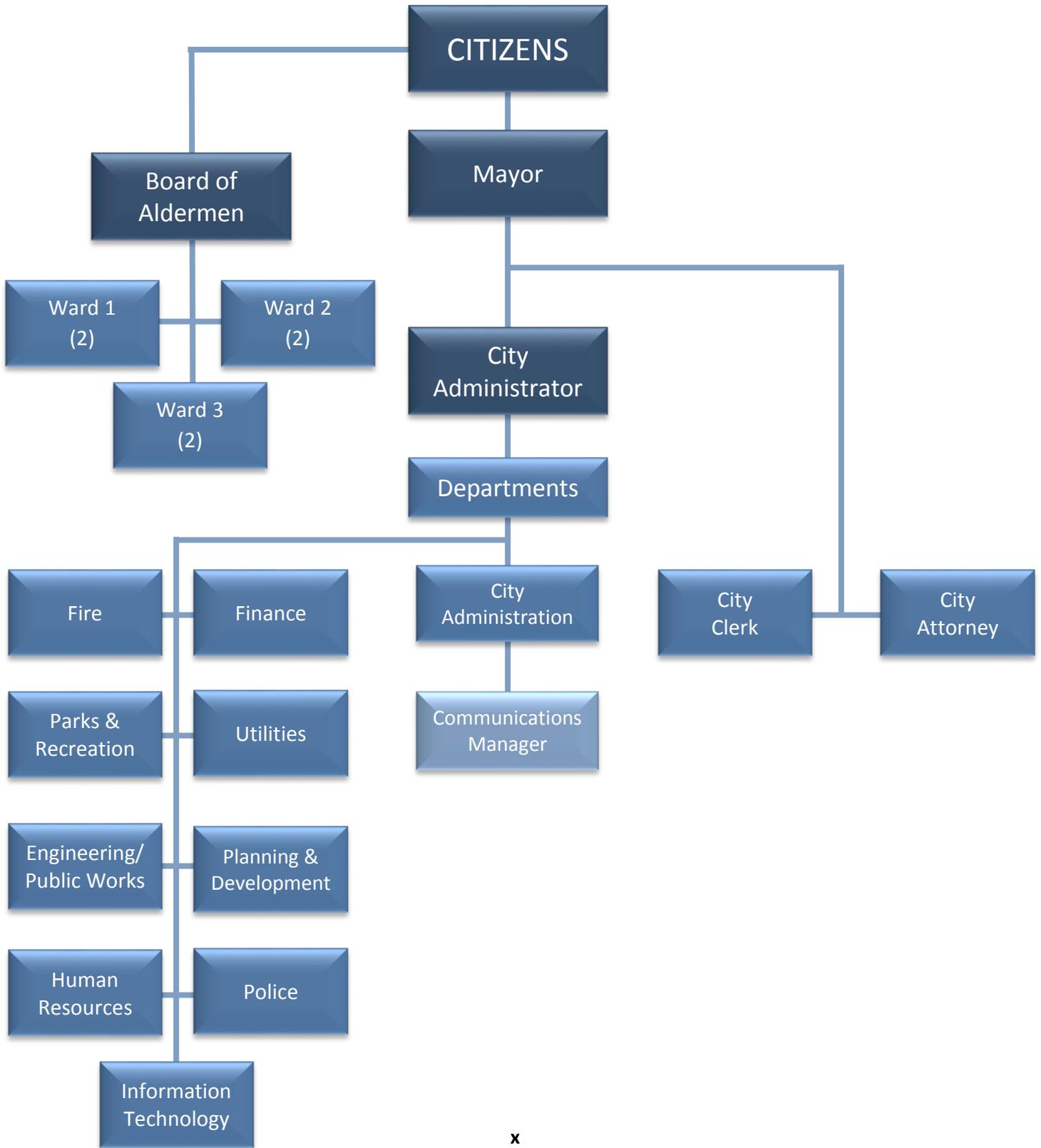
LIST OF PRINCIPAL OFFICIALS

As of December 31, 2016

Mayor	Karen Best
Alderman	Mike Booth
Alderman	Bob Simmons
Alderman	Kirsten Hart
Alderman	Rick Castillon
Alderman	Betsy Seay
Alderman	Rick Todd
City Administrator	William J. Malinen
City Attorney	William Duston
Finance Director	Jamie Rouch
Human Resources Director	Jan Fischer
City Engineer/Public Works Director	David Miller
Planning & Development Director	Joel Hornickel
Police Chief	Stanley Dobbins
Fire Chief	Ted Martin
Utilities Director	Mike Ray
City Clerk	Lisa Westfall
Information Technology Director	Chad Forster
Parks & Recreation Director	Cindy Shook

CITY OF BRANSON

Organizational Chart



Financial Section



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INDEPENDENT AUDITOR'S REPORT

Board of Alderman
City of Branson, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Branson, Missouri (City), as of and for the year ended December 31, 2016, 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 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Branson, Missouri, as of December 31, 2016, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in 2016, the City adopted Government Accounting Standards Board Statement No. 72: *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic 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 our report dated June 21, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 21, 2017
Wichita, Kansas

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, 2016. 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 2016 by \$88,848,812.
- The City's total net position increased by \$9,300,361. Of this amount, \$10,370,268 was an increase in the City's "governmental activities", while the City's "business-type activities" decreased by \$1,069,907.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,369,527. Approximately 14% of this total amount is unassigned.
- At December 31, 2016, the total unassigned fund balance for the General Fund was \$6,600,566 or approximately 27% of general fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Required Supplementary and Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes budgetary schedules and a schedule of funding progress related to providing pension and other post-employment benefits to City employees. Required supplementary information can be found on pages 54-60 of this report. Other supplementary information includes certain combining and individual fund statements and schedules. These statements are found on pages 61-75 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, 2016, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$88,782,158. The largest portion of the City's net position \$200,754,419 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, 2016 and 2015:

City of Branson Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Assets:						
Current and other assets	\$ 55,044,211	\$ 56,571,740	\$ 10,527,269	\$ 11,833,842	\$ 65,571,480	\$ 68,405,582
Capital assets	174,921,287	171,431,892	72,789,732	72,229,268	247,711,019	243,661,160
Total assets	<u>229,965,498</u>	<u>228,003,632</u>	<u>83,317,001</u>	<u>84,063,110</u>	<u>313,282,499</u>	<u>312,066,742</u>
Deferred outflows of resources:						
Deferred charge on refunding	5,398,329	5,904,543	-	-	5,398,329	5,904,543
Deferred outflows related to pensions	4,259,046	1,877,595	999,036	440,423	5,258,082	2,318,018
Total deferred outflows of resources	<u>9,657,375</u>	<u>7,782,138</u>	<u>999,036</u>	<u>440,423</u>	<u>10,656,411</u>	<u>8,222,561</u>
Liabilities:						
Long-term obligations	223,062,317	231,186,640	1,193,040	539,271	224,255,357	231,725,911
Other liabilities	5,432,236	4,755,705	2,164,907	1,998,714	7,597,143	6,754,419
Total liabilities	<u>228,494,553</u>	<u>235,942,345</u>	<u>3,357,947</u>	<u>2,537,985</u>	<u>231,852,500</u>	<u>238,480,330</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,506,490	1,858,088	-	-	2,506,490	1,858,088
Unavailable revenue - pensions	592,197	325,972	138,911	76,462	731,108	402,434
Total deferred inflows of resources	<u>3,098,687</u>	<u>2,184,060</u>	<u>138,911</u>	<u>76,462</u>	<u>3,237,598</u>	<u>2,260,522</u>
Net Position:						
Net, investment in capital assets	127,964,687	115,152,798	72,789,732	72,229,268	200,754,419	187,382,066
Restricted	38,647,161	41,951,381	-	-	38,647,161	41,951,381
Unrestricted /(Deficit)	<u>(158,582,215)</u>	<u>(159,444,814)</u>	<u>8,029,447</u>	<u>9,659,818</u>	<u>(150,552,768)</u>	<u>(149,784,996)</u>
Total Net Position (deficit)	<u>\$ 8,029,633</u>	<u>\$ (2,340,635)</u>	<u>\$ 80,819,179</u>	<u>\$ 81,889,086</u>	<u>\$ 88,848,812</u>	<u>\$ 79,548,451</u>

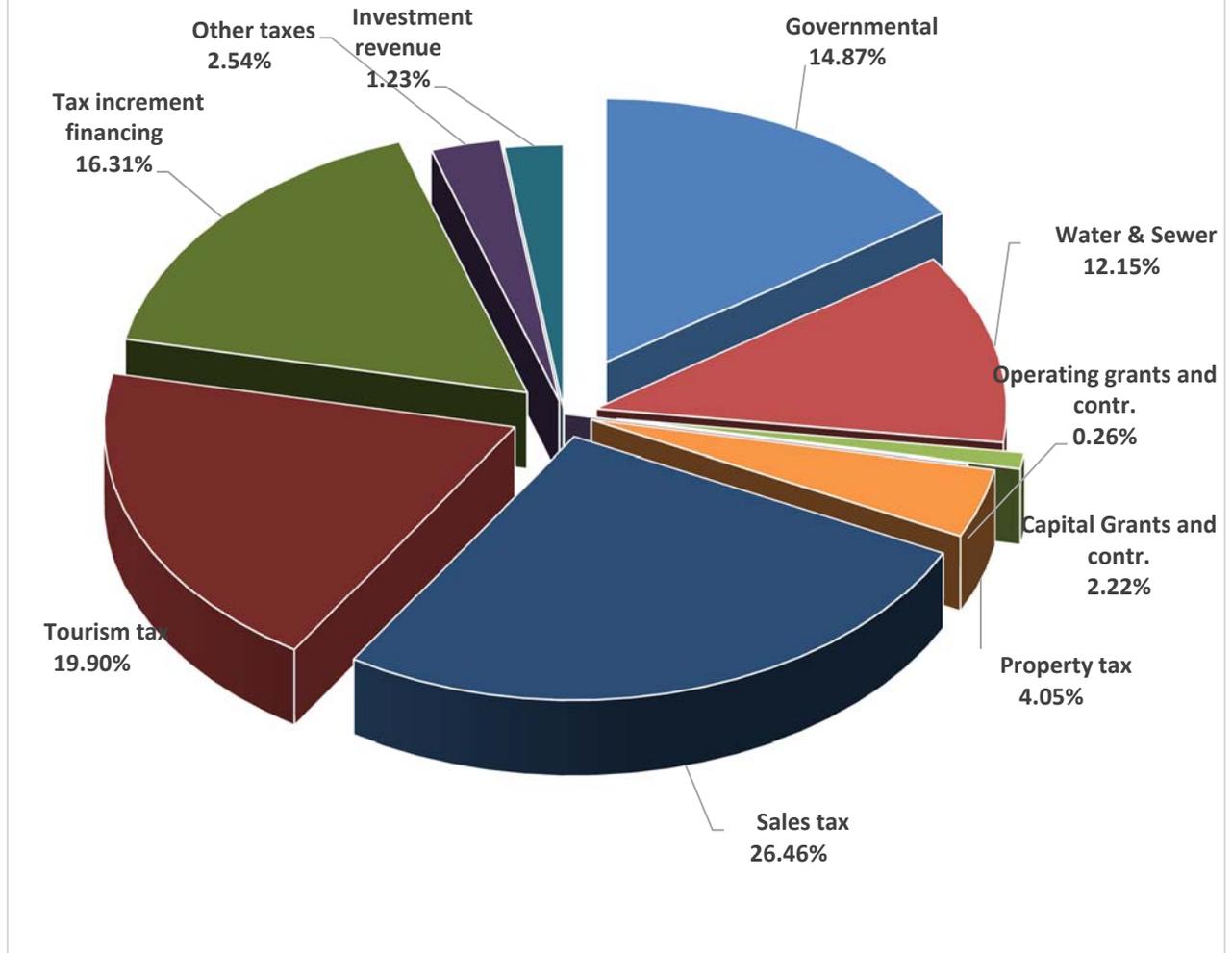
For the year ended December 31, 2016, the City's governmental activities net position increased by \$10,370,268. The City's business-type activities net position decreased by \$1,069,907, primarily as a result of operating expenses including depreciation exceeding operating revenues due to an increase in repairs and maintenance.

Changes in Net Position

The following table reflects the revenues and expenses for the fiscal years ended December 31, 2016 and December 31, 2015 from the City's activities:

City of Branson Statement of Activity						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Program Revenues:						
Charges for services						
Governmental	\$ 9,928,936	\$ 9,689,909	\$ -	\$ -	\$ 9,928,936	\$ 9,689,909
Water and sewer	-	-	8,109,639	7,376,804	8,109,639	7,376,804
Capital grants and contr.	216,062	198,306	1,267,680	401,987	1,483,742	600,293
Operating grants and contr.	172,387	25,271	-	-	172,387	25,271
General Revenues:						
Property tax	2,705,460	2,656,996	-	-	2,705,460	2,656,996
Sales tax	17,662,010	16,896,104	-	-	17,662,010	16,896,104
Tourism tax	13,284,968	12,149,089	-	-	13,284,968	12,149,089
Tax increment financing	10,889,839	10,543,454	-	-	10,889,839	10,543,454
Other taxes	1,694,796	1,725,996	-	-	1,694,796	1,725,996
Investment revenue	791,407	1,431,890	26,978	21,381	818,385	1,453,271
Other	8,151	-	-	-	8,151	-
Total revenues	<u>57,354,016</u>	<u>55,317,015</u>	<u>9,404,297</u>	<u>7,800,172</u>	<u>66,758,313</u>	<u>63,117,187</u>
Expenses:						
General government	6,507,060	6,095,239	-	-	6,507,060	6,095,239
Public safety	7,372,503	6,673,594	-	-	7,372,503	6,673,594
Public works	7,974,953	9,362,157	-	-	7,974,953	9,362,157
Engineering services	673,679	628,328	-	-	673,679	628,328
Community development	919,153	777,043	-	-	919,153	777,043
Culture and recreation	2,871,391	2,453,437	-	-	2,871,391	2,453,437
Convention center	6,754,370	6,758,400	-	-	6,754,370	6,758,400
Tourism	2,401,175	3,249,908	-	-	2,401,175	3,249,908
Interest and debt issuance costs	10,431,870	10,555,017	-	-	10,431,870	10,555,017
Water and sewer utility	-	-	11,551,798	11,163,088	11,551,798	11,163,088
Total expenses	<u>45,906,154</u>	<u>46,553,123</u>	<u>11,551,798</u>	<u>11,163,088</u>	<u>57,457,952</u>	<u>57,716,211</u>
Changes in net assets before transfers	11,447,862	8,763,892	(2,147,501)	(3,362,916)	9,300,361	5,400,976
Transfers	(1,077,594)	(1,980,000)	1,077,594	1,980,000	-	-
Change in net position	10,370,268	6,783,892	(1,069,907)	(1,382,916)	9,300,361	5,400,976
Net position, beginning	(2,340,635)	(9,964,668)	81,889,086	83,079,776	79,548,451	73,115,108
Prior period adjustment	-	840,141	-	192,226	-	1,032,367
Net position, ending	<u>\$ 8,029,633</u>	<u>\$ (2,340,635)</u>	<u>\$ 80,819,179</u>	<u>\$ 81,889,086</u>	<u>\$ 88,848,812</u>	<u>\$ 79,548,451</u>

2016 Revenues (Government-Wide Basis)

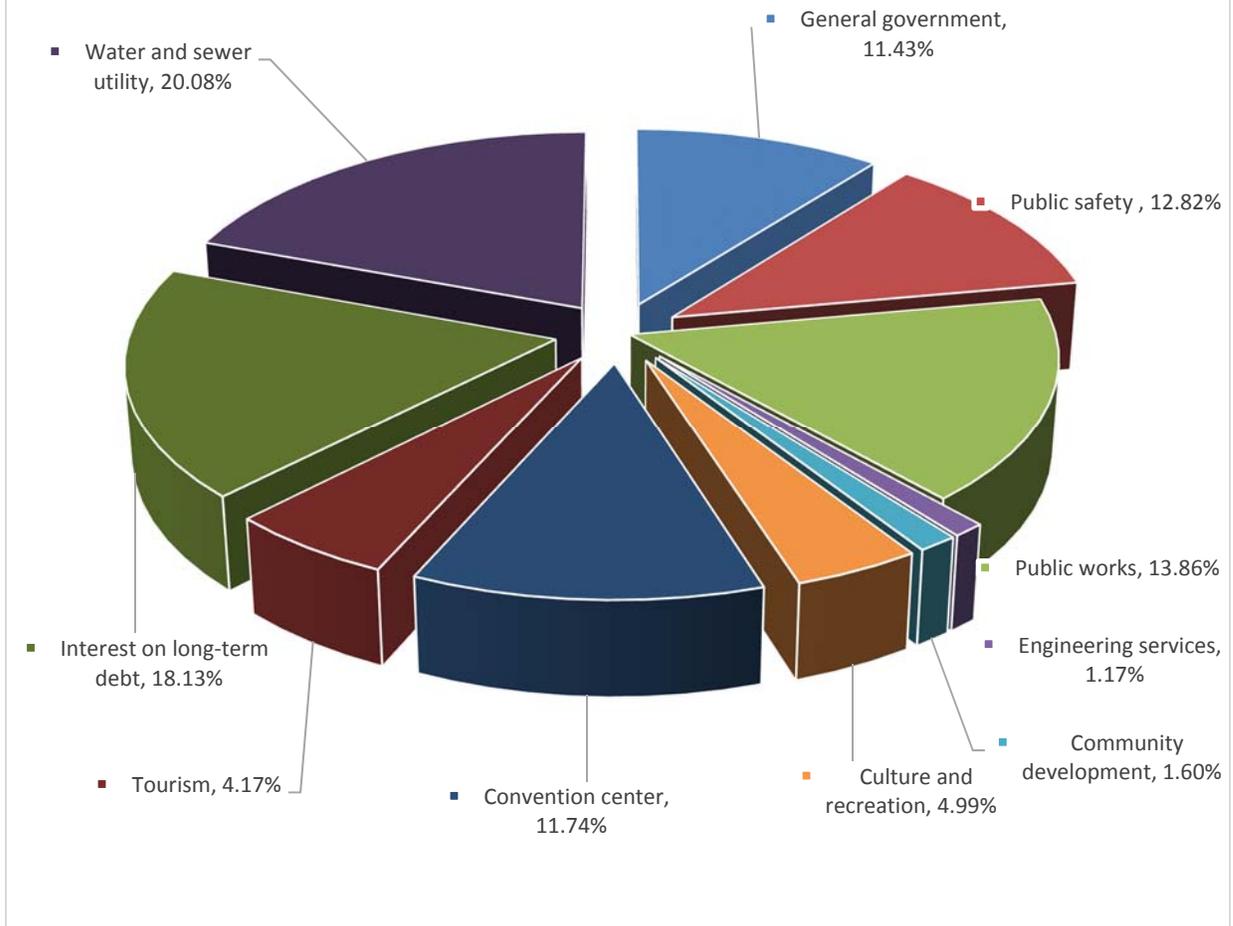


Governmental activities

Governmental activities increased the City's net position by \$10,370,268 during the year ended December 31, 2016. Key elements of this increase are as follows:

- Sales and property taxes increased approximately \$814,370 mainly due to an increase in sales
- Tourism tax increased approximately \$1,135,879 due to an increase in tourism
- Tax increment financing taxes increase approximately \$346,385 due to an increase in tourism and sales
- Investment earnings decreased approximately \$640,483 due to a decrease in interest rates and lower account balances subject to interest income
- Public works expenditures decreased approximately \$1,387,204 mainly due to a decrease in projects
- Convention Center Marketing expenditures decreased by \$4,030 from 2015.
- Transfers to Water Sewer Capital decreased by \$902,410 from 2015.

2016 Expenses (Government-wide Basis)



Business-type activities.

For the fiscal year ended December 31, 2016 business-type activities decreased the City's net position by \$1,069,907 due to an increase in repairs and maintenance.

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 \$48,369,527. Of this amount, \$6,600,566 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 \$220,880, restricted amounts of \$39,949,331 committed amounts of \$923,386 and assigned amounts of \$675,364.

The fund balance of the City's General Fund decreased \$427,906 during the current fiscal year due the asset held for redevelopment being put into service.

The tourism tax fund has a restricted fund balance at December 31, 2016 of \$7,840,371, a decrease of \$5,002,300 over December 31, 2015. Restricted fund balance totaling \$610,084 is for tourism related purposes and \$7,230,287 is for debt service.

The transportation sales tax fund has a restricted fund balance of \$2,571,218. This fund was extended by election in 2004 for the period of time necessary to construct and maintain the City's transportation infrastructure and to provide for debt service on capital projects.

The capital projects fund has a fund balance of \$635,867, a decrease of \$36,579 from 2015 due to capital outlay expenditures for various projects.

The tax increment financing fund has a fund balance of \$26,857,559 at December 31, 2016. This balance is restricted for debt service.

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 \$80,864,744, a decrease of \$1,057,850 from December 31, 2015, due to an increase in repairs and maintenance. Other factors concerning the finances of the Water and Sewer fund have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Current fiscal year's revenues were \$1,660,035 less than budgeted revenues due to tax revenues received were less than budgeted. Expenditures were \$195,715 less than the budget due to sound management practices.

Capital Asset and Debt Administration

Capital assets - The City's capital assets for its governmental and business-type activities as of December 31, 2016 amount to \$247,644,365 (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

- Asset held for redevelopment converted to land \$1,120,816
- City Hall Roof Repair totaling \$53,947
- Branson Hills Traffic Signal improvements totaling \$84,782
- Forsyth/Roark Traffic Signal improvements total cost of \$33,939
- Fire Station #3 Roof repairs totaling \$25,768
- RecPlex Fitness Center carpet replacement totaling \$27,185
- Parks Tennis Court Improvements Phase 2 totaling \$70,287
- The following projects will continue into FY2017 with the project to date totals listed below:
 - Hwy 76 Revitalization – \$10,624,295
 - Downtown Streetscape - \$7,415,972
 - Traffic Signal Gretna/Roark - \$55,613
 - Public Works Salt Storage Barn - \$168,187

Business Type

- Gravity Sewer Extension to Lift Station #19 – \$277,742
- Gravity Sewer/Animal Safari Design - \$440,381
- Lift Station #25 - \$479,766
- 8" Water Line H2O Master Plan- \$1,298,577
- Meadows Water Treatment – (FEMA) \$462,868
- Water Sewer Collection Shop - \$979,494
- Lift Station Pump Rebuilds & Replacements - \$101,657
- Scada Software Upgrade - \$47,160
- Sewer Collection System Rehab totaling \$379,913
- Water Meter Replacement project totaling \$93,999
- High Head Capacity Portable Sewage Pump - \$108,967
- Emergency Repairs Well #7 - \$38,200
- The following projects will continue into FY2017 with the project to date totals listed below:
 - Cooper Creek Sewer Plant Anti-degradation Study - \$575,259
 - Lift Station #21 Equalization Basin - \$1,384,793
 - Compton Flood Protection Study - \$78,000

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

	Governmental Activities		Business-type Activities		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Land and right of way	\$ 54,773,468	\$ 53,652,652	\$ 3,905,511	\$ 3,905,511	\$ 58,678,979	\$ 57,558,163
Construction in progress	19,802,386	11,155,719	2,873,058	2,741,812	22,675,444	13,897,531
Buildings and fixtures	49,551,779	52,004,022	37,955,062	38,853,281	87,506,841	90,857,303
Equipment	2,842,120	2,770,257	3,186,968	3,086,683	6,029,088	5,856,940
Vehicles	989,282	800,566	-	-	989,282	800,566
Infrastructure	45,453,558	49,295,070	24,869,133	23,641,981	70,322,691	72,937,051
Furniture	258,570	538,288	-	-	258,570	538,288
Land improvements	1,250,124	1,215,318	-	-	1,250,124	1,215,318
Total	\$ 174,921,287	\$ 171,431,892	\$ 72,789,732	\$ 72,229,268	\$ 247,711,019	\$ 243,661,160

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 \$208,645,190.

City of Branson Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	12/30/2016	12/31/2015	12/30/2016	12/31/2015	12/30/2016	12/31/2015
Bonds:						
Revenue	\$ 13,510,000	\$ 16,580,000	\$ -	\$ -	\$ 13,510,000	\$ 16,580,000
Tax increment financing	164,020,190	170,080,190	-	-	164,020,190	170,080,190
Special Limited Obligation	31,115,000	32,605,000	-	-	31,115,000	32,605,000
Total	\$ 208,645,190	\$ 219,265,190	\$ -	\$ -	\$ 208,645,190	\$ 219,265,190

Economic Factors and Next Year's Budget

- General Fund revenues for FY2017 are projected to be \$20,181,732, an increase of \$482,072 from the FY2016 actual amount. The City budgeted a 1% growth in sales tax for FY2017.
- The FY2017 annual budget for the General Fund expenditures are estimated at \$20,916,864 an increase of \$1,760,212 from the 2016 actual amount.
- Health insurance costs increased for the City by 3% for FY2017.
- Water rates increased by 12% and Sewer rates increased 7% in 2017 as a result from the rate study in an effort to become self-sustaining in this fund.
- The City implemented Priority Based Budgeting. This will allow for the budgets to be closely monitored and achieve the results given to us by the Community and the Board. The financial activities will continue to be closely monitored and reported monthly to the Finance Committee and quarterly to the Board of Aldermen.

Financial Contact

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

CITY OF BRANSON, MISSOURI
Statement of Net Position
December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	76 Entertainment Community Improvement District
Assets				
Cash and investments	\$ 17,856,474	\$ 9,154,274	\$ 27,010,748	\$ 42,524
Receivables, net:				
Taxes	4,412,114	-	4,412,114	-
Leases	171,806	96,378	268,184	-
Intergovernmental	1,659,309	-	1,659,309	-
Other	330,113	364,940	695,053	-
Water and sewer	-	916,590	916,590	-
Internal balances	45,565	(45,565)	-	-
Prepays and inventories	215,770	-	215,770	-
Restricted cash and investments	30,353,060	40,652	30,393,712	-
Capital Assets:				
Land and construction in progress, non-depreciable	74,575,854	6,778,569	81,354,423	-
Other capital assets, net of depreciation	100,345,433	66,011,163	166,356,596	-
Total assets	229,965,498	83,317,001	313,282,499	42,524
Deferred outflows of resources				
Deferred charge on refunding	5,398,329	-	5,398,329	-
Deferred outflows related to pensions	4,259,046	999,036	5,258,082	-
Total deferred outflows of resources	9,657,375	999,036	10,656,411	-
Liabilities				
Accounts payable and accrued expenses	4,106,258	1,126,468	5,232,726	10,819
Accrued interest payable	1,307,280	-	1,307,280	-
Deposits	18,698	1,038,439	1,057,137	-
Long-term liabilities:				
Due in one year	11,144,864	226,500	11,371,364	-
Due in more than one year	211,917,453	966,540	212,883,993	-
Total liabilities	228,494,553	3,357,947	231,852,500	10,819
Deferred inflows of resources				
Deferred revenue - property taxes	2,506,490	-	2,506,490	-
Deferred inflows related to pensions	592,197	138,911	731,108	-
Total deferred inflows of resources	3,098,687	138,911	3,237,598	-
Net Position (Deficit)				
Net investment in capital assets	127,964,687	72,789,732	200,754,419	-
Restricted for:				
Debt service	35,460,749	-	35,460,749	-
Tourism and transportation	3,181,302	-	3,181,302	-
Nonexpendable perpetual care	5,110	-	5,110	-
Unrestricted (deficit)	(158,582,215)	8,029,447	(150,552,768)	31,705
Total net position (deficit)	\$ 8,029,633	\$ 80,819,179	\$ 88,848,812	\$ 31,705

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Activities
For the year ended December 31, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit 76 Entertainment Community Improvement District
	Expenses	Charges for Services, Fees, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
General government	\$ 6,507,060	\$ 2,834,494	\$ -	\$ -	\$ (3,672,566)	\$ -	\$ (3,672,566)	\$ -
Public safety	7,372,503	31,586	91,602	-	(7,249,315)	-	(7,249,315)	-
Public works	7,974,953	13,748	-	216,062	(7,745,143)	-	(7,745,143)	-
Engineering	673,679	-	-	-	(673,679)	-	(673,679)	-
Community development	919,153	832,600	-	-	(86,553)	-	(86,553)	-
Culture and recreation	2,871,391	1,879,137	80,785	-	(911,469)	-	(911,469)	-
Convention center	6,754,370	4,337,371	-	-	(2,416,999)	-	(2,416,999)	-
Tourism	2,401,175	-	-	-	(2,401,175)	-	(2,401,175)	-
Interest and debt issuance costs	10,431,870	-	-	-	(10,431,870)	-	(10,431,870)	-
Total Governmental Activities	45,906,154	9,928,936	172,387	216,062	(35,588,769)	-	(35,588,769)	-
Business-Type Activities								
Water and sewer	11,551,798	8,109,639	-	1,267,680	-	(2,174,479)	(2,174,479)	-
Total Business-Type Activities	11,551,798	8,109,639	-	1,267,680	-	(2,174,479)	(2,174,479)	-
Total Primary Government	\$ 57,457,952	\$ 18,038,575	\$ 172,387	\$ 1,483,742	(35,588,769)	(2,174,479)	(37,763,248)	-
Component Unit								
76 Entertainment Community Improvement District	\$ 10,819	\$ -	\$ -	\$ -	-	-	-	(10,819)
General Revenues								
Taxes								
Property taxes					2,705,460	-	2,705,460	-
Sales taxes - general					11,463,371	-	11,463,371	-
Sales taxes - transportation					6,198,639	-	6,198,639	-
Tourism taxes					13,284,968	-	13,284,968	-
Tax increment financing					10,889,839	-	10,889,839	-
Other taxes					1,694,796	-	1,694,796	42,524
Other					8,151	-	8,151	-
Unrestricted investment earnings					791,407	26,978	818,385	-
Transfers					(1,077,594)	1,077,594	-	-
Total general revenues and transfers					45,959,037	1,104,572	47,063,609	42,524
Changes in net position					10,370,268	(1,069,907)	9,300,361	31,705
Net position (deficit) - beginning of year					(2,340,635)	81,889,086	79,548,451	-
Net position (deficit) - end of year					\$ 8,029,633	\$ 80,819,179	\$ 88,848,812	\$ 31,705

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2016

	General	Tourism Tax	Transportation Sales Tax	Capital Projects	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 2,735,756	\$ 4,845,056	\$ 2,283,261	\$ 2,772,319	\$ 2,610,774	\$ 2,609,308	\$ 17,856,474
Receivables, net:							
Taxes	2,333,865	959,717	1,078,658	-	-	39,874	4,412,114
Leases	171,806	-	-	-	-	-	171,806
Intergovernmental	-	-	-	-	1,659,309	-	1,659,309
Other	330,113	-	-	-	-	-	330,113
Due from other funds	5,024,573	-	-	-	720,906	36,094	5,781,573
Advance receivable	-	904,418	-	-	-	-	904,418
Restricted cash and investments	-	7,230,287	-	-	23,122,756	17	30,353,060
Prepays and inventories	215,770	-	-	-	-	-	215,770
Total assets	<u>\$ 10,811,883</u>	<u>\$ 13,939,478</u>	<u>\$ 3,361,919</u>	<u>\$ 2,772,319</u>	<u>\$ 28,113,745</u>	<u>\$ 2,685,293</u>	<u>\$ 61,684,637</u>
Liabilities							
Accounts payable	\$ 739,114	\$ 214,833	\$ 555,054	\$ 2,136,452	\$ -	\$ -	\$ 3,645,453
Accrued liabilities	440,265	-	20,540	-	-	-	460,805
Deposits	18,698	-	-	-	-	-	18,698
Due to other funds	466,229	4,979,856	215,107	-	-	-	5,661,192
Advance payable	904,418	-	-	-	-	-	904,418
Total liabilities	<u>2,568,724</u>	<u>5,194,689</u>	<u>790,701</u>	<u>2,136,452</u>	<u>-</u>	<u>-</u>	<u>10,690,566</u>
Deferred inflows of resources							
Deferred property tax receivable	1,368,358	-	-	-	1,256,186	-	2,624,544
Fund Balances							
Nonspendable:							
Prepays and inventory	215,770	-	-	-	-	-	215,770
Perpetual care	-	-	-	-	-	5,110	5,110
Restricted for:							
Public works	-	-	2,571,218	-	-	-	2,571,218
Tourism	-	610,084	-	-	-	-	610,084
Debt service	-	7,230,287	-	-	26,857,559	2,680,183	36,768,029
Committed for:							
Contractual and other	18,968	-	-	-	-	-	18,968
Advance receivable	-	904,418	-	-	-	-	904,418
Assigned for:							
Contractual and other	39,497	-	-	-	-	-	39,497
Capital outlay	-	-	-	635,867	-	-	635,867
Unassigned (deficit)	6,600,566	-	-	-	-	-	6,600,566
Total fund balances (deficit)	<u>6,874,801</u>	<u>8,744,789</u>	<u>2,571,218</u>	<u>635,867</u>	<u>26,857,559</u>	<u>2,685,293</u>	<u>48,369,527</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 10,811,883</u>	<u>\$ 13,939,478</u>	<u>\$ 3,361,919</u>	<u>\$ 2,772,319</u>	<u>\$ 28,113,745</u>	<u>\$ 2,685,293</u>	<u>\$ 61,684,637</u>

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, 2016

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

Ending fund balances - total governmental funds	\$ 48,369,527
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	174,921,287
Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements - property taxes	118,054
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds:	
Deferred charge on refunding	5,398,329
Deferred outflows related to pensions	4,259,046
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:	
Accrued interest payable	(1,307,280)
Long-term liabilities	(223,062,317)
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds:	
Deferred inflows related to pensions	(592,197)
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 \$223,814 are included above.	<u>(74,816)</u>
Total net position of governmental activities	<u>\$ 8,029,633</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended December 31, 2016

	General	Tourism Tax	Transportation Sales Tax	Capital Projects	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 13,438,452	\$ 12,293,076	\$ 5,096,509	\$ -	\$ 4,298,282	\$ 216,036	\$ 35,342,355
Tax increment financing	-	-	-	-	10,889,839	-	10,889,839
Licenses and permits	783,214	-	-	-	-	-	783,214
Court fines	237,417	-	-	-	-	-	237,417
Lease and rent	1,277,489	-	-	-	455,000	-	1,732,489
Charges for services	7,223,801	-	-	-	-	-	7,223,801
Intergovernmental	129,287	26	12,837	-	-	216,036	358,186
Interest income	178,580	219,316	-	-	393,511	-	791,407
Miscellaneous	651,911	-	13,748	8,151	-	-	673,810
Total revenues	<u>23,920,151</u>	<u>12,512,418</u>	<u>5,123,094</u>	<u>8,151</u>	<u>16,036,632</u>	<u>432,072</u>	<u>58,032,518</u>
Expenditures							
Current:							
General government	5,994,443	-	-	-	-	-	5,994,443
Public safety	7,236,632	-	-	-	-	-	7,236,632
Public works	661,339	-	3,499,487	-	-	-	4,160,826
Engineering	627,763	-	-	-	-	-	627,763
Community development	919,153	-	-	-	-	-	919,153
Culture and recreation	2,519,170	-	-	-	-	-	2,519,170
Convention center	4,736,154	-	-	-	-	-	4,736,154
Tourism	-	2,401,175	-	-	-	-	2,401,175
Capital outlay	1,120,816	-	-	9,220,601	-	-	10,341,417
Debt service:							
Principal retirement	216,838	3,603,972	-	-	6,060,000	1,490,000	11,370,810
Interest and fiscal charges	60,444	774,678	-	-	8,166,463	1,442,758	10,444,343
Cost of issuance	-	-	-	-	-	-	-
Total expenditures	<u>24,092,752</u>	<u>6,779,825</u>	<u>3,499,487</u>	<u>9,220,601</u>	<u>14,226,463</u>	<u>2,932,758</u>	<u>60,751,886</u>
Excess of revenues over (under) expenditures	<u>(172,601)</u>	<u>5,732,593</u>	<u>1,623,607</u>	<u>(9,212,450)</u>	<u>1,810,169</u>	<u>(2,500,686)</u>	<u>(2,719,368)</u>
Other financing sources (uses)							
Capital lease issuance	-	-	-	793,358	-	-	793,358
Transfers in	275,414	-	750,000	8,382,513	-	3,645,595	13,053,522
Transfers (out)	(530,719)	(10,830,475)	(1,221,000)	-	(1,540,467)	-	(14,122,661)
Total other financing sources (uses)	<u>(255,305)</u>	<u>(10,830,475)</u>	<u>(471,000)</u>	<u>9,175,871</u>	<u>(1,540,467)</u>	<u>3,645,595</u>	<u>(275,781)</u>
Net change in fund balances:	(427,906)	(5,097,882)	1,152,607	(36,579)	269,702	1,144,909	(2,995,149)
Fund balances (deficit) - beginning of year	<u>7,302,707</u>	<u>13,842,671</u>	<u>1,418,611</u>	<u>672,446</u>	<u>26,587,857</u>	<u>1,540,384</u>	<u>51,364,676</u>
Fund balances (deficit) - end of year	<u>\$ 6,874,801</u>	<u>\$ 8,744,789</u>	<u>\$ 2,571,218</u>	<u>\$ 635,867</u>	<u>\$ 26,857,559</u>	<u>\$ 2,685,293</u>	<u>\$ 48,369,527</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended December 31, 2016

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

Net changes in fund balances - total governmental funds \$ (2,995,149)

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	11,032,491
Depreciation expense	(7,561,215)
Disposal of capital assets	30,176

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

Deferred revenue - property taxes	(232)
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The issuance of long-term debt (eg. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net 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	11,386,593
Debt issued	(793,358)
Changes in deferred charge on refunding, bond premiums and discounts, net	(134,172)
Change in accrued interest payable	130,862

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	(127,317)
Change in net pension liability, deferred inflows and deferred outflows	(530,938)
Change in other post employment benefit obligations	(67,473)

Total changes in net position of governmental activities	\$ 10,370,268
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CITY OF BRANSON, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2016

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Assets		
Current assets		
Cash and investments	\$ 9,154,274	\$ -
Receivables (net of allowances for uncollectibles)		
Water and sewer billings	916,590	-
Leases and other	96,378	-
Other	364,940	-
Total current assets	10,532,182	-
Noncurrent assets		
Restricted cash and investments	40,652	-
Capital Assets		
Land and improvements and construction in progress	6,778,569	-
Other capital assets, net of depreciation	66,011,163	223,814
Total capital assets	72,789,732	223,814
Total noncurrent assets	72,830,384	223,814
Total assets	83,362,566	223,814
Deferred outflows of resources		
Deferred outflows related to pensions	999,036	-
Liabilities		
Current liabilities		
Accounts payable	1,018,065	-
Accrued liabilities	46,978	-
Utility deposits	1,038,439	-
Other liabilities	61,425	-
Due to other funds	-	120,381
Long-term liabilities due in one year	226,500	-
Total current liabilities	2,391,407	120,381
Noncurrent liabilities		
Long-term liabilities	966,540	-
Total noncurrent liabilities	966,540	-
Total liabilities	3,357,947	120,381
Deferred inflows of resources		
Deferred inflows related to pensions	138,911	-
Net Position		
Net investment in capital assets	72,789,732	223,814
Unrestricted (deficit)	8,075,012	(120,381)
Total net position	80,864,744	\$ 103,433
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(45,565)	
Net position of business-type activities	\$ 80,819,179	

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, 2016

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Operating revenues		
Charges for services (pledged as security for revenue bonds)		
Water	\$ 3,438,072	\$ -
Sewer	4,322,277	-
Miscellaneous	36,082	-
Total operating revenues	7,796,431	-
Operating expenses		
Personal services	3,244,918	-
Contractual services	2,995,582	-
Commodities	575,930	-
Depreciation	4,712,250	177,680
Total operating expenses	11,528,680	177,680
Operating income (loss)	(3,732,249)	(177,680)
Nonoperating revenues (expenses)		
Sewer capacity fees	313,208	-
Interest income	26,978	-
Gain (loss) on disposal of capital assets	(9,953)	-
Interest expense	(1,108)	-
Total nonoperating revenues (expenses)	329,125	-
Income (loss) before transfers and capital contributions	(3,403,124)	(177,680)
Transfers in	1,127,594	-
Transfers out	(50,000)	-
Capital grants and contributions	1,267,680	-
Change in net position	(1,057,850)	(177,680)
Total net position-beginning of year	81,922,594	281,113
Total net position-end of year	\$ 80,864,744	\$ 103,433
Change in net position	\$ (1,057,850)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(12,057)	
Change in net position of business-type activities	\$ (1,069,907)	

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the year ended December 31, 2016

	<u>Enterprise</u> <u>Water and</u> <u>Sewer</u>	<u>Internal Service</u> <u>Equipment</u> <u>Replacement</u>
Cash flows from operating activities		
Receipts from customers	\$ 7,368,696	\$ -
Payments to suppliers	(3,433,354)	-
Payments to employees for services	(3,077,975)	-
Net cash provided by (used in) operating activities	<u>857,367</u>	<u>-</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(5,182,818)	-
Interest and bond cost paid on capital debt	(1,108)	-
Capital contributions	1,167,831	-
Sewer capacity fees	313,208	-
Net cash (used in) capital and related financing activities	<u>(3,702,887)</u>	<u>-</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,077,594	-
Net cash provided by noncapital financing activities	<u>1,077,594</u>	<u>-</u>
Cash flows from investment activities		
Interest and dividends	26,978	-
Net cash provided by investing activities	<u>26,978</u>	<u>-</u>
Net increase in cash and cash equivalents	(1,740,948)	-
Cash and cash equivalents, beginning of year	10,935,874	-
Cash and cash equivalents, end of year	<u>\$ 9,194,926</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (3,732,249)	\$ (177,680)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	4,712,250	177,680
Change in assets and liabilities:		
Receivables (net)	(446,432)	-
Accounts and other payables	138,158	-
Accrued expenses	42,402	-
Utility deposits	18,697	-
Net cash provided by (used in) operating activities	<u>\$ 732,826</u>	<u>\$ -</u>
Cash consists of		
Cash and investments	\$ 9,154,274	\$ -
Restricted cash and investments	40,652	-
	<u>\$ 9,194,926</u>	<u>\$ -</u>
Noncash capital and related financing activities		
Capital contribution	<u>\$ 99,849</u>	<u>\$ -</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF BRANSON, MISSOURI
Statement of Net Position -
Agency Fund
December 31, 2016

	<u>Agency Fund</u> <u>Landscape Trust</u>
Assets	
Cash and cash equivalents	<u>\$ 847,725</u>
Liabilities	
Due to others	<u>\$ 847,725</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 blended component unit, the Tax Increment Financing Commission (the Commission). The City is financially accountable for the Commission because the City approves the Commission's annual budget and outstanding debt of the Commission is expected to be repaid from payments in lieu of taxes and economic activity taxes collected by the City.

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

During 2016, the 76 Entertainment Community Improvement District (CID) was formed and is a discretely presented component unit of the City. The governing board of the CID is appointed by the Mayor and board of alderman. The CID's budget must be approved by the City.

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, 2016

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, which provides funding for debt service on bonded debt on city infrastructure, pay-as-you-go infrastructure improvements as well as tourism marketing.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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, which provides funding for routine road maintenance along with transfers to capital projects for pay-as-you-go infrastructure improvements.

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

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

Major Proprietary Funds

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

Additionally, the government reports the following fund types:

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

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

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

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

Cash and Investments

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

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

For the year ended December 31, 2016, the City implemented GASB 72, *Fair Value Measurement and Application*, which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of the observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

Statement of Cash Flows

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

Receivables and Payables

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

All trade receivables are shown net of an allowance for uncollectible. An allowance of \$956,129 is recorded at December 31, 2016.

Inventories and Prepaid Items

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

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

Restricted Cash and Investments

The City's restricted cash and investments primarily consist of amounts required for future debt service payments and related debt reserves.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The City capitalizes interest on the construction of business-type capital assets when material.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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.

Pensions

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. The first 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. The second is deferred outflows related to pensions. See Note 8 for more information on this deferred outflow.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred revenue items, which arises under the accrual and modified accrual basis of accounting that qualifies for reporting in this category, are reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental activities and governmental funds report deferred revenues from property taxes received in the current year that are not recognized as revenue until the period for which they are levied. The governmental funds also report deferred revenue for delinquent taxes, which is recognized as revenue for governmental activities. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to pensions. See Note 8 for more information on this deferred outflow.

Net Position Classifications

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

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

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

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

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Fund Balances

The governmental funds report the following fund balance classifications:

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

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

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

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

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

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

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

When preparing the annual proposed budget, the City Administrator will maintain in the General Fund an operating reserve of 20% of the current adopted budgeted expenditures. An operating reserve of 20% is also maintained in the Water and Sewer Fund. An operating reserve of 10% is maintained in the Recreation Fund.

Pending Governmental Accounting Standards Board Statements

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

- GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* – effective for the fiscal year beginning January 1, 2017.
- GASB Statement No. 75 – *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* – effective for fiscal year beginning January 1, 2018.
- GASB Statement No. 80 – *Blending Requirements for Certain Component Units* – effective for the fiscal year beginning January 1, 2017.
- GASB Statement No. 81 – *Irrevocable Split-Interest Agreements* – effective for the fiscal year beginning January 1, 2017

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

- GASB Statement No. 83 – *Certain Asset Retirement Obligations* – effective for the fiscal year beginning January 1, 2019.
- GASB Statement No. 84 – *Fiduciary Activities* – effective for the fiscal year beginning January 1, 2019.
- GASB Statement No. 85 – *Omnibus 2017* – effective for the fiscal year beginning January 1, 2018.
- GASB Statement No. 86 – *Certain Debt Extinguishment Issues* – effective for the fiscal year beginning January 1, 2018.

Use of Estimates

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

2 - Stewardship, Compliance and Accountability

Budgetary Information

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

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of \$237,417. This amount is approximately 2% of total general fund revenues of \$23,920,151 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

3 - Deposits and Investments

As of December 31, 2016, the City's cash and investments consisted of the following:

	2016
Investments:	
Short-term investments held in trust	\$ 25,533,926
Deposits	32,692,239
Petty cash	26,020
Total cash and investments	\$ 58,252,185

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

	Government-wide statement of net position	Fiduciary fund statement of assets & liabilities	Total
Cash and investments	\$ 27,010,748	\$ 847,725	\$ 27,858,473
Restricted cash and investments	30,393,712	-	30,393,712
	<u>\$ 57,404,460</u>	<u>\$ 847,725</u>	<u>\$ 58,252,185</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City has the following recurring fair value measurement as of year-end:

Money market mutual funds are valued at Level 2 using pricing models that maximize the use of observable inputs for similar securities.

As of December 31, 2016, the City had the following investments and maturities:

Investment type	Fair Value	Maturities	Fair Value Hierarchy
Insured sweep account	\$ 4,504,100	N/A	N/A
Money market mutual funds	17,998,351	N/A	Level 2
	<u>\$ 22,502,451</u>		

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

City of Branson, Missouri
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For the Year Ended December 31, 2016

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, 2016, the City's investments consisted of short-term money market mutual funds held in trust.

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. At December 31, 2016, the City's investments consisted of short-term money market mutual funds held in trust.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At December 31, 2016, the City's investments consisted of short-term money market mutual funds 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, 2016, the City's deposits were insured with Federal depository insurance or collateralized by securities held in the City's name by their financial institution's agent.

4 - Taxes

Taxes receivable as of December 31, 2016 were as follows:

<u>Fund</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Tourism Tax</u>	<u>Total</u>
General	\$ 160,240	\$ 2,173,625	\$ -	\$ 2,333,865
Tourism Tax	-	-	959,717	959,717
Transportation Sales Tax	-	1,078,658	-	1,078,658
Tax Increment Financing	-	39,874	-	39,874
Total	<u>\$ 160,240</u>	<u>\$ 3,292,157</u>	<u>\$ 959,717</u>	<u>\$ 4,412,114</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Tax revenues for the year ended December 31, 2016 were as follows:

	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Tourism Tax</u>	<u>Franchise Tax</u>	<u>Other Taxes</u>	<u>Total</u>
Governmental funds:						
General	\$ 2,705,692	\$ 9,259,111	\$ -	\$ 1,163,719	\$ 309,930	\$ 13,438,452
Tourism Tax	-	-	12,293,076	-	-	12,293,076
Transportation Sales Tax	-	5,096,509	-	-	-	5,096,509
Tax Increment Financing	-	3,306,390	991,892	-	-	4,298,282
Nonmajor funds	-	216,036	-	-	-	216,036
Total	<u>\$ 2,705,692</u>	<u>\$ 17,878,046</u>	<u>\$ 13,284,968</u>	<u>\$ 1,163,719</u>	<u>\$ 309,930</u>	<u>\$ 35,342,355</u>

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, 2015, upon which the 2015 levy was based and upon which the ad valorem tax revenues for the period ended December 31, 2016 are recorded, are as follows:

Real estate	\$ 395,965,940
Personal property and business personal	<u>48,444,326</u>
	<u>\$ 444,410,266</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 2016 tax year are deferred as those amounts are not recognized as revenue until the period for which they are levied.

The 2015 tax levy per \$ 100 assessed valuation was:

General	<u>\$ 0.5942</u>
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City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

5 - Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases and adjustments	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 53,652,652	\$ 1,120,816	\$ -	\$ 54,773,468
Construction in progress	11,155,718	8,646,668	-	19,802,386
Total Capital assets not being depreciated	<u>64,808,370</u>	<u>9,767,484</u>	<u>-</u>	<u>74,575,854</u>
Capital Assets being depreciated:				
Buildings and fixtures	77,556,025	127,085	-	77,683,110
Equipment	13,329,402	588,133	5,699	13,911,836
Vehicles	1,869,144	395,645	-	2,264,789
Infrastructure	168,662,214	-	-	168,662,214
Furniture	2,954,716	-	-	2,954,716
Land improvements	2,929,819	154,144	-	3,083,963
Total capital assets being depreciated	<u>267,301,320</u>	<u>1,265,007</u>	<u>5,699</u>	<u>268,560,628</u>
Less accumulated depreciation for:				
Buildings and fixtures	25,552,004	2,611,687	32,360	28,131,331
Equipment	10,559,144	514,086	3,514	11,069,716
Vehicles	1,068,577	206,930	-	1,275,507
Infrastructure	119,367,143	3,841,513	-	123,208,656
Furniture	2,416,428	279,718	-	2,696,146
Land improvements	1,714,502	119,337	-	1,833,839
Total accumulated depreciation	<u>160,677,798</u>	<u>7,573,271</u>	<u>35,874</u>	<u>168,215,195</u>
Total capital assets being depreciated, net	<u>106,623,522</u>	<u>(6,308,264)</u>	<u>(30,175)</u>	<u>100,345,433</u>
Governmental activities capital assets, net	<u>\$ 171,431,892</u>	<u>\$ 3,459,220</u>	<u>\$ (30,175)</u>	<u>\$ 174,921,287</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	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	2,741,812	4,839,971	4,708,725	2,873,058
Total Capital assets not being depreciated	<u>6,647,323</u>	<u>4,839,971</u>	<u>4,708,725</u>	<u>6,778,569</u>
Capital Assets being depreciated:				
Water and sewer treatment plants	75,306,353	979,493	-	76,285,846
Water and sewer mains and lines	54,665,709	3,439,096	-	58,104,805
Machinery and equipment	5,824,481	726,102	5,760	6,544,823
Total capital assets being depreciated	<u>135,796,543</u>	<u>5,144,691</u>	<u>5,760</u>	<u>140,935,474</u>
Less accumulated depreciation for:				
Water and sewer treatment plants	36,453,071	1,877,713	-	38,330,784
Water and sewer mains and lines	31,023,730	2,211,942	-	33,235,672
Machinery and equipment	2,737,797	622,595	2,537	3,357,855
Total accumulated depreciation	<u>70,214,598</u>	<u>4,712,250</u>	<u>2,537</u>	<u>74,924,311</u>
Total capital assets being depreciated, net	<u>65,581,945</u>	<u>432,441</u>	<u>3,223</u>	<u>66,011,163</u>
Business-type activities capital assets, net	<u>\$ 72,229,268</u>	<u>\$ 5,272,412</u>	<u>\$ 4,711,948</u>	<u>\$ 72,789,732</u>

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

Governmental activities:	
General government	\$ 993,417
Public safety	112,207
Public works	3,920,351
Engineering	45,916
Culture and recreation	374,683
Convention center	1,949,017
Internal service	<u>177,680</u>
Total depreciation expense - governmental activities	<u>\$ 7,573,271</u>
Business-type activities:	
Water and sewer	<u>\$ 4,712,250</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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Future lease income on minimum rentals is approximately \$332,000 per year.

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

For the year ended December 31, 2016, lease income for all operating leases was approximately \$996,445.

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, 2016 the lease receivable balance was \$96,378.

Future minimum lease payments to be received are as follows:

2017	17,103
2018	17,616
2019	18,144
2020	18,688
2021	19,249
2022 thereafter	5,578
Present value of minimum lease payments	\$ 96,378

Branson Landing Lease – Branson Landing TIF Plan

The City and the Developer have entered into a 99 year master lease agreement related to the Branson Landing project. Under the agreement, commencing on January 2, 2010 and through year thirty (30) of the agreement, a base and contingent rental lease payment is due to the City. The lease payment will consist of an annual base amount of \$252,000 plus a contingent lease payment of 1/4th of 1 percent of sales in excess of \$15 million within the defined boundary area. The total annual lease payments cannot exceed \$450,000. The City received \$450,000 under this agreement for the year ended December 31, 2016.

The City has entered into various leases for equipment, which have bargain purchase options and have been classified in the financial statements as capital assets.

The following table details property under capital leases by major classification at December 31, 2016:

Assets under capital lease	Governmental Activities
Equipment	\$ 186,785
Construction in progress	605,747
Less Accumulated Depreciation	(2,594)
	\$ 789,938

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The future minimum lease obligations and the net present value of these lease payments as of December 31, 2016 were as follows:

Future Minimum Lease Payments	
Year Ending December 31:	Governmental Activities
2017	\$ 192,205
2018	185,455
2019	125,896
2020	125,896
Total minimum lease payments	629,452
Less amounts representing interest	(24,409)
Present value of minimum lease payments	\$ 605,043

7 - Long-Term Obligations

Long-term obligations activity for year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
Revenue Bonds	\$ 16,580,000	\$ -	\$ 3,070,000	\$ 13,510,000	\$ 1,915,000
Special Limited Obligation Bonds	32,605,000	-	1,490,000	31,115,000	1,535,000
Discounts	(90,594)	-	(15,854)	(74,740)	(15,854)
Total bonds payable	49,094,406	-	4,544,146	44,550,260	3,434,146
Tax increment financing					
Bonds payable	170,080,190	-	6,060,000	164,020,190	5,335,000
Premiums	7,042,646	-	387,896	6,654,750	387,896
Total bonds payable	177,122,836	-	6,447,896	170,674,940	5,722,896
Notes Payable	2,304,835	-	578,278	1,726,557	603,993
Capital leases	-	793,358	188,315	605,043	183,829
Compensated absences **	1,259,484	1,312,657	1,185,340	1,386,801	1,200,000
Net pension obligation **	722,801	4,583,567	1,937,403	3,368,965	-
Other post employment benefits **	682,278	144,018	76,545	749,751	-
Governmental activities long-term obligations	231,186,640	6,833,600	14,957,923	223,062,317	11,144,864
Business-type activities:					
Compensated absences	217,485	243,763	226,526	234,722	226,500
Net pension obligation	169,292	1,075,158	454,453	789,997	-
Other post employment benefits	152,494	33,782	17,955	168,321	-
Business-type activities long-term obligations	539,271	1,352,703	698,934	1,193,040	226,500
Total Primary Government	\$ 231,725,911	\$ 8,186,303	\$ 15,656,857	\$ 224,255,357	\$ 11,371,364

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 \$13,510,000 For the year ended December 31, 2016, principal and interest paid were \$3,778,179 and total tourism tax revenues for the year were \$12,293,076 Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$7,230,287 at December 31, 2016. The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

	<u>Balance at December 31, 2016</u>
Tourism Tax Revenue Bonds, Series 2007 of \$1,840,000 issued March 2007; 4.45% interest payable semiannually. Principal amount due on January 1, 2019.	1,840,000
Tourism Tax Revenue Refunding bonds, Series 2010A of \$7,995,000 issued February 2010; 3.85% interest payable semiannually, remaining principal payments due annually of \$640,000 to \$3,140,000. Final maturity January 1, 2018. Bonds maturing after January 1, 2016 and thereafter may be called at par.	4,635,000
Tourism Tax Revenue bonds, Series 2010B of \$7,540,000 issued March 2010; 3.0% to 4.35% interest payable semiannually, remaining principal payments due annually of \$250,000 to \$1,345,000. Final maturity January 1, 2022. Bonds maturing after January 1, 2016 and thereafter may be called at par.	7,035,000
	\$ 13,510,000

Special Limited Obligation Bonds

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

	<u>Balance at December 31, 2016</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.	\$ 31,115,000

The bonds were issued by the Missouri Development Finance Board (MDFB) to refund certain bonds previously issued for the purposes of funding the City's Branson Landing redevelopment project and certain City facilities and infrastructure project costs. The City 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.

The MDFB 2012A and 2005B Branson Landing Tax Increment Financing Revenue Bonds contain certain pledged revenue and reserve fund priority provisions also known as the "Waterfall" provision. Under the Waterfall, as calculated prior to the next scheduled debt service requirements for the 2012A and 2005B bonds, should there be excess funds available after meeting the priority provisions, those excess funds can be used for debt service requirements of the 2011A bonds. During the year ended December 31, 2016, waterfall amounts of \$1,540,467 were transferred to the City's Debt Service Fund from the Tax Increment Financing Fund to be used for the 2011A debt service requirements. Total waterfall amounts since inception is \$6,176,714.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Tax Increment Financing Revenue Bonds

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

Balance at
December 31, 2016

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 \$1,900,000 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.

\$ 26,415,000

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 \$1,020,000 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. On June 1, 2015, bonds with stated maturities in the years after 2025 and thereafter int he aggregate principal amount of \$67,110,000 w

7,335,000

Special Limited Obligation Bonds (Missouri Development Finance Board Infrastructure Facilities Bonds - City of Branson, Missouri - Branson Landing Project) Series 2015A, \$62,560,000 issued June 1, 2015; 3.75% to 5.0% interest payable semiannually, remaining principal payments due annually ranging from \$2,645,000 to \$10,195,000 with final maturity on June 1, 2034. 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.

62,020,000

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 \$555,000 to \$1,760,000 with final maturity on June 1, 2029.

14,190,000

109,960,000

City of Branson, Missouri
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	<u>Balance at</u> <u>December 31, 2016</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, principal payment due with final maturity on May 1, 2027.	13,320,000
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	3,375,000
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 \$970,000 to \$5,780,000 with final maturity on November 1, 2029.	27,345,000
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
	54,060,190
Total tax increment financing revenue bonds	\$ 164,020,190

Notes Payable

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

	<u>Balance at</u> <u>December 31, 2016</u>
Promissory note payable (Industrial Development Authority) in the amount of \$4,956,636 issued March 10, 2011; 3.49%, principal payments due annually ranging from \$472,205 to \$560,557 with final maturity on June 1, 2020.	\$ 788,009
Promissory note payable (Industrial Development Authority) in the amount of \$1,091,000 issued July 20, 2011; 4.79%, principal payments due semiannually ranging from \$18,659 to \$71,609 with final maturity on October 1, 2026.	938,548
	\$ 1,726,557

City of Branson, Missouri
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The March 10, 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 20, 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.

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

	Governmental activities					
	Revenue Bonds		Special Limited Obligation		TIF - Branson Landing	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	1,915,000	515,832	1,535,000	1,394,081	4,140,000	4,973,563
2018	3,185,000	418,253	1,580,000	1,348,031	4,500,000	4,781,863
2019	3,305,000	286,667	1,630,000	1,300,631	4,915,000	4,549,200
2020	1,880,000	177,418	1,710,000	1,219,131	12,405,000	4,116,913
2021	1,880,000	99,458	1,795,000	1,133,631	5,130,000	3,690,813
2022-2026	1,345,000	29,254	10,155,000	4,504,825	35,470,000	14,268,988
2027-2031	-	-	12,710,000	1,949,400	28,600,000	5,982,788
2032-2034	-	-	-	-	14,800,000	908,844
	<u>\$ 13,510,000</u>	<u>\$ 1,526,882</u>	<u>\$ 31,115,000</u>	<u>\$ 12,849,730</u>	<u>\$ 109,960,000</u>	<u>\$ 43,272,972</u>

	Primary Government					
	TIF - Branson Hill		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	1,195,000	2,760,150	603,992	71,864	9,388,992	9,715,490
2018	1,330,000	2,689,048	294,637	50,027	10,889,637	9,287,222
2019	1,460,000	2,609,913	67,299	38,871	11,377,299	8,785,282
2020	1,610,000	2,523,043	76,215	35,542	17,681,215	8,072,047
2021	1,760,000	2,427,248	85,826	31,777	10,650,826	7,382,927
2022-2026	14,610,000	10,281,874	598,789	84,682	62,178,789	29,169,623
2027-2031	32,095,190	1,531,605	-	-	73,405,190	9,463,793
2032-2034	-	-	-	-	14,800,000	908,844
	<u>\$ 54,060,190</u>	<u>\$ 24,822,881</u>	<u>\$ 1,726,758</u>	<u>\$ 312,763</u>	<u>\$ 210,371,948</u>	<u>\$ 82,785,228</u>

Tax Increment Financing Revenues

The City, other taxing districts and governmental entities have pledged a portion of future incremental property tax and sales tax revenues (TIF revenues) to repay the tax increment financing revenue bonds described above. TIF revenues, along with other funding sources for each issuance, were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Annual principal and interest payments remaining on these bonds total approximately \$231.1 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 \$26,415,000 Series 2012A, \$7,335,000 Series 2005A and \$62,020,000 Series 2015A bonds contain an annual appropriation covenant obligating the City to make debt service payments from

City of Branson, Missouri
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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, 2005A and 2015A bonds total approximately \$153.2 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, 2016, principal and interest paid on tax increment financing bonds totaled approximately \$14.1 million. Incremental tax revenues from the City totaled approximately \$4.3 million. The remaining funds necessary to meet the current year debt service requirements were derived from city contributions, incremental tax revenues from other taxing districts and governmental entities, lease revenues, and interest income totaling approximately \$11.7 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, 2016, based on the 2015 valuation, was \$92,426,907. The total net outstanding indebtedness of the City was \$15,235,758 as of December 31, 2016, leaving a remaining available legal debt capacity of \$77,190,149 as of that date.

8 - Defined Benefit Pension Plan

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

City of Branson, Missouri
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Benefits provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2016 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	3 years
Member Contributions:	4.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms

At June 30, 2016, the following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive employees or beneficiaries currently receiving benefits	86	25	6	117
Inactive employees entitled to but not yet receiving benefits	44	31	10	85
Active employees	149	36	36	221
	279	92	52	423

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 12.8% (General), 15.1 % (Police) and 8.4 % (Fire) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

Actuarial assumptions

The total pension liability in the February 28, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25 % to 6.55 % including inflation
Investment rate of return	7.25 %

City of Branson, Missouri
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Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.00%
Fixed Income	26.00%	3.00%
Real Assets	21.00%	3.25%
Strategic Investments	10.00%	5.60%

Discount rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2015	\$38,979,733	\$38,087,640	\$892,093
Changes for the year			
Service Cost	1,352,747	--	1,352,747
Interest on Total Pension Liability	2,827,004	--	2,827,004
Difference between expected and actual experience	(479,297)	--	(479,297)
Changes in Assumptions	1,376,648	--	1,376,648
Benefit payments, including refunds of employee contributions	(1,325,410)	--	(1,325,410)
Contributions - employer	--	1,391,471	(1,391,471)
Contributions - employee	--	430,515	(430,515)
Net investment income	--	(56,853)	56,853
Benefit payments, including refunds of employee contributions	--	(1,325,410)	1,325,410
Pension Plan Administrative Expense	--	(32,222)	32,222
Other (Net Transfer)	--	77,322	(77,322)
Net changes	<u>3,751,692</u>	<u>484,823</u>	<u>3,266,869</u>
Balances at 6/30/2016	<u>\$42,731,425</u>	<u>\$38,572,463</u>	<u>\$4,158,962</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25 %) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 49,544,392	\$ 42,731,425	\$ 37,181,231
Plan Fiduciary Net Position	38,572,463	38,572,463	38,572,463
Net Pension Liability (Asset)(NPL)	<u>\$ 10,971,929</u>	<u>\$ 4,158,962</u>	<u>(\$ 1,391,232)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016 the employer recognized pension expense of \$1,318,566. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

City of Branson, Missouri
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For the Year Ended December 31, 2016

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 3,605	(\$592,197)	\$ 846	(\$138,911)
Differences in assumptions	920,412	--	215,899	--
Excess (deficit) investment returns	2,790,944	--	654,666	--
Contributions subsequent to the measurement date	544,085	--	127,625	--
Total	<u>\$4,259,046</u>	<u>(\$592,197)</u>	<u>\$ 999,036</u>	<u>(\$138,911)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending 2016.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources			
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
Year ended December 31:				
2017	\$	850,901	\$	199,594
2018		850,901		199,594
2019		850,901		199,594
2020		548,914		128,758
2021		39,886		9,356
Thereafter		(18,739)		(4,396)
	<u>\$</u>	<u>3,122,764</u>	<u>\$</u>	<u>732,500</u>

Payable to the Pension Plan

At December 31, 2016, the City reported a payable of \$139,207 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

City of Branson, Missouri
Notes to the Basic Financial Statements
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9 - Post Employment Health Benefits

Plan Description

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years. The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2016, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Annual required contribution	\$ 144,423	\$ 33,877	\$ 178,300
Interest on net OPEB obligation	25,353	5,947	31,300
Adjustment to annual required contribution	<u>(25,758)</u>	<u>(6,042)</u>	<u>(31,800)</u>
Annual OPEB cost (expense)	144,018	33,782	177,800
Less: Net employer contributions	<u>76,545</u>	<u>17,955</u>	<u>94,500</u>
Increase in net OPEB obligation	67,473	15,827	83,300
Net OPEB obligation - beginning of year	<u>682,278</u>	<u>152,494</u>	<u>834,772</u>
Net OPEB obligation - end of year	<u>\$ 749,751</u>	<u>\$ 168,321</u>	<u>\$ 918,072</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, 2016 is as follows:

City of Branson, Missouri
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Year Ended Ending	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	166,200	27.9%	731,472
12/31/2015	178,700	42.2%	834,772
12/31/2016	177,800	53.1%	918,072

Funded Status and Funding Progress

As of September 30, 2015, which represents most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$1,562,500. 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 \$10,921,000, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 14.0 percent.

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

Actuarial Methods and Assumptions

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

The projected unit credit actuarial cost method is used in the September 30, 2015. At the valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 3.75 percent investment rate of return. The actuarial assumptions for the healthcare cost inflation rate is an initial growth factor of 4.3 and 5.0 percent for medical and dental coverage, respectively, with both declining to an ultimate inflation rate of 4.4% for medical and 4.3% for dental. The UAAL will be amortized over a period of 30 years using a level percentage of projected payroll on an open basis.

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.

City of Branson, Missouri
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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, 2016, the City paid \$455,000 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, 2016, the City had approximately \$13.5 million in outstanding construction commitments.

Convention Center Operating Agreement

The City and convention center management has an agreement with SMG, a Pennsylvania general partnership with headquarters in West Conshohocken, PA. For the year ended December 31, 2016, the city paid to SMG \$135,000 under this new 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 2016 were \$29,738 as of December 31, 2016. In addition, any obligations under this Agreement are subject to annual appropriation by the Board of Aldermen.

Tri-Lakes Biosolids Coalition - Jointly Governed Organization

The City has entered into a Cooperation Agreement with Taney County and Cities located in Stone and Taney Counties to form the Tri-lakes Biosolids Coalition (Coalition). Under this agreement, the City will utilize the regional biosolids dewatering and drying facility to provide a long-term solution for the processing and handling of wastewater sludge generated from the City's wastewater treatment facilities. The City of Branson has contracted to operate the regional biosolids dewatering and drying facilities and to provide management, administrative and maintenance services. The Coalition's board is composed of one member from the governing board of each of the municipalities. The City paid \$458,696 for processing and handling of wastewater sludge for the year ended December 31, 2016.

The City has entered into a separate lease agreement with Taney County to lease property for the Tri-lakes Biosolids coalition facility. The County will lease property and an existing building at the Cooper Creek Wastewater Plant and also construct an addition to the existing building which after

City of Branson, Missouri
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being combined will house the Tri-Lakes Biosolids Dewatering and Drying Facility. The City of Branson contributed \$250,000 to upgrade the original construction and design of the addition to ensure its conformity to the same architectural style and quality of the existing building.

Encumbrances

Outstanding encumbrances at December 31, 2016 were as follows: General Fund \$58,465; Transportation Sales Tax Fund \$545,267; and the Capital Projects Fund \$1,564,098.

Litigation

On January 14, 2010, a judgment was issued by the Circuit Court of Taney County - Taney County Circuit Court Case No. 03-CV-787034 regarding the rights to the title of certain real property located in Branson, Missouri. Although the City was not a party to the case at the time the judgment was issued, but a legal description of the land contained in the judgment of that case included certain real property owned by the City. In 2011, the Missouri Southern District Court of Appeals vacated the January 14, 2010 judgment and remanded the case back to the trial court, finding the City to have been a party for purposes of the trial court's January 14, 2010 judgment, and further finding the trial court committed plain error in entering that judgment. On March 31, 2011, a separate, but related, action was filed in the Circuit Court of Taney County, Case No. 11-AF-CC00244 which seeks to quiet title to certain real property south of the real property involved in the first case. In 2013, judgments were entered in favor of the City in both of the above cases. For the most part, these rulings were upheld on appeal. On October 30, 2015 the Southern District Court of Appeals generally upheld the legal findings of the district court in these matters, while deciding that the litigant, Douglas Coverdell, was entitled to argue his adverse possession claims. Those matters are in the discovery stage. 11-AF-CC00244 was stayed by the Court of Appeals pending the resolution of the leftover claims in the 03-CV-78704 matter.

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

In association with the above, the City was involved in two separate litigation actions related to two title insurance companies on separate policies the City had on properties effected by the above lawsuits. Those cases sought claims related to fees paid and expenses incurred by the City to defend its title to its property upon which it held title insurance. In connection with litigation involving one of the title insurance companies, HCW has made a cross-claim against the City for alleged breach of the Master Lease Agreement between HCW and the City related to the Branson Landing. The City, HCW, and the title company engaged in mediation to resolve those matters and on August 29, 2014 an agreement was finalized to that end. Under the agreement, legal fees associated with the City's continued defense of its title to certain properties discussed above will be covered by title insurance, and the City will be issued a new 90 million dollar title policy to cover property at the Branson Landing. In addition, the City will share in recovery of monies recovered against the other title insurance company. The outcome and any potential amount the City might recover are not reasonably estimable at this time. In general, there are no reportable gains or losses that would impact the City's financial position as of December 31, 2016.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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, 2016, consisted of the following:

<u>Transfers to</u>	<u>Transfers From</u>					<u>Total</u>
	<u>General</u>	<u>Tourism Tax</u>	<u>Transportation Sales Tax</u>	<u>Tax Increment Financing</u>	<u>Business-type Water and Sewer</u>	
Governmental :						
General	\$ -	\$ 266,959	\$ -	\$ -	\$ -	\$ 266,959
Capital projects	180,718	8,201,795	-	-	-	8,382,513
Transportation Sales Tax	-	700,000	-	-	50,000	750,000
Other Governmental	350,000	534,128	1,221,000	1,540,466	-	3,645,594
Business-type:						
Water and Sewer	-	1,127,594	-	-	-	1,127,594
Total	\$530,718	\$ 10,830,476	\$ 1,221,000	\$ 1,540,466	\$ 50,000	\$ 14,172,660

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

Interfund receivable and payable balances at December 31, 2016 were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>				<u>Total</u>
	<u>General</u>	<u>Tourism Tax</u>	<u>Transportation Sales Tax</u>	<u>Internal Service</u>	
General	\$ -	\$ -	\$ 4,904,192	\$ 120,381	\$ 5,024,573
Other governmental	\$ 36,094				\$ 36,094
Tax Increment Financing	430,135	215,107	75,664	-	720,906
	<u>\$ 466,229</u>	<u>\$ 215,107</u>	<u>\$ 4,979,856</u>	<u>\$ 120,381</u>	<u>\$ 5,781,573</u>

The interfund payable 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.

The Tourism Fund loaned the General Fund \$1,000,000 to purchase a military statue, recorded as an advance receivable and payable in the respective funds. The interfund-loan is to be repaid in 10 annual payments, including 1% interest, commencing July 1, 2016. At December 31, 2016, the amount is \$904,418.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

13 - Assets Held for Redevelopment

The City is an owner of fee interest in real property consisting of approximately 120 acres fronting West Highway 76, known as the Old Branson Airport. In 2011, the City entered into an agreement that conveyed to the City all of the interest in certain properties. In connection with the agreement and conveyance, the City has recorded assets held for redevelopment of \$1,120,816. During 2016, the lease with Ballparks of America commenced and the asset was transferred to land in the governmental activities and expensed as capital outlay in the general fund.



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Required Supplementary Information



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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, 2016

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 15,295,553	\$ 15,295,553	\$ 13,348,799	\$ (1,946,754)
Licenses and permits	685,804	685,804	771,271	85,467
City court fines	450,000	450,000	237,417	(212,583)
Lease and rent	1,207,868	1,207,868	1,277,489	69,621
Charges for services	1,394,888	1,394,888	1,343,286	(51,602)
Intergovernmental	-	-	129,287	129,287
Interest Income	80,000	80,000	178,580	98,580
Miscellaneous	79,128	79,128	247,077	167,949
Total revenues	<u>19,193,241</u>	<u>19,193,241</u>	<u>17,533,206</u>	<u>(1,660,035)</u>
Expenditures:				
General government:				
Mayor and Board	107,232	107,232	158,556	(51,324)
City Administration	485,223	485,223	422,516	62,707
Human Resources	577,266	577,266	500,688	76,578
Administrative Services	3,575,368	3,575,368	3,618,316	(42,948)
Finance	924,043	924,043	875,999	48,044
Legal	488,175	488,175	385,517	102,658
Total general government	<u>6,157,307</u>	<u>6,157,307</u>	<u>5,961,592</u>	<u>195,715</u>
Public safety:				
Police	4,265,384	4,265,384	4,009,159	256,225
Fire	3,136,804	3,136,804	3,203,727	(66,923)
Total public safety	<u>7,402,188</u>	<u>7,402,188</u>	<u>7,212,886</u>	<u>189,302</u>
Public works:				
Public works	735,237	735,237	661,339	73,898
Engineering	600,176	600,176	674,392	(74,216)
Community Development	897,370	897,370	911,090	(13,720)
Debt service	62,838	62,838	277,282	(214,444)
Capital outlay	-	-	1,120,816	(1,120,816)
Total expenditures	<u>15,855,116</u>	<u>15,855,116</u>	<u>16,819,397</u>	<u>(964,281)</u>
Excess of revenues over (under) expenditures	3,338,125	3,338,125	713,809	(2,624,316)
Other Financing Sources (Uses):				
Transfers in	204,951	204,951	376,910	171,959
Transfers (out)	(3,543,078)	(3,749,078)	(1,682,379)	2,066,699
Total other financing sources (uses)	<u>(3,338,127)</u>	<u>(3,544,127)</u>	<u>(1,305,469)</u>	<u>2,238,658</u>
Change in fund balances	<u>\$ (2)</u>	<u>\$ (206,002)</u>	<u>(591,660)</u>	<u>\$ (385,658)</u>
Fund balance, beginning of year - budget basis			<u>6,127,631</u>	
Fund balance - end of year - budget basis			5,535,971	
Adjustments:				
Encumbrances			58,465	
Fund balance - end of year - GAAP basis			<u>\$ 5,594,436</u>	
Net change in fund balance - budget basis			\$ (591,660)	
Adjustments:				
Encumbrances - beginning of year			(76,211)	
Encumbrances - end of year			58,465	
Net change in fund balance - GAAP basis			<u>\$ (609,406)</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, 2016

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 15,305,552	\$ 15,305,552	\$ 12,293,076	\$ (3,012,476)
Intergovernmental	-	-	26	26
Interest Income	434,538	434,538	219,316	(215,222)
Total revenues	<u>15,740,090</u>	<u>15,740,090</u>	<u>12,512,418</u>	<u>(3,227,672)</u>
Expenditures:				
Tourism	2,513,400	2,513,400	2,401,175	112,225
Capital outlay	593,234	593,234	-	593,234
Debt service:				
Principal	3,650,124	3,650,124	3,603,972	46,152
Interest and fiscal charges	816,337	816,337	774,678	41,659
Total expenditures	<u>7,573,095</u>	<u>7,573,095</u>	<u>6,779,825</u>	<u>793,270</u>
Excess of revenues over (under) expenditures	8,166,995	8,166,995	5,732,593	(2,434,402)
Other financing sources (uses):				
Bond proceeds	9,000,000	9,000,000	-	(9,000,000)
Transfers (out)	(17,838,055)	(17,838,055)	(10,830,475)	7,007,580
Total other financing sources (uses)	<u>(8,838,055)</u>	<u>(8,838,055)</u>	<u>(10,830,475)</u>	<u>(1,992,420)</u>
Change in fund balances	<u>\$ (671,060)</u>	<u>\$ (671,060)</u>	<u>(5,097,882)</u>	<u>\$ (4,426,822)</u>
Fund balance, beginning of year			<u>13,842,671</u>	
Fund balance - end of year - budget basis			<u>\$ 8,744,789</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, 2016

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 5,947,447	\$ 5,947,447	\$ 5,096,509	\$ (850,938)
Intergovernmental	-	-	12,837	12,837
Miscellaneous	-	-	13,748	13,748
Total revenues	<u>5,947,447</u>	<u>5,947,447</u>	<u>5,123,094</u>	<u>(824,353)</u>
Expenditures:				
Public works	4,405,028	4,405,028	3,633,491	771,537
Total expenditures	<u>4,405,028</u>	<u>4,405,028</u>	<u>3,633,491</u>	<u>771,537</u>
Excess of revenues over expenditures	1,542,419	1,542,419	1,489,603	(52,816)
Other financing sources (uses):				
Transfer In	750,000	750,000	750,000	-
Transfers (out)	(2,292,419)	(2,292,419)	(1,221,000)	1,071,419
Total other financing sources (uses)	<u>(1,542,419)</u>	<u>(1,542,419)</u>	<u>(471,000)</u>	<u>1,071,419</u>
Change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,018,603	<u>\$ 1,018,603</u>
Fund balance, beginning of year			<u>1,007,348</u>	
Fund balance - end of year - budget basis			2,025,951	
Adjustments:				
Encumbrances			545,267	
Fund balance - end of year - GAAP basis			<u>\$ 2,571,218</u>	
Net change in fund balance - budget basis			\$ 1,018,603	
Adjustments:				
Encumbrances - beginning of year			(411,263)	
Encumbrances - end of year			545,267	
Net change in fund balance - GAAP basis			<u>\$ 1,152,607</u>	

**CITY OF BRANSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Changes in Net Pension Liability and Related Ratios*

<i>Fiscal year ending June 30,</i>	2016	2015
Total Pension Liability		
Service Cost	\$ 1,352,747	\$ 1,347,957
Interest on the Total Pension Liability	2,827,004	2,661,466
Difference between expected and actual experience	(479,297)	(461,358)
Assumption Changes	1,376,648	-
Benefit Payments	(1,325,410)	(1,210,854)
Net Change in Total Pension Liability	3,751,692	2,337,211
Total Pension Liability beginning	38,979,733	36,642,522
Total Pension Liability ending	\$ 42,731,425	\$ 38,979,733
Plan Fiduciary Net Position		
Contributions-employer	\$ 1,391,471	\$ 1,387,590
Contributions-employee	430,515	401,034
Pension Plan Net Investment income	(56,853)	721,022
Benefit Payments	(1,325,410)	(1,210,854)
Pension Plan Administrative expense	(32,222)	(34,206)
Other	77,322	234,691
Net Change in Plan Fiduciary Net Position	484,823	1,499,277
Plan Fiduciary Net Position beginning	38,087,640	36,588,363
Plan Fiduciary Net Position ending	\$ 38,572,463	\$ 38,087,640
Employer Net Pension Liability	\$ 4,158,962	\$ 892,093
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	90.27%	97.71%
Covered Payroll **	\$ 10,044,006	\$ 9,931,048
Employer's Net Pension Liability as a percentage of covered payroll	41.41%	8.98%

Notes to schedule:

* GASB 68 requires presentation of ten years. As of December 31, 2016, only two years of information is available

** Covered payroll is measured as of the measurement date ending 6/30

**CITY OF BRANSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$1,322,437	\$1,387,947	\$1,484,882	\$1,486,822	\$1,415,641	\$1,345,475	\$1,278,498	\$736,273	\$797,285	\$771,212
Contributions in relation to the actuarially determined contribution	1,322,437	1,377,017	1,456,538	1,368,240	1,269,068	1,200,567	955,280	928,829	810,939	813,622
Contribution deficiency (excess)	\$0	\$10,929	\$28,344	\$118,582	\$146,574	\$144,908	\$323,218	(\$192,556)	(\$13,654)	(\$42,410)
Covered payroll	\$10,623,124	\$10,207,057	\$10,295,108	\$9,802,448	\$9,761,060	\$9,818,967	\$9,148,437	\$8,769,605	\$8,733,635	\$8,249,171
Contributions as a percentage of covered payroll	12.45%	13.49%	14.15%	13.96%	13.00%	12.23%	10.44%	10.59%	9.29%	9.86%

* Covered payroll is presented as of the City's fiscal year end 12/31

**CITY OF BRANSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

Notes to Schedule of Contributions

Valuation Date February 28, 2016

Notes: The roll-forward of the total pension liability from February 29, 2016 to to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments and administrative costs

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method Level Percentage of Payroll, Closed

Remaining amortization period Multiple bases from 13 to 22 years

Asset valuation method 5-year smoothed market; 20% corridor

Inflation assumption 3.25% wage inflation; 2.5% price inflation

Salary increases 3.25% to 6.55% including wage inflation

Investment rate of return 7.25%, net of investment and administrative expense

Retirement age Experience-based table of rates that are specific to the type of eligibility condition.

Mortality The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF BRANSON, MISSOURI

Schedule of Funding Progress - Other Post- Employment Benefits

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%	\$ 9,679,000	11%
9/30/2011	-	1,174,800	1,174,800	0%	10,700,000	11%
9/30/2013	-	1,302,300	1,302,300	0%	12,345,000	11%
9/30/2015	-	1,562,500	1,562,500	-	10,921,000	14%



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**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, 2016

	General	Convention Center	Recreation	Old School	Red Roof	Total
Assets						
Cash and investments	\$ 1,293,981	\$ 778,062	\$ 584,270	\$ 76,172	\$ 3,271	\$ 2,735,756
Receivables, net:						
Taxes	2,333,865	-	-	-	-	2,333,865
Leases	171,806	-	-	-	-	171,806
Other	134,179	135,349	60,585	-	-	330,113
Due from other funds	4,965,437	59,136	-	-	-	5,024,573
Prepays and inventories	111,877	103,893	-	-	-	215,770
Total assets	<u>\$ 9,011,145</u>	<u>\$ 1,076,440</u>	<u>\$ 644,855</u>	<u>\$ 76,172</u>	<u>\$ 3,271</u>	<u>\$ 10,811,883</u>
Liabilities						
Accounts payable	\$ 242,003	\$ 405,632	\$ 91,450	\$ 29	\$ -	\$ 739,114
Accrued liabilities	417,003	-	23,262	-	-	440,265
Deposits	18,698	-	-	-	-	18,698
Due to other funds	466,229	-	-	-	-	466,229
Advance payable	904,418	-	-	-	-	904,418
Total liabilities	<u>2,048,351</u>	<u>405,632</u>	<u>114,712</u>	<u>29</u>	<u>-</u>	<u>2,568,724</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	1,368,358	-	-	-	-	1,368,358
Fund Balances						
Nonspendable:						
Prepays and inventory	111,877	103,893	-	-	-	215,770
Committed for:						
Contractual and other	18,968	-	-	-	-	18,968
Assigned for:						
Contractual and other	39,497	-	-	-	-	39,497
Unassigned (deficit)	5,424,094	566,915	530,143	76,143	3,271	6,600,566
Total fund balances	<u>5,594,436</u>	<u>670,808</u>	<u>530,143</u>	<u>76,143</u>	<u>3,271</u>	<u>6,874,801</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 9,011,145</u>	<u>\$ 1,076,440</u>	<u>\$ 644,855</u>	<u>\$ 76,172</u>	<u>\$ 3,271</u>	<u>\$ 10,811,883</u>

CITY OF BRANSON, MISSOURI
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the year ended December 31, 2016

	General	Convention Center	Recreation	Old School	Red Roof	Eliminations	Total
Revenues:							
Taxes	\$ 13,348,799	\$ -	\$ 89,653	\$ -	\$ -	\$ -	\$ 13,438,452
Licenses and permits	771,271	-	11,943	-	-	-	783,214
Court fines	237,417	-	-	-	-	-	237,417
Lease and rent	1,277,489	-	-	-	-	-	1,277,489
Charges for services	1,343,286	4,337,371	1,543,144	-	-	-	7,223,801
Intergovernmental	129,287	-	-	-	-	-	129,287
Interest income	178,580	-	-	-	-	-	178,580
Miscellaneous	247,077	-	404,834	-	-	-	651,911
Total revenues	<u>17,533,206</u>	<u>4,337,371</u>	<u>2,049,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,920,151</u>
Expenditures:							
Current:							
General government	5,994,158	-	-	285	-	-	5,994,443
Public safety	7,236,632	-	-	-	-	-	7,236,632
Public works	661,339	-	-	-	-	-	661,339
Engineering	627,763	-	-	-	-	-	627,763
Community development	919,153	-	-	-	-	-	919,153
Culture and recreation	-	-	2,519,170	-	-	-	2,519,170
Convention center	-	4,736,154	-	-	-	-	4,736,154
Capital outlay	1,120,816	-	-	-	-	-	1,120,816
Debt service:							
Principal retirement	216,838	-	-	-	-	-	216,838
Interest and fiscal charges	60,444	-	-	-	-	-	60,444
Total expenditures	<u>16,837,143</u>	<u>4,736,154</u>	<u>2,519,170</u>	<u>285</u>	<u>-</u>	<u>-</u>	<u>24,092,752</u>
Excess of revenues over (under) expenditures	<u>696,063</u>	<u>(398,783)</u>	<u>(469,596)</u>	<u>(285)</u>	<u>-</u>	<u>-</u>	<u>(172,601)</u>
Other financing sources (uses):							
Transfers in	376,910	510,711	539,453	-	-	(1,151,660)	275,414
Transfers (out)	<u>(1,682,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151,660</u>	<u>(530,719)</u>
Total other financing sources (uses)	<u>(1,305,469)</u>	<u>510,711</u>	<u>539,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,305)</u>
Net change in fund balances	(609,406)	111,928	69,857	(285)	-	-	(427,906)
Fund balances - beginning of year	<u>6,203,842</u>	<u>558,880</u>	<u>460,286</u>	<u>76,428</u>	<u>3,271</u>	<u>-</u>	<u>7,302,707</u>
Fund balances (deficit) - end of year	<u>\$ 5,594,436</u>	<u>\$ 670,808</u>	<u>\$ 530,143</u>	<u>\$ 76,143</u>	<u>\$ 3,271</u>	<u>\$ -</u>	<u>\$ 6,874,801</u>

CITY OF BRANSON, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2016

Assets	<u>Debt Service</u>	<u>Perpetual Care</u>	<u>Total Other Governmental Funds</u>
Cash and investments			
Receivables, net:	\$ 2,604,198	\$ 5,110	\$ 2,609,308
Taxes	39,874	-	39,874
Due from other funds	36,094	-	36,094
Restricted Investments	17	-	17
Total assets	<u>\$ 2,680,183</u>	<u>\$ 5,110</u>	<u>\$ 2,685,293</u>
Fund Balances			
Nonspendable:			
Perpetual care	-	5,110	5,110
Restricted for:			
Debt Service	2,680,183	-	2,680,183
Total fund balances	<u>2,680,183</u>	<u>5,110</u>	<u>2,685,293</u>
Total liabilities and fund balance	<u>\$ 2,680,183</u>	<u>\$ 5,110</u>	<u>\$ 2,685,293</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, 2016

	Debt Service	Perpetual Care	Total Other Governmental Funds
Revenues:			
Taxes	\$ 216,036	\$ -	\$ 216,036
Intergovernmental	216,036	-	216,036
Total revenues	<u>432,072</u>	<u>-</u>	<u>432,072</u>
Expenditures:			
Debt service:			
Principal retirement	1,490,000	-	1,490,000
Interest and fiscal charges	1,442,758	-	1,442,758
Total expenditures	<u>2,932,758</u>	<u>-</u>	<u>2,932,758</u>
Excess of revenues over (under) expenditures	<u>(2,500,686)</u>	<u>-</u>	<u>(2,500,686)</u>
Other financing sources (uses):			
Transfers in	3,645,595	-	3,645,595
Total other financing sources (uses)	<u>3,645,595</u>	<u>-</u>	<u>3,645,595</u>
Net change in fund balances	<u>1,144,909</u>	<u>-</u>	<u>1,144,909</u>
Fund balances (deficit) - beginning of year	<u>1,535,274</u>	<u>5,110</u>	<u>1,540,384</u>
Fund balances (deficit) - end of year	<u>\$ 2,680,183</u>	<u>\$ 5,110</u>	<u>\$ 2,685,293</u>

**City of Branson, Missouri
Combining Balance Sheet
Tax Increment Financing Commission
December 31, 2016**

	<u>Branson Landing</u>	<u>Branson Hills</u>	<u>Total</u>
Assets			
Cash and investments	\$ 1,764,886	\$ 845,888	\$ 2,610,774
Receivables:			
Intergovernmental	949,502	709,807	1,659,309
Due from other funds	415,670	305,236	720,906
Restricted cash and investments	12,486,447	10,636,309	23,122,756
Total assets	<u>\$ 15,616,505</u>	<u>\$ 12,497,240</u>	<u>\$ 28,113,745</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	<u>800,254</u>	<u>455,932</u>	<u>1,256,186</u>
Fund balances:			
Restricted for debt service	<u>14,816,251</u>	<u>12,041,308</u>	<u>26,857,559</u>
Total fund balances	<u>14,816,251</u>	<u>12,041,308</u>	<u>26,857,559</u>
Total deferred inflows, and fund balances	<u>\$ 15,616,505</u>	<u>\$ 12,497,240</u>	<u>\$ 28,113,745</u>

City of Branson, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Tax Increment Financing Commission
For the year ended December 31, 2016

	Branson Landing	Branson Hills	Total
Revenues:			
Taxes	\$ 2,852,024	\$ 1,446,258	\$ 4,298,282
Tax increment financing	6,726,542	4,163,297	10,889,839
Lease revenues	455,000	-	455,000
Interest	357,678	35,833	393,511
Total revenues	<u>10,391,244</u>	<u>5,645,388</u>	<u>16,036,632</u>
Expenditures			
Debt service:			
Principal	3,795,000	2,265,000	6,060,000
Interest	5,161,163	3,005,300	8,166,463
Total expenditures	<u>8,956,163</u>	<u>5,270,300</u>	<u>14,226,463</u>
Excess of revenues over (under) expenditures	1,435,081	375,088	1,810,169
Other financing sources (uses):			
Transfers in	228,325	-	228,325
Transfers out	(1,768,792)	-	(1,768,792)
Total other financing sources (uses)	<u>(1,540,467)</u>	<u>-</u>	<u>(1,540,467)</u>
Net change in fund balances	(105,386)	375,088	269,702
Fund balances - beginning of year	<u>14,921,637</u>	<u>11,666,220</u>	<u>26,587,857</u>
Fund balances - end of year	<u>\$ 14,816,251</u>	<u>\$ 12,041,308</u>	<u>\$ 26,857,559</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, 2016

	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 4,320,081	\$ 4,337,371	\$ 17,290
Total revenues	<u>4,320,081</u>	<u>4,337,371</u>	<u>17,290</u>
Expenditures:			
Convention center	4,741,613	4,736,154	5,459
Total expenditures	<u>4,741,613</u>	<u>4,736,154</u>	<u>5,459</u>
Excess of revenues over (under) expenditures	(421,532)	(398,783)	22,749
Other financing sources (uses):			
Transfers in	897,000	510,711	(386,289)
Total other financing sources (uses)	<u>897,000</u>	<u>510,711</u>	<u>(386,289)</u>
Change in fund balances	<u>\$ 475,468</u>	111,928	<u>\$ (363,540)</u>
Fund balances, beginning of year		<u>558,880</u>	
Fund balances, end of year		<u>\$ 670,808</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, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 90,000	\$ 89,653	\$ (347)
Licenses and permits	-	11,943	\$ 11,943
Charges for services	1,388,102	1,543,144	155,042
Miscellaneous	132,650	404,834	272,184
Total revenues	1,610,752	2,049,574	438,822
Expenditures:			
Culture and recreation	2,471,360	2,519,170	(47,810)
Excess of revenues over (under) expenditures	(860,608)	(469,596)	391,012
Other financing sources (uses):			
Transfers in	671,000	539,453	(131,547)
Total other financing sources (uses)	671,000	539,453	(131,547)
Change in fund balances	\$ (189,608)	69,857	\$ 259,465
Fund balance, beginning of year		460,286	
Fund balance, end of year		\$ 530,143	

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, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
General governmental		\$ 285	\$ (285)
Total expenditures	-	<u>285</u>	<u>(285)</u>
Excess of revenues over (under) expenditures	-	<u>(285)</u>	<u>(285)</u>
Change in fund balances	<u>\$ -</u>	<u>(285)</u>	<u>\$ (285)</u>
Fund balance, beginning of year		<u>76,428</u>	
Fund balance - end of year		<u>\$ 76,143</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, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Lease and rent	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
General Government	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	-	-
Change in fund balances	\$ -	-	\$ -
Fund balance, beginning of year		3,271	
Fund balance (deficit) - end of year		\$ 3,271	

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, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 222,646	\$ 432,072	\$ 209,426
Total revenues	<u>222,646</u>	<u>432,072</u>	<u>209,426</u>
Expenditures:			
Debt Service:			
Principal	1,490,000	1,490,000	-
Interest	1,441,281	1,442,758	(1,477)
Total expenditures	<u>2,931,281</u>	<u>2,932,758</u>	<u>(1,477)</u>
Excess of revenues over (under) expenditures	(2,708,635)	(2,500,686)	207,949
Other Financing Sources (Uses)			
Transfers in	<u>2,327,773</u>	3,645,595	1,317,822
Total other financing sources (uses)	<u>2,327,773</u>	<u>3,645,595</u>	<u>1,317,822</u>
Change in fund balances	<u>\$ (380,862)</u>	1,144,909	<u>\$ 1,525,771</u>
Fund balance (deficit), beginning of year		<u>1,535,274</u>	
Fund balance (deficit), end of year		<u>\$ 2,680,183</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, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ -	\$ 8,151	\$ 8,151
Total revenues	<u>-</u>	<u>8,151</u>	<u>8,151</u>
Expenditures:			
Capital outlay	\$ 16,918,972	\$ 6,224,200	\$ 10,694,772
Total expenditures	<u>16,918,972</u>	<u>6,224,200</u>	<u>10,694,772</u>
Excess of revenues over (under) expenditures	(16,918,972)	(6,216,049)	10,702,923
Other financing sources (uses):			
Debt issuance	-	793,358	793,358
Transfers in	16,918,972	8,382,513	(8,536,459)
Total other financing sources (uses)	<u>16,918,972</u>	<u>9,175,871</u>	<u>(7,743,101)</u>
Change in fund balances	<u>\$ -</u>	<u>2,959,822</u>	<u>\$ 2,959,822</u>
Fund balance, beginning of year		<u>672,446</u>	
Fund balance - end of year		<u>\$ 3,632,268</u>	
Adjustments:			
Encumbrances		<u>1,564,098</u>	
Fund balance - end of year - GAAP basis		<u>\$ 5,196,366</u>	
Net change in fund balance - budget basis		\$ 2,959,822	
Adjustments:			
Encumbrances - beginning of year		(4,560,499)	
Encumbrances - end of year		<u>1,564,098</u>	
Net change in fund balance - GAAP basis		<u>\$ (36,579)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Branson Landing TIF Project
For the year ended December 31, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 2,868,508	\$ 2,852,024	\$ (16,484)
Tax increment financing	3,528,452	6,726,542	3,198,090
Lease revenues	450,000	455,000	5,000
Investment income	530,461	357,678	(172,783)
Total revenues	<u>7,377,421</u>	<u>10,391,244</u>	<u>3,013,823</u>
Expenditures:			
Debt Service:			
Principal	3,795,000	3,795,000	-
Interest	5,461,163	5,161,163	300,000
Finance	3,000	-	3,000
Total expenditures	<u>9,259,163</u>	<u>8,956,163</u>	<u>303,000</u>
Excess of revenues over (under) expenditures	(1,881,742)	1,435,081	3,316,823
Other Financing Sources (Uses)			
Transfers in	2,762,208	228,325	(2,533,883)
Transfers out	-	(1,768,792)	(1,768,792)
Total other financing sources (uses)	<u>2,762,208</u>	<u>(1,540,467)</u>	<u>(4,302,675)</u>
Change in fund balances	<u>\$ 880,466</u>	(105,386)	<u>\$ (985,852)</u>
Fund balance, beginning of year		<u>14,921,637</u>	
Fund balance, end of year		<u>\$ 14,816,251</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Branson Hills TIF Project
For the year ended December 31, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 792,342	\$ 1,446,258	\$ 653,916
Tax increment financing	3,256,107	4,163,297	907,190
Interest	11,100	35,833	24,733
Total revenues	<u>4,059,549</u>	<u>5,645,388</u>	<u>1,585,839</u>
Expenditures:			
Debt Service:			
Principal	1,885,000	2,265,000	(380,000)
Interest	3,077,700	3,005,300	72,400
Total expenditures	<u>4,962,700</u>	<u>5,270,300</u>	<u>(307,600)</u>
Other Financing Sources (Uses)			
Transfers in	1,361,323	-	(1,361,323)
Total other financing sources (uses)	<u>1,361,323</u>	<u>-</u>	<u>(1,361,323)</u>
Change in fund balances	<u>\$ 458,172</u>	375,088	<u>\$ (83,084)</u>
Fund balance, beginning of year		<u>11,666,220</u>	
Fund balance, end of year		<u>\$ 12,041,308</u>	

CITY OF BRANSON, MISSOURI

Statement of Changes in Assets and Liabilities -
Agency Fund
For the year ended December 31, 2016

Landscape Trust Fund	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
Assets				
Cash and cash investments	<u>\$ 930,683</u>	<u>\$ 13,289</u>	<u>\$ 96,247</u>	<u>\$ 847,725</u>
Liabilities				
Due to others	<u>\$ 930,683</u>	<u>\$ 13,289</u>	<u>\$ 96,247</u>	<u>\$ 847,725</u>



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Statistical Section



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STATISTICAL SECTION

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

Contents

Table

Financial Trends

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

1-4

Revenue Capacity

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

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Debt Capacity

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Demographic and Economic Information

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

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.

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

Table 1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government activities										
Net Investment										
in capital assets	\$ 141,919,127	\$ 145,177,108	\$ 144,289,962	\$ 129,557,224	\$ 126,777,920	\$ 123,688,092	\$ 122,866,191	\$ 115,739,014	\$ 115,152,798	\$ 127,964,687
Restricted	17,204,507	17,791,624	14,686,790	21,582,752	20,830,167	24,479,925	44,856,588	44,517,308	41,951,381	38,647,161
Unrestricted	16,681,197	13,200,540	14,845,152	9,950,868	5,922,405	2,753,471	(182,552,519)	(170,220,990)	(159,444,814)	(158,582,215)
Total governmental activities net position	\$ 175,804,831	\$ 176,169,272	\$ 173,821,904	\$ 161,090,844	\$ 153,530,492	\$ 150,921,488	\$ (14,829,740)	\$ (9,964,668)	\$ (2,340,635)	\$ 8,029,633
Business-type activities										
Net Investment										
in capital assets	\$ 73,609,515	\$ 77,523,944	\$ 75,955,579	\$ 81,930,467	\$ 81,599,165	\$ 79,235,984	\$ 77,211,991	\$ 74,602,930	\$ 72,229,268	\$ 72,789,732
Restricted	172,367	185,812	189,393	3,217,997	2,461,091	120,209	-	-	-	-
Unrestricted	1,801,365	2,982,009	4,123,488	4,435,196	4,765,345	7,205,369	7,380,807	8,476,846	9,659,818	8,029,447
Total business-type activities net position	\$ 75,583,247	\$ 80,691,765	\$ 80,268,460	\$ 89,583,660	\$ 88,825,601	\$ 86,561,562	\$ 84,592,798	\$ 83,079,776	\$ 81,889,086	\$ 80,819,179
Primary government										
Net Investment										
in capital assets	\$ 215,528,642	\$ 217,620,480	\$ 220,245,541	\$ 211,487,691	\$ 208,377,085	\$ 202,924,076	\$ 200,078,182	\$ 190,341,944	\$ 187,382,066	\$ 200,754,419
Restricted	17,376,874	17,977,436	14,876,183	24,800,749	23,291,258	24,600,134	44,856,588	44,517,308	41,951,381	38,647,161
Unrestricted (deficit)	18,482,562	21,263,121	18,968,640	14,386,064	10,687,750	9,958,840	(175,171,712)	(161,744,144)	(149,784,996)	(150,552,768)
Total primary government net position	\$ 251,388,078	\$ 256,861,037	\$ 254,090,364	\$ 250,674,504	\$ 242,356,093	\$ 237,483,050	\$ 69,763,058	\$ 73,115,108	\$ 79,548,451	\$ 88,848,812

Note: In 2008, the City's TIF Commission and tax increment financing activities were removed from the Primary Government presentation and shown as a discretely presented component unit. Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.
 In 2013, the City implemented GASB 61; as a result of this the TIF Commission component unit is now blended with the Governmental activities.
 Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year
 October thru December 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to the Calendar basis.

Table 2

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 4,528,246	\$ 4,939,024	\$ 4,813,249	\$ 6,288,554	\$ 6,508,380	\$ 7,317,045	\$ 7,559,988	\$ 7,332,752	\$ 6,095,239	\$ 6,507,060
Public safety	5,708,173	7,284,189	5,656,388	6,717,714	6,566,479	6,946,404	7,058,754	6,685,683	6,673,594	7,372,503
Public works	8,120,098	9,139,399	2,663,332	9,482,818	14,784,274	9,678,260	8,766,285	8,661,621	9,362,157	7,974,953
Engineering services	646,429	726,971	606,672	658,103	552,491	585,196	603,529	540,389	628,328	673,679
Community development	1,086,542	1,461,803	1,293,578	1,430,800	825,744	1,381,794	824,607	734,863	777,043	919,153
Culture and recreation	2,010,813	2,316,661	2,099,264	2,643,310	2,784,808	2,781,959	2,748,371	2,420,135	2,453,437	2,871,391
Convention Center	872,144	7,229,165	5,348,111	7,471,163	8,389,119	9,790,922	8,376,158	6,893,851	6,758,400	6,754,370
Tourism	2,754,357	2,453,257	2,392,731	2,248,108	3,634,159	2,282,803	2,716,287	2,516,263	3,249,908	2,401,175
Interest on long-term debt	6,000,615	3,938,218	3,635,473	3,824,038	2,800,553	3,343,781	12,354,440	12,018,310	10,555,017	10,431,870
Total governmental expense	<u>31,727,417</u>	<u>39,488,687</u>	<u>28,508,798</u>	<u>40,764,608</u>	<u>46,846,007</u>	<u>44,108,164</u>	<u>51,008,419</u>	<u>47,803,867</u>	<u>46,553,123</u>	<u>45,906,154</u>
Business-type activities:										
Water & sewer services	7,938,306	8,701,225	8,526,666	8,270,508	9,228,202	9,438,946	10,394,694	10,486,575	11,163,088	11,551,798
Total business-type activities expense	<u>7,938,306</u>	<u>8,701,225</u>	<u>8,526,666</u>	<u>8,270,508</u>	<u>9,228,202</u>	<u>9,438,946</u>	<u>10,394,694</u>	<u>10,486,575</u>	<u>11,163,088</u>	<u>11,551,798</u>
Total primary governmental expense	<u>\$ 39,665,723</u>	<u>\$ 48,189,912</u>	<u>\$ 37,035,464</u>	<u>\$ 49,035,116</u>	<u>\$ 56,074,209</u>	<u>\$ 53,547,110</u>	<u>\$ 61,403,113</u>	<u>\$ 58,290,442</u>	<u>\$ 57,716,211</u>	<u>\$ 57,457,952</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,470,833	\$ 2,589,876	\$ 2,746,768	\$ 2,802,297	\$ 2,694,761	\$ 3,683,018	\$ 2,508,255	\$ 2,705,888	\$ 2,748,871	\$ 2,834,494
Public safety	43,849	43,281	19,968	13,466	152,213	256,570	267,602	390,890	27,908	31,586
Public works	13,740	30,307	2,424	-	-	30,000	4,010	3,516	31,190	13,748
Engineering services	2,002	1,577	1,165	1,616	-	-	-	-	-	-
Community development	740,409	591,472	229,631	162,255	21,730	28,443	472,401	477,072	746,117	832,600
Culture and recreation	1,164,916	1,224,259	1,390,871	1,519,887	1,337,484	1,341,381	1,413,677	1,496,882	1,579,445	1,879,137
Convention center	-	3,937,780	4,001,137	4,637,819	4,986,726	6,648,205	5,038,015	3,709,824	4,556,378	4,337,371
Tourism	19,442	-	-	-	-	-	-	-	-	-
Operating grants & contributions	45,622	206,563	45,565	315,980	1,401,141	452,643	49,729	475,597	25,271	172,387
Capital grants & contributions	381,654	2,750,119	1,016,376	251,439	1,420,806	2,671,184	644,664	426,354	198,306	216,062
Total governmental program revenues	<u>\$ 4,882,467</u>	<u>\$ 11,375,234</u>	<u>\$ 9,453,905</u>	<u>\$ 9,704,759</u>	<u>\$ 12,014,861</u>	<u>\$ 15,111,444</u>	<u>\$ 10,398,353</u>	<u>\$ 9,686,023</u>	<u>\$ 9,913,486</u>	<u>\$ 10,317,385</u>

Changes in Net Position, Cont.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services - water & sewer	\$ 5,195,680	\$ 5,906,548	\$ 5,856,243	\$ 6,077,393	\$ 6,991,270	\$ 6,972,901	\$ 7,100,903	\$ 7,268,825	\$ 7,376,804	\$ 8,109,639
Capital grants & contributions	596,804	6,523,130	1,199,077	3,996,655	788,201	119,837	455,753	893,453	401,987	1,267,680
Total business-type activities program revenues	5,792,484	12,429,678	7,055,320	10,074,048	7,779,471	7,092,738	7,556,656	8,162,278	7,778,791	9,377,319
Total primary governmental program revenues	\$ 10,674,951	\$ 23,804,912	\$ 16,509,225	\$ 19,778,807	\$ 19,794,332	\$ 22,204,182	\$ 17,955,009	\$ 17,848,301	\$ 17,692,277	\$ 19,694,704
Net (expense)revenue										
Governmental activities	\$ (26,844,950)	\$ (28,113,453)	\$ (19,054,893)	\$ (31,059,849)	\$ (34,831,146)	\$ (28,996,720)	\$ (40,610,066)	\$ (38,117,844)	\$ (36,639,637)	\$ (35,588,769)
Business-type activities	(2,145,822)	3,728,453	(1,471,346)	1,803,540	(1,448,731)	(2,346,208)	(2,838,038)	(2,324,297)	(3,384,297)	(2,174,479)
Total primary governmental net expense	\$ (28,990,772)	\$ (24,385,000)	\$ (20,526,239)	\$ (29,256,309)	\$ (36,279,877)	\$ (31,342,928)	\$ (43,448,104)	\$ (40,442,141)	\$ (40,023,934)	\$ (37,763,248)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	\$ 2,061,835	\$ 2,052,194	\$ 2,370,101	\$ 2,560,923	\$ 2,648,293	\$ 2,553,081	\$ 2,649,129	\$ 2,548,007	\$ 2,656,996	\$ 2,705,460
Sales tax	12,443,263	12,981,038	12,102,118	12,321,436	12,478,162	12,459,908	12,696,407	16,402,367	16,896,104	17,662,010
Tourism tax	11,810,276	11,769,977	10,888,188	10,907,769	10,453,937	10,321,084	11,110,923	11,862,618	12,149,089	13,284,968
Other taxes	1,079,175	1,512,676	1,360,473	1,396,916	1,453,969	1,232,656	1,418,674	1,952,282	1,725,996	1,694,796
Intergovernmental Activity taxes	-	-	-	-	-	-	10,263,563	10,123,821	10,543,454	10,889,839
Other	-	-	-	-	-	-	9,297	-	-	8,151
(Loss)/gain on sale of capital assets	9,515	-	-	104,256	15,047	17,870	29,814	-	-	-
Unrestricted investment earnings	2,397,427	1,505,009	876,037	888,518	885,386	681,791	876,763	861,000	1,431,890	791,407
Insurance recoveries	-	-	-	-	-	-	-	31,780	-	-
Transfers out	(725,608)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)	(852,590)	(798,959)	(1,980,000)	(1,077,594)
Total governmental activities	29,075,883	28,477,894	26,596,917	20,118,595	27,270,794	27,211,390	38,201,980	42,982,916	43,423,529	45,959,037
Business-type activities:										
Unrestricted investment earnings	45,957	37,065	48,041	31,030	23,919	26,422	16,684	12,316	21,381	26,978
Gain of sale of capital assets	-	-	-	-	2,753	747	-	-	-	-
Transfers in	725,608	1,343,000	1,000,000	8,061,223	664,000	55,000	852,590	798,959	1,980,000	1,077,594
Total business-type activities	771,565	1,380,065	1,048,041	8,092,253	690,672	82,169	869,274	811,275	2,001,381	1,104,572
Total primary government	\$ 29,847,448	\$ 29,857,959	\$ 27,644,958	\$ 28,210,848	\$ 27,961,466	\$ 27,293,559	\$ 39,071,254	\$ 43,794,191	\$ 45,424,910	\$ 47,063,609
Change in Net Position										
Governmental activities	\$ 2,230,933	\$ 364,441	\$ 7,542,024	\$ (10,941,254)	\$ (7,560,352)	\$ (1,785,330)	\$ (2,408,086)	\$ 4,865,072	\$ 6,783,892	\$ 10,370,268
Business-type activities	(1,374,257)	5,108,518	(423,305)	9,895,793	(758,059)	(2,264,039)	(1,968,764)	(1,513,022)	(1,382,916)	(1,069,907)
Total primary government	\$ 856,676	\$ 5,472,959	\$ 7,118,719	\$ (1,045,461)	\$ (8,318,411)	\$ (4,049,369)	\$ (4,376,850)	\$ 3,352,050	\$ 5,400,976	\$ 9,300,361

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

2 The Convention Center opened in September 2007.

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

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

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

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

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

Table 3

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

	2005	2006	2007	2008	2009		
General Fund							
Reserved	\$ 1,650,890	\$ 1,756,039	\$ 2,200,693	\$ 1,265,717	\$ 1,319,086		
Unreserved	3,196,765	6,029,006	4,534,005	8,062,100	5,739,682		
Total General Fund	<u>\$ 4,847,655</u>	<u>\$ 7,785,045</u>	<u>\$ 6,734,698</u>	<u>\$ 9,327,817</u>	<u>\$ 7,058,768</u>		
All other governmental funds							
Reserved	\$ 18,110,669	\$ 20,786,620	\$ 10,928,435	\$ 41,091,787	\$ 19,583,280		
Unreserved, reported in:							
Special revenue funds	17,461,153	14,250,375	17,620,241	12,648,957	5,357,555		
Capital project funds	(3,837,893)	(10,687,320)	(1,859,546)	(29,245,744)	(10,675,562)		
Debt service funds	92,278	86,300	82,229	71,068	56,553		
Permanent funds	13,616	14,220	9,670	-	-		
Total all other governmental funds	<u>\$ 31,839,823</u>	<u>\$ 24,450,195</u>	<u>\$ 26,781,029</u>	<u>\$ 24,566,068</u>	<u>\$ 14,321,826</u>		
	2010	2011	2012	2013	2014	2015	2016
General Fund							
Nonspendable	\$ 27,612	\$ 1,242,963	\$ 1,233,132	\$ 1,201,990	\$ 1,313,165	\$ 1,344,852	\$ 215,770
Committed	-	45,315	57,280	133,997	133,997	133,997	18,968
Assigned	65,075	130,506	36,896	30,384	30,384	30,384	39,497
Unassigned	5,463,010	6,688,556	5,662,339	4,736,771	4,795,385	5,793,474	6,600,566
	<u>\$ 5,555,697</u>	<u>\$ 8,107,340</u>	<u>\$ 6,989,647</u>	<u>\$ 6,103,142</u>	<u>\$ 6,272,931</u>	<u>\$ 7,302,707</u>	<u>\$ 6,874,801</u>
All other governmental funds							
Nonspendable	\$ 92,690	\$ 4,660	\$ 4,910	\$ 4,910	\$ 4,910	\$ 1,005,110	\$ 5,110
Restricted	22,597,488	20,825,507	24,475,015	44,851,678	45,549,880	42,384,413	39,949,331
Committed	463,660	-	-	428,847	-	-	904,418
Assigned	3,774,721	3,638,638	3,321,522	1,719,943	2,073,297	672,446	635,867
Unassigned (deficit)	-	(898,756)	(857,165)	(477,967)	556,997	-	-
	<u>\$ 26,928,559</u>	<u>\$ 23,570,049</u>	<u>\$ 26,944,282</u>	<u>\$ 46,527,411</u>	<u>\$ 48,185,084</u>	<u>\$ 44,061,969</u>	<u>\$ 41,494,726</u>

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

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

Table 4

CITY OF BRANSON, MISSOURI										
Changes in Fund Balances of Governmental Funds										
LAST TEN FISCAL YEARS										
(modified accrual basis of accounting)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 27,329,795	\$ 28,314,241	\$ 26,668,284	\$ 27,076,663	\$ 27,069,935	\$ 26,635,541	\$ 31,057,777	\$ 32,556,847	\$ 33,422,273	\$ 35,342,355
Licenses and permits	1,205,100	1,061,481	648,553	594,662	630,822	752,465	751,652	952,870	661,590	783,214
Court fines	429,633	642,078	653,158	721,396	462,319	424,167	444,825	498,717	395,143	237,417
Charges for services	2,128,886	6,180,864	6,506,679	6,537,071	7,028,189	5,342,403	7,095,138	6,147,508	7,109,600	7,223,801
Lease and rent	1,118,492	1,065,826	1,202,484	1,299,524	1,270,272	1,082,494	1,538,945	1,633,637	1,658,575	1,732,489
Lease termination	-	-	-	-	1,420,806	-	-	-	-	-
Intergovernmental activity	26,208	-	216,243	315,981	67,057	1,292,613	10,263,563	10,123,821	10,543,454	10,889,839
Contributions from component unit	-	-	-	-	1,234,122	425,632	49,729	-	-	-
Investment earnings	2,397,427	1,505,009	876,037	888,518	885,386	681,791	876,763	861,000	1,431,890	791,407
Miscellaneous and contributions	650,014	613,085	107,630	313,010	353,163	184,270	306,118	1,032,522	553,062	1,031,996
Total revenues	\$ 35,285,555	\$ 39,382,584	\$ 36,879,068	\$ 37,746,825	\$ 40,422,071	\$ 36,821,376	\$ 52,384,510	\$ 53,806,922	\$ 55,775,587	\$ 58,032,518
Expenditures										
General government	\$ 5,190,074	\$ 4,593,757	\$ 4,813,249	\$ 5,919,194	\$ 5,399,751	\$ 6,508,377	\$ 6,705,697	\$ 6,872,357	\$ 5,514,797	\$ 5,994,443
Public safety	5,798,774	6,814,114	5,656,388	5,980,396	6,452,560	6,917,136	6,837,956	6,638,367	6,822,224	7,236,632
Public works	2,716,631	2,901,678	2,663,332	3,128,528	3,875,368	4,166,290	4,119,375	3,913,635	5,324,229	4,160,826
Engineering	1,462,282	662,870	606,672	595,835	487,858	516,275	508,776	510,405	571,624	627,763
Community Development	-	1,386,627	1,293,578	1,359,711	825,744	1,376,767	820,381	732,572	771,982	919,153
Culture and recreation	1,838,694	2,096,656	2,099,264	2,020,121	2,141,406	2,217,011	2,194,652	2,146,143	2,225,512	2,519,170
Convention Center	-	5,162,094	5,348,111	5,385,970	5,645,608	7,163,096	5,698,650	4,596,620	4,685,516	4,736,154
Tourism	2,995,042	2,679,977	2,392,731	2,479,293	3,897,022	2,282,803	2,946,340	2,516,263	3,249,908	2,401,175
Capital outlay	36,981,252	7,614,255	6,224,332	745,892	6,588,219	372,336	4,619,594	2,267,075	6,843,694	10,341,417
Debt service:										
Principal	2,572,000	2,676,000	2,787,000	2,927,000	3,062,869	3,978,187	9,463,804	9,263,333	10,925,708	11,370,810
Cost of Issuance	-	-	-	-	691,412	-	-	-	425,741	-
Interest	6,049,762	3,777,489	3,635,473	3,683,624	2,745,690	3,254,415	12,173,553	11,782,615	10,151,445	10,444,343
Advance refunding payment	-	-	-	-	5,490,478	-	-	-	-	-
Total expenditures	\$ 65,604,511	\$ 40,365,517	\$ 37,520,130	\$ 34,225,564	\$ 47,303,985	\$ 38,752,693	\$ 56,088,778	\$ 51,239,385	\$ 57,512,380	\$ 60,751,886
Excess of revenues over (under) expenditures	(30,318,956)	(982,933)	(641,062)	3,521,261	(6,881,914)	(1,931,317)	(3,704,268)	2,567,537	(1,736,793)	(2,719,368)
Other financing sources (uses)										
Transfers in (out)	(692,162)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)	(852,590)	(852,590)	(1,971,091)	(1,069,139)
Capital lease issuance	-	-	-	-	-	-	-	-	-	793,358
Proceeds from the sale of capital assets	-	-	-	-	-	8,084	46,319	46,319	1,419	-
Insurance recoveries	-	-	-	-	-	4,234,773	216,801	216,801	-	-
Refunding bonds issued	1,840,000	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	15,535,000	-	-	-	-	62,560,000	-
Issuance premium on bonds	-	-	-	(98,377)	-	-	-	-	6,822,564	-
Payments to refunded bond escrow agent	(1,681,461)	-	-	(7,854,917)	(35,788,589)	-	-	-	(68,769,444)	-
Bonds, notes or leases issued, net	-	-	-	-	42,527,636	-	139,099	139,099	-	-
Total other financing sources (uses)	(533,623)	(1,343,000)	(1,000,000)	(479,517)	6,075,047	4,187,857	(450,371)	(450,371)	(1,356,552)	(275,781)
Net change in fund balances	\$ (30,852,579)	\$ (2,325,933)	\$ (1,641,062)	\$ 3,041,744	\$ (806,867)	\$ 2,256,540	\$ (4,154,639)	\$ 2,117,166	\$ (3,093,345)	\$ (2,995,149)
Debt service as a percentage of noncapital expenditures	30.12%	19.70%	20.52%	19.75%	15.96%	18.84%	42.04%	42.98%	42.44%	43.28%

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

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

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

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

Table 5

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

<u>Fiscal Year</u>	<u>Ad valorem Taxes</u>	<u>Sales Taxes</u>	<u>Motor Fuel Taxes</u>	<u>911 Taxes</u>	<u>Franchise Taxes</u>	<u>Cigarette Taxes</u>	<u>Tourism Taxes</u>	<u>Total</u>
2007	2,023,289	12,443,263	270,035	-	679,204	103,728	11,810,276	27,329,795
2008	2,050,551	12,981,038	246,870	415,990	761,274	88,541	11,769,977	28,314,241
2009	2,370,101	12,102,118	233,944	217,454	807,533	101,542	10,888,188	26,720,880
2010	2,560,923	12,321,436	240,232	227,876	846,302	82,506	10,907,769	27,187,044
2011	2,683,867	12,478,162	237,976	228,641	908,505	78,847	10,453,937	27,069,935
2012	2,621,893	12,082,847	377,060	236,900	928,980	66,777	10,321,084	26,635,541
2013	2,658,259	12,314,581	381,136	226,779	1,032,038	74,701	10,294,447	26,981,941
2014	2,532,237	12,867,716	396,693	226,767	1,248,044	86,549	10,968,483	28,326,489
2015	2,648,771	13,225,121	412,662	220,278	1,209,287	98,325	11,201,343	29,015,787
2016	2,699,618	14,155,555	416,102	220,278	1,163,718	89,653	12,293,076	31,038,000

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											
<u>TAXPAYER CATEGORY</u>		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
		TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
		SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES
General Merchandise	Retail	\$ 247,941,199	\$ 274,916,762	\$ 293,755,942	\$ 305,409,447	\$ 304,129,831	\$ 304,221,868	\$317,482,589	\$319,781,532	\$337,426,588	\$352,651,695
Apparel Stores	Retail	156,639,697	153,781,942	149,567,706	159,559,192	160,920,220	161,241,244	160,710,474	163,101,294	157,707,986	151,660,682
Eating & Drinking Estab.	Restaurant	140,899,909	140,575,324	139,578,728	144,308,545	136,259,334	137,183,377	142,971,391	150,784,134	162,112,204	167,827,081
Lodging and Campgrounds	Lodging	147,904,609	145,965,525	136,213,320	144,420,254	137,644,396	132,745,848	143,412,507	150,132,785	158,358,112	166,525,286
Theaters & Live Entertainment	Theater	132,746,946	131,198,900	110,920,763	110,492,928	104,837,779	103,111,671	102,825,242	109,628,537	105,402,652	118,924,449
Non-Theater Entertainment	Amusement	43,430,933	42,250,999	39,744,145	27,375,675	26,159,203	38,938,056	40,162,361	45,659,229	48,297,569	52,811,878
Grocery & Liquor Stores	Grocery	42,577,167	37,874,690	30,043,796	40,811,110	40,072,158	18,226,500	29,887,999	33,575,712	31,593,662	30,358,203
Automotive Sales, Leasing & Service	Automotive	37,854,669	31,906,102	26,532,936	31,155,749	30,760,824	26,660,992	21,571,973	31,557,138	31,593,662	42,933,973
Ice Cream, Candy, Coffee Shops	Restaurant	7,919,103	9,173,807	9,507,717	9,396,129	9,051,637	9,465,643	10,000,439	10,727,287	11,577,803	11,663,155
Other	Other	52,664,196	55,790,979	57,355,398	66,595,045	68,319,561	71,427,996	70,359,000	69,697,715	72,424,943	74,846,211
Total		\$1,010,578,428	\$ 1,023,435,030	\$ 993,220,451	\$1,039,524,074	\$1,018,154,943	\$1,003,223,195	\$1,039,383,975	\$1,084,645,363	\$1,116,495,181	\$1,170,202,613
<p>N/A - Information not available</p> <p>City direct sales tax rate = 1.5%</p> <p>Information provided by City of Branson based on business tax filings with the Missouri Dept. of Revenue</p> <p>Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.</p> <p>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.</p>											

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
2007	1.500%	1.500%	0.250%	4.225%	1.000% *
2008	1.500%	1.500%	0.250%	4.225%	1.000%
2009	1.500%	1.625%	0.250%	4.225%	1.000%
2010	1.500%	1.625%	0.250%	4.225%	1.000%
2011	1.500%	1.625%	0.250%	4.225%	1.000%
2012	1.500%	1.625%	0.250%	4.225%	1.000%
2013	1.500%	1.625%	0.250%	4.225%	1.000%
2014	1.500%	1.625%	0.250%	4.225%	1.000%
2015	1.500%	1.625%	0.250%	4.225%	1.000%
2016	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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Food & Beverage	0.5%	\$ 183,826,494	\$ 192,232,182	\$ 185,492,490	\$ 189,410,826	\$ 185,915,054	\$ 184,191,502	\$ 192,692,662	\$ 195,046,352	\$ 207,816,296	\$ 216,625,964
Hotel/Motel	4%	117,508,578	123,261,606	118,544,535	119,770,515	114,314,645	108,863,270	114,850,886	119,983,144	126,605,037	133,349,106
Theaters & Live Entertainment	4%	89,343,455	96,945,457	92,319,474	91,214,446	82,348,037	80,190,214	80,908,396	84,697,440	81,558,025	94,181,252
Amusements	4%	45,445,089	39,173,591	32,769,206	33,739,168	34,119,917	33,126,047	35,312,122	39,087,101	41,751,344	46,284,700
Overnight Rentals	4%	18,107,712	21,069,582	16,176,190	16,946,656	17,503,855	19,366,302	21,051,438	22,160,638	23,407,084	25,708,863
Campground	4%	2,785,245	2,500,028	2,516,223	2,772,319	2,222,503	2,384,765	2,535,074	2,856,730	2,949,664	3,270,351
Ticket & Package Resellers	4%	4,946,058	6,230,486	4,765,733	6,347,949	6,887,015	5,142,011	1,292,207	0	0	0
Total		\$461,962,631	\$481,412,932	\$452,583,851	\$460,201,879	\$443,311,026	\$433,264,111	\$448,642,785	\$463,831,405	\$484,087,450	\$519,420,236

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				Total Taxable	Total Direct Tax Rate		Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Agriculture	Personal Property	Assessed Value	Residential	Commercial		
2007	86,838,260	242,921,000	908,690	47,643,099	378,311,049	4.1959	4.3461	1,368,117,043	27.65%
2008	91,625,510	245,957,340	907,650	47,429,491	385,919,991	4.1969	4.3510	1,402,145,694	27.52%
2009	93,546,920	327,653,640	800,410	58,490,528	480,491,498	4.1961	4.7612	1,700,183,943	28.26%
2010	124,023,461	265,362,796	866,180	59,963,492	450,215,929	4.2010	4.8232	1,670,939,514	26.94%
2011	146,247,385	279,274,073	928,940	56,826,281	483,276,679	4.6112	4.7612	1,822,396,575	26.52%
2012	150,241,732	270,660,662	958,770	54,572,853	476,434,017	4.7930	4.9430	1,809,922,558	26.32%
2013	142,171,721	279,589,720	958,520	49,339,802	472,059,763	4.6875	4.8375	1,779,492,309	26.53%
2014	146,345,757	264,379,295	1,253,490	50,725,309	462,703,851	4.7930	4.9430	1,760,584,931	26.28%
2015	155,318,764	248,114,476	1,232,900	47,468,397	452,134,537	4.8846	5.0346	1,746,942,710	25.88%
2016	142,397,524	252,484,406	1,084,010	48,444,326	444,410,266	4.9636	5.1136	1,694,308,826	26.23%

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

<p align="center">CITY OF BRANSON, MISSOURI PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS PER \$100 ASSESSED VALUATION LAST TEN FISCAL YEARS</p>										
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
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	0.5116	3.8582	-	0.0300	0.0864		0.1404	4.6266	0.1500	4.7766
2011	0.5186	3.8605	-	0.0300	0.0880	0.0500	0.1404	4.6875	0.1500	4.8375
2012	0.5394	3.9436	-	0.0300	0.0896	0.0500	0.1404	4.7930	0.1500	4.9430
2013	0.5464	4.0280	-	0.0300	0.0898	0.0500	0.1404	4.8846	0.1500	5.0346
2014	0.5636	4.0886	-	0.0300	0.0910	0.0500	0.1404	4.9636	0.1500	5.1136
2015	0.5739	4.1489	-	0.0300	0.0926	0.0500	0.1404	5.0358	0.1500	5.1858
2016	0.5942	4.2222	-	0.0300	0.0931	0.0500	0.1404	5.1299	0.1500	5.2799

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 2016 AND NINE YEARS AGO**

Taxpayer		2016			2007		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Chateau on the Lake	Lodging	\$ 8,195,970	1	1.84%	\$ 7,912,380	1	2.09%
Tanger Mall	Retail	6,855,170	2	1.54%	\$ 6,166,780	2	1.63%
Sight & Sound Theatre	Theater	6,217,210	3	1.40%	N/A	N/A	N/A
Branson Landing Hotel	Lodging	4,950,080	4	1.11%	N/A	N/A	N/A
Radisson Hotel	Lodging	N/A	N/A	N/A	4,178,350	3	1.10%
Branson Meadows Mall	Retail	N/A	N/A	N/A	3,850,020	4	1.02%
Wal-Mart	Retail	3,492,300	5	0.79%	N/A	N/A	N/A
Summit Natural Gas	Utilities	3,212,200	6	0.72%	N/A	N/A	N/A
Grand Palace	Theater	N/A	N/A	N/A	\$ 3,086,770	8	0.82%
Factory Merchants (Red Roof)	Retail	N/A	N/A	N/A	3,779,880	5	1.00%
Branson Promenade Hotel/Condos	Lodging	2,951,790	7	0.66%	N/A	N/A	N/A
Moon River Enterprises	Theater	N/A	N/A	N/A	2,474,370	9	0.65%
Shoppes at Branson Hills	Retail	2,346,680	8	0.53%	N/A	N/A	N/A
Mansion America Theater	Theater	2,258,660	9	0.51%	3,354,640	6	0.89%
Welk Resort	Lodging/Theater	2,251,610	10	0.51%	3,268,290	7	0.86%
Target Corporation	Retail	N/A	N/A	N/A	2,457,080	10	0.65%
Totals		\$ 42,731,670			\$ 40,528,560		12.16%

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 *
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%	65,442	2,060,727	102.14%
2009	2,302,621	2,247,701	97.61%	144,655	2,392,356	103.90%
2010	2,436,745	2,135,966	87.66%	366,827	2,502,793	102.71%
2011	2,501,491	2,396,963	95.82%	114,266	2,511,229	100.39%
2012	2,549,098	2,465,048	96.70%	86,509	2,551,557	100.10%
2013	2,555,077	2,459,780	96.27%	88,793	2,548,573	99.75%
2014	2,669,204	2,407,594	90.20%	29,794	2,437,388	91.32%
2015	2,654,532	2,607,799	98.24%	53,415	2,661,214	100.25%
2016	2,621,027	2,642,325	100.81%	-	2,642,325	100.81%

Collection data is presented on the cash basis.

Collection data is provided by Taney County Collector's Office.

** Total Tax Levy is provided by Taney County Collector's Office and is not changed from year to year even if more taxes have been levied in the following years.*

Table 13

CITY OF BRANSON, MISSOURI								
Ratios of Outstanding Debt by Type								
Last Ten Fiscal Years								
Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income	Per Capita
	Special Revenue Bonds	Notes Payable	Tax Increment Financing	Water & Sewer Revenue Bonds				
2007	70,002,000	-	-	875,000		70,877,000	39.00%	9,953
2008	67,326,000	-	-	750,000		68,076,000	34.22%	9,156
2009	64,539,000	-	-	620,000		65,159,000	30.91%	8,445
2010	68,907,000	-	-	480,000		69,387,000	31.26%	8,812
2011	64,592,000	5,639,767	-	330,000		70,561,767	26.89%	6,707
2012	61,119,000	5,134,580	-	170,000		66,423,580	24.19%	6,035
2013	57,681,000	3,482,875	185,145,190	-		246,309,065	85.41%	21,836
2014	53,373,552	2,389,804	182,462,989	-		238,226,345	77.64%	20,873
2015	49,094,406	2,304,835	177,122,836	-		228,522,077	74.48%	20,023
2016	44,625,000	2,331,600	164,020,190	-		210,976,790	68.76%	18,486

Note: In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit.
 Amounts for 2007 have been reclassified. Amounts presented prior to 2007 have not been reclassified.
 In 2013, the City implemented GASB 61; as a result of this the TIF Component Unit is now blended with the Governmental activities.
 Information provided by the City of Branson Economic Development Division and contains information from other sources.
 Per Capita is calculated using the population of 7499.
 Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.
 October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal year to a calendar basis.

Table 14

CITY OF BRANSON, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2016

<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	71,580,000	72.20%	\$ 51,683,614
Taney County	-	<u>47.39%</u>	<u>-</u>
Subtotal, overlapping debt			51,683,614
City of Branson - Direct debt			<u>210,976,790</u>
Total direct and overlapping debt			<u>\$ 262,660,404</u>
<p><i>Sources: Assessed value data used to estimate applicable percentages provided by the County and Assessment Debt outstanding data provided by the county.</i></p> <p><i>Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Branson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses, should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.</i></p> <p><i>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city government's boundaries and dividing it by the entity's total taxable assessed value.</i></p>			

Table 15

CITY OF BRANSON, MISSOURI Legal Debt Margin Information LAST TEN FISCAL YEARS										
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 77,183,998	\$ 96,098,300	\$ 90,043,186	\$ 96,655,336	\$ 96,655,336	\$ 95,286,803	\$ 94,411,953	\$ 92,540,770	\$ 90,426,907	\$ 88,882,053
Total debt applicable to limit	<u>19,436,890</u>	<u>22,331,128</u>	<u>19,888,233</u>	<u>24,751,072</u>	<u>22,107,137</u>	<u>24,466,076</u>	<u>22,249,262</u>	<u>16,609,967</u>	<u>23,811,083</u>	<u>12,330,596</u>
Legal debt margin	<u>\$ 57,747,108</u>	<u>\$ 73,767,172</u>	<u>\$ 70,154,953</u>	<u>\$ 71,904,264</u>	<u>\$ 74,548,199</u>	<u>\$ 70,820,727</u>	<u>\$ 72,162,691</u>	<u>\$ 75,930,803</u>	<u>\$ 66,615,824</u>	<u>\$ 76,551,457</u>
Total net debt applicable to limit as a percentage of debt	25%	23%	22%	26%	23%	26%	24%	18%	26%	14%
Legal Debt Margin Calculation for Fiscal Year 2014										
										444,410,266
										88,882,053
										13,510,000
										2,331,600
										<u>15,841,600</u>
										(3,511,004)
										<u>12,330,596</u>
										<u>\$ 76,551,457</u>
<p><i>Note: Under state finance law, the city's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.</i></p>										

Table 16

CITY OF BRANSON, MISSOURI PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS							
<u>Tourism Tax Revenue Bonds</u>							
Fiscal Year	<u>Tourism Tax Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Debt Service Requirements Interest</u>	<u>Total</u>	<u>Coverage</u>
2007	11,810,276	1,359,711	8,815,234	2,157,000	1,909,197	4,066,197	2.17
2008	11,769,977	825,744	9,090,000	2,256,000	1,581,911	3,837,911	2.37
2009	10,888,188	1,376,767	8,495,457	2,357,000	1,545,988	3,902,988	2.18
2010	10,907,769	820,381	8,428,476	2,462,000	1,343,401	3,805,401	2.21
2011	10,453,937	732,572	6,556,915	2,455,000	1,591,946	4,046,946	1.62
2012	10,321,084	2,516,263	7,804,821	2,803,000	1,345,386	4,148,386	1.88
2013	10,294,447	2,946,338	7,348,109	2,878,000	1,192,948	4,070,948	1.81
2014	10,968,483	2,516,264	8,452,219	2,896,000	1,033,732	3,929,732	2.15
2015	11,201,343	3,249,908	7,951,435	2,955,000	871,863	3,826,863	2.08
2016	12,293,076	2,401,175	9,891,901	3,070,000	708,179	3,778,179	2.62
<u>**Water & Sewer Revenue Bonds</u>							
	<u>Water & Sewer Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Debt Service Requirements Interest</u>	<u>Total</u>	<u>Coverage</u>
2006	3,997,956	4,577,632	(579,676)	865,000	107,940	972,940	(0.60)
2007	4,616,278	4,934,497	(318,219)	115,000	64,605	179,605	(1.77)
2008	5,368,710	5,586,910	(218,200)	125,000	57,188	182,188	(1.20)
2009	5,663,961	4,878,421	785,540	130,000	60,720	190,720	4.12
2010	5,978,496	4,686,561	1,291,935	140,000	31,440	171,440	7.54
2011	6,935,185	5,438,532	1,496,653	150,000	15,720	165,720	9.03
2012	6,926,349	5,591,008	1,335,341	160,000	21,615	181,615	7.35
2013*	7,191,923	5,816,601	1,375,322	170,000	11,135	181,135	7.59
*Debt Obligation for the Water & Sewer Fund were paid off in 2013							
<u>***Annual Appropriation Bonds</u>							
	<u>General Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Debt Service Requirements Interest</u>	<u>Total</u>	<u>Coverage</u>
2007	35,285,555	20,001,497	15,284,058	415,000	2,110,607	2,525,607	6.05
2008	39,382,584	26,297,773	13,084,811	420,000	2,106,470	2,526,470	5.18
2009	36,879,068	24,873,325	12,005,743	430,000	2,064,110	2,494,110	4.81
2010	37,746,825	26,869,048	10,877,777	465,000	2,061,979	2,526,979	4.30
2011	39,301,255	28,725,317	10,575,938	-	2,043,377	2,043,377	5.18
2012	36,821,376	31,147,755	5,673,621	-	1,603,150	1,603,150	3.54
2013	37,304,650	34,451,421	2,853,229	560,000	1,534,931	2,094,931	1.36
2014	38,839,552	37,701,347	1,138,205	1,305,000	1,518,131	2,823,131	0.40
2015	39,601,781	38,297,081	1,304,700	1,340,000	1,478,981	2,818,981	0.46
2016	41,995,886	46,525,423	(4,529,537)	1,490,000	1,438,781	2,928,781	(1.55)
**The water and sewer fund has been supported by transfers from the tourism tax fund.							
*** In 2008, the City's tax increment financing activities were removed from the Primary Government presentation and shown as a component unit. Amounts for 2007 have been reclassified. Amount presented prior to 2007 have not been reclassified.							
Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.							
October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.							

Table 17

<p align="center">CITY OF BRANSON, MISSOURI Demographic and Economic Statistics Last Ten Fiscal years</p>							
FISCAL YEAR	POPULATION	PERSONAL INCOME	AVERAGE ANNUAL WAGE	MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING (county)	PUBLIC SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2007	7,435	198,960,600	26,760	40.9	13.1	3,866	6.6%
2008	7,716	210,831,984	27,324	39.5	14.2	4,066	7.5%
2009	7,874	221,975,934	28,191	41.3	14.1	4,206	12.3%
2010	10,520	262,452,960	24,948	46.1	13.4	4,379	13.9%
2011	10,660	259,336,480	24,328	46.3	13.2	4,545	12.9%
2012	10,800	279,406,800	25,871	44.0	13.3	4,615	9.4%
2013	10,936	275,324,736	25,176	44.7	13.3	4,575	10.4%
2014	11,064	265,491,744	23,996	44.5	13.3	4,632	9.6%
2015	10,942	262,564,232	23,996	44.5	13.3	4,632	9.6%
2016	11,511	337,962,960	29,360	42.1	13.1	4,812	9.1%

Source: Branson Department of Public Relations/Economic Development

Table 18

CITY OF BRANSON, MISSOURI Principal Employers in Branson Area CURRENT YEAR AND NINE YEARS AGO								
Taxpayer		2016			2007			
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment	
Kanakuk Kamps	Summer Camp	1900	1	6.10%	N/A	N/A		0.00%
Herschend Family Entertainment	Theme Parks	1710	2	5.49%	244	7		0.92%
Cox Health (Skaggs)	Hospital	1081	3	3.47%	804	2		3.02%
Big Cedar Resort	Lodging	914	4	2.94%	N/A	N/A		0.00%
Branson Public Schools	Education	649	5	2.08%	465	4		1.75%
Wal-mart (2 stores)	Retail	444	6	1.43%	250	9		0.94%
College of the Ozarks	Education	366	7	1.18%	N/A	N/A		0.00%
City of Branson	Government	346	8	1.11%	301	5		1.13%
Westgate Resorts	Lodging	345	9	1.11%	N/A	N/A		0.00%
Taney County	Government	287	10	0.92%	250	9		0.94%
Totals		6,142		19.73%	2,314			8.71%

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, 2016										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administrative services	25	32	29	29	29	27	27	21	21	24
Finance	9	8	9	9	9	9	11	11	13	13
Planning	13	11	11	12	12	13	13	13	12	12
Police										
Officers	53	52	44	43	43	45	45	45	41	41
Civilians	4	4	12	15	15	15	15	15	13	22
Fire										
Firefighters	37	41	36	37	37	38	38	38	39	39
Civilians	2	4	2	2	2	2	2	2	1	2
Public Works/Utilities										
Facilities	28	29	20	11	11	10	10	10	8	8
Water	22	16	16	17	17	16	17	18	19	21
Wastewater	25	23	24	24	24	24	24	23	23	26
Other	6	6	5	8	8	13	13	21	21	24
Engineering	9	7	8	8	8	7	7	8	8	12
Parks & Recreation	12	13	11	18	18	18	18	18	17	20
TOTAL	245	246	227	233	233	237	240	243	236	264
Per City Budget	301	321	254	235	235	237	240	243	244	262
<i>Sources: Various government departments.</i>										

Table 20

CITY OF BRANSON, MISSOURI Operating Indicators by Function Last Ten Fiscal years										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
Police Department										
Physical arrests	1,316	1,553	1,338	1,771	1,682	1,263	1,281	1,407	927	1,441
Parking violations (CY)	2,280	2,125	2,103	2,192	1,845	2,076	2,225	2,125	4,007	2,511
Traffic violations	5,837	8,370	9,606	8,511	5,401	5,529	5,606	5,870	4,236	18
Fire Department										
Emergency Responses	3,098	3,479	3,296	3,574	2,402	3,627	3,215	3,745	4,077	4,398
Fires extinguished	44	53	66	56	76	77	98	63	18	31
Inspections	1,540	1,728	1,737	1,262	1,643	1,453	1,327	2,323	1,824	3,790
Planning & Development										
Building permits issued (CY)	1,793	1,650	1,740	1,506	1,438	1,882	1,488	1,438	1,367	1,439
Building inspections (CY)	4,411	3,321	3,598	3,900	3,390	3,685	2,628	3,408	3,825	3,550
Public Works										
Street Resurfacing	1.42	0	1.6	2	3.6	4.64	2.65	1.58	11.4	2.3
Potholes Repaired	2,685	1,234	1,912	1,080	2,606	7,273	3,854	4,223	2,241	3,493
New water connections	72	57	15	59	14	7	14	27	13	27
Water main breaks	45	42	47	112	101	74	68	120	62	80
Average daily consumption	3,769,786	3,584,106	3,357,000	3,468,906	3,464,452	3,463,386	3,443,134	3,451,852	3,349,000	3,424,169
Peak daily consumption	7,056,000	6,270,000	5,983,000	6,282,000	6,616,000	6,380,000	6,194,000	5,650,000	5,762,000	6,442,000
Average daily sewage treatment	3.95 mgd	4.29mgd	4.16 mgd	4.12 mgd	4.46 mgd	3.83 mgd	4.06 mgd	3.76 mgd	7.05	5.36
Parks & Recreation										
Pool admissions	22,297	31,587	27,953	26,524	30,864	24,873	17,268	19,236	22,974	20,382
Golf - rounds	9,038	9,608	7,683	6,740	4,621	5,529	4,973	5,421	4,539	4,323
Athletic field - events	90	94	98	101	99	100	99	78	71	70
<i>Sources: Various government departments.</i>										
<i>Note: Indicators are not available for the general governmental function.</i>										

Table 21

CITY OF BRANSON, MISSOURI										
Capital Asset Statistics by Function/Program										
Last Ten Fiscal years										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	0	0	0	0	0	0
Patrol Units	14	15	16	16	16	16	18	18	18	18
Fire Department										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Street (miles)	97	97	0	97.5	97.5	97.5	88.55	88.55	88.55	94.5
Street Lights	1,609	1,609	0	1,631	1,643	1,625	1,633	1,676	1,675	1,664
* Traffic Signals	12	13	13	15	12	12	12	12	12	12
*Other traffic signals maintained by Missouri Dept of Transportation										
Utilities										
Water mains (miles)	90	92.09	95.3	93.86	95	95.15	95.15	95.15	100	102
Fire Hydrants	865	882	580	743	763	763	763	763	580	595
Storage capacity (thousand gals)	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	4,800,000	4,800,000	4,800,000	4,800,000	4,700,000
Utilities										
Sanitary sewers (miles)	179	210	172	231	233	233	234	234	210	210
Storm sewers (miles)	65	65	80	65	65	65	65	65	213	65
Treatment capacity (thousand gals)	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000
Parks & Recreation										
Acreage	290	290	290	290	290	290	290	290	290	300
Playgrounds	9	9	9	9	9	9	9	9	9	10
Baseball/softball fields	8	8	8	8	8	8	8	8	8	8
Soccer/football fields	3	3	3	3	3	3	3	3	3	3
Community/recreation centers	2	2	2	2	2	2	2	2	2	2
Campgrounds/RV parks	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
<i>Sources: Various government departments.</i>										
<i>Note: Indicators are not available for the general governmental function.</i>										

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Board of Alderman
City of Branson, Missouri

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Branson, Missouri (City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 21, 2017
Wichita, Kansas