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CITY OF BRANSON, MISSOURI
**Comprehensive
Annual Financial
Report**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

**PREPARED BY:
DEPARTMENT OF FINANCE**

**City of Branson, Missouri
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017**

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Introductory Section



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June 22, 2018

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, 2017. 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, 2017 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. 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 sewage and 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. The City adopted Priority Based Budgeting in FY2015 for the future budget years. Priority-Based Budgeting is an approach to local government financial management which emphasizes strategic planning and the prioritization of those plans to accomplish the goals and objectives identified by the community and city leaders. 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, the annual Strategic Plan and the Priority Based Budgeting process. 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.

Factors Affecting Financial Condition

Local Economy—in 2017, the City of Branson remained stable from prior year and recent economic development activities. FY2016 was a high growth year in which the City reached peak growth, so in order to adequately measure 2017 performance we look at past history comparisons. For 2017 these activities show sales stabilization, as measured by state sales tax filings, considering that filings decreased by .4% from calendar year 2016 we still believe we had a good year. Branson’s economy still continues to focus on the seasonal tourism industry.

Tourism—Branson and the Tri-Lakes Area attracted millions of visitors in 2017 who contributed over \$2 billion into the local economy. Last year, Branson was named in the top twenty U.S. destinations by TripAdvisor for the seventh year in a row. 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 M. Graham Clark Downtown Airport at Point 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, cold water 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 dollar, 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 offers 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 116.

You cannot be hungry in Branson, as visitors have an endless variety of restaurants and food establishments from which to choose, as there are 129 restaurants, food trucks, 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, Branson is also 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 bonded debt issues and 5 note debt issues outstanding. These issues include \$11,595,000 in revenue bonds for the Tourism Fund; \$29,580,000 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 \$161,272,982 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 also has \$13,545,333 in notes outstanding.

The City uses funding from the Tourism Tax and the Transportation Tax, to finance needed infrastructure extensions and improvements. Some of the projects during FY2017 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

13 consecutive years 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.

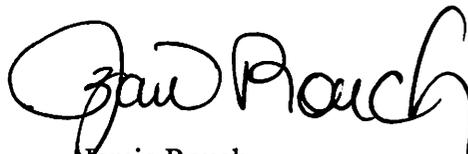
Our appreciation is extended to the Mayor, the Board of Aldermen, department directors and all city employees for their support concerning the financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of the 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 Robbins
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, 2016

Christopher P. Morill

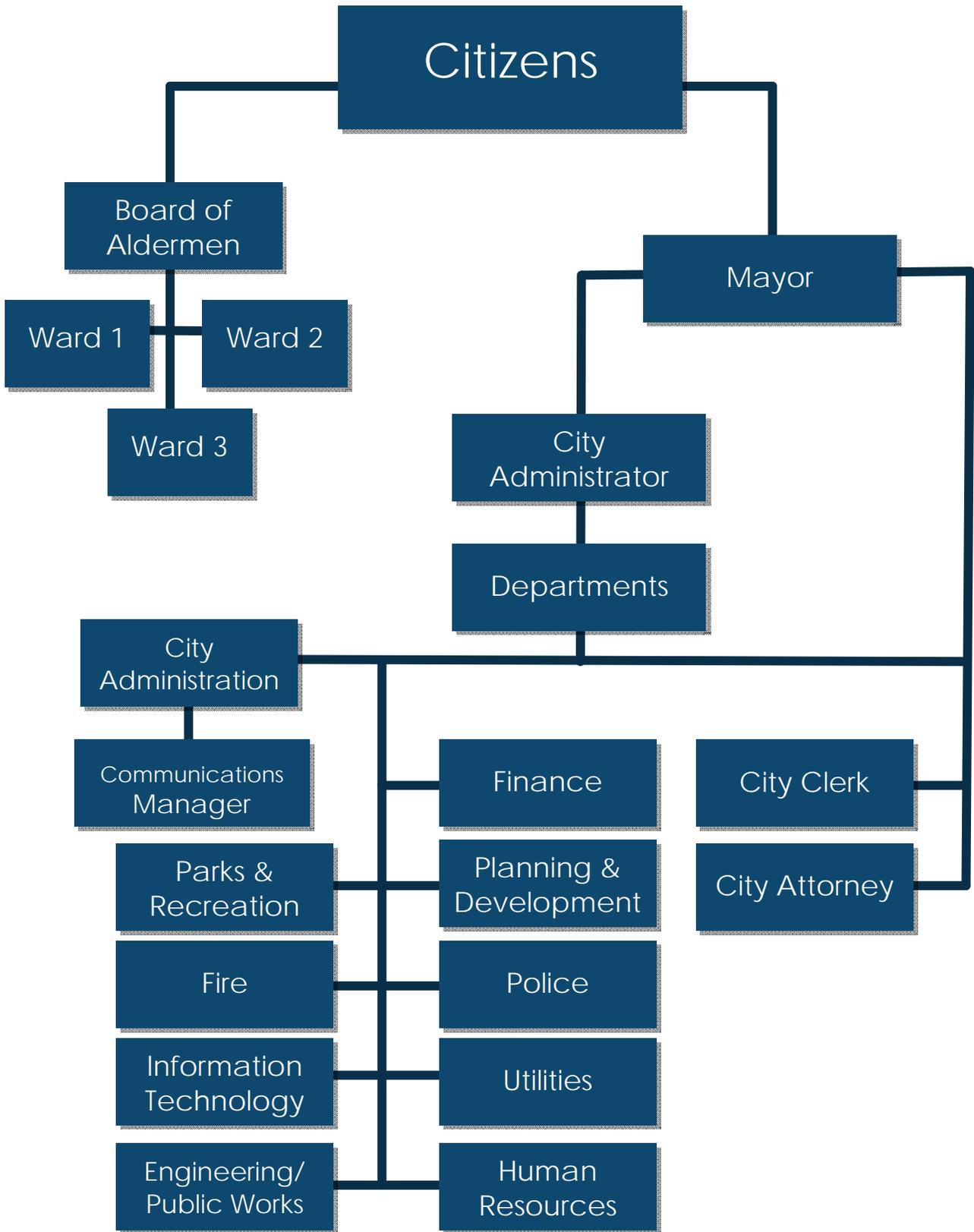
Executive Director/CEO

CITY OF BRANSON, MISSOURI

LIST OF PRINCIPAL OFFICIALS

As of December 31, 2017

Mayor	Karen Best
Alderman	Mike Booth
Alderman	Bob Simmons
Alderman	Cris Bohinc
Alderman	Rick Castillon
Alderman	Betsy Seay
Alderman	Kevin McConnell
City Administrator	Stanley Dobbins
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



Financial Section

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other 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 and the schedules of revenues, expenditures and changes in fund balances – budget and actual 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 22, 2018 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 22, 2018
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, 2017. 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 2017 by \$86,922,472.
- The City's total net position decreased by \$1,926,340. Of this amount, \$905,068 was an increase in the City's "governmental activities", while the City's "business-type activities" decreased by \$2,831,408.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,107,009. Approximately 15% of this total amount is unassigned.
- At December 31, 2017, the total unassigned fund balance for the General Fund was \$6,821,923 or approximately 29% 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 nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, 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 and the Parks and Recreation 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 schedules 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 and 18 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 54-61 of this report. Other supplementary information includes certain combining and individual fund statements and schedules. These statements are found on pages 62-76 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, 2017, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$86,922,472. The largest portion of the City's net position \$200,067,657 reflects its net investment in capital assets (e.g. land, construction-in-progress, buildings and fixtures, vehicles, furniture, infrastructure, land improvements 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, 2017 and 2016:

City of Branson Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Assets:						
Current and other assets	\$ 51,214,255	\$ 55,044,211	\$ 9,184,249	\$ 10,527,269	\$ 60,398,504	\$ 65,571,480
Capital assets	183,888,934	174,921,287	70,899,056	72,789,732	254,787,990	247,711,019
Total assets	<u>235,103,189</u>	<u>229,965,498</u>	<u>80,083,305</u>	<u>83,317,001</u>	<u>315,186,494</u>	<u>313,282,499</u>
Deferred outflows of resources:						
Deferred charge on refunding	4,892,115	5,398,329	-	-	4,892,115	5,398,329
Deferred outflows related to pensions	2,603,289	4,259,046	610,648	999,036	3,213,937	5,258,082
Total deferred outflows of resources	<u>7,495,404</u>	<u>9,657,375</u>	<u>610,648</u>	<u>999,036</u>	<u>8,106,052</u>	<u>10,656,411</u>
Liabilities:						
Long-term obligations	225,643,905	223,062,317	946,613	1,193,040	226,590,518	224,255,357
Other liabilities	4,484,407	5,432,236	1,623,057	2,164,907	6,107,464	7,597,143
Total liabilities	<u>230,128,312</u>	<u>228,494,553</u>	<u>2,569,670</u>	<u>3,357,947</u>	<u>232,697,982</u>	<u>231,852,500</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,953,610	2,506,490	-	-	2,953,610	2,506,490
Deferred inflows related to pensions	581,970	592,197	136,512	138,911	718,482	731,108
Total deferred inflows of resources	<u>3,535,580</u>	<u>3,098,687</u>	<u>136,512</u>	<u>138,911</u>	<u>3,672,092</u>	<u>3,237,598</u>
Net Position:						
Net, investment in capital assets	129,168,601	127,964,687	70,899,056	72,789,732	200,067,657	200,754,419
Restricted	35,559,852	38,647,161	-	-	35,559,852	38,647,161
Unrestricted /(Deficit)	<u>(155,793,752)</u>	<u>(158,582,215)</u>	<u>7,088,715</u>	<u>8,029,447</u>	<u>(148,705,037)</u>	<u>(150,552,768)</u>
Total Net Position (deficit)	<u>\$ 8,934,701</u>	<u>\$ 8,029,633</u>	<u>\$ 77,987,771</u>	<u>\$ 80,819,179</u>	<u>\$ 86,922,472</u>	<u>\$ 88,848,812</u>

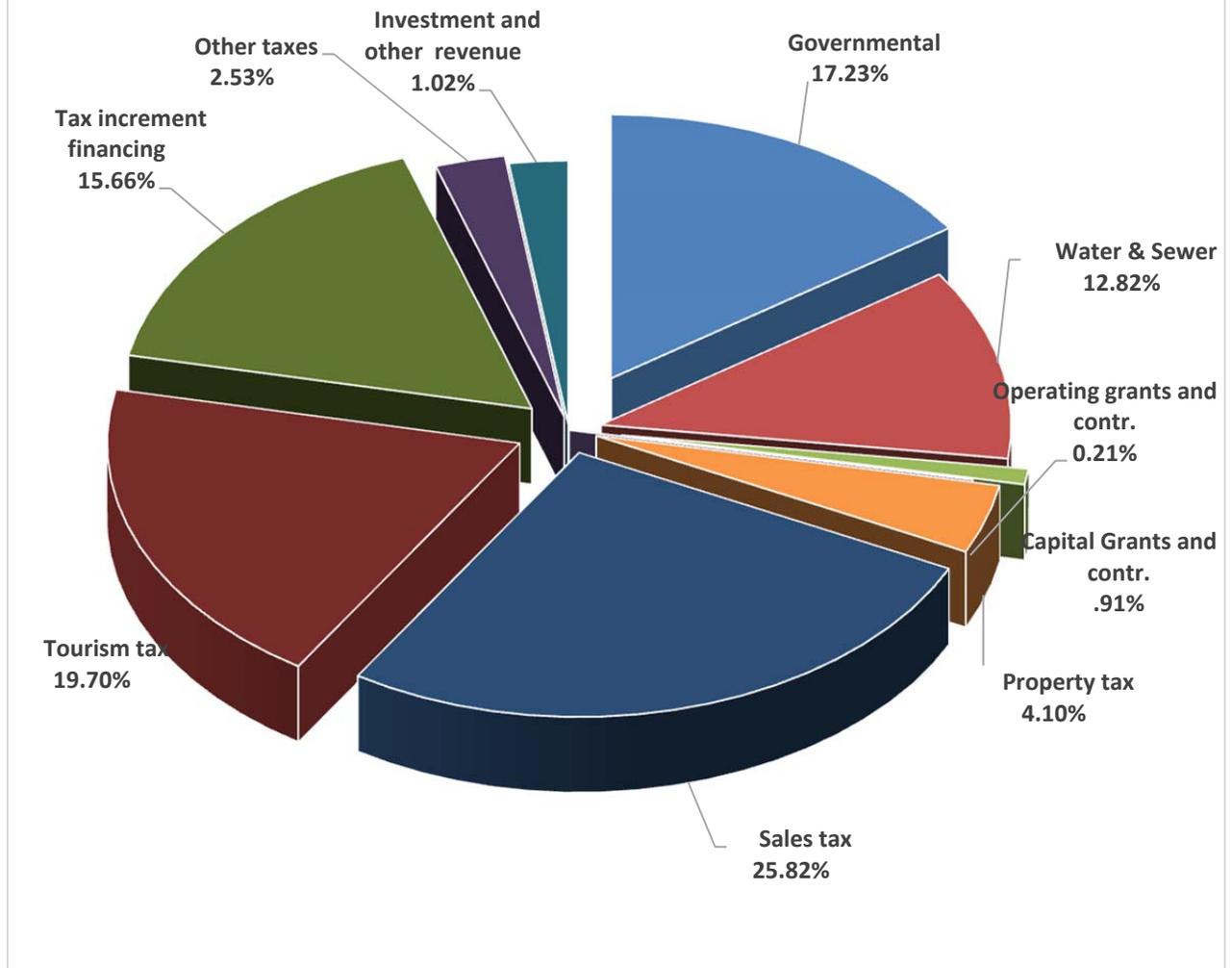
For the year ended December 31, 2017, the City's governmental activities net position increased by \$905,068. The City's business-type activities net position decreased by \$2,831,408, primarily as a result of operating expenses including depreciation exceeding operating revenues due to an increase in repairs and maintenance.

Changes in Net Position

The following table reflects the revenues and expenses for the fiscal years ended December 31, 2017 and 2016 from the City's activities:

City of Branson Statement of Activity						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Program Revenues:						
Charges for services						
Governmental	\$ 11,471,492	\$ 9,928,936	\$ -	\$ -	\$ 11,471,492	\$ 9,928,936
Water and sewer	-	-	8,536,453	8,109,639	8,536,453	8,109,639
Capital grants and contr.	174,147	216,062	432,346	1,267,680	606,493	1,483,742
Operating grants and contr.	142,781	172,387	-	-	142,781	172,387
General Revenues:						
Property tax	2,732,499	2,705,460	-	-	2,732,499	2,705,460
Sales tax	17,185,398	17,662,010	-	-	17,185,398	17,662,010
Tourism tax	13,115,362	13,284,968	-	-	13,115,362	13,284,968
Tax increment financing	10,422,701	10,889,839	-	-	10,422,701	10,889,839
Other taxes	1,686,608	1,694,796	-	-	1,686,608	1,694,796
Investment revenue	651,932	791,407	16,301	26,978	668,233	818,385
Other	10,130	8,151	-	-	10,130	8,151
Total revenues	<u>57,593,050</u>	<u>57,354,016</u>	<u>8,985,100</u>	<u>9,404,297</u>	<u>66,578,150</u>	<u>66,758,313</u>
Expenses:						
General government	7,057,095	6,507,060	-	-	7,057,095	6,507,060
Public safety	8,129,672	7,372,503	-	-	8,129,672	7,372,503
Public works	16,397,028	7,974,953	-	-	16,397,028	7,974,953
Engineering services	735,943	673,679	-	-	735,943	673,679
Community development	835,081	919,153	-	-	835,081	919,153
Culture and recreation	3,098,794	2,871,391	-	-	3,098,794	2,871,391
Convention center	6,892,726	6,754,370	-	-	6,892,726	6,754,370
Tourism	2,979,235	2,401,175	-	-	2,979,235	2,401,175
Interest and debt issuance costs	10,452,754	10,431,870	-	-	10,452,754	10,431,870
Water and sewer utility	-	-	11,926,162	11,551,798	11,926,162	11,551,798
Total expenses	<u>56,578,328</u>	<u>45,906,154</u>	<u>11,926,162</u>	<u>11,551,798</u>	<u>68,504,490</u>	<u>57,457,952</u>
Changes in net assets before transfers	1,014,722	11,447,862	(2,941,062)	(2,147,501)	(1,926,340)	9,300,361
Transfers	(109,654)	(1,077,594)	109,654	1,077,594	-	-
Change in net position	905,068	10,370,268	(2,831,408)	(1,069,907)	(1,926,340)	9,300,361
Net position, beginning	<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>
Net position, ending	<u>\$ 8,934,701</u>	<u>\$ 8,029,633</u>	<u>\$ 77,987,771</u>	<u>\$ 80,819,179</u>	<u>\$ 86,922,472</u>	<u>\$ 88,848,812</u>

2017 Revenues (Government-Wide Basis)

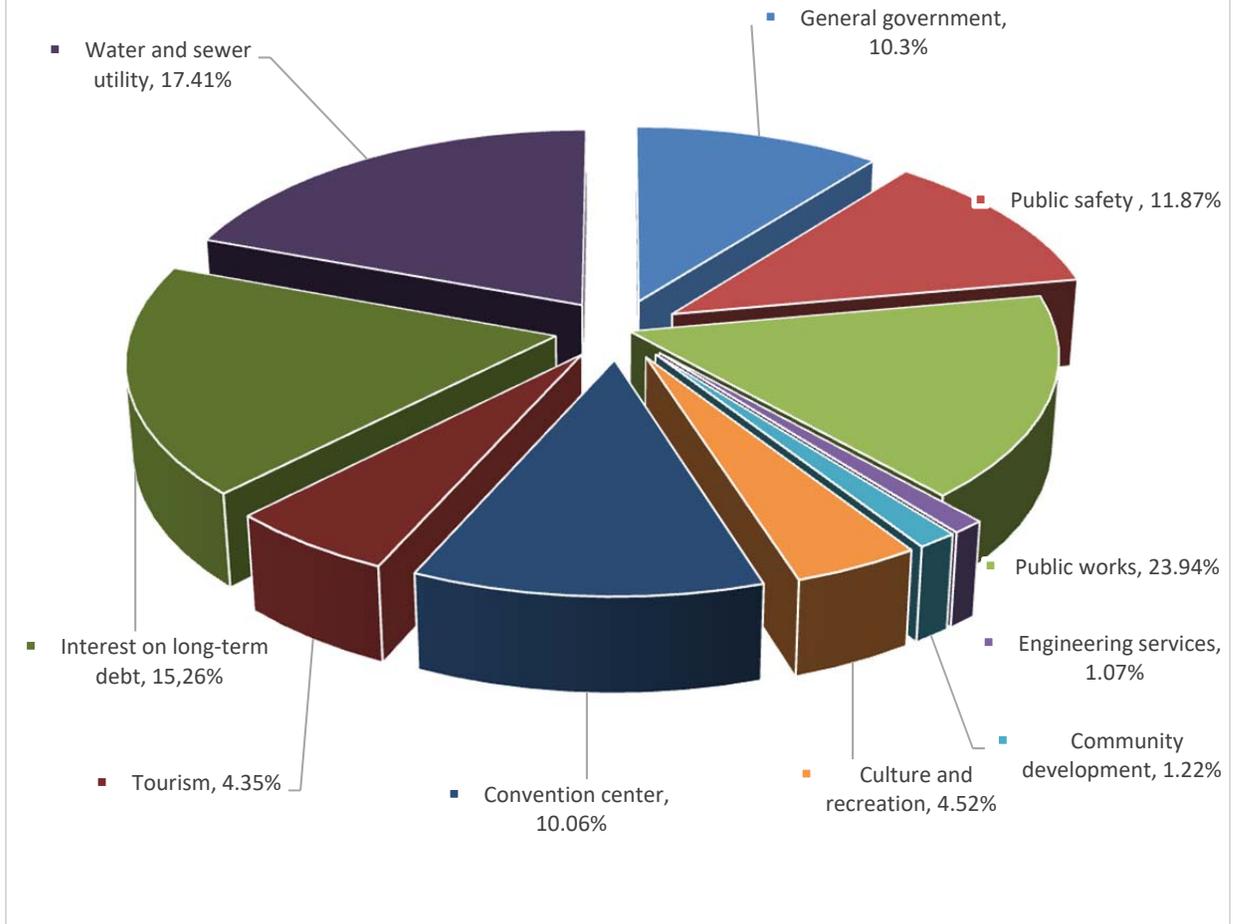


Governmental activities

Governmental activities increased the City's net position by \$905,068

- Sales and property taxes decreased approximately \$449,573 mainly due to a decrease in sales
- Tourism tax increased approximately \$169,606 due to an increase in tourism
- Tax increment financing taxes decreased approximately \$467,138 due to a decrease in tourism and sales
- Charges for services increased approximately \$1,542,556 due to an increase in culture and recreation.
- Investment earnings decreased approximately \$150,152 due to a decrease in interest rates and lower account balances subject to interest income
- Public works expenses increased approximately \$8,422,075 mainly due to an increase in projects
- Transfers to Water Sewer Capital decreased by \$967,940 from 2016.

2017 Expenses (Government-wide Basis)



Business-type activities.

For the fiscal year ended December 31, 2017 business-type activities decreased the City's net position by \$2,831,408 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 \$54,797,053. Of this amount, \$6,821,923 or approximately 15% 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 \$208,199, restricted amounts of \$36,919,091 committed amounts of \$807,880 and assigned amounts of \$338,098.

The fund balance of the City's General Fund increased \$162,029 during the current fiscal year due a decrease in capital outlay.

The tourism tax fund has a fund balance at December 31, 2017 of \$10,545,299, an increase of \$1,897,048 over 2016 due to the issuance of certificates of participation. Committed fund balance totaling \$807,880 is for tourism related purposes and \$9,737,419 is restricted for debt service.

The transportation sales tax fund has a restricted fund balance of \$1,859,409. 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 \$338,098, a decrease of \$297,769 from 2016 due to capital outlay expenditures for various projects.

The tax increment financing fund has a fund balance of \$22,485,015, a decrease of \$4,372,544 over the prior year due to a refunding at December 31, 2017. 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 \$7,142,739, a decrease of \$932,273 from December 31, 2016, 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 \$2,383,698 less than budgeted revenues due to tax revenues received were less than budgtd. Expenditures were \$183,339 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, 2017 amount to \$254,787,990 (net of accumulated depreciation). This investment in capital assets includes land, buildings and fixtures, vehicles, furniture, infrastructure, land improvements, equipment, park facilities, roads, highways, bridges, and construction-in-process. Major capital asset events during the current fiscal year included the following:

Governmental

- Public Works Salt Storage Building - \$196,197
- Traffic Signal Upgrade Gretna/Roark - \$55,613
- The following projects will continue into FY2018 and beyond with the project to date totals listed below:
 - Downtown Streetscape - \$12,792,326
 - Hwy 76 Revitalization – \$20,703,407

Business Type

- Compton Scum Pumps - \$44,704
- Lift Station Rebuild/Replacements - \$112,228
- Lift Station #21 Equalization Basin - \$1,416,875
- Meadows Water Treatment Plan Clearwell - \$73,900
- Water Meter Replacements - \$45,034
- The following projects will continue into FY2018 and beyond with the project to date totals listed below:
 - Compton Flood Protection Study - \$86,500
 - Cooper Creek Sewer Plant - \$603,259
 - Hwy 76 Revitalization Water Mains – \$2,112,539
 - Meadows Treatment Plant pump replacements - \$46,355

City of Branson Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Land and right of way	\$ 54,773,468	\$ 54,773,468	\$ 3,905,511	\$ 3,905,511	\$ 58,678,979	\$ 58,678,979
Construction in progress	34,743,634	19,802,386	2,863,174	2,873,058	37,606,808	22,675,444
Buildings and fixtures	47,157,058	49,551,779	36,049,435	37,955,062	83,206,493	87,506,841
Equipment	2,647,257	2,842,120	3,574,009	3,186,968	6,221,266	6,029,088
Vehicles	1,563,500	989,282	-	-	1,563,500	989,282
Infrastructure	41,833,838	45,453,558	24,506,927	24,869,133	66,340,765	70,322,691
Furniture	38,286	258,570	-	-	38,286	258,570
Land improvements	1,131,893	1,250,124	-	-	1,131,893	1,250,124
Total	\$ 183,888,934	\$ 174,921,287	\$ 70,899,056	\$ 72,789,732	\$ 254,787,990	\$ 247,711,019

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 \$201,063,003.

City of Branson Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Bonds:						
Revenue	\$ 11,595,000	\$ 13,510,000	\$ -	\$ -	\$ 11,595,000	\$ 13,510,000
Tax increment financing	159,888,003	164,020,190	-	-	159,888,003	164,020,190
Special Limited Obligation	29,580,000	31,115,000	-	-	29,580,000	31,115,000
Total	<u>\$ 201,063,003</u>	<u>\$ 208,645,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,063,003</u>	<u>\$ 208,645,190</u>

Economic Factors and Next Year’s Budget

- General Fund revenues for FY2018 are projected to be \$21,024,329, an increase of \$842,597 from the FY2017 actual amount. The City budgeted a 1% growth in sales tax for FY2018.
- The FY2018 annual budget for the General Fund expenditures are estimated at \$21,877,602 an increase of \$960,738 from the 2017 actual amount.
- Health insurance expenses are budgeted at a 3.9% increase for the City for FY2018, actual rates came in at a decrease.
- Water rates increased by 2% and Sewer rates increased 7% in 2018 as a result from the rate study in an effort to become self-sustaining in this fund.
- The City continues to use Priority Based Budgeting. This process allows 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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	76 Entertainment Community Improvement District
Assets				
Cash and investments	\$ 14,911,663	\$ 7,651,077	\$ 22,562,740	\$ 436,189
Receivables, net:				
Taxes	4,517,721	-	4,517,721	-
Leases	189,000	79,108	268,108	-
Intergovernmental	2,179,826	-	2,179,826	7,444
Other	361,849	474,215	836,064	-
Water and sewer	-	1,033,873	1,033,873	-
Internal balances	54,024	(54,024)	-	-
Prepays and inventories	203,089	-	203,089	-
Restricted cash and investments	28,785,265	-	28,785,265	-
Other assets	11,818	-	11,818	-
Capital Assets:				
Land and construction in progress, non-depreciable	89,517,102	6,768,685	96,285,787	-
Other capital assets, net of depreciation	94,371,832	64,130,371	158,502,203	-
Total assets	235,103,189	80,083,305	315,186,494	443,633
Deferred outflows of resources				
Deferred charge on refunding	4,892,115	-	4,892,115	-
Deferred outflows related to pensions	2,603,289	610,648	3,213,937	-
Total deferred outflows of resources	7,495,404	610,648	8,106,052	-
Liabilities				
Accounts payable and accrued expenses	3,027,306	580,275	3,607,581	11,086
Accrued interest payable	1,364,349	-	1,364,349	-
Deposits	92,752	1,042,782	1,135,534	-
Long-term liabilities:				
Due in one year	14,163,850	251,044	14,414,894	-
Due in more than one year	211,480,055	695,569	212,175,624	-
Total liabilities	230,128,312	2,569,670	232,697,982	11,086
Deferred inflows of resources				
Deferred revenue - property taxes	2,953,610	-	2,953,610	-
Deferred inflows related to pensions	581,970	136,512	718,482	-
Total deferred outflows of resources	3,535,580	136,512	3,672,092	-
Net Position (Deficit)				
Net investment in capital assets	129,168,601	70,899,056	200,067,657	-
Restricted for:				
Debt service	33,695,333	-	33,695,333	-
Tourism and transportation	1,859,409	-	1,859,409	-
Nonexpendable perpetual care	5,110	-	5,110	-
Unrestricted (deficit)	(155,793,752)	7,088,715	(148,705,037)	432,547
Total net position (deficit)	\$ 8,934,701	\$ 77,987,771	\$ 86,922,472	\$ 432,547

CITY OF BRANSON, MISSOURI
Statement of Activities
For the year ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services, Fees, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	76 Entertainment Community Improvement District
Governmental Activities								
General government	\$ 7,057,095	\$ 4,394,667	\$ -	\$ -	\$ (2,662,428)	\$ -	\$ (2,662,428)	\$ -
Public safety	8,129,672	64,211	51,315	-	(8,014,146)	-	(8,014,146)	-
Public works	16,397,028	40,397	-	174,147	(16,182,484)	-	(16,182,484)	-
Engineering	735,943	-	-	-	(735,943)	-	(735,943)	-
Community development	835,081	905,978	-	-	70,897	-	70,897	-
Culture and recreation	3,098,794	1,664,334	82,417	-	(1,352,043)	-	(1,352,043)	-
Convention center	6,892,726	4,401,905	9,049	-	(2,481,772)	-	(2,481,772)	-
Tourism	2,979,235	-	-	-	(2,979,235)	-	(2,979,235)	-
Interest and debt issuance costs	10,452,754	-	-	-	(10,452,754)	-	(10,452,754)	-
Total Governmental Activities	56,578,328	11,471,492	142,781	174,147	(44,789,908)	-	(44,789,908)	-
Business-Type Activities								
Water and sewer	11,926,162	8,536,453	-	432,346	-	(2,957,363)	(2,957,363)	-
Total Business-Type Activities	11,926,162	8,536,453	-	432,346	-	(2,957,363)	(2,957,363)	-
Total Primary Government	\$ 68,504,490	\$ 20,007,945	\$ 142,781	\$ 606,493	(44,789,908)	(2,957,363)	(47,747,271)	-
Component Unit								
76 Entertainment Community Improvement District	\$ 59,345	\$ -	\$ -	\$ -	-	-	-	(59,345)
General Revenues								
Taxes								
Property taxes					2,732,499	-	2,732,499	-
Sales taxes - general					11,157,299	-	11,157,299	-
Sales taxes - transportation					6,028,099	-	6,028,099	-
Tourism taxes					13,115,362	-	13,115,362	-
Tax increment financing					10,422,701	-	10,422,701	-
Other taxes					1,686,608	-	1,686,608	458,203
Other					10,130	-	10,130	1,965
Unrestricted investment earnings					651,932	16,301	668,233	19
Transfers					(109,654)	109,654	-	-
Total general revenues and transfers					45,694,976	125,955	45,820,931	460,187
Changes in net position					905,068	(2,831,408)	(1,926,340)	400,842
Net position (deficit) - beginning of year					8,029,633	80,819,179	88,848,812	31,705
Net position (deficit) - end of year					\$ 8,934,701	\$ 77,987,771	\$ 86,922,472	\$ 432,547

CITY OF BRANSON, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2017

	General	Tourism Tax	Transportation Sales Tax	Capital Projects	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 6,318,778	\$ -	\$ 1,139,033	\$ 1,575,677	\$ 3,121,975	\$ 2,756,200	\$ 14,911,663
Receivables, net:							
Taxes	2,240,756	1,133,887	1,089,523	-	-	53,555	4,517,721
Leases	189,000	-	-	-	-	-	189,000
Intergovernmental	106,718	-	-	-	2,073,108	-	2,179,826
Other	361,849	-	-	-	-	-	361,849
Due from other funds	1,694,391	-	-	-	1,102,223	32,328	2,828,942
Advance receivable	-	807,880	-	-	-	-	807,880
Restricted cash and investments	-	10,603,943	-	-	18,181,047	275	28,785,265
Prepays and inventories	203,089	-	-	-	-	-	203,089
Other Asset	11,818	-	-	-	-	-	11,818
Total assets	<u>\$ 11,126,399</u>	<u>\$ 12,545,710</u>	<u>\$ 2,228,556</u>	<u>\$ 1,575,677</u>	<u>\$ 24,478,353</u>	<u>\$ 2,842,358</u>	<u>\$ 54,797,053</u>
Liabilities							
Accounts payable	\$ 784,355	\$ 340,466	\$ 120,511	\$ 1,237,579	\$ 7,513	\$ -	\$ 2,490,424
Accrued liabilities	515,503	-	21,379	-	-	-	536,882
Deposits	92,752	-	-	-	-	-	92,752
Due to other funds	486,843	1,659,945	227,257	-	334,516	-	2,708,561
Advance payable	807,880	-	-	-	-	-	807,880
Total liabilities	<u>2,687,333</u>	<u>2,000,411</u>	<u>369,147</u>	<u>1,237,579</u>	<u>342,029</u>	<u>-</u>	<u>6,636,499</u>
Deferred inflows of resources							
Deferred property tax receivable	1,402,236	-	-	-	1,651,309	-	3,053,545
Fund Balances							
Nonspendable:							
Prepays and inventory	203,089	-	-	-	-	-	203,089
Other assets	11,818	-	-	-	-	-	11,818
Perpetual care	-	-	-	-	-	5,110	5,110
Restricted for:							
Public works	-	-	1,859,409	-	-	-	1,859,409
Debt service	-	9,737,419	-	-	22,485,015	2,837,248	35,059,682
Committed for:							
Advance receivable	-	807,880	-	-	-	-	807,880
Assigned for:							
Capital outlay	-	-	-	338,098	-	-	338,098
Unassigned (deficit)	6,821,923	-	-	-	-	-	6,821,923
Total fund balances (deficit)	<u>7,036,830</u>	<u>10,545,299</u>	<u>1,859,409</u>	<u>338,098</u>	<u>22,485,015</u>	<u>2,842,358</u>	<u>45,107,009</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 11,126,399</u>	<u>\$ 12,545,710</u>	<u>\$ 2,228,556</u>	<u>\$ 1,575,677</u>	<u>\$ 24,478,353</u>	<u>\$ 2,842,358</u>	<u>\$ 54,797,053</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, 2017

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

Ending fund balances - total governmental funds	\$ 45,107,009
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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	183,888,934
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Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements - property taxes	99,935
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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	4,892,115
Deferred outflows related to pensions	2,603,289

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	(1,364,349)
Long-term liabilities	(225,643,905)

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	(581,970)

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.	(66,357)
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Total net position of governmental activities	\$ <u>8,934,701</u>
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CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended December 31, 2017

	General	Tourism Tax	Transportation Sales Tax	Capital Projects	Tax Increment Financing	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 13,272,981	\$ 12,072,872	\$ 4,946,855	\$ -	\$ 4,286,223	\$ 174,147	\$ 34,753,078
Tax increment financing	-	-	-	-	10,422,701	-	10,422,701
Licenses and permits	852,069	-	-	-	-	-	852,069
Court fines	207,727	-	-	-	-	-	207,727
Lease and rent	1,415,966	-	-	-	455,000	-	1,870,966
Charges for services	7,383,873	-	-	-	-	-	7,383,873
Intergovernmental	149,361	-	33,522	-	-	174,147	357,030
Interest income	193,030	55,064	-	-	402,986	852	651,932
Miscellaneous	359,595	9,049	40,397	-	-	-	409,041
Total revenues	<u>23,834,602</u>	<u>12,136,985</u>	<u>5,020,774</u>	<u>-</u>	<u>15,566,910</u>	<u>349,146</u>	<u>56,908,417</u>
Expenditures							
Current:							
General government	5,938,293	-	-	-	-	-	5,938,293
Public safety	7,715,134	-	-	-	-	-	7,715,134
Public works	712,221	-	4,519,429	-	-	-	5,231,650
Engineering	676,951	-	-	-	-	-	676,951
Community development	830,492	-	-	-	-	-	830,492
Culture and recreation	2,683,548	-	-	-	-	-	2,683,548
Convention center	4,944,870	-	-	-	-	-	4,944,870
Tourism	-	2,979,235	-	-	-	-	2,979,235
Capital outlay	-	-	-	15,705,541	-	-	15,705,541
Debt service:							
Principal retirement	233,659	2,467,608	-	-	5,745,000	1,535,000	9,981,267
Interest and fiscal charges	63,573	773,114	-	-	8,028,422	1,396,581	10,261,690
Total expenditures	<u>23,798,741</u>	<u>6,219,957</u>	<u>4,519,429</u>	<u>15,705,541</u>	<u>13,773,422</u>	<u>2,931,581</u>	<u>66,948,671</u>
Excess of revenues over (under) expenditures	<u>35,861</u>	<u>5,917,028</u>	<u>501,345</u>	<u>(15,705,541)</u>	<u>1,793,488</u>	<u>(2,582,435)</u>	<u>(10,040,254)</u>
Other financing sources (uses)							
Certificates of participation issuance	-	12,000,000	-	-	-	-	12,000,000
Proceeds	-	-	-	-	36,693,665	-	36,693,665
Payment to bond escrow agent	-	-	-	-	(35,080,852)	-	(35,080,852)
Capital contributions	-	-	-	-	(7,135,652)	-	(7,135,652)
Premium	-	-	-	-	335,837	-	335,837
Sale of assets	64,271	-	-	-	-	-	64,271
Transfers in	349,363	-	35,856	15,407,772	-	2,739,500	18,532,491
Transfers (out)	(287,466)	(16,116,518)	(1,249,010)	-	(979,030)	-	(18,632,024)
Total other financing sources (uses)	<u>126,168</u>	<u>(4,116,518)</u>	<u>(1,213,154)</u>	<u>15,407,772</u>	<u>(6,166,032)</u>	<u>2,739,500</u>	<u>6,777,736</u>
Net change in fund balances	162,029	1,800,510	(711,809)	(297,769)	(4,372,544)	157,065	(3,262,518)
Fund balances (deficit) - beginning 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>
Fund balances (deficit) - end of year	<u>\$ 7,036,830</u>	<u>\$ 10,545,299</u>	<u>\$ 1,859,409</u>	<u>\$ 338,098</u>	<u>\$ 22,485,015</u>	<u>\$ 2,842,358</u>	<u>\$ 45,107,009</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, 2017

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

Net changes in fund balances - total governmental funds \$ (3,262,518)

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	15,539,115
Depreciation expense	(7,382,726)
Disposal of capital assets	819,717

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	(18,119)
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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	9,981,267
Debt issued	(48,693,665)
Refunding payment	35,080,852
Premium on refunding	(335,837)
Changes in deferred charge on refunding, bond premiums and discounts, net	(133,995)
Change in accrued interest payable	(57,069)

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	(106,566)
Change in net pension liability, deferred inflows and deferred outflows	(407,938)
Change in other post employment benefit obligations	(117,450)

Total changes in net position of governmental activities	\$ 905,068
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CITY OF BRANSON, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2017

	Enterprise Water and Sewer	Internal Service Equipment Replacement
Assets		
Current assets		
Cash and investments	\$ 7,651,077	\$ -
Receivables (net of allowances for uncollectibles)		
Water and sewer billings	1,033,873	-
Leases and other	79,108	-
Other	474,215	-
Total current assets	9,238,273	-
Noncurrent assets		
Restricted cash and investments	-	-
Capital Assets		
Land and improvements and construction in progress	6,768,685	-
Other capital assets, net of depreciation	64,130,371	99,154
Total capital assets	70,899,056	99,154
Total noncurrent assets	70,899,056	99,154
Total assets	80,137,329	99,154
Deferred outflows of resources		
Deferred outflows related to pensions	610,648	-
Liabilities		
Current liabilities		
Accounts payable	452,924	-
Accrued liabilities	50,468	-
Utility deposits	1,042,782	-
Other liabilities	76,883	-
Due to other funds	-	120,381
Long-term liabilities due in one year	251,044	-
Total current liabilities	1,874,101	120,381
Noncurrent liabilities		
Long-term liabilities	695,569	-
Total noncurrent liabilities	695,569	-
Total liabilities	2,569,670	120,381
Deferred inflows of resources		
Deferred inflows related to pensions	136,512	-
Net Position		
Net investment in capital assets	70,899,056	99,154
Unrestricted (deficit)	7,142,739	(120,381)
Total net position	78,041,795	\$ (21,227)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(54,024)	
Net position of business-type activities	\$ 77,987,771	

CITY OF BRANSON, MISSOURI
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2017

	<u>Enterprise</u> <u>Water and</u> <u>Sewer</u>	<u>Internal Service</u> <u>Equipment</u> <u>Replacement</u>
Operating revenues		
Charges for services (pledged as security for revenue bonds)		
Water	\$ 3,799,799	\$ -
Sewer	4,408,395	-
Miscellaneous	48,096	-
Total operating revenues	<u>8,256,290</u>	<u>-</u>
Operating expenses		
Personal services	3,546,582	-
Contractual services	2,616,143	-
Commodities	892,582	-
Depreciation	4,856,261	124,660
Total operating expenses	<u>11,911,568</u>	<u>124,660</u>
Operating income (loss)	<u>(3,655,278)</u>	<u>(124,660)</u>
Nonoperating revenues (expenses)		
Sewer capacity fees	280,163	-
Interest income	16,301	-
Gain (loss) on disposal of capital assets	(6,118)	-
Interest expense	(17)	-
Total nonoperating revenues (expenses)	<u>290,329</u>	<u>-</u>
Income (loss) before transfers and capital contributions	(3,364,949)	(124,660)
Transfers in	145,510	-
Transfers out	(35,856)	-
Capital grants and contributions	432,346	-
Change in net position	(2,822,949)	(124,660)
Total net position-beginning of year	<u>80,864,744</u>	<u>103,433</u>
Total net position-end of year	<u>\$ 78,041,795</u>	<u>\$ (21,227)</u>
Change in net position	\$ (2,822,949)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(8,459)</u>	
Change in net position of business-type activities	<u>\$ (2,831,408)</u>	

CITY OF BRANSON, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the year ended December 31, 2017

	Enterprise	Internal Service
	Water and Sewer	Equipment Replacement
Cash flows from operating activities		
Receipts from customers	\$ 8,051,345	\$ -
Payments to suppliers	(4,058,408)	-
Payments to employees for services	(3,403,530)	-
Net cash provided by (used in) operating activities	589,407	-
Cash flows from capital and related financing activities		
Purchases of capital assets	(2,539,357)	-
Interest and bond cost paid on capital debt	(17)	-
Sewer capacity fees	280,163	-
Net cash (used in) capital and related financing activities	(2,259,211)	-
Cash flows from noncapital financing activities		
Transfers from other funds	109,654	-
Net cash provided by noncapital financing activities	109,654	-
Cash flows from investment activities		
Interest and dividends	16,301	-
Net cash provided by investing activities	16,301	-
Net increase in cash and cash equivalents	(1,543,849)	-
Cash and cash equivalents, beginning of year	9,194,926	-
Cash and cash equivalents, end of year	\$ 7,651,077	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (3,655,278)	\$ (124,660)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	4,856,261	124,660
Pension and OPEB	123,240	
Change in assets and liabilities:		
Receivables (net)	(209,288)	-
Accounts and other payables	(549,683)	-
Accrued expenses	19,812	-
Utility deposits	4,343	-
Net cash provided by (used in) operating activities	\$ 589,407	\$ -
Cash consists of		
Cash and investments	\$ 7,651,077	\$ -
	\$ 7,651,077	\$ -
Noncash capital and related financing activities		
Capital contribution	\$ 283,625	\$ -

CITY OF BRANSON, MISSOURI
Statement of Net Position -
Agency Fund
December 31, 2017

	<u>Agency Fund</u> <u>Landscape Trust</u>
Assets	
Cash and cash equivalents	\$ 851,034
Liabilities	
Due to others	\$ 851,034

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

The 76 Entertainment Community Improvement District (CID) 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. No separate financial statements are issued.

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, 2017

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, 2017

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.

The City follows 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 defined as the exchange price that would

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 \$1,249,815 is recorded at December 31, 2017.

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 acquisition 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, 2017

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, 2017

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, 2017

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. 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. 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.

City of Branson, Missouri
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For the Year Ended December 31, 2017

- GASB Statement No. 86 – *Certain Debt Extinguishment Issues* – effective for the fiscal year beginning January 1, 2018.
- GASB Statement No. 87 – *Leases* – effective for the fiscal year beginning January 1, 2020.
- GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Borrowings and Direct Placements* – effective for the fiscal year beginning January 1, 2019.

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 \$207,727. This amount is approximately 1% of total general fund revenues of \$23,834,602 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

3 - Deposits and Investments

As of December 31, 2017, the City's cash and investments consisted of the following:

		<u>2017</u>
Investments:		
Short-term investments held in trust	\$	18,435,478
Deposits		33,733,691
Petty cash		29,870
	<u>\$</u>	<u>52,199,039</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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	\$ 22,562,740	\$ 851,034	\$ 23,413,774
Restricted cash and investments	28,785,265	-	28,785,265
	<u>\$ 51,348,005</u>	<u>\$ 851,034</u>	<u>\$ 52,199,039</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, 2017, the City had the following investments and maturities:

Investment type	<u>Fair value</u>	<u>Maturities</u>	<u>hierarchy</u>
Insured sweep account	\$ 5,822,895	N/A	N/A
Money market mutual funds	9,440,195	N/A	Level 2
	<u>\$ 15,263,090</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 value. Cash and investments are held separately by some of the City's funds. Additionally, certain

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017, 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, 2017, 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, 2017, 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, 2017, 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, 2017 were as follows:

<u>Fund</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Tourism Tax</u>	<u>Total</u>
General	\$ 116,801	\$ 2,123,955	\$ -	\$ 2,240,756
Tourism tax	-	-	1,133,887	1,133,887
Transportation sales tax	-	1,089,523	-	1,089,523
Debt Service Fund	-	53,555	-	53,555
Total	<u>\$ 116,801</u>	<u>\$ 3,267,033</u>	<u>\$ 1,133,887</u>	<u>\$ 4,517,721</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Tax revenues for the year ended December 31, 2017 were as follows:

<u>Governmental Funds</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Tourism Tax</u>	<u>Franchise Tax</u>	<u>Other Tax</u>	<u>Total</u>
General	\$ 2,750,617	\$ 8,994,810	\$ -	\$ 1,196,737	\$ 330,817	\$ 13,272,981
Tourism tax	-	-	12,072,872	-	-	12,072,872
Transportation sales tax	-	4,946,855	-	-	-	4,946,855
Tax increment financing	-	3,243,733	1,042,490	-	-	4,286,223
Nonmajor funds	-	174,147	-	-	-	174,147
Total	<u>\$ 2,750,617</u>	<u>\$ 17,359,545</u>	<u>\$ 13,115,362</u>	<u>\$ 1,196,737</u>	<u>\$ 330,817</u>	<u>\$ 34,753,078</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, 2016, upon which the 2016 levy was based and upon which the ad valorem tax revenues for the period ended December 31, 2017 are recorded, are as follows:

Real estate	\$ 389,058,799
Personal property and business personal	<u>51,213,437</u>
	<u><u>\$ 440,272,236</u></u>

Property taxes are due and payable on November 1 and become delinquent on January 1. On January 1, a lien attaches to all real property for which taxes are unpaid. Amounts received prior to December 31st related to the 2017 tax year are deferred as those amounts are not recognized as revenue until the period for which they are levied.

The 2016 tax levy per \$ 100 assessed valuation was:

General	<u><u>\$ 0.6023</u></u>
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City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

5 - Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases and adjustments	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 54,773,468	\$ -	\$ -	\$ 54,773,468
Construction in progress	19,802,386	15,798,805	857,557	34,743,634
Total capital assets not being depreciated	<u>74,575,854</u>	<u>15,798,805</u>	<u>857,557</u>	<u>89,517,102</u>
Capital assets being depreciated:				
Buildings and fixtures	77,683,110	226,547	-	77,909,657
Equipment	13,911,836	353,620	308,448	13,957,008
Vehicles	2,264,789	848,103	-	3,112,892
Infrastructure	168,662,214	5,536	-	168,667,750
Furniture	2,954,716	-	-	2,954,716
Land improvements	3,083,963	21,620	13,475	3,092,108
Total capital assets being depreciated	<u>268,560,628</u>	<u>1,455,426</u>	<u>321,923</u>	<u>269,694,131</u>
Less accumulated depreciation for:				
Buildings and fixtures	28,131,331	2,621,268	-	30,752,599
Equipment	11,069,716	521,197	281,162	11,309,751
Vehicles	1,275,507	273,885	-	1,549,392
Infrastructure	123,208,656	3,625,256	-	126,833,912
Furniture	2,696,146	220,284	-	2,916,430
Land improvements	1,833,839	129,296	2,920	1,960,215
Total accumulated depreciation	<u>168,215,195</u>	<u>7,391,186</u>	<u>284,082</u>	<u>175,322,299</u>
Total capital assets being depreciated, net	<u>100,345,433</u>	<u>(5,935,760)</u>	<u>37,841</u>	<u>94,371,832</u>
Governmental activities capital assets, net	<u>\$ 174,921,287</u>	<u>\$ 9,863,045</u>	<u>\$ 895,398</u>	<u>\$ 183,888,934</u>

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Beginning Balance	Increases	Decreases and adjustments	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and right of way	\$ 3,905,511	\$ -	\$ -	\$ 3,905,511
Construction in progress	2,873,058	2,065,735	2,075,619	2,863,174
Total capital assets not being depreciated	<u>6,778,569</u>	<u>2,065,735</u>	<u>2,075,619</u>	<u>6,768,685</u>
Capital assets being depreciated:				
Water and sewer treatment plants	76,285,846	-	-	76,285,846
Water and sewer mains and lines	58,104,805	1,921,575	-	60,026,380
Machinery and equipment	6,544,823	1,133,305	143,487	7,534,641
Total capital assets being depreciated	<u>140,935,474</u>	<u>3,054,880</u>	<u>143,487</u>	<u>143,846,867</u>
Less accumulated depreciation for:				
Water and sewer treatment plants	38,330,784	1,905,627	-	40,236,411
Water and sewer mains and lines	33,235,672	2,283,781	-	35,519,453
Machinery and equipment	3,357,855	666,853	64,076	3,960,632
Total accumulated depreciation	<u>74,924,311</u>	<u>4,856,261</u>	<u>64,076</u>	<u>79,716,496</u>
Total capital assets being depreciated, net	<u>66,011,163</u>	<u>(1,801,381)</u>	<u>79,411</u>	<u>64,130,371</u>
Business-type activities capital assets, net	<u>\$ 72,789,732</u>	<u>\$ 264,354</u>	<u>\$ 2,155,030</u>	<u>\$ 70,899,056</u>

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

Governmental activities:	
General Government	\$ 868,164
Public Safety	112,140
Public Works	3,918,017
Engineering	45,888
Culture and Recreation	374,460
Convention Center	1,947,856
Internal Service	124,661
Total depreciation expense - governmental activities	<u>\$ 7,391,186</u>
Business-type activities:	
Water and sewer	<u>\$ 4,856,261</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, 2017

Future lease income on minimum rentals is approximately \$432,000 per year.

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

For the year ended December 31, 2017, lease income for all operating leases was approximately \$1,004,923

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, 2017 the lease receivable balance was \$79,108

Future minimum lease payments to be received are as follows:

2018	17,616
2019	18,144
2020	18,688
2021	19,249
2022	5,411
Present value of minimum lease payments	\$ 79,108

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 \$455,000 under this agreement for the year ended December 31, 2017.

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, 2017:

	Governmental
	Activities
Equipment	\$ 860,577
Less Accumulated Depreciation	(39,340)
	\$ 821,237

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Future Minimum Lease Payments	
Year Ending December 31:	Governmental Activities
2018	\$ 184,698
2019	125,896
2020	125,896
Total minimum lease payments	436,490
Less amounts representing interest	(13,722)
Present value of minimum lease payments	\$ 422,768

7 - Long-Term Obligations

Long-term obligations activity for year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable					
Revenue Bonds	\$ 13,510,000	\$ -	\$ 1,915,000	\$ 11,595,000	\$ 3,185,000
Special Limited Obligation Bonds	31,115,000	-	1,535,000	29,580,000	1,580,000
Discounts	(74,740)	-	(15,678)	(59,062)	(15,854)
Total bonds payable	44,550,260	-	3,434,322	41,115,938	4,749,146
Tax increment financing					
Bonds payable	164,020,190	36,693,665	40,825,852	159,888,003	6,245,000
Premiums	6,654,750	335,837	387,896	6,602,691	387,896
Total bonds payable	170,674,940	37,029,502	41,213,748	166,490,694	6,660,883
Notes payable	1,726,557	-	603,992	1,122,565	294,436
Certificates of Participation	-	12,000,000	-	12,000,000	982,000
Capital leases	605,043	-	182,276	422,767	177,385
Compensated absences**	1,386,801	1,414,411	1,307,845	1,493,367	1,300,000
Net pension obligation**	3,368,965	560,130	1,797,722	2,131,373	-
Other post-employment benefits**	749,751	160,866	43,416	867,201	-
Governmental activities long-term obligations	223,062,317	51,164,909	48,583,321	225,643,905	14,163,850
Business-type activities:					
Compensated absences	234,722	247,066	230,744	251,044	251,044
Net pension obligation	789,997	131,389	421,688	499,698	-
other post-employment benefits	168,321	37,734	10,184	195,871	-
Business-type activities long-term obligations	1,193,040	416,189	662,616	946,613	251,044
Total Primary Government	\$ 224,255,357	\$ 51,581,098	\$ 49,245,937	\$ 226,590,518	\$ 14,414,894

** 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, 2017

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 \$11,595,000 For the year ended December 31, 2017, principal and interest paid were \$1,915,000 and total tourism tax revenues for the year were \$13,115,362 Bond indentures require restricted accounts in order to accumulate necessary payment funding. Restricted investment reserves related to these bonds was \$10,603,943 at December 31, 2017. The City has issued the following revenue bonds for the purpose of funding various City infrastructure projects:

	Balance at December 31, 2017
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.	3,140,000
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.	6,615,000
	\$ 11,595,000

Special Limited Obligation Bonds

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

	Balance at December 31, 2017
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.	\$ 29,580,000

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, 2017, waterfall amounts of \$979,031 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 \$7,155,745.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017

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.

\$ 24,400,000

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 were refunded and defeased.

5,880,000

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.

13,520,000

105,820,000

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	<u>Balance at</u> <u>December 31, 2017</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.	13,030,000
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	3,305,000
Tax Increment Refunding Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2017A, \$28,025,000 issued August 2017; 3.0% to 4.0% interest payable semiannually, with final maturity on November 1, 2027.	27,525,000
Tax Increment Refunding Revenue Bonds (The Industrial Development Authority of the City of Branson, Missouri, Missouri Limited Obligation Tax Increment Revenue Bonds - Branson Shoppes Redevelopment Project) Series 2017B, \$8,668,665 issued August 2017; 10% interest, principal payment due with final maturity on November 1, 2029. This bond is subordinate to the Series 2017A Bond.	8,308,665
	54,068,003
Total tax increment financing revenue bonds	\$ 159,888,003

On August 31st, 2017, the City issued \$28,025,000 of Series 2017A and \$8,668,665 of Series B Tax Increment Refunding Revenue Bonds to refund \$26,960,000 of 2006A and \$8,120,852 of 2006B at a premium of \$335,837. The average interest rate of the new bonds is 3.86 percent. The City refunded these bonds to reduce total debt service payments over a period of twelve years and will realize a net savings of \$2,781,810 with a present value savings of \$1,758,507.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Notes Payable

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

	<u>Balance at December 31, 2017</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.	\$ 235,401
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.	887,164
	\$ 1,122,565

Certificate of Participation

Certificates of Participation in the amount of \$12,000,000 were issued June 1, 2017; 3.57%, principal payments due annually ranging from \$982,000 to \$1,403,000, with a final maturity on June 1, 2027.

\$12,000,000

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:

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Governmental activities					
	Revenue Bonds		Special Limited Obligation		TIF - Branson Landing	
	Principal	Interest	Principal	Interest	Principal	Interest
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	98,458	1,795,000	1,133,631	5,130,000	3,690,813
2022	1,345,000	29,254	1,870,000	1,061,831	6,375,000	3,448,888
2023-2027	-	-	10,595,000	4,066,682	37,725,000	12,656,650
2028-2032	-	-	10,400,000	1,325,713	24,575,000	4,640,381
2033-2035	-	-	-	-	10,195,000	414,700
	<u>\$ 11,595,000</u>	<u>\$ 1,010,050</u>	<u>\$ 29,580,000</u>	<u>\$ 11,455,650</u>	<u>\$ 105,820,000</u>	<u>\$ 38,299,408</u>

	Primary Government					
	TIF - Branson Hill		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	1,925,000	2,539,396	1,276,436	502,719	12,466,436	9,590,262
2019	1,985,000	2,481,646	1,127,299	432,214	12,962,299	9,050,358
2020	2,045,000	2,422,096	1,173,215	391,043	19,213,215	8,326,601
2021	2,105,000	2,360,746	1,222,826	348,115	12,132,826	7,631,763
2022	2,165,000	2,297,596	1,273,181	303,291	13,028,181	7,140,860
2023-2027	30,444,338	9,371,815	7,049,608	774,708	85,813,946	26,869,855
2028-2032	13,398,665	1,328,743	-	-	48,373,665	7,294,837
2033-2035	-	-	-	-	10,195,000	414,700
	<u>\$ 54,068,003</u>	<u>\$ 22,802,038</u>	<u>\$ 13,122,565</u>	<u>\$ 2,752,090</u>	<u>\$ 214,185,568</u>	<u>\$ 76,319,236</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 \$220.9 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 \$24,400,000 Series 2012A, \$5,880,000 Series 2005A and \$62,020,000 Series 2015A bonds contain an annual appropriation covenant obligating the City to make debt service payments from all legally available moneys of the City to the extent the City has appropriated and included such payments in its annual budget. Annual principal and interest payments remaining on the Series 2012A, 2005A and 2015A bonds total approximately \$144.1 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, 2017, principal and interest paid on tax increment financing bonds totaled approximately \$12.9 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 \$11.3 million and from prior incremental tax revenues held in debt service funds by the bond trustees.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017, based on the 2016 valuation, was \$88,054,447. The total net outstanding indebtedness of the City was \$22,545,442 as of December 31, 2017, leaving a remaining available legal debt capacity of \$65,509,005 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.

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	2017 Valuation
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, 2017, the following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive employees or beneficiaries currently receiving benefits	91	27	6	124
Inactive employees entitled to but not yet receiving benefits	51	32	12	95
Active employees	162	40	35	237
	304	99	53	456

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 13.6% (General), 16.0 % (Police) and 8.8 % (Fire) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial assumptions

The total pension liability in the February 28, 2017 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 %

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, 2017 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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,

City of Branson, Missouri
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For the Year Ended December 31, 2017

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.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2016	\$42,731,425	\$38,572,463	\$4,158,962
Changes for the year			
Service Cost	1,417,413	--	1,417,413
Interest on Total Pension Liability	3,102,353	--	3,102,353
Difference between expected and actual experience	455,911	--	455,911
Benefit payments, including refunds of employee contributions	(1,295,988)	--	(1,295,988)
Contributions - employer	--	1,451,423	(1,451,423)
Contributions - employee	--	456,371	(456,371)
Net investment income	--	4,611,656	(4,611,656)
Benefit payments, including refunds of employee contributions	--	(1,295,988)	1,295,988
Pension Plan Administrative Expense	--	(34,560)	34,560
Other (Net Transfer)	--	18,678	(18,678)
Net changes	3,679,689	5,207,580	(1,527,891)
Balances at 6/30/2017	\$46,411,114	\$43,780,043	\$2,631,071

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$53,770,933	\$46,411,114	\$40,413,281
Plan Fiduciary Net Position	\$43,780,043	\$43,780,043	\$43,780,043
 Net Pension Liability (Asset)(NPL)	 \$9,990,890	 \$2,631,071	 \$(3,366,762)

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

For the year ended December 31, 2017 the employer recognized pension expense of \$1,549,857. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<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	\$ 393,867	(\$581,970)	\$ 92,389	(\$136,512)
Differences in assumptions	725,739	--	170,235	--
Excess (deficit) investment returns	851,387	--	199,708	--
Contributions subsequent to the measurement date	632,296	--	148,316	--
Total	\$ 2,603,289	(\$581,970)	\$ 610,648	(\$136,512)

City of Branson, Missouri
Notes to the Basic Financial Statements
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*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 2018.

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	
		Governmental Activities	Business-type Activities
Year ended December 31:			
	2018	\$ 649,946	\$ 152,456
	2019	649,946	152,456
	2020	347,959	81,620
	2021	(195,313)	(45,814)
	2022	(12,163)	(2,853)
	Thereafter	(51,352)	(12,045)
		\$ 1,389,023	\$ 325,820

Payable to the Pension Plan

At December 31, 2017, the City reported a payable of \$160,968 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

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

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

December 31, 2017, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

	Governmental Activities	Business-Type Activities	Total Primary Government
Annual required contribution	\$ 161,433	\$ 37,867	\$ 199,300
Interest on net OPEB obligation	26,001	6,099	32,100
Adjustment to annual required contribution	(26,568)	(6,232)	(32,800)
Annual OPEB cost (expense)	160,866	37,734	198,600
Less: Net employer contributions	43,416	10,184	53,600
Increase in net OPEB obligation	117,450	27,550	145,000
Net OPEB obligation - beginning of year	749,751	168,321	918,072
Net OPEB obligation - end of year	\$ 867,201	\$ 195,871	\$ 1,063,072

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, 2017 is as follows:

Year Ended Ending	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 178,700	42.2%	\$ 834,772
12/31/2016	177,800	53.1%	918,072
12/31/2017	198,600	47.6%	1,063,072

Funded Status and Funding Progress

As of September 30, 2017, 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.

City of Branson, Missouri
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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 assumption 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.

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, 2017, 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, 2017, the City had approximately \$3.7 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, 2017, 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

City of Branson, Missouri
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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 2017 were \$39,148. 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 \$362,645 for processing and handling of wastewater sludge for the year ended December 31, 2017.

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

Encumbrances

Outstanding encumbrances at December 31, 2017 were as follows: General Fund \$122,431 and Transportation Sales Tax Fund \$467,919.

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017.

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, 2017, 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>Agency</u>	<u>Business-type Water and Sewer</u>	
Governmental :							
General	\$ -	\$ 339,242	\$ -	\$ -	\$ 10,121	\$ -	\$ 349,363
Capital projects	287,466	15,092,296	28,010	-	-	-	15,407,772
Transportation Sales Tax	-	-	-	-	-	35,856	35,856
Other Governmental	-	539,470	1,221,000	979,030	-	-	2,739,500
Business-type:							
Water and Sewer	-	145,510	-	-	-	-	145,510
Total	\$ 287,466	\$16,116,518	\$ 1,249,010	\$ 979,030	\$ 10,121	\$ 35,856	\$ 18,678,001

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.

City of Branson, Missouri
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Interfund receivable and payable balances at December 31, 2017 were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>					<u>Total</u>
	<u>General</u>	<u>Tourism Tax</u>	<u>Tax Increment Financing</u>	<u>Transportation Sales Tax</u>	<u>Internal Service</u>	
General	\$ -	\$ 1,573,932	\$ 78	\$ -	\$ 120,381	\$ 1,694,391
Other governmental	32,328	-	-	-	-	32,328
Tax Increment Financing	454,515	86,013	334,438	227,257	-	1,102,223
	<u>\$ 486,843</u>	<u>\$ 1,659,945</u>	<u>\$ 334,516</u>	<u>\$ 227,257</u>	<u>\$ 120,381</u>	<u>\$ 2,828,942</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, 2017, the amount is \$807,880.



The City of Branson is committed to its citizens and to those who visit here, to ensure a safe and environmentally sound community. We will work as a team to maintain and promote the growth of our City, and to provide professional, courteous service to all through fair and open communication. We look to tomorrow, remembering yesterday, dedicated to excellence today.

Required Supplementary Information



REQUIRED SUPPLEMENTARY INFORMATION

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

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tourism Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Transportation Sales Tax Fund
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Contributions
- Schedules of Funding Progress – Other Post-Employment Benefits

Budgeting

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

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

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

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

Change in General Fund balance-budget basis	\$	293,510
Change in fund balance from combined funds-budget basis		(196,447)
Total reconciled change in fund balance-budget basis		97,063
Adjustments-encumbrances beginning of year		(58,465)
Adjustments-encumbrances end of year		123,431
Total reconciled change in fund balance-GAAP basis	\$	162,029
Fund balance General Fund beginning of year -budget basis	\$	5,615,385
Total reconciled change in fund balance-budget basis		97,063
Fund balance beginning of year from combined funds-budget basis		1,200,951
Total reconciled fund balance, beginning of year-budget basis		6,913,399
Adjustments-encumbrances end of year		123,431
Fund balance -end of year-GAAP basis	\$	7,036,830

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the year ended December 31, 2017

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 15,748,119	\$ 15,748,119	\$ 13,199,350	\$ (2,548,769)
Licenses and permits:	727,286	727,286	840,651	113,365
City court fines	250,000	250,000	207,727	(42,273)
Lease and rent	1,324,321	1,324,321	1,415,966	91,645
Charges for services	1,576,838	1,576,838	1,394,151	(182,687)
Intergovernmental	-	-	149,361	149,361
Interest Income	200,000	200,000	193,030	(6,970)
Miscellaneous	97,878	97,878	140,508	42,630
Total revenues	<u>19,924,442</u>	<u>19,924,442</u>	<u>17,540,744</u>	<u>(2,383,698)</u>
Expenditures:				
General government:				
Mayor and Board	151,976	151,976	105,313	46,663
City Administration	628,604	628,604	513,718	114,886
Human Resources	589,976	589,976	506,778	83,198
Administrative Services	3,475,978	3,475,978	3,592,075	(116,097)
Finance	933,499	933,499	943,117	(9,618)
Legal	478,025	478,025	327,669	150,356
Total general government	<u>6,258,058</u>	<u>6,258,058</u>	<u>5,988,670</u>	<u>269,388</u>
Public safety:				
Police	4,107,740	4,107,740	4,247,447	(139,707)
Fire	3,193,904	3,193,904	3,477,013	(283,109)
Total public safety	<u>7,301,644</u>	<u>7,301,644</u>	<u>7,724,460</u>	<u>(422,816)</u>
Public works				
Engineering	760,260	760,260	713,738	46,522
Community Development	812,850	812,850	675,202	137,648
Debt service	866,296	866,296	827,709	38,587
Total expenditures	<u>418,520</u>	<u>418,520</u>	<u>304,510</u>	<u>114,010</u>
Total expenditures	<u>16,417,628</u>	<u>16,417,628</u>	<u>16,234,289</u>	<u>183,339</u>
Excess of revenues over (under) expenditures	3,506,814	3,506,814	1,306,455	(2,200,359)
Other Financing Sources (Uses):				
Sale of assets	-	-	64,271	64,271
Transfers in	257,290	257,290	341,034	83,744
Transfers (out)	(3,764,104)	(4,134,104)	(1,418,250)	2,715,854
Total other financing sources (uses)	<u>(3,506,814)</u>	<u>(3,876,814)</u>	<u>(1,012,945)</u>	<u>2,863,869</u>
Change in fund balances	<u>\$ -</u>	<u>\$ (370,000)</u>	293,510	<u>\$ 663,510</u>
Fund balance, beginning of year - budget basis			<u>5,615,385</u>	
Fund balance - end of year - budget basis			5,908,895	
Adjustments:				
Encumbrances			122,431	
Fund balance - end of year - GAAP basis			<u>\$ 6,031,326</u>	
Net change in fund balance - budget basis			\$ 293,510	
Adjustments:				
Encumbrances - beginning of year			(58,465)	
Encumbrances - end of year			122,431	
Net change in fund balance - GAAP basis			<u>\$ 357,476</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, 2017

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 15,711,069	\$ 15,711,069	\$ 12,072,872	\$ (3,638,197)
Miscellaneous	-	-	9,049	9,049
Interest Income	334,538	334,538	55,064	(279,474)
Total revenues	<u>16,045,607</u>	<u>16,045,607</u>	<u>12,136,985</u>	<u>(3,908,622)</u>
Expenditures:				
Tourism	2,546,789	2,557,987	2,979,235	(421,248)
Capital outlay	600,000	600,000	-	600,000
Debt service:				
Principal	5,837,696	5,837,696	2,467,608	3,370,088
Interest and fiscal charges	816,337	1,041,487	773,114	268,373
Total expenditures	<u>9,800,822</u>	<u>10,037,170</u>	<u>6,219,957</u>	<u>3,817,213</u>
Excess of revenues over (under) expenditures	6,244,785	6,008,437	5,917,028	(91,409)
Other financing sources (uses):				
Bond proceeds	13,200,000	25,200,000	12,000,000	(13,200,000)
Transfers (out)	(20,860,507)	(20,850,507)	(16,116,518)	4,733,989
Total other financing sources (uses)	<u>(7,660,507)</u>	<u>4,349,493</u>	<u>(4,116,518)</u>	<u>(8,466,011)</u>
Change in fund balances	<u>\$ (1,415,722)</u>	<u>\$ 10,357,930</u>	1,800,510	<u>\$ (8,557,420)</u>
Fund balance, beginning of year			<u>8,744,789</u>	
Fund balance - end of year - budget basis			<u>\$ 10,545,299</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, 2017

	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:				
Taxes	\$ 6,165,305	\$ 6,165,305	\$ 4,946,855	\$ (1,218,450)
Intergovernmental	-	-	33,522	33,522
Miscellaneous	-	-	40,397	40,397
Total revenues	<u>6,165,305</u>	<u>6,165,305</u>	<u>5,020,774</u>	<u>(1,144,531)</u>
Expenditures:				
Public works	4,627,664	5,344,754	4,442,081	902,673
Total expenditures	<u>4,627,664</u>	<u>5,344,754</u>	<u>4,442,081</u>	<u>902,673</u>
Excess of revenues over expenditures	1,537,641	820,551	578,693	(241,858)
Other financing sources (uses):				
Transfer In	800,000	800,000	35,856	(764,144)
Transfers (out)	2,337,641	2,365,651	(1,249,010)	(3,614,661)
Total other financing sources (uses)	<u>3,137,641</u>	<u>3,165,651</u>	<u>(1,213,154)</u>	<u>(4,378,805)</u>
Change in fund balances	<u>\$ 4,675,282</u>	<u>\$ 3,986,202</u>	(634,461)	<u>\$ (4,620,663)</u>
Fund balance, beginning of year			<u>2,025,951</u>	
Fund balance - end of year - budget basis			1,391,490	
Adjustments:				
Encumbrances			467,919	
Fund balance - end of year - GAAP basis			<u>\$ 1,859,409</u>	
Net change in fund balance - budget basis			\$ (634,461)	
Adjustments:				
Encumbrances - beginning of year			(545,267)	
Encumbrances - end of year			467,919	
Net change in fund balance - GAAP basis			<u>\$ (711,809)</u>	

**CITY OF BRANSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Schedule of Changes in Net Pension Liability and Related Ratios*

<i>Fiscal year ending June 30,</i>	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 1,417,413	\$ 1,352,747	\$ 1,347,957
Interest on the Total Pension Liability	3,102,353	2,827,004	2,661,466
Difference between expected and actual experience	455,911	(479,297)	(461,358)
Assumption Changes	-	1,376,648	-
Benefit Payments	(1,295,988)	(1,325,410)	(1,210,854)
Net Change in Total Pension Liability	3,679,689	3,751,692	2,337,211
Total Pension Liability beginning	42,731,425	38,979,733	36,642,522
Total Pension Liability ending	\$ 46,411,114	\$ 42,731,425	\$ 38,979,733
Plan Fiduciary Net Position			
Contributions-employer	\$ 1,451,423	\$ 1,391,471	\$ 1,387,590
Contributions-employee	456,371	430,515	401,034
Pension Plan Net Investment income	4,611,656	(56,853)	721,022
Benefit Payments	(1,295,988)	(1,325,410)	(1,210,854)
Pension Plan Administrative expense	(34,560)	(32,222)	(34,206)
Other	18,678	77,322	234,691
Net Change in Plan Fiduciary Net Position	5,207,580	484,823	1,499,277
Plan Fiduciary Net Position beginning	38,572,463	38,087,640	36,588,363
Plan Fiduciary Net Position ending	\$ 43,780,043	\$ 38,572,463	\$ 38,087,640
Employer Net Pension Liability	\$ 2,631,071	\$ 4,158,962	\$ 892,093
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	94.33%	90.27%	97.71%
Covered Payroll **	\$ 11,094,683	\$ 10,044,006	\$ 9,931,048
Employer's Net Pension Liability as a percentage of covered employee payroll	23.71%	41.41%	8.98%

Notes to schedule:

* GASB 68 requires presentation of ten years. As of December 31, 2017, only three years of information is available

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

**CITY OF BRANSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$1,556,459	\$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
Contributions in relation to the actuarially determined contribution	1,556,459	1,322,437	1,377,017	1,456,538	1,368,240	1,269,068	1,200,567	955,280	928,829	810,939
Contribution deficiency (excess)	\$ -	\$ -	\$10,929	\$28,344	\$118,582	\$146,574	\$144,908	\$323,218	(\$192,556)	(\$13,654)
Covered payroll	\$11,771,920	\$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
Contributions as a percentage of covered- employee payroll	13.22%	12.45%	13.49%	14.15%	13.96%	13.00%	12.23%	10.44%	10.59%	9.29%

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

**CITY OF BRANSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Notes to Schedule of Contributions

Valuation Date February 28, 2017

Notes: The roll-forward of the total pension liability from February 28, 2017 to June 30, 2017 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period Multiple bases from 12 to 21 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)
9/30/2013	\$ -	\$ 1,302,300	\$ 1,302,300	0%	\$ 12,345,000	11%
9/30/2015	-	1,562,500	1,562,500	0%	10,921,000	14%
9/30/2017	-	1,626,200	1,626,200	0%	12,726,000	13%

Other Supplementary Information Combining and Individual Fund Statements and Schedules

CITY OF BRANSON, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2017

	General	Convention Center	Recreation	Total
Assets				
Cash and investments	\$ 5,224,693	\$ 799,286	\$ 294,799	\$ 6,318,778
Receivables, net:				
Taxes	2,240,756	-	-	2,240,756
Leases	189,000	-	-	189,000
Intergovernmental	106,718	-	-	106,718
Other	141,945	82,297	137,607	361,849
Due from other funds	1,620,459	73,932	-	1,694,391
Prepays and inventories	118,203	84,886	-	203,089
Other assets	11,818	-	-	11,818
Total assets	<u>\$ 9,653,592</u>	<u>\$ 1,040,401</u>	<u>\$ 432,406</u>	<u>\$ 11,126,399</u>
Liabilities				
Accounts payable	\$ 342,540	\$ 382,995	\$ 58,820	\$ 784,355
Accrued liabilities	490,015	-	25,488	515,503
Deposits	92,752	-	-	92,752
Due to other funds	486,843	-	-	486,843
Advance payable	807,880	-	-	807,880
Total liabilities	<u>2,220,030</u>	<u>382,995</u>	<u>84,308</u>	<u>2,687,333</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	1,402,236	-	-	1,402,236
Fund Balances				
Nonspendable:				
Prepays and inventory	118,203	84,886	-	203,089
Other asset	11,818	-	-	11,818
Unassigned (deficit)	5,901,305	572,520	348,098	6,821,923
Total fund balances	<u>6,031,326</u>	<u>657,406</u>	<u>348,098</u>	<u>7,036,830</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 9,653,592</u>	<u>\$ 1,040,401</u>	<u>\$ 432,406</u>	<u>\$ 11,126,399</u>

CITY OF BRANSON, MISSOURI
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the year ended December 31, 2017

	General	Convention Center	Recreation	Eliminations	Total
Revenues:					
Taxes	\$ 13,199,350	\$ -	\$ 73,631	\$ -	\$ 13,272,981
Licenses and permits	840,651	-	11,418	-	852,069
Court fines	207,727	-	-	-	207,727
Lease and rent	1,415,966	-	-	-	1,415,966
Charges for services	1,394,151	4,473,476	1,516,246	-	7,383,873
Intergovernmental	149,361	-	-	-	149,361
Interest income	193,030	-	-	-	193,030
Miscellaneous	140,508	-	219,087	-	359,595
Total revenues	<u>17,540,744</u>	<u>4,473,476</u>	<u>1,820,382</u>	<u>-</u>	<u>23,834,602</u>
Expenditures:					
Current:					
General government	5,938,293	-	-	-	5,938,293
Public safety	7,715,134	-	-	-	7,715,134
Public works	712,221	-	-	-	712,221
Engineering	676,951	-	-	-	676,951
Community development	830,492	-	-	-	830,492
Culture and recreation	-	-	2,683,548	-	2,683,548
Convention center	-	4,944,870	-	-	4,944,870
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	233,659	-	-	-	233,659
Interest and fiscal charges	63,573	-	-	-	63,573
Total expenditures	<u>16,170,323</u>	<u>4,944,870</u>	<u>2,683,548</u>	<u>-</u>	<u>23,798,741</u>
Excess of revenues over (under) expenditures	<u>1,370,421</u>	<u>(471,394)</u>	<u>(863,166)</u>	<u>-</u>	<u>35,861</u>
Other financing sources (uses):					
Sale of assets	64,271	-	-	-	64,271
Transfers in	341,034	457,992	681,121	(1,130,784)	349,363
Transfers (out)	(1,418,250)	-	-	1,130,784	(287,466)
Total other financing sources (uses)	<u>(1,012,945)</u>	<u>457,992</u>	<u>681,121</u>	<u>-</u>	<u>126,168</u>
Net change in fund balances	357,476	(13,402)	(182,045)	-	162,029
Fund balances - beginning of year	<u>5,673,850</u>	<u>670,808</u>	<u>530,143</u>	<u>-</u>	<u>6,874,801</u>
Fund balances (deficit) - end of year	<u>\$ 6,031,326</u>	<u>\$ 657,406</u>	<u>\$ 348,098</u>	<u>\$ -</u>	<u>\$ 7,036,830</u>

CITY OF BRANSON, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2017

Assets	Debt Service	Perpetual Care	Total Other Governmental Funds
Cash and investments			
Receivables, net:	\$ 2,751,090	\$ 5,110	\$ 2,756,200
Taxes	53,555	-	53,555
Due from other funds	32,328	-	32,328
Restricted Investments	275	-	275
Total assets	\$ 2,837,248	\$ 5,110	\$ 2,842,358
Fund Balances			
Nonspendable:			
Perpetual care	-	5,110	5,110
Restricted for:			
Debt Service	2,837,248	-	2,837,248
Total fund balances	2,837,248	5,110	2,842,358
Total liabilities and fund balance	\$ 2,837,248	\$ 5,110	\$ 2,842,358

CITY OF BRANSON, MISSOURI
Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the year ended December 31, 2017

	Debt Service	Perpetual Care	Total Other Governmental Funds
Revenues:			
Taxes	\$ 174,147	\$ -	\$ 174,147
Intergovernmental	174,147	-	174,147
Interest income	852	-	852
Total revenues	<u>349,146</u>	<u>-</u>	<u>349,146</u>
Expenditures:			
Debt service:			
Principal retirement	1,535,000	-	1,535,000
Interest and fiscal charges	1,396,581	-	1,396,581
Total expenditures	<u>2,931,581</u>	<u>-</u>	<u>2,931,581</u>
Excess of revenues over (under) expenditures	<u>(2,582,435)</u>	<u>-</u>	<u>(2,582,435)</u>
Other financing sources (uses):			
Transfers in	2,739,500	-	2,739,500
Total other financing sources (uses)	<u>2,739,500</u>	<u>-</u>	<u>2,739,500</u>
Net change in fund balances	<u>157,065</u>	<u>-</u>	<u>157,065</u>
Fund balances - beginning of year	<u>2,680,183</u>	<u>5,110</u>	<u>2,685,293</u>
Fund balances - end of year	<u>\$ 2,837,248</u>	<u>\$ 5,110</u>	<u>\$ 2,842,358</u>

**City of Branson, Missouri
Combining Balance Sheet
Tax Increment Financing Commission
December 31, 2017**

	Branson Landing	Branson Hills	Total
Assets			
Cash and investments	\$ 2,262,263	\$ 859,712	\$ 3,121,975
Receivables:			
Intergovernmental	1,211,517	861,591	2,073,108
Due from other funds	824,962	277,261	1,102,223
Restricted cash and investments	12,017,428	6,163,619	18,181,047
Total assets	\$ 16,316,170	\$ 8,162,183	\$ 24,478,353
Liabilities			
Liabilities:			
Accounts payable	\$ -	\$ 7,513	\$ 7,513
Due to other funds	334,438	78	334,516
Total liabilities	334,438	7,591	342,029
Deferred inflows of resources			
Unavailable revenue - property taxes	1,340,596	310,713	1,651,309
Fund balances:			
Restricted for debt service	14,641,136	7,843,879	22,485,015
Total fund balances	14,641,136	7,843,879	22,485,015
Total deferred inflows, and fund balances	\$ 16,316,170	\$ 8,162,183	\$ 24,478,353

City of Branson, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Tax Increment Financing Commission
For the year ended December 31, 2017

	Branson Landing	Branson Hills	Total
Revenues:			
Taxes	\$ 2,842,730	\$ 1,443,493	\$ 4,286,223
Tax increment financing	6,285,831	4,136,870	10,422,701
Lease revenues	455,000	-	455,000
Interest	348,717	54,269	402,986
Total revenues	<u>9,932,278</u>	<u>5,634,632</u>	<u>15,566,910</u>
Expenditures			
Debt service:			
Principal	4,140,000	1,605,000	5,745,000
Interest	4,988,363	3,040,059	8,028,422
Total expenditures	<u>9,128,363</u>	<u>4,645,059</u>	<u>13,773,422</u>
Excess of revenues over (under) expenditures	803,915	989,573	1,793,488
Other financing sources (uses):			
Bond Proceeds	-	36,693,665	36,693,665
Capital contributions	-	(7,135,652)	(7,135,652)
Payment to bond escrow agent	-	(35,080,852)	(35,080,852)
Premium	-	335,837	335,837
Transfers out	(979,030)	-	(979,030)
Total other financing sources (uses)	<u>(979,030)</u>	<u>(5,187,002)</u>	<u>(6,166,032)</u>
Net change in fund balances	(175,115)	(4,197,429)	(4,372,544)
Fund balances - beginning of year	<u>14,816,251</u>	<u>12,041,308</u>	<u>26,857,559</u>
Fund balances - end of year	<u>\$ 14,641,136</u>	<u>\$ 7,843,879</u>	<u>\$ 22,485,015</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, 2017

	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (negative)
Revenues:			
Charges for services	\$ 4,081,248	\$ 4,473,476	\$ 392,228
Total revenues	<u>4,081,248</u>	<u>4,473,476</u>	<u>392,228</u>
Expenditures:			
Convention center	4,410,106	4,944,870	(534,764)
Total expenditures	<u>4,410,106</u>	<u>4,944,870</u>	<u>(534,764)</u>
Excess of revenues over (under) expenditures	(328,858)	(471,394)	(142,536)
Other financing sources (uses):			
Transfers in	397,000	457,992	60,992
Total other financing sources (uses)	<u>397,000</u>	<u>457,992</u>	<u>60,992</u>
Change in fund balances	<u>\$ 68,142</u>	(13,402)	<u>\$ (81,544)</u>
Fund balances, beginning of year		<u>670,808</u>	
Fund balances, end of year		<u>\$ 657,406</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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 95,000	\$ 73,631	\$ (21,369)
Licenses and permits	-	11,418	\$ 11,418
Charges for services	1,540,300	1,516,246	(24,054)
Miscellaneous	80,000	219,087	139,087
Total revenues	<u>1,715,300</u>	<u>1,820,382</u>	<u>105,082</u>
Expenditures:			
Culture and recreation	<u>2,466,251</u>	<u>2,684,548</u>	<u>(218,297)</u>
Excess of revenues over (under) expenditures	(750,951)	(864,166)	(113,215)
Other financing sources (uses):			
Transfers in	<u>679,535</u>	<u>681,121</u>	<u>1,586</u>
Total other financing sources (uses)	<u>679,535</u>	<u>681,121</u>	<u>1,586</u>
Change in fund balances	<u>\$ (71,416)</u>	<u>(183,045)</u>	<u>\$ (111,629)</u>
Fund balance, beginning of year		530,143	
Fund balance - end of year - budget basis		347,098	
Adjustments:			
Encumbrances		<u>1,000</u>	
Fund balance, end of year		<u>\$ 348,098</u>	
Net change in fund balance - budget basis		\$ (183,045)	
Adjustments:			
Encumbrances - end of year		<u>1,000</u>	
Net change in fund balance - GAAP basis		<u>\$ (182,045)</u>	

CITY OF BRANSON, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the year ended December 31, 2017

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 210,424	\$ 348,294	\$ 137,870
Interest income	-	852	852
Total revenues	<u>210,424</u>	<u>349,146</u>	<u>138,722</u>
Expenditures:			
Debt Service:			
Principal	1,535,000	1,535,000	-
Interest	1,396,581	1,396,581	-
Total expenditures	<u>2,931,581</u>	<u>2,931,581</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,721,157)	(2,582,435)	138,722
Other Financing Sources (Uses)			
Transfers in	2,950,199	2,739,500	(210,699)
Total other financing sources (uses)	<u>2,950,199</u>	<u>2,739,500</u>	<u>(210,699)</u>
Change in fund balances	<u>\$ 229,042</u>	157,065	<u>\$ (71,977)</u>
Fund balance, beginning of year		<u>2,680,183</u>	
Fund balance, end of year		<u>\$ 2,837,248</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, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ 1,900,000	\$ -	\$ (1,900,000)
Total revenues	<u>1,900,000</u>	<u>-</u>	<u>(1,900,000)</u>
Expenditures:			
Capital outlay	\$ 18,665,410	\$ 14,141,443	\$ 4,523,967
Total expenditures	<u>18,665,410</u>	<u>14,141,443</u>	<u>4,523,967</u>
Excess of revenues over (under) expenditures	(16,765,410)	(14,141,443)	2,623,967
Other financing sources (uses):			
Transfers in	18,665,410	15,407,772	(3,257,638)
Total other financing sources (uses)	<u>18,665,410</u>	<u>15,407,772</u>	<u>(3,257,638)</u>
Change in fund balances	<u>\$ 1,900,000</u>	1,266,329	<u>\$ (633,671)</u>
Fund balance, beginning of year		<u>635,867</u>	
Fund balance - end of year		<u>\$ 1,902,196</u>	
Adjustments:			
Encumbrances		(1,564,098)	
Fund balance - end of year - GAAP basis		<u>\$ 338,098</u>	
Net change in fund balance - budget basis		\$ 1,266,329	
Adjustments:			
Encumbrances - beginning of year		(1,564,098)	
Encumbrances - end of year		-	
Net change in fund balance - GAAP basis		<u>\$ (297,769)</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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 2,925,776	\$ 2,842,730	\$ (83,046)
Tax increment financing	3,643,972	6,285,831	2,641,859
Lease revenues	450,000	455,000	5,000
Investment income	352,500	348,717	(3,783)
Total revenues	<u>7,372,248</u>	<u>9,932,278</u>	<u>2,560,030</u>
Expenditures:			
Debt Service:			
Principal	4,140,000	4,140,000	-
Interest	4,986,363	4,988,363	(2,000)
Finance	3,000	-	3,000
Total expenditures	<u>9,129,363</u>	<u>9,128,363</u>	<u>1,000</u>
Excess of revenues over (under) expenditures	(1,757,115)	803,915	2,561,030
Other Financing Sources (Uses)			
Transfers in	2,854,816	229,690	(2,625,126)
Transfers out	979,031	(1,208,720)	(2,187,751)
Total other financing sources (uses)	<u>3,833,847</u>	<u>(979,030)</u>	<u>(4,812,877)</u>
Change in fund balances	<u>\$ 2,076,732</u>	(175,115)	<u>\$ (2,251,847)</u>
Fund balance, beginning of year		<u>14,816,251</u>	
Fund balance, end of year		<u>\$ 14,641,136</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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 798,424	\$ 1,443,493	\$ 645,069
Tax increment financing	3,308,458	4,136,870	828,412
Interest	12,206	54,269	42,063
Total revenues	<u>4,119,088</u>	<u>5,634,632</u>	<u>1,515,544</u>
Expenditures:			
Debt Service:			
Principal	1,195,000	1,605,000	(410,000)
Interest	3,665,326	3,040,059	625,267
Total expenditures	<u>4,860,326</u>	<u>4,645,059</u>	<u>215,267</u>
Other Financing Sources (Uses)			
Bond proceeds	28,360,837	36,693,665	8,332,828
Payment to bond escrow agent	(33,547,839)	(35,080,852)	(1,533,013)
Capital contributions		(7,135,652)	(7,135,652)
Premiums	-	335,837	335,837
Transfers in	1,434,035	-	(1,434,035)
Total other financing sources (uses)	<u>(3,752,967)</u>	<u>(5,187,002)</u>	<u>(1,434,035)</u>
Change in fund balances	<u>\$ (4,494,205)</u>	<u>(4,197,429)</u>	<u>\$ 296,776</u>
Fund balance, beginning of year		<u>12,041,308</u>	
Fund balance, end of year		<u>\$ 7,843,879</u>	

CITY OF BRANSON, MISSOURI

Statement of Changes in Assets and Liabilities -
Agency Fund
For the year ended December 31, 2017

Landscape Trust Fund	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
Assets				
Cash and cash investments	<u>\$ 847,725</u>	<u>\$ 13,430</u>	<u>\$ 10,121</u>	<u>\$ 851,034</u>
Liabilities				
Due to others	<u>\$ 847,725</u>	<u>\$ 13,430</u>	<u>\$ 10,121</u>	<u>\$ 851,034</u>

**City of Branson, Missouri
Balance Sheet
Component Unit
December 31, 2017**

76 Entertainment Community Improvement District

Assets

Cash and investments	\$ 436,189
Intergovernmental receivables	<u>7,444</u>
Total assets	<u><u>\$ 443,633</u></u>

Liabilities

Liabilities:	
Accounts payable	\$ 11,086
Total liabilities	<u>11,086</u>

Fund balances:

Unrestricted	<u>432,547</u>
Total fund balances	<u><u>432,547</u></u>
Total deferred inflows, and fund balances	<u><u>\$ 443,633</u></u>

City of Branson, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Component Unit
For the year ended December 31, 2017

76 Entertainment Community Improvement District

Revenues:	
Taxes	\$ 458,203
Other	1,965
Investment income	19
Total revenues	<u>460,187</u>
Expenditures	
General government	<u>59,345</u>
Total expenditures	<u>59,345</u>
Net change in fund balances	400,842
Fund balances - beginning of year	<u>31,705</u>
Fund balances - end of year	<u><u>\$ 432,547</u></u>



The City of Branson is committed to its citizens and to those who visit here, to ensure a safe and environmentally sound community. We will work as a team to maintain and promote the growth of our City, and to provide professional, courteous service to all through fair and open communication. We look to tomorrow, remembering yesterday, dedicated to excellence today.

Statistical Section

STATISTICAL SECTION

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

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Table

Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

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

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Demographic and Economic Information

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

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Operating Information

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

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

Table 1

CITY OF BRANSON, MISSOURI Net Position by Component LAST TEN FISCAL YEARS (accrual basis of accounting)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government activities										
Net Investment										
in capital assets	\$ 145,177,108	\$ 144,289,962	\$ 129,557,224	\$ 126,777,920	\$ 123,688,092	\$ 122,866,191	\$ 115,739,014	\$ 115,152,798	\$ 127,898,033	\$ 129,168,601
Restricted	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	35,559,852
Unrestricted	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)	(155,793,752)
Total governmental activities net position	<u>\$ 176,169,272</u>	<u>\$ 173,821,904</u>	<u>\$ 161,090,844</u>	<u>\$ 153,530,492</u>	<u>\$ 150,921,488</u>	<u>\$ (14,829,740)</u>	<u>\$ (9,964,668)</u>	<u>\$ (2,340,635)</u>	<u>\$ 7,962,979</u>	<u>\$ 8,934,701</u>
Business-type activities										
Net Investment										
in capital assets	\$ 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	\$ 70,899,056
Restricted	185,812	189,393	3,217,997	2,461,091	120,209	-	-	-	-	-
Unrestricted	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	7,088,715
Total business-type activities net position	<u>\$ 80,691,765</u>	<u>\$ 80,268,460</u>	<u>\$ 89,583,660</u>	<u>\$ 88,825,601</u>	<u>\$ 86,561,562</u>	<u>\$ 84,592,798</u>	<u>\$ 83,079,776</u>	<u>\$ 81,889,086</u>	<u>\$ 80,819,179</u>	<u>\$ 77,987,771</u>
Primary government										
Net Investment										
in capital assets	\$ 217,620,480	\$ 220,245,541	\$ 211,487,691	\$ 208,377,085	\$ 202,924,076	\$ 200,078,182	\$ 190,341,944	\$ 187,382,066	\$ 200,687,765	\$ 200,067,657
Restricted	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	35,559,852
Unrestricted (deficit)	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)	(148,705,037)
Total primary government net position	<u>\$ 256,861,037</u>	<u>\$ 254,090,364</u>	<u>\$ 250,674,504</u>	<u>\$ 242,356,093</u>	<u>\$ 237,483,050</u>	<u>\$ 69,763,058</u>	<u>\$ 73,115,108</u>	<u>\$ 79,548,451</u>	<u>\$ 88,782,158</u>	<u>\$ 86,922,472</u>
<p>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.</p> <p>In 2013, the City implemented GASB 61; as a result of this the TIF Commission component unit is now blended with the Governmental activities.</p> <p>Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year</p> <p>October thru December 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to the Calendar basis.</p>										

Table 2

CITY OF BRANSON, MISSOURI										
Changes in Net Position										
LAST TEN FISCAL YEARS										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 4,939,024	\$ 4,813,249	\$ 6,288,554	\$ 6,508,380	\$ 7,317,045	\$ 7,559,988	\$ 7,332,752	\$ 6,095,239	\$ 6,573,714	\$ 7,057,095
Public safety	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	8,129,672
Public works	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	16,397,028
Engineering services	726,971	606,672	658,103	552,491	585,196	603,529	540,389	628,328	673,679	735,943
Community development	1,461,803	1,293,578	1,430,800	825,744	1,381,794	824,607	734,863	777,043	919,153	835,081
Culture and recreation	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	3,098,794
Convention Center	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	6,892,726
Tourism	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	2,979,235
Interest on long-term debt	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	10,452,754
Total governmental expense	<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>45,972,808</u>	<u>56,578,328</u>
Business-type activities:										
Water & sewer services	8,701,225	8,526,666	8,270,508	9,228,202	9,438,946	10,394,694	10,486,575	11,165,608	11,551,798	11,926,162
Total business-type activities expense	<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>11,165,608</u>	<u>11,551,798</u>	<u>11,926,162</u>
Total primary governmental expense	<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>\$ 57,718,731</u>	<u>\$ 57,524,606</u>	<u>\$ 68,504,490</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 4,394,667
Public safety	43,281	19,968	13,466	152,213	256,570	267,602	390,890	27,908	31,586	64,211
Public works	30,307	2,424	-	-	30,000	4,010	3,516	31,190	13,748	40,397
Engineering services	1,577	1,165	1,616	-	-	-	-	-	-	-
Community development	591,472	229,631	162,255	21,730	28,443	472,401	477,072	746,117	832,600	905,978
Culture and recreation	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	1,664,334
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	4,401,905
Tourism	-	-	-	-	-	-	-	-	-	-
Operating grants & contributions	206,563	45,565	315,980	1,401,141	452,643	49,729	475,597	25,271	172,387	142,781
Capital grants & contributions	2,750,119	1,016,376	251,439	1,420,806	2,671,184	644,664	426,354	198,306	216,062	174,147
Total governmental program revenues	<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>	<u>\$ 11,788,420</u>

Changes in Net Position, Cont.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services - water & sewer	\$ 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	\$ 8,536,453
Capital grants & contributions	6,523,130	1,199,077	3,996,655	788,201	119,837	455,753	893,453	401,987	1,267,680	432,346
Total business-type activities program revenues	<u>12,429,678</u>	<u>7,055,320</u>	<u>10,074,048</u>	<u>7,779,471</u>	<u>7,092,738</u>	<u>7,556,656</u>	<u>8,162,278</u>	<u>7,778,791</u>	<u>9,377,319</u>	<u>8,968,799</u>
Total primary governmental program revenues	<u>\$ 23,804,912</u>	<u>\$ 16,509,225</u>	<u>\$ 19,778,807</u>	<u>\$ 19,794,332</u>	<u>\$ 22,204,182</u>	<u>\$ 17,955,009</u>	<u>\$ 17,848,301</u>	<u>\$ 17,692,277</u>	<u>\$ 19,694,704</u>	<u>\$ 20,757,219</u>
Net (expense)revenue										
Governmental activities	\$ (28,113,453)	\$ (19,054,893)	\$ (31,059,849)	\$ (34,831,146)	\$ (28,996,720)	\$ (40,610,066)	\$ (38,117,844)	\$ (36,639,637)	\$ (35,655,423)	\$ (44,789,908)
Business-type activities	3,728,453	(1,471,346)	1,803,540	(1,448,731)	(2,346,208)	(2,838,038)	(2,324,297)	(3,386,817)	(2,174,479)	(2,957,363)
Total primary governmental net expense	<u>\$ (24,385,000)</u>	<u>\$ (20,526,239)</u>	<u>\$ (29,256,309)</u>	<u>\$ (36,279,877)</u>	<u>\$ (31,342,928)</u>	<u>\$ (43,448,104)</u>	<u>\$ (40,442,141)</u>	<u>\$ (40,026,454)</u>	<u>\$ (37,829,902)</u>	<u>\$ (47,747,271)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	\$ 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	\$ 2,732,499
Sales tax	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	17,185,398
Tourism tax	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	13,115,362
Other taxes	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	1,686,608
Intergovernmental Activity taxes	-	-	-	-	-	10,263,563	10,123,821	10,543,454	10,889,839	10,422,701
Other	-	-	-	-	-	9,297	-	-	8,151	10,130
(Loss)/gain on sale of capital assets	-	-	104,256	15,047	17,870	29,814	-	-	-	-
Unrestricted investment earnings	1,505,009	876,037	888,518	885,386	681,791	876,763	861,000	1,431,890	791,407	651,932
Insurance recoveries	-	-	-	-	-	-	31,780	-	-	-
Transfers out	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)	(852,590)	(798,959)	(1,980,000)	(1,077,594)	(109,654)
Total governmental activities	<u>28,477,894</u>	<u>26,596,917</u>	<u>20,118,595</u>	<u>27,270,794</u>	<u>27,211,390</u>	<u>38,201,980</u>	<u>42,982,916</u>	<u>43,423,529</u>	<u>45,959,037</u>	<u>45,694,976</u>
Business-type activities:										
Unrestricted investment earnings	37,065	48,041	31,030	23,919	26,422	16,684	12,316	21,381	26,978	16,301
Gain of sale of capital assets	-	-	-	2,753	747	-	-	-	-	-
Transfers in	1,343,000	1,000,000	8,061,223	664,000	55,000	852,590	798,959	1,980,000	1,077,594	109,654
Total business-type activities	<u>1,380,065</u>	<u>1,048,041</u>	<u>8,092,253</u>	<u>690,672</u>	<u>82,169</u>	<u>869,274</u>	<u>811,275</u>	<u>2,001,381</u>	<u>1,104,572</u>	<u>125,955</u>
Total primary government	<u>\$ 29,857,959</u>	<u>\$ 27,644,958</u>	<u>\$ 28,210,848</u>	<u>\$ 27,961,466</u>	<u>\$ 27,293,559</u>	<u>\$ 39,071,254</u>	<u>\$ 43,794,191</u>	<u>\$ 45,424,910</u>	<u>\$ 47,063,609</u>	<u>\$ 45,820,931</u>
Change in Net Position										
Governmental activities	\$ 364,441	\$ 7,542,024	\$ (10,941,254)	\$ (7,560,352)	\$ (1,785,330)	\$ (2,408,086)	\$ 4,865,072	\$ 6,783,892	\$ 10,303,614	\$ 905,068
Business-type activities	5,108,518	(423,305)	9,895,793	(758,059)	(2,264,039)	(1,968,764)	(1,513,022)	(1,385,436)	(1,069,907)	(2,831,408)
Total primary government	<u>\$ 5,472,959</u>	<u>\$ 7,118,719</u>	<u>\$ (1,045,461)</u>	<u>\$ (8,318,411)</u>	<u>\$ (4,049,369)</u>	<u>\$ (4,376,850)</u>	<u>\$ 3,352,050</u>	<u>\$ 5,398,456</u>	<u>\$ 9,233,707</u>	<u>\$ (1,926,340)</u>

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

2 The Convention Center opened in September 2007

Note: In 2008, the City's 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)								
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>			
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>			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund								
Nonspendable	\$ 27,612	\$ 1,242,963	\$ 1,233,132	\$ 1,201,990	\$ 1,313,165	\$ 1,344,852	\$ 215,770	\$ 214,907
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	6,821,923
	<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>	<u>\$ 7,036,830</u>
All other governmental funds								
Nonspendable	\$ 92,690	\$ 4,660	\$ 4,910	\$ 4,910	\$ 4,910	\$ 1,005,110	\$ 5,110	\$ 5,110
Restricted	22,597,488	20,825,507	24,475,015	44,851,678	45,549,880	42,384,413	39,949,331	36,919,091
Committed	463,660	-	-	428,847	-	-	904,418	807,880
Assigned	3,774,721	3,638,638	3,321,522	1,719,943	2,073,297	672,446	635,867	338,098
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>	<u>\$ 38,070,179</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)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 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	\$ 34,753,078
Licenses and permits	1,061,481	648,553	594,662	630,822	752,465	751,652	952,870	661,590	783,214	852,069
Court fines	642,078	653,158	721,396	462,319	424,167	444,825	498,717	395,143	237,417	207,727
Charges for services	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	7,383,873
Lease and rent	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	1,870,966
Lease termination	-	-	-	1,420,806	-	-	-	-	-	-
Intergovernmental activity	-	216,243	315,981	67,057	1,292,613	10,263,563	10,123,821	10,543,454	10,889,839	10,779,731
Contributions from component unit	-	-	-	1,234,122	425,632	49,729	-	-	-	-
Investment earnings	1,505,009	876,037	888,518	885,386	681,791	876,763	861,000	1,431,890	791,407	651,932
Miscellaneous and contributions	613,085	107,630	313,010	353,163	184,270	306,118	1,032,522	553,062	1,031,996	409,041
Total revenues	\$ 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	\$ 56,908,417
Expenditures										
General government	\$ 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	\$ 5,938,293
Public safety	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	7,715,134
Public works	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	5,231,650
Engineering	662,870	606,672	595,835	487,858	516,275	508,776	510,405	571,624	627,763	676,951
Community Development	1,386,627	1,293,578	1,359,711	825,744	1,376,767	820,381	732,572	771,982	919,153	830,492
Culture and recreation	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	2,683,548
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	4,944,870
Tourism	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	2,979,235
Capital outlay	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	15,705,541
Debt service:										
Principal	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	9,981,267
Cost of Issuance	-	-	-	691,412	-	-	-	425,741	-	-
Interest	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	10,261,690
Refunding payment	-	-	-	5,490,478	-	-	-	-	-	-
Total expenditures	\$ 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	\$ 66,948,671
Excess of revenues over (under) expenditures	(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)	(10,040,254)
Other financing sources (uses)										
Transfers in (out)	(1,343,000)	(1,000,000)	(8,061,223)	(664,000)	(55,000)	(852,590)	(852,590)	(1,971,091)	(1,069,139)	(99,533)
Notes issuance	-	-	-	-	-	-	-	-	793,358	12,000,000
Proceeds from the sale of capital assets	-	-	-	-	8,084	46,319	46,319	1,419	-	64,271
Insurance recoveries	-	-	-	-	4,234,773	216,801	216,801	-	-	-
Capital contribution	-	-	-	-	-	-	-	-	-	(7,135,652)
Bonds issued	-	-	15,535,000	-	-	-	-	62,560,000	-	36,693,665
Issuance premium on bonds	-	-	(98,377)	-	-	-	-	6,822,564	-	335,837
Payments to refunded bond escrow agent	-	-	(7,854,917)	(35,788,589)	-	-	-	(68,769,444)	-	(35,080,852)
Bonds, notes or leases issued, net	-	-	-	42,527,636	-	139,099	139,099	-	-	-
Total other financing sources (uses)	(1,343,000)	(1,000,000)	(479,517)	6,075,047	4,187,857	(450,371)	(450,371)	(1,356,552)	(275,781)	6,777,736
Net change in fund balances	\$ (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)	\$ (3,262,518)
Debt service as a percentage of noncapital expenditures	19.70%	20.52%	19.75%	15.96%	18.84%	42.04%	42.98%	42.44%	43.28%	39.50%

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>
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
2017	2,745,181	13,691,359	424,453	249,427	1,196,737	73,166	12,072,872	30,453,195

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>		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
		TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
		SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES
General Merchandise	Retail	\$ 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	\$349,743,273
Apparel Stores	Retail	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	140,202,575
Eating & Drinking Estab.	Restaurant	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	170,603,961
Lodging and Campgrounds	Lodging	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	165,874,988
Theaters & Live Entertainment	Theater	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	107,223,022
Non-Theater Entertainment	Amusement	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	58,496,889
Grocery & Liquor Stores	Grocery	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	28,914,245
Automotive Sales, Leasing & Service	Automotive	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	46,463,482
Ice Cream, Candy, Coffee Shops	Restaurant	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	12,434,540
Other	Other	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	77,441,740
Total		\$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	\$1,157,398,715
N/A - Information not available											
City direct sales tax rate = 1.5%											
Information provided by City of Branson based on business tax filings with the Missouri Dept. of Revenue											
Note: 2010-Reported on a calendar year basis. Prior Years reported September 30th Fiscal Year.											
October thru December of 2009 are not reported in the statistical section as a comparison due to the change in the Fiscal Year to a Calendar basis.											

Table 7

City of Branson, Missouri Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years					
Fiscal Year	City Direct Rate	Taney County	Ambulance District	Missouri State	Tourism* Enhancement
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%
2017	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>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>	<u>2017</u>
Food & Beverage	0.5%	\$ 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	\$ 218,547,992
Hotel/Motel	4%	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	131,954,840
Theaters & Live Entertainment	4%	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	83,061,748
Amusements	4%	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	52,569,707
Overnight Rentals	4%	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	25,341,657
Campground	4%	2,500,028	2,516,223	2,772,319	2,222,503	2,384,765	2,535,074	2,856,730	2,949,664	3,270,352	3,280,101
Ticket & Package Resellers	4%	6,230,486	4,765,733	6,347,949	6,887,015	5,142,011	1,292,207	0	0	0	0
Total		\$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	\$514,756,045

Information provided by City of Branson.

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

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

Table 9

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

Fiscal Year	Real Estate			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate		Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Agriculture			Residential	Commercial		
2008	91,625,510	245,957,340	907,650	47,429,491	385,919,991	4.2010	4.3510	1,402,145,694	27.52%
2009	93,546,920	327,653,640	800,410	58,490,528	480,491,498	4.6112	4.7612	1,700,183,943	28.26%
2010	124,023,461	265,362,796	866,180	59,963,492	450,215,929	4.6266	4.7766	1,670,939,514	26.94%
2011	146,247,385	279,274,073	928,940	56,826,281	483,276,679	4.6875	4.8375	1,822,396,575	26.52%
2012	150,241,732	270,660,662	958,770	54,572,853	476,434,017	4.7930	4.9430	1,809,922,558	26.32%
2013	142,171,721	279,589,720	958,520	49,339,802	472,059,763	4.8846	5.0346	1,779,492,309	26.53%
2014	146,345,757	264,379,295	1,253,490	50,725,309	462,703,851	4.9636	5.1136	1,760,584,931	26.28%
2015	155,318,764	248,114,476	1,232,900	47,468,397	452,134,537	5.0358	5.1858	1,746,942,710	25.88%
2016	142,397,524	252,484,406	1,084,010	48,444,326	444,410,266	5.1299	5.2799	1,694,308,826	26.23%
2017	148,190,521	239,805,458	1,062,820	51,213,437	440,272,236	5.1793	5.3293	1,693,391,233	26.00%

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

Table 10

CITY OF BRANSON, MISSOURI PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS PER \$100 ASSESSED VALUATION LAST TEN FISCAL YEARS									
Fiscal Year	City of Branson	Branson R-4	State Levy	Handicapped	Sr. Citizens Service Fund	Health	Total Levy Resident	Surtax	Total Levy Commercial
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
2017	0.6023	4.2566	0.0300	0.1000	0.0500	0.1404	5.1793	0.1500	5.3293

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 2017 AND NINE YEARS AGO**

Taxpayer		2017			2008		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BLH Development	Developer	N/A	N/A	N/A	\$ 8,465,490	1	2.19%
Chateau on the Lake	Lodging	\$ 8,195,970	1	1.86%	\$ 7,912,380	2	2.05%
Tanger Mall	Retail	6,855,170	2	1.56%	\$ 6,166,780	3	1.60%
Sight & Sound Theatre	Theater	6,217,210	3	1.41%	N/A	N/A	N/A
Branson Landing Hotel	Lodging	4,950,080	4	1.12%	N/A	N/A	N/A
Radisson Hotel	Lodging	N/A	N/A	N/A	4,178,350	4	1.08%
Branson Meadows Mall	Retail	N/A	N/A	N/A	3,312,000	6	0.86%
Wal-Mart	Retail	3,492,300	5	0.79%	N/A	N/A	N/A
Summit Natural Gas	Utilities	2,994,580	6	0.68%	N/A	N/A	N/A
Grand Palace	Theater	N/A	N/A	N/A	\$ 3,086,770	9	0.80%
Factory Merchants (Red Roof)	Retail	N/A	N/A	N/A	3,779,880	5	0.98%
Branson Promenade Hotel/Condo:	Lodging	2,951,790	7	0.67%	N/A	N/A	N/A
Moon River Enterprises	Theater	N/A	N/A	N/A	2,474,370	10	0.64%
Mansion America Theater	Theater	2,258,660	8	0.51%	3,354,640	8	0.87%
Welk Resort	Lodging/Theater	2,251,610	9	0.51%	3,268,290	7	0.85%
Radisson Hotel	Lodging	2,240,000	10	0.51%	N/A	N/A	N/A
Totals		\$ 42,407,370		9.12%	\$ 37,533,460		9.73%

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 *
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%	86,656	2,551,704	100.10%
2013	2,555,077	2,459,780	96.27%	90,182	2,549,962	99.80%
2014	2,669,204	2,407,594	90.20%	31,252	2,438,846	91.37%
2015	2,557,410	2,527,505	98.83%	63,686	2,591,191	101.32%
2016	2,621,027	2,642,325	100.81%	92,331	2,734,656	104.34%
2017	2,712,328	2,675,349	98.64%	-	2,675,349	98.64%

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				
2008	67,326,000	-	-	750,000		68,076,000	37.46%	9,560
2009	64,539,000	-	-	620,000		65,159,000	32.75%	8,764
2010	68,907,000	-	-	480,000		69,387,000	32.91%	8,993
2011	64,592,000	5,639,767	-	330,000		70,561,767	31.79%	8,961
2012	61,119,000	5,134,580	-	170,000		66,423,580	25.31%	6,314
2013	57,681,000	3,482,875	185,145,190	-		246,309,065	89.70%	22,380
2014	53,373,552	2,389,804	182,462,989	-		238,226,345	82.60%	21,119
2015	49,094,406	2,304,835	170,080,190	-		221,479,431	72.18%	19,406
2016	44,625,000	2,331,600	164,020,190	-		210,976,790	68.76%	18,486
2017	41,175,000	13,545,333	159,888,003	-		214,608,336	69.94%	18,776

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, 2017			
<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	74,885,000	70.77%	\$ 52,998,325
Taney County	-	<u>46.45%</u>	<u>-</u>
Subtotal, overlapping debt			52,998,325
City of Branson - Direct debt			<u>214,608,336</u>
Total direct and overlapping debt			<u>\$ 267,606,661</u>
<i>Sources: Assessed value data used to estimate applicable percentages provided by the County and Assessment Debt outstanding data provided by the county.</i>			
<i>Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Branson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses, should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.</i>			
<i>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the city government's boundaries and dividing it by the entity's total taxable assessed value.</i>			

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>2017</u>
Debt Limit	\$ 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	\$ 88,054,447
Total debt applicable to limit	<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>	<u>22,545,442</u>
Legal debt margin	<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>	<u>\$ 65,509,005</u>
Total net debt applicable to limit as a percentage of debt	23%	22%	26%	23%	26%	24%	18%	26%	14%	26%
Legal Debt Margin Calculation for Fiscal Year 2017										
										440,272,236
										88,054,447
Obligations:										
										11,595,000
										14,338,691
										<u>25,933,691</u>
Less:										
										<u>(3,388,249)</u>
										<u>22,545,442</u>
										<u>\$ 65,509,005</u>
<i>Note: Under state finance law, the city's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.</i>										

Table 16

CITY OF BRANSON, MISSOURI PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS							
Fiscal Year	<u>Tourism Tax Revenue Bonds</u>						
	<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>
2008	11,769,977	516,275	9,090,000	2,256,000	1,581,911	3,837,911	2.37
2009	10,888,188	508,776	8,495,457	2,357,000	1,545,988	3,902,988	2.18
2010	10,907,769	510,405	8,428,476	2,462,000	1,343,401	3,805,401	2.21
2011	10,453,937	571,624	6,556,915	2,455,000	1,591,946	4,046,946	1.62
2012	10,321,084	2,401,175	7,919,909	2,803,000	1,345,386	4,148,386	1.91
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
2017	12,072,872	2,979,235	9,093,637	1,915,000	515,832	2,430,832	3.74
<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>
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	39,798,581	43,400,498	(3,601,917)	1,340,000	1,478,981	2,818,981	(1.28)
2016	41,995,886	46,525,423	(4,529,537)	1,490,000	1,438,781	2,928,781	(1.55)
2017	41,341,507	53,175,249	(11,833,742)	1,535,000	1,394,081	2,929,081	(4.04)
**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
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	11,285	323,563,520	28,672	40.7	13.9	4,806	8.6%
2016	11,511	337,962,960	29,360	42.1	13.1	4,812	9.1%
2017	11,430	335,139,030	29,321	40.0	13.3	4,806	3.8%

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		2017			2008		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Kanakuk Kamps	Summer Camp	1900	1	7.58%	N/A	N/A	0.00%
Herschend Family Entertainment	Theme Parks	1710	2	6.82%	400	5	1.80%
Cox Health (Skaggs)	Hospital	1081	3	4.31%	1139	1	5.11%
Big Cedar Resort	Lodging	914	4	3.65%	N/A	N/A	0.00%
Branson Public Schools	Education	649	5	2.59%	558	3	2.50%
Wal-mart (2 stores)	Retail	444	6	1.77%	600	2	2.69%
College of the Ozarks	Education	366	7	1.46%	N/A	N/A	0.00%
City of Branson	Government	346	8	1.38%	252	7	1.13%
Westgate Resorts	Lodging	345	9	1.38%	228	9	1.02%
Taney County	Government	287	10	1.15%	N/A	N/A	0.00%
Totals		6,142		24.51%	3,177		14.26%

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

Table 19

CITY OF BRANSON, MISSOURI										
Full-time Equivalent City Government Employees by Function										
Last Ten Fiscal years										
<u>Full-time Equivalent Employees as of December 31, 2017</u>										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administrative services	32	29	29	29	27	27	21	23	24	25
Finance	8	9	9	9	9	11	11	13	13	13
Planning	11	11	12	12	13	13	13	12	12	11
Police										
Officers	52	44	43	43	45	45	45	46	41	48
Civilians	4	12	15	15	15	15	15	15	22	17
Fire										
Firefighters	41	36	37	37	38	38	38	39	39	42
Civilians	4	2	2	2	2	2	2	1	2	2
Public Works/Utilities										
Facilities	29	20	11	11	10	10	10	8	8	10
Water	16	16	17	17	16	17	18	19	21	24
Wastewater	23	24	24	24	24	24	23	23	26	19
Other	6	5	8	8	13	13	21	22	24	21
Engineering	7	8	8	8	7	7	8	8	12	13
Parks & Recreation	13	11	18	18	18	18	18	18	20	20
TOTAL	246	227	233	233	237	240	243	247	264	265
Per City Budget	321	254	235	235	237	240	243	247	262	268
<i>Sources: Various government departments.</i>										

Table 20

CITY OF BRANSON, MISSOURI										
Operating Indicators by Function										
Last Ten Fiscal years										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Police Department										
Physical arrests	1,553	1,338	1,771	1,682	1,263	1,281	1,407	927	1,441	1,425
Parking violations (CY)	2,125	2,103	2,192	1,845	2,076	2,225	2,125	4,007	2,511	2,989
Traffic violations	8,370	9,606	8,511	5,401	5,529	5,606	5,870	4,236	2,088	4,534
Fire Department										
Emergency Responses	3,479	3,296	3,574	2,402	3,627	3,215	3,745	4,077	4,398	4,428
Fires extinguished	53	66	56	76	77	98	63	18	31	56
Inspections	1,728	1,737	1,262	1,643	1,453	1,327	2,323	1,824	3,790	2,880
Planning & Development										
Building permits issued (CY)	1,650	1,740	1,506	1,438	1,882	1,488	1,438	1,367	1,439	1,459
Building inspections (CY)	3,321	3,598	3,900	3,390	3,685	2,628	3,408	3,825	3,550	4,051
Public Works										
Street Resurfacing	0	1.6	2	3.6	4.64	2.65	1.58	11.4	2.3	11
Potholes Repaired	1,234	1,912	1,080	2,606	7,273	3,854	4,223	2,241	3,493	351
New water connections	57	15	59	14	7	14	27	13	27	34
Water main breaks	42	47	112	101	74	68	120	62	80	101
Average daily consumption	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	3,248,273
Peak daily consumption	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	5,464,000
Average daily sewage treatment	4.29 mgd	4.16 mgd	4.12 mgd	4.46 mgd	3.83 mgd	4.06 mgd	3.76 mgd	7.05 mgd	5.36 mgd	5.36 mgd
Parks & Recreation										
Pool admissions	31,587	27,953	26,524	30,864	24,873	17,268	19,236	22,974	20,382	20,240
Golf - rounds	9,608	7,683	6,740	4,621	5,529	4,973	5,421	4,539	4,323	2,515
Athletic field - events	94	98	101	99	100	99	78	71	70	68
<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										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	0	0	0	0	0	0	0
Patrol Units	15	16	16	16	16	18	18	18	18	18
Fire Department										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Street (miles)	97	0	97.5	97.5	97.5	88.55	88.55	88.55	94.5	94.5
Street Lights	1,609	0	1,631	1,643	1,625	1,633	1,676	1,675	1,664	1,662
* Traffic Signals	13	13	15	12	12	12	12	12	12	16
*Other traffic signals maintained by Missouri Dept of Transportation										
Utilities										
Water mains (miles)	92.09	95.3	93.86	95	95.15	95.15	95.15	100	102	103
Fire Hydrants	882	580	743	763	763	763	763	580	595	612
Storage capacity (thousand gals)	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	4,700,000
Utilities										
Sanitary sewers (miles)	210	172	231	233	233	234	234	210	210	210
Storm sewers (miles)	65	80	65	65	65	65	65	65	65	38.6
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	300	300
Playgrounds	9	9	9	9	9	9	9	9	10	11
Baseball/softball fields	8	8	8	8	8	8	8	8	8	6
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, 2017, 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 22, 2018.

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 22, 2018
Wichita, Kansas