

**CITY OF OSAGE BEACH, MISSOURI**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR**

**JANUARY 1, 2015 - DECEMBER 31, 2015**



**CITY OF OSAGE BEACH, MISSOURI**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2015**

**Prepared by:**

**Karri Bell**  
**City Treasurer**

**CITY OF OSAGE BEACH, MISSOURI**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	i - iv
GFOA Certificate of Achievement	v
Organizational Chart	vi
Officials	vii
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 14
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Position – Propriety Funds	21
Statement of Revenues, Expenses and Changes in Fund Net Position – Propriety Funds	22
Statement of Cash Flows – Proprietary Funds	23
 Notes to Basic Financial Statements	 24 – 44
 Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	45
Transportation Fund	46
Capital Improvement Sales Tax Fund	47
Notes to the Budgetary Comparison Schedules	48
Schedule of Funding Progress	49

**STATISTICAL SECTION (Unaudited)**

Statistical Section Information	50
Table 1: Net Assets by Component – Last Ten Fiscal Years	51
Table 2: Changes in Net Assets – Last Ten Fiscal Years	52 - 53
Table 3: Fund Balances of Governmental Funds – Last Ten Fiscal Years	54
Table 4: Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	55
Table 5: Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	56
Table 6: Taxable Sales by Category	57
Table 7: Direct and Overlapping Sales Tax Rates – Last Ten Years	58
Table 8: Principal Revenue Remitters by Category – Current Year and Nine Years Ago	59
Table 9: Ratios of Outstanding Debt by Type – Last Ten Years	60
Table 10: Ratios of General Bonded Debt Outstanding – Last Ten Years	61
Table 11: Direct and Overlapping Government Activities Debt – As of December 31, 2015	62
Table 12: Legal Debt Margin Information – Last Ten Years	63
Table 13: Water and Sewer Fund – Pledged Revenue Coverage – Last Ten Fiscal Years	64
Table 14: Demographic Statistics – Last Ten Years	65
Table 15: Principal Employers – Current and Nine Years Ago	66
Table 16: Full-Time Equivalent City Governmental Employees by Function – Last Ten Fiscal Years	67
Table 17: Operating Indicators by Function – Last Ten Fiscal Years	68
Table 18: Capital Asset Statistics by Function – Last Ten Fiscal Years	69

## **INTRODUCTORY SECTION**



1000 City Parkway • Osage Beach, MO 65065  
City Hall [573] 302-2000 • Fax [573] 302-0528

To the Honorable Mayor, Board of Aldermen and the Citizens of the City of Osage Beach:

The Comprehensive Annual Financial Report (CAFR) of the City of Osage Beach, Missouri (the City), for the fiscal year ended December 31, 2015, is herewith submitted. The information presented in the CAFR is the responsibility of the City's management. The City Treasurer's Department prepared this report and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The CAFR conforms to the standards of financial reporting as set forth by the Governmental Accounting Standards Board (GASB) and the guidelines as recommended by the Government Finance Officers Association (GFOA). The City Treasurer's Department believes that the financial statements, supporting schedules, and statistical information fairly represent the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs.

Generally accepted accounting principles require that management provide a narrative, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read with it. The City of Osage Beach's MD&A can be found immediately following the report of the independent auditors.

### **The Reporting Entity and Its Services**

The City of Osage Beach, organized in 1959, is a fourth-class city and political subdivision created and existing under the laws of the State of Missouri. The City is approximately 10 square miles in area and is located in Camden and Miller Counties, Missouri. The City lies along the shores of the Lake of the Ozarks, one of the largest man-made lakes in the world. The City has an estimated permanent population of 4,395; however, it is estimated that there are in excess of 100,000 people during the peak seasonal periods. The governing body consists of an elected six-member Board of Aldermen and a Mayor who in turn appoints a City Administrator, City Clerk, Police Chief, Building Official, City Treasurer, City Planner, City Engineer and City Attorney. Aldermen serve two-year terms, with three members elected every year. The Mayor is elected for a two-year term.

The City provides a full range of municipal services including streets, water, sewer, airports, engineering, public safety, ambulance services, and general administration.

The City offers its residents and visitors two City parks. Peanick Park is a 13 acre park with two ball fields, pavilions, basketball courts, a walking trail and playground facilities. It is located on the northeast side of town on Highway 42. The Osage Beach City Park is a 92 acre park surrounded by the Lake of the Ozarks and the Lake of the Ozarks State Park; it is located off of Hatchery Road adjacent to the outlet mall. The park has lake access, a stocked fishing pond (currently unavailable), three soccer fields, two pavilions, a playground and a Sports Complex complete with three 300' baseball/softball fields, press box and concession facilities.

Utility service in the City is mixed between public and private companies. Water and sanitary sewerage utilities are operated by the City of Osage Beach. Water and sewerage rates are established to meet the total revenue requirements of the utilities. Natural Gas is supplied by Summit Natural Gas of Missouri, electricity by Ameren Missouri. Both traditional and cellular phone service is provided by numerous companies.

Although legally separate from the City, the financial statements include its component units. The component unit is the Tax Increment Financing Districts responsible for encouraging development of commercial enterprises in the District. The Districts are fiscally dependent upon the City because the City must approve any debt issuances.

### **Accounting System and Budgetary Control**

The diversity of governmental operations and the necessity for legal compliance preclude recording and summation of all financial transactions in a single accounting entity. The City's accounting system is therefore organized and operated on a fund basis, wherein each fund or account group is a distinct and separate self-balancing entity.

The City's financial records utilize two basis of accounting. The modified accrual basis is followed by the governmental funds. Under this basis, revenues are recognized when measurable and available, and expenditures are recorded when the fund liability is incurred, except for interest on long-term debt. The accrual basis of accounting is utilized by proprietary funds. Consideration is given to the adequacy of internal accounting controls governing the financial transactions and records of the City. Internal controls are designed and developed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded in line with management's policy and generally accepted accounting principles.

Budgetary control is maintained at the fund level.

### **Local Economy**

The City of Osage Beach is recognized as both a retail center and a tourist destination; retail sales exceed the norm for cities of comparable size. Conveniently located in the heart of Missouri, the Lake of the Ozarks is the Midwest's premier lake resort destination. Osage Beach is the home of the Osage Beach Premium Outlet center with over 80 stores, numerous national chains and locally owned specialty retail. While both population and local economic activity continue to peak in the summer season, the increasing number of second homeowners, the expansion in retail goods and the promotion of non-peak activities is smoothing out the sharpness of the peaks.

### **Long-term Financial Planning and Policies**

The City currently does not have a formal long-term financial plan or fund balance/reserve policy. The Board, during the 2011 budget process, directed staff to maintain a six month cash reserve to operate the City at its budgeted level annually for the General Fund. The City prepares its budget for a one year period. Police cars are on a rotation plan and are replaced on a systematic basis before they are completely devalued. This process allows for level spending occurring on an annual basis. Capital expansion projects that are not funded though debt service but are high on the priority list are in the current year's budget. If the project lacks sufficient funds, the project will be carried into the next budget with funds added until sufficient funds are available to complete the project.

### **Reporting Standards and Formats**

The standards used to formulate and present the content of this Comprehensive Annual Financial Report were set forth by the Governmental Accounting Standards Board (GASB), which incorporates the statements and interpretations of the National Council on Governmental Accounting (NCGA) until modification is deemed necessary. The GASB has also promulgated acceptance of certain standards as set by the American

Institute of Certified Public Accountants (AICPA) in the guide for “Audits of State and Local Governmental Units.” Guidance for illustrative interpretation was obtained by use of the 2012 “Governmental Accounting, Auditing and Financial Reporting” (GAAFR), published by the Government Finance Officers Association (GFOA).

### **Future Major Initiatives**

Osage Beach Parkway West Study – December 2015, the Board of Aldermen created the Osage Beach Parkway West Study Committee to assist with the selection of a qualified multi-service consulting firm to perform and deliver a comprehensive plan for the Osage Beach Parkway west of the Grand Glaize Bridge. To date, eight consulting firms submitted proposals and three were invited to present to the committee. On April 21, 2016, the Board of Aldermen approved the committee’s recommendation to proceed with HDR Engineering for the comprehensive plan.

The Arrowhead Centre Tax Increment Financing (TIF) – The City Ordinance 15.56 adopted the Arrowhead Centre TIF Plan as amended with recommendations of the Osage Beach TIF Commission on July 16, 2015. After the Board of Aldermen approved the TIF, a contract was developed and approved by the Board of Aldermen on February 18, 2016. The project encompasses over 200 acres between Highway KK and Nichols Road. It is divided into eight projects. The first is a proposed skilled nursing home complex with assisted living. The second phase would be an independent senior living area. The third area will include a driving range, restaurant and recreational area. The next five phases have commercial, residential and storage areas. This large development will have ongoing construction for at least ten years.

Peanick Park - The City has plans for a park-wide renovation of playground facilities. Included in this renovation is safe playground equipment, up-to-date safety surfacing which will provide ADA access to all three of the existing playground areas, and an ADA compliant drinking fountain that will be donated by a local civic organization. The City has submitted a grant application for this project through the National Park Service. If the \$31,315 grant is received, the City will spend a total of \$72,910 on the project. Budgeted for 2016, Peanick Park will spend \$10,000 for fence repairs and \$25,000 to demolish the old concession building.

Technology upgrades to improve workstation efficiency, data security safety, updates to battery backup systems, backup servers and the virtual system are estimated to cost \$183,750.

Built in 1990, the City’s Public Works building, which currently houses offices for Water, Sewer and Transportation staff, completed a major upgrade in 2015. The City will spend \$21,000 to properly furnish the new building space.

Transportation - Street improvement projects, including engineering, land purchases, and streetlights totaling \$4,034,707 are included in the 2016 budget. This includes the Osage Beach Parkway West Study, various land purchases, street lights, utility relocates, Nichols Road improvements (\$1,100,000), Osage Beach Parkway (\$750,000) Mace Road (\$500,000), Zebra Connector, Dude Ranch Sidewalk/Trail (\$488,167), Parkway sidewalk and Ozark Meadows Road. In a joint effort with the City, the Special Road District will reimburse the City \$431,800 for projects that benefit the district (Mace, Winn and miscellaneous roads). The City provides the administrative and engineering services and the Special Road District provides the construction funds for the various projects. The City is purchasing a skid steer with trailer and replacing a truck with a 2016 Ford F250.

Water – The Swiss Village water tower is scheduled to be painted at a cost of \$450,000. An update to the City’s Water Master Plan is proposed for the coming year. The City is also going to extend water to the City Park and Antioch Lane.

Sewer projects, including engineering and land purchases totaling \$1,622,753, are included in the 2016 budget. This includes Prewitt’s Point and various lift station improvements, Passover Road sewer upgrade, and new connections on Shadow Circle, Port Lane and Antioch Lane.

## **Single Audit**

The City of Osage Beach is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and related amendments and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, if the City spends \$750,000 or more in federal funding. In 2015 the City spent \$696,466 in federal funding. As a result, no Single Audit is required, but the City will make its records available for review upon request of authorized officials.

## **Independent Audit**

The City's financial statements have been audited by Williams Keepers LLC, a firm of licensed certified public accountants. The purpose of the audit conducted by Williams Keepers was to review and provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2015, 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. The auditors gave an unmodified opinion for the year ended December 31, 2015, which can be found in the first report on the financial section of this document.

## **Awards**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Osage Beach for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. This was the sixteenth year that the City of Osage Beach 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.

## **Acknowledgments**

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of many City employees. I want to especially express my appreciation to the City Treasurer's staff for assisting and contributing with its preparation.

Finally, I would like to acknowledge the Mayor, Board of Aldermen and the City Administrator for their support in planning and conducting the financial operations of the City in a professional and progressive manner.

Respectfully submitted,



Karri Bell  
City Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Osage Beach  
Missouri**

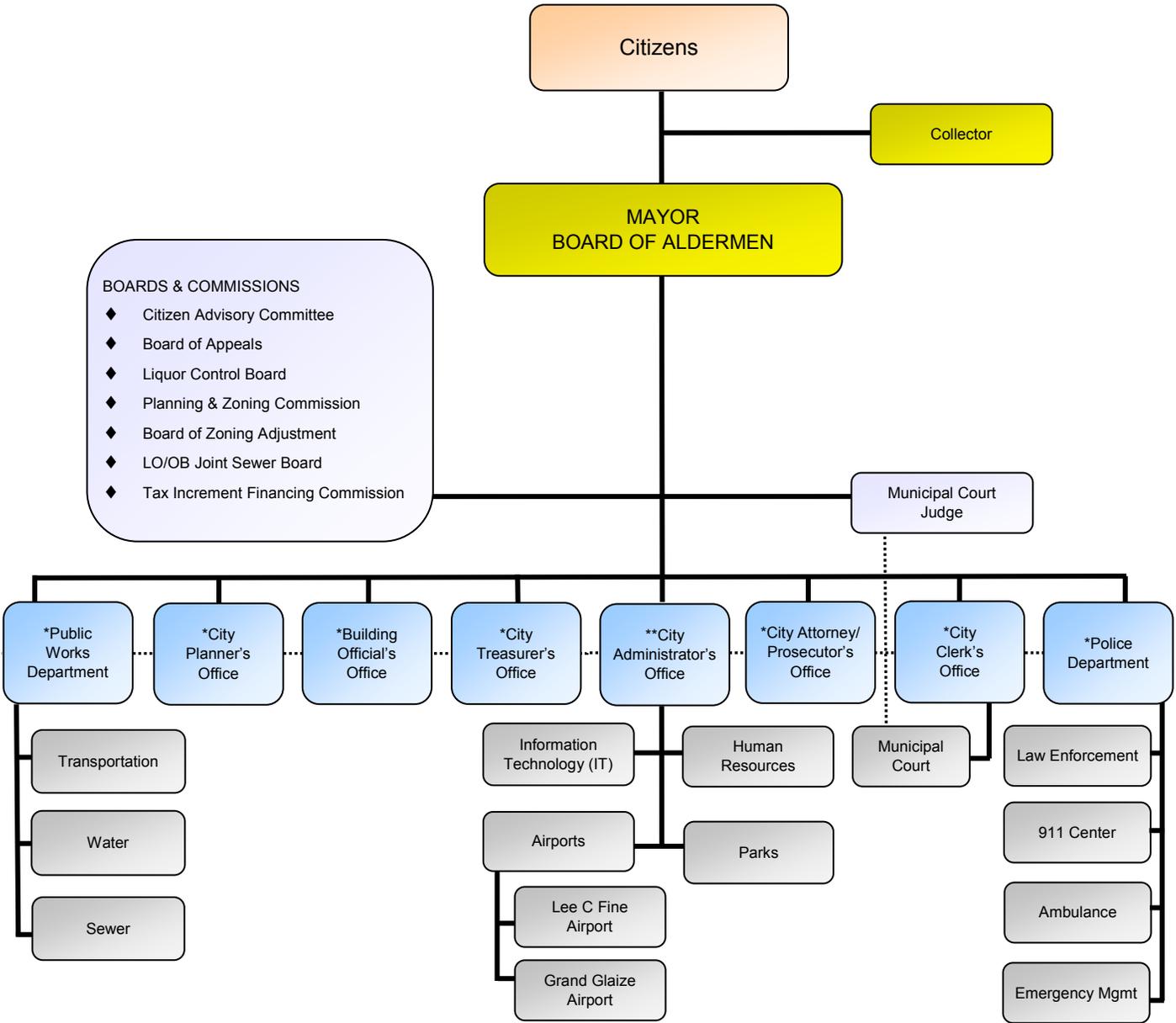
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

# City of Osage Beach, Missouri

## Organizational Chart



\*Managers of stated departments are Appointed Officials of the City; appointed by the Mayor and approved by the Board of Aldermen.  
 \*\*The City Administrator coordinates and supervises the operations of all departments.

**City of Osage Beach, Missouri**

***Elected Officials***

Mayor .....	John Olivarri
Ward One .....	Kevin Rucker
.....	Ron Schmitt
Ward Two.....	Phyllis Marose
.....	Jeff Bethurem
Ward Three.....	John Olivarri
.....	Tom Walker
City Collector .....	John M. Berry

***Management Team***

City Administrator .....	Jeana Woods
City Clerk .....	Diann Warner
Chief of Police.....	Todd Davis
City Attorney.....	Ed Rucker
City Treasurer.....	Karri Bell
Building Official .....	Ron White
City Planner.....	Cary Patterson
Public Works Director.....	Nick Edelman
Assistant City Administrator.....	Mike Welty
Human Resources Generalist.....	Cindy Leigh
Information Systems Operations Manager .....	James Davis
Airport Manager.....	Ty Dinsdale
Park Manager .....	Matt Vandervoort

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**Williams-Keepers LLC**

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen  
City of Osage Beach, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund for the City of Osage Beach, Missouri (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the accompanying 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 U.S. generally accepted accounting principles; 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 auditors' 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 City'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 City'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 and each major fund of the City of Osage Beach, Missouri, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### *Other Matters*

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Osage Beach's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements.

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.

*Williams Keepers LLC*

June 2, 2016

**City of Osage Beach, Missouri**  
**Management Discussion and Analysis**  
**December 31, 2015**

This section of the City of Osage Beach's annual financial report presents a review of the City's financial activities for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Osage Beach exceeded its liabilities at the close of the fiscal year by \$92,226,069 (net position). Of this amount, \$8,679,501 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$647,807 from 2014. This is a total decrease of \$1,032,796 from the City's governmental activities and an increase of \$384,989 from the business-type activities. The overall decrease in governmental activities was primarily due to a net decrease in Capital Assets. Depreciation expense (non-cash) total was \$2,776,819. Of this total, \$631,269 is associated with the acceptance of the Osage Beach Parkway/Business Route 54 from the Missouri Transportation Commission for a contribution amount of \$12,625,371, added to the City's capital asset inventory in 2013. This asset will be depreciated over 20 years. Additional information regarding Capital Assets can be found in Note 6.
- The increase in business-type activities of less than 1% reflects maintaining current capital and service levels.
- The City's gross sales tax (on cash basis) increased 2.9%, from \$4,522,836 in fiscal year 2014 in the General Fund compared to \$4,654,641 in fiscal year 2015.
- Osage Beach City Park was hit by a flood in 2013 which caused the pond levee to breach and resulted in severe damage to much of the park. The repairs and restoration to the park are complete and the City has received \$100,357 from FEMA/SEMA and expects to receive the remaining balance in 2016.
- The City added two new community events, Osage Beach Easter Egg Hunt and Welcome to Summer Concert and Fireworks Show. The City received donations totaling \$6,550 to support the City's Welcome to Summer Concert and Fireworks Show and the holiday lights display.
- The Arrowhead Centre Tax Increment Financing (TIF) – The TIF Commission met in June to consider the Arrowhead TIF application proposal. The project encompasses over 200 acres between Highway KK and Nichols Road. It is divided into eight projects. The first proposed project is a skilled nursing home complex with assisted living. The second phase would be an independent senior living area. The third area will include a driving range, restaurant and recreational area. The next five phases have commercial, residential and storage areas. This large development will have ongoing construction for at least ten years. The financing proposed for this TIF is a "pay as you go" plan. The developer's investment is proposed to be \$485,000,000. City Ordinance 15.56 adopted the Arrowhead Centre TIF Plan as amended with recommendations of the Osage Beach TIF Commission on July 16, 2015.

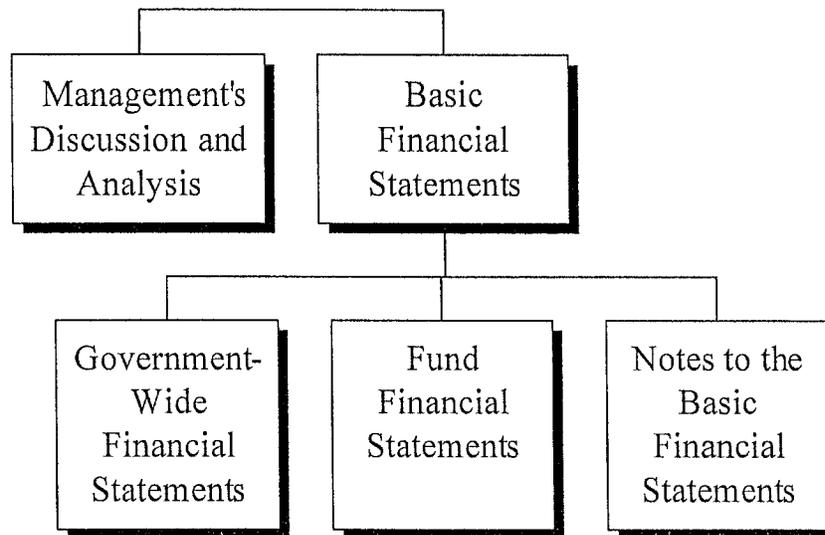
- In 2014, the City adopted a proclamation establishing the City of Osage Beach as a Purple Heart City. The City adopted the proclamation to show support for the military and for Purple Heart recipients. In 2015, the City executed an agreement with Missouri Highways and Transportation Commission to install and maintain five Purple Heart City signs across the City.
- Economic Development – The City entered into a media partnership with the Tri-County Lodging Association to promote Osage Beach. The City held white goods recycling events, hosted the 1<sup>st</sup> Annual Easter Egg Hunt, in partnership with First Family Church, hosted the 1<sup>st</sup> Annual Welcome to Summer event and hosted the 15<sup>th</sup> Annual Fall Festival. The City also purchased new holiday light displays and continued advertising City activities on electronic billboards on each side of the Grand Glaize Bridge.
- Osage Beach Parkway West Study – In December 2015, the Board of Aldermen created the Osage Beach Parkway West Study Committee to assist with the selection of a qualified multi-service consulting firm to perform and deliver a comprehensive plan for the Osage Beach Parkway west of the Grand Glaize Bridge. To date, eight consulting firms submitted proposals and of those submitted, three were invited to present to the committee. On April 21, 2016, the Board of Aldermen approved the committee’s recommendation to proceed with HDR Engineering for the comprehensive plan.
- The Osage Beach Special Road District contributed \$99,182 for street improvements to Coral Lane.
- Water – The City received a grant in the amount of \$19,900, which was 100% funded by the Missouri Department of Natural Resources to plug wells.
- Water Rate Increases for 2016 and 2018 – The Board of Aldermen approved increases to the water rate schedule, Section 705.300, based on the most recent rate analysis completed. Based on a five year forecast, the rate analysis concluded that the water system necessitates an additional \$300,000 needed in fiscal year 2016 from the user charge system and an additional \$100,000 in fiscal year 2018 to maintain the system.
- Sewer Rate Increases for 2016 and 2018 – The Board of Aldermen approved increases to the sewer rate schedule, Section 710.470, based on the most recent rate analysis completed. Based on a five year forecast, the rate analysis concluded the sewer system necessitates an additional \$150,000 from the user charge system and an additional \$75,000 in fiscal year 2018 to maintain the system.
- Water and Sewer – The utility system has completed a major upgrade to the supervisory control and data acquisition (SCADA) system. This system is used to monitor sewer lift-stations and water wells/towers. This remote technology is used to assist with maintenance, safety, and any failure issues occurring in the system. The City spent a total of \$373,805 over the past two years to upgrade the system.
- Ambulance – The City purchased a 2015 AEV Trauma Hawk Type III Ford E350 Ambulance for \$141,995. Central Bank of Lake of the Ozarks is financing the purchase with a five year loan at an interest rate of 2.1%.

## **OVERVIEW OF FINANCIAL STATEMENTS**

The financial reports consist of the management’s discussion and analysis, the basic financial statements, required supplementary information and additional supplementary information.

The basic financial statements include two kinds of statements that present different views of the City. The first statements are government-wide financials that provide both long-term and short-term information about the City’s overall financial status. These statements are prepared on a full accrual basis of accounting to present information in a more corporate-like presentation on individual parts of the government. The remaining statements are the fund financials that focus on individual parts of the City government and report more detail.

## Required Components of Annual Financial Report



### Basic Financial Statements

The first two statements in the basic financial statements are the government-wide financial statements (Statement of Net Position and the Statement of Activities). The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The next statements are the fund financial statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the fund financial statements: 1) the governmental funds statements; and 2) the proprietary funds statements.

The next section of the basic financial statements is the notes to the basic financial statements. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information is provided to show details about the City's performance relative to the budget.

### Government-Wide Financial Statements

The government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business type activities separately. These statements include certain infrastructure as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement with regard to inter-fund activity, payables and receivables.

The statement of net position and statement of activities report the City's net position and the resulting changes. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health or financial assets. Over time, increases or decreases in the City's net position is a useful indicator of whether its financial position is improving or deteriorating. Other non-financial factors to consider are changes in the City's sales tax base and the condition of the City's capital assets (roads, buildings, and water and sewer lines) to assess the overall health of the City.

The statement of activities distinguishes the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

**Governmental activities** – Most of the City's basic services are reported in this category, including General Administration, Finance, Public Safety, Transportation and Parks. Sales taxes, franchise fees, user fees, interest income, and grants finance these activities.

**Business-type activities** – The City charges a fee to customers to cover most of the cost of services it provides. The Combined Water and Sewer Fund, Ambulance Fund, Lee C. Fine Airport Fund and Grand Glaize Airport Fund are reported in this activity.

### **Fund Financial Statements**

The City uses two types of funds to manage its resources: governmental funds and proprietary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related current liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

**Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund Statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationships or differences of activities reported in the Governmental Fund Financial Statement versus that reported in the Government-Wide Financial Statements are explained in the reconciliation schedules following the Governmental Fund Financial Statements.

**Proprietary Funds** – When the City charges customers for the services it provides to cover the cost of operations, these activities are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses, and changes in fund net position. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**Notes to the Basic Financial Statements** – The notes provide additional information essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning budgetary comparison schedules for the major governmental funds.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As mentioned earlier, net position may serve as a useful indicator of the City's financial position. At the close of December 31, 2015, the City of Osage Beach's assets and deferred outflows of resources exceed liabilities by \$92,226,069. The largest portion of the City's net position, \$73,669,976 (80%), reflects its investment in capital assets (i.e., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The 80% of capital assets decreased 1% from 2014. This slight decrease reflects the City's balanced approach in spending to operate versus investment in capital assets. The City of Osage Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Osage Beach'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, 2015 and December 31, 2014:

#### CITY OF OSAGE BEACH STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 10,924,072	\$ 10,312,743	\$ 9,288,531	\$ 9,718,686	\$ 20,212,603	\$ 20,031,429
Capital assets	37,653,615	39,307,279	57,528,332	58,900,369	95,181,947	98,207,648
<b>Total assets</b>	<b>48,577,687</b>	<b>49,620,022</b>	<b>66,816,863</b>	<b>68,619,055</b>	<b>115,394,550</b>	<b>118,239,077</b>
Deferred charge on refunding	-	-	723,512	833,412	723,512	833,412
<b>Total deferred outflows</b>	<b>-</b>	<b>-</b>	<b>723,512</b>	<b>833,412</b>	<b>723,512</b>	<b>833,412</b>
Long-term liabilities	159,737	140,913	19,989,458	22,263,834	20,149,195	22,404,747
Other liabilities	602,079	630,442	3,140,719	3,163,424	3,742,798	3,793,866
<b>Total liabilities</b>	<b>761,816</b>	<b>771,355</b>	<b>23,130,177</b>	<b>25,427,258</b>	<b>23,891,993</b>	<b>26,198,613</b>
Net position						
Net investment in capital assets	37,653,615	39,307,279	36,016,361	35,337,942	73,669,976	74,645,221
Restricted	6,931,150	6,010,852	2,945,442	2,895,805	9,876,592	8,906,657
Unrestricted	3,231,106	3,530,536	5,448,395	5,791,462	8,679,501	9,321,998
<b>Total net position</b>	<b>\$ 47,815,871</b>	<b>\$ 48,848,667</b>	<b>\$ 44,410,198</b>	<b>\$ 44,025,209</b>	<b>\$ 92,226,069</b>	<b>\$ 92,873,876</b>

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position for the City both per fund and as a whole. The City's combined net position decreased to \$92,226,069 from \$92,873,876. This small decrease of 0.7% reflects the City's consistent management of financial resources. Total long-term liabilities decreased \$2,255,552 (10%) primarily as a result of principal payments on the City's water and sewer bonds. The City's unrestricted net position for governmental activities was \$3,231,106. Total unrestricted net position was \$8,679,501 including business-type activities. Unrestricted net position decreased \$642,497, almost equally in both governmental and business-type activities. Deferred outflows of resources decreased \$109,900 from 2014 as the amount of the 2002 refunded Water Bond issue is amortized over the balance of its remaining life. Additional information regarding deferred outflows/inflows of resources can be found in Note 1 (J).

Total net position of \$92,226,069 is comprised of \$73,669,976 invested in capital assets, net of related debt; \$9,876,592 is restricted for capital projects, debt service and other purposes; \$3,231,106 is unrestricted and available for general governmental purposes; and \$5,448,395 is unrestricted and available for the City's business-type activities.

### Change in Net Position

The following table reflects the revenues and expenses from the City's activities for the years ended December 31, 2015 and December 31, 2014:

	CITY OF OSAGE BEACH CHANGE IN NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 467,703	\$ 443,419	\$ 5,083,202	\$ 5,175,667	\$ 5,550,905	\$ 5,619,086
Operating grants and contributions	21,004	10,588	622,627	661,112	643,631	671,700
Capital grants and contributions	177,439	663,157	372,655	706,897	550,094	1,370,054
General revenues:						
Sales taxes	9,157,986	9,065,925	-	-	9,157,986	9,065,925
Franchise taxes	993,059	952,678	-	-	993,059	952,678
Other taxes	240,561	231,971	-	-	240,561	231,971
Unrestricted investment earnings	22,338	36,444	20,061	32,889	42,399	69,333
Other revenues	368,215	257,938	51,013	13,620	419,228	271,558
Sales of capital assets	14,475	85,639	56,081	8,900	70,556	94,539
<b>Total revenues</b>	<b>11,462,780</b>	<b>11,747,759</b>	<b>6,205,639</b>	<b>6,599,085</b>	<b>17,668,419</b>	<b>18,346,844</b>
<b>Expenses:</b>						
General government	2,780,408	2,652,546	-	-	2,780,408	2,652,546
Public safety	3,052,006	2,978,236	-	-	3,052,006	2,978,236
Streets and highways	3,354,035	3,613,537	-	-	3,354,035	3,613,537
Parks and recreation	494,456	529,212	-	-	494,456	529,212
Information technology	429,671	328,665	-	-	429,671	328,665
Water and sewer	-	-	5,459,204	4,870,966	5,459,204	4,870,966
Ambulance	-	-	559,263	550,425	559,263	550,425
Airport	-	-	1,136,262	1,152,138	1,136,262	1,152,138
Interest - long term debt	-	-	1,050,921	1,134,410	1,050,921	1,134,410
<b>Total expenses</b>	<b>10,110,576</b>	<b>10,102,196</b>	<b>8,205,650</b>	<b>7,707,939</b>	<b>18,316,226</b>	<b>17,810,135</b>
<b>Change in net position before transfers</b>	<b>1,352,204</b>	<b>1,645,563</b>	<b>(2,000,011)</b>	<b>(1,108,854)</b>	<b>(647,807)</b>	<b>536,709</b>
<b>Transfers</b>	<b>(2,385,000)</b>	<b>(2,355,000)</b>	<b>2,385,000</b>	<b>2,355,000</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(1,032,796)</b>	<b>(709,437)</b>	<b>384,989</b>	<b>1,246,146</b>	<b>(647,807)</b>	<b>536,709</b>
<b>Net position, beginning</b>	<b>48,848,667</b>	<b>49,558,104</b>	<b>44,025,209</b>	<b>42,779,063</b>	<b>92,873,876</b>	<b>92,337,167</b>
<b>Net position, ending</b>	<b>\$ 47,815,871</b>	<b>\$ 48,848,667</b>	<b>\$ 44,410,198</b>	<b>\$ 44,025,209</b>	<b>\$ 92,226,069</b>	<b>\$ 92,873,876</b>

### Governmental Activities

Governmental activities decreased the City's net position by \$1,032,796. Sales tax revenue, the City's largest general revenue, is \$9,157,986. Sales tax revenue was 1% more than the total of \$9,065,925 in 2014. Interest revenue decreased 39%, from \$36,444 in 2014 to \$22,338 in 2015. Interest rates on the City's certificates of deposit dropped to an all-time low at an average of 0.3%. Charges for services increased 5% from \$443,419 in 2014 to \$467,703 in 2015. One of the areas of increase was park fees and concession sales. Under new management, the City's two parks had a record year with two new events and increased visitation. The City's Municipal Court revenue increased 7% for the year. Capital grants and contributions decreased \$485,718 or 73% due to limited work being performed on the Osage Beach Parkway Sidewalk project for fiscal year 2015. Other revenues increased \$110,277, or 43%. Other revenue includes reimbursements from insurance and a

TIF developer. During the year, the City received \$32,445 for storm damages to the Osage Beach City park and \$22,185 for wind damage to one of the City's warning sirens. The City also received \$50,651 from the Arrowhead developer to reimburse the City for costs associated with the Tax Increment Financing (TIF) proposal. Revenues totaled \$17,668,419 (governmental and business-type). Revenues from governmental activities totaled \$11,462,780 or 65% of total City revenues.

Governmental activities expenses increased \$8,380 for the fiscal year ended December 31, 2015, compared to the fiscal year ended December 31, 2014. Overall, expenses shifted slightly within the governmental activities group. Information technology increased due to system upgrades that had previously been postponed. Parks and recreation expenses were down due to management changes.

The following table shows expenses and program revenues of the governmental activities for the year ended December 31, 2015. The purpose of this statement is to measure gross expenses against charges for services and grants and other funding.

**CITY OF OSAGE BEACH  
NET COST OF GOVERNMENTAL ACTIVITIES**

	<b>Total Cost of Service</b>	<b>Net Cost of Service</b>
General government	\$ 2,780,408	\$ (2,562,790)
Public safety	3,052,006	(2,799,567)
Parks and recreation	494,456	(453,831)
Information technology	429,671	(429,671)
Streets and highways	3,354,035	(3,198,571)
<b>Total cost</b>	<b>\$ 10,110,576</b>	<b>\$ (9,444,430)</b>

As previously noted, expenses from governmental activities totaled \$10,110,576. However, net costs of these services were \$(9,444,430). The difference represents direct revenues received from charges for services of \$467,703, operating grants of \$21,004 and capital grants and contributions of \$177,439. Operating grants and contributions include overtime reimbursements associated with DWI programs and contributions for the City's events. Net costs of services increased \$459,398 from last year primarily due to technology needs that affected most of the City's operations.

**Business-Type Activities**

Business-type activities net position increased by \$384,989. Total revenues decreased \$393,446 (6%) and total expenses increased \$497,711 (6%) compared to the prior year. Capital grants and contributions decreased \$334,242, or 47%. Capital grants decreased due to a hangar project at Lee C. Fine airport being completed in 2014 versus 2015 expenditures of \$249,809 to purchase a private hangar and \$54,956 to demolish a building on property. The balance of capital grants was reimbursement for well plugging during the year. Charges for services decreased \$92,465 (2%) from \$5,175,667 in 2014 to \$5,083,202 in 2015. Charges for services revenue increased 4% for Ambulance and 1% for Lee C. Fine and Grand Glaize airports combined. Water/Sewer decreased 3%; this decrease is primarily due to fewer new construction fees for the year. Total expenses increased \$497,711 (6%), from \$7,707,393 in 2014 to \$8,205,650 in 2015. Water and sewer had an increase of 13%. The main reason for the increase was due to inventory adjustments and changes; most of the other expenses remain stable from the previous year.

## FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

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

### **Governmental Funds**

The focus of the City of Osage Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Osage Beach's financial requirements.

**General Fund** - The General Fund is the chief operating fund of the City of Osage Beach. The General Fund includes legislative expenses, General Administration, City Attorney, Municipal Court, City Treasurer, City Clerk, Building Official, Police, Communications, Parks, Economic Development, and Planning activities of the City. All of these activities are provided to and benefit all of the citizens equally and equitably. This area tends to work on the quality of life and the protection of the citizens and assets of the citizens as a group. At the end of the current fiscal year, total fund balance of the General Fund was \$3,390,355, an increase of \$44,852 over the beginning balance of \$3,345,503. General Fund total revenue increased 6%, sales tax was up 1% and the City received one-time sources of revenue from FEMA/SEMA, a TIF developer and insurance payments. General Fund expenses increased 3% for the year. Expenses include the "Employee Pay Plan," parking lot overlay, completion of park storm repair, technology upgrades, TIF development expenses, added holiday displays, and continued City of Osage Beach billboard advertisements. The unassigned General Fund balance at year-end was \$3,295,348.

**Transportation Fund** - This fund is established pursuant to the Missouri Constitution Article IV, Section 30(a)(2) [State Gas Tax], Revised Missouri Statutes 94.745 (City ½ cent sales tax). It is used for transportation purposes within the City of Osage Beach. This fund provides for the maintenance and expansion of transportation needs of our citizens. Included in this fund are repair and maintenance of the existing public road system and upgrades to the local transportation system. At the end of the current fiscal year, total fund balance of the Transportation Fund was \$5,995,871, an increase of \$1,055,873 from the beginning balance of \$4,939,998. Transportation Fund total revenue increased 3% and expenses decreased 17%. Expenses decreased due to fewer projects in 2015. All of the Transportation Fund balance was restricted for highways and streets at year-end, other than the nonspendable portion of \$6,548 related to prepaid expenses. The fund balance increase was due to an increase in sales tax revenue and reduced expenses. The balance accumulated will be used for future road projects. The City invested \$1,043,202 in transportation projects across the City.

**Capital Improvements Sales Tax Fund** - This fund is established as required under the Revised Missouri Statutes 94.577. The monies collected here are from a ½ cent general sales tax. The Mayor and Board of Aldermen, by ordinance, have committed these funds to help offset the debt service cost of the water and sewer system. As of the close of the current fiscal year, the City of Osage Beach's Capital Improvement Sales Tax Fund reported an ending fund balance of \$941,827, a decrease of \$134,753 from the beginning balance of \$1,076,580. All of the Capital Improvement Sales Tax Fund balance was restricted for capital improvements/debt service at year-end. The fund balance decrease was primarily due to a transfer of \$175,000 to the General Fund, which was used for park improvements.

**General Fund Budget Highlights** - Each fiscal year, the City formally adopts its budget prior to the beginning of the fiscal year. If necessary, the original budget is amended to re-appropriate unspent funds before the current fiscal year ends. The total original expenditure budget of \$6,848,913 was amended to \$7,031,103 during the fiscal year. On a budgetary basis, which can be found in the Required Supplementary Information, the revenues and other sources compared to expenditures and other uses, resulted in an increase of \$303,562 in fund balance. Actual revenue was more than budgeted revenue by \$188,243, due to FEMA/SEMA reimbursement for park storm damage being anticipated in 2014 but being received in 2015, and Franchise fees increased in all four sources (electric, telephone, cable and natural gas). Actual expenditures were under the budgeted amount by \$725,122; some of the reasons for this reduction were Public Safety, City Treasurer and Park vacancies or new hires at lower pay levels, park projects postponed due to new management and lower than expected fuel prices for all departments.

### **Proprietary Funds**

**Combined Water and Sewer Fund** – The Sewer Fund was created in 1985 to track revenue and expenses associated with the operation of the sewer system. A City water system was started in 1998 and changed the Sewer Fund into a combined fund. This fund was established under the bond ordinances to segment the operations of the combined Water and Sewer Fund from other activities of the City. The combined Water and Sewer Funds are based on a user fee system where the individuals and businesses utilizing the services pay a fee based upon a portion of the estimated cost of operation of the water and sewer utilities. This fee is subsidized by revenue transferred in from the Capital Improvements Sales Tax Fund to offset debt service costs. At the end of the current fiscal year, total net position of the Water and Sewer Fund was \$40,054,431, an increase of \$100,379 over the beginning balance of \$39,954,052. The unrestricted net position in the Water and Sewer Fund at year-end was \$5,046,416.

**Ambulance Fund** – This fund was established by Board directive in order to track the costs of ambulance service to the citizens of Osage Beach. The City of Osage Beach began operating an ambulance service in 1984. The fund receives its revenue from user fees. Fees are not sufficient to cover the cash flow of operation, nor do they cover the non-cash cost (depreciation). The differences in cash payouts are made up by transfers from General Fund. At the end of the current fiscal year, total net position of the Ambulance Fund was \$204,954. The unrestricted Ambulance Fund net position at year-end was \$149,020, an increase of \$55,338. Charges for services increased 4% for the year. General Fund increased transfers \$60,000 for a 2015 AEV Trauma Hawk Type III Ford F350 ambulance, but only \$30,000 was spent to make the first payment on a five-year loan. Interest on this loan is 2.1%, with payments due annually. Additional information regarding this loan can be found in Note 7.

**Lee C. Fine Airport Fund** – This fund was established in 1999 by Board directive in order to track the costs of airport service to the public. The fund receives its revenue from user fees and grants. The differences in cash payouts are made up by transfers from the General Fund. At the end of the current fiscal year, the total net asset balance of the Lee C. Fine Airport Fund was \$3,041,445, an increase of \$71,485 from the beginning balance of \$2,969,960. The unrestricted net position of the Lee C. Fine Airport Fund at year-end was \$220,716. Hangar rental revenue increased 44% as a result of the new four hangar building being fully rented for three fourths of the year.

**Grand Glaize Airport Fund** – This fund was established in 1999 by Board directive in order to track the costs of airport service to the public. The fund receives its revenue from user fees and grants. The differences in cash payouts are made up by transfers from the General Fund. At the end of the current fiscal year, total net position of the Grand Glaize Airport Fund was \$1,109,368, an increase of \$157,878 from the beginning balance of \$951,581. The unrestricted net position of Grand Glaize Fund was \$32,243. The primary reason for the increase in net position was capital grants received that allowed the City to purchase the only privately owned hangar on the airport property for \$250,000.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The amount invested in capital assets for the City as of December 31, 2015 was \$95,181,947, net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2015 and prior years (construction in progress) for water, sewer, and street infrastructure. Capital assets decreased \$3,025,701 or 3% during the year. This change reflects a loss of net position in both governmental activities and business-type activities. The City is currently investing in capital assets and accepting capital grants/contributions, but not at a pace that equaled depreciation during the year. The following chart breaks down the City's capital asset balance into the various categories of assets. Additional information regarding the City's capital assets can be found in Note 6.

#### CITY OF OSAGE BEACH CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,830,330	\$ 1,830,330	\$ 897,793	\$ 897,793	\$ 2,728,123	\$ 2,728,123
Construction in progress	425,453	502,581	68,389	734,979	493,842	1,237,560
Buildings and improvements	7,504,946	7,388,068	5,520,729	4,228,540	13,025,675	11,616,608
Equipment	4,200,108	3,845,197	1,738,165	1,564,277	5,938,273	5,409,474
Infrastructure	52,628,567	52,005,815	-	-	52,628,567	52,005,815
Water system	-	-	35,075,352	35,072,202	35,075,352	35,072,202
Sewer system	-	-	58,769,120	58,479,482	58,769,120	58,479,482
Less accumulated depreciation	(28,935,789)	(26,264,712)	(44,541,216)	(42,076,904)	(73,477,005)	(68,341,616)
<b>Total capital assets</b>	<b>\$ 37,653,615</b>	<b>\$ 39,307,279</b>	<b>\$ 57,528,332</b>	<b>\$ 58,900,369</b>	<b>\$ 95,181,947</b>	<b>\$ 98,207,648</b>

Major capital asset transactions during the year include the following:

- The Police Department purchased and set-up two 2015 Ford Taurus's and two 2015 Ford Interceptors for a total of \$121,405.
- Technology of \$146,166 was added to capital assets during the year.
- The City's parks purchased a new Grounds Master mower for \$26,900.
- The City added to its Holiday Light Display inventory in the amount of \$19,608.
- Transportation - The City completed Robins Circle overlay, Shore, Case, Nichols and Sycamore storm drainage improvements, engineering for Nichols Road project and future sidewalk projects. Osage Beach Special Road District contributed funds for Coral Lane project in the amount of \$99,152.
- Transportation added a new John Deere Tractor, crack-seal machine, 2015 Ford F550 Super Duty truck, snow plow, Diamond boom mower and Graco striping machine.
- The Public Works building received a major remodel with the cost of the remodel, engineering and an electrical upgrade totaling \$342,886. The expense was shared between Transportation, Water and Sewer Funds.
- Water's radio read system received upgrades including a new laptop and data collector for \$8,500.
- The Water department purchased one 2015 Ford F350N Super Duty truck with crane.

- Sewer - Various lift-station improvements, Rockway Pump Station upgrades and purchases of sewer pump replacement inventory equaling \$331,011 were added to capital assets for the year.
- The Sewer department purchased one 2015 Ford F350N Super Duty truck.
- Grand Glaize – With 90% grant funding, the City purchased the only privately owned hangar on the airport property for \$250,000.

**Debt Administration**

The gross debt on December 31, 2015, was \$21,721,755, a decrease of \$2,088,245 compared to 2014. The debt consists of Sewerage and Waterworks Revenue Bonds. The final payoff year for these bonds is 2027.

**CITY OF OSAGE BEACH  
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds	\$ -	\$ -	\$ 21,610,000	\$ 23,810,000	\$ 21,610,000	\$ 23,810,000
Note payable	-	-	111,755	-	111,755	-
<b>Total debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,721,755</b>	<b>\$ 23,810,000</b>	<b>\$ 21,721,755</b>	<b>\$ 23,810,000</b>

Missouri statutes limit the amount of general obligation debt that a unit of government can issue to twenty percent of the total assessed value of taxable property located within the City’s boundaries. The legal debt limit for the City of Osage Beach was \$57,728,809. Additional information regarding the City’s long-term debt can be found in Note 7 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City of Osage Beach’s permit activity was slightly down compared to past years. At the end of 2015, the City issued 635 business licenses to various businesses; 470 contractor’s licenses, 74 liquor licenses, 8 taxi licenses and 18 dog licenses. The Building Inspection Department issued 71 commercial permits and 70 residential permits, representing investment in our community of \$12,711,897.

The City is recognized as both a retail and tourist destination and, like all communities, is impacted by the state and national economic activity; however, the City has continued to experience slight improved growth over the past years. Sales tax, the principal source of funding for the City, was at its highest in 2015 since 2008. The 2016 fiscal year budget represents a continued growth in the economy for the City. To help facilitate projected growth, the City has committed to stepping up its economic and community development efforts in 2016. For example, community event efforts, City promotional efforts, and economic development programs will be enhanced in 2016.

The above factors were considered in preparing the City of Osage Beach’s budget for the 2016 fiscal year.

The City of Osage Beach has appropriated \$6,936,126 for spending in the General Fund 2016 budget. Compared to the 2015 actual of \$6,305,981, budgeted expenses will increase 10%. Of the total appropriated in General Fund, \$717,179 is budgeted for capital expenditures. The budget includes a 1% increase in sales tax revenue during the 2016 fiscal year compared to estimated revenue in 2015. Merit increases will be granted to employees in 2016, based on the Matrix Plan and employee job performance. The City’s capital expenditures include \$252,448 for City Park repairs/improvements.

The City’s water and sewer rates will increase January 2016.

## REQUESTS FOR INFORMATION

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Karri Bell, City Treasurer, City of Osage Beach, 1000 City Parkway, Osage Beach, MO 65065.

City of Osage Beach  
Statement of Net Position  
December 31, 2015

	Governmental Activities	Business-type Activities	Total	Tax Increment Financing District
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,625,760	\$ 4,781,948	\$ 13,407,708	\$ 1,705
Receivables, net	1,415,134	424,589	1,839,723	797,125
Due from other governments	89,715	39,325	129,040	-
Inventories	-	484,959	484,959	-
Prepays items	101,555	28,614	130,169	-
Restricted assets:				
Cash and cash equivalents	691,645	2,053,225	2,744,870	2,047,850
Investments	263	1,475,871	1,476,134	819,334
Capital assets:				
Non-depreciable	2,255,783	966,182	3,221,965	-
Depreciable, net	35,397,832	56,562,150	91,959,982	-
Total assets	<u>48,577,687</u>	<u>66,816,863</u>	<u>115,394,550</u>	<u>3,666,014</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	723,512	723,512	140,507
Total deferred outflows of resources	<u>-</u>	<u>723,512</u>	<u>723,512</u>	<u>140,507</u>
<b>LIABILITIES</b>				
Accounts payable	427,344	221,212	648,556	133,071
Accrued liabilities	47,735	19,043	66,778	-
Accrued interest	-	542,870	542,870	114,018
Restricted customer deposits	26,190	-	26,190	-
Funds held for others	5,035	-	5,035	-
Long-term liabilities:				
Due within one year				
Note payable	-	27,797	27,797	-
Bonds payable	-	2,300,000	2,300,000	1,125,000
Compensated absences	95,775	29,797	125,572	-
Due in more than one year				
Note payable	-	83,958	83,958	-
Bonds payable	-	19,823,728	19,823,728	13,216,679
Other post employment benefits obligation	159,737	39,970	199,707	-
Arbitrage rebate payable	-	41,802	41,802	-
Total liabilities	<u>761,816</u>	<u>23,130,177</u>	<u>23,891,993</u>	<u>14,588,768</u>
<b>NET POSITION</b>				
Net investment in capital assets	37,653,615	36,016,361	73,669,976	-
Restricted for:				
Highways and streets	5,989,323	-	5,989,323	-
Debt service	660,683	1,203,125	1,863,808	2,867,184
Depreciation and replacement	-	1,742,317	1,742,317	-
Capital improvements	281,144	-	281,144	-
Unrestricted	<u>3,231,106</u>	<u>5,448,395</u>	<u>8,679,501</u>	<u>(13,649,431)</u>
Total net position	<u>\$ 47,815,871</u>	<u>\$ 44,410,198</u>	<u>\$ 92,226,069</u>	<u>\$ (10,782,247)</u>

See accompanying notes to the basic financial statements.

City of Osage Beach  
Statement of Activities  
For the Year Ended December 31, 2015

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental Activities								
General government	\$ 2,780,408	\$ 196,614	\$ 21,004	\$ -	\$ (2,562,790)	\$ -	\$ (2,562,790)	\$ -
Public safety	3,052,006	252,439	-	-	(2,799,567)	-	(2,799,567)	-
Parks and recreation	494,456	18,650	-	21,975	(453,831)	-	(453,831)	-
Information technology	429,671	-	-	-	(429,671)	-	(429,671)	-
Streets and highways	3,354,035	-	-	155,464	(3,198,571)	-	(3,198,571)	-
Total governmental activities	<u>10,110,576</u>	<u>467,703</u>	<u>21,004</u>	<u>177,439</u>	<u>(9,444,430)</u>	<u>-</u>	<u>(9,444,430)</u>	<u>-</u>
Business-type activities								
Water/Sewer	6,510,125	3,926,031	622,627	19,900	-	(1,941,567)	(1,941,567)	-
Ambulance	559,263	221,469	-	-	-	(337,794)	(337,794)	-
Airports	1,136,262	935,702	-	352,755	-	152,195	152,195	-
Total business-type activities	<u>8,205,650</u>	<u>5,083,202</u>	<u>622,627</u>	<u>372,655</u>	<u>-</u>	<u>(2,127,166)</u>	<u>(2,127,166)</u>	<u>-</u>
Total primary government	<u>\$ 18,316,226</u>	<u>\$ 5,550,905</u>	<u>\$ 643,631</u>	<u>\$ 550,094</u>	<u>(9,444,430)</u>	<u>(2,127,166)</u>	<u>(11,571,596)</u>	<u>-</u>
<b>Component Unit</b>								
Tax Increment Financing District	\$ 1,317,159	\$ -	\$ -	\$ -				(1,317,159)
<b>General revenues:</b>								
Taxes								
County road taxes					69,887	-	69,887	-
Property taxes					-	-	-	497,369
Sales taxes					9,157,986	-	9,157,986	2,254,085
Franchise taxes					993,059	-	993,059	-
Motor vehicle fuel and license taxes					170,674	-	170,674	-
Payments from enterprise funds					212,000	-	212,000	-
Unrestricted investment earnings					22,338	20,061	42,399	4,614
Other income					156,215	51,013	207,228	-
Gain on sale of capital assets					14,475	56,081	70,556	-
Transfers					(2,385,000)	2,385,000	-	-
Total general revenues, special items, and transfers					<u>8,411,634</u>	<u>2,512,155</u>	<u>10,923,789</u>	<u>2,756,068</u>
Change in net position					(1,032,796)	384,989	(647,807)	1,438,909
Net position - beginning					<u>48,848,667</u>	<u>44,025,209</u>	<u>92,873,876</u>	<u>(12,221,156)</u>
Net position - ending					<u>\$ 47,815,871</u>	<u>\$ 44,410,198</u>	<u>\$ 92,226,069</u>	<u>\$ (10,782,247)</u>

See accompanying notes to the basic financial statements.

City of Osage Beach  
Balance Sheet  
Governmental Funds  
December 31, 2015

	General	Transportation	Capital Improvement Sales Tax	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents				
Unrestricted	\$ 2,844,729	\$ 5,777,125	\$ 3,906	\$ 8,625,760
Restricted	31,225	-	660,420	691,645
Investments				
Restricted	-	-	263	263
Receivables				
Taxes	694,719	313,571	313,571	1,321,861
Receivable from other governments	47,567	42,148	-	89,715
Other	38,616	54,657	-	93,273
Prepaid items	95,007	6,548	-	101,555
Total assets	<u>\$ 3,751,863</u>	<u>\$ 6,194,049</u>	<u>\$ 978,160</u>	<u>\$ 10,924,072</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 239,913	\$ 151,098	\$ 36,333	\$ 427,344
Accrued payroll	42,803	4,932	-	47,735
Payable from restricted assets:				
Due to others	5,035	-	-	5,035
Bail bond deposits	10,190	-	-	10,190
Building deposits	16,000	-	-	16,000
Total liabilities	<u>313,941</u>	<u>156,030</u>	<u>36,333</u>	<u>506,304</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - federal grant reimbursement	47,567	42,148	-	89,715
Total deferred inflows of resources	<u>47,567</u>	<u>42,148</u>	<u>-</u>	<u>89,715</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepays	95,007	6,548	-	101,555
Restricted for:				
Debt service	-	-	660,683	660,683
Highways and streets	-	5,989,323	-	5,989,323
Capital improvements	-	-	281,144	281,144
Unassigned	3,295,348	-	-	3,295,348
Total fund balances	<u>3,390,355</u>	<u>5,995,871</u>	<u>941,827</u>	<u>10,328,053</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,751,863</u>	<u>\$ 6,194,049</u>	<u>\$ 978,160</u>	<u>\$ 10,924,072</u>

See accompanying notes to the basic financial statements.

City of Osage Beach

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2015

Fund balances - total governmental funds		\$	10,328,053
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:			
Governmental capital assets	66,589,404		
Less accumulated depreciation	<u>(28,935,789)</u>		
			37,653,615
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:			
Unavailable revenue			89,715
Long-term liabilities, including interest payable, bonds payable, accrued compensated absences, and other post employment benefits obligation, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds:			
Accrued compensated absences			(95,775)
Other post employment benefits obligation			<u>(159,737)</u>
Net position of governmental activities		\$	<u>47,815,871</u>

See accompanying notes to the basic financial statements.

City of Osage Beach  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015

	<u>General</u>	<u>Transportation</u>	<u>Capital Improvement Sales Tax</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes				
Sales	\$ 4,616,361	\$ 2,270,812	\$ 2,270,813	\$ 9,157,986
Franchise	993,059	-	-	993,059
Motor vehicle fuel and license	-	170,674	-	170,674
County road taxes	-	69,887	-	69,887
Licenses, fines, permits and fees	467,703	-	-	467,703
Intergovernmental	147,561	374,916	-	522,477
Interest	10,094	10,447	1,797	22,338
Contributions	6,550	-	-	6,550
Payments from enterprise funds	212,000	-	-	212,000
Miscellaneous	156,215	-	-	156,215
Total revenues	<u>6,609,543</u>	<u>2,896,736</u>	<u>2,272,610</u>	<u>11,778,889</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,160,632	-	-	2,160,632
Public safety	2,885,675	-	-	2,885,675
Parks and recreation	253,021	-	-	253,021
Information technology	333,231	-	-	333,231
Streets and highways	-	797,661	-	797,661
Capital improvements	-	-	297,363	297,363
Capital outlay				
Projects and equipment	673,422	-	-	673,422
Streets and highways	-	1,043,202	-	1,043,202
Total expenditures	<u>6,305,981</u>	<u>1,840,863</u>	<u>297,363</u>	<u>8,444,207</u>
Excess of revenues over expenditures	<u>303,562</u>	<u>1,055,873</u>	<u>1,975,247</u>	<u>3,334,682</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	175,000	-	-	175,000
Transfers out	(450,000)	-	(2,110,000)	(2,560,000)
Sale of capital assets	16,290	-	-	16,290
Total other financing (uses)	<u>(258,710)</u>	<u>-</u>	<u>(2,110,000)</u>	<u>(2,368,710)</u>
Net change in fund balances	44,852	1,055,873	(134,753)	965,972
Fund balances - beginning	<u>3,345,503</u>	<u>4,939,998</u>	<u>1,076,580</u>	<u>9,362,081</u>
Fund balances - ending	<u>\$ 3,390,355</u>	<u>\$ 5,995,871</u>	<u>\$ 941,827</u>	<u>\$ 10,328,053</u>

See accompanying notes to the basic financial statements.

**City of Osage Beach**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2015**

Net change in fund balances - total governmental funds: \$ 965,972

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets 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. The following is the detail of the amount by which capital outlays were more than the depreciation in the current period.

Depreciation expense	(2,776,819)	
Capital outlay capitalized as assets	<u>1,124,970</u>	
		(1,651,849)

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

Intergovernmental	<u>(330,584)</u>	
		(330,584)

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

Compensated absences		4,305
Loss on disposal of capital assets		(1,815)
Other post employment benefits obligation		<u>(18,825)</u>
Change in net position of governmental activities		<u>\$ (1,032,796)</u>

**City of Osage Beach  
Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	<b>Enterprise Funds</b>				
	<b>Water and Sewer</b>	<b>Ambulance</b>	<b>Lee C. Fine</b>	<b>Grand Glaize</b>	<b>Total</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,456,188	\$ 129,076	\$ 164,107	\$ 32,577	\$ 4,781,948
Receivables (net of allowances for uncollectibles)					
Accounts	391,456	32,324	525	284	424,589
Receivable from other governments	-	-	36,606	2,719	39,325
Inventories	439,445	-	32,375	13,139	484,959
Prepaid expenses	22,874	1,133	3,293	1,314	28,614
Total current assets	<u>5,309,963</u>	<u>162,533</u>	<u>236,906</u>	<u>50,033</u>	<u>5,759,435</u>
Non-current assets:					
Restricted cash and cash equivalents	2,053,225	-	-	-	2,053,225
Restricted investments	1,475,871	-	-	-	1,475,871
Capital assets:					
Non-depreciable	618,139	-	2,500	345,543	966,182
Depreciable, net	52,844,650	167,689	2,818,229	731,582	56,562,150
Total non-current assets	<u>56,991,885</u>	<u>167,689</u>	<u>2,820,729</u>	<u>1,077,125</u>	<u>61,057,428</u>
Total assets	<u>62,301,848</u>	<u>330,222</u>	<u>3,057,635</u>	<u>1,127,158</u>	<u>66,816,863</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	723,512	-	-	-	723,512
Total deferred outflows of resources	<u>723,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>723,512</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	201,133	3,540	7,709	8,830	221,212
Accrued payroll	9,997	4,554	904	1,582	17,037
Accrued interest payable	541,852	1,018	-	-	542,870
Other accrued expenses	2,006	-	-	-	2,006
Compensated absences	21,858	3,561	2,786	1,592	29,797
Note payable	-	27,797	-	-	27,797
Bonds payable	2,300,000	-	-	-	2,300,000
Total current liabilities	<u>3,076,846</u>	<u>40,470</u>	<u>11,399</u>	<u>12,004</u>	<u>3,140,719</u>
Non-current liabilities:					
Note payable	-	83,958	-	-	83,958
Bonds payable	19,823,728	-	-	-	19,823,728
Other post employment benefits payable	28,553	840	4,791	5,786	39,970
Arbitrage rebate payable	41,802	-	-	-	41,802
Total non-current liabilities	<u>19,894,083</u>	<u>84,798</u>	<u>4,791</u>	<u>5,786</u>	<u>19,989,458</u>
Total liabilities	<u>22,970,929</u>	<u>125,268</u>	<u>16,190</u>	<u>17,790</u>	<u>23,130,177</u>
<b>NET POSITION</b>					
Net investment in capital assets	32,062,573	55,934	2,820,729	1,077,125	36,016,361
Restricted for:					
Debt service	1,203,125	-	-	-	1,203,125
Depreciation and replacement	1,742,317	-	-	-	1,742,317
Unrestricted	5,046,416	149,020	220,716	32,243	5,448,395
Total net position	<u>\$ 40,054,431</u>	<u>\$ 204,954</u>	<u>\$ 3,041,445</u>	<u>\$ 1,109,368</u>	<u>\$ 44,410,198</u>

See accompanying notes to the basic financial statements.

City of Osage Beach  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015

	Enterprise Funds				
	Water and Sewer	Ambulance	Lee C. Fine	Grand Glaize	Total
<b>REVENUES</b>					
Charges for services	\$ 3,926,031	\$ 221,469	\$ 644,647	\$ 119,254	\$ 4,911,401
Rental income	-	-	118,282	53,519	171,801
Operating grants and contributions	622,627	-	-	-	622,627
Total operating revenues	<u>4,548,658</u>	<u>221,469</u>	<u>762,929</u>	<u>172,773</u>	<u>5,705,829</u>
<b>OPERATING EXPENSES</b>					
Cost of sales and services	1,006,949	32,851	427,601	118,462	1,585,863
Administration	75,000	59,644	3,279	17,678	155,601
Personnel services	903,592	406,631	181,815	119,487	1,611,525
Repairs and maintenance	621,904	10,328	37,504	71,015	740,751
Insurance	90,639	14,912	12,974	9,508	128,033
Depreciation and amortization	2,633,532	33,379	109,484	26,617	2,803,012
Miscellaneous expenses	852	-	576	262	1,690
Total operating expenses	<u>5,332,468</u>	<u>557,745</u>	<u>773,233</u>	<u>363,029</u>	<u>7,026,475</u>
Operating loss	<u>(783,810)</u>	<u>(336,276)</u>	<u>(10,304)</u>	<u>(190,256)</u>	<u>(1,320,646)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenue	20,061	-	-	-	20,061
Interest expense	(1,049,403)	(1,518)	-	-	(1,050,921)
Miscellaneous revenue	51,013	-	-	-	51,013
Gain on sale of capital assets	35,872	8,132	12,077	-	56,081
Bond and financial services fees	(128,254)	-	-	-	(128,254)
Total non-operating revenue (expenses)	<u>(1,070,711)</u>	<u>6,614</u>	<u>12,077</u>	<u>-</u>	<u>(1,052,020)</u>
Loss before capital grants and transfers	<u>(1,854,521)</u>	<u>(329,662)</u>	<u>1,773</u>	<u>(190,256)</u>	<u>(2,372,666)</u>
Capital grants	19,900	-	69,712	283,043	372,655
Transfers in	1,935,000	385,000	-	65,000	2,385,000
Change in net position	100,379	55,338	71,485	157,787	384,989
Total net position	<u>39,954,052</u>	<u>149,616</u>	<u>2,969,960</u>	<u>951,581</u>	<u>44,025,209</u>
Total net position - ending	<u>\$ 40,054,431</u>	<u>\$ 204,954</u>	<u>\$ 3,041,445</u>	<u>\$ 1,109,368</u>	<u>\$ 44,410,198</u>

See accompanying notes to the basic financial statements.

City of Osage Beach  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015

	Enterprise Funds				
	Water and Sewer	Ambulance	Lee C. Fine	Grand Glaize	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Collections from customers and users	\$ 3,835,886	\$ 222,985	\$ 762,629	\$ 172,975	\$ 4,994,475
Payments for goods and services	(1,664,859)	(75,266)	(545,041)	(198,804)	(2,483,970)
Payments on behalf of employees for services	(891,133)	(404,590)	(181,078)	(117,795)	(1,594,596)
Payments for interfund services used	(45,000)	(41,000)	(37,000)	(12,000)	(135,000)
Other operating revenues	545,386	-	-	-	545,386
Net cash provided (used) by operating activities	<u>1,780,280</u>	<u>(297,871)</u>	<u>(490)</u>	<u>(155,624)</u>	<u>1,326,295</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Interfund transfers	1,935,000	385,000	-	65,000	2,385,000
Net cash provided by noncapital financing activities	<u>1,935,000</u>	<u>385,000</u>	<u>-</u>	<u>65,000</u>	<u>2,385,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(920,321)	-	(8,760)	(250,000)	(1,179,081)
Capital grants	19,902	-	45,016	301,950	366,868
Sale of capital assets	35,872	8,132	12,077	-	56,081
Principal paid on capital debt	(2,100,000)	(31,758)	-	-	(2,131,758)
Interest paid on capital debt	(1,221,514)	-	-	-	(1,221,514)
Net cash provided (used) by capital and related financing activities	<u>(4,186,061)</u>	<u>(23,626)</u>	<u>48,333</u>	<u>51,950</u>	<u>(4,109,404)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	20,061	-	-	-	20,061
Net change in short-term money market mutual funds	(15,573)	-	-	-	(15,573)
Proceeds from maturity of guaranteed investment contracts	33,378	-	-	-	33,378
Purchase of guaranteed investment contracts	(35,616)	-	-	-	(35,616)
Reinvestment of investment income	(959)	-	-	-	(959)
Net cash provided by investing activities	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,291</u>
Net increase (decrease) in cash and cash equivalents	(469,490)	63,503	47,843	(38,674)	(396,818)
Cash and cash equivalents-beginning of year	6,978,903	65,573	116,264	71,251	7,231,991
Cash and cash equivalents-end of year	<u>\$ 6,509,413</u>	<u>\$ 129,076</u>	<u>\$ 164,107</u>	<u>\$ 32,577</u>	<u>\$ 6,835,173</u>
Reconciliation of operating loss to net cash provided by operating activities:					
Operating loss	\$ (783,810)	\$ (336,276)	\$ (10,304)	\$ (190,256)	\$ (1,320,646)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Miscellaneous revenue	(77,241)	-	-	-	(77,241)
Depreciation and amortization	2,633,532	33,379	109,484	26,617	2,803,012
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable, net	(90,145)	1,515	(300)	202	(88,728)
(Increase) decrease in inventory	143,041	-	(1,219)	3,627	145,449
(Increase) decrease in prepaids	1,371	24	(406)	186	1,175
Increase (decrease) in accounts payable and accrued liabilities	(46,468)	3,487	(97,745)	4,000	(136,726)
Total adjustments	<u>2,564,090</u>	<u>38,405</u>	<u>9,814</u>	<u>34,632</u>	<u>2,646,941</u>
Net cash provided (used) by operating activities	<u>\$ 1,780,280</u>	<u>\$ (297,871)</u>	<u>\$ (490)</u>	<u>\$ (155,624)</u>	<u>\$ 1,326,295</u>
Scheduled of non-cash capital and related financing activities:					
Purchase of equipment via issues of long-term debt	\$ -	\$ 141,995	\$ -	\$ -	\$ 141,995
Reconciliation of cash and cash equivalents to Statement of Net Position:					
Cash and cash equivalents	\$ 4,456,188	\$ 129,076	\$ 164,107	\$ 32,577	\$ 4,781,948
Restricted cash and cash equivalents	2,053,225	-	-	-	2,053,225
	<u>\$ 6,509,413</u>	<u>\$ 129,076</u>	<u>\$ 164,107</u>	<u>\$ 32,577</u>	<u>\$ 6,835,173</u>

See accompanying notes to the basic financial statements.

# CITY OF OSAGE BEACH

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis –for State and Local Governments*.

#### *A. Reporting Entity*

The City of Osage Beach, Missouri (City) was incorporated in 1959 and covers an area of approximately ten square miles in Camden and Miller Counties, Missouri. The City is governed by an elected mayor and an elected six-member Board of Aldermen, who in turn appoint a City Administrator, City Clerk, Police Chief, Building Official, City Treasurer, City Planner, City Engineer and City Attorney. The City provides services to its more than four thousand residents in many areas including: law enforcement, water and sewer services, ambulance, airports, and economic development. These services do not include education, which is provided by separate governmental entities.

The basic financial statements of the City include all of the funds relevant to the operations of the City of Osage Beach. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Osage Beach that have been determined not to be component units as defined by Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity: Omnibus" (GASB 61).

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading if excluded.

As required by generally accepted accounting principles, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The Tax Increment Financing (TIF) District is responsible for encouraging development of commercial enterprises in the District. The members of the District's governing board are appointed by various political subdivisions which levy taxes in the District. The City is financially accountable for the District as the City appoints a voting majority to the District's board and is able to impose its will on the organization through approval or rejection of plans and projects recommended by the District's governing board.

The District is presented as a discretely presented component unit in the basic financial statements. The District maintains only one fund, a governmental fund type, and does not issue separately prepared financial statements.

#### *B. Fund Accounting*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the City. The effect of interfund activities has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Each individual fund of the City is considered to be a major fund.

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. The City has no fiduciary funds.

The City reports the following major governmental funds:

General Fund – This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Fund – This special revenue fund was established to account for the ongoing maintenance and construction of streets and receives revenue generated by a one-half of one percent sales tax.

Capital Improvement Sales Tax Fund – This special revenue fund was established to subsidize debt service for the water and sewer systems and receives revenue generated by a one-half of one percent sales tax. In addition, this fund may be used in the future for other capital projects, as voter approved.

The City reports the following major proprietary funds:

Water and Sewer Fund – This enterprise fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and collection.

Ambulance Fund – This enterprise fund accounts for the operation of the City's ambulance response service.

Lee C. Fine and Grand Glaize Funds – These enterprise funds account for the operation of the City's two airports.

### *C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due.

Sales tax, franchise tax, interest, and revenues from other governmental units associated with the current fiscal period 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 government.

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

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

The City's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### *D. Budgets*

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental fund types on the modified accrual basis. All annual appropriations lapse at fiscal year end.

*E. Pooled Cash and Cash Equivalents*

The City maintains a cash money-market pool that is used by all funds. Interest income is allocated to each fund in proportion to each fund's ownership of the pool each month. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds under generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

Investments are stated at fair value, determined by quoted market prices. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, collateralized certificates of deposit and the State Treasurer's Investment Pool.

*F. Receivables*

Receivables consist primarily of taxes, franchise fees, interest, and water and sewer charges. They are shown net of an allowance for estimated uncollectible amounts.

*G. Inventories*

Inventories, which consist of airport fuel and materials and supplies, are stated at cost using the average cost method.

*H. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased and capitalized in the proprietary fund statements. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Capital assets are defined by the City as assets with an initial individual cost of \$2,000 or more and an estimated useful life in excess of five years. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly increase the efficiency or capacity of an asset are capitalized. Other costs, such as capital outlays incurred for repairs and maintenance, are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 40 years
Office furniture, fixture, and equipment	5 – 10 years
Transportation equipment	5 years
Sewage collection systems	20 – 40 years
Treatment plant	40 years
Water systems	40 years

It is the City's policy to capitalize interest incurred on debt during the construction of Enterprise Fund capital assets, when appropriate. Interest incurred in the construction or acquisition of governmental capital assets is not capitalized, in accordance with the provisions of GASB Statement No. 37.

The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the basic financial statements.

Fully depreciated capital assets are included in the capital assets accounts until their disposal.

#### *I. Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and personal pay benefits. All unused vacation must be used within one year. There is no liability for unpaid accumulated personal leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation or retirements.

#### *J. Deferred outflows/inflows of resources*

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, which is grant reimbursements for the fiscal year that were not collected within 60 days of fiscal year end. This deferred inflow is reported in the governmental fund financial statements.

#### *K. Long-Term Obligations*

General long-term obligations consist of the non-current portion of bonds payable, note payable, compensable leave, other post-employment benefits, and other long-term liabilities. 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 straight-line method. Bond issuance costs are expensed in all statements as incurred.

In the governmental fund financial statements, general long-term obligations are not reported as liabilities because they do not require the use of current resources. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance are reported as other financing uses. Principal repayments are reported as debt service expenditures.

## *L. Equity*

In the governmental fund financial statements, equity is displayed in five components as follows:

**Nonspendable** - This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

**Restricted** – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

**Committed** - This consists of amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority (the Board of Aldermen) by the end of the fiscal year. The Board of Alderman can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

**Assigned** - This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Alderman can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

**Unassigned** – This consists of amounts that are available for any purpose and can only be reported in the General Fund.

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

**Net investment in capital assets** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**Restricted** – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted** – This consists of amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

## *M. Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## **2. LEGAL COMPLIANCE - BUDGET**

The City’s policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2015.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to January 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.

- 2) The City utilizes multiple public budget workshops that the public is invited to attend and make comments. The proposed budget is available for public inspection prior to the budget workshops.
- 3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 4) The City Administrator is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board.
- 5) All appropriations lapse at year end.

The reported budgetary data represents the final approved budget after amendments as adopted by the Board of Aldermen. The budget was amended during the year.

### **3. CASH AND INVESTMENTS**

#### Deposits

Missouri State Statutes authorize the City to deposit funds in obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit; and repurchase agreements. Custodial credit risk for deposits is the risk that, in event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy for custodial credit risk is set by statute. Statutes require that collateral pledged must have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities, which are the same type as authorized for investment by the City, are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.
- Other short term obligations of the United States.

The City of Osage Beach maintains a cash and investment pool which is available for use by all funds for the purpose of increasing income through investment activities. Interest is allocated to the various funds based on average cash or investment balances. The pool includes money market funds and certificates of deposit. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents" under each fund's caption.

The City's deposits are categorized to give an indication of the level of custodial risk assumed by the City at December 31, 2015. Deposits, categorized by level of custodial risk, were as follows as of December 31, 2015:

	Cash and Cash Equivalents	Certificates of Deposit	Petty Cash	Total
Bank balance				
Insured by the FDIC	\$ 266,000	\$ -	\$ -	\$ 266,000
Collateralized with securities pledged by the financial institution in the entity's name	1,520,871	13,606,000	-	15,126,871
Collateralized by securities held by the pledging financial institutions' trust department or agent but not in the depositor government's name	310,908	2,708,270	-	3,019,178
Uncollateralized	-	-	-	-
	<u>\$ 2,097,779</u>	<u>\$ 16,314,270</u>	<u>\$ -</u>	<u>\$ 18,412,049</u>
Carrying value	<u>\$ 1,885,138</u>	<u>\$ 16,314,270</u>	<u>\$ 2,725</u>	<u>\$ 18,202,133</u>

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net position is as follows:

	Government-Wide Statement of Net Assets		
	Primary Government	Component Unit	Total
Cash and cash equivalents	\$ 13,407,708	\$ 1,705	\$ 13,409,413
Restricted assets:			
Cash and cash equivalents	2,744,870	2,047,850	4,792,720
Total	<u>\$ 16,152,578</u>	<u>\$ 2,049,555</u>	<u>\$ 18,202,133</u>

### Investments

The City had the following investments as of December 31:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Money market mutual funds					
Restricted	\$ 1,331,463	\$ -	\$ -	\$ 1,331,463	\$ 1,331,463
Guaranteed investment contracts					
Restricted	-	-	964,005	964,005	964,005
Total investments	<u>\$ 1,331,463</u>	<u>\$ -</u>	<u>\$ 964,005</u>	<u>\$ 2,295,468</u>	<u>\$ 2,295,468</u>

A reconciliation of investments as shown on the government-wide statement of net position is as follows:

	Government-Wide Statement of		Total
	Primary Government	Component Unit	
Restricted assets:			
Investments	\$ 1,476,134	\$ 819,334	\$ 2,295,468

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The City does not have a formal interest rate risk policy.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor’s and Moody’s. State statutes authorize the City to invest in obligations of the U.S. Treasury, and federal agencies and instrumentalities; certificates of deposit issued by Missouri banks; and repurchase agreements. The City has no investment policy that would further limit its investment choice. Of the total guaranteed investment contracts balance of \$964,005, \$962,007 is rated Aa2 and \$1,998 is rated A2 by Moody’s.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. Of the City’s total investments, 58% are money market mutual funds and 42% are guaranteed investment contracts (substantially all issued by Natixis Global Asset Management).

Custodial credit risk – investments – For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The City does not have any custodial risk in investments.

#### 4. RESTRICTED CASH AND INVESTMENTS

At December 31, 2015, cash and investments were restricted for various uses as follows:

General Fund	
Restricted for bail bond deposits	\$ 10,190
Restricted for building permit deposits	16,000
Amounts held for others	5,035
Capital Improvement Sales Tax Fund	
Reserved for bond requirements	660,683
Water and Sewer Fund	
Restricted for bond requirements	3,529,096
TIF Fund	
Restricted for bond requirements	2,867,184

## 5. RECEIVABLES

Receivables are composed of the following at December 31, 2015:

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Taxes receivable	\$ 1,321,861	\$ -	\$ 1,321,861	\$ 811,889
Accounts receivable	-	494,501	494,501	-
Other receivable	93,273	-	93,273	-
	1,415,134	494,501	1,909,635	811,889
Allowance for uncollectible accounts	-	(69,912)	(69,912)	(14,764)
Accounts receivable	\$ 1,415,134	\$ 424,589	\$ 1,839,723	\$ 797,125

## 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance December 31, 2014	Additions	Retirements	Transfers	Balance December 31, 2015
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,830,330	\$ -	\$ -	\$ -	\$ 1,830,330
Construction in progress	502,581	176,839	-	(253,967)	425,453
Total capital assets, not being depreciated	2,332,911	176,839	-	(253,967)	2,255,783
Capital assets, being depreciated:					
Buildings and improvements	7,388,068	116,878	-	-	7,504,946
Machinery and equipment	3,845,197	462,468	107,557	-	4,200,108
Infrastructure	52,005,815	368,785	-	253,967	52,628,567
Total capital assets, being depreciated	63,239,080	948,131	107,557	253,967	64,333,621
Less accumulated depreciation for:					
Buildings and improvements	3,513,451	199,180	-	-	3,712,631
Machinery and equipment	2,958,722	305,912	105,742	-	3,158,892
Infrastructure	19,792,539	2,271,727	-	-	22,064,266
Total accumulated depreciation	26,264,712	2,776,819	105,742	-	28,935,789
Total capital assets being depreciated, net	36,974,368	(1,828,688)	1,815	253,967	35,397,832
Total capital assets, net	\$ 39,307,279	\$ (1,651,849)	\$ 1,815	\$ -	\$ 37,653,615

	Balance December 31, 2014	Additions	Retirements	Transfers	Balance December 31, 2015
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and easements	\$ 897,793	\$ -	\$ -	\$ -	\$ 897,793
Construction in progress	734,979	68,389	-	(734,979)	68,389
Total capital assets, not being depreciated	<u>1,632,772</u>	<u>68,389</u>	<u>-</u>	<u>(734,979)</u>	<u>966,182</u>
Capital assets, being depreciated:					
Buildings and improvements	4,228,540	497,710	-	794,479	5,520,729
Equipment	1,564,277	462,188	228,800	(59,500)	1,738,165
Water system, tower and lines	35,072,202	3,150	-	-	35,075,352
Sewage collection system and treatment plant	58,479,482	289,638	-	-	58,769,120
Total capital assets, being depreciated	<u>99,344,501</u>	<u>1,252,686</u>	<u>228,800</u>	<u>734,979</u>	<u>101,103,366</u>
Less accumulated depreciation for:					
Buildings and improvements	1,493,793	137,200	-	-	1,630,993
Equipment	1,056,926	144,936	228,800	-	973,062
Water system, tower and lines	10,505,432	896,534	-	-	11,401,966
Sewage collection system and treatment plant	29,020,753	1,514,442	-	-	30,535,195
Total accumulated depreciation	<u>42,076,904</u>	<u>2,693,112</u>	<u>228,800</u>	<u>-</u>	<u>44,541,216</u>
Total capital assets being depreciated, net	<u>57,267,597</u>	<u>(1,440,426)</u>	<u>-</u>	<u>734,979</u>	<u>56,562,150</u>
Business-type activities capital assets, net	<u>\$ 58,900,369</u>	<u>\$ (1,372,037)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,528,332</u>

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

<b>Governmental activities:</b>	
General administration	\$ 231,470
Public safety	87,013
Streets and highways	2,202,586
Parks and recreation	255,750
Total depreciation expense - governmental activities:	<u>\$ 2,776,819</u>
<b>Business-type activities:</b>	
Water/Sewer	\$ 2,523,632
Ambulance	33,379
Airports	136,101
Total depreciation expense - business-type activities:	<u>\$ 2,693,112</u>

## 7. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2015:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due in one year
Primary Government:					
General Long-Term Debt					
Compensated absences	\$ 100,079	\$ 21,834	\$ 26,138	\$ 95,775	\$ 95,775
Enterprise Funds					
Note payable	-	141,995	30,240	111,755	27,797
Revenue bonds	23,810,000	-	2,200,000	21,610,000	2,300,000
Compensated absences	24,202	10,349	4,754	29,797	29,797
	<u>\$ 23,934,281</u>	<u>\$ 174,178</u>	<u>\$ 2,261,132</u>	<u>\$ 21,847,327</u>	<u>\$ 2,453,369</u>
Component Unit:					
Revenue bonds	<u>\$ 15,965,000</u>	<u>\$ -</u>	<u>\$ 1,600,000</u>	<u>\$ 14,365,000</u>	<u>\$ 1,125,000</u>

Accrued compensated absences are generally liquidated by the General Fund.

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm wastewater systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

Based on the assessed valuation as of January 1, 2015, of \$288,644,045, the constitutional total general obligation debt limit was \$57,728,809, which provides a general obligation debt margin of \$57,728,809.

### Note Payable

Note payable balance consists of the following as of December 31, 2015:

\$141,995 note payable to a bank, bearing interest at 2.1%, principal and interest due annually through maturity of August 2019, secured by vehicle.	\$ 111,755
Less current portion	<u>27,797</u>
Long-term portion	<u>\$ 83,958</u>

During 2015, the City made an advance payment on the note payable in the amount of \$30,241, which was applied entirely to the outstanding principal balance.

Maturities of long-term debt for the fiscal years ended December 31 are as follows:

2016	\$ 27,797
2017	28,479
2018	29,078
2019	<u>26,401</u>
Total long-term debt	<u><u>\$ 111,755</u></u>

State Revolving Loans

In 2001, 2002, 2003, 2005, and 2007, the City issued \$5,000,000 (Series 2001A), \$24,585,000 (Series 2002B), \$6,075,000 (Series 2003B), \$4,950,000 (Series 2005C), and \$2,550,000 (Series 2007A) in State Environmental Improvement and Energy Resources Authority Water Pollution Revenue Bonds and Public Drinking Water Bonds for the purpose of financing construction of certain wastewater treatment, sanitary sewerage or water facilities and costs associated with the issuance of the bonds. In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurs approved expenditures, DNR reimburses the City for the expenditures from the construction escrow fund. Additionally, an amount (83.33% of which is federal funding) representing 70% of the construction costs is deposited into a bond reserve fund in the City's name and is held as a guarantee against the outstanding bond obligation. Interest earned from this reserve fund can be used by the City to fund interest payments on the revenue bonds. A portion of the reserve fund is transferred back to the State as principal payments are made on the revenue bonds. The costs of operation and maintenance of the wastewater treatment and sewerage facilities and the debt service is payable from operating revenues.

The City has pledged future utility customer revenues and capital improvement sales tax collections, net of current specified operating expenses, to repay \$21.6 million in revenue bonds. Proceeds from the bonds provided financing for the construction of a new water system and expansion of sewerage facilities. The bonds are payable from utility customer net revenues and capital improvement sales tax net collections and are payable through 2026. Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues for 2015 are over 119% of the annual principal and interest payments made in 2015. The total principal and interest remaining to be paid on the bonds is \$26,659,436. Principal and interest paid for the current year and total net revenues were \$3,249,403 and \$3,873,233, respectively.

Revenue bonds payable are comprised of the following individual issues:

	Original Amount	Interest Rate	Final Maturity Date	Balance December 31, 2015
2001A, Clean Water	\$ 5,000,000	4.0%-5.0%	1/1/2022	\$ 1,955,000
2002B, Drinking Water	24,585,000	2%-5.5%	7/1/2022	11,295,000
2003B, Drinking Water	6,075,000	2%-5.25%	1/1/2024	3,965,000
2005C, Clean Water	4,950,000	3.0%-5.25%	7/1/2025	2,755,000
2007A, Drinking Water	2,550,000	4.0%-4.75%	1/1/2027	<u>1,640,000</u>
				<u><u>\$ 21,610,000</u></u>

The following is a summary of net revenue bonds payable for December 31, 2015:

Bonds payable at December 31, 2015	\$ 21,610,000
Unamortized premiums (net of accumulated amortization of \$888,724)	513,728
	<u>22,123,728</u>
Less amount due within one year	<u>(2,300,000)</u>
Net revenue bonds payable December 31, 2015	<u>\$ 19,823,728</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31	Principal	Interest	Total
2016	\$ 2,300,000	\$ 1,069,765	\$ 3,369,765
2017	2,410,000	953,056	3,363,056
2018	2,505,000	828,256	3,333,256
2019	2,620,000	705,219	3,325,219
2020	2,740,000	555,572	3,295,572
2021-2025	8,730,000	923,833	9,653,833
2026-2027	305,000	13,735	318,735
Total	<u>\$ 21,610,000</u>	<u>\$ 5,049,436</u>	<u>\$ 26,659,436</u>

#### Tax Increment Financing

On February 28, 2002, the City issued Tax Increment Bonds Series 2002 in the aggregate principal amount of \$7,775,000 to finance roads, water and sewer infrastructure in the Prewitt's Point redevelopment area. These bonds were issued for the City's component unit, the Tax Increment Financing District. These bonds are limited obligations of the City, payable solely from bond proceeds, payments in lieu of taxes, economic activity tax revenue and monies on deposit in a debt service reserve fund. The application of economic activity tax revenues to the payment of the Series 2002 bonds is subject to annual appropriation by the City.

On September 18, 2012, the City issued \$4,410,000 of Tax Increment Bonds Series 2012 for the refunding of the \$4,510,000 remaining balance of the February 28, 2002 issuance. The refunding was undertaken to reduce the total future debt service payments. The transaction also resulted in an economic gain of \$486,595 and a reduction of \$302,665 in future debt service payments. Although the outstanding principle balance of \$3,495,000 is not due until 2023, it is the City's intent to make annual principal payments using TIF revenue received each year.

On December 31, 2006, the City issued Tax Increment Bonds Series 2006 in the aggregate principal amount of \$18,590,000 to finance roads, water and sewer infrastructure in the Prewitt's Point redevelopment area. These bonds were issued for the City's component unit, the Tax Increment Financing District. These bonds are limited obligations of the City, payable solely from bond proceeds, payments in lieu of taxes, economic activity tax revenue and monies on deposit in a debt service reserve fund. The application of economic activity tax revenues to the payment of the Series 2006 bonds is subject to annual appropriation by the City. The amount of the bonds outstanding as of December 31, 2015, is \$11,390,000.

The bond issues are structured so that bonds are redeemed as funds become available; accordingly, debt coverage will not exceed 100% over the life of the bonds. Principal and interest payments on the bonds are due semiannually. Debt service on principal and interest cannot exceed the life of the redevelopment area of

May 1, 2023. For the current year, principal and interest paid and total incremental tax revenues for the TIF bonds are \$2,197,728 and \$2,132,501, respectively.

The following is a summary of net bonds payable for December 31, 2015:

Bonds payable at December 31, 2015	\$ 14,365,000
Unamortized discount (net of accumulated amortization of \$11,229)	(23,321)
	<u>14,341,679</u>
Less amount due within one year	(1,125,000)
Net revenue bonds payable December 31, 2015	<u><u>\$ 13,216,679</u></u>

The annual requirements to amortize debt outstanding in the as of December 31, 2015, including interest payments, are as follows:

Year Ending December 31	Series 2006		Series 2012		Total
	Principal	Interest	Principal	Interest	
2016	\$ 1,125,000	\$ 540,250	\$ -	\$ 118,000	\$ 1,783,250
2017	1,095,000	485,875	-	118,000	1,698,875
2018	1,170,000	429,250	-	118,000	1,717,250
2019	1,250,000	368,750	475,000	118,000	2,211,750
2020	1,355,000	303,625	-	103,750	1,762,375
2021-2023	5,395,000	451,875	2,500,000	311,250	8,658,125
Total	<u>\$ 11,390,000</u>	<u>\$ 2,579,625</u>	<u>\$ 2,975,000</u>	<u>\$ 887,000</u>	<u>\$ 17,831,625</u>

The Series 2012 bonds do not have a required redemption schedule, but require a balloon payment on May 1, 2019 and May 1, 2023. Interest payments are made on May 1 and November 1 each year. The City will pay interest ranging from 3.0% to 4.15% on the outstanding loan balance annually over the life of the loan.

#### Arbitrage Liability

The arbitrage liability is established as the Arbitrage Rebate Payable on the balance sheet to set aside funds for the future potential interest rebate due the Internal Revenue Service (IRS). Separate trust accounts have been established for the Series 2001A, Series 2005C, and Series 2007A bonds. Pursuant to certain Internal Revenue Code requirements, the City is required to expend funds for designated purposes within time frames established by the IRS. In the event the "spend-down" schedule is not met, a rebate of excess interest earnings must be made. Excess interest earnings accrue if the interest rate on invested bond proceeds exceeds the interest rate paid to investors. The liability is estimated by the City's bond counsel.

**8. INTERFUND TRANSACTIONS**

Interfund balances and transfers between governmental funds are not included in the government-wide statement of net position or the government-wide statement of activities.

A summary of interfund transfers for the year ended December 31, 2015, follows:

TRANSFERRED FROM	TRANSFERRED TO				
	Governmental Funds	Enterprise Funds			
	General Fund	Water/Sewer Fund	Ambulance Fund	Grand Glaize Airport Fund	Total
Governmental Funds:					
General Fund	\$ -	\$ -	\$ 385,000	\$ 65,000	\$ 450,000
Capital Improvement Sales Tax Fund	175,000	1,935,000	-	-	2,110,000
	<u>\$ 175,000</u>	<u>\$ 1,935,000</u>	<u>\$ 385,000</u>	<u>\$ 65,000</u>	<u>\$ 2,560,000</u>

The purpose of the transfers from the General Fund to the Ambulance Fund and Grand Glaize Airport Fund is to subsidize the operations of these funds. The purpose of the transfer from the Capital Improvement Sales Tax Fund to the General Fund was to help fund current year park infrastructure improvements as a result of flood damage. The purpose of the transfer from the Capital Improvement Sales Tax Fund to the Water/Sewer Fund is to subsidize the payment of the Water/Sewer Revenue Bonds.

Interfund Charges for Support Services

Interfund charges for support services paid to the General Fund were as follows:

Transportation Fund	\$ 77,000
Water/Sewer Fund	45,000
Ambulance Fund	41,000
Lee C. Fine Airport Fund	37,000
Grand Glaize Airport Fund	12,000
	<u>\$ 212,000</u>

**9. COMMITMENTS AND CONTINGENCIES**

*A Risk Management*

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workman’s compensation; liability, crime, and employee errors and omissions; and natural disasters. The City purchases commercial insurance to provide coverage for general liability, property damage, and workers’ compensation. Settled claims have not exceeded this commercial insurance coverage in any of the past four years.

### *B. Litigation*

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

### *C. Contracts for Construction*

The City has entered into agreements with contractors for various projects for street construction, park improvements, construction of water and sewer facilities, and airport construction. As of December 31, 2015, commitments under contracts were as follows:

Project	Spent-to-Date	Remaining Commitment
Transportation	\$ 54,657	\$ 45,981

### *D. Tax Increment Financing*

On November 1, 2007, the Board of Aldermen approved the Marina View Tax Increment Financing Plan. This plan consists of the construction of a hotel on approximately 28 acres and includes a future bond issuance of approximately \$3.7 million plus interest and other miscellaneous costs. No activity occurred for this project during 2015.

On December 16, 2010, the Board of Aldermen approved the Dierbergs Osage Beach Tax Increment Financing Plan for a shopping center. This center consists of a Dierbergs Market, Dicks, Bed Bath & Beyond and miscellaneous stores. The 2011 notes payable represent special, limited obligations of the City, payable solely from the incremental sales and real estate taxes generated by Dierbergs redevelopment area. The City functions as a collecting agent for the taxes, which are then passed through to the bond trustee. As the City is not liable for this debt beyond remitting all collected taxes, it is not recorded on the statement of net position as of December 31, 2015. The notes bear interest at 6.5% with final maturity on December 15, 2033. The balance at December 31, 2015, represents outstanding notes of \$5,100,000 and accrued interest of \$404,164, for a total of \$5,504,164. The annual debt service repayments of the 2011 TIF notes are the combined amounts of economic activity taxes and payments in lieu of taxes collected by the special allocation fund. The notes terminate December 15, 2033, whether or not the principal and interest have been paid in full.

## **10. INTERGOVERNMENTAL REVENUE**

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the City as of December 31, 2015.

## 11. PENSION PLAN

### *Plan Description*

The City, by a Board of Aldermen resolution, created a defined contribution, single employer, retirement plan under Internal Revenue Code Section 401 for the employees of the City. The Board of Aldermen can amend the plan at their discretion. The City appointed ICMA Retirement Corporation to administer the plan. The plan is available to all full-time employees of the City. Employees are fully vested in contributions made on their behalf after 5 years.

### *Plan Funding*

The City contributes 6% of eligible employee wages, while employees do not contribute to the plan. The City contributed \$249,427 to the plan for the year ended December 31, 2015. There were no forfeitures in the current year used to offset the City's expense.

## 12. POST EMPLOYMENT BENEFITS

Effective January 1, 2008, the City adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)" (GASB 45). As a result, the financial statements reflect a long-term liability of \$159,737 and \$39,970 and related expenses of \$18,825 and \$4,710 in governmental and business-type activities, respectively, as of and for the year ended December 31, 2015. The governmental OPEB liability is generally liquidated by the General Fund.

### *Plan Description*

In addition to providing the pension benefits described above, the City provides full time employees that retire after 10 year of service the opportunity for continuation of medical and dental insurance coverage offered through the Mid-America Regional Council Insurance Trust (MARCIT). The City provides retiree healthcare benefits through MARCIT, which is an insurance pool comprised of about 59 entity members. MARCIT functions as an agent multiple-employer plan.

Retirees who elect to continue coverage in the medical and dental plans offered through MARCIT are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the same premium as active employees each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The implicit rate subsidy is the difference between what the retiree actually pays and the age adjusted amount he or she would have paid for the full cost of the benefit. The benefits and benefit levels are governed by City policy and the MARCIT trust agreement.

The City maintains a trust arrangement with MARCIT to collect premiums and pay claims/administrative costs. This trust arrangement does not qualify as an "OPEB Plan" and is not treated as holding assets in order to offset GASB 45 liabilities. However, GASB does require that the "Plan" determine the valuation interest rate (or discount rate) based on expected return of the MARCIT Health and Dental Fund since it is used to pay retiree claims. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established. There is no stand alone financial report for the Plan.

### *Funding Policy*

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

***Annual OPEB Costs and Net OPEB Obligation***

The OPEB cost is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

For the year ended December 31, 2015, the annual OPEB costs and changes in the net obligation are as follows:

Annual accrued liability	\$ 189,869
OPEB plan assets	-
	<u>189,869</u>
Unfunded actuarial accrued liability	<u>\$ 189,869</u>
Amortization factor (Based on 30-year closed-level dollar)	<u>17.0219</u>
Amortization of unfunded liability	\$ 11,916
Normal costs	<u>18,041</u>
Annual required contribution (ARC)	29,957
Interest to end of the year	7,928
Adjustment to the ARC	<u>(10,350)</u>
Annual OPEB cost	27,535
Net OPEB obligation, beginning of year	176,172
Expected employer contributions for 2014	<u>(4,000)</u>
Net OPEB obligation, end of year	<u>\$ 199,707</u>

***Schedule of Employer Contributions***

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Estimated Retiree Benefits for the Year	Percentage Contributed	Net OPEB Obligation
12/31/2013	\$ 25,409	\$ 5,000	19.7%	\$ 152,309
12/31/2014	27,863	4,000	14.4%	176,172
12/31/2015	27,535	4,000	14.5%	199,707

### *Schedule of Funding Progress*

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 revision as actual results are compared with past expectations and new estimates are made about the future.

The following summarizes the funding progress for the year ended December 31, 2015:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
7/1/2013	\$ -	\$ 189,689	\$ 189,689	0%	\$ 3,832,178	4.9%

Because the City is only required to have a full actuarial valuation every two years, the *Schedule of Funding Progress* presented above will not be updated until the new valuation is completed in 2016 based on actuarial valuation date of July 1, 2015.

The required schedule of funding progress included in required supplemental information immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### *Actuarial Methods and Assumptions*

The population valued is based on a closed group. Only current employees and retirees at a valuation date are considered; no provision is made for future new hires.

As of the July 1, 2013, actuarial valuation, the liabilities were computed using the projected unit credit method with a 30-year level open dollar amortization of the unfunded actuarial accrued liability. The actuarial assumption utilized a 4.5% discount rate. Actuarial assumptions also included annual healthcare cost trend rates of 7% initially, reduced by decrements to an ultimate rate of 5% after 7 years. Dental healthcare cost trend rates were 4% initially, reduced by decrements to an ultimate rate of 3.75%. Both rates included a 2.5% percent inflation factor.

## **13. JOINT VENTURE**

On August 5, 1981, the City agreed to a joint partnership with City of Lake Ozark of a Sewage Treatment Plant (STP). The Board administering the STP consists of eight members, four from each city. Amounts to be billed to each city are based upon usage billed at identical rate structures. Costs of operation and maintenance are split proportionately between the two cities. For the year ended December 31, 2015, the City paid \$474,616 for its share of STP expenses. A separate audit is performed on this entity, and a copy may be reviewed at the City of Lake Ozark or City of Osage Beach City Hall.

#### 14. ASSESSED VALUE OF PROPERTY

Assessed valuation is established by the County Assessor. The City does not levy property taxes. A property tax is levied by Miller County for property located within the Prewitt's Point Project, part of the component unit. The Tax Increment Financing Fund receives 75% of incremental property tax collected. This revenue is pledged toward the repayment of the Tax Increment Bonds pursuant to bond indenture.

Assessed valuation and tax levy for the property located in the Tax Increment Financing District as of October 22, 2015, was as follows:

	<u>For the 2015 Calendar Year</u>
Assessed valuation for Miller County:	
Tax Increment Financing	<u>\$ 10,016,155</u>
Tax rates per \$100 assessed valuation:	
General Fund	<u>\$ 0.0450</u>

#### 15. SUBSEQUENT EVENT

On February 18, 2016, the City entered into a TIF agreement with Arrowhead Development Group, LLC. Under this agreement, the City will reimburse the developer on a pay-as-you-go method with funds generated by the TIF project. The Agreement will redevelop the 226 acre site of the former Dogwood Hills Golf Course. The TIF provides flexibility for the Developer, with eight separate project areas for a mixed use development to be built over the next several years. The agreement provides for a TIF incentive to the developer to promote a \$386,731,340 project when all 8 phases are completed. The total amount of the TIF reimbursement requested is \$55,835,595 which is 14.5% of the total project costs. One half (50%) of the new real estate and sales taxes generated by the development will be passed through to the taxing districts.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Osage Beach**  
**Budget and Actual (with Variances)**  
**General Fund**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales	\$ 4,600,000	\$ 4,600,000	\$ 4,616,361	\$ 16,361
Franchise	950,000	950,000	993,059	43,059
Licenses, fines, permits and fees	430,450	430,450	467,703	37,253
Intergovernmental	71,850	71,850	147,561	75,711
Contributions	-	-	6,550	6,550
Interest	20,000	20,000	10,094	(9,906)
Payments from enterprise funds	227,400	227,400	212,000	(15,400)
Miscellaneous	121,600	121,600	156,215	34,615
Total revenues	<u>6,421,300</u>	<u>6,421,300</u>	<u>6,609,543</u>	<u>188,243</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,267,699	2,267,699	2,160,632	107,067
Public safety	3,169,712	3,169,712	2,885,675	284,037
Park and recreation	267,301	267,301	253,021	14,280
Information technology	365,852	365,852	333,231	32,621
Capital outlay				
Projects and equipment	<u>778,349</u>	<u>960,539</u>	<u>673,422</u>	<u>287,117</u>
Total expenditures	<u>6,848,913</u>	<u>7,031,103</u>	<u>6,305,981</u>	<u>725,122</u>
Excess (deficiency) of revenues over expenditures	<u>(427,613)</u>	<u>(609,803)</u>	<u>303,562</u>	<u>913,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,000	200,000	175,000	(25,000)
Transfers out	(450,000)	(450,000)	(450,000)	-
Sale of capital assets	16,000	16,000	16,290	290
Total other financing sources (uses)	<u>(234,000)</u>	<u>(234,000)</u>	<u>(258,710)</u>	<u>(24,710)</u>
Net change in fund balance	(661,613)	(843,803)	44,852	888,655
Fund balance - beginning	<u>3,345,503</u>	<u>3,345,503</u>	<u>3,345,503</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,683,890</u>	<u>\$ 2,501,700</u>	<u>\$ 3,390,355</u>	<u>\$ 888,655</u>

**City of Osage Beach  
Budget and Actual (with Variances)  
Transportation Fund  
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Sales	\$ 2,300,000	\$ 2,300,000	\$ 2,270,812	\$ (29,188)
Motor vehicle fuel and license	159,000	159,000	170,674	11,674
County road taxes	69,000	69,000	69,887	887
Intergovernmental	395,714	395,714	374,916	(20,798)
Interest	15,000	15,000	10,447	(4,553)
Miscellaneous	50	50	-	(50)
Total revenues	<u>2,938,764</u>	<u>2,938,764</u>	<u>2,896,736</u>	<u>(42,028)</u>
<b>EXPENDITURES</b>				
Current:				
Streets and highways	1,012,275	1,040,354	797,661	242,693
Capital outlay				
Streets and highways	<u>2,994,614</u>	<u>3,038,165</u>	<u>1,043,202</u>	<u>1,994,963</u>
Total expenditures	<u>4,006,889</u>	<u>4,078,519</u>	<u>1,840,863</u>	<u>2,237,656</u>
Excess (deficiency) of revenues over expenditures	<u>(1,068,125)</u>	<u>(1,139,755)</u>	<u>1,055,873</u>	<u>2,195,628</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
Total other financing sources	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
Net change in fund balance	(1,057,125)	(1,128,755)	1,055,873	2,184,628
Fund balance - beginning	<u>4,939,998</u>	<u>4,939,998</u>	<u>4,939,998</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,882,873</u>	<u>\$ 3,811,243</u>	<u>\$ 5,995,871</u>	<u>\$ 2,184,628</u>

City of Osage Beach  
 Budget and Actual (with Variances)  
 Capital Improvement Sales Tax Fund  
 For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Sales	\$ 2,300,000	\$ 2,300,000	\$ 2,270,813	\$ (29,187)
Interest	4,000	4,000	1,797	(2,203)
Total revenues	<u>2,304,000</u>	<u>2,304,000</u>	<u>2,272,610</u>	<u>(31,390)</u>
<b>EXPENDITURES</b>				
Current:				
Capital improvements	<u>280,000</u>	<u>280,000</u>	<u>297,363</u>	<u>(17,363)</u>
Total expenditures	<u>280,000</u>	<u>280,000</u>	<u>297,363</u>	<u>(17,363)</u>
Excess of revenues over expenditures	<u>2,024,000</u>	<u>2,024,000</u>	<u>1,975,247</u>	<u>(48,753)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(2,135,000)</u>	<u>(2,135,000)</u>	<u>(2,110,000)</u>	<u>25,000</u>
Total other financing uses	<u>(2,135,000)</u>	<u>(2,135,000)</u>	<u>(2,110,000)</u>	<u>25,000</u>
Net change in fund balance	(111,000)	(111,000)	(134,753)	23,753
Fund balance - beginning	<u>1,076,580</u>	<u>1,076,580</u>	<u>1,076,580</u>	<u>-</u>
Fund balance - ending	<u>\$ 965,580</u>	<u>\$ 965,580</u>	<u>\$ 941,827</u>	<u>\$ 23,753</u>

**CITY OF OSAGE BEACH**  
**Required Supplementary Information**  
**Notes to the Budgetary Comparison Schedules**

**For The Year Ended December 31, 2015**

**Budgetary Information**

The City's policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2015.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 6) Prior to January 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 7) The City utilizes multiple public budget workshops that the public is invited to attend and make comments. The proposed budget is available for public inspection prior to the budget workshops.
- 8) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 9) The City Administrator is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board.
- 10) All appropriations lapse at year end.

The primary basis of budgetary control is at the fund level.

**CITY OF OSAGE BEACH**  
**Required Supplementary Information**  
**Schedule of Funding Progress – Retiree Health Plan**

**For The Year Ended December 31, 2015**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
7/1/2009	\$ -	\$ 159,858	\$ 159,858	0%	\$ 3,944,434	4.1%
7/1/2011	-	182,405	182,405	0%	3,809,370	4.8%
7/1/2013	-	189,689	189,689	0%	3,832,178	4.9%

Because the City is only required to have a full actuarial valuation every two years, the *Schedule of Funding Progress* presented above will not be updated until the new valuation is completed in 2015.

## **STATISTICAL SECTION**

## **Statistical Section**

This section of the City of Osage Beach's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Financial Trends (Tables 1-4)**

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

### **Revenue Capacity (Tables 5-8)**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its sales taxes.

### **Debt Capacity (Tables 9-13)**

These schedules 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.

### **Demographic and Economic Information (Tables 14-15)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

### **Operating Information (Tables 16-18)**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

CITY OF OSAGE BEACH, MISSOURI

TABLE 1

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Net investment in capital assets	\$ 24,452,788	\$ 25,282,829	\$ 27,151,876	\$ 27,731,455	\$ 27,894,023	\$ 28,345,590	\$ 29,136,972	\$ 40,750,125	\$ 39,307,279	\$ 37,653,615
Restricted	5,178,443	8,238,113	7,751,150	7,005,298	6,760,655	5,420,281	4,824,565	5,499,168	6,010,852	6,931,150
Unrestricted	7,163,444	5,495,960	3,989,278	4,137,610	3,597,054	3,787,573	3,288,366	3,308,811	3,530,536	3,231,106
Total governmental activities net position	<u>\$ 36,794,675</u>	<u>\$ 39,016,902</u>	<u>\$ 38,892,304</u>	<u>\$ 38,874,363</u>	<u>\$ 38,251,732</u>	<u>\$ 37,553,444</u>	<u>\$ 37,249,903</u>	<u>\$ 49,558,104</u>	<u>\$ 48,848,667</u>	<u>\$ 47,815,871</u>
Business-type activities:										
Net investment in capital assets	\$ 31,692,173	\$ 31,011,943	\$ 32,056,850	\$ 32,892,194	\$ 33,970,840	\$ 34,151,316	\$ 33,596,269	\$ 34,434,359	\$ 35,337,942	\$ 36,016,361
Restricted	1,039,125	1,434,786	2,208,730	2,444,465	2,586,902	2,697,627	2,727,651	2,806,768	2,895,805	2,945,442
Unrestricted	6,188,535	8,717,005	8,109,199	6,682,522	6,200,856	5,480,505	6,667,923	5,537,936	5,791,462	5,448,395
Total business-type activities net position	<u>\$ 38,919,833</u>	<u>\$ 41,163,734</u>	<u>\$ 42,374,779</u>	<u>\$ 42,019,181</u>	<u>\$ 42,758,598</u>	<u>\$ 42,329,448</u>	<u>\$ 42,991,843</u>	<u>\$ 42,779,063</u>	<u>\$ 44,025,209</u>	<u>\$ 44,410,198</u>
Primary government:										
Net investment in capital assets	\$ 53,747,316	\$ 56,294,772	\$ 59,208,726	\$ 60,623,649	\$ 61,864,863	\$ 62,496,906	\$ 62,733,241	\$ 75,184,484	\$ 74,645,221	\$ 73,669,976
Restricted	6,217,568	9,672,899	9,959,880	9,449,763	9,347,557	8,117,908	7,552,216	8,305,936	8,906,657	9,876,592
Unrestricted	13,351,979	14,212,965	12,098,477	10,820,132	9,797,910	9,268,078	9,956,289	8,846,747	9,321,998	8,679,501
Total primary government net position	<u>\$ 73,316,863</u>	<u>\$ 80,180,636</u>	<u>\$ 81,267,083</u>	<u>\$ 80,893,544</u>	<u>\$ 81,010,330</u>	<u>\$ 79,882,892</u>	<u>\$ 80,241,746</u>	<u>\$ 92,337,167</u>	<u>\$ 92,873,876</u>	<u>\$ 92,226,069</u>

Note: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, beginning net position for the business-type activities was reduced by \$427,771. However, prior years were not restated.

CITY OF OSAGE BEACH, MISSOURI

TABLE 2

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 3,001,564	\$ 3,267,483	\$ 2,717,368	\$ 2,796,047	\$ 2,836,549	\$ 2,728,669	\$ 2,634,466	\$ 2,795,702	\$ 2,652,546	\$ 2,780,408
Public Safety	2,676,484	2,864,264	3,015,379	3,001,162	3,122,315	3,057,360	3,023,822	3,091,649	2,978,236	3,052,006
Park and Recreation	144,529	182,050	199,691	210,671	420,349	456,627	510,657	458,198	529,212	494,456
Information Technology	329,674	311,734	231,929	233,441	255,380	262,973	379,314	331,982	328,665	429,671
Streets and Highways	1,567,449	1,997,862	2,148,466	2,411,262	2,705,865	3,018,295	2,911,893	2,967,447	3,613,537	3,354,035
Interest on Long-term debt	40,053	36,215	28,204	21,563	15,360	175	-	-	-	-
Total governmental activities expenses	7,759,753	8,659,608	8,341,037	8,674,146	9,355,818	9,524,099	9,460,152	9,644,978	10,102,196	10,110,576
Business-type activities:										
Water/Sewer	5,941,742	6,299,866	6,378,167	6,608,497	6,201,919	6,353,915	6,308,541	6,384,114	6,005,376	6,510,125
Ambulance	425,918	484,609	505,773	489,201	530,342	508,179	502,076	549,256	550,425	559,263
Airports	1,011,665	1,009,081	1,233,308	943,157	1,222,842	1,298,290	1,453,944	1,267,451	1,152,138	1,136,262
Total business-type activities expenses	7,379,325	7,793,556	8,117,248	8,040,855	7,955,103	8,160,384	8,264,561	8,200,821	7,707,939	8,205,650
Total primary government expenses	\$ 15,139,078	\$ 16,453,164	\$ 16,458,285	\$ 16,715,001	\$ 17,310,921	\$ 17,684,483	\$ 17,724,713	\$ 17,845,799	\$ 17,810,135	\$ 18,316,226
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General Government	\$ 451,851	\$ 305,473	\$ 196,634	\$ 183,234	\$ 230,490	\$ 182,720	\$ 177,475	\$ 287,269	\$ 193,175	\$ 196,614
Public Safety	334,901	303,239	304,684	277,441	241,182	248,011	207,181	231,185	243,122	252,439
Parks and recreation	-	-	-	-	-	-	13,969	4,059	7,122	18,650
Streets and highways	-	-	-	-	-	-	6,260	7	-	-
Operating grants and contributions	83,969	123,189	53,876	25,642	27,658	28,289	13,961	80,180	10,588	21,004
Capital grants and contributions	7,203,665	2,105,975	100,000	67,520	848,628	191,983	710,078	13,134,610	663,157	177,439
Total governmental activities program revenues	8,074,386	2,837,876	655,194	553,837	1,347,958	651,003	1,128,924	13,737,310	1,117,164	666,146
Business-type activities:										
Charges for services:										
Water/Sewer	4,146,811	3,461,417	3,360,415	3,006,674	3,473,822	3,462,061	3,701,841	3,813,025	4,040,992	3,926,031
Ambulance	231,997	187,255	195,809	164,749	163,800	195,689	169,359	178,696	213,254	221,469
Airports	848,985	787,253	1,007,987	694,795	887,587	1,030,363	944,568	916,094	921,421	935,702
Operating grants and contributions	957,794	968,395	940,233	851,576	862,516	808,004	762,814	712,858	661,112	622,627
Capital grants and contributions	1,901,582	3,410,267	627,991	883,607	624,873	57,020	739,451	429,451	706,897	372,655
Total business-type activities program revenues	8,087,169	8,814,587	6,132,435	5,601,401	6,012,598	5,553,137	6,318,033	6,050,124	6,543,676	6,078,484
Total primary government program revenues	\$ 16,161,555	\$ 11,652,463	\$ 6,787,629	\$ 6,155,238	\$ 7,360,556	\$ 6,204,140	\$ 7,446,957	\$ 19,787,434	\$ 7,660,840	\$ 6,744,630

CITY OF OSAGE BEACH, MISSOURI

TABLE 2

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/revenue										
Governmental activities	\$ 314,633	\$ (5,821,732)	\$ (7,685,843)	\$ (8,120,309)	\$ (8,007,860)	\$ (8,873,096)	\$ (8,331,228)	\$ 4,092,332	\$ (8,985,032)	\$ (9,444,430)
Business-type activities	707,844	1,021,031	(1,984,813)	(2,439,454)	(1,942,505)	(2,607,247)	(1,946,528)	(2,150,697)	(1,164,263)	(2,127,166)
Total primary government net expenses	\$ 1,022,477	\$ (4,800,701)	\$ (9,670,656)	\$ (10,559,763)	\$ (9,950,365)	\$ (11,480,343)	\$ (10,277,756)	\$ 1,941,635	\$ (10,149,295)	\$ (11,571,596)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
County road taxes	\$ 45,805	\$ 49,751	\$ 57,878	\$ 60,136	\$ 67,842	\$ 67,859	\$ 67,752	\$ 69,622	\$ 67,902	\$ 69,887
Sales taxes	9,461,972	9,560,428	8,910,793	8,449,041	8,388,738	8,553,918	8,765,944	8,745,521	9,065,925	9,157,986
Franchise taxes	602,872	680,236	849,517	823,723	832,706	848,634	851,346	941,599	952,678	993,059
Motor vehicle fuel & license	154,275	154,604	141,427	135,750	140,107	138,790	155,949	157,635	164,069	170,674
Payments from enterprise funds	-	133,728	143,377	500,702	465,145	390,300	459,400	479,312	194,600	212,000
Unrestricted investment earnings	546,027	571,408	317,626	137,682	72,809	69,197	52,263	50,401	36,444	22,338
Other income	178,140	170,512	31,556	89,447	44,042	208,145	68,815	79,236	63,338	156,215
Gain (loss) on sale of capital assets	(67,494)	(127,164)	5,071	1,878	16,840	9,632	11,218	543	85,639	14,475
Adjustment for capital assets	(509,544)	-	-	-	-	-	-	-	-	-
Transfers	(2,881,396)	(2,640,000)	(2,896,000)	(2,095,991)	(2,643,001)	(2,111,667)	(2,405,000)	(2,308,000)	(2,355,000)	(2,385,000)
Total governmental activities	7,530,657	8,553,503	7,561,245	8,102,368	7,385,228	8,174,808	8,027,687	8,215,869	8,275,595	8,411,634
Business-type activities										
Unrestricted investment earnings	408,943	356,000	226,027	88,584	56,534	55,486	49,697	49,346	32,889	20,061
Other income	-	101,309	118,827	(3,920)	(24,980)	10,944	130,000	4,460	13,620	51,013
Gain (loss) on sale of capital assets	(15,866)	13,662	(44,996)	(96,799)	7,367	-	24,226	3,883	8,900	56,081
Adjustment for capital assets	(1,888,101)	-	-	-	-	-	-	-	-	-
Transfers	2,881,396	2,640,000	2,896,000	2,095,991	2,643,001	2,111,667	2,405,000	2,308,000	2,355,000	2,385,000
Total business-type activities	1,386,372	3,110,971	3,195,858	2,083,856	2,681,922	2,178,097	2,608,923	2,365,689	2,410,409	2,512,155
Total primary government	\$ 8,917,029	\$ 11,664,474	\$ 10,757,103	\$ 10,186,224	\$ 10,067,150	\$ 10,352,905	\$ 10,636,610	\$ 10,581,558	\$ 10,686,004	\$ 10,923,789
<b>Change in net position</b>										
Governmental activities	\$ 7,845,290	\$ 2,731,771	\$ (124,598)	\$ (17,941)	\$ (622,632)	\$ (698,288)	\$ (303,541)	\$ 12,308,201	\$ (709,437)	\$ (1,032,796)
Business-type activities	2,094,216	4,132,002	1,211,045	(355,598)	739,417	(429,150)	662,395	214,992	1,246,146	384,989
Total primary government	\$ 9,939,506	\$ 6,863,773	\$ 1,086,447	\$ (373,539)	\$ 116,785	\$ (1,127,438)	\$ 358,854	\$ 12,523,193	\$ 536,709	\$ (647,807)

Note: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, no amortization of bond issuance costs was included in 2013 business-type expenses. However, prior years were not restated.

CITY OF OSAGE BEACH, MISSOURI

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,107	\$ 95,007
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	7,248,199	5,567,287	4,093,564	4,251,360	3,750,291	3,967,259	3,488,474	3,467,352	3,274,396	3,295,348
Total General Fund	7,248,199	5,567,287	4,093,564	4,251,360	3,750,291	3,967,259	3,488,474	3,467,352	3,345,503	3,390,355
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	-	-	5,726	6,548
Restricted	5,178,443	8,238,113	7,751,150	7,005,298	6,760,655	5,420,281	4,824,565	5,499,168	6,010,852	6,931,150
Total all other governmental funds	\$ 5,178,443	\$ 8,238,113	\$ 7,751,150	\$ 7,005,298	\$ 6,760,655	\$ 5,420,281	\$ 4,824,565	\$ 5,499,168	\$ 6,016,578	\$ 6,937,698

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF OSAGE BEACH, MISSOURI

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 10,264,924	\$ 10,445,019	\$ 9,959,615	\$ 9,468,650	\$ 9,429,393	\$ 9,609,201	\$ 9,840,991	\$ 9,914,377	\$ 10,250,574	\$ 10,391,606
Licenses, fines, permits	656,747	608,712	510,911	460,675	471,672	430,731	404,885	522,520	443,419	467,703
Intergovernmental	83,969	2,229,164	153,876	25,642	659,184	216,422	459,077	209,925	322,940	522,477
Interest	546,027	571,408	317,626	137,682	72,809	65,297	52,263	50,401	36,444	22,338
Pay. from enter. funds	130,005	133,728	143,377	500,702	465,145	390,300	459,400	479,312	194,600	212,000
Miscellaneous	178,140	170,512	21,963	89,447	44,042	208,145	68,815	79,236	63,338	162,765
<b>Total Revenues</b>	<b>11,859,812</b>	<b>14,158,543</b>	<b>11,107,368</b>	<b>10,682,798</b>	<b>11,142,245</b>	<b>10,920,096</b>	<b>11,285,431</b>	<b>11,255,771</b>	<b>11,311,315</b>	<b>11,778,889</b>
<b>Expenditures</b>										
General Government	2,705,600	2,977,054	2,574,505	2,470,121	2,571,390	2,503,170	2,457,491	2,517,947	2,397,258	2,457,995
Public Safety	2,597,737	2,707,922	2,889,711	2,799,756	2,901,521	2,898,977	2,809,445	2,973,390	2,859,619	2,885,675
Park and Recreation	100,418	126,692	133,371	145,046	198,755	211,405	248,085	250,501	253,983	253,021
Information Technology	329,543	270,226	225,623	228,392	254,128	258,651	264,122	272,124	282,989	333,231
Streets and Highways	789,009	736,966	770,486	816,135	1,046,961	1,064,677	1,160,715	919,711	1,152,841	797,661
Capital outlay	2,220,821	3,068,778	3,332,422	2,448,424	2,008,876	2,722,098	3,026,290	1,364,162	1,707,908	1,716,624
Debt Service										
Interest and fees	41,193	36,215	29,798	24,758	17,310	2,489	-	-	-	-
Principal	240,000	250,000	255,000	260,000	270,000	280,000	-	-	-	-
<b>Total Expenditures</b>	<b>9,024,321</b>	<b>10,173,853</b>	<b>10,210,916</b>	<b>9,192,632</b>	<b>9,268,941</b>	<b>9,941,467</b>	<b>9,966,148</b>	<b>8,297,835</b>	<b>8,654,598</b>	<b>8,444,207</b>
Excess of revenues over(under) expenditures	2,835,491	3,984,690	896,452	1,490,166	1,873,304	978,629	1,319,283	2,957,936	2,656,717	3,334,682
<b>Other financing sources (uses)</b>										
Transfers in	-	-	-	50,176	-	-	-	-	150,000	175,000
Transfers out	(2,881,396)	(2,640,000)	(2,896,000)	(2,146,167)	(2,643,001)	(2,111,667)	(2,405,000)	(2,308,000)	(2,505,000)	(2,560,000)
Sale of Capital Assets	-	34,068	38,862	17,769	23,985	9,632	11,216	3,545	93,844	16,290
<b>Total other fin. sources</b>	<b>(2,881,396)</b>	<b>(2,605,932)</b>	<b>(2,857,138)</b>	<b>(2,078,222)</b>	<b>(2,619,016)</b>	<b>(2,102,035)</b>	<b>(2,393,784)</b>	<b>(2,304,455)</b>	<b>(2,261,156)</b>	<b>(2,368,710)</b>
<b>Net Change in Fund Bal.</b>	<b>\$ (45,905)</b>	<b>\$ 1,378,758</b>	<b>\$ (1,960,686)</b>	<b>\$ (588,056)</b>	<b>\$ (745,712)</b>	<b>\$ (1,123,406)</b>	<b>\$ (1,074,501)</b>	<b>\$ 653,481</b>	<b>\$ 395,561</b>	<b>\$ 965,972</b>
Debt service as a percentage of noncapital expenditures	4.14%	3.95%	4.19%	4.02%	3.81%	3.66%	0.00%	0.00%	0.00%	0.00%

CITY OF OSAGE BEACH, MISSOURI

TABLE 5

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
 LAST TEN YEARS  
*(accrual basis of accounting)*

<u>FISCAL YEAR</u>	<u>COUNTY ROAD TAX</u>	<u>SALES TAX</u>	<u>FRANCHISE TAX</u>	<u>MOTOR VEHICLE FUEL &amp; LICENSE TAX</u>	<u>TOTAL</u>
2006	\$ 45,805	\$ 9,461,972	\$ 602,872	\$ 154,275	\$ 10,264,924
2007	49,751	9,560,428	680,236	154,604	10,445,019
2008	57,878	8,910,793	849,517	141,427	9,959,615
2009	60,136	8,449,041	823,723	135,750	9,468,650
2010	67,842	8,388,738	832,706	140,107	9,429,393
2011	67,859	8,553,918	848,634	138,790	9,609,201
2012	67,752	8,765,944	851,346	155,949	9,840,991
2013	69,622	8,745,521	941,599	157,635	9,914,377
2014	67,902	9,065,925	952,678	164,069	10,250,574
2015	69,887	9,157,986	993,059	170,674	10,391,606

CITY OF OSAGE BEACH, MISSOURI

TABLE 6

TAXABLE SALES BY CATEGORY  
(in thousands of Dollars)

SIC Codes	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agricultural Services (07)	\$ -	\$ -	\$ -	\$ -	\$ 290	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Special Trade(17)	141	-	171	114	191	515	1,040	1,954	468	524
Food And Kindred Products (20)	-	10	-	-	-	14	-	-	57	-
Printing, Publishing, and Allied In (27)	-	-	-	-	-	-	-	119	254	126
Elect/Electronic Machinery, Equip. (36)	-	7	23	5	7	10	4	531	1,461	3,276
Meas/Analy/Con Inst/Photo/Med/Optic (38)	-	-	-	44	25	21	24	52	108	63
Misc. Manufacturing Industries (39)	15	58	58	98	10	8	25	26	55	31
Communications (48)	5,668	5,785	5,805	5,639	5,082	4,874	3,680	3,153	3,339	2,417
Wholesale Trade Durable Goods (50)	953	1,583	1,482	1,116	2,553	2,994	1,839	5,562	10,802	8,797
Wholesale Trade Nondurable Goods (51)	324	440	457	506	263	274	1,239	1,299	1,263	944
Building Materials(52)	14,452	7,092	19,336	43,186	40,662	38,383	36,299	36,423	37,523	31,424
General Merchandise Stores (53)	16,968	86,938	84,593	77,173	74,394	73,715	75,572	74,982	73,951	57,227
Food Stores (54)	33,704	34,935	36,145	36,531	37,591	38,935	38,989	47,643	48,911	40,842
Automotive Store & Service Stations (55)	7,155	6,435	7,835	7,710	8,536	9,098	10,789	10,689	12,105	9,960
Apparel & Accessory Stores (56)	54,708	60,299	69,149	74,919	71,020	76,151	80,729	70,306	67,862	51,787
Furniture & Home Furnishings (57)	73,372	73,034	64,883	24,952	24,986	27,250	27,884	28,335	33,321	25,630
Eating & Drinking (58)	51,869	51,825	50,593	48,363	46,717	45,699	46,481	50,342	53,164	42,411
Misc. Retail (59)	46,043	45,491	28,633	26,626	25,324	24,717	25,641	29,220	30,261	22,575
Real Estate (65)	-	-	257	466	668	691	579	555	553	-
Hotel, Rooming Houses, Camp/Other (70)	9,817	10,745	10,150	9,581	9,040	9,089	8,840	8,639	8,910	7,511
Personal Services (72)	8	7	16	130	167	237	236	224	963	666
Misc. Business Services (73)	2,297	2,743	2,899	3,257	3,583	3,988	4,514	3,792	4,469	4,755
Automotive Repair Services (75)	2,023	2,268	2,155	2,120	1,973	1,969	2,063	2,982	2,687	2,055
Misc. Repair Services (76)	-	-	-	4	-	212	276	-	364	96
Amusement/Recreation Services (79)	4,311	4,322	4,868	4,713	4,752	4,953	4,768	4,600	4,193	2,181
Health Services (80)	81	349	336	173	272	539	537	512	659	574
Misc. Services (89)	14,286	15,439	12,334	12,890	19,046	19,337	19,488	16,924	13,109	8,286
Suppressed Totals <sup>1</sup>	146,639	76,693	56,814	57,749	58,468	58,121	57,849	56,225	57,436	39,504
<b>Total</b>	<b>\$ 484,834</b>	<b>\$ 486,498</b>	<b>\$ 458,992</b>	<b>\$ 438,065</b>	<b>\$ 435,330</b>	<b>\$ 441,794</b>	<b>\$ 449,385</b>	<b>\$ 455,089</b>	<b>\$ 468,246</b>	<b>\$ 363,662</b>
<b>City Direct Sales Tax Rate</b>	<b>2.00%</b>									

Source: Missouri Department of Revenue

Notes:

Missouri law prohibits the City from making the individual principal revenue remitters public, so they are presented by category. (SIC Codes)

This is the only information available from the state.

Information based on State of Missouri's fiscal year. (July 1st thru June 30th)

<sup>1</sup>If an individual economic sector (SIC Code) has 6 or less entries they suppress the taxable sales and tax collection numbers to comply with state statutes.

CITY OF OSAGE BEACH, MISSOURI

TABLE 7

DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN YEARS

FISCAL YEAR	CITY DIRECT RATE	CAMDEN COUNTY RATE	MILLER COUNTY RATE	MILLER CO. AMBULANCE RATE	TDD PREWITT PT. RATE	TDD OSAGE STAT. RATE	TDD DIERBERGS RATE	STATE SALES TAX RATE
2006	2%	1%	1%	0.50%	0.50%	0.75%	0.00%	4.225%
2007	2%	1.25%	1%	0.50%	0.50%	0.75%	0.00%	4.225%
2008	2%	1.25%	1%	0.50%	0.50%	0.75%	0.00%	4.225%
2009	2%	1.25%	1%	0.50%	1.00%	0.75%	0.00%	4.225%
2010	2%	1.25%	1%	0.50%	1.00%	0.75%	0.00%	4.225%
2011	2%	1.25%	1%	0.50%	1.00%	0.75%	0.00%	4.225%
2012	2%	1.25%	1%	0.50%	1.00%	0.75%	0.00%	4.225%
2013	2%	1.25%	1%	0.50%	1.00%	0.75%	1.00%	4.225%
2014	2%	1.25%	1%	0.50%	1.00%	0.75%	1.00%	4.225%
2015	2%	1.25%	1%	0.50%	1.00%	0.75%	1.00%	4.225%

CITY OF OSAGE BEACH, MISSOURI

TABLE 8

PRINCIPAL REVENUE REMITTERS BY CATEGORY  
CURRENT YEAR AND NINE YEARS AGO  
(in thousands of Dollars)

SIC Code	SIC Description	Fiscal Year 2015					Fiscal Year 2007				
		Taxable Sales	Tax Collected	Entity Count	Rank	Percentage Of Total City Sales Tax	Taxable Sales	Tax Collected	Entity Count	Rank	Percentage Of Total City Sales Tax
53	General Merchandise Stores	\$ 57,227	\$ 1,145	25	1	15.74%	\$ 86,938	\$ 1,739	19	15	21.77%
56	Apparel & Accessory Stores	\$ 51,787	\$ 1,036	71	2	14.24%	\$ 60,299	\$ 1,206	57	3	15.10%
58	Eating & Drinking	\$ 42,411	\$ 848	63	3	11.66%	\$ 51,825	\$ 1,037	65	2	12.98%
54	Food Stores	\$ 40,842	\$ 817	23	4	11.23%	\$ 34,935	\$ 699	25	5	8.75%
52	Building Materials	\$ 31,424	\$ 628	34	5	8.64%	\$ 7,092	\$ 142	20	6	1.78%
57	Furniture & Home Furnishings	\$ 25,630	\$ 513	73	6	7.05%	\$ 73,034	\$ 1,461	56	1	18.29%
59	Misc. Retail	\$ 22,575	\$ 452	220	7	6.21%	\$ 45,491	\$ 910	230	4	11.39%
55	Auto Store & Service Stations	\$ 9,960	\$ 199	51	8	2.74%	\$ 6,435	\$ 129	29	9	1.61%
50	Wholesale Trade Durable Goods	\$ 8,797	\$ 176	57	9	2.42%	\$ 1,583	\$ 32	39	13	0.40%
89	Misc. Services	\$ 8,286	\$ 166	105	10	2.28%	\$ 15,439	\$ 309	64	7	3.87%
70	Hotel, Rooming H., Camp/Other	\$ 7,511	\$ 150	44	11	2.07%	\$ 10,745	\$ 215	34	8	2.69%
73	Misc. Business Services	\$ 4,755	\$ 95	99	12	1.31%	\$ 2,743	\$ 55	45	12	0.69%
36	Elect/Electronic Machinery, Equip.	\$ 3,276	\$ 66	35	13	0.90%	\$ 7	\$ 0	13	18	0.00%
48	Communications	\$ 2,417	\$ 48	79	14	0.66%	\$ 5,785	\$ 116	73	10	1.45%
79	Amusement/Recreation Services	\$ 2,181	\$ 44	19	15	0.60%	\$ 4,322	\$ 86	11	11	1.08%
75	Automotive Repair Services	\$ 2,055	\$ 41	33	16	0.57%	\$ 2,268	\$ 45	28	14	0.57%
51	Wholesale Trade Nondurable Goods	\$ 944	\$ 19	37	17	0.26%	\$ 440	\$ 9	20	17	0.11%
72	Personal Services	\$ 666	\$ 13	22	18	0.18%	\$ 7	\$ 0	2	20	0.00%
80	Health Services	\$ 574	\$ 11	21	19	0.16%	\$ 349	\$ 7	9	19	0.09%
17	Construction Special Trade	\$ 524	\$ 10	16	20	0.14%	\$ -	\$ -	-	16	0.00%
	Other Non Suppressed Totals	\$ 316	\$ 6			0.09%	\$ 37,005	\$ 740			9.27%
	Suppressed Totals <sup>1</sup>	\$ 39,504	\$ 790			10.86%	\$ 39,504	\$ 790			9.89%
	<b>Total</b>	<b>\$ 363,662</b>	<b>\$ 7,273</b>			<b>100%</b>	<b>\$ 486,246</b>	<b>\$ 7,986</b>			<b>100%</b>

Source: Missouri Depart. of Rev.

Notes:

Missouri law prohibits the City from making the individual principal revenue remitters public, so they are presented by category. (SIC Codes) This is the only information available from the state.

Taxable sales and tax collected is presented in thousands of dollars, but percentage of total city sales tax is based on whole dollar amount.

Information based on State of Missouri's fiscal year. (July 1st thru June 30th)

<sup>1</sup>If individual economic sector (SIC Code) has 6 or less entries the taxable sales and tax collection numbers are suppressed to comply with state statutes.

CITY OF OSAGE BEACH, MISSOURI

TABLE 9

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	POPULATION	PER CAPITA	% OF PER CAPITA INCOME OF OSAGE BEACH RESIDENTS WITHIN CAMDEN CTY	% OF PER CAPITA INCOME OF OSAGE BEACH RESIDENTS WITHIN MILLER CTY		
	GENERAL OBLIGATION BONDS		WATER/SEWER REVENUE BONDS	NOTE PAYABLE							
2006	\$	1,315,000	\$	36,005,000	\$	-	\$ 37,320,000	4,424	\$ 8,436	27%	35%
2007		1,065,000		37,010,000		-	38,075,000	4,621	8,240	26%	33%
2008		810,000		35,320,000		-	36,130,000	4,780	7,559	23%	29%
2009		550,000		33,575,000		-	34,125,000	4,709	7,247	23%	28%
2010		280,000		31,760,000		-	32,040,000	4,352	7,362	24%	28%
2011		-		29,895,000		-	29,895,000	4,341	6,887	21%	26%
2012		-		27,950,000		-	27,950,000	4,366	6,402	19%	23%
2013		-		25,920,000		-	25,920,000	4,366	5,937	18%	21%
2014		-		23,810,000		-	23,810,000	4,395	5,418	15%	18%
2015		-		21,610,000		111,755	21,721,755	4,395	4,942	14%	17%

**Notes:**  
 Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 See Schedule of Demographic and Economic Statistics for personal income and population data.  
 Personal income and per capita personal income not available for the City of Osage Beach, county information was utilized.  
 Osage Beach population is in both Camden and Miller County but the exact division of population is unknown.  
 Population data listed is based on estimates from the U.S. Census Bureau

CITY OF OSAGE BEACH, MISSOURI

TABLE 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS

<u>FISCAL YEAR</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>PERCENTAGE OF SALES TAX RECEIVED</u>	<u>PER CAPITA</u>
2006	\$ 1,315,000	13.90%	\$ 331
2007	1,065,000	11.14%	241
2008	810,000	9.09%	175
2009	550,000	6.51%	115
2010	280,000	3.34%	59
2011	-		-
2012	-		-
2013	-		-
2014	-		-
2015	-		-

**Note:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements. See Schedule of Demographic and Economic Statistics for personal income and population data.

Sales tax received for each year is in the schedule Governmental Activities Tax Revenue by source for the City.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
As of December 31, 2015

NAME OF GOVERNMENTAL UNIT	LONG-TERM DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF OSAGE BEACH <sup>1</sup>	AMOUNT APPLICABLE TO CITY OF OSAGE BEACH
City of Osage Beach direct debt	\$21,610,000	100%	<u>\$21,610,000</u>
Camdenton R-III School District	64,680,000	16%	10,348,800
School of the Osage R-II	38,450,000	4%	1,538,000
Osage Beach Fire Protection District	1,035,000	53%	<u>548,550</u>
Subtotal, overlapping debt			<u>\$12,435,350</u>
Total direct and overlapping debt			<u><u>\$34,045,350</u></u>

**Sources:** Debt outstanding data provided by Camden County, Miller County, Camdenton School District, School of the Osage School District and the Osage Beach Fire Protection District.

**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 Osage Beach. 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.

<sup>1</sup>The percentage of overlapping debt applicable is estimated using student population of both of the school districts and land area located inside or out of the Osage Beach Fire District.

**CITY OF OSAGE BEACH, MISSOURI**

TABLE 12

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$46,481,936	\$53,519,002	\$55,610,030	\$55,907,389	\$55,846,465	\$55,111,829	\$54,718,090	\$55,091,515	\$57,307,294	\$57,728,809
Total Net debt applicable to limit	1,315,000	1,065,000	810,000	550,000	280,000	-	-	-	-	-
Legal debt margin	\$45,166,936	\$52,454,002	\$54,800,030	\$55,357,389	\$55,566,465	\$55,111,829	\$54,718,090	\$55,091,515	\$57,307,294	\$57,728,809
Total net debt applicable to limit as a percentage of debt limit	2.83%	1.99%	1.46%	0.98%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Total Assessed Value	\$288,644,045
Debt limit (20% of total assessed value)	57,728,809
Debt applicable to limit:	<u>-</u>
Legal debt margin	<u><u>\$57,728,809</u></u>

Under Article VI, Sections 26 (b) and 26 © of the Missouri Constitution, the City by a vote of 2/3 of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable intangible property within the City as asserted by the last complete assessment for state or county purposes. Under Section 26 (d) of said Article VI, the city may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation for the purpose of acquiring rights of way, constructing and improving sanitary or storm sewer systems; and under Section 26 (e) of said article VI, additional general obligation indebtedness may be incurred for purchasing or constructing water-works electric or other light plants to be owned exclusively by the City, provided that the general obligation indebtedness of the City shall not exceed 20% of the assessed valuation.

CITY OF OSAGE BEACH, MISSOURI

TABLE 13

WATER/SEWER FUND  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING REVENUE <sup>2</sup>	DIRECT OPERATING EXPENSE <sup>3</sup>	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIO	CAPT. IMPROV. TRANSFER <sup>1</sup>
				PRINCIPAL	INTEREST	TOTAL		
2006	\$4,551,764	\$2,127,326	\$2,424,438	\$1,245,000	\$1,828,613	\$3,073,613	0.79	\$2,467,396
2007	4,778,742	2,217,517	2,561,225	1,405,000	1,714,615	3,119,615	0.82	2,380,000
2008	4,522,564	2,256,072	2,266,492	1,545,000	1,630,889	3,175,889	0.71	2,340,000
2009	3,946,471	2,494,769	1,451,702	1,690,000	1,587,512	3,277,512	0.44	1,776,667
2010	4,392,279	2,302,711	2,089,568	1,745,000	1,511,165	3,256,165	0.64	1,910,001
2011	4,336,457	2,501,602	1,834,855	1,815,000	1,433,717	3,248,717	0.56	1,800,000
2012	4,660,931	2,449,339	2,211,592	1,865,000	1,341,017	3,206,017	0.69	1,855,000
2013	4,583,572	2,615,319	1,968,253	1,945,000	1,243,608	3,188,608	0.62	1,925,000
2014	4,763,887	2,312,994	2,450,893	2,030,000	1,134,410	3,164,410	0.77	1,925,000
2015	4,568,719	2,698,936	1,869,783	2,200,000	1,049,403	3,249,403	0.58	1,935,000

<sup>1</sup> The Water/Sewer Fund Deficit is subsidized by Capital Improvement Fund transfers.

<sup>2</sup> Operating Revenue includes investment income & DNR interest subsidy.

<sup>3</sup> Excludes depreciation expense.

CITY OF OSAGE BEACH, MISSOURI

TABLE 14

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

FISCAL YEAR	Population <sup>1</sup>	Personal Income <sup>2</sup> of Osage Beach Residents within Camden County*	Personal Income <sup>2</sup> of Osage Beach Residents within Miller County *	Per Capita Personal Income <sup>2</sup> Camden County	Per Capita Personal Income <sup>2</sup> Miller County	Unemployment Rate <sup>3</sup> Camden County	Unemployment Rate <sup>3</sup> Miller County
2005	4,411	\$137,501	\$107,905	\$31,172	\$24,463	4.7%	5.2%
2007	4,603	145,806	116,330	31,676	25,273	4.8%	5.2%
2008	4,698	153,591	123,967	32,693	26,387	6.0%	6.5%
2009	4,709	151,392	122,428	32,149	25,999	9.9%	11.9%
2010	4,352	134,007	112,429	30,792	25,840	10.9%	12.0%
2011	4,341	140,351	116,046	32,332	26,745	10.6%	11.1%
2012	4,365	144,720	120,256	33,155	27,569	9.5%	9.1%
2013	4,366	147,940	123,709	33,885	28,296	9.1%	8.7%
2014	4,395	154,693	130,830	35,197	29,925	8.0%	7.6%
2015	4,395	154,693	130,830	35,197	29,925	8.0%	7.6%

Sources:

<sup>1</sup>U.S. Census Bureau (July 1st of each estimate year).

<sup>2</sup> U.S. Department Of Commerce Bureau Of Economic Analysis

<sup>3</sup> U.S. Dept. of Labor Bureau of Labor Statistics. Percentage calculated on an annual average.

Reflects revised inputs, reestimation, and new statewide controls

Notes:

\* Denotes numbers expressed in thousands

Personal income and per capita personal income not available for the City of Osage Beach, so county information was utilized.

Osage Beach population is in both Camden and Miller County but the exact division of population is unknown.

Population data listed is based on estimates from the U.S. Census Bureau

CITY OF OSAGE BEACH, MISSOURI

TABLE 15

PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO

<u>Employer</u>	<u>2015</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Factory Outlet Village	800-1200	1	27.51%	800-1200	1	29.57%
Lake Regional Hospital	1100	2	25.22%	1100	2	27.11%
<sup>2</sup> Camdenton R-III School District	677	3	15.52%	677	3	16.68%
<sup>1</sup> Tan Tar A Resort	560	4	12.84%	560	4	13.80%
Hy-Vee	435	5	9.97%	435	5	10.72%
Wal-Mart Supercenter	430	6	9.86%	430	6	10.60%
<sup>2</sup> School of the Osage R-II School District	250	7	5.73%	250	7	6.16%
<sup>3</sup> Central Bank of Lake of the Ozarks	165	8	3.78%	165	9	4.07%
Lowe's	152	9	3.48%	164	8	4.04%
Target	150	10	3.44%	150	10	3.70%
City of Osage Beach	126		2.89%	107		2.64%

**Sources:**

Lake of the Ozarks Regional Economic Development Council

**Notes:**

All numbers include both fulltime and parttime employment

<sup>1</sup>Employer is not located within the Osage Beach City Limits

<sup>2</sup>Employment numbers represent entire School District which includes schools outside of the Osage Beach City Limits.

<sup>3</sup>Employment numbers represent all Central Bank locations of which 3 locations are within the Osage Beach City Limits.

CITY OF OSAGE BEACH, MISSOURI

TABLE 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
City Administrator	2	2	2	2	2	2	2	2	3	3
City Clerk's Office	4	4	4	4	4	4	3	3	3	3
City Treasurer	5	5	5	4	4	4	4	4	4	4
Municipal Court	1	1	1	1	1	1	1	1	1	1
City Attorney <sup>2</sup>	0	0	1	1	1	1	1	1	1	1
Building Inspection <sup>1</sup>	3.5	3.5	4.5	3.5	3.5	3.5	3	3	3	3
Parks & Recreation	2	2	2	3	3	3	3	3	7	7
Human Resources	1	1	1	1	1	1	1	1	1	1
Planning Department <sup>1</sup>	3	3	3	2.5	2.5	2.5	2.5	2.25	2	2
Information Technology	2	2	2	2	2	2	2	2	3	3
Engineering Department <sup>3</sup>	4.5	4.5	5.5	4	4	4	4.5	4.75	0	0
<b>Police</b>										
Law Enforcement	30	30	30	30	30	29	29	29	33	33
911 Center	11	11	11	11	11	11	11	11	11	11
<b>Public Works</b>										
Transportation <sup>1</sup>	8	8	8	8.3	8.3	8.3	10.33	10.3	11	11
Water <sup>1</sup>	4.5	4.5	4.5	5.3	5.3	5.3	5.3	5.3	8.48	8.48
Sewer <sup>1</sup>	9.5	9.5	9.5	8.4	8.4	8.4	8.4	8.4	10.52	10.52
<b>Ambulance</b>	7	7	7	7	7	7	6	6	15	15
<b>Airport</b>										
Lee C. Fine <sup>1</sup>	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.6	5.6	5.6
Grand Glaize <sup>1</sup>	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.4	3.4	3.4
<b>Total</b>	<b>104</b>	<b>104</b>	<b>107</b>	<b>104</b>	<b>104</b>	<b>103</b>	<b>103.03</b>	<b>103</b>	<b>126</b>	<b>126</b>

Source: Annual Budget

Note:

<sup>1</sup>Some City Employee's wages are split between different departments.

<sup>2</sup>A full time City Attorney was hired in 2008, the City previously outsourced this service.

<sup>3</sup>In 2014 the City of Osage Beach integrated the Engineering Dept. into Public Works.

CITY OF OSAGE BEACH, MISSOURI

TABLE 17

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Incident Reports	2,437	2,540	2,312	2,023	1,975	1,727	1,644	1,464	1,660	1,832
Traffic Violations	3,176	2,412	2,838	1,858	1,793	1,712	1,290	1,783	1,856	2,145
Traffic Warnings	2,039	2,382	3,085	2,967	2,561	2,430	2,169	2,507	2,099	2,307
<b>911 Center<sup>1</sup></b>										
Number of Calls Answered	24,789	20,624	20,509	20,946	19,927	20,420	23,133	21,160	21,458	20,859
<b>Ambulance</b>										
Calls for service	815	831	875	828	887	888	825	812	777	858
<b>Building</b>										
<u>Permits</u>										
Residential	108	105	83	87	76	57	86	67	77	70
Commercial	129	131	78	68	79	97	92	72	73	71
<b>Water</b>										
<sup>2</sup> Total Water Sold (thousands of Gallons)		295,828	278,237	260,479	300,688	305,915	329,769	326,699	318,395	314,906
<b>Wastewater</b>										
Average Daily Sewage Treatment (thousands of Gallons)	1,254	1,302	1,300	1,229	1,093	987	1,030	1,006	1,176	1,320
<b>Airports</b>										
<u>Lee C. Fine:</u>										
Number of Take Offs & Landings	6,755	5,630	5,674	5,131	5,667	5,030	5,147	4,721	4,522	5,023
<u>Grand Glaize:</u>										
Number of Take Offs & Landings	5,968	5,248	4,161	3,937	3,196	3,059	2,587	2,348	2,129	2,431
<b>Recycling</b>										
Waste Oil (gallons)	1,478	962	1,763	1,673	2,138	1,750	951	551	634	1,029
White Goods (pounds)						15,080	9,420	8,500	5,168	5,620

Sources: Various Government Departments

Notes:

<sup>1</sup>Number of Calls represents both emergency and non-emergency calls. In 2005 the Osage Beach 911 Center was extended to include calls for the Lake Ozark Fire Protection Department, and the Lake Ozark Ambulance Service.

<sup>2</sup>Prior to 2007 gallons of water sold were not tracked.

CITY OF OSAGE BEACH, MISSOURI

TABLE 18

CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
<u>Police:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	21	22	22	22	22	21	21	21	21	21
<u>Ambulance Protection:</u>										
Number of Vehicles	2	2	2	2	2	2	2	2	2	2
<b>Highways and Streets</b>										
Miles of Streets Paved	36.16	37	37.38	37.38	37.78	37.78	38.08	44.65	44.65	45.45
Miles of Sidewalks	3.75	3.75	3.75	5.31	6.09	6.09	6.87	6.87	7.33	7.33
Number of Street Lights	486	495	500	517	517	538	628	638	638	640
<b>Parks and Recreation</b>										
Parks Acreage	106	106	106	106	106	106	106	106	106	106
Number of Parks	2	2	2	2	2	2	2	2	2	2
<b>Water</b>										
Water Mains (miles)	236.43	238.56	239.36	241.56	241.84	245.8	246.84	246.84	246.84	248.15
Fire Hydrants	913	915	925	927	930	969	983	983	983	994
Wells	5	5	5	5	5	5	5	5	5	5
Water Towers	4	4	4	4	4	4	4	4	4	4
<b>Sewer</b>										
Sanitary Sewers (miles)	135.79	140.79	141.59	143.39	143.96	148.30	149.71	149.95	150.95	151.94
Pump Stations	1,119	1,138	1,145	1,174	1,178	1,186	1,218	1,224	1,229	1,239

Sources: Various Government Departments