

FOOD & BEVERAGE OCCUPATION TAX OVERSIGHT COMMITTEE

**P.O. Box 1968
Grand Island, NE 68802-1968
Phone: (308) 385-5444, ext. 111
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AGENDA

Thursday, September 9, 2021

4:00 p.m.

**Community Meeting Room – City Hall
Grand Island City Hall**

1. Call to Order
2. Roll Call
3. Approval of June 10, 2021 Meeting Minutes
4. Grow Grand Island Report
 - a) Review 2020 Audit
5. Finance Department
 - a) Revenues
 - b) Expenditures
6. Review of Annual Report to City Council
7. Adjourn

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF FOOD & BEVERAGE OCCUPATION TAX OVERSIGHT COMMITTEE

June 10, 2021

Pursuant to due call and notice thereof, a Regular Meeting of the Food & Beverage Occupation Tax Oversight Committee of Grand Island, Nebraska was conducted in the Community Meeting Room of City Hall, 100 East First Street, on June 10, 2021. Notice of the meeting was given in *The Grand Island Independent* on June 2, 2021.

Chairman Ronald Depue called the meeting to order at 4:00 p.m. The following board members were present: Ron Depue, Karl Kostbahn, Brad Bauer, and Tanya Hansen. Gary Phillips was absent. The following City Officials were present: City Administrator Jerry Janulewicz, Finance Director Patrick Brown, and City Clerk RaNae Edwards.

APPROVAL OF MINUTES. Motion was made by Karl Kostbahn, seconded by Tanya Hansen to approve the December 10, 2020 minutes. Upon roll call vote, all voted aye. Motion adopted.

Received and reviewed were the notes from the March 11, 2021 meeting. No action was taken at this meeting as there was not a quorum.

GROW GRAND ISLAND (GGI) REPORT. GGI Chair Tonja Brown presented the GGI report as of May 31, 2021. Total revenue received was \$1,683,010.83 and total disbursed was \$758,620.07 with an ending bank balance of \$924,390.76. Of that amount \$945,873.02 was committed. There were current 7 projects in the works. Ms. Brown stated they had a retreat in January with the Executive Board to prioritize projects. Mentioned was the \$1,000,000 grant GGI received which would be matched by the Economic Development Corporation.

Ms. Brown gave an update on the entryway signs. The sign on Highway 281 has been removed and it was planned to have the new sign in place before the Nebraska State Fair. Maintenance on the signs would be done by the City. Discussed was the 2020 audit which would be presented at the next meeting in September.

EXPENDITURES & REVENUES: Finance Director Patrick Brown reviewed the expenses as of May 31, 2021. Total expenses were \$1,332,677.08 and total revenues were \$1,651,613.35. Ending cash balance was \$3,909,717.03. Mr. Brown stated the last two months of Food and Beverage Occupation Tax received had been the highest we had ever received.

Discussion was held on the \$3.9 million in the bank and what that money could be used for. It was mentioned that \$1.7 million was ongoing payments for the State Fair, Grow Grand Island, Husker Harvest Days, etc.

Mr. Brown answered a question regarding restaurants paying their taxes. He stated they were all up-to-date.

The next meeting will be held on September 9, 2021 at 4:00 p.m.

ADJOURNMENT: 4:29 p.m.

RaNae Edwards
City Clerk

**GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
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**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Grow Grand Island, Inc.
Grand Island, Nebraska

We have audited the accompanying financial statement of Grow Grand Island, Inc., Food and Beverage Fund, as of and for the year ended December 31, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - cash basis of Grow Grand Island, Inc., Food and Beverage Fund as of December 31, 2020, and the changes in its net assets for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Food and Beverage Fund and do not purport to, and do not present fairly the financial position of Grow Grand Island, Inc., as of December 31, 2020, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, effective January 1, 2020, Grow Grand Island, Inc., adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Dana J Cole + Company, LLP

Grand Island, Nebraska
February 25, 2021

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS
YEARS ENDED DECEMBER 31, 2020

ASSETS

ASSETS	
Cash	<u>1,023,400</u>

NET ASSETS

NET ASSETS	
With donor restrictions	<u>1,023,400</u>

GROW GRAND ISLAND, INC.
 FOOD AND BEVERAGE FUND
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET ASSETS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2020

NET ASSETS WITH DONOR RESTRICTIONS	
RECEIPTS	
Support	
City of Grand Island	150,000
Interest income net of fees	<u>10,640</u>
Total receipts	<u>160,640</u>
DISBURSEMENTS	
Administrative	2,172
Grants distributed	<u>97,070</u>
Total disbursements	<u>99,242</u>
CHANGE IN NET ASSETS BEFORE TRANSFER	61,398
Transfer to Business Fund	<u>(529)</u>
INCREASE NET ASSETS	60,869
NET ASSETS, beginning of year	<u>962,531</u>
NET ASSETS, end of year	<u>1,023,400</u>

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Grow Grand Island, Inc., was incorporated August 25, 2016. The purpose of the Corporation is to promote, encourage, and develop projects and programs to promote entertainment, agricultural and livestock shows, trade shows, and similar events that will attract visitors to Grand Island. The Corporation is to invest in community development projects and activities that stimulate progress and growth for Grand Island. The Corporation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The majority of the Corporation's revenue is from private and corporate contributions, grants, gifts, and other sources.

The Corporation operates two funds, the Business Fund and the Food and Beverage Fund. Prior to 2018 for the Business Fund and 2019 for the Food and Beverage Fund, the funds for Grow Grand Island, Inc., were held at Grand Island Community Foundation, Inc. Since that time separate bank accounts have been established for each fund and separate records have been maintained.

Basis of Accounting

The Corporation prepares its financial statements on the cash basis. These statements represent a summary of the cash activity of the various funds of the Corporation and do not include certain transactions that would be included if the Corporation prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. Under the cash basis, receipts are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

New Accounting Pronouncements

Effective January 1, 2020, the Chamber adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transactions identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (ASC Topic 606 - *Revenue Recognition*). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

grant. ASU 2018-08 was implemented on a modified prospective basis. Therefore, on January 1, 2020, the new standard was applied to agreements that were either not completed as of January 1, 2020, or entered into after January 1, 2020. The December 31, 2019, financial statements were not restated and continue to be reported under the accounting standards in effect in that period. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

Financial Statement Presentation

The financial statements included in this report are only reporting on the Food and Beverage Fund of Grow Grand Island, Inc.

The financial statements report amounts by class of net assets, as required by ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions

The Corporation accounts for contributions in accordance with the recommendations of FASB ASC 958-605. The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All funds in the Food and Beverage Fund are restricted by ballot language and state statute.

Income Taxes

The Internal Revenue Service has determined that the Corporation is exempt from federal income tax under Section 501(c)(3) of the Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income.

The Corporation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. Management does not expect the interpretation will have a material impact (if any) on its results from operations or financial position.

NOTE 2. CONCENTRATION OF CREDIT RISK

Essentially all of the Corporation's funding for the Food and Beverage Fund is provided by support from the City of Grand Island, Nebraska, for the year ended December 31, 2020. If this major funding ceased, the Corporation could not continue the level of services currently provided.

At December 31, 2020, all of the Corporation's deposits with financial institutions were either fully insured or collateralized by securities held in the Corporation's name in the form of joint safekeeping receipts.

NOTE 3. NET ASSETS

Net assets consist of:

Net assets with donor restrictions	<u>1,023,400</u>
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NOTE 4. CITY OF GRAND ISLAND AGREEMENT

Beginning October 25, 2016, the City of Grand Island, Nebraska, entered into a contract with Grow Grand Island, Inc. Per the agreement, the City shall provide annually a minimum of \$500,000 to Grow Grand Island, Inc., from the funds derived as a result of the City's occupation tax of food and beverage retailers. The term is for a 24-month period with an automatic renewal. The current term expired September 30, 2020.

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 4. CITY OF GRAND ISLAND AGREEMENT (Continued)

In September 2020, the contract with the City of Grand Island was renewed for a 2-year term with the potential for a 2-year extension. The \$500,000 will be paid out according to a schedule provided to the City when the grant application is submitted for their review. For the year ended December 31, 2020, the City of Grand Island forwarded \$150,000 to the Food and Beverage Fund at Grow Grand, Inc.

The funds are to be expended by Grow Grand Island, Inc., solely for projects, programs, and purposes that serve and carry out a public purpose as expressly authorized. Employee and operation expense shall be no more than 10% of the City funds.

NOTE 5. DONOR-RESTRICTED NET ASSETS

Donor-restricted net assets as of December 31, 2020, are available for the following purposes:

City of Grand Island restricted to promote activities that will stimulate progress and growth for Grand Island	<u>1,023,400</u>
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NOTE 6. COVID-19

The Coronavirus (COVID-19) impacted Grow Grand Island, Inc., by the slowing of business activity in the geographical area the Corporation serves. Thus, the pandemic slowed the progress for partnering and funding new projects. Partnering organizations and businesses were not operating at full capacity, impacting work flow, prioritization and pace. As a result of the city tax revenue shortages, the funding that the Grow Grand Island Food and Beverage Fund receives for grant issuance from the City of Grand Island was mutually agreed to be less than contractually stated.

NOTE 7. SUBSEQUENT EVENTS

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through February 25, 2021, the date the financial statements were available to be issued.

It is anticipated that the Coronavirus will have a negative impact upon the Corporation going forward as the business activity in the geographical area the Corporation serves continues to show a decline. The dollar value of the anticipated decline in receipts is not known at the time of issuance of the financial statements. The Corporation expects to have a proportional decline in grant disbursements that could offset the anticipated decline in receipts.

Grow Grand Island - Food & Beverage Fund Summary

AS OF August 31, 2021

CITY FY View

	Allocation	Projects Exp	Admin Exp	Total Disbursed	GICF Fees	GICF Interest	HF Interest
Oct-Sept							
2016-17	500,000.00	430,646.03	29,130.28	459,776.31	1,669.00	644.15	
2017-18	500,000.00	19,353.97	79,201.90	98,555.87	5,656.75	2,571.95	
GGI***			(5,115.99)	-5,115.99			
2018-19	500,000.00		3,851.94	3,851.94	3,851.94	2,556.03	9,593.29
2019-20	150,000.00	41,318.54	2,171.40	43,489.94	0.00		12,874.96
2020-21		266,081.56	1,190.00	267,271.56			6,022.93
2021-22				0.00			
TOTALS	1,650,000.00	757,400.10	110,429.53	867,829.63	11,177.69	5,772.13	28,491.18

Interest: **34,263.31**

Revenue: 1,684,263.31

Disbursed: (867,829.63)

Bank: 816,433.68

Committed: (860,663.46)

Balance: (44,229.78)

Pipeline: (185,000.00)

20/21 Alloc: 500,000.00

Available: 270,770.22

Grow Grand Island Project Dashboard (2016-2021)

PROJECTS - Completed	Project Total	GGI GRANT	OTHER Funds	LEVERAGED
Imagination Takes Flight***	\$116,140	\$15,000	\$101,140	87.08%
Railside Bike Racks***	\$10,000	\$5,000	\$5,000	50.00%
Railside Public Art***	\$95,800	\$7,500	\$88,300	92.17%
Workforce Analytics Software***	\$24,000	\$12,000	\$12,000	50.00%
Olympic Bunker Trap	\$731,790	\$150,000	\$581,790	79.50%
Equine Stalls	\$900,000	\$300,000	\$600,000	66.67%
GI Promo OTT 2019 Campaign	\$25,000	\$10,000	\$15,000	60.00%
Railside Wayfinding Totems***	\$14,360	\$0	\$14,360	100.00%
Fonner Park Lot	\$72,000	\$35,000	\$37,000	51.39%
HEC Customer Experience	\$44,744	\$29,744	\$15,000	33.52%
	\$2,033,834	\$564,244	\$1,469,590	

PROJECTS - In Progress	Project Total	GGI GRANT	OTHER Funds	LEVERAGED
Event Incentive Fund	\$400,000	\$400,000		0.00%
Targeted Talent Attraction	\$65,000	\$65,000		0.00%
Future Builders	\$191,700	\$52,000	\$139,700	72.87%
Look Local Grow Local	\$36,978	\$36,978		0.00%
EDGE Upskilling	\$51,350	\$0	\$51,350	100.00%
Degree-Based Internship	\$225,000	\$225,000	TBD	0.00%
Entryway Signage	\$233,450	\$229,050	\$4,400	2.20%
GI Image	\$137,000	\$70,000	\$67,000	48.91%
	\$1,340,478	\$1,078,028	\$262,450	

PROJECTS - Pipeline				
Mormon Island Expansion/Trail				
Internship Housing				
Amur Plaza				
Fonner Master Plan				
Additional Entryway Signs				
TOTALS	\$3,374,312	\$1,642,272	\$1,732,040	51.00%
GGI Funded without F&B***		-\$39,500		
Administrative		\$109,239		
Adjusted Total		\$1,712,011		

Food and Beverage
Occupation Tax Committee

Summary of All Years

ACCOUNT DESCRIPTION/PROJECT NAME	Restricted Activity	Unrestricted Activity	Comments
BEGINNING CASH	\$1,244,202.19	\$0.00	
REVENUE			
FOOD & BEV OCCUPATION TAX	\$0.00	\$12,109,435.07	
OTHER REVENUE	\$0.00	\$423,363.40	
OTHER BOND PROCEEDS	\$0.00	\$5,000,000.00	
	\$0.00	\$17,532,798.47	
EXPENSES			
STOLLEY CONCESSION BUILDING REMODEL	\$0.00	\$59,316.28	
VETS BATTING CAGES	\$0.00	\$17,068.12	
CEMETERY ROAD TO SPACES	\$0.00	\$0.00	
CEMETERY COLUMBARIUM	\$0.00	\$0.00	
HPSP BAFFLES	\$0.00	\$33,264.50	
ENG/DESIGN - UNRESTRICTED	\$0.00	\$350,737.77	
VETS FIELD-RESTROOM AND CONC BUILDING	\$287,942.99	\$0.00	
PLAYGROUND EQUIPMENT	\$0.00	\$73,747.51	
SUCKS LAKE RETAINING WALL (2017)	\$0.00	\$142,094.00	
STERLING ESTATES PARK EQUIPMENT	\$0.00	\$81,342.32	
HPSP LAND IMPROVEMENTS (2017)	\$0.00	\$9,997.00	
VETS BALLFIELD	\$0.00	\$6,455,572.74	
PICKLEBALL COURTS	\$0.00	\$28,162.62	
BIKE/PED PROJECT	\$0.00	\$8,091.70	
VETERANS TRAIL CONNECTION	\$0.00	\$1,384.62	
LOAN PRINCIPAL/EXPENSE	\$0.00	\$1,599,497.41	
LOAN INTEREST EXPENSE	\$0.00	\$410,192.90	
ECONOMIC DEVELOPMENT	\$786,114.20	\$1,536,840.80	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$468.23	CC Fees for payments
INTEREST EXPENSE	\$0.00	\$275.00	
HUSKER HARVEST DAYS PAYMENT TO CRA	\$0.00	\$554,090.68	
GROW GRAND ISLAND DONATIONS	\$0.00	\$1,650,000.00	
UNASSIGNED CAPITAL PROJECTS	\$170,145.00	\$8,917.03	
CONTRACT SERVICES	\$0.00	\$12,500.00	Attorney fees for loan
	\$1,244,202.19	\$13,033,561.23	
	\$0.00	\$4,499,237.24	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2020-Aug 31, 2021

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$3,590,780.76	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$2,334,099.79	
OTHER REVENUE	\$64,500.00	Northwestern Energy for State Fair & CCRebate
Subtotal Revenues	\$2,398,599.79	
EXPENSES		
STOLLEY CONCESSION BUILDING REMODEL	\$59,316.28	
VETS BATTING CAGES	\$17,068.12	
CEMETERY ROAD TO SPACES		
CEMETERY COLUMBARIUM		
HPSP BAFFLES	\$33,264.50	
VETS PICKLEBALL	\$329,389.44	
VETS BALLFIELD		
PLAYGROUND EQUIPMENT		
PICKLEBALL COURTS		
BIKE/PED PROJECT		
VETERANS TRAIL CONNECTION		
LOAN PRINCIPAL/EXPENSE	\$472,559.10	
LOAN INTEREST EXPENSE	\$101,606.64	
ECONOMIC DEVELOPMENT	\$476,789.00	State Fair Payments
OTHER EXPENDITURES	\$120.70	
HUSKER HARVEST DAYS PAYMENT TO CRA		Includes Grant Prep Services and MA Fees on Loan
GROW GRAND ISLAND DONATIONS		
UNASSIGNED CAPITAL PROJECTS	\$29.53	
Subtotal Expenses	\$1,490,143.31	
ENDING CASH	\$4,499,237.24	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2019-September 30, 2020

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$2,975,663.71	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$2,223,309.49	
OTHER REVENUE	\$100,452.14	Northwestern Energy for State Fair & CCRbate
Subtotal Revenues	\$2,323,761.63	
EXPENSES		
ENG/DESIGN - UNRESTRICTED	\$19,948.33	Pickleball courts
VETS BALLFIELD	\$285,325.66	
PLAYGROUND EQUIPMENT	\$28,804.28	
PICKLEBALL COURTS	\$1,669.59	
BIKE/PED PROJECT		
VETERANS TRAIL CONNECTION		
LOAN PRINCIPAL/EXPENSE	\$459,903.39	
LOAN INTEREST EXPENSE	\$114,262.35	
ECONOMIC DEVELOPMENT	\$419,057.00	State Fair Payments
OTHER EXPENDITURES		
HUSKER HARVEST DAYS PAYMENT TO CRA	\$229,673.98	Includes Grant Prep Services and MA Fees on Loan
GROW GRAND ISLAND DONATIONS	\$150,000.00	
UNASSIGNED CAPITAL PROJECTS		
Subtotal Expenses	\$1,708,644.58	
ENDING CASH	\$3,590,780.76	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2018-Sept. 30, 2019

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$4,799,334.74	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$2,416,974.54	
OTHER REVENUE	\$107,500.00	Northwestern Energy for State Fair & CCRbate
Subtotal Revenues	\$2,524,474.54	
EXPENSES		
VETS BALLFIELD	\$2,415,733.92	
PLAYGROUND EQUIPMENT	\$44,943.23	
PICKLEBALL COURTS	\$26,493.03	
BIKE/PED PROJECT	\$109.77	
VETERANS TRAIL CONNECTION	\$1,384.62	
LOAN PRINCIPAL/EXPENSE	\$447,854.84	
LOAN INTEREST EXPENSE	\$126,211.82	
ECONOMIC DEVELOPMENT	\$460,677.00	State Fair Payments
OTHER EXPENDITURES	\$320.64	CC Fees for payments
HUSKER HARVEST DAYS PAYMENT TO CRA	\$324,416.70	2019 - Also includes Parks Assessment Payoff
GROW GRAND ISLAND DONATIONS	\$500,000.00	
Subtotal Expenses	\$4,348,145.57	
ENDING CASH	\$2,975,663.71	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2017-Sept. 30, 2018

ACCOUNT DESCRIPTION/PROJECT NAME	Restricted Activity	Unrestricted Activity	Comments
BEGINNING CASH	\$279,409.33	\$1,953,597.39	
REVENUE			
FOOD & BEV OCCUPATION TAX	\$0.00	\$2,329,914.61	
OTHER REVENUE	\$0.00	\$86,411.26	Northwestern Energy for State Fair & CCRbate
OTHER BOND PROCEEDS	\$0.00	\$4,949,999.00	Initial drawdown of loan
Subtotal Revenues	\$0.00	\$7,366,324.87	
EXPENSES			
VETS FIELD-RESTROOM AND CONC BUILDING	\$12,226.13	\$0.00	
STERLING ESTATES PARK EQUIPMENT	\$0.00	\$81,342.32	
VETS BALLFIELD	\$0.00	\$3,459,129.15	
LOAN PRINCIPAL/EXPENSE	\$0.00	\$219,180.08	
LOAN INTEREST EXPENSE	\$0.00	\$68,112.09	
ECONOMIC DEVELOPMENT	\$267,183.20	\$180,317.80	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$6.08	CC Fees for payments
GROW GRAND ISLAND DONATIONS	\$0.00	\$500,000.00	
CONTRACT SERVICES	\$0.00	\$12,500.00	Attorney fees for loan
Subtotal Expenses	\$279,409.33	\$4,520,587.52	
ENDING CASH	\$0.00	\$4,799,334.74	

Food and Beverage
Occupation Tax Committee

Activity since July 1, 2016-Sept. 30, 2017

ACCOUNT DESCRIPTION/PROJECT NAME	Restricted Activity	Unrestricted Activity	Comments
BEGINNING CASH	\$1,244,202.19	\$0.00	
REVENUE			
FOOD & BEV OCCUPATION TAX	\$0.00	\$2,805,136.64	
OTHER REVENUE	\$0.00	\$64,500.00	Northwestern Energy for State Fair
OTHER BOND PROCEEDS	\$0.00	\$50,001.00	Initial drawdown of loan
Subtotal Revenues	\$0.00	\$2,919,637.64	
EXPENSES			
ENG/DESIGN - UNRESTRICTED	\$0.00	\$1,400.00	Water Park Study
VETS FIELD-RESTROOM AND CONC BUILDING	\$275,716.86	\$0.00	
SUCKS LAKE RETAINING WALL (2017)	\$0.00	\$142,094.00	
HPSP LAND IMPROVEMENTS (2017)	\$0.00	\$9,997.00	
VETS BALLFIELD	\$0.00	\$295,384.01	
BIKE/PEDESTRIAN PROJECT	\$0.00	\$7,981.93	
ECONOMIC DEVELOPMENT	\$518,931.00	\$0.00	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$20.81	CC Fees for payments
INTEREST EXPENSE	\$0.00	\$275.00	
GROW GRAND ISLAND DONATIONS	\$0.00	\$500,000.00	
UNASSIGNED CAPITAL PROJECTS	\$170,145.00	\$8,887.50	Turf and Eng. Services
Subtotal Expenses	\$964,792.86	\$966,040.25	
ENDING CASH	\$279,409.33	\$1,953,597.39	



Food and Beverage Occupation Tax - As Received Basis*

	Actual FY 2016-2017	Actual FY 2017-2018	Change from Previous YR	Actual FY 2018-2019	Change from Previous YR	Actual FY 2019-2020	Change from Previous YR	Actual FY 2020-2021	Change from Previous YR	Change from Previous YR
October	190,964.23	186,606.85	-2.28%	207,080.68	10.97%	204,527.48	-1.23%	205,781.05	0.61%	
November	179,240.56	191,946.97	7.09%	194,084.01	1.11%	191,474.72	-1.34%	181,431.05	-5.25%	
December	164,568.71	168,050.34	2.12%	170,414.75	1.41%	204,154.53	19.80%	194,511.75	-4.72%	
January	187,718.82	206,066.75	9.77%	212,480.21	3.11%	215,978.93	1.65%	180,832.47	-16.27%	
February	154,074.55	157,965.35	2.53%	162,444.83	2.84%	179,029.74	10.21%	152,302.39	-14.93%	
March	168,087.66	173,549.58	3.25%	187,166.21	7.85%	189,527.88	1.26%	215,612.14	13.76%	
April	197,618.93	210,944.44	6.74%	210,731.93	-0.10%	160,289.11	-23.94%	235,007.67	46.61%	
May	183,478.07	206,202.77	12.39%	210,976.65	2.32%	121,199.63	-42.55%	243,138.47	100.61%	
June	187,008.76	205,246.34	9.75%	201,785.80	-1.69%	172,011.17	-14.76%	238,615.14	38.72%	
July	202,172.43	210,139.70	3.94%	214,414.93	2.03%	180,751.95	-15.70%	236,594.78	30.89%	
August	192,971.26	207,974.48	7.77%	216,092.88	3.90%	194,059.97	-10.20%	250,272.88	28.97%	
September	219,854.06	205,221.04	-6.66%	229,301.66	11.73%	210,304.38	-8.28%		-100.00%	
Total Receipts	2,227,758.04	2,329,914.61		2,416,974.54		2,223,309.49		2,334,099.79		
Year to Date (YTD) Total	2,007,903.98	2,124,693.57	5.82%	2,187,672.88	2.96%	2,013,005.11	-7.98%	2,334,099.79	15.95%	
YTD Percent Collected	90.13%	91.19%		90.51%		88.17% of Budget		120.16% of Budget		
				2020 Budget		2,283,000		2021 Budget		1,942,500

* Receipts lag the actual collection by one month. For example, January receipts are based on December sales.

DRAFT

REPORT OF THE OCCUPATION TAX OVERSIGHT COMMITTEE TO THE GRAND ISLAND CITY COUNCIL DATED: September 9, 2021.

1. **BACKGROUND:** The original Food and Beverage Occupation Tax was approved by ordinance of the Grand Island City Council in September 2008, effective December 1, 2008. The ordinance imposed a 1.5% Occupation Tax on the sale of prepared food and non-alcoholic beverages that were subject to Nebraska Sales Tax. Tax funds were initially used to support the construction of the Community Field House located at Fonner Park as part of the City's required financial contribution related to the relocation of the Nebraska State Fair. Tax revenues were subsequently approved for disbursement for other State Fair related expenses, including relocating softball and soccer fields from Fonner Park to the Veterans Athletic Field Complex and fulfilling the City's requirement to match State Lottery funding for the State Fair. The initial ordinance contained a sunset provision providing for the termination of the tax upon the City meeting all of its financing and debt obligations with Wells Fargo related to the construction of the Community Field House.

In anticipation of the sunset of the original tax, in May 2016, Grand Island voters approved the continuation of the City's 1.5% Occupation Tax on the sale of food and beverages (including alcoholic beverages) which are subject to Nebraska Sales Tax. In May 2016, the Council enacted an ordinance which repealed the original tax and enabled enforcement of the voter approved Occupation Tax (the "New Ordinance"). The New Ordinance states that revenue derived from the voter approved Food and Beverage Tax shall be used for the following community enhancements:

- (i) To make the City's quarterly payments to the Nebraska State Fair Support and Improvement Fund as required by Neb. Rev. Stat. §§2-108-110;
- (ii) Promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island;
- (iii) Ongoing enhancement and development of recreation and athletic facilities such as hike, bike and recreational trails, ball fields and other community activity needs; and
- (iv) Invest in community development projects and activities that stimulate progress and growth for Grand Island.

The New Ordinance also created the Occupation Tax Oversight Committee (the "Committee") composed of five members. Current Committee members are: Karl Kostbahn,

Brad Bauer, Tanya Hansen, Gary Phillips and Ron Depue. Ron Depue was re-elected to a 2-year term as Committee Chair on September 10, 2020. The Committee's charge is: (i) to advise the public and City officials with regard to the City's Food and Beverage Tax, and (ii) confirm that the tax revenues are accounted for in the designated special revenue funds and are being expended on eligible projects as provided by City ordinances. The Committee is required to meet at least semi-annually in March and September of each year and submit a written report to the Council on its findings and suggestions each September. At its initial meeting, the Committee decided to meet on a quarterly basis and has done so without fail.

In November, 2016 the City approved Ordinance #9610 authorizing a loan not to exceed \$5,000,000.00 to provide financing for a portion of the costs of certain improvements to the City parks and trails system to be paid from revenue sources, including but not limited to, the City's Food and Beverage Tax ("Loan Funds").

In October 2016, the City and Grow Grand Island, Inc. a Nebraska nonprofit corporation ("GGI") entered into the *Agreement For Community Enhancement Programs* (the "Agreement") for an initial term of 2 years which automatically renewed for an additional 2 years in 2018 and expired on September 30, 2020. The Agreement provided that the City would provide GGI with a minimum of \$500,000.00 of food and beverage tax funds on November 1st of each year through November 1, 2019.

On September 8, 2020, the City approved the *Amended and Restated Agreement For Community Enhancement Programs* (the "Amended Agreement"). The Amended Agreement replaces the Agreement, has an initial 2-year term and automatically renews for a second 2-year term unless terminated as provided therein. Under the Amended Agreement City funds are required to be maintained in a segregated account and in order to foster collaboration, the Mayor may appoint up to 3 representatives as liaisons to attend GGI Executive Committee Meetings. Due to significant carryover of City funds paid to GGI in prior years, the 2019 distribution was not paid to GGI. The Amended Agreement ratified the \$500,000 distributions paid in 2016, 2017 and 2018, eliminated the 2019 distribution, and provided for \$150,000 to be distributed to GGI on September 1, 2020. Annual distributions to GGI will be available thereafter at \$500,000 per year, subject to: (i) availability of food and beverage tax funds, (ii) appropriation and budgeting of funds, and (iii) a schedule of payments approved by the City. Unused City Funds allocated to a project shall be returned to the City if not expended within 90 days of project completion or schedule extensions. Prior to receiving and expending City Funds a summary of the project including details, scheduling and supporting documentation shall be submitted to the City Administrator or designee for consideration and approval. Funds for approved projects will be made available on a schedule approved by the City. GGI must provide an annual audit to the City.

Food and Beverage tax funds paid to GGI are subject to the following restrictions:

Limitation on Use. City funds provided or made available to GGI shall be utilized and expended by GGI solely for such project, programs and purposes that serve and carry out a public purpose as expressly authorized, necessarily or fairly implied in or incidental to those expressly authorized

and those essential to the declared objects and purposes of a city of the first class as expressed by Nebraska statutes as from time to time amended. Such projects, programs, and purposes shall encompass and be directed toward encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign, including a publicity campaign conducted for the purpose of exploiting and advertising the various agricultural, horticultural, manufacturing, commercial, and other resources, including utility services, of the city; to promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island; and investment in community development projects and activities that stimulate progress and growth for Grand Island. No more than 10% of the City Funds shall be used for employee and operation expenses of GGI. GGI may enter into grant agreements with third party entities to conduct or carry out community enhancement projects as provided herein.

2. REVIEW AND ANALYSIS: Pursuant to its directive, the Committee held quarterly meetings over the past year, reviewed the receipt and distribution of tax funds by the City and GGI, met with City and GGI representatives and reports as follows:

A. Initial Food and Beverage Tax Carryover Funds.

Upon termination of the initial Food and Beverage Tax on June 30, 2016, there were surplus funds in the amount of \$1,244,202.19 ("Restricted Funds"). By City Council resolution adopted in June 2016, the Restricted Funds were earmarked to be used for the following purposes:

- (1) To pay expenses to be incurred for removal and replacement of artificial field turf at the Grand Island Field House;
- (2) To pay expenses to be incurred for design and construction of restrooms at the City's Veterans Sports Complex; and
- (3) The remainder to pay future quarterly payments to the Nebraska State Fair Support and Improvement Fund as required by Neb. Rev. Stat. §2-108-110.

The distribution of the Restricted Funds is set forth in the reports of the City Finance Department concerning receipt and distribution of the Food and Beverage Tax Funds from July 1, 2016 - September 30, 2017, October 1, 2017 - September 30, 2018, October 1, 2018 - September 30, 2019, October 1, 2019 - September 30, 2020, October 1, 2020 - August 31, 2021 and Summary of All Years which includes receipt of the Loan Funds (labeled as "Other Bond Proceeds") all collectively attached hereto as Exhibit "A". All Restricted Funds have been expended appropriately with no remaining Restricted Funds on hand.

B. Receipt and Expenditure of Food and Beverage Tax Funds under the New Ordinance.

The report of the City Finance Department concerning the receipt and expenditure of Food and Beverage Tax Funds under the New Ordinance from July 1, 2016 through August 31, 2021 ("Unrestricted Funds") is also set forth on Exhibit "A". The balance of Unrestricted Funds as of August 31, 2021 is \$4,499,237.24. Attached Exhibit "B" is a monthly summary of the Food and Beverage Tax Funds received from October 1, 2016 thru August 31, 2021.

C. Grow Grand Island's Receipt and Expenditure of Tax Funds.

GGI's audit for year ending December 31, 2020 is attached as Exhibit "C". A summary of funds received and distributed and project dashboard are attached as Exhibit "D". Tax Funds distributed by the City to GGI are currently deposited into GGI's FDIC insured account at Home Federal Bank of Grand Island. Account funds in excess of \$250,000.00 FDIC limits are collateralized by pledged securities as required by the Agreement. GGI provides monthly written confirmation from Home Federal confirming that all funds are insured or collateralized.

D. COMMENTS:

- (1) GGI's accounts have been fully insured or collateralized by pledged securities as required by the Agreement continuously for the past year.
- (2) The Agreement states, "*No more than 10% of the City Funds will be allowed to be used for employee and operation expenses.*" Administrative expenses are in compliance with the 10% lid.
- (3) The City has appropriately pursued enforcement and collection of the tax.

3. COMMITTEE FINDINGS:

Based upon the Committee's review of all applicable records and reports and discussions with City legal and financial staff and GGI management, it is the opinion of the Committee that the receipt and expenditure of Food and Beverage Tax Funds through August 31, 2021 comply with the requirements of applicable City Ordinances and Agreements.

4. COMMITTEE RECOMMENDATION:

The Committee recommends that GGI continue to provide monthly written confirmation that all Tax Funds are fully insured or collateralized.

OCCUPATION TAX OVERSIGHT COMMITTEE

BY _____
Ronald S. Depue, Chairperson

Food and Beverage
Occupation Tax Committee

Activity since July 1, 2016-Sept. 30, 2017

EXHIBIT A

ACCOUNT DESCRIPTION/PROJECT NAME	Restricted Activity	Unrestricted Activity	Comments
BEGINNING CASH	\$1,244,202.19	\$0.00	
REVENUE			
FOOD & BEV OCCUPATION TAX	\$0.00	\$2,805,136.64	
OTHER REVENUE	\$0.00	\$64,500.00	Northwestern Energy for State Fair
OTHER BOND PROCEEDS	\$0.00	\$50,001.00	Initial drawdown of loan
Subtotal Revenues	\$0.00	\$2,919,637.64	
EXPENSES			
ENG/DESIGN - UNRESTRICTED	\$0.00	\$1,400.00	Water Park Study
VETS FIELD-RESTROOM AND CONC BUILDING	\$275,716.86	\$0.00	
SUCKS LAKE RETAINING WALL (2017)	\$0.00	\$142,094.00	
HPSP LAND IMPROVEMENTS (2017)	\$0.00	\$9,997.00	
VETS BALLFIELD	\$0.00	\$295,384.01	
BIKE/PED PROJECT	\$0.00	\$7,981.93	
ECONOMIC DEVELOPMENT	\$518,931.00	\$0.00	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$20.81	CC Fees for payments
INTEREST EXPENSE	\$0.00	\$275.00	
GROW GRAND ISLAND DONATIONS	\$0.00	\$500,000.00	
UNASSIGNED CAPITAL PROJECTS	\$170,145.00	\$8,887.50	Turf and Eng. Services
Subtotal Expenses	\$964,792.86	\$966,040.25	
ENDING CASH	\$279,409.33	\$1,953,597.39	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2017-Sept. 30, 2018

ACCOUNT DESCRIPTION/PROJECT NAME	Restricted Activity	Unrestricted Activity	Comments
BEGINNING CASH	\$279,409.33	\$1,953,597.39	
REVENUE			
FOOD & BEV OCCUPATION TAX	\$0.00	\$2,329,914.61	
OTHER REVENUE	\$0.00	\$86,411.26	Northwestern Energy for State Fair & CCRebate
OTHER BOND PROCEEDS	\$0.00	\$4,949,999.00	Initial drawdown of loan
Subtotal Revenues	\$0.00	\$7,366,324.87	
EXPENSES			
VETS FIELD-RESTROOM AND CONC BUILDING	\$12,226.13	\$0.00	
STERLING ESTATES PARK EQUIPMENT	\$0.00	\$81,342.32	
VETS BALLFIELD	\$0.00	\$3,459,129.15	
LOAN PRINCIPAL/EXPENSE	\$0.00	\$219,180.08	
LOAN INTEREST EXPENSE	\$0.00	\$68,112.09	
ECONOMIC DEVELOPMENT	\$267,183.20	\$180,317.80	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$6.08	CC Fees for payments
GRW GRAND ISLAND DONATIONS	\$0.00	\$500,000.00	
CONTRACT SERVICES	\$0.00	\$12,500.00	Attorney fees for loan
Subtotal Expenses	\$279,409.33	\$4,520,587.52	
ENDING CASH	\$0.00	\$4,799,334.74	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2018-Sept. 30, 2019

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$4,799,334.74	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$2,416,974.54	
OTHER REVENUE	\$107,500.00	Northwestern Energy for State Fair & CCRbate
Subtotal Revenues	\$2,524,474.54	
EXPENSES		
VETS BALLFIELD	\$2,415,733.92	
PLAYGROUND EQUIPMENT	\$44,943.23	
PICKLEBALL COURTS	\$26,493.03	
BIKE/PED PROJECT	\$109.77	
VETERANS TRAIL CONNECTION	\$1,384.62	
LOAN PRINCIPAL/EXPENSE	\$447,854.84	
LOAN INTEREST EXPENSE	\$126,211.82	
ECONOMIC DEVELOPMENT	\$460,677.00	State Fair Payments
OTHER EXPENDITURES	\$320.64	CC Fees for payments
HUSKER HARVEST DAYS PAYMENT TO CRA	\$324,416.70	2019 - Also includes Parks Assessment Payoff
GROW GRAND ISLAND DONATIONS	\$500,000.00	
Subtotal Expenses	\$4,348,145.57	
ENDING CASH	\$2,975,663.71	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2019-September 30, 2020

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$2,975,663.71	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$2,223,309.49	
OTHER REVENUE	\$100,452.14	Northwestern Energy for State Fair & CCRbate
Subtotal Revenues	\$2,323,761.63	
EXPENSES		
ENG/DESIGN - UNRESTRICTED	\$19,948.33	Pickleball courts
VETS BALLFIELD	\$285,325.66	
PLAYGROUND EQUIPMENT	\$28,804.28	
PICKLEBALL COURTS	\$1,669.59	
BIKE/PED PROJECT		
VETERANS TRAIL CONNECTION		
LOAN PRINCIPAL/EXPENSE	\$459,903.39	
LOAN INTEREST EXPENSE	\$114,262.35	
ECONOMIC DEVELOPMENT	\$419,057.00	State Fair Payments
OTHER EXPENDITURES		
HUSKER HARVEST DAYS PAYMENT TO CRA	\$229,673.98	Includes Grant Prep Services and MA Fees on Loan
GROW GRAND ISLAND DONATIONS	\$150,000.00	
UNASSIGNED CAPITAL PROJECTS		
Subtotal Expenses	\$1,708,644.58	
ENDING CASH	\$3,590,780.76	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2020-Aug 31, 2021

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$3,590,780.76	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$2,334,099.79	
OTHER REVENUE	\$64,500.00	Northwestern Energy for State Fair & CCR rebate
Subtotal Revenues	\$2,398,599.79	
EXPENSES		
STOLLEY CONCESSION BUILDING REMODEL	\$59,316.28	
VETS BATTING CAGES	\$17,068.12	
CEMETERY ROAD TO SPACES		
CEMETERY COLUMBARIUM		
HPSP BAFFLES	\$33,264.50	
VETS PICKLEBALL	\$329,389.44	
VETS BALLFIELD		
PLAYGROUND EQUIPMENT		
PICKLEBALL COURTS		
BIKE/PED PROJECT		
VETERANS TRAIL CONNECTION		
LOAN PRINCIPAL/EXPENSE	\$472,559.10	
LOAN INTEREST EXPENSE	\$101,606.64	
ECONOMIC DEVELOPMENT	\$476,789.00	State Fair Payments
OTHER EXPENDITURES	\$120.70	
HUSKER HARVEST DAYS PAYMENT TO GRA		Includes Grant Prep Services and MA Fees on Loan
GROW GRAND ISLAND DONATIONS		
UNASSIGNED CAPITAL PROJECTS	\$29.53	
Subtotal Expenses	\$1,490,143.31	
ENDING CASH	\$4,499,237.24	

Food and Beverage
Occupation Tax Committee

Summary of All Years

ACCOUNT DESCRIPTION/PROJECT NAME	Restricted Activity	Unrestricted Activity	Comments
BEGINNING CASH	\$1,244,202.19	\$0.00	
REVENUE			
FOOD & BEV OCCUPATION TAX	\$0.00	\$12,109,435.07	
OTHER REVENUE	\$0.00	\$423,363.40	
OTHER BOND PROCEEDS	\$0.00	\$5,000,000.00	
	\$0.00	\$17,532,798.47	
EXPENSES			
STOLLEY CONCESSION BUILDING REMODEL	\$0.00	\$59,316.28	
VETS BATTING CAGES	\$0.00	\$17,063.12	
CEMETERY ROAD TO SPACES	\$0.00	\$0.00	
CEMETERY COLUMBARIUM	\$0.00	\$0.00	
HPSP BARRIERS	\$0.00	\$33,264.50	
ENG/DESIGN - UNRESTRICTED	\$0.00	\$350,737.77	
VETS FIELD-RESTROOM AND CONC BUILDING	\$287,942.99	\$0.00	
PLAYGROUND EQUIPMENT	\$0.00	\$73,747.51	
SUCKS LAKE RETAINING WALL (2017)	\$0.00	\$142,094.00	
STERLING ESTATES PARK EQUIPMENT	\$0.00	\$81,342.32	
HPSP LAND IMPROVEMENTS (2017)	\$0.00	\$9,997.00	
VETS BALLFIELD	\$0.00	\$6,455,572.74	
PICKLEBALL COURTS	\$0.00	\$28,162.62	
BIKE/PED PROJECT	\$0.00	\$8,091.70	
VETERANS TRAIL CONNECTION	\$0.00	\$1,384.62	
LOAN PRINCIPAL/EXPENSE	\$0.00	\$1,599,497.41	
LOAN INTEREST EXPENSE	\$0.00	\$410,192.90	
ECONOMIC DEVELOPMENT	\$786,114.20	\$1,536,840.80	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$468.23	CC Fees for payments
INTEREST EXPENSE	\$0.00	\$275.00	
HUSKER HARVEST DAYS PAYMENT TO CRA	\$0.00	\$554,090.68	
GROW GRAND ISLAND DONATIONS	\$0.00	\$1,650,000.00	
UNASSIGNED CAPITAL PROJECTS	\$170,145.00	\$8,917.03	
CONTRACT SERVICES	\$0.00	\$12,500.00	Attorney fees for loan
	\$1,244,202.19	\$13,033,561.23	
	\$0.00	\$4,499,237.24	



Food and Beverage Occupation Tax - As Received Basis*

	Actual FY 2016-2017	Actual FY 2017-2018	Change from Previous YR	Actual FY 2018-2019	Change from Previous YR	Actual FY 2019-2020	Change from Previous YR	Actual FY 2020-2021	Change from Previous YR
October	190,964.23	186,606.85	-2.28%	207,080.68	10.97%	204,527.48	-1.23%	205,781.05	0.61%
November	179,240.56	191,946.97	7.09%	194,084.01	1.11%	191,474.72	-1.34%	181,431.05	-5.25%
December	164,568.71	168,050.34	2.12%	170,414.75	1.41%	204,154.53	19.80%	194,511.75	-4.72%
January	187,718.82	206,066.75	9.77%	212,480.21	3.11%	215,978.93	1.65%	180,832.47	-16.27%
February	154,074.55	157,965.35	2.53%	162,444.83	2.84%	179,029.74	10.21%	152,302.39	-14.93%
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April	197,618.93	210,944.44	6.74%	210,731.93	-0.10%	160,289.11	-23.94%	235,007.67	46.61%
May	183,478.07	206,202.77	12.39%	210,976.65	2.32%	121,199.63	-42.55%	243,138.47	100.61%
June	187,008.76	205,246.34	9.75%	201,785.80	-1.69%	172,011.17	-14.76%	238,615.14	38.72%
July	202,172.43	210,139.70	3.94%	214,414.93	2.03%	180,751.95	-15.70%	236,594.78	30.89%
August	192,971.26	207,974.48	7.77%	216,092.88	3.90%	194,059.97	-10.20%	250,272.88	28.97%
September	219,854.06	205,221.04	-6.66%	229,301.66	11.73%	210,304.38	-8.28%		-100.00%
Total Receipts	2,227,758.04	2,329,914.61		2,416,974.54		2,223,309.49		2,334,099.79	
Year to Date (YTD) Total	2,007,903.98	2,124,693.57	5.82%	2,187,672.88	2.96%	2,013,005.11	-7.98%	2,334,099.79	15.95%
YTD Percent Collected	90.13%	91.19%		90.51%		88.17% of Budget		120.16% of Budget	
						2020 Budget	2,283,000	2021 Budget	1,942,500

* Receipts lag the actual collection by one month. For example, January receipts are based on December sales.

EXHIBIT C

**GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2020**



**WILSON
FINANCIAL**

**GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
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**DANA F. COLE
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Grow Grand Island, Inc.
Grand Island, Nebraska

We have audited the accompanying financial statement of Grow Grand Island, Inc., Food and Beverage Fund, as of and for the year ended December 31, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - cash basis of Grow Grand Island, Inc., Food and Beverage Fund as of December 31, 2020, and the changes in its net assets for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Food and Beverage Fund and do not purport to, and do not present fairly the financial position of Grow Grand Island, Inc., as of December 31, 2020, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, effective January 1, 2020, Grow Grand Island, Inc., adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Dana F Cole + Company, LLP

Grand Island, Nebraska
February 25, 2021

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS
YEARS ENDED DECEMBER 31, 2020

ASSETS	
ASSETS	
Cash	<u>1,023,400</u>
NET ASSETS	
NET ASSETS	
With donor restrictions	<u>1,023,400</u>

GROW GRAND ISLAND, INC.
 FOOD AND BEVERAGE FUND
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET ASSETS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2020

NET ASSETS WITH DONOR RESTRICTIONS	
RECEIPTS	
Support	
City of Grand Island	150,000
Interest income net of fees	<u>10,640</u>
Total receipts	<u>160,640</u>
DISBURSEMENTS	
Administrative	2,172
Grants distributed	<u>97,070</u>
Total disbursements	<u>99,242</u>
CHANGE IN NET ASSETS BEFORE TRANSFER	61,398
Transfer to Business Fund	<u>(529)</u>
INCREASE NET ASSETS	60,869
NET ASSETS, beginning of year	<u>962,531</u>
NET ASSETS, end of year	<u>1,023,400</u>

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Grow Grand Island, Inc., was incorporated August 25, 2016. The purpose of the Corporation is to promote, encourage, and develop projects and programs to promote entertainment, agricultural and livestock shows, trade shows, and similar events that will attract visitors to Grand Island. The Corporation is to invest in community development projects and activities that stimulate progress and growth for Grand Island. The Corporation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The majority of the Corporation's revenue is from private and corporate contributions, grants, gifts, and other sources.

The Corporation operates two funds, the Business Fund and the Food and Beverage Fund. Prior to 2018 for the Business Fund and 2019 for the Food and Beverage Fund, the funds for Grow Grand Island, Inc., were held at Grand Island Community Foundation, Inc. Since that time separate bank accounts have been established for each fund and separate records have been maintained.

Basis of Accounting

The Corporation prepares its financial statements on the cash basis. These statements represent a summary of the cash activity of the various funds of the Corporation and do not include certain transactions that would be included if the Corporation prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. Under the cash basis, receipts are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

New Accounting Pronouncements

Effective January 1, 2020, the Chamber adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transactions identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (ASC Topic 606 - *Revenue Recognition*). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

grant. ASU 2018-08 was implemented on a modified prospective basis. Therefore, on January 1, 2020, the new standard was applied to agreements that were either not completed as of January 1, 2020, or entered into after January 1, 2020. The December 31, 2019, financial statements were not restated and continue to be reported under the accounting standards in effect in that period. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

Financial Statement Presentation

The financial statements included in this report are only reporting on the Food and Beverage Fund of Grow Grand Island, Inc.

The financial statements report amounts by class of net assets, as required by ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions

The Corporation accounts for contributions in accordance with the recommendations of FASB ASC 958-605. The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All funds in the Food and Beverage Fund are restricted by ballot language and state statute.

Income Taxes

The Internal Revenue Service has determined that the Corporation is exempt from federal income tax under Section 501(c)(3) of the Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income.

The Corporation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. Management does not expect the interpretation will have a material impact (if any) on its results from operations or financial position.

NOTE 2. CONCENTRATION OF CREDIT RISK

Essentially all of the Corporation's funding for the Food and Beverage Fund is provided by support from the City of Grand Island, Nebraska, for the year ended December 31, 2020. If this major funding ceased, the Corporation could not continue the level of services currently provided.

At December 31, 2020, all of the Corporation's deposits with financial institutions were either fully insured or collateralized by securities held in the Corporation's name in the form of joint safekeeping receipts.

NOTE 3. NET ASSETS

Net assets consist of:

Net assets with donor restrictions	<u>1,023,400</u>
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NOTE 4. CITY OF GRAND ISLAND AGREEMENT

Beginning October 25, 2016, the City of Grand Island, Nebraska, entered into a contract with Grow Grand Island, Inc. Per the agreement, the City shall provide annually a minimum of \$500,000 to Grow Grand Island, Inc., from the funds derived as a result of the City's occupation tax of food and beverage retailers. The term is for a 24-month period with an automatic renewal. The current term expired September 30, 2020.

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 4. CITY OF GRAND ISLAND AGREEMENT (Continued)

In September 2020, the contract with the City of Grand Island was renewed for a 2-year term with the potential for a 2-year extension. The \$500,000 will be paid out according to a schedule provided to the City when the grant application is submitted for their review. For the year ended December 31, 2020, the City of Grand Island forwarded \$150,000 to the Food and Beverage Fund at Grow Grand, Inc.

The funds are to be expended by Grow Grand Island, Inc., solely for projects, programs, and purposes that serve and carry out a public purpose as expressly authorized. Employee and operation expense shall be no more than 10% of the City funds.

NOTE 5. DONOR-RESTRICTED NET ASSETS

Donor-restricted net assets as of December 31, 2020, are available for the following purposes:

City of Grand Island restricted to promote activities that will stimulate progress and growth for Grand Island	<u>1,023,400</u>
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NOTE 6. COVID-19

The Coronavirus (COVID-19) impacted Grow Grand Island, Inc., by the slowing of business activity in the geographical area the Corporation serves. Thus, the pandemic slowed the progress for partnering and funding new projects. Partnering organizations and businesses were not operating at full capacity, impacting work flow, prioritization and pace. As a result of the city tax revenue shortages, the funding that the Grow Grand Island Food and Beverage Fund receives for grant issuance from the City of Grand Island was mutually agreed to be less than contractually stated.

NOTE 7. SUBSEQUENT EVENTS

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through February 25, 2021, the date the financial statements were available to be issued.

It is anticipated that the Coronavirus will have a negative impact upon the Corporation going forward as the business activity in the geographical area the Corporation serves continues to show a decline. The dollar value of the anticipated decline in receipts is not known at the time of issuance of the financial statements. The Corporation expects to have a proportional decline in grant disbursements that could offset the anticipated decline in receipts.

EXHIBIT D

Grow, Grand Island Food & Beverage Fund Summary

AS OF August 31, 2021

CITY FY View

Incl. w/Admin

Oct-Sept	Allocation	Projects Exp	Admin Exp	Total Disbursed	GICF Fees	GICF Interest	HF Interest
2016-17	500,000.00	430,646.03	29,130.28	459,776.31	1,669.00	644.15	
2017-18	500,000.00	19,353.97	79,201.90	98,555.87	5,656.75	2,571.95	
GGI***			(5,115.99)	-5,115.99			
2018-19	500,000.00		3,851.94	3,851.94	3,851.94	2,556.03	9,593.29
2019-20	150,000.00	41,318.54	2,171.40	43,489.94	0.00		12,874.96
2020-21		266,081.56	1,190.00	267,271.56			6,022.93
2021-22				0.00			
TOTALS	1,650,000.00	757,400.10	110,429.53	867,829.63	11,177.69	5,772.13	28,491.18
Interest:	34,263.31						
Revenue:	1,684,263.31						
Disbursed:	(867,829.63)						
BANK	846,433.68						
Committed:	(850,663.46)						
Balance:	(4,229.78)						
Pipeline:	(185,000.00)						
20/21 Alloc:	500,000.00						
Available:	270,770.22						

Grow Grand Island Project Dashboard (2016-2021)

PROJECTS - Completed	Project Total	GGI GRANT	OTHER Funds	LEVERAGED
Imagination Takes Flight***	\$116,140	\$15,000	\$101,140	87.08%
Railside Bike Racks***	\$10,000	\$5,000	\$5,000	50.00%
Railside Public Art***	\$95,800	\$7,500	\$88,300	92.17%
Workforce Analytics Software***	\$24,000	\$12,000	\$12,000	50.00%
Olympic Bunker Trap	\$731,790	\$150,000	\$581,790	79.50%
Equine Stalls	\$900,000	\$300,000	\$600,000	66.67%
GI Promo OTT 2019 Campaign	\$25,000	\$10,000	\$15,000	60.00%
Railside Wayfinding Totems***	\$14,360	\$0	\$14,360	100.00%
Fonner Park Lot	\$72,000	\$35,000	\$37,000	51.39%
HEC Customer Experience	\$44,744	\$29,744	\$15,000	33.52%
	\$2,033,834	\$564,244	\$1,469,590	

PROJECTS - In Progress	Project Total	GGI GRANT	OTHER Funds	LEVERAGED
Event Incentive Fund	\$400,000	\$400,000		0.00%
Targeted Talent Attraction	\$65,000	\$65,000		0.00%
Future Builders	\$191,700	\$52,000	\$139,700	72.87%
Look Local Grow Local	\$36,978	\$36,978		0.00%
EDGE Upskilling	\$51,350	\$0	\$51,350	100.00%
Degree-Based Internship	\$225,000	\$225,000	TBD	0.00%
Entryway Signage	\$233,450	\$229,050	\$4,400	2.20%
GI Image	\$137,000	\$70,000	\$67,000	48.91%
	\$1,340,478	\$1,078,028	\$262,450	

PROJECTS - Pipeline				
Mormon Island Expansion/Trail				
Internship Housing				
Amur Plaza				
Fonner Master Plan				
Additional Entryway Signs				
TOTALS	\$3,374,312	\$1,642,272	\$1,732,040	51.00%
GGI Funded without F&B***		-\$39,500		
Administrative		\$109,239		
Adjusted Total		\$1,712,011		