

FOOD & BEVERAGE OCCUPATION TAX OVERSIGHT COMMITTEE

**P.O. Box 1968
Grand Island, NE 68802-1968
Phone: (308) 385-5444, ext. 111
Fax: (308) 385-5486**

AGENDA

Thursday, June 8, 2023

4:00 p.m.

**Conference Meeting Room #1 – City Hall
Grand Island City Hall**

1. Call to Order
2. Roll Call
3. Approval of March 9, 2023 Meeting Minutes
4. Grow Grand Island Report
 - a) Review 2022 Audit
5. Finance Department
 - a) Revenues
 - b) Expenditures
6. Adjourn

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF FOOD & BEVERAGE OCCUPATION TAX OVERSIGHT COMMITTEE

March 9, 2023

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 Conference Room 1 on March 9, 2023. Notice of the meeting was given in *The Grand Island Independent* on March 2, 2023.

Chairman Ron Depue called the meeting to order at 4:00 p.m. The following board members were present: Ron Depue, Brad Bauer, Gary Phillips and Karl Kostbahn Tanya Hansen was absent. The following City Officials were present: Deputy City Clerk Jill Granere, Interim City Administrator Laura McAloon, Finance Director Patrick Brown and Assistant Finance Director Brian Schultz.

APPROVAL OF MINUTES. Motion was made by Brad Bauer, seconded by Karl Kostbahn to approve the December 8, 2022 minutes. Upon roll call vote, all voted aye. Motion adopted.

GROW GRAND ISLAND (GGI) REPORT. GGI Chair Tonja Brown reviewed the GGI Fund Summary. As of November 30, 2022 there was \$416,261.93 in the bank and \$1,592,954.75 committed. Ms. Brown mentioned the first payment of \$500,000 to Woodsonia would be happening very soon and the second payment of \$500,000 would be paid out in December 2023. Also mentioned were projects that had stalled due to the pandemic would start picking back up.

Discussion was held on how funds were documented and dispersed.

The following projects were in the pipeline:

- \$ 30,000.00 23/24/Admin
- -0- Additional Entryway Signs
- \$100,000.00 Image/Attraction
- \$100,000.00 Morman Island Expansion/Trail
- \$230,000.00 Total Needed

Ms. Brown stated all paperwork had been turned over for the GGI audit.

EXPENDITURES & REVENUES: Assistant Finance Director Brian Schultz stated the ending cash balance through January 31, 2023 was \$4,128,556.11. The Food & Beverage Occupation Tax as of November 2022 was \$271,162.90 up 15.08%, December 2022 was \$306,189.75 up 50.42% and January 2023 was \$254,852.98 up 15.91% from last year. He stated revenues were continuing strong again so far this year. He stated they were doing a good job collecting food and beverage taxes. Finance Director Patrick Brown mentioned looking at online payment systems options to be able to track things easier and make it easier for vendors to pay.

The next meeting will be held on June 8, 2023 at 4:00 p.m.

ADJOURNMENT: 4:45 p.m.

Jill Granere
Deputy City Clerk

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2022



**DANA F. COLE
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Grow Grand Island, Inc., Food and Beverage Fund (a nonprofit organization), which comprise the statements cash receipts and disbursements for the year ended December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of Grow Grand Island, Inc., Food and Beverage Fund, as of December 31, 2022, and revenue and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grow Grand Island, Inc., Food and Beverage Fund, and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Grow Grand Island Inc., Food and Beverage Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grow Grand Island Inc., Food and Beverage Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of disbursements - cash basis on page 9 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to

the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other addition procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dana J Cole + Company, LLP

Grand Island, Nebraska
May 22, 2023

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS
YEAR ENDED DECEMBER 31, 2022

ASSETS

ASSETS	
Cash	<u>434,353</u>

NET ASSETS

NET ASSETS	
With donor restrictions	<u>434,353</u>

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET ASSETS - CASH BASIS
YEAR ENDED DECEMBER 31, 2022

NET ASSETS WITH DONOR RESTRICTIONS	
Receipts	
Contributions	427,826
Interest income net of fees	<u>4,099</u>
Total public support and other receipts	<u>431,925</u>
Net assets released from restrictions	<u>(684,251)</u>
TOTAL RECEIPTS	<u>(252,326)</u>
NET ASSETS, beginning of year	<u>686,679</u>
NET ASSETS, end of year	<u>434,353</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. (the Corporation), 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 of accounting. 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.

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 Accounting Standards Update (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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (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 purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and are 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.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting used by Grow Grand Island, Inc., requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing the Corporation's programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Income Taxes

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

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, 2022. If this major funding ceased, the Corporation could not continue the level of services currently provided.

At December 31, 2022, 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. CITY OF GRAND ISLAND AGREEMENT

In September 2020, the contract with the City of Grand Island, Nebraska (the City), renewed their contract with Grow Grand Island Inc. (GGI), effective October 1, 2020, for a 2-year term with potential for a 2-year extension. Per the agreement, the City shall provide up to \$500,000 to be used solely for projects, programs and purposes that serve and carry out a public purpose as expressly authorized. The funds will be paid to GGI according to an approved schedule once a grant application has been submitted and approved by the City. No more than 10% of the City funds shall be used for employee and operational expenses of GGI.

NOTE 4. DONOR-RESTRICTED NET ASSETS

Donor-restricted net assets as of December 31, 2022, are available for the following purposes:

City of Grand Island restricted to promote activities
that will stimulate progress and growth for
Grand Island, Nebraska.

434,353

NOTE 5. SUBSEQUENT EVENT

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through May 22, 2023, the date the financial statements were available to be issued.

OTHER INFORMATION

GROW GRAND ISLAND, INC.
 SCHEDULE OF DISBURSEMENTS - CASH BASIS
 YEAR ENDED DECEMBER 31, 2022

DISBURSEMENTS	
Support services	
Contract labor	24,000
Professional fees	<u>1,190</u>
Total support services	<u>25,190</u>
Program services	
Project disbursements	
Look Local Grow Local	2,290
Talent Attraction	85,069
Event Incentive	51,500
Cooperative Degree-Based Internship	16,944
Entryway Signage	61,556
Sculpture Walk	14,000
Fonner Master Plan	35,000
Amur Plaza	<u>392,701</u>
Total project disbursements	<u>659,061</u>
TOTAL DISBURSEMENTS	<u>684,251</u>



Food and Beverage Occupation Tax - As Received Basis*

	Actual FY 2018-2019	Actual FY 2019-2020	Change from Previous YR	Actual FY 2020-2021	Change from Previous YR	Actual FY 2021-2022	Change from Previous YR	Actual FY 2022-2023	Change from Previous YR
October	207,080.68	204,527.48	-1.23%	205,781.05	0.61%	231,428.28	12.46%	273,654.63	18.25%
November	194,084.01	191,474.72	-1.34%	181,431.05	-5.25%	235,627.37	29.87%	271,162.90	15.08%
December	170,414.75	204,154.53	19.80%	194,511.75	-4.72%	203,556.86	4.65%	306,189.75	50.42% ¹
January	212,480.21	215,978.93	1.65%	180,832.47	-16.27%	219,877.34	21.59%	254,852.98	15.91%
February	162,444.83	179,029.74	10.21%	152,302.39	-14.93%	187,653.29	23.21%	218,541.26	16.46%
March	187,166.21	189,527.88	1.26%	215,612.14	13.76%	252,100.07	16.92%	251,222.16	-0.35%
April	210,731.93	160,289.11	-23.94%	235,007.67	46.61%	241,413.32	2.73%	280,677.54	16.26%
May	210,976.65	121,199.63	-42.55%	243,138.47	100.61%	243,279.52	0.06%		-100.00%
June	201,785.80	172,011.17	-14.76%	238,615.14	38.72%	246,394.81	3.26%		-100.00%
July	214,414.93	180,751.95	-15.70%	236,594.78	30.89%	249,247.53	5.35%		-100.00%
August	216,092.88	194,059.97	-10.20%	250,272.88	28.97%	273,858.92	9.42%		-100.00%
September	229,301.66	210,304.38	-8.28%	235,155.79	11.82%	246,195.08	4.69%		-100.00%
Total Receipts	2,416,974.54	2,223,309.49		2,569,255.58		2,830,632.39		1,856,301.22	
Year to Date (YTD) Total	1,344,402.62	1,344,982.39	0.04%	1,365,478.52	1.52%	1,571,656.53	15.10%	1,856,301.22	18.11%
YTD Percent Collected	55.62%	60.49%		53.15%		65.16% of Budget		73.90% of Budget	
Delinquent Tax and Late Fees Collected						2022 Budget	2,412,000	2023 Budget	2,512,000
	1	\$ 57,637.71							

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

Food and Beverage
Occupation Tax Committee
Activity Oct. 1, 2022-Apr. 30, 2023

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	\$4,238,709.28	
REVENUE		
FOOD & BEV OCCUPATION TAX	\$1,856,301.22	
OTHER REVENUE	\$628,584.00	Northwestern Energy for State Fair, CCC/Ryder Park \$585,584
Subtotal Revenues	\$2,484,885.22	
EXPENSES		
CEMETERY ROAD TO SPACES		
CEMETERY COLUMBARIUM		
HPSP BAFFLES		
VETS PICKLEBALL		
VETS BALLFIELD		
PICNIC SHELTER REPLACEMENTS	\$367.95	
FIELDHOUSE INDOOR PLAYGROUND	\$4,722.95	
ASHLEY PARK IRRIGATION SYSTEM		
LIONS CLUB PARK COURT NETTING		
STOLLEY PARK SPLASH PAD	\$18,950.00	
BIKE TRAIL DEVELOPMENT		
STOLLEY PLAYGROUND	\$69.25	
ISLAND OASIS MASTER PLAN		
FIELDHOUSE TURF	\$239,003.00	
LOAN PRINCIPAL/EXPENSE	\$498,869.35	
LOAN INTEREST EXPENSE	\$75,296.39	
ECONOMIC DEVELOPMENT	\$425,969.00	State Fair Payments
OTHER EXPENDITURES	\$20.37	
HUSKER HARVEST DAYS PAYMENT TO CRA	\$200,000.00	
GROW GRAND ISLAND DONATIONS	\$781,082.45	
UNASSIGNED CAPITAL PROJECTS	\$798,271.40	911 Additional Land Purchase, Ryder Park \$585,584
Subtotal Expenses	\$3,042,622.11	
ENDING CASH	\$3,680,972.39	

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	\$17,031,734.46	
OTHER REVENUE	\$0.00	\$1,159,447.40	
OTHER BOND PROCEEDS	\$0.00	\$5,000,000.00	
	\$0.00	\$23,191,181.86	
EXPENSES			
STOLLEY CONCESSION BUILDING REMODEL	\$0.00	\$59,316.28	
VETS BATTING CAGES	\$0.00	\$116,982.54	
CEMETERY ROAD TO SPACES	\$0.00	\$0.00	
CEMETERY COLUMBARIUM	\$0.00	\$0.00	
HPSP Baffles	\$0.00	\$993,494.50	
VETS PICKLEBALL COURTS	\$0.00	\$409,347.88	
VETS FIELD-RESTROOM AND CONC BUILDING	\$287,942.99	\$5,881.42	
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	
PICNIC SHELTER REPLACEMENTS	\$0.00	\$24,236.60	
FIELDHOUSE INDOOR PLAYGROUND	\$0.00	\$216,296.69	
ASHLEY PARK IRRIGATION SYSTEM	\$0.00	\$104,889.48	
LIONS CLUB PARK COURT NETTING	\$0.00	\$11,710.00	
STOLLEY PARK SPLASH PAD	\$0.00	\$170,949.00	
BIKE TRAIL DEVELOPMENT	\$0.00	\$92,215.72	
STOLLEY PLAYGROUND	\$0.00	\$69.25	
ISLAND OASIS MASTER PLAN	\$0.00	\$49,200.00	
RYDER PARK BACKSTOP REPLACEMENT	\$0.00	\$42,255.00	
FIELDHOUSE TURF	\$0.00	\$239,003.00	
LOAN PRINCIPAL/EXPENSE	\$0.00	\$2,583,624.19	
LOAN INTEREST EXPENSE	\$0.00	\$574,397.60	
ECONOMIC DEVELOPMENT	\$786,114.20	\$2,452,109.80	State Fair Payments
OTHER EXPENDITURES	\$0.00	\$972.50	CC Fees for payments
INTEREST EXPENSE	\$0.00	\$275.00	
HUSKER HARVEST DAYS PAYMENT TO CRA	\$0.00	\$1,154,090.68	
GROW GRAND ISLAND DONATIONS	\$0.00	\$2,577,700.99	
UNASSIGNED CAPITAL PROJECTS	\$170,145.00	\$817,980.89	
CONTRACT SERVICES	\$0.00	\$12,500.00	Attorney fees for loan
	\$1,244,202.19	\$19,509,841.52	
	\$0.00	\$3,681,340.34	