City of Grand Island

Tuesday, September 27, 2022
Council Session

Item C-1

Presentation of the Food & Beverage Occupation Tax Oversight Committee 2022 Annual Report

Staff Contact: Jerry Janulewicz

Council Agenda Memo

From: Jerry Janulewicz, City Administrator

Meeting: September 27, 2022

Subject: Annual Report by the Food & Beverage Occupation Tax Oversight Committee

Presenter(s): Ron Depue, Chairman

Background

The voters of the City of Grand Island approved an occupation tax on food and beverages of one and one half percent (1½%) at the May 10, 2016 election. Subsequent to the election, the city has adopted an ordinance that establishes the Food and Beverage Occupation Tax Oversight Committee to be responsible for reviewing the revenues and expenditures of the city's occupation tax imposed upon persons and entities engaging in the business of providing food services, drinking places, or restaurants. The Committee shall advise the public and city officials with regard to the city's Food and Beverage Tax, and shall confirm that the Food and Beverage Tax revenues are accounted for in the designated special revenue funds and are being expended on eligible projects as provided by city ordinances. The Occupation Tax Oversight Committee is required by the Grand Island City Code to make an annual report to the City Council.

Discussion

The Occupation Tax Oversight Committee has been conducting quarterly meetings during the last twelve months as required by the City Code. The committee met on September 8, 2022, reviewed and approved the annual report and voted to forward it on to the City Council for its review. No action is required by the City Council.

REPORT OF THE OCCUPATION TAX OVERSIGHT COMMITTEE
TO THE GRAND ISLAND CITY COUNCIL
DATED: September 19, 2022.

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 8, 2022. 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 commencing October 1, 2022, 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 the payment of $150,000 to GGI in September, 2020. Annual distributions to GGI are available thereafter at $500,000 per year. Pursuant to the Amended Agreement, $500,000 per year has accrued for October 1, 2020 and October 1, 2021 City fiscal years. $35,000 was distributed to GGI in April, 2022 leaving a balance of $965,000 (NOTE: an additional distribution of $111,618.54 is pending). Annual Distributions are 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 withing 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 as 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 attached reports of the City Finance Department for receipt and distribution of the Food and Beverage Tax Funds from July 1, 2016 through September 30, 2018 and Summary of All Years. 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.

An accounting of the City Finance Department for the receipt and expenditure of Food and Beverage Tax Funds under the New Ordinance from July 1, 2016 through August 31, 2022 ("Unrestricted Funds") is also set forth on the attached reports. The balance of Unrestricted Funds as of August 31, 2022 is $4,455,859.98.

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

GGI's audit for year ending December 31, 2021 is also attached along with a summary of funds received and distributed and project dashboard. 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, 2022 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

4

CITY OF GRAND ISLAND

Food and Beverage Occupation Tax - As Received Basis*

	Actual FY 2017-2018	Actual FY 2018-2019	Change from Previous YR	Actual FY 2019-2020	Change from Previous YR	Actual FY 2020-2021	Change from Previous YR	Actual FY 2021-2022	Change from Previous YR
October	186,606.85	207,080.68	10.97%	204,527.48	-1.23%	205,781.05	0.61%	231,428.28	12.46%
November	191,946.97	194,084.01	1.11%	191,474.72	-1.34%	181,431.05	-5.25%	235,627.37	29.87%
December	168,050.34	170,414.75	1.41%	204,154.53	19.80%	194,511.75	-4.72%	203,556.86	4.65%
January	206,066.75	212,480.21	3.11%	215,978.93	1.65%	180,832.47	-16.27%	219,877.34	21.59%
February	157,965.35	162,444.83	2.84%	179,029.74	10.21%	152,302.39	-14.93%	187,653.29	23.21%
March	173,549.58	187,166.21	7.85%	189,527.88	1.26%	215,612.14	13.76%	252,100.07	16.92%
April	210,944.44	210,731.93	-0.10%	160,289.11	-23.94%	235,007.67	46.61%	241,413.32	2.73%
May	206,202.77	210,976.65	2.32%	121,199.63	-42.55%	243,138.47	100.61%	243,279.52	0.06%
June	205,246.34	201,785.80	-1.69%	172,011.17	-14.76%	238,615.14	38.72%	246,394.81	3.26%
July	210,139.70	214,414.93	2.03%	180,751.95	-15.70%	236,594.78	30.89%	249,247.53	5.35%
August	207,974.48	216,092.88	3.90%	194,059.97	-10.20%	250,272.88	28.97%	273,858.25	9.42%
September	205,221.04	229,301.66	11.73%	210,304.38	-8.28%	235,155.79	11.82%		-100.00%
Total Receipts	**2,329,914.61**	**2,416,974.54**		**2,223,309.49**		**2,569,255.58**		**2,584,436.64**	
Year to Date (YTD) Total	**2,124,693.57**	**2,187,672.88**	**2.96%**	**2,013,005.11**	**-7.98%**	**2,334,099.79**	**15.95%**	**2,584,436.64**	**10.73%**
YTD Percent Collected	**91.19%**	**90.51%**		**90.54%**		**120.16% of Budget**		**107.15% of Budget**	
						2021 Budget	**1,942,500**	**2022 Budget**	**2,412,000**

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

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	$14,929,237.49	
OTHER REVENUE	$0.00	$509,363.40	
OTHER BOND PROCEEDS	$0.00	$5,000,000.00	
	$0.00	**$20,438,600.89**	
	EXPENSES		
STOLLEY CONCESSION BUILDING REMODEL	$0.00	$59,316.28	
VETS BATTING CAGES	$0.00	$107,482.54	
CEMETERY ROAD TO SPACES	$0.00	$0.00	
CEMETERY COLUMBARIUM	$0.00	$0.00	
HPSP BAFFLES	$0.00	$901,333.22	
VETS PICKLEBALL COURTS	$0.00	$409,347.88	
VETS FIELD-RESTROOM AND CONC BUILDING	$287,942.99	$5,831.42	
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	$18,796.60	
FIELDHOUSE INDOOR PLAYGROUND	$0.00	$211,573.74	
ASHLEY PARK IRRIGATION SYSTEM	$0.00	$15.15	
LIONS CLUB PARK COURT NETTING	$0.00	$11,710.00	
STOLLEY PARK SPLASH PAD	$0.00	$151,999.00	
BIKE TRAIL DEVELOPMENT	$0.00	$11,102.21	
BIKE TRAIL DEVELOPMENT	$0.00	$11,320.00	
LOAN PRINCIPAL/EXPENSE	$0.00	$2,084,754.84	
LOAN INTEREST EXPENSE	$0.00	$499,101.21	
ECONOMIC DEVELOPMENT	$786,114.20	$2,026,140.80	State Fair Payments
OTHER EXPENDITURES	$0.00	$948.34	CC Fees for payments
INTEREST EXPENSE	$0.00	$275.00	
HUSKER HARVEST DAYS PAYMENT TO CRA	$0.00	$954,090.68	
GROW GRAND ISLAND DONATIONS	$0.00	$1,685,000.00	
UNASSIGNED CAPITAL PROJECTS	$170,145.00	$19,709.49	
CONTRACT SERVICES	$0.00	$12,500.00	Attorney fees for loan
	$1,244,202.19	**$15,982,740.91**	
	$0.00	**$4,455,859.98**	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2021-August 31, 2022

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	$4,508,703.58	
	REVENUE	
FOOD & BEV OCCUPATION TAX	$2,584,436.64	
OTHER REVENUE	$64,500.00	Northwestern Energy for State Fair & CCRebate
Subtotal Revenues	$2,648,936.64	
	EXPENSES	
STOLLEY CONCESSION BUILDING REMODEL		
VETS BATTING CAGES	$90,414.42	
CEMETERY ROAD TO SPACES		
CEMETERY COLUMBARIUM		
HPSP BAFFLES	$868,068.72	
VETS PICKLEBALL	$12,208.30	
VETS BALLFIELD	$5,831.42	Infield Regrading
PLAYGROUND EQUIPMENT		
PICKLEBALL COURTS		
BIKE/PED PROJECT		
VETERANS TRAIL CONNECTION		
PICNIC SHELTER REPLACEMENTS	$18,796.60	
FIELDHOUSE INDOOR PLAYGROUND	$211,573.74	
ASHLEY PARK IRRIGATION SYSTEM	$15.15	
LIONS CLUB PARK COURT NETTING	$11,710.00	
STOLLEY PARK SPLASH PAD	$151,999.00	
BIKE TRAIL DEVELOPMENT	$11,102.21	
ISLAND OASIS MASTER PLAN	$11,320.00	
LOAN PRINCIPAL/EXPENSE	$485,257.43	
LOAN INTEREST EXPENSE	$88,908.31	
ECONOMIC DEVELOPMENT	$489,300.00	State Fair Payments
OTHER EXPENDITURES	$267.48	
HUSKER HARVEST DAYS PAYMENT TO CRA	$200,000.00	Includes Grant Prep Services and MA Fees on Loan
GROW GRAND ISLAND DONATIONS	$35,000.00	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2021-August 31, 2022

UNASSIGNED CAPITAL PROJECTS	$10,007.46	
Subtotal Expenses	**$2,701,780.24**	
ENDING CASH	**$4,455,859.98**	

Food and Beverage
Occupation Tax Committee

Activity Oct. 1, 2020-Sept 30, 2021

ACCOUNT DESCRIPTION/PROJECT NAME	Unrestricted Activity	Comments
BEGINNING CASH	$3,590,780.76	
	REVENUE	
FOOD & BEV OCCUPATION TAX	$2,569,465.57	
OTHER REVENUE	$86,000.00	Northwestern Energy for State Fair & CCRebate
Subtotal Revenues	$2,655,465.57	
	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	$375,791.25	
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	$333.33	
HUSKER HARVEST DAYS PAYMENT TO CRA	$200,000.00	Includes Grant Prep Services and MA Fees on Loan
GROW GRAND ISLAND DONATIONS		
UNASSIGNED CAPITAL PROJECTS	$814.53	
Subtotal Expenses	$1,737,542.75	
ENDING CASH	**$4,508,703.58**	

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 & CCRebate
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 & CCRebate
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 & 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
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/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**	

Grow Grand Island - F&B for City 2-Yr Agreement 2020-21 & 2021-22 — **AS OF August 30, 2022**

Note: Disbursements are reported quarterly to the F&B Oversight Committee

$927,682.31	Bank Balance as of 9/30/2020
-$38,380.00	Admin Disbursements Accumulative Total
-$511,001.03	Project Disbursements Accumulative Total
$9,489.80	Home Federal Money Market - Interest Earned
$185,000.00	Received from F&B
$572,791.08	**Bank Balance**
-$942,743.99	*Committed for Approved Grants*
-$369,952.91	Needed for Approved Grants
$465,000.00	Available for Grants from F&B (2020-21)
$500,000.00	Available for Grants from F&B (2021-22)
-$220,000.00	Projects in the Pipeline
$375,047.09	Balance for new projects

Committed for Approved Grants - Not Yet Disbursed

$4,148.62	*Look Local Grow Local ($36,978 3yr)*
$54,379.69	*Talent Attraction ($64,925 3yr)*
$41,099.19	*Future Builders ($52,000 3yr)*
$274,413.33	*Event Incentive Fund ($400,000)*
$208,873.96	*Cooperative Degree-Based Internship ($225,000 3yr)*
-$12,170.80	*Entryway Signage Replacement ($229,050)*
$70,000.00	*Image/Branding Campaign ($70,000)*
$290,000.00	*Amur Plaza ($290,000)*
$12,000.00	*GGI Admin*
$942,743.99	
$30,000.00	[illegible]

Projects in the Pipeline

$120,000.00	Additional Entryway Signs
	Internship Housing
$100,000.00	Morman Island Expansion/Trail
$220,000.00	Needed

>>>>	-38,380.00			Admin
>>>>	-511,001.03		Disbursements Accummlative Total	
	Amount	ck#	Desc	
	-1,220.00	2052	Talent Attraction Grant	
	-5,060.00	2053	Look Local Grow Local Grant	
	-35,000.00	5054	Rock the Lot Fonner Improvement Grant	
	-2,215.42	2055	Look Local Grow Local Grant	
	-7,572.99	2056	Degree-Based Internships Grant	
	-820.00	2057	Talent Attraction Grant	
	-1,400.00	2058	Look Local Grow Local Grant	
	-10,000.00	2059	Event Incentive (Lopin & Ropin)	
	-5,000.00	2060	Event Incentive (Nebraska State Cheer & Dance)	
	-5,000.00	2061	Event Incentive (Western States Cutting Assoc)	
	-75.00	2062	Talent Attraction Grant	
	-50.00	2063	Talent Attraction Grant	
		2064	$950 Dana F. Cole 1/2 audit (administrative)	-950.00
	75.00	Ret	Talent Attraction Grant	
		2065	$240 Dana F. Cole final 1/2 audit (administrative)	-240.00
	-48,418.88	2066	Entryway Signage	
	-21,110.56	2067	HEC Customer Experience ($29,744 approved; $8633.44 unused)	
	-581.10	2068	Talent Attraction Grant	
	-8,553.05	2069	Co-op Internship	
	-920.00	2070	Look Local Grow Local Grant	
	-4,000.00	2071	Look Local Grow Local Grant	
	-100.00	2072	Talent Attraction Grant	
	-2,800.00	2073	Entryway Signage	
	-10,000.00	2074	Event Incentive (Nebraska State Cheer & Dance 2021)	
	-10,000.00	2075	Event Incentive (USA Wrestling 2021)	
	-6,000.00	2076	Event Incentive (Heartland Heros Softball Tournament)	
	-25,000.00	2077	Event Incentive (Fire School)	
	-4,586.67	2078	Impact Calculator & D.I. Membership	
	-2,160.00	2079	Look Local Grow Local Grant	
	-19.02	2080	Look Local Grow Local Grant	
	-125.00	2081	Talent Attraction Grant	
	-48,418.87	2082	Entryway Signage	
	-4,075.39	2083	Entryway Signage	
		2084	Admin Contract (January-September)	-18,000.00
	-15,281.63	2085	Entryway Signage	
	-815.77	2086	Look Local Grow Local Grant	
		2087	Admin Contract (October-November)	-4,000.00
	-651.84	2088	Talent Attraction Grant	
	-5,000.00	2089	Event Incentive (National 4H Shooting Championship)	
	-3,636.33	2090	Entryway Signage	
	-38,857.52	2091	Entryway Signage	
	-15,650.00	2092	Entryway Signage	
	-38,857.52	2093	Entryway Signage	
		2094	Admin Contract (December)	-2,000.00
	-9,514.15	2095	Entryway Signage	
	-125.00	2096	Talent Attraction Grant	
	-635.33	2097	Look Local Grow Local Grant	
	-5,993.84	2098	Entryway Signage	
	-35,000.00	2099	Fonner Master Plan	
	-11,610.06	2100	Sculpture Walk	
	-1,333.33	2101	Talent Attraction Grant	
	-475.15	2102	Look Local Grow Local Grant	
	-10,000.00	2103	Event Incentive Fund (State Cheer and Dance)	
	-10,000.00	2104	Event Incentive Fund (USA Wrestling)	
	-25,000.00	2105	Event Incentive Fund (State Fire School)	
	-2,389.94	2106	Railside Sculpture Walk	
		2107	Dana F. Cole 1/2 audit (administrative)	-1,190.00
		2108	Admin Contract (January-July)	-12,000.00
	-8,144.79	2109	Entryway Signage	
	-1,571.88	2110	Entryway Signage	
	-175.00	2111	Talent Attraction Grant	
	-125.00	2112	Talent Attraction Grant	

Grow Grand Island Project Dashboard (2016-2022)				
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%
Olypmic 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%
CoFound (Entrepreneurship)***	$10,000	$10,000	$0	100.00%
Fonner Master Plan	$158,000	$35,000	$123,000	77.85%
Entryway Signage	$233,450	$229,050	$4,400	2.20%
	$2,201,834	**$609,244**	**$1,592,590**	72.33%
PROJECTS - In Progress	**Project Total**	**GGI GRANT**	**OTHER Funds**	**LEVERAGED**
Event Incentive Fund	$400,000	$400,000	TBD	0.00%
Targeted Talent Attraction	$65,000	$65,000	$0	0.00%
Future Builders	$191,700	$52,000	$139,700	72.87%
Look Local Grow Local	$36,978	$36,978	$0	0.00%
EDGE Upskilling***	$51,350	$0	$51,350	100.00%
Degree-Based Internship	$225,000	$225,000	TBD	0.00%
GI Image (Grand life)	$137,000	$70,000	$67,000	48.91%
Medical Academy at CHI***	$7,149,886	$50,000	$7,099,886	99.30%
Art of Neighboring***	$4,500	$0	$4,500	100.00%
Amur Plaza	$685,000	$290,000	$395,000	57.66%
	$8,946,414	**$1,188,978**	**$7,757,436**	
TOTALS	**$11,148,248**	**$1,798,222**	**$9,350,026**	
GGI Grant - not F&B***		$99,500		
PROJECTS - Pipeline				
Mormon Island Expansion/Trail				
Internship Housing				
Additional Entryway Signs				

GROW GRAND ISLAND, INC.

FOOD AND BEVERAGE FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2021

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Assets, and Net Assets - Cash Basis	3
Statement of Receipts, Disbursements, and Changes in Net Assets - Cash Basis	4
NOTES TO FINANCIAL STATEMENTS	5 - 8

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 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, 2021, 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, 2021, 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.

Dana Cole + Company, LLP

Grand Island, Nebraska
April 6, 2022

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS
YEAR ENDED DECEMBER 31, 2021

ASSETS

ASSETS	
Cash	686,679

NET ASSETS

NET ASSETS	
With donor restrictions	686,679

GROW GRAND ISLAND, INC.
FOOD AND BEVERAGE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET ASSETS - CASH BASIS
YEAR ENDED DECEMBER 31, 2021

NET ASSETS WITH DONOR RESTRICTIONS	
RECEIPTS	
Interest income net of fees	5,446
DISBURSEMENTS	
Administrative	25,190
Grants distributed	316,978
Total disbursements	342,168
DECREASE IN NET ASSETS	(336,721)
NET ASSETS, beginning of year	1,023,400
NET ASSETS, end of year	686,679

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 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.

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 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 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.

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.

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.

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

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, 2021. If this major funding ceased, the Corporation could not continue the level of services currently provided.

At December 31, 2021, 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	686,679

NOTE 4. CITY OF GRAND ISLAND AGREEMENT

Beginning October 25, 2016, the City of Grand Island, Nebraska (the City), 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.

In September 2020, the contract with the City of Grand Island, Nebraska, 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, 2021, no funds were forwarded to the Food and Beverage Fund at Grow Grand, Inc., from the City of Grand Island, Nebraska.

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, 2021, are available for the following purposes:

City of Grand Island restricted to promote activities that will stimulate progress and growth for Grand Island, Nebraska.	686,679

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

NOTE 6. COVID-19

The Coronavirus (COVID-19) pandemic 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, Nebraska, 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 April 6, 2022, 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.