



# **City of Grand Island**

**Tuesday, August 6, 2013**

**Study Session**

## **Item -1**

### **Heartland Events Center Financial Overview**

**Staff Contact: Mary Lou Brown, City Administrator**

**EVENTS HELD IN HEARTLAND EVENTS CENTER  
AND BOSSELMAN CONFERENCE CENTER  
2011 AND 2012  
BY EVENT TYPE**

	<b>2011</b>	<b>2012</b>
Community/Fundraising Events	20	16
Concerts	16	14
Family Shows/Events	6	6
Trade Shows/SMERF Events*	8	2
Meetings/Banquets/Parties/ Conferences/Conventions	56	61
Other Sporting Events	12	8
Minor League Tenant	9	9
 Total Events	 127	 116
Total Event Days	143	141
(Does Not Include Set Up Days)		

\*Social, Military, Education, Reunions, Fraternal Events

**2011 and 2012 Events**  
**Held in Bosselman Conference Center and Eihusen Arena**

Date	Event Name	Facility	Type of Event	Number of Days
<b>2011</b>				
<b>January</b>				
7	Governor Heineman Inaugural Luncheon	Arena	Banquet	1
12	State Patrol "SWAT" Training	Arena	Training	1
15	Danger IFL Football Tryouts	Arena (with Turf)	League Tenant	1
21	Leprino Foods Meeting	BCC	Meeting	1
21-23	Central Nebraska Home Show	Arena	Trade Show	3
29	Nebraska Army National Guard Meeting	BCC	Training	1
<b>February</b>				
4	Leprino Foods Meeting	BCC	Meeting	1
4 thru 5	Monster Trucks	Arena	Sporting Event	2
8	Avenged Sevenfold Rock Concert	Arena	Concert	1
11	State Fair Board Meeting	BCC	Meeting	1
12	Heartland Hoops Classic	Arena	Sporting Event	1
18-19	Nebraska Cheer and Dance Competition	All Facilities	Sporting Event	2
21	Senninger Irrigation Meeting	BCC	Meeting	1
22-24	Bosselman Co. Leadership Conference	BCC	Conference	3
24	Chamber Business After Hours	Arena	Meeting	1
25	BASF Meeting	BCC	Meeting	1
26	Habitat for Humanity Charity Auction	BCC	Fundraising	1
26	"Danger" IFL Football Scrimmage	Arena	League Tenant	1
26	Rumble in the Heartland WBC Boxing	Arena	Sporting Event	1
<b>March</b>				
3, 4, 5	Custom Harvesters	HEC, State Fair Exhibition Bldg. #1	Convention	3
7	Danger IFL Football	Arena	League Tenant	1
7	CNHRMA Meeting	BCC	Meeting	1
12	Nebr. Thoroughbred Breeders Dinner	BCC	Banquet	1
12	Red Cross Chili Cook-Off	Arena	Fundraising	1
18	Monsanto Meeting	BCC	Meeting	1
19-20	USA State Wrestling Tournament	Arena	Sporting Event	2
21-22	Shrine Circus	Arena	Family Show	2
21	Nebr. Department of Roads Meeting	BCC	Meeting	1
25	Evolution Group Meeting	BCC	Meeting	1
25	Purina Mills Meeting	BCC	Meeting	1
26	"Rumbles" in Concert	Arena	Concert	1
27	Danger IFL Football	Arena	League Tenant	1
31	Chamber of Commerce Annual Dinner	BCC, Arena	Banquet	1
<b>April</b>				
2	Moonshell Arts Banquet	BCC	Banquet	1
7	NAIFA-Nebraska Meeting	BCC	Meeting	1
8	American Institute of Architects Conference	BCC	Conference	1
9	UNL Women vs. Wichita State Volleyball	Arena	Sporting Event	1
13	UNL College Prep Academy Reception	BCC	Banquet	1
16	Swelsy Bridal Shower	BCC	Party	1
16	Preferred Pump Meeting and Open House	BCC	Meeting	1
16	"Danger" IFL Football	Arena	League Tenant	1
20	State Fair Volunteer Meeting	BCC	Meeting	1
30	"Danger" IFL Football	Arena	League Tenant	1
<b>May</b>				
8	Grand Island Senior High Graduation	Arena	Community Event	1
13	State Fair Board Meeting	BCC	Meeting	1
14	"Danger" IFL Football	Arena	League Tenant	1
15	Professional Arena Soccer Exhibition Game	Arena	Sporting Event	1
20-22	Nebraska Fire School	All Facilities	Training	3
23	Goodwill Annual Dinner	BCC	Fundraising	1
26	Central Community College Conference	BCC	Conference	1
27	Nebr. Army National Guard "Send Off" Ceremony	Arena	Community Event	1
28	"Danger" IFL Football	Arena	League Tenant	1
<b>June</b>				
1 thru 2	NE Economic Development Conference	BCC	Conference	2
2	Vic Henley, Comedian	Arena	Concert	1
9 thru 10	Nebraska Corn Board Meeting	BCC	Meeting	1
10	State Fair Board Meeting	BCC	Meeting	1
11	McElroy Service Experts Dinner	BCC	Banquet	1
11	"Danger" IFL Football	Arena	League Tenant	1
18	Swelsy Wedding Reception	Arena	Party	1
28	Monsanto Co. Training	South Parking Lot/BCC	Training	1
29	Congressman Adrian Smith Trade Seminar	BCC	Meeting	1

**2011 and 2012 Events**  
**Held in Bosselman Conference Center and Eihusen Arena**

<b>July, 2011</b>				
2	Mallory Anniversary/Birthday Party	BCC	Party	1
8	State Fair Board Meeting	BCC	Meeting	1
9	Swantek Family Reunion	BCC	Party	1
15	United Way Moo-Claw	Arena	Fundraising	1
19	Hall County Fair Concert-Saliva/Filter Rock	Arena	Concert	1
22	Central Catholic Class Reunion	BCC	Party	1
21	Hall County Fair Concert-Oak Ridge Boys	Arena	Concert	1
22	Hall County Fair Concert-Beach Boys	Arena	Concert	1
23	Hall County Fair Concert-Gloriana	Arena	Concert	1
27	Hall Co. Livestock Assn. Annual Meeting	BCC	Meeting	1
<b>August</b>				
3	Legislative Hearing	BCC	Meeting	1
6	Nebraska State Fair Blue Ribbon Rollout	Arena	Fundraising	1
6	Nebraska State Fair Board Meeting	BCC	Meeting	1
13	Third City Booster Club Steak Feed	Arena	Fundraising	1
18	State Fair Meeting	BCC	Meeting	1
18	Husker Hoops Coaches Caravan	BCC	Sporting Event	1
26	The Band Perry Concert	Arena	Concert	1
28	Larry the Cable Guy Concert	Arena	Concert	1
29	State Fair Veteran's Day Booths	BCC	Community Event	1
30	Univ. of Nebraska Medical Center Displays	BCC	Community Event	1
31	State Fair Older Nebraskan's Festival	BCC	Community Event	1
31	Crystal Gayle Concerts	Arena	Concert	1
<b>September</b>				
1	Jeremy Camp Concert	Arena	Concert	1
1	State Fair Wells Fargo Event	BCC	Community Event	1
2	Leann Rimes Concert	Arena	Concert	1
3	State Fair-Nebr. Elite Showmanship Competition	BCC	Community Event	1
3	State Fair Queen Meet and Greet	BCC	Community Event	1
3	State Fair 4-H Premier Exhibitors	BCC	Community Event	1
3	Miss State Fair Pageant	Arena	Community Event	1
4	Willie Nelson Concert	Arena	Concert	1
5	Cheap Trick Concert	Arena	Concert	1
5	State Fair 4-H Donors' Luncheon	BCC	Community Event	1
12	Husker Harvest Days Meeting and Dinner	BCC	Banquet	1
14	Case IH Equipment Show and Dinner	Arena/BCC	Banquet	1
18	Education Quest College Fair	Arena	Trade Show	1
<b>October</b>				
1	Nebr. State Fair Superintendent's Meeting	BCC	Meeting	1
4	Heartland United Way Kickoff Luncheon	Arena	Banquet	1
5	State Fair Livestock Meeting	BCC	Meeting	1
5	Silver Celebration	Arena	Community Event	1
6	Catholic Health Initiatives Meeting	BCC	Meeting	1
10	Equitable Bank Annual Meeting	BCC	Meeting	1
11	Tridaq Software Rollout	BCC	Meeting	1
12	State Volleyball Meeting	BCC	Meeting	1
14	State Fair Board Meeting	BCC	Meeting	1
15	Rumble in the Heartland-World Champ. Boxing	Arena	Sporting Event	1
20	U.S. Air Force Band-Singing Sergeants	Arena	Concert	1
26	Lunch with the Governor	BCC	Meeting	1
<b>November</b>				
3	Catholic Health Initiatives Leadership Dev.	BCC	Meeting	1
3,4	Fire Department Training	Arena	Training	2
7	State Volleyball Committee Meeting	BCC	Meeting	1
8	Nu-Tech Seed Meeting	BCC	Meeting	1
11,12	Nebr. State High School Girls' Volleyball	All Facilities	Sporting Event	2
17	Fellowship of Christian Athletes Banquet	Arena	Banquet	1
19	Nebraska Hereford Assn. Annual Meeting	BCC	Meeting	1
19	Mannheim Steamroller in Concert	Arena	Concert	1
19	Dohman, Akerlund Dinner/Concert	BCC	Banquet	1
19	Obstetrics & Gynecologists Dinner/Concert	BCC	Banquet	1
20	Nebraska Hereford Annual Meeting	Cattle Barn, BCC	Meeting	1
21	Monsanto Meeting	BCC	Meeting	1
<b>December</b>				
1	Five Points Bank Golden Club Luncheon	Arena	Banquet	1
7	Pro Ag Agent's Meeting	BCC	Meeting	1
10	Chief Industries Christmas Party	Arena	Banquet	1
16	Middle School Wrestling Tournament	Arena	Sporting Event	1
17-18	Flatwater Fracas Wrestling Tournament	Arena	Sporting Event	2
19	USA Nebraska Wrestling Tournament	Arena	Sporting Event	1
19	State Fair Meeting	BCC	Meeting	1

**2011 and 2012 Events**  
**Held in Bosselman Conference Center and Eihusen Arena**

<b>2012</b>				
<b>January</b>				
12	Catholic Health Init. Leadership Dev.	BCC	Meeting	1
17	Syngenta Meeting	BCC	Meeting	1
20-22	Central Nebraska Home Show	Arena	Trade Show	3
21	Heritage Bank Christmas Party	BCC	Banquet	1
28	NE Army National Guard Safety Meeting	BCC	Meeting	1
<b>February</b>				
3-4	Monster Truck Winter Nationals	Arena	Sporting Event	2
7	Nebraska State Fair Meeting	BCC	Meeting	1
10	Habitat for Humanity Charity Auction	BCC	Fundraising	1
11	Heartland Hoops Classic	Arena	Sporting Event	1
14	Performance Planners	BCC	Meeting	1
17-18	Nebr. High School Cheer and Dance	Arena	Sporting Event	2
23	Nebraska Danger Scrimmage Game	Arena	League Tenant	1
24	Channel Meeting	BCC	Meeting	1
25	Jeff Foxworthy Concert	Arena	Concert	1
25	BASF Client Appreciation Reception	BCC	Banquet	1
27-28	Shrine Circus	Arena	Family Show	2
<b>March</b>				
4	Danger Football Game	Arena	League Tenant	1
7	GI Economic Development Corp. Annual Meeting	BCC	Meeting	1
9	State Fair Board Meeting	BCC	Meeting	1
10	Nebr. Thoroughbred Breeders Dinner	BCC	Banquet	1
12	Danger Football Game	Arena	League Tenant	1
12	Bosselman Reception	BCC	Banquet	1
17-18	Nebr. USA State Wrestling Tournament	Arena	Sporting Event	2
19-21	Nebraska Rural Water Association	Arena/BCC	Conference	3
22	State Tourism Strategic Planning Meeting	BCC	Meeting	1
23	Danger Football Game	Arena	League Tenant	1
29	Catholic Health Initiatives Admin. Staff Meeting	BCC	Meeting	1
29	State Fair Meeting	BCC	Meeting	1
30	Purina Mills Meeting	BCC	Meeting	1
<b>April</b>				
10	Pro Scout Meeting	BCC	Meeting	1
13	American Institute of Architects Conference	BCC	Conference	1
14	Danger Football Game	Arena	League Tenant	1
16	Catholic Health Initiatives Meeting	BCC	Meeting	1
21	Preferred Pump Continuing Ed/Open House	BCC	Meeting	1
23	EMPG Roll Out Meeting	BCC	Meeting	1
25	UNL College Prep Academy Reception	BCC	Banquet	1
26	Home Federal Bank Annual Meeting	BCC	Meeting	1
27	Bosselman, Inc. Private Reception	BCC	Banquet	1
27	CNHRMA Meeting	BCC	Meeting	1
27	National 4-H Shoot Planning Meeting	BCC	Meeting	1
27	Danger Football Game	Arena	League Tenant	1
<b>May</b>				
3	Catholic Health Initiatives Leadership Dev.	BCC	Meeting	1
10	Catholic Health Init. Leadership Dev.	BCC	Meeting	1
11	State Fair Meeting	BCC	Meeting	1
11	BASF Reception	BCC	Meeting	1
11	Ron White in Concert	Arena	Concert	1
13	Grand Island Senior High Graduation	Arena	Community Event	1
13	Wlaschin Graduation Party	BCC	Party	1
18-20	Nebraska State Fire School	All Facilities	Training	3
21	Goodwill Industries Annual Dinner	BCC	Banquet	1
24	Piccadilly Circus	Arena	Family Show	1
26	Danger Football Game	Arena	League Tenant	1
<b>June</b>				
2	Danger Football Game	Arena	League Tenant	1
8	State Fair Board Meeting	BCC	Meeting	1
9	Danger Football Game	Arena	League Tenant	1
12	BNL Visitor's Day Meeting	BCC	Meeting	1
14-16	Northern Plains Kids/Cadet Regional Wrestling	Arena	Sporting Event	3
17-22	National 4-H Shooting Competition	All Facilities	All Facilities	6
26	Nebraska State Fair Meeting	BCC	Meeting	1
28	Aurora Coop Board Meeting	BCC	Meeting	1
30	Jensen Wedding Reception	BCC	Banquet	1

**2011 and 2012 Events**  
**Held in Bosselman Conference Center and Eihusen Arena**

<b>July, 2012</b>				
12	Loretta Lynn with Ray Price in Concert	Arena	Concert	1
12	York Fun Club Dinner and Show	BCC	Banquet	1
12	Albion/Boone County Fun Club Dinner and Show	BCC	Banquet	1
13	State Fair Board Meeting	BCC	Meeting	1
13	Montgomery Gentry Concert	Arena	Concert	1
14	Tommy James & Shondells/Fifth Dimension Concert	Arena	Concert	1
20	United Way Moo-Claw	Arena	Fundraising	1
25	Hall Co. Livestock Association Annual Meeting	BCC	Meeting	1
<b>August</b>				
1	State Fair Meeting	BCC	Meeting	
4	State Fair Board Meeting	BCC	Meeting	1
4	State Fair Blue Ribbon Roll Out	Arena	Fundraising	1
6	State Fair Meeting	BCC	Meeting	1
19	NE National Guard-Yellow Ribbon Event	Arena	Community Event	1
24	Charlie Daniels Band Concert	Arena	Concert	1
25	RFD TV - The Marty Stuart Show	Arena	Family Show	1
25	Nebraska Senate Debate Presented by RFD-TV	Arena	Community Event	1
26	State Fair 4-H Fashion Show	Arena	Community Event	1
26	Nebraskapella! Mass Chorus	Arena	Community Event	1
28	NE State Fair-NE Regional Poisson Center Displays	BCC	Community Event	1
29	State Fair Older Nebraskans' Festival	BCC	Community Event	1
29	Larry Gatlin and Gatlin Brothers Concert	Arena	Concert	1
30	Mercy Me Concert	Arena	Concert	1
31	The Fray	Arena	Concert	1
				1
<b>September</b>				
1	Billy Currington Concert	Arena	Concert	
3	Steve Miller Band Concert	Arena	Concert	1
3	State Fair Veteran's Day Celebration	Arena	Community Event	1
3	State Fair Veteran's Day Information Booths	BCC	Community Event	1
3	State Fair Queen Meet and Greet	BCC	Community Event	1
3	Miss State Fair/Miss Heartland Scholarship Pageant	Arena	Community Event	1
10	Case IH Sales Meeting and Banquet	BCC	Meeting	1
13	Aurora Coop Meeting	BCC	Meeting	1
14-16	St. Mary's Cathedral Conference	Arena	Community Event	1
				3
<b>October</b>				
2	State Fair Livestock Advisory Meeting	BCC	Meeting	
3	Silver Celebration	Arena	Community Event	1
8	Homady Mfg. Christmas Party Planning	BCC	Meeting	1
8	Equitable Bank Annual Meeting	BCC	Meeting	1
12	York Fun Club Pre-Show Dinner	BCC	Banquet	1
12	Columbus Bank First Pre-Show Dinner	BCC	Banquet	2
12	Bar J Wranglers Benefit Concert	Arena	Concert	1
15	Monsanto Meeting	BCC	Meeting	1
17-18	UNL Extension Fall Conference	Arena	Conference	1
23	Central Community College Conference	Arena	Conference	2
24	State Volleyball Meeting	BCC	Meeting	1
28	Little River Band Concert	Arena	Concert	1
				1
<b>November</b>				
8,9,10	Nebraska State Volleyball Tournaments	All Facilities	Sporting Event	
11,12,13	Young American Touring Co.-Dance Workshops	Arena, BCC, Clubhouse	Family Show	3
19	Fonner Park Board of Directors Meeting	BCC	Meeting	3
20	BNI Meeting	BCC	Meeting	1
24	Kenny Rogers Christmas and Hits Tour	Arena	Concert	1
30	Eakes Office Products Christmas Party	BCC	Banquet	1
				1
<b>December</b>				
6	Five Points Bank Golden Club Luncheon	Arena	Banquet	
8	Chief Industries Christmas Party	Arena	Banquet	1
8	Family Eyecare Center Christmas Party	BCC	Banquet	1
13	Middle School Conference Wrestling Tournament	Arena	Sporting Event	1
14-15	Flatwater Fracas Wrestling Tournament	Arena	Sporting Event	1
				2

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**FONNER PARK EXPOSITION  
& EVENTS CENTER, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2012 and 2011**

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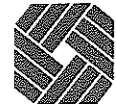
**ALMQUIST MALTZAHN  
GALLOWAY & LUTH**  
CERTIFIED PUBLIC ACCOUNTANTS



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Fonner Park Exposition & Events Center, Inc.

We have audited the accompanying financial statements of Fonner Park Exposition & Events Center, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility of the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C. and offers wealth management and investment advisory services.

**SHAREHOLDERS**  
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A PROFESSIONAL  
CORPORATION

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 of Fonner Park Exposition & Events Center, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Almgvist Maltzahn,  
Gallaway & Luth, P.C.*

Grand Island, Nebraska  
April 23, 2013

**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**December 31,**

	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (notes A9, B and E)	\$ 1,017,813	\$ 1,004,852
Investments (notes A6 and C)	305,185	302,620
Accounts receivable (note A11)	83,012	4,719
Accrued interest receivable-investments	1,525	2,921
Accrued interest receivable-capital lease	5,030	5,109
Prepaid insurance	2,316	2,075
Advanced payments on events (note I)	-	31,402
Current portion of capital lease receivable (note H)	405,000	400,000
Total current assets	<u>1,819,881</u>	<u>1,753,698</u>
<b>Property and Equipment (note A3)</b>		
Equipment	998,095	979,438
Less accumulated depreciation	(427,216)	(312,120)
Net property and equipment	<u>570,879</u>	<u>667,318</u>
<b>Other Assets</b>		
Capital lease receivable-City of Grand Island, net of current portion (note H)	4,925,000	5,330,000
Bond issuance fees, net of accumulated amortization of \$105,055 and \$91,710 in 2012 and 2011, respectively (note A10)	155,832	169,176
Total other assets	<u>5,080,832</u>	<u>5,499,176</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 7,471,592</u></u>	<u><u>\$ 7,920,192</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,909	\$ 8,065
Ticket refunds payable	-	6,984
Gift certificates payable	100	1,113
Sales tax payable	2,743	2,899
Accrued interest payable	5,030	5,109
Deferred revenue (note I)	71,023	122,045
Current maturities of long-term debt (note G)	549,201	537,252
Total current liabilities	<u>634,006</u>	<u>683,467</u>
<b>Long-term Liabilities</b>		
Bonds payable, net of current maturities (note G)	6,266,583	6,815,784
<b>Net Assets</b>		
Unrestricted net assets	<u>571,003</u>	<u>420,941</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 7,471,592</u></u>	<u><u>\$ 7,920,192</u></u>

See notes to financial statements.

**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**STATEMENTS OF ACTIVITIES**

**Years Ended December 31,**

	<b>2012</b>		
	<u><b>Unrestricted</b></u>	<u><b>Temporarily Restricted</b></u>	<u><b>Total</b></u>
<b>REVENUE &amp; PUBLIC SUPPORT</b>			
Contributions	\$ -	\$ -	\$ -
Grants	-	216,710	216,710
Commission income	70,334	-	70,334
Arena rental fees	159,264	-	159,264
Sign rental income	25,722	-	25,722
Concession income	501,304	-	501,304
Facility use fees	126,232	-	126,232
Box office sales	1,275,658	-	1,275,658
Motel occupation tax	351,703	-	351,703
Interest income-investments	8,006	-	8,006
Interest income-capital lease	116,789	-	116,789
Miscellaneous	69,520	-	69,520
Total revenue & public support	<u>2,704,532</u>	<u>216,710</u>	<u>2,921,242</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS (note D)</b>	216,710	(216,710)	-
<b>EXPENSES</b>			
Advertising	51,276	-	51,276
Amortization (note A10)	13,344	-	13,344
Bank service charges	1,863	-	1,863
Box office contract payments	1,139,539	-	1,139,539
Contract labor (note J)	354,625	-	354,625
Credit card fees	10,997	-	10,997
Depreciation	115,096	-	115,096
Dues and subscriptions	4,293	-	4,293
Concession expense	119,759	-	119,759
Equipment rental	-	-	-
Equipment maintenance contract	41,042	-	41,042
Insurance	20,271	-	20,271
Interest	196,246	-	196,246
Licenses and permits	1,401	-	1,401
Management and maintenance fees (note J)	283,643	-	283,643
Meeting expense	133	-	133
Miscellaneous	3,643	-	3,643
Office supplies and expenses	6,988	-	6,988
Postage and delivery	-	-	-
Professional fees and consulting	9,476	-	9,476
Promotion	336	-	336
Printing and reproduction	935	-	935
Repairs and maintenance	77,520	-	77,520
Security service	15,039	-	15,039
Supplies	17,208	-	17,208
Taxes	98,701	-	98,701
Telephone and internet	18,743	-	18,743
Travel	-	-	-
Utilities	165,468	-	165,468
Web site development & maintenance	3,595	-	3,595
Total expenses	<u>2,771,180</u>	<u>-</u>	<u>2,771,180</u>
<b>Increase in net assets</b>	150,062	-	150,062
<b>Net assets at beginning of year</b>	<u>420,941</u>	<u>-</u>	<u>420,941</u>
<b>Net assets at end of year</b>	<u><u>\$ 571,003</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 571,003</u></u>

See notes to financial statements.

2011		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 32,852	\$ -	\$ 32,852
-	216,710	216,710
74,236	-	74,236
159,239	-	159,239
24,838	-	24,838
558,318	-	558,318
144,186	-	144,186
1,684,467	-	1,684,467
312,039	-	312,039
12,782	-	12,782
209,188	-	209,188
(1,362)	-	(1,362)
<u>3,210,783</u>	<u>216,710</u>	<u>3,427,493</u>
216,710	(216,710)	-
51,950	-	51,950
13,344	-	13,344
65	-	65
1,407,238	-	1,407,238
378,246	-	378,246
13,532	-	13,532
100,433	-	100,433
3,626	-	3,626
161,137	-	161,137
1,750	-	1,750
36,538	-	36,538
17,722	-	17,722
295,259	-	295,259
1,248	-	1,248
273,459	-	273,459
18	-	18
2,003	-	2,003
3,966	-	3,966
779	-	779
7,888	-	7,888
559	-	559
2,278	-	2,278
82,187	-	82,187
23,479	-	23,479
14,587	-	14,587
170,502	-	170,502
18,968	-	18,968
535	-	535
157,155	-	157,155
823	-	823
<u>3,241,274</u>	<u>-</u>	<u>3,241,274</u>
186,219	-	186,219
234,722	-	234,722
<u>\$ 420,941</u>	<u>\$ -</u>	<u>\$ 420,941</u>

# FONNER PARK EXPOSITION & EVENTS CENTER, INC.

## STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 150,062	\$ 186,219
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Amortization	13,344	13,344
Depreciation	115,096	100,433
(Increase) decrease in:		
Accounts receivable	(78,293)	21,060
Pledges receivable	-	46,750
Accrued interest receivable	1,475	4,980
Prepaid insurance	(241)	(719)
Advanced payments on events	31,402	(31,402)
Increase (decrease) in:		
Accrued interest payable	(79)	(5,664)
Accounts payable	(2,156)	(138,328)
Sales tax payable	(156)	(2,647)
Ticket refunds payable	(6,984)	6,984
Gift certificates payable	(1,013)	1,113
Deferred revenue	(51,022)	60,019
Net cash provided by operating activities	171,435	262,142
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Increase in investments	(2,565)	(102,620)
Decrease in capital lease receivable	400,000	220,000
Purchase of property and equipment	(18,657)	(122,085)
Net cash provided (used) by investing activities	378,778	(4,705)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on bonds payable	(537,252)	(350,639)
Net increase (decrease) in cash and cash equivalents	12,961	(93,202)
Cash and cash equivalents at beginning of year	1,004,852	1,098,054
Cash and cash equivalents at end of year	<u>\$ 1,017,813</u>	<u>\$ 1,004,852</u>
<b><u>SUPPLEMENTAL DISCLOSURES:</u></b>		
Cash paid during the year for interest	<u>\$ 196,325</u>	<u>\$ 300,923</u>

See notes to financial statements.

# FONNER PARK EXPOSITION & EVENTS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

#### 1. Nature of Operations

The Fonner Park Exposition & Events Center, Inc. was incorporated on March 24, 1998, as a subsidiary of the Hall County Livestock Improvement Association (a Nebraska nonprofit corporation). The purpose of the Organization is to plan, develop, construct and operate an exposition and events center in Grand Island, Nebraska.

#### 2. Basis of Accounting and Presentation

The Organization uses the accrual basis of accounting for financial reporting purposes. Income is recognized when earned and expenses are recognized when incurred.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as required by the *Financial Statements of Not-For-Profit Organizations* topic of the FASB accounting standards codification.

#### 3. Property and Equipment

Property and equipment are stated at cost for purchased items and fair market value for donated items. The construction and related building equipment was donated to the City of Grand Island under terms of the capital lease agreement during 2006 through 2010. Property and equipment not donated is being depreciated over estimated useful lives of five to ten years using the straight-line method. The Organization has no formal capitalization policy.

#### 4. Contributions

The Organization accounts for contributions as required by the *Accounting for Contributions Received and Contributions Made* topic of the FASB accounting standards codification. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

FONNER PARK EXPOSITION & EVENTS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2012 and 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Contributions, continued

The Organization 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

5. Pledges Receivable

Unconditional pledges receivable are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

6. Investments

Investments are valued at estimated fair market value as required by the *Accounting for Certain Investments Held by Not-For-Profit Organizations* topic of the FASB codification.

7. Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

8. Income Taxes

The Organization has been granted an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. As such, no provision for income taxes is reflected in the financial statements.



**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**December 31, 2012 and 2011**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

9. Cash and Cash Equivalents

For purposes of the statements of cash flows, Fonner Park Exposition & Events Center, Inc., considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

10. Amortization

Bond issuance costs are being amortized over the life of the related bonds using the straight-line method.

11. Accounts Receivable

Accounts receivable are stated as unpaid balances. The Organization provides for losses on accounts receivable using the direct write off method. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**NOTE B - CASH AND CASH EQUIVALENTS**

At December 31, 2012 and 2011, cash and cash equivalents consisted of:

	<u>Interest Rate</u>	<u>2012 Balance</u>	<u>2011 Balance</u>
Checking account:			
Home Federal Bank	-	\$ 157,574	\$ 134,406
Money market account:			
Five Points Bank	0.42%	832,339	842,546
Ticket office change box	-	5,100	5,100
Concession change bags	-	22,800	22,800
		<u>\$ 1,017,813</u>	<u>\$ 1,004,852</u>

**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**December 31, 2012 and 2011**

**NOTE C - INVESTMENTS**

Investments consist of the following certificate of deposit:

<u>Bank</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>	
			<u>2012</u>	<u>2011</u>
Home Federal	3/02/13	0.60%	\$ <u>305,185</u>	\$ <u>302,620</u>

**NOTE D - RELEASE OF TEMPORARY RESTRICTIONS**

During the years ended December 31, 2012 and 2011, net assets of \$216,710 were released both years from temporary grant restrictions to pay for the Hall County bond payments.

**NOTE E - CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

At December 31, 2012, the Organization had deposits totaling \$849,515 at Five Points Bank, with \$349,515 in excess of FDIC insurance and additional deposit surety bond coverage.

At December 31, 2011, the Organization had deposits totaling \$1,084,393 at Five Points Bank, with \$584,393 in excess of FDIC insurance and additional deposit surety bond coverage.

**NOTE F - LEASE-PURCHASE AGREEMENT**

The Organization entered into a lease-purchase agreement with the City of Grand Island dated October 9, 2001, with an addendum on August 26, 2003. Under terms of the agreement, the Organization issued \$7,765,000 of bonds (see note G) and the City will make principal and interest payments on the bonds (see note H).

**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**December 31, 2012 and 2011**

**NOTE G - LONG-TERM DEBT**

Long-term debt is composed of the following:

	<u>2012</u>	<u>2011</u>
On December 10, 2004, the Organization issued \$7,765,000 of Building Bonds, Series 2004, issued through the City of Grand Island, for the construction of the Heartland Events Center. The bonds were refinanced in 2011 with interest on the bonds ranging from 0.30 percent to 3.35 percent, and is payable semiannually on June 15 and December 15, through December 15, 2024.	\$ 5,330,000	\$ 5,730,000
On June 14, 2006, the Organization issued \$2,300,000 of Development Revenue Bonds, Series 2006, issued through Hall County, for the Heartland Events Center supplemental project (consisting of additions, improvements, and equipment for the convention center and arena facility). Interest on the bonds is five percent and is payable semiannually on March 1 and September 1, through March 1, 2021. Hall County has adopted a resolution creating the Visitors Improvement Fund and has imposed an additional sales tax on lodging within Hall County to make payments into the Visitors Improvement Fund. The County will allocate amounts in the Visitors Improvement Fund to pay costs of the project, including providing of funds to the Organization as a grant from year to year to cover the obligations of the bonds.	<u>1,485,784</u> 6,815,784	<u>1,623,036</u> 7,353,036
Less current portion of long-term debt	( <u>549,201</u> ) \$ <u>6,266,583</u>	( <u>537,252</u> ) \$ <u>6,815,784</u>

**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**December 31, 2012 and 2011**

**NOTE G - LONG-TERM DEBT, continued**

Maturities for the next five years are as follows:

Year ending December 31,

2013	\$ 549,201
2014	561,501
2015	574,171
2016	582,229
2017	600,695
Thereafter	<u>3,947,987</u>
	<u>\$ 6,815,784</u>

**NOTE H - CAPITAL LEASE RECEIVABLE**

Capital lease receivable comprises the following:

	<u>2012</u>	<u>2011</u>
Capital lease receivable from the City of Grand Island dated December 15, 2004, with original issue amount of \$7,765,000. The capital lease was refinanced in 2011 with interest ranging from 0.30 percent to 3.35 percent, and final maturity December 15, 2024. (See note G for additional details on the long-term debt).	\$ 5,330,000	\$ 5,730,000
Current portion	( 405,000)	( 400,000)
Long-term portion	\$ <u>4,925,000</u>	\$ <u>5,330,000</u>

**NOTE I - ADVANCED PAYMENTS ON EVENTS AND DEFERRED REVENUE**

Advanced payments on events at December 31, 2011, consisted of \$31,402 paid to a promoter for events that will take place in 2012.

Deferred revenue of \$71,023 and \$122,045, respectively, at December 31, 2012 and 2011, consisted of ticket sales made during the current year for next year's events.

**FONNER PARK EXPOSITION & EVENTS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**December 31, 2012 and 2011**

**NOTE J - RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2012 and 2011, the Organization paid contract labor to Hall County Livestock Improvement Association (HCLIA) of \$354,625 and \$378,246, respectively.

During the years ended December 31, 2012 and 2011, the Organization paid management and maintenance fees to Hall County Livestock Improvement Association (HCLIA) of \$283,643 and \$273,459, respectively.

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 23, 2013, the date on which the financial statements were available for issue.