



## Golden Spike Tower

### Finance Committee Minutes – 6/15/2017

In attendance, Ty Lucas, Kirsten Parker, Kathy Swain, Jim Nisley. Meeting called to order at 12:10pm.

The financial statements through May are completed and reconciled by the Accountant's office. Kirsten has uploaded the full 5/31/17 financial reports into the board portal and hard copies were available at the meeting.

The committee started by reviewing the balance sheet. We noted that our cash position is \$50,821 lower at 5/31/17 than at 5/31/16. However, current liabilities (accounts payable) are \$32,143 lower at 5/31/17 vs 5/31/16. So, working capital is \$25,281 lower as of 5/31/17 vs 5/31/16. This is of concern to the committee because we must maintain a strong working capital position to handle the large seasonal fluctuation.

The committee then reviewed the profit and loss statement through 5/31/17 vs budget and vs prior year:

- Admissions income is on budget.
- Merchandise sales is \$3.9k below budget
- Occupancy Tax proceeds are \$20k below budget and prior year
- Marketing is \$800 over budget
- Occupancy expense is \$4.1k under budget
- Payroll is on budget
- Travel is \$1.6k under budget
- Total expenses are \$7.1k under budget
- **Net Income is \$20,439.35 under budget.** The largest issue is Occupancy tax significantly below prior year / budget.
- Admissions income exceeds prior year by \$2.5k. This is very positive since April/May of 2016 included the Smithsonian exhibit.
- Merchandise sales is \$1.5k below prior year
- Total expenses are \$2.9k over prior year 5/31 vs 5/31. Payroll is \$11k over prior year. Payroll is on budget YTD. The increase in this expense is from retaining the third person over the winter. Kirsten explained various benefits of

maintaining the 3<sup>rd</sup> full year employee – which was discussed prior and budgeted for. Total expenses are \$7.1k under budget.

The committee had extensive discussions about the need for mid-year budget alterations. Expenses are currently \$7.1k below budget, but the net income of the Golden Spike is \$20,439 below budget. If the second half of the year would replicate this, the organization would have significant cash flow problems in the next winter. Therefore, the treasurer will suggest at the upcoming board meeting that budget amendments be considered that reduce expenses to try and complete the year with a balanced budget or positive net income. Kirsten has already taken various steps, including reduction of inventory and delay on the sign improvement project. Ty asked Kirsten to identify \$15,000 in possible expense reductions during remainder of the year to discuss at the upcoming Board meeting.

Jim asked various questions about how marketing budgeting is determined and if we have data on how to establish a marketing budget. Kirsten explained that specific data has not been available, but the experience of staff and board has guided the annual budgeting for marketing. The annual marketing budget now is significantly reduced in comparison the early years of the organization. The marketing expenses have been lower than other similar class attractions in Nebraska. Currently, the marketing budget is equivalent to approximately \$3 per admission. During the seasonal traveling period, Kirsten indicated that 85-95% of visitors are from out of state or international. So, admissions to the Golden Spike continue to create a significant economic impact for North Platte. We will continue to seek data on tourism marketing and plan to discuss budgets with similar class attractions throughout 2017.

The committee reviewed A/R and A/P reports. The CPA office has not had “full” access to our QuickBooks, which has created some item not being properly categorized until final year adjustments are made. These items are typically minor. They now have full access and are in the process of fixing the negative items showing up on the A/P report. Kirsten indicated that the current and 1-30 categories on these reports are accurate. No concerning items existing on these reports.

The committee reviewed the financial report for Community Day. Approximately \$400 was made in gross margin on merchandise sales and total expenses were \$1,686. So, the net cost of Community Day was estimated at \$1,286. This is below budget. We also have two additional radio remotes that will be used later in the year that we part of this expense package.

The committee reviewed the checks written report and Kirsten provided answers to any questions. No items of concern.

The audit process for 2016 starts in approximately 2 weeks and completion should occur in August.

The Golden Spike credit cards have a rewards points system and the committee discussed and consented to utilizing some points to purchase a go-pro camera which will be used to help with website and social media marketing.

Jim mentioned that the Golden Spike might be invited into a special work session with the city council to present current financial reports. Kirsten indicated that she has contacted the city annually to see if they would like a presentation and it has been 2-3 years since the last formal presentation in a work session. So, hopefully we are able to schedule this soon so we can ensure our city council members have current information about the Golden Spike.

The meeting was then adjourned at 1:20pm.

Action Items for Board Agenda from Finance Committee:

\*Board discussion item on budget amendments and expense reductions due to Net Income year-to-date through May 31, 2017 significantly below budget.

**Golden Spike Tower & Visitor Center**  
**1-Balance Sheet vs. Last Year**  
As of May 31, 2017

Accrual Basis

	May 31, 17	May 31, 16	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
Checking/Savings	329,160.00	379,981.23	-50,821.23
Accounts Receivable	-42.00	-42.00	0.00
<b>Other Current Assets</b>			
110000 · Cash on Hand	1,000.00	1,000.00	0.00
115000 · Undeposited Funds	6,129.36	0.00	6,129.36
121000 · Inventory Asset	42,596.04	51,501.63	-8,905.59
123500 · Accrued Occupancy Tax Receivabl	33,914.68	37,741.62	-3,826.94
<b>Total Other Current Assets</b>	<b>83,640.08</b>	<b>90,243.25</b>	<b>-6,603.17</b>
<b>Total Current Assets</b>	<b>412,758.08</b>	<b>470,182.48</b>	<b>-57,424.40</b>
<b>Fixed Assets</b>			
<b>150000 · Fixed Assets</b>			
151000 · Building	3,426,279.12	3,426,279.12	0.00
152000 · Furniture & Fixtures	61,001.64	61,001.64	0.00
153000 · Equipment	492,644.79	492,644.79	0.00
154000 · Land	289,259.10	289,259.10	0.00
155000 · Parking Lot Improvements	11,375.00	11,375.00	0.00
<b>Total 150000 · Fixed Assets</b>	<b>4,280,559.65</b>	<b>4,280,559.65</b>	<b>0.00</b>
<b>Total Fixed Assets</b>	<b>4,280,559.65</b>	<b>4,280,559.65</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>4,693,317.73</b>	<b>4,750,742.13</b>	<b>-57,424.40</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	17,465.97	42,778.98	-25,313.01
Credit Cards	-2,323.11	7,808.71	-10,131.82
<b>Other Current Liabilities</b>			
210000 · Accrued Accounts Payable	14,066.68	14,066.68	0.00
220000 · Payroll Liabilities	5,240.69	3,154.11	2,086.58
230000 · Sales Tax Payable	7,844.90	6,627.31	1,217.59
247000 · Customer Deposits	1,000.00	1,000.00	0.00
252000 · Gift Certificates Outstanding	-79.89	-76.89	-3.00
<b>Total Other Current Liabilities</b>	<b>28,072.38</b>	<b>24,771.21</b>	<b>3,301.17</b>
<b>Total Current Liabilities</b>	<b>43,215.24</b>	<b>75,358.90</b>	<b>-32,143.66</b>
<b>Long Term Liabilities</b>			
250000 · Loans Payable	2,459,003.10	2,604,320.34	-145,317.24
<b>Total Long Term Liabilities</b>	<b>2,459,003.10</b>	<b>2,604,320.34</b>	<b>-145,317.24</b>
<b>Total Liabilities</b>	<b>2,502,218.34</b>	<b>2,679,679.24</b>	<b>-177,460.90</b>
<b>Equity</b>			
300000 · Opening Bal Equity	1,112,262.69	1,112,262.69	0.00
310000 · Retained Earnings	1,134,226.05	987,877.58	146,348.47
Net Income	-55,389.35	-29,077.38	-26,311.97
<b>Total Equity</b>	<b>2,191,099.39</b>	<b>2,071,062.89</b>	<b>120,036.50</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,693,317.73</b>	<b>4,750,742.13</b>	<b>-57,424.40</b>

## Golden Spike Tower & Visitor Center 4-Profit & Loss (Month vs. Budget)

May 2017

Accrual Basis

	May 17	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
410000 · Admissions Income	12,872.43	14,400.00	-1,527.57
460000 · Merchandise Sales			
461000 · Merchandise Sales-Gift Shop	17,014.95	17,800.00	-785.05
463000 · Penny Smasher	143.60	160.00	-16.40
464000 · Binoculars	54.50	65.00	-10.50
465000 · Overhead Model RR Track	47.87	60.00	-12.13
<b>Total 460000 · Merchandise Sales</b>	<b>17,260.92</b>	<b>18,085.00</b>	<b>-824.08</b>
470000 · Special Event Income	-112.00		
495000 · Occupancy Tax Proceeds	33,914.68	38,000.00	-4,085.32
<b>Total Income</b>	<b>63,936.03</b>	<b>70,485.00</b>	<b>-6,548.97</b>
<b>Cost of Goods Sold</b>	<b>7,862.63</b>	<b>7,000.00</b>	<b>862.63</b>
<b>Gross Profit</b>	<b>56,073.40</b>	<b>63,485.00</b>	<b>-7,411.60</b>
<b>Expense</b>			
601000 · Bank Fees & Service Charges	676.64	700.00	-23.36
602000 · Contract Labor	250.00	250.00	0.00
603000 · Dues & Subscriptions	240.00	300.00	-60.00
604000 · Furniture & Equipment	80.00		
605000 · Insurance	2,924.60	3,000.00	-75.40
606800 · Marketing-Non Agency	7,248.57	10,000.00	-2,751.43
607000 · Occupancy			
607400 · Labor & Maintenance	6,217.85		
607600 · Utilities	2,019.88		
607000 · Occupancy - Other	0.00	10,000.00	-10,000.00
<b>Total 607000 · Occupancy</b>	<b>8,237.73</b>	<b>10,000.00</b>	<b>-1,762.27</b>
609000 · Operating Supplies			
6068801 · Volunteer Appreciation	37.10		
609100 · Events	1,458.97		
609300 · Gift Shop	951.41		
609350 · Janitorial	528.04		
609500 · Office	752.29		
609550 · Operating	1,392.26		
609000 · Operating Supplies - Other	0.00	5,000.00	-5,000.00
<b>Total 609000 · Operating Supplies</b>	<b>5,120.07</b>	<b>5,000.00</b>	<b>120.07</b>
610000 · Payroll Expense	13,969.80	14,800.00	-830.20
611000 · Travel	234.36	300.00	-65.64
<b>Total Expense</b>	<b>38,981.77</b>	<b>44,350.00</b>	<b>-5,368.23</b>
<b>Net Ordinary Income</b>	<b>17,091.63</b>	<b>19,135.00</b>	<b>-2,043.37</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
700000 · Other Income			
701000 · Interest Income	62.95		
710000 · Contribution Income			
711000 · Brick Sales	0.00	100.00	-100.00
714000 · Unrestricted Contributions	123.91	150.00	-26.09
<b>Total 710000 · Contribution Income</b>	<b>123.91</b>	<b>250.00</b>	<b>-126.09</b>

## Golden Spike Tower & Visitor Center 4-Profit & Loss (Month vs. Budget)

May 2017

Accrual Basis

	May 17	Budget	\$ Over Budget
Total 700000 - Other Income	186.86	250.00	-63.14
<b>Total Other Income</b>	<b>186.86</b>	<b>250.00</b>	<b>-63.14</b>
<b>Other Expense</b>			
800000 - Other Expenses			
804000 - Interest Expense	10,743.23	10,800.00	-56.77
<b>Total 800000 - Other Expenses</b>	<b>10,743.23</b>	<b>10,800.00</b>	<b>-56.77</b>
<b>Total Other Expense</b>	<b>10,743.23</b>	<b>10,800.00</b>	<b>-56.77</b>
<b>Net Other Income</b>	<b>-10,556.37</b>	<b>-10,550.00</b>	<b>-6.37</b>
<b>Net Income</b>	<b>6,535.26</b>	<b>8,585.00</b>	<b>-2,049.74</b>