

OAKES ENHANCEMENT, INC.

**Annual Meeting
Thursday, February 11, 2021**

Mission Statement

Oakes Enhancement Inc. shall create an environment that stimulates commercial, industrial, and residential growth and development while enhancing the quality of life in the greater Oakes, ND trade area.

Vision Statement

To become the economic and cultural hub for Southeast North Dakota.



Officers, Directors and Employees

Art Conklin – President
John Zetocha – Treasurer
Rebecca Thompson – Director
Jeff Forward – Director

Matt Hill – Vice President
Gary Schnell – Director
Daniel Spellerberg – Director
Alison Peterson – Director

Audrey O'Brien – Secretary
Pamela Waldner – Gaming Manager
Lacey Roberts – Gaming Assistant
Monty Zimmer – Mayor of Oakes
Zasha Johnson – City Auditor, Advisory

OAKES ENHANCEMENT, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
DECEMBER 31, 2020

ASSETS

Cash and Investments		
OEI general checking	\$ 93,342	
Gaming charitable trust checking	91,528	
Gaming general expense checking	<u>56,487</u>	
Total checking accounts		\$ 241,357
Savings accounts		74,296
Certificates of deposit (Pledged CD \$55,469)		<u>276,885</u>
Total cash		592,538
Employee retention credit receivable		1,016
Notes Receivable		
(Oakes Housing Authority, Prairie Printing, Tiny Tornadoes, Baglady Construction)		136,511
Property and Equipment		
City Hall building	126,781	
Gaming equipment	16,528	
Land – OFD	15,718	
Gym equipment - leased	9,119	
Office equipment	1,010	
Less accumulated depreciation	<u>(13,004)</u>	
Net property and equipment		<u>156,152</u>
TOTAL ASSETS		\$ <u>886,217</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accrued payroll and gaming taxes payable	\$ 4,785	
Contingent liability – pledged note receivable		55,469
Contingent Pace loan buydown liabilities:		
Kustom Machine – exp 2022 (2020 amount paid \$1,704)	1,445	
Harris Machine Co. – exp 2021 (2020 amount paid \$3,532)	2,600	
Great Frontier Meats – exp 2025 (2020 amount paid \$1,202)	2,943	
Tiny Tornadoes – exp 2035 (2020 amount paid \$4,000)	3,872	
General Irrigation - exp 2022 (2020 amount paid \$3,573)	4,784	
Gabrielle's Better Half – exp 2033 (2020 amount paid \$808)	5,819	
Shadow Lanes – exp 2038 (2020 amount paid \$1,281)	<u>13,775</u>	
Total contingent Pace loan buydown liabilities		<u>35,238</u>
Total liabilities		95,492
Net Assets		<u>790,725</u>
TOTAL LIABILITIES AND NET ASSETS		\$ <u>886,217</u>

OAKES ENHANCEMENT, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020

REVENUES

Sales tax revenue	\$ 98,628
Gaming income (net of expenses) – note 1	65,936
Interest income	4,056
Project income – industrial park rental income	1,950
Project income – city hall income	1,600
Employee retention credit income	1,016
Project income – 510 main rental income	<u>800</u>
Total Revenues	\$ 173,986

EXPENDITURES

Project Expenses	
Covid-19 grant funding – support area businesses	\$ 47,000
Buck Cotter DDS – purchase business	35,000
BUMP – note 2	14,245
Moving Mountains – grant	10,000
Baglady Construction – grant	7,500
510 Main building – utilities, insurance & real estate tax	6,646
Harris Machine Company – upfront pace loan buydown	5,226
City Hall building – insurance & real estate tax	2,710
Railroad land – OFD – real estate tax	689
Industrial Park – real estate tax	<u>453</u>
Total Project Expenses	\$129,469
Gaming contributions from Charitable Trust account – note 3	37,273
Economic development director contract with chamber	6,959
Professional fees	2,667
Insurance	1,670
Bad debt expense	1,406
Advertising, tourism, and website maintenance	1,299
Meeting expenses	295
Office expenses	215
Depreciation of office equipment	101
Dues and subscriptions	<u>60</u>
Total Expenditures	(181,414)
Excess Expenditures Over Revenues	(7,428)
Net Assets – January 1, 2020	<u>798,153</u>
Net Assets – December 31, 2020	<u>\$ 790,725</u>

OAKES ENHANCEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 – Gaming Income (Net of Expenses)

Gaming income	\$ 165,365
Supplies	(40,595)
Wages	(30,801)
Gaming and wagering tax	(15,127)
Rent	(7,900)
Payroll taxes	(2,011)
Insurance	(1,789)
Depreciation – gaming equipment	(1,041)
Licenses	<u>(165)</u>
Net gaming income	\$ <u>65,936</u>

Note 2 – BUMP Project Expenses

Shadow Lanes	\$ 5,000
Tornado Stop	5,000
Back to Health	<u>4,245</u>
Total BUMP project expenses	\$ <u>14,245</u>

Note 3 – Gaming Charitable Contributions

Oakes Public School – turf project	\$ 10,000
Dickey Sargent Irrigation – program support	10,000
Tiny Tornadoes – BUMP program	5,000
Oakes Park Board – swimming pool	4,325
Tiny Tornadoes – Covid-19 relief	2,500
American Legion – Covid-19 relief	2,000
Oakes Public School – distance learning scholarships	1,500
American Legion – fireworks	1,000
NDSU Extension – 4-H	500
City of Oakes – water assistance	348
Friends of Fine Arts and Academics – school programs	<u>100</u>
Total gaming charitable contributions	\$ <u>37,273</u>