

**VISIT BELOIT, INC.  
AND SUBSIDIARY  
Beloit, Wisconsin**

**Consolidated Financial Statements  
and  
Independent Auditor's Report**

December 31, 2021

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Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Visit Beloit, Inc. and Subsidiary  
Beloit, Wisconsin

### Opinion

We have audited the accompanying consolidated financial statements of Visit Beloit, Inc. and Subsidiary (Visit Beloit) (a nonprofit organization), which comprise the Consolidated Statement of Financial Position as of December 31, 2021, and the related Consolidated Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Visit Beloit as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Consolidated Financial Statements section of our report. We are required to be independent of Visit Beloit and to meet our other 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.

### Responsibilities of Management for the Consolidated Financial Statements

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

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Board of Directors  
Visit Beloit, Inc. and Subsidiary

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Visit Beloit's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 auditing standards generally accepted in the United States of America 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 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 consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Visit Beloit'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Visit Beloit's ability to continue as a going concern for a reasonable period of time.

Board of Directors  
Visit Beloit, Inc. and Subsidiaries

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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on Visit Beloit's consolidated financial statements as a whole. The supplementary information in pages 18 through 22 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**SIEPERT & CO., LLP**

*Siepert & Co., LLP*

Beloit, Wisconsin  
August 30, 2022

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidated Statement of Financial Position**  
December 31, 2021

**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$ 695,077
Accounts receivable, net	235,995
Prepaid expenses	13,463
Total current assets	944,535

**Other Assets:**

Building and improvements	762,085
Office equipment	85,105
Furniture and fixtures	28,460
Vehicles	45,977
Website	46,496
Total property and equipment	968,123
Less: Accumulated depreciation and amortization	161,065
Total net property and equipment	807,058

Total Assets	\$ 1,751,593
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Current maturity - long-term debt	\$ 15,903
Accounts payable	59,721
Legacy Program sponsorships payable	64,333
Accrued payroll	5,660
Accrued vacation	9,804
Other payroll liabilities	4,754
Deferred revenue	49,898
Total current liabilities	210,073

**Long-Term Liabilities:**

Note payable	478,803
Legacy Program sponsorships payable, net of discounts	142,512
Total long-term liabilities	621,315

Total liabilities	831,388
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**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidated Statement of Financial Position**  
December 31, 2021

**Net Assets:**

Without donor restrictions-  
Undesignated  
Designated  
Total net assets

590,171

330,034

920,205

Total Liabilities and Net Assets

\$ 1,751,593

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidated Statement of Activities**  
For the Year Ended December 31, 2021

**Change in Net Assets Without Donor Restrictions:**

Revenues-		
Room taxes	\$	903,756
Grants		78,956
Sponsorship fees		4,860
Other sales income, net of cost of sales of \$607		2,052
In-kind contributions		4,931
Other contributions		68,081
Interest		238
Total revenues		<u>1,062,874</u>
Expenses-		
Program services		832,530
Supporting services-		
Management and general		119,151
Total expenses		<u>951,681</u>
Change in net assets without donor restrictions		<u>111,193</u>
Change in Net Assets		111,193
Net Assets, Beginning of Year		<u>809,012</u>
Net Assets, End of Year	\$	<u><u>920,205</u></u>

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidated Statement of Functional Expenses**  
For the Year Ended December 31, 2021

	Program Services	Supporting Services Management and General	Total
Salaries	\$ 245,339	\$ 43,294	\$ 288,633
Payroll taxes	18,321	3,233	21,554
Employee benefits	44,432	4,938	49,370
Occupancy	13,213	13,213	26,426
General insurance	4,625	2,284	6,909
Office supplies and expense	35,738	7,524	43,262
Telephone	1,334	354	1,688
Internet access and website	15,557	2,746	18,303
Postage	3,271	364	3,635
Maintenance and repairs	17,683	26,754	44,437
Professional fees	6,791	6,792	13,583
Conferences and meetings	1,946	217	2,163
Travel	7,424	600	8,024
Professional development	5,833	648	6,481
Familiarization tours	15,624	-	15,624
Event hosting	16,372	-	16,372
Membership dues and subscriptions	9,570	1,689	11,259
Advertising and promotion	97,454	-	97,454
Marketing	11,250	-	11,250
Welcome vehicle expense	262	-	262
Sponsorships	205,747	-	205,747
Grants and donations	132	-	132
Research expense	19,700	-	19,700
Depreciation and amortization	13,268	2,343	15,611
Interest	17,733	56	17,789
Miscellaneous	3,911	2,102	6,013
<b>Total Expenses</b>	<b>\$ 832,530</b>	<b>\$ 119,151</b>	<b>\$ 951,681</b>

The accompanying notes are an integral part of this statement.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidated Statement of Cash Flows**  
For the Year Ended December 31, 2021

<b>Cash Flows From Operating Activities:</b>	
Change in net assets	\$ 111,193
Adjustments to reconcile change in net assets to net cash from operating activities-	
Depreciation	15,611
Change in assets and liabilities-	
Accounts receivable	(41,617)
Prepayments	(3,012)
Accounts payable	36,963
Legacy Program sponsorships payable	154,046
Accrued payroll	1,319
Other payroll liabilities	58
Retainage payable	(28,538)
Deferred revenue	19,385
Net cash from operating activities	<u>265,408</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of property and equipment	(411,239)
Net cash from investing activities	<u>(411,239)</u>
<b>Cash Flows From Financing Activities:</b>	
Proceeds from note payable	385,098
Principal payments on note payable	(1,294)
Net cash from financing activities	<u>383,804</u>
Net Change in Cash and Cash Equivalents	237,973
Cash and Cash Equivalents - Beginning of Year	<u>457,104</u>
Cash and Cash Equivalents - End of Year	<u>\$ 695,077</u>

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Beloit Convention and Visitors Bureau Charitable Foundation, Inc., a nonprofit corporation located in Beloit, Wisconsin, was incorporated in 1987. Its purpose is to manage destination development projects and fundraising activities. Visit Beloit, Inc., a nonprofit corporation located in Beloit, Wisconsin, was incorporated in 2019. Its purpose is to promote the Beloit area as a convention location and tourist area and to provide staff development and promotional services for the tourism industry to municipalities and other entities.

Principles of Consolidation

The financial statements include the accounts and transactions of Beloit Convention and Visitors Bureau Charitable Foundation, Inc. and Visit Beloit, Inc. (collectively, referred to as “Visit Beloit”). Intercompany transactions have been eliminated in the consolidation.

Basis of Accounting

Visit Beloit’s consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and support are being reported when earned regardless of when received and expenses are reported when incurred regardless of when payment is made.

Accounting Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, checking and money market accounts which have an original maturity of three months or less.

The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for all accounts at each FDIC insured depository institution. As of December 31, 2021, Visit Beloit’s cash and cash equivalents had a carrying balance (excluding petty cash totaling \$207) of \$694,870. As of December 31, 2021, the bank balances were \$708,211, of which \$193,340 was uninsured.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable reported on the Statement of Financial Position are typically due 30 days after billing, and uncollectable receivables are written off as deemed necessary. Management has evaluated accounts receivable as of December 31, 2021, and management feels the amounts are fully collectable.

Accounts receivable consists of the following as of December 31, 2021:

City room taxes	\$ 219,441
TIC grant	7,500
Other	<u>9,054</u>
Total	<u>\$ 235,995</u>

Property and Equipment

Property and equipment are recorded at original cost if purchased or estimated fair value at date of the gift if donated. All acquisitions of property and equipment in excess of \$1,000 with a useful life of more than one year are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation/amortization are removed from the accounts and resulting gains or losses are included in income on the Statement of Activities.

Property and equipment are depreciated/amortized using the straight-line method over their estimated useful lives which range from 3 to 10 years.

Classification of Net Assets

Net assets and revenues, support, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, Visit Beloit's net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors and management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets (Continued)

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor imposed time and/or purpose restrictions. Visit Beloit reports grants, funding and other assets as revenue with donor restrictions 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, the net assets are reclassified as net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. There were no net assets with donor restrictions as of December 31, 2021.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the year in which the contributions are recognized. Amounts received designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions.

Revenues

Visit Beloit's revenues are substantially provided by room taxes. Room taxes are collected by the City of Beloit, Wisconsin and the City of South Beloit, Illinois to help promote tourism, conventions, expositions, theatrical, sport, and cultural activities. During 2021, the City of Beloit, Wisconsin and the City of South Beloit, Illinois remitted 80% and 1%, respectively, of the room taxes collected to Visit Beloit. This revenue amounted to approximately 85% of total revenues for the year ended December 31, 2021.

Income Taxes

Beloit Convention and Visitors Bureau Charitable Foundation, Inc. and Visit Beloit, Inc. are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code Sections 501(c)(3) and 501(c)(6), respectively, both as other than a private foundation. As a result, there is no provision for income taxes in the consolidated financial statements.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

Management of Beloit Convention and Visitors Bureau Charitable Foundation, Inc. and Visit Beloit, Inc. have evaluated for and determined there are no uncertain tax positions as of December 31, 2021. Beloit Convention and Visitors Bureau Charitable Foundation, Inc. and Visit Beloit, Inc. are subject to informational reporting requirements in the United States federal jurisdiction and the State of Wisconsin. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. Tax returns remain open for federal examination for the past three years and state examination for the past four years. At December 31, 2021, there are no ongoing income tax audits or unresolved disputes with the various taxing authorities Beloit Convention and Visitors Bureau Charitable Foundation, Inc. and Visit Beloit, Inc. currently file, or have filed, with.

Expense Allocation

Directly identifiable expenses are charged to program activities or appropriate supporting services. Expenses related to more than one function are charged to program activities and supporting services based on Visit Beloit's analysis of personnel time and management's actual and estimated allocation of the expense. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of Visit Beloit.

Advertising and Promotion Costs

Visit Beloit expenses costs of advertising and promotion at the time incurred. Advertising and promotion expenses were \$97,454 for the year ended December 31, 2021.

NOTE B LIQUIDITY AND AVAILABILITY

Visit Beloit regularly monitors liquidity required to meet its operating needs, while also striving to maintain liquid financial assets to cover 3 months of operating expenditures. Financial assets in excess of daily cash requirements are invested in money market funds. Visit Beloit receives support without donor restrictions; such support has historically funded annual programs and supporting service needs.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Visit Beloit considers all administrative and general expenses, which are expected to be paid in the subsequent year, to be general expenditures.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE B LIQUIDITY AND AVAILABILITY (Continued)

As of December 31, 2021, the following table shows the total financial assets held by Visit Beloit and the amounts of those financial assets that could readily be made available within one year of the Statement of Financial Position date to meet general expenditures:

Financial assets at year-end-	
Cash and cash equivalents	\$ 695,077
Accounts receivable	235,995
Board designated funds	<u>(330,034)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 601,038</u>

NOTE C LEGACY PROGRAM SPONSORSHIPS PAYABLE

Legacy Program sponsorships payable as of December 31, 2021 consists of commitments due to local organizations as follows:

Payable in less than one year	<u>\$ 64,333</u>
Payable in over one year	\$ 149,500
Less: Discounts to present value	<u>6,988</u>
Net long-term Legacy Program sponsorships payable	<u>\$ 142,512</u>

The discount rate used on long-term Legacy Program sponsorships payable was 3.0% for 2021.

NOTE D OFFICE LEASE

On October 13, 2017, Visit Beloit entered into a month-to-month lease agreement for a temporary office space. Under this agreement, Visit Beloit was not required to make rent or utility payments, but was responsible for all other costs incurred related to this temporary office space. This lease agreement ended on March 1, 2021.

Rent expense was \$4,092 for the year ended December 31, 2021, which is included in occupancy costs along with other office costs and utilities on the Statement of Activities.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE E RELATED PARTIES

Visit Beloit is a member of the Greater Beloit Partnership (GBP) with the Greater Beloit Chamber of Commerce, Greater Beloit Economic Development Corporation, and Downtown Beloit Association. During 2021, no expense reimbursements were received from GBP members. As of December 31, 2021, there were no amounts receivable from or payable to GBP members. Also, Visit Beloit has an agreement with the Downtown Beloit Association for shared marketing activities and shares website costs with the Greater Beloit Economic Development Corporation.

NOTE F IN-KIND CONTRIBUTIONS

As discussed in Note D, Visit Beloit was currently under a month-to-month lease for a temporary office space through March 1, 2021, that did not require rent or utility payments. For the year ended December 31, 2021, in-kind contributions for rent and utilities totaling \$4,931 have been reported in the Statement of Activities.

NOTE G DESIGNATED NET ASSETS

As of December 31, 2021, the Board designated \$330,034 of net assets as an operating reserve to ensure net assets equal to three months of expected operating expenses would be designated for future expense payments. This amount as of December 31, 2021 is reported as designated net assets in the Statement of Financial Position.

NOTE H LONG-TERM DEBT

As of December 31, 2021, long-term debt consisted of:

Construction loan in the original amount of \$496,000 dated November 23, 2020, due November 23, 2041, payable by monthly payments of \$3,109 at 4.39%. This loan was used to cover renovation costs for the 656 Pleasant Street project. The loan is secured by the 656 Pleasant Street property.	\$ 494,706
Less: Current maturity	<u>15,903</u>
Net Long-Term Debt	<u>\$ 478,803</u>

During 2021, Visit Beloit drew \$385,098 on the construction loan. For the year ended December 31, 2021, interest paid on the loan of \$17,417 is included in interest expense as reported on the Statement of Functional Expenses.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE H LONG-TERM DEBT (Continued)

Future scheduled maturities of long-term debt are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2022	\$ 15,903	\$ 21,400
2023	16,615	20,688
2024	17,359	19,944
2025	18,137	19,166
2026	18,949	18,354
2027-2031	108,265	78,249
2032-2036	134,785	51,729
2037-2041	164,693	18,711
Total	\$ 494,706	\$ 248,241

NOTE I PAYCHECK PROTECTION PROGRAM LOAN

On March 12, 2021, Visit Beloit received a Paycheck Protection Program (PPP) loan of \$67,708 through a local bank as part of the United States Small Business Administration's second round of funding in response to the coronavirus pandemic. Interest on this loan is charged at 1% and will be paid in 18 monthly installments following a six month deferral period. Subject to certain conditions, this loan and any accrued interest are subject to be forgiven. On September 30, 2021, Visit Beloit's PPP loan and accrued interest of \$372 were fully forgiven.

NOTE J COPIER LEASE

In February 2019, Visit Beloit entered into a 5 year lease for a copier. This lease requires monthly payments of \$206 from March 2019 through February 2024 plus overage charges. Total copier lease payments during the year ended December 31, 2021 were \$2,782.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

NOTE J COPIER LEASE (Continued)

Future minimum lease payments through maturity are as follows:

Year Ending <u>December 31</u>	
2022	\$ 2,475
2023	2,475
2024	<u>413</u>
Totals	<u>\$ 5,363</u>

NOTE K SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for interest totaled \$17,417 for 2021 as reported in the Statement of Activities. There was no cash paid for income taxes in 2021.

NOTE L DESTINATION MARKETING ORGANIZATION GRANT PROGRAM

In December 2021, Visit Beloit entered into a Destination Marketing Organization Grant Program agreement with the State of Wisconsin Department of Administration. Under this agreement, Visit Beloit was awarded \$257,112 as a reimbursable grant for eligible expenses with a period of performance of March 3, 2021 through December 31, 2022. As of December 31, 2021, Visit Beloit had not incurred any eligible expenses or received any grant funds under this agreement. This grant will be recorded as grant revenue once the related eligible expenses are incurred.

NOTE M NEW ACCOUNTING PRONOUNCEMENT

The Financial Accounting Standards Board (FASB) has issued a new pronouncement that will affect the accounting for nonprofit organizations. It is:

ASU 2016-02 *Leases*. This will amend the treatment of operating leases by lessees by requiring them to be recorded on the Consolidated Statement of Financial Position as an asset and a liability. It will be effective for the year ending December 31, 2022.

Management is in the process of reviewing its records to ensure Visit Beloit is prepared to implement the new standard as required. No determination has been made as to the effect of this on Visit Beloit's consolidated financial statements.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

**NOTE N CORONAVIRUS**

In January 2020, the World Health Organization declared the novel coronavirus outbreak originating in Wuhan, China to be a public health emergency. This coronavirus spread to other countries, including the United States, and efforts to contain the spread of this coronavirus intensified. The outbreak and the preventative or protective actions that governments and Visit Beloit took in respect of this coronavirus resulted in a period of business disruption and reduced operations. Any future resulting financial impact cannot be reasonably estimated at this time but may materially affect Visit Beloit's financial condition and results of operations. The extent to which the coronavirus impacts Visit Beloit's future results will depend on further developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others.

**NOTE O SUBSEQUENT EVENTS**

Visit Beloit has evaluated subsequent events through August 30, 2022, which was the date these consolidated financial statements were available for issuance, and determined there were no significant non-recognized subsequent events through that date except as noted below.

In 2019, Visit Beloit began a two-phase project to acquire a property from the City of Beloit for its new office and remodel the existing building and add additional office space and conference rooms. The project is expected to be completed by 2022, and Visit Beloit is financing this project with a construction loan through a local bank. Phase one is currently underway with a portion of the work completed at a cost of \$762,085 during 2021 and the remaining work to finish the event venue to be completed by the end of 2023 at an expected cost of \$539,584. Phase two has an expected cost of \$4,593,964.

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidating Schedule of Financial Position**  
December 31, 2021

	Visit Beloit, Inc.	BCVBCF	Eliminations	Totals
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 690,775	\$ 4,302	\$ -	\$ 695,077
Accounts receivable	235,995	-	-	235,995
Prepayments	13,463	-	-	13,463
Total current assets	<u>940,233</u>	<u>4,302</u>	<u>-</u>	<u>944,535</u>
<b>Property and Equipment:</b>				
Building and improvements	-	762,085	-	762,085
Office equipment	85,105	-	-	85,105
Furniture and fixtures	28,460	-	-	28,460
Vehicles	45,977	-	-	45,977
Website	46,496	-	-	46,496
Total property and equipment	206,038	762,085	-	968,123
Less: Accumulated depreciation and amortization	<u>153,841</u>	<u>7,224</u>	<u>-</u>	<u>161,065</u>
Total net property and equipment	<u>52,197</u>	<u>754,861</u>	<u>-</u>	<u>807,058</u>
Total Assets	<u>\$ 992,430</u>	<u>\$ 759,163</u>	<u>\$ -</u>	<u>\$ 1,751,593</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Current maturity - long-term debt	\$ -	\$ 15,903	\$ -	\$ 15,903
Accounts payable	59,721	-	-	59,721
Legacy Program sponsorships payable	-	64,333	-	64,333
Accrued payroll	5,660	-	-	5,660
Accrued vacation	9,804	-	-	9,804
Other payroll liabilities	4,754	-	-	4,754
Deferred revenue	49,898	-	-	49,898
Total current liabilities	<u>129,837</u>	<u>80,236</u>	<u>-</u>	<u>210,073</u>

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidating Schedule of Financial Position**  
December 31, 2021

	Visit Beloit, Inc.	BCVBCF	Eliminations	Totals
<b>Long-Term Liabilities:</b>				
Note payable	-	478,803	-	478,803
Legacy Program sponsorships payable, net of discounts to present value	-	142,512	-	142,512
Total long-term liabilities	<u>-</u>	<u>621,315</u>	<u>-</u>	<u>621,315</u>
Total liabilities	<u>129,837</u>	<u>701,551</u>	<u>-</u>	<u>831,388</u>
<b>Net Assets:</b>				
Without donor restrictions-				
Undesignated	532,559	57,612	-	590,171
Designated	330,034	-	-	330,034
Total net assets	<u>862,593</u>	<u>57,612</u>	<u>-</u>	<u>920,205</u>
Total Liabilities and Net Assets	<u>\$ 992,430</u>	<u>\$ 759,163</u>	<u>\$ -</u>	<u>\$ 1,751,593</u>

VISIT BELOIT, INC. AND SUBSIDIARY  
Consolidating Schedule of Activities  
For the Year Ended December 31, 2021

	Visit Beloit, Inc.	BCVBCF	Eliminations	Totals
<b>Change in Net Assets Without Donor Restrictions:</b>				
Revenues and support-				
Room taxes	\$ 903,756	\$ -	\$ -	\$ 903,756
Grants	78,956	-	-	78,956
Sponsorship fees	4,860	-	-	4,860
Other sales income, net of cost of sales of \$607	1,867	185	-	2,052
In-kind contributions	4,931	-	-	4,931
Other contributions	68,081	-	-	68,081
Interest	161	77	-	238
Transfers	-	276,997	(276,997)	-
Total revenues	<u>1,062,612</u>	<u>277,259</u>	<u>(276,997)</u>	<u>1,062,874</u>
Expenses-				
Program services	886,864	222,663	(276,997)	832,530
Supporting services-				
Management and general	118,036	1,115	-	119,151
Total expenses	<u>1,004,900</u>	<u>223,778</u>	<u>(276,997)</u>	<u>951,681</u>
Change in net assets without donor restrictions	<u>57,712</u>	<u>53,481</u>	<u>-</u>	<u>111,193</u>
Change in Net Assets	57,712	53,481	-	111,193
Net Assets, Beginning of Year	<u>804,881</u>	<u>4,131</u>	<u>-</u>	<u>809,012</u>
Net Assets, End of Year	<u>\$ 862,593</u>	<u>\$ 57,612</u>	<u>\$ -</u>	<u>\$ 920,205</u>

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidating Schedule of Cash Flows**  
For the Year Ended December 31, 2021

	Visit Beloit, Inc.	BCVBCF	Eliminations	Totals
<b>Cash Flows From Operating Activities:</b>				
Change in net assets	\$ 57,712	\$ 53,481	\$ -	\$ 111,193
Adjustments to reconcile change in net assets to net cash from operating activities-				
Depreciation and amortization	8,387	7,224	-	15,611
Intercompany transfers	641,024	(641,024)	-	-
Change in assets and liabilities-				
Accounts receivable	(41,617)	-	-	(41,617)
Prepayments	(3,012)	-	-	(3,012)
Accounts payable	36,963	-	-	36,963
Legacy Program sponsorships payable	-	154,046	-	154,046
Accrued payroll	1,319	-	-	1,319
Other payroll liabilities	58	-	-	58
Retainage payable	-	(28,538)	-	(28,538)
Deferred revenue	19,385	-	-	19,385
Net cash from operating activities	<u>720,219</u>	<u>(454,811)</u>	<u>-</u>	<u>265,408</u>
<b>Cash Flows From Investing Activities:</b>				
Purchase of property and equipment	<u>(29,444)</u>	<u>(381,795)</u>	<u>-</u>	<u>(411,239)</u>
Net cash from investing activities	<u>(29,444)</u>	<u>(381,795)</u>	<u>-</u>	<u>(411,239)</u>

**VISIT BELOIT, INC. AND SUBSIDIARY**  
**Consolidating Schedule of Cash Flows**  
For the Year Ended December 31, 2021

	Visit Beloit, Inc.	BCVBCF	Eliminations	Totals
<b>Cash Flows From Financing Activities:</b>				
Proceeds from note payable	-	385,098	-	385,098
Principal payments on note payable	-	(1,294)	-	(1,294)
Net cash from financing activities	-	383,804	-	383,804
Net Change in Cash and Cash Equivalents	690,775	(452,802)	-	237,973
Cash and Cash Equivalents - Beginning of Year	-	457,104	-	457,104
Cash and Cash Equivalents - End of Year	<u>\$ 690,775</u>	<u>\$ 4,302</u>	<u>\$ -</u>	<u>\$ 695,077</u>