

VISIT BELOIT, INC. AND SUBSIDIARY
Beloit, Wisconsin

Consolidated Financial Statements
and
Independent Auditor's Report

December 31, 2023 and 2022

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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 Statements of Financial Position as of December 31, 2023 and 2022, and the related Consolidated Statements of Activities, Functional Expenses, and Cash Flows for the years 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information in pages 20 through 29 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
September 12, 2024

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 835,370	\$ 872,613
Accounts receivable, net	409,630	256,569
Prepaid expenses	15,995	38,079
Total current assets	1,260,995	1,167,261
Property and Equipment:		
Building and improvements	773,574	773,574
Office equipment	61,107	85,103
Furniture and fixtures	18,455	28,460
Vehicles	48,293	52,228
Website	46,040	92,536
Total property and equipment	947,469	1,031,901
Less: Accumulated depreciation and amortization	148,803	198,071
Total net property and equipment	798,666	833,830
Other Assets:		
Internal-use software, net	15,915	31,829
Total Assets	\$ 2,075,576	\$ 2,032,920
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current maturity - long-term debt	\$ 17,359	\$ 16,615
Accounts payable	31,037	12,968
Legacy Program sponsorships payable	78,500	85,250
Accrued payroll	6,426	6,588
Accrued vacation	9,804	9,804
Other payroll liabilities	5,938	5,484
Accrued expenses - internal-use software	15,915	15,915
Deferred revenue	30,367	25,863
Contract liabilities	4,810	4,808
Total current liabilities	200,156	183,295

The accompanying notes are an integral part of this statement.

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Long-Term Liabilities:		
Note payable	445,445	462,491
Accrued expenses - internal-use software	-	15,914
Legacy Program sponsorships payable, net of discounts	54,369	128,999
Total long-term liabilities	499,814	607,404
Total liabilities	699,970	790,699
Net Assets:		
Without donor restrictions-		
Undesignated	1,105,690	962,089
Designated	269,916	280,132
Total net assets	1,375,606	1,242,221
Total Liabilities and Net Assets	\$ 2,075,576	\$ 2,032,920

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidated Statements of Activities
For the Years Ended December 31, 2023 and 2022

	2023	2022
Change in Net Assets Without Donor Restrictions:		
Revenues and support-		
Room taxes	\$ 1,142,299	\$ 1,056,707
Grants	83,550	341,401
Expense reimbursements	3,224	18,552
Sponsorship fees	22,713	25,948
Fundraising event income, net of expenses of \$6,153 for 2023 and \$28,420 for 2022	(6,153)	2,598
Other sales income	528	9,663
Interest	9,629	1,062
Miscellaneous	577	34
Total revenues	1,256,367	1,455,965
Expenses-		
Program services	988,618	1,007,096
Supporting services-		
Management and general	134,364	126,853
Total expenses	1,122,982	1,133,949
Change in net assets without donor restrictions	133,385	322,016
Change in Net Assets	133,385	322,016
Net Assets, Beginning of Year	1,242,221	920,205
Net Assets, End of Year	\$ 1,375,606	\$ 1,242,221

The accompanying notes are an integral part of this statement.

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2023

	Program Services	Supporting Services Management and General	Total
Salaries	\$ 309,951	\$ 54,698	\$ 364,649
Payroll taxes	25,789	4,552	30,341
Employee benefits	64,230	7,137	71,367
Occupancy	7,566	7,566	15,132
General insurance	3,874	5,317	9,191
Office supplies and expense	26,764	6,243	33,007
Telephone	1,481	407	1,888
Internet access and website	28,191	4,975	33,166
Postage	7,975	886	8,861
Maintenance and repairs	10,966	10,968	21,934
Professional fees	11,220	11,220	22,440
Conferences and meetings	21,183	2,354	23,537
Travel	19,714	2,191	21,905
Professional development	3,338	371	3,709
Familiarization tours	12,461	-	12,461
Event hosting	40,968	-	40,968
Membership dues and subscriptions	8,951	1,579	10,530
Advertising and promotion	221,328	-	221,328
Marketing	30,541	-	30,541
Welcome vehicle expense	908	-	908
Sponsorships	32,967	-	32,967
Grants and donations	1,838	-	1,838
Research expense	26,871	-	26,871
Loss on disposal of property and equipment	201	35	236
Depreciation and amortization	44,787	7,903	52,690
Interest	17,851	3,150	21,001
Miscellaneous	6,704	2,812	9,516
Total Expenses	<u>\$ 988,618</u>	<u>\$ 134,364</u>	<u>\$ 1,122,982</u>

The accompanying notes are an integral part of this statement.

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2022

	Program Services	Supporting Services Management and General	Total
Salaries	\$ 281,247	\$ 49,631	\$ 330,878
Payroll taxes	21,552	3,803	25,355
Employee benefits	47,078	5,232	52,310
Occupancy	7,191	7,192	14,383
General insurance	7,739	2,431	10,170
Office supplies and expense	29,133	6,502	35,635
Telephone	1,339	349	1,688
Internet access and website	23,532	4,152	27,684
Postage	6,301	701	7,002
Maintenance and repairs	15,280	15,280	30,560
Professional fees	10,075	10,075	20,150
Conferences and meetings	15,074	1,674	16,748
Travel	26,184	2,909	29,093
Professional development	5,236	582	5,818
Familiarization tours	17,110	-	17,110
Event hosting	36,972	-	36,972
Membership dues and subscriptions	12,947	2,285	15,232
Advertising and promotion	195,705	-	195,705
Marketing	22,695	-	22,695
Welcome vehicle expense	2,755	-	2,755
Sponsorships	92,844	-	92,844
Grants and donations	4,550	-	4,550
Research expense	56,954	-	56,954
Depreciation and amortization	41,540	7,330	48,870
Interest	18,448	3,255	21,703
Miscellaneous	7,615	3,470	11,085
Total Expenses	\$ 1,007,096	\$ 126,853	\$ 1,133,949

The accompanying notes are an integral part of this statement.

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	\$ 133,385	\$ 322,016
Adjustments to reconcile change in net assets to net cash from operating activities-		
Depreciation and amortization	52,690	52,921
Loss on disposal of property and equipment	236	-
Change in assets and liabilities-		
Accounts receivable	(153,061)	(20,574)
Prepayments	22,084	(24,616)
Accounts payable	18,069	(46,753)
Legacy Program sponsorships payable	(81,380)	7,404
Accrued payroll	(162)	928
Other payroll liabilities	454	730
Accrued expenses - internal-use software	(15,914)	31,829
Deferred revenue	4,504	(375)
Contract liabilities	2	(18,852)
Net cash from operating activities	(19,093)	304,658
Cash Flows From Investing Activities:		
Purchase of property and equipment	(1,848)	(63,778)
Purchase of internal-use software	-	(47,744)
Net cash from investing activities	(1,848)	(111,522)
Cash Flows From Financing Activities:		
Proceeds from note payable	2,891	-
Principal payments on note payable	(19,193)	(15,600)
Net cash from financing activities	(16,302)	(15,600)
Net Change in Cash and Cash Equivalents	(37,243)	177,536
Cash and Cash Equivalents - Beginning of Year	872,613	695,077
Cash and Cash Equivalents - End of Year	\$ 835,370	\$ 872,613

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. (BCVBCF), 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 the parent Visit Beloit, Inc. and the wholly owned subsidiary Beloit Convention and Visitors Bureau Charitable Foundation, 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 Consolidated Statements 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.

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

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

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, 2023, Visit Beloit's cash and cash equivalents had a carrying balance (excluding petty cash totaling \$150) of \$835,220 and the bank balances were \$840,414, of which \$312,282 was uninsured. As of December 31, 2022, Visit Beloit's cash and cash equivalents had a carrying balance (excluding petty cash totaling \$200) of \$872,413 and the bank balances were \$882,496, of which \$354,430 was uninsured.

Accounts Receivable

Accounts receivable reported on the Consolidated Statements 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, 2023 and 2022, and management feels the amounts are fully collectable.

Accounts receivable consists of the following as of December 31, 2023 and 2022:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Room taxes	\$ 401,416	\$ 243,370
TIC grant	7,500	7,500
Other	<u>714</u>	<u>5,699</u>
 Total	 <u>\$ 409,630</u>	 <u>\$ 256,569</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 Consolidated Statements 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.

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

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Consolidated Statements of Activities as net assets released from restrictions. There were no net assets with donor restrictions as of December 31, 2023 and 2022.

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 Consolidated Statements of Activities as net assets released from restrictions.

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

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

Visit Beloit's revenues are substantially provided by room taxes. Room taxes are collected by the City of Beloit, Wisconsin, the Town of Beloit, Wisconsin, and the City of South Beloit, Illinois to help promote tourism, conventions, expositions, theatrical, sport, and cultural activities. During 2023 and 2022, the City of Beloit, Wisconsin, the Town of Beloit, Wisconsin, and the City of South Beloit, Illinois remitted 80%, 80%, and 1%, respectively, of the room taxes collected to Visit Beloit. These revenues amounted to approximately 91% and 73% of total revenues for the year ended December 31, 2023 and 2022, respectively.

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.

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, 2023. 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, 2023, 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.

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

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising and Promotion Costs

Visit Beloit expenses costs of advertising and promotion at the time incurred. Advertising and promotion expenses were \$221,328 and \$195,705 for the years ended December 31, 2023 and 2022, respectively.

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.

As of December 31, 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 Consolidated Statements of Financial Position date to meet general expenditures:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Financial assets at year-end-		
Cash and cash equivalents	\$ 835,370	\$ 872,613
Accounts receivable	409,630	256,569
Board designated funds	<u>(269,916)</u>	<u>(280,132)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 975,084</u>	<u>\$ 849,050</u>

NOTE C INTERNAL-USE SOFTWARE

In January 2022, Visit Beloit entered into a three year managed information technology agreement that includes software as a service, software licensing, and implementation services. This agreement requires monthly payments of \$2,963 from January 2022 through March 2022, \$2,220 from April 2022 through March 2023, and \$2,343 from April 2023 through December 2024. The software licenses and implementation costs under this agreement have been capitalized as internal-use software and are being amortized using the straight-line method over the life of the agreement. Accrued expenses were also recorded related to this agreement for costs expected to be amortized over the remaining life of the agreement.

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

NOTE C INTERNAL-USE SOFTWARE (Continued)

Internal-use software, net as of December 31, 2023 and 2022 includes the following:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Internal-use software	\$ 40,140	\$ 40,140
Capitalized implementation costs	<u>7,604</u>	<u>7,604</u>
	47,744	47,744
Less: Accumulated amortization	<u>31,829</u>	<u>15,915</u>
	<u>\$ 15,915</u>	<u>\$ 31,829</u>

Amortization expense on internal-use software included in depreciation and amortization as reported on the Consolidated Statements of Functional Expenses amounted to \$15,914 and \$15,915 for 2023 and 2022, respectively.

NOTE D LEGACY PROGRAM SPONSORSHIPS PAYABLE

Legacy Program sponsorships payable as of December 31, 2023 and 2022 consists of commitments due to local organizations as follows:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Payable in less than one year	<u>\$ 78,500</u>	<u>\$ 85,250</u>
Payable in over one year	\$ 56,000	\$ 134,500
Less: Discounts to present value	<u>1,631</u>	<u>5,501</u>
Net long-term Legacy Program sponsorships payable	<u>\$ 54,369</u>	<u>\$ 128,999</u>

The discount rate used on long-term Legacy Program sponsorships payable was 3.0% for 2023 and 2022.

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 2023 and 2022, payments made to related parties totaled \$15,020 and \$16,862, respectively, and receipts from related parties totaled \$1,124 and \$4,274, respectively. As of December 31, 2023, amounts receivable from related parties totaled \$119 and there were no amounts payable to related parties. As of December 31, 2022, amounts receivable from related parties totaled \$83 and there were no amounts payable to related parties. 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 DESIGNATED NET ASSETS

As of December 31, 2023 and 2022, the Board designated \$269,916 and \$280,132 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. These amounts as of December 31, 2023 and 2022 are reported as designated net assets in the Consolidated Statements of Financial Position.

NOTE G LONG-TERM DEBT

As of December 31, 2023 and 2022, long-term debt of BCVBCF consisted of:

	<u>12/31/2023</u>	<u>12/31/2022</u>
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.	\$ 462,804	\$ 479,106
Less: Current maturity	<u>17,359</u>	<u>16,615</u>
Net Long-Term Debt	<u>\$ 445,445</u>	<u>\$ 462,491</u>

During 2023, Visit Beloit drew \$2,891 on the construction loan. There were no draws on the construction loan in 2022. For the years ended December 31, 2023 and 2022, interest paid on the loan of \$21,001 and \$21,703, respectively, is included in interest expense as reported on the Consolidated Statements of Functional Expenses.

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

NOTE G LONG-TERM DEBT (Continued)

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

	Principal	Interest
2024	\$ 17,359	\$ 19,944
2025	18,137	19,166
2026	18,949	18,354
2027	19,798	17,505
2028	20,685	16,618
2029-2033	118,182	67,215
2034-2038	147,131	38,472
2039-2041	102,563	6,852
Total	\$ 462,804	\$ 204,126

NOTE H SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for interest totaled \$21,001 and \$21,703 for 2023 and 2022, respectively, as reported in the Consolidated Statements of Functional Expenses. There was no cash paid for income taxes in 2023 and 2022.

NOTE I 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. This grant will be recorded as grant revenue once the related eligible expenses are incurred. During 2022, Visit Beloit incurred eligible expenses and received the \$257,112 grant funds, which are included in grants as reported on the Consolidated Statements of Activities.

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

NOTE J REVENUE RECOGNITION

In accordance with Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, Visit Beloit's revenue from contracts with customers is recorded based on the accrual basis of accounting and is derived primarily from event fees. The standard outlines a five-stop model whereby revenue is recognized as performance obligations within a contract are satisfied. All of Visit Beloit's revenue from contracts with customer is from performance obligations satisfied over time and is derived from contracts with an initial expected duration of one year or less. Prices are specific to distinct performance obligations and do not consist of multiple transactions.

ASU 2014-09 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts with customers. Visit Beloit recognizes contracts with customers as goods or services are transferred or provide in accordance with ASU 2014-09.

Visit Beloit has multiple revenue sources that are accounted for as exchange transactions, including event fees and merchandise sales.

1. Visit Beloit receives fees for various events that are paid upon registration for the specific event. The benefits received include the ability to participate in the specific event. Event fees are paid at the time of registration for the event and revenue is recognized at the start of the specific event in the period that the event is held. Refunds may be given as determined on a case-by-case basis.
2. Visit Beloit receives revenue from the sale of merchandise. Items are paid for as the sale commences and revenue is recognized when the sale is completed.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in contract accounts receivable as reported on the Consolidated Statements of Financial Position. Amounts are billed in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. Visit Beloit has no material contract receivables as of December 31, 2023, December 31, 2022, and January 1, 2022.

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

NOTE J REVENUE RECOGNITION (Continued)

Contract Balances (Continued)

Contact liabilities represent payments received from customers prior to the satisfaction of the corresponding performance obligations. Contract liabilities are recognized as revenue once the corresponding performance obligations are satisfied based on the contract with the customer. Contract assets represent Visit Beloit's right of consideration based on satisfied performance obligations from contracts with customers. Visit Beloit had no material contract assets recorded as of December 31, 2023, December 31, 2022, and January 1, 2022. The beginning and ending balances of Visit Beloit's contract liabilities were as follows:

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>1/1/2022</u>
Advance Dairyland Baseball Series revenue	\$ 4,443	\$ 4,443	\$ 9,982
Advance Broadcast Symposium revenue	-	-	13,678
Advance Lager Than Life revenue	<u>367</u>	<u>367</u>	<u>-</u>
 Total Contract Liabilities	 <u>\$ 4,810</u>	 <u>\$ 4,810</u>	 <u>\$ 23,660</u>

Performance Obligations

Visit Beloit had no material unsatisfied performance obligations as of December 31, 2023, December 31, 2022, and January 1, 2022.

NOTE K SUBSEQUENT EVENTS

Visit Beloit has evaluated subsequent events through September 12, 2024, 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. 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 and the remaining work to finish the event venue at an expected cost of \$539,584 to be started in late 2024. Phase two has an expected cost of \$4,593,964.

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Financial Position
December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2023 Totals
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 807,238	\$ 28,132	\$ -	\$ 835,370
Accounts receivable, net	409,630	-	-	409,630
Prepayments	15,995	-	-	15,995
Total current assets	<u>1,232,863</u>	<u>28,132</u>	<u>-</u>	<u>1,260,995</u>
Property and Equipment:				
Building and improvements	-	773,574	-	773,574
Office equipment	61,107	-	-	61,107
Furniture and fixtures	18,455	-	-	18,455
Vehicles	48,293	-	-	48,293
Website	46,040	-	-	46,040
Total property and equipment	173,895	773,574	-	947,469
Less: Accumulated depreciation and amortization	109,846	38,957	-	148,803
Total net property and equipment	<u>64,049</u>	<u>734,617</u>	<u>-</u>	<u>798,666</u>
Other Assets:				
Internal-use software, net	15,915	-	-	15,915
Total Assets	<u>\$ 1,312,827</u>	<u>\$ 762,749</u>	<u>\$ -</u>	<u>\$ 2,075,576</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Financial Position
December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2023 Totals
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current maturity - long-term debt	\$ -	\$ 17,359	\$ -	\$ 17,359
Accounts payable	30,787	250	-	31,037
Legacy Program sponsorships payable	-	78,500	-	78,500
Accrued payroll	6,426	-	-	6,426
Accrued vacation	9,804	-	-	9,804
Other payroll liabilities	5,938	-	-	5,938
Accrued expenses - internal-use software	15,915	-	-	15,915
Deferred revenue	29,367	1,000	-	30,367
Contract liabilities	4,443	367	-	4,810
Total current liabilities	<u>102,680</u>	<u>97,476</u>	<u>-</u>	<u>200,156</u>
Long-Term Liabilities:				
Note payable	-	445,445	-	445,445
Legacy Program sponsorships payable, net of discounts	-	54,369	-	54,369
Total long-term liabilities	<u>-</u>	<u>499,814</u>	<u>-</u>	<u>499,814</u>
Total liabilities	<u>102,680</u>	<u>597,290</u>	<u>-</u>	<u>699,970</u>
Net Assets:				
Without donor restrictions-				
Undesignated	940,231	165,459	-	1,105,690
Designated	269,916	-	-	269,916
Total net assets	<u>1,210,147</u>	<u>165,459</u>	<u>-</u>	<u>1,375,606</u>
Total Liabilities and Net Assets	<u>\$ 1,312,827</u>	<u>\$ 762,749</u>	<u>\$ -</u>	<u>\$ 2,075,576</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Financial Position
December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2022 Totals
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 844,107	\$ 28,506	\$ -	\$ 872,613
Accounts receivable, net	251,569	5,000	-	256,569
Prepayments	38,079	-	-	38,079
Total current assets	<u>1,133,755</u>	<u>33,506</u>	<u>-</u>	<u>1,167,261</u>
Property and Equipment:				
Building and improvements	-	773,574	-	773,574
Office equipment	85,103	-	-	85,103
Furniture and fixtures	28,460	-	-	28,460
Vehicles	52,228	-	-	52,228
Website	92,536	-	-	92,536
Total property and equipment	258,327	773,574	-	1,031,901
Less: Accumulated depreciation and amortization	<u>175,504</u>	<u>22,567</u>	<u>-</u>	<u>198,071</u>
Total net property and equipment	<u>82,823</u>	<u>751,007</u>	<u>-</u>	<u>833,830</u>
Other Assets:				
Internal-use software, net	<u>31,829</u>	<u>-</u>	<u>-</u>	<u>31,829</u>
Total Assets	<u>\$ 1,248,407</u>	<u>\$ 784,513</u>	<u>\$ -</u>	<u>\$ 2,032,920</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Financial Position
December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2022 Totals
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current maturity - long-term debt	\$ -	\$ 16,615	\$ -	\$ 16,615
Accounts payable	12,968	-	-	12,968
Legacy Program scholarships payable	-	85,250	-	85,250
Accrued payroll	6,588	-	-	6,588
Accrued vacation	9,804	-	-	9,804
Other payroll liabilities	5,484	-	-	5,484
Accrued expenses - internal-use software	15,915	-	-	15,915
Deferred revenue	25,863	-	-	25,863
Contract liabilities	4,443	365	-	4,808
Total current liabilities	<u>81,065</u>	<u>102,230</u>	<u>-</u>	<u>183,295</u>
Long-Term Liabilities:				
Note payable	-	462,491	-	462,491
Accrued expenses - internal-use software	15,914	-	-	15,914
Legacy Program sponsorships payable, net of discounts	-	128,999	-	128,999
Total long-term liabilities	<u>15,914</u>	<u>591,490</u>	<u>-</u>	<u>607,404</u>
Total liabilities	<u>96,979</u>	<u>693,720</u>	<u>-</u>	<u>790,699</u>
Net Assets:				
Without donor restrictions-				
Undesignated	871,296	90,793	-	962,089
Designated	280,132	-	-	280,132
Total net assets	<u>1,151,428</u>	<u>90,793</u>	<u>-</u>	<u>1,242,221</u>
Total Liabilities and Net Assets	<u>\$ 1,248,407</u>	<u>\$ 784,513</u>	<u>\$ -</u>	<u>\$ 2,032,920</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Activities
For the Years Ended December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2023 Totals
Change in Net Assets Without Donor Restrictions:				
Revenues and support-				
Room taxes	\$ 1,142,299	\$ -	\$ -	\$ 1,142,299
Grants	83,300	250	-	83,550
Expense reimbursements	3,224	-	-	3,224
Sponsorship fees	22,713	-	-	22,713
Fundraising event income, net of expenses of \$6,153	-	(6,153)	-	(6,153)
Other sales income	528	-	-	528
Interest	9,617	12	-	9,629
Transfers	-	125,449	(125,449)	-
Miscellaneous	577	-	-	577
Total revenues	<u>1,262,258</u>	<u>119,558</u>	<u>(125,449)</u>	<u>1,256,367</u>
Expenses-				
Program services	1,075,156	38,911	(125,449)	988,618
Supporting services-				
Management and general	128,383	5,981	-	134,364
Total expenses	<u>1,203,539</u>	<u>44,892</u>	<u>(125,449)</u>	<u>1,122,982</u>
Change in net assets without donor restrictions	<u>58,719</u>	<u>74,666</u>	<u>-</u>	<u>133,385</u>
Change in Net Assets	58,719	74,666	-	133,385
Net Assets, Beginning of Year	<u>1,151,428</u>	<u>90,793</u>	<u>-</u>	<u>1,242,221</u>
Net Assets, End of Year	<u>\$ 1,210,147</u>	<u>\$ 165,459</u>	<u>\$ -</u>	<u>\$ 1,375,606</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Activities
For the Years Ended December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2022 Totals
Change in Net Assets				
Without Donor Restrictions:				
Revenues and support:				
Room taxes	\$ 1,056,707	\$ -	\$ -	\$ 1,056,707
Grants	341,351	50	-	341,401
Expense reimbursements	3,302	15,250	-	18,552
Sponsorship fees	25,948	-	-	25,948
Fundraising event income, net of expenses of \$28,420	-	2,598	-	2,598
Other sales income	9,663	-	-	9,663
Interest	1,040	22	-	1,062
Transfers	-	135,616	(135,616)	-
Miscellaneous	-	34	-	34
Total revenues	<u>1,438,011</u>	<u>153,570</u>	<u>(135,616)</u>	<u>1,455,965</u>
Expenses-				
Program services	1,029,259	113,453	(135,616)	1,007,096
Supporting services-				
Management and general	119,917	6,936	-	126,853
Total expenses	<u>1,149,176</u>	<u>120,389</u>	<u>(135,616)</u>	<u>1,133,949</u>
Change in net assets without donor restrictions	<u>288,835</u>	<u>33,181</u>	<u>-</u>	<u>322,016</u>
Change in Net Assets	288,835	33,181	-	322,016
Net Assets, Beginning of Year	<u>862,593</u>	<u>57,612</u>	<u>-</u>	<u>920,205</u>
Net Assets, End of Year	<u>\$ 1,151,428</u>	<u>\$ 90,793</u>	<u>\$ -</u>	<u>\$ 1,242,221</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2023 Totals
Cash Flows From Operating Activities:				
Change in net assets	\$ 58,719	\$ 74,666	\$ -	\$ 133,385
Adjustments to reconcile change in net assets to net cash from operating activities-				
Depreciation and amortization	36,300	16,390	-	52,690
Loss on disposal of property and equipment	236	-	-	236
Change in assets and liabilities-				
Accounts receivable	(158,061)	5,000	-	(153,061)
Prepayments	22,084	-	-	22,084
Accounts payable	17,819	250	-	18,069
Legacy Program sponsorships payable	-	(81,380)	-	(81,380)
Accrued payroll	(162)	-	-	(162)
Other payroll liabilities	454	-	-	454
Accrued expenses - internal-use software	(15,914)	-	-	(15,914)
Deferred revenue	3,504	1,000	-	4,504
Contract liabilities	-	2	-	2
Net cash from operating activities	(35,021)	15,928	-	(19,093)
Cash Flows From Investing Activities:				
Purchase of property and equipment	(1,848)	-	-	(1,848)
Net cash from investing activities	(1,848)	-	-	(1,848)

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2023 Totals
Cash Flows From Financing Activities:				
Proceeds from note payable	-	2,891	-	2,891
Principal payments on note payable	-	(19,193)	-	(19,193)
Net cash from financing activities	-	(16,302)	-	(16,302)
 Net Change in Cash and Cash Equivalents	 (36,869)	 (374)	 -	 (37,243)
 Cash and Cash Equivalents - Beginning of Year	 844,107	 28,506	 -	 872,613
 Cash and Cash Equivalents - End of Year	 <u>\$ 807,238</u>	 <u>\$ 28,132</u>	 <u>\$ -</u>	 <u>\$ 835,370</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2022 Totals
Cash Flows From Operating Activities:				
Change in net assets	\$ 288,835	\$ 33,181	\$ -	\$ 322,016
Adjustments to reconcile change in net assets to net cash from operating activities-				
Depreciation and amortization	37,578	15,343	-	52,921
Change in assets and liabilities-				
Accounts receivable	(15,574)	(5,000)	-	(20,574)
Prepayments	(24,616)	-	-	(24,616)
Accounts payable	(46,753)	-	-	(46,753)
Legacy Program sponsorships payable	-	7,404	-	7,404
Accrued payroll	928	-	-	928
Other payroll liabilities	730	-	-	730
Accrued expenses - internal-use software	31,829	-	-	31,829
Deferred revenue	(375)	-	-	(375)
Contract liabilities	(19,217)	365	-	(18,852)
Net cash from operating activities	<u>253,365</u>	<u>51,293</u>	<u>-</u>	<u>304,658</u>
Cash Flows From Investing Activities:				
Purchase of property and equipment	(52,289)	(11,489)	-	(63,778)
Purchase of internal-use software	(47,744)	-	-	(47,744)
Net cash from investing activities	<u>(100,033)</u>	<u>(11,489)</u>	<u>-</u>	<u>(111,522)</u>

VISIT BELOIT, INC. AND SUBSIDIARY
Consolidating Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	Visit Beloit, Inc.	BCVBCF	Eliminations	2022 Totals
Cash Flows From Financing Activities:				
Principal payments on note payable	-	(15,600)	-	(15,600)
Net cash from financing activities	-	(15,600)	-	(15,600)
Net Change in Cash and Cash Equivalents	153,332	24,204	-	177,536
Cash and Cash Equivalents - Beginning of Year	690,775	4,302	-	695,077
Cash and Cash Equivalents - End of Year	<u>\$ 844,107</u>	<u>\$ 28,506</u>	<u>\$ -</u>	<u>\$ 872,613</u>