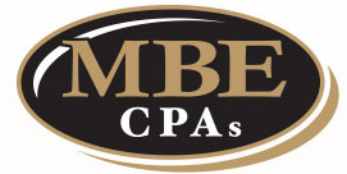


**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Consolidated Financial Statements
Years Ended December 31, 2021 and 2020**

**Wausau Central Wisconsin Convention and Visitors Bureau and Wausau Central
Wisconsin Sports Authority**

Table of Contents

	Page
Independent Auditor's Report.....	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position – Modified Cash Basis	3
Consolidated Statements of Activities – Modified Cash Basis	4
Consolidated Statements of Functional Expenses – Modified Cash Basis.....	5
Consolidated Statements of Cash Flows – Modified Cash Basis	6
Notes to the Consolidated Financial Statements	7
Supplementary Information	
Wausau Central Wisconsin Convention and Visitors Bureau Statements of Financial Position – Modified Cash Basis	14
Wausau Central Wisconsin Convention and Visitors Bureau Statements of Activities – Modified Cash Basis	15
Wausau Central Wisconsin Sports Authority Statements of Financial Position – Modified Cash Basis	16
Wausau Central Wisconsin Sports Authority Statements of Activities – Modified Cash Basis.....	17



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Independent Auditor's Report

To the Board of Directors of:
Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Wausau, WI 54403

Opinion

We have audited the accompanying consolidated financial statements of the Wausau Central Wisconsin Convention and Visitors Bureau and the Wausau Central Wisconsin Sports Authority (two nonprofit organizations), which comprise the consolidated statements of financial position – modified cash basis as of December 31, 2021 and 2020, and the related consolidated statements of activities – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Wausau Central Wisconsin Convention and Visitors Bureau and Wausau Central Wisconsin Sports Authority as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

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 Financial Statements section of our report. We are required to be independent of Wausau Central Wisconsin Convention and Visitors Bureau and the Wausau Central Wisconsin Sports Authority 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.

Basis of Accounting

We draw attention to Note A of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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 schedules are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

MBE CPAs, LLP

Wausau, WI

July 13, 2022

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Consolidated Statements of Financial Position - Modified Cash Basis
As of December 31, 2021 and 2020**

	<u>2021</u>	<u>2020 (Restated)</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 939,494	\$ 749,579
Total Current Assets	939,494	749,579
Property and Equipment		
Signage	11,653	11,653
Furniture and equipment	118,739	144,728
Land and Building	426,866	-
Technology assets	14,000	-
Less: accumulated depreciation	<u>(125,047)</u>	<u>(142,957)</u>
Total Property and Equipment (net)	446,211	13,424
Other Assets		
Beneficial interest in assets held by Community Foundation	<u>48,355</u>	<u>44,895</u>
Total Other Assets	<u>48,355</u>	<u>44,895</u>
Total Assets	<u>\$ 1,434,060</u>	<u>\$ 807,898</u>
Liabilities and Net Assets		
Current Liabilities		
Sales tax liability	\$ 36	\$ 573
Current portion of debt	21,560	-
Accrued Interest	9,131	-
Accrued payroll liabilities	<u>1,159</u>	<u>4,466</u>
Total Current Liabilities	31,886	5,039
Long-Term Liabilities		
Long term debt	<u>579,899</u>	<u>187,000</u>
Total Long-Term Liabilities	<u>579,899</u>	<u>187,000</u>
Total Liabilities	611,785	192,039
Net Assets		
Net assets with donor restrictions	157,621	180,423
Net assets without donor restrictions	<u>664,654</u>	<u>435,436</u>
Total Net Assets	<u>822,275</u>	<u>615,859</u>
Total Liabilities and Net Assets	<u>\$ 1,434,060</u>	<u>\$ 807,898</u>

The notes to the consolidated financial statements are an integral part of this statement.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Consolidated Statements of Activities - Modified Cash Basis
For the Years Ended December 31, 2021 and 2020**

	2021			2020 (Restated)		
	Net assets without donor restrictions	Net assets with donor restrictions	Total	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenue						
Room tax	\$ 689,497	\$ 34,557	\$ 724,054	\$ 526,172	\$ 20,484	\$ 546,656
Program income	144,069	-	144,069	172,753	-	172,753
Grant income	45,922	-	45,922	449,577	-	449,577
Sponsorship income	18,600	-	18,600	15,191	57,359	72,550
Merchandise sales	14,689	-	14,689	11,559	-	11,559
Release from restriction	57,359	(57,359)	-	-	-	-
Total Revenue	<u>970,136</u>	<u>(22,802)</u>	<u>947,334</u>	<u>1,175,252</u>	<u>77,843</u>	<u>1,253,095</u>
Operating Expenses						
Program services - tourism	499,895	-	499,895	666,860	-	666,860
Support services	231,764	-	231,764	289,977	-	289,977
Total Operating Expenses	<u>731,659</u>	<u>-</u>	<u>731,659</u>	<u>956,837</u>	<u>-</u>	<u>956,837</u>
Net Operating Income	<u>238,477</u>	<u>(22,802)</u>	<u>215,675</u>	<u>218,415</u>	<u>77,843</u>	<u>296,258</u>
Other Income (Expenses)						
Gain (loss) on beneficial interest in assets held by Community Foundation, Net	3,460	-	3,460	4,743	-	4,743
Interest income	638	-	638	235	-	235
Interest expense	(13,532)	-	(13,532)	-	-	-
Miscellaneous income	175	-	175	-	-	-
Total Other Income (Expenses)	<u>(9,259)</u>	<u>-</u>	<u>(9,259)</u>	<u>4,978</u>	<u>-</u>	<u>4,978</u>
Total Change in Net Assets	229,218	(22,802)	206,416	223,393	77,843	301,236
Net Assets - Beginning of Year	<u>435,436</u>	<u>180,423</u>	<u>615,859</u>	<u>212,043</u>	<u>102,580</u>	<u>314,623</u>
Net Assets - End of Year	<u>\$ 664,654</u>	<u>\$ 157,621</u>	<u>\$ 822,275</u>	<u>\$ 435,436</u>	<u>\$ 180,423</u>	<u>\$ 615,859</u>

The notes to the consolidated financial statements are an integral part of this statement.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Consolidated Statements of Functional Expenses - Modified Cash Basis
For the Years Ended December 31, 2021 and 2020**

2021			
	Program Services- Tourism	Support Services	Total
Advertising	\$ 73,300	\$ -	\$ 73,300
Commissions	625	-	625
Computer and software	5,167	-	5,167
Depreciation	-	8,079	8,079
Dues and subscriptions	-	8,265	8,265
Employee benefits	11,987	7,991	19,978
Events and conferences	231,621	-	231,621
Insurance	8,752	3,882	12,634
Meals and entertainment	2,945	-	2,945
Office expense	-	9,637	9,637
Postage	1,047	-	1,047
Processing fees	-	1,254	1,254
Professional services	-	45,745	45,745
Rent & storage fees	38,320	5,225	43,545
Repairs and maintenance	-	2,848	2,848
Salaries, wages, and payroll taxes	118,702	130,906	249,608
Telephone	-	5,526	5,526
Utilities	1,758	240	1,998
Vehicle expense	2,166	2,166	4,332
Website	3,505	-	3,505
Total Functional Expenses	<u>\$ 499,895</u>	<u>\$ 231,764</u>	<u>\$ 731,659</u>

2020			
	Program Services- Tourism	Support Services	Total
Advertising	\$ 90,393	\$ -	\$ 90,393
Commissions	15,825	-	15,825
Computer and software	11,369	-	11,369
Cost of sales	-	6,120	6,120
Depreciation	-	5,213	5,213
Dues and subscriptions	-	8,770	8,770
Employee benefits	29,495	19,815	49,310
Events and conferences	204,320	-	204,320
Insurance	9,902	6,199	16,101
Meals and entertainment	3,139	-	3,139
Office expense	-	6,840	6,840
Postage	1,481	-	1,481
Processing fees	-	2,100	2,100
Professional services	-	71,469	71,469
Rent & storage fees	38,777	5,288	44,065
Repairs and maintenance	-	135	135
Room tax payments	29,387	-	29,387
Salaries, wages, and payroll taxes	218,948	147,090	366,038
Telephone	-	8,393	8,393
Utilities	3,377	463	3,840
Vehicle expense	2,083	2,082	4,165
Website	8,364	-	8,364
Total Functional Expenses	<u>\$ 666,860</u>	<u>\$ 289,977</u>	<u>\$ 956,837</u>

The notes to the consolidated financial statements are an integral part of this statement.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Consolidated Statements of Cash Flows - Modified Cash Basis
For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020 (Restated)</u>
Cash Flow from Operating Activities		
Change in net assets	\$ 206,416	\$ 301,236
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	8,079	5,213
(Gain) loss on beneficial interest in assets held by Community Foundation	(3,460)	(4,743)
(Gain) on extinguishment of debt	(11,097)	(97,100)
Increase (decrease) in liabilities:		
Increase (decrease) in sales tax liability	(537)	549
Increase (decrease) in accrued interest liability	9,131	-
Increase (decrease) in accrued payroll liabilities	(3,307)	(3,104)
Net Cash Provided by (Used in) Operating Activities	<u>205,225</u>	<u>202,051</u>
Cash Flow from Investing Activities		
Purchases of property and equipment	(100,866)	-
Net Cash Provided by (Used in) Investing Activities	<u>(100,866)</u>	<u>-</u>
Cash Flow from Financing Activities		
Payments on notes payable	(3,883)	-
Proceeds from notes payable	89,439	284,100
Net Cash Provided by (Used in) Financing Activities	<u>85,556</u>	<u>284,100</u>
Net Increase (Decrease) in Cash and Cash Equivalents	189,915	486,151
Cash and Cash Equivalents - Beginning of Year	<u>749,579</u>	<u>263,428</u>
Cash and Cash Equivalents - End of Year	<u>\$ 939,494</u>	<u>\$ 749,579</u>
Supplemental Cash Flow Information:		
Interest paid	<u>\$ 4,401</u>	<u>\$ -</u>

The notes to the consolidated financial statements are an integral part of this statement.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note A – Summary of Significant Accounting Policies

Consolidated Financial Statements

The Wausau Central Wisconsin Convention and Visitors Bureau and Wausau Central Wisconsin Sports Authority are separate legal entities that share a board of directors. Both Organizations operate for the same general purpose of increasing tourism and sporting events in the central Wisconsin region. The financial statements for these entities are presented consolidated and inter-entity activity is eliminated.

Nature of Activities - The Wausau Central Wisconsin Convention and Visitors Bureau and Wausau Central Wisconsin Sports Authority (the Organization), located in Wausau, Wisconsin, provide tourism information and advertising in Central Wisconsin as an independent tourism entity. The Convention and Visitors Bureau was created in the summer of 1997, and the Sports Authority was created as a separate legal entity in the spring of 2016. Both the Convention and Visitors Bureau and the Sports Authority are governed by the same board of directors. The Sports Authority's purpose is to coordinate and advertise specific events in the region while the Convention and Visitors Bureau is more broadly focused on general marketing to increase tourism in the region. The Organization's primary sources of revenue include room taxes, event registration fees, and advertising.

Basis of Accounting - The financial statements of the Organization are prepared on the modified cash basis of accounting, in accordance with a special reporting framework. Revenue and expenses are recognized when cash is received and disbursed except for modifications for accruing payroll liabilities and capitalizing and depreciating purchases of property and equipment.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets.

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents – The Organization considers cash and cash equivalents to include cash on hand, demand deposits, nonnegotiable certificates of deposit and short term investments with a maturity of three months or less from the date of acquisition.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note A – Summary of Significant Accounting Policies (continued)

Investments

Investments consist of beneficial interest in assets held by a community foundation and are valued at fair value, determined at the statement of financial position date. Realized and unrealized gains and losses on investments are recorded in the accompanying statement of activities. Investment income is reported net of investment fees. Investment fees were \$732 and \$638 for the years ended December 31, 2021 and 2020, respectively.

Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences - Employees of the Organization are entitled to paid vacation and sick time off. Management does not accrue a liability for outstanding vacation and sick time under the modified cash basis of accounting, therefore, no liability has been recorded for the years ended December 31, 2021 and 2020.

Property and Equipment – Property, land, and equipment is stated at cost, or fair value if donated to the Organization, less accumulated depreciation. The costs of assets sold, retired, or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts in the year of asset disposal. Any resulting gain or loss on disposal is recognized in that same year.

Expenditures for maintenance and repairs are charged against operations. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes based on the following estimated useful lives:

Asset Category:	Years:
Building	39
Signage	15
Furniture, Equipment, Technology	3 – 15

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Income Taxes - The Organizations are not-for-profit independent tourism entities that are exempt from income taxes. The Convention and Visitors Bureau is exempt under Section 501(c)(6) and the Sports Authority under Section 501(c)(3) of the Internal Revenue Code.

Date of Management’s Review - Management has evaluated subsequent events through July 13, 2022, the date on which the financials were available to be issued.

Note B – Beneficial Interest in Assets Held by Community Foundation

The Organization has a beneficial interest in assets held by the Community Foundation of North Central Wisconsin. The Board of Directors of the Community Foundation has sole discretion as to the investment and reinvestment of these funds and has variance power over the funds, which allows the Board of Directors of the foundation to modify any restriction or condition of the distribution of the funds.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note C – Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors and omissions. The Organization purchases commercial insurance to provide coverage for losses from torts, theft of, damage to, or destruction of assets and errors and omissions. Settled claims have not exceeded the commercial coverage in the past 2 years.

Note D – Accounting for Uncertainty in Income Taxes

The Organization has evaluated for uncertain tax positions. Management has determined there are no uncertain tax positions as of December 31, 2021 and 2020. Both federal and state tax returns remain open for examination by tax jurisdictions through their respective statutes of limitations.

Note E – Functional Expenses

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. The following expenses are included in the accompanying financial statements:

Program Services- Tourism – Includes advertising and marketing, production of visitors magazine, attendance at conferences and expos, event fees, vehicle costs, insurance for events, and payroll for staff time allocated to programs. Program Services also includes a proportionate share of the costs of operating the building.

Support Services – Includes professional fees, insurance, and payroll for staff time allocated to general operations. Support Services also includes a proportionate share of the costs of operating the building as well as office administration expenses.

Note F – Concentrations

The Organization has a concentration in revenue from room taxes contracted to the Organization by local municipalities based on present State of Wisconsin legislation governing room taxes. Changes to room tax legislation could have a severe impact on the Organization's ability to continue operations.

Note G – Retirement Plan

The Organization sponsors a retirement plan that covers all employees with two years of service with the Organization. Under the plan, the Organization makes matching contributions of up to 3% of the employees' gross wages. The Organization made matching contributions for the years ended December 31, 2021 and 2020 of \$6,280 and \$9,733, respectively.

Note H – Operating Leases

The Organization leased office space in Wausau under a long term rental contract. The lease had rate changes built into the lease terms. The contract originally expired on June 30, 2021 and had four 5 year options to extend. In July 2021, the organization did not extend according to the options in the original contract. The organization came to an agreement with the leaseholder until the purchase of the new space was finalized. The organization paid the month-to-month rate from July to October 2021. Lease expenses for the office space totaled \$41,025 and \$39,935 for the years ended December 31, 2021 and 2020, respectively.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note I – Liquidity and Availability of Resources

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available due to donor restrictions for specific event use. Amounts not available due to board designation include amounts set aside for individual municipality grant opportunities as well as funds invested in a community foundation held endowment account. The board designated amounts could be made available if necessary.

	<u>2021</u>	<u>2020</u>
Financial Assets at year end:		
Cash and Cash equivalents	\$ 939,494	\$ 749,579
Beneficial Interest held by Foundation	<u>48,355</u>	<u>44,895</u>
Total financial assets	987,849	794,474
Less those unavailable for general expenditures within one year:		
Net assets with donor-imposed restrictions:		
Restricted for Meetings Mean Business activities		
City of Wausau	5,000	5,000
City of Schofield	16,718	12,718
Village of Weston	78,820	48,261
Town of Rib Mountain	57,085	57,085
Board designations:		
Municipal hold account Reserves		
City of Schofield	133,353	116,362
Village of Weston	218,448	148,115
Restricted for Badger State Games Activities	-	57,359
Beneficial Interest held in a Community Foundation	<u>48,355</u>	<u>44,895</u>
Total Financial assets not available to be used within one year	<u>557,779</u>	<u>489,795</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 430,070</u>	<u>\$ 304,679</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the case of unanticipated liquidity needs, the Organization would look to borrow funds from an outside source. The Organization does not hold a liquidity reserve.

Note J – Net Assets with Donor Restrictions

The Organization holds contracts with municipalities which declare restrictions on a partial amount of the funds received to be used for the Meetings Mean Business related activities. These restricted funds are tracked for each municipality. See Note I for detailed balances.

The Organization also received purpose restricted contributions during the year for Badger State Games activities. See Note I for detailed balances.

Note K – Net Assets with Board Designations

The Organization holds contracts with municipalities from which the board has designated a partial amount to be used for grants for activities within the specific municipality from which it was received. These designated funds are tracked for each municipality. See Note I for detailed balances.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note L – Uninsured Cash

The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. The Organization may, from time to time during the year, have balances in excess of the FDIC insured limits. Each entity is insured for this amount individually. As of December 31, 2021 the Convention and Visitors Bureau held \$ 386,949 of uninsured cash and the Sports Authority held \$79,663 of uninsured cash. At December 31, 2020, the Convention and Visitors Bureau held \$ 278,834 of uninsured cash and the Sports Authority held no uninsured cash.

Note M – Fair Value

Financial Accounting Standards Board Codification of Accounting Pronouncements, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2 Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Significant unobservable inputs that are not corroborated by market data.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Level 3 inputs utilized by the Organization are beneficial interest values provided directly by the Community Foundation of North Central Wisconsin (the Foundation). This information from the Foundation includes interest and dividends, as well as realized and unrealized gains and losses.

Fair values of assets measured on a recurring basis are as follows at December 31, 2021:

	(Level 1)	(Level 2)	(Level 3)
Beneficial Interest	\$ -	\$ -	\$ 48,355

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

1/1/21 Opening Balance	\$ 44,895
Fees	(732)
Interest and dividends	889
Net realized and unrealized gain (loss)	3,303
12/31/21 Closing Balance	<u>\$ 48,355</u>

Fair values of assets measured on a recurring basis are as follows at December 31, 2020:

	(Level 1)	(Level 2)	(Level 3)
Beneficial Interest	\$ -	\$ -	\$ 44,895

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note M – Fair Value (continued)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

1/1/20 Opening Balance	\$ 40,152
Fees	(638)
Interest and dividends	870
Net realized and unrealized gain (loss)	4,511
12/31/20 Closing Balance	<u>\$ 44,895</u>

Note N – Related Parties

The Organization has contracted with Gassner Company, S.C to provide accounting related consulting and payroll processing services. A partner at Gassner Company, S.C. also serves as treasurer on the Organization's board of directors. Gassner Company, S.C. received \$4,348 and \$7,099 in payments for accounting and consulting services during the years ended December 31, 2021 and 2020, respectively.

The Wausau Central Wisconsin Convention and Visitors Bureau and the Wausau Central Wisconsin Sports Authority are controlled by the same Board of Directors. The existence of this common control could result in changes in financial position between the two entities that could be significantly different from what would occur if the Organizations were autonomous.

Note O – Long Term Debt

The Organization had total notes payable of \$601,459 and \$187,000 for the years ended December 31, 2021 and 2020, respectively. Of these balances, \$21,560 is considered current as of December 31, 2021. The Organization had no debt considered current for the year ended December 31, 2020. These notes consist of fixed interest rates varying between 1% and 4%. Maturity dates of the notes vary, ending in 2026 through 2051. One of the notes is a mortgage account secured by the land and building assets.

Future maturities of long-term debt are as follows:

Year	Amount
2022	\$ 21,560
2023	30,855
2024	33,207
2025	36,799
2026	302,958
Thereafter	<u>176,080</u>
Total	<u>\$ 601,459</u>

Note P – Prior Period Adjustment

A prior period adjustment of \$82,600 was made to record forgiveness of the entity's 2020 PPP loan. For the year ended December 31, 2020, the debt liability was overstated and the net assets without donor restrictions was understated by \$82,600. The financial statements for the year ended December 31, 2020 were restated to reflect the prior period adjustment.

**Wausau Central Wisconsin Convention and Visitors Bureau and
Wausau Central Wisconsin Sports Authority
Notes to the Consolidated Financial Statements
December 31, 2021 and 2020**

Note Q – Small Business Administration Paycheck Protection Program

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans.

In April 2020, the Organization obtained a PPP loan for both the Sports Authority and the Convention and Visitor's Bureau for \$14,500 and \$82,600, respectively. The balance of both notes have since been forgiven in full. As of December 31, 2020, the Organization has recognized \$97,100 of income on forgiveness of the loans.

In March 2021, the Organization obtained a PPP loan for both the Sports Authority and the Convention and Visitor's Bureau for \$11,097 and \$78,342, respectively. The balance of the Sports Authority's note has since been forgiven in full. As of December 31, 2021, the Organization has recognized \$11,097 of income on forgiveness of the loan. The second round of PPP for the Visitors Bureau entity was not forgiven and has been recorded as debt according to the terms of the note. See note O for debt repayment details.

Note R – Noncash Financing Transactions

For the year ended December 31, 2021, the Organization purchased land and building assets with partial noncash financing in the amount of \$340,000.

Note S – Subsequent Events

In March of 2022, the Organization received \$375,000 of Destination Marketing Grant funds administered by the Wisconsin Department of Administration supported through the American Rescue Plan Act of 2021 federal funding. The program provides grants to eligible destination marketing organizations and tourism entities for tourism promotion and tourism development services for geographic based traveler destinations.

Supplementary Information

Wausau Central Wisconsin Convention and Visitors Bureau
Statements of Financial Position - Modified Cash Basis
As of December 31, 2021 and 2020

	2021	2020 (Restated)
Assets		
Current Assets		
Cash and cash equivalents	\$ 611,558	\$ 524,773
Due from Sports Authority	275,048	214,714
Total Current Assets	886,606	739,487
Property and Equipment		
Signage	11,653	11,653
Furniture and Equipment	118,739	144,728
Land and Building	426,866	-
Advance payment on technology assets	14,000	-
Less: accumulated depreciation	(125,047)	(142,957)
Total Property and Equipment	446,211	13,424
Total Assets	\$ 1,332,817	\$ 752,911
Liabilities and Net Assets		
Current Liabilities		
Sales tax liability	\$ 36	\$ 573
Current portion of debt	21,560	-
Accrued Interest	9,131	-
Accrued payroll liabilities	1,159	4,466
Total Current Liabilities	31,886	5,039
Long-Term Liabilities		
Long term debt	542,899	150,000
Total Long-Term Liabilities	542,899	150,000
Total Liabilities	574,785	155,039
Net Assets		
Net Assets without Donor Restrictions	758,032	597,872
Total Net Assets	758,032	597,872
Total Liabilities and Net Assets	\$ 1,332,817	\$ 752,911

See independent auditor's report.

**Wausau Central Wisconsin Convention and Visitors Bureau
Statements of Activities - Modified Cash Basis
For the Years Ended December 31, 2021 and 2020**

	2021			2020 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Room tax	\$ 724,054	\$ -	\$ 724,054	\$ 546,656	\$ -	\$ 546,656
Program income	7,014	-	7,014	50,695	-	50,695
Grant income	27,840	-	27,840	394,077	-	394,077
Sponsorship income	-	-	-	1,550	-	1,550
Merchandise sales	6,287	-	6,287	573	-	573
Total Revenues and Other Support	<u>765,195</u>	<u>-</u>	<u>765,195</u>	<u>993,551</u>	<u>-</u>	<u>993,551</u>
Operating Expenses						
Advertising	55,822	-	55,822	74,757	-	74,757
Commissions	-	-	-	11,525	-	11,525
Computer and software	5,167	-	5,167	11,369	-	11,369
Depreciation	8,079	-	8,079	5,213	-	5,213
Dues and subscriptions	7,401	-	7,401	7,900	-	7,900
Employee benefits	19,978	-	19,978	49,310	-	49,310
Events and conferences	80,871	-	80,871	19,351	-	19,351
Insurance	12,634	-	12,634	16,101	-	16,101
Meals and entertainment	1,689	-	1,689	1,213	-	1,213
Office expense	9,201	-	9,201	6,072	-	6,072
Postage	168	-	168	259	-	259
Processing fees	1,107	-	1,107	1,575	-	1,575
Professional services	32,208	-	32,208	60,885	-	60,885
Rent & storage fees	43,545	-	43,545	44,065	-	44,065
Repairs and maintenance	2,848	-	2,848	135	-	135
Room tax - pass through to sports authority	120,417	-	120,417	111,803	-	111,803
Expedia room tax - pass through to municipalities	-	-	-	29,387	-	29,387
Salaries, wages, and payroll taxes	178,802	-	178,802	305,763	-	305,763
Telephone	5,526	-	5,526	8,393	-	8,393
Utilities	1,998	-	1,998	3,840	-	3,840
Vehicle expense	1,445	-	1,445	2,459	-	2,459
Website	3,361	-	3,361	7,691	-	7,691
Total Operating Expenses	<u>592,267</u>	<u>-</u>	<u>592,267</u>	<u>779,066</u>	<u>-</u>	<u>779,066</u>
Net Operating Income	<u>172,928</u>	<u>-</u>	<u>172,928</u>	<u>214,485</u>	<u>-</u>	<u>214,485</u>
Other Income (Expenses)						
Interest income	589	-	589	203	-	203
Interest expense	(13,532)	-	(13,532)	-	-	-
Miscellaneous income	175	-	175	-	-	-
Total Other Income (Expenses)	<u>(12,768)</u>	<u>-</u>	<u>(12,768)</u>	<u>203</u>	<u>-</u>	<u>203</u>
Total Change in Net Assets	160,160	-	160,160	214,688	-	214,688
Net Assets - Beginning of Year	<u>597,872</u>	<u>-</u>	<u>597,872</u>	<u>383,184</u>	<u>-</u>	<u>383,184</u>
Net Assets - End of Year	<u>\$ 758,032</u>	<u>\$ -</u>	<u>\$ 758,032</u>	<u>\$ 597,872</u>	<u>\$ -</u>	<u>\$ 597,872</u>

See independent auditor's report.

Wausau Central Wisconsin Sports Authority
Statements of Financial Position - Modified Cash Basis
As of December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 327,936	\$ 224,806
Total Current Assets	327,936	224,806
Other Assets		
Beneficial interest in assets held by Community Foundation	48,355	44,895
Total Other Assets	48,355	44,895
Total Assets	\$ 376,291	\$ 269,701
Liabilities and Net Assets		
Current Liabilities		
Due to Convention and Visitors Bureau	\$ 275,048	\$ 214,714
Total Current Liabilities	275,048	214,714
Long-Term Liabilities		
Long term debt	\$ 37,000	\$ 37,000
Total Long-Term Liabilities	37,000	37,000
Total Liabilities	312,048	251,714
Net Assets		
Net Assets with Donor Restrictions	157,621	180,423
Net Assets without Donor Restrictions	(93,378)	(162,436)
Total Net Assets	64,243	17,987
Total Liabilities and Net Assets	\$ 376,291	\$ 269,701

See independent auditor's report.

Wausau Central Wisconsin Sports Authority
Statements of Activities - Modified Cash Basis
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Room tax - pass through from convention and visitor's bureau	\$ 85,860	\$ 34,557	\$ 120,417	\$ 91,319	\$ 20,484	\$ 111,803
Program income	137,055	-	137,055	122,058	-	122,058
Grant income	18,082	-	18,082	55,500	-	55,500
Sponsorship income	18,600	-	18,600	13,641	57,359	71,000
Merchandise sales	8,402	-	8,402	10,986	-	10,986
Release from restriction	57,359	(57,359)	-	-	-	-
Total Revenues and Other Support	325,358	(22,802)	302,556	293,504	77,843	371,347
Operating Expenses						
Advertising	17,478	-	17,478	15,636	-	15,636
Commissions	625	-	625	4,300	-	4,300
Cost of sales	-	-	-	6,120	-	6,120
Dues and subscriptions	864	-	864	870	-	870
Events and conferences	150,750	-	150,750	184,969	-	184,969
Meals and entertainment	1,256	-	1,256	1,926	-	1,926
Office expense	436	-	436	768	-	768
Payroll expense	70,806	-	70,806	60,275	-	60,275
Postage	879	-	879	1,222	-	1,222
Processing fees	147	-	147	525	-	525
Professional services	13,537	-	13,537	10,584	-	10,584
Vehicle expense	2,887	-	2,887	1,706	-	1,706
Website	144	-	144	673	-	673
Total Operating Expenses	259,809	-	259,809	289,574	-	289,574
Net Operating Income	65,549	(22,802)	42,747	3,930	77,843	81,773
Other Income (Expenses)						
Interest income	49	-	49	32	-	32
Gain (loss) on beneficial interest in assets held by Community Foundation, Net	3,460	-	3,460	4,743	-	4,743
Total Other Income and Expenses	3,509	-	3,509	4,775	-	4,775
Total Change in Net Assets	69,058	(22,802)	46,256	8,705	77,843	86,548
Net Assets - Beginning of Year	(162,436)	180,423	17,987	(171,141)	102,580	(68,561)
Net Assets - End of Year	\$ (93,378)	\$ 157,621	\$ 64,243	\$ (162,436)	\$ 180,423	\$ 17,987

See independent auditor's report.