

BELOIT CONVENTION & VISITORS BUREAU, INC.
Beloit, Wisconsin

Financial Statements
and
Independent Auditor's Report

December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Beloit Convention & Visitors Bureau, Inc.
Beloit, Wisconsin

We have audited the accompanying financial statements of Beloit Convention & Visitors Bureau, Inc. (BCVB) (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BCVB's preparation and fair presentation of the financial statements 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 BCVB's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Board of Directors
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beloit Convention & Visitors Bureau, Inc. as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note N to the financial statements, in 2019, BCVB adopted, on a retrospective basis, Accounting Standards Update (ASU) 2016-18 *Statement of Cash Flows* and ASU 2014-09 *Revenue from Contracts with Customers*. Our opinion is not modified with respect to these matters

SIEPERT & CO., LLP



Beloit, Wisconsin
August 17, 2020

BELOIT CONVENTION & VISITORS BUREAU, INC.
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 487,883	\$ 368,876
Accounts receivable	224,476	253,338
Prepayments	11,508	16,186
Other current assets	-	73
Total current assets	723,867	638,473
Property and Equipment:		
Office equipment	60,769	56,093
Furniture and fixtures	30,460	32,789
Vehicles	45,977	45,977
Website	73,596	66,296
Total property and equipment	210,802	201,155
Less: Accumulated depreciation and amortization	173,844	142,289
Net property and equipment	36,958	58,866
Construction in process	19,757	-
Total net property and equipment	56,715	58,866
Total Assets	\$ 780,582	\$ 697,339
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 15,378	\$ 23,009
Legacy Program sponsorships payable	25,000	-
Grants payable	3,521	23,168
Deferred revenue	27,488	27,488
Accrued payroll	8,520	11,146
Other payroll liabilities	5,270	1,030
Total current liabilities	85,177	85,841
Long-Term Liabilities:		
Legacy Program sponsorships payable, net of discounts to present value	41,835	-
Total liabilities	127,012	85,841

BELOIT CONVENTION & VISITORS BUREAU, INC.
Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net Assets:		
Without donor restrictions-		
Undesignated	382,335	362,442
Designated	271,235	249,056
Total net assets	<u>653,570</u>	<u>611,498</u>
 Total Liabilities and Net Assets	 <u>\$ 780,582</u>	 <u>\$ 697,339</u>

BELOIT CONVENTION & VISITORS BUREAU, INC.
Statements of Activities
For the Years Ended December 31, 2019 and 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions:		
Revenues and support:		
Room taxes	\$ 944,829	\$ 848,970
Grants	67,692	67,475
Expense reimbursements	-	45,782
Special events	-	27
Sponsorship fees	22,143	26,555
Other sales income, net of cost of sales of \$26 for 2019 and \$0 for 2018	5,715	3,085
In-kind contributions	29,583	29,583
Interest	559	433
Total revenues and support without donor restrictions	1,070,521	1,021,910
Expenses:		
Program services	922,201	925,123
Supporting services-		
Management and general	106,248	124,120
Total expenses	1,028,449	1,049,243
Change in net assets without donor restrictions	42,072	(27,333)
Change in Net Assets	42,072	(27,333)
Net Assets, Beginning of Year	611,498	638,831
Net Assets, End of Year	\$ 653,570	\$ 611,498

The accompanying notes are an integral part of this statement.

BELOIT CONVENTION & VISITORS BUREAU, INC.

Statements of Functional Expenses

For the Years Ended December 31, 2019 and 2018

	2019		
	Program Services	Supporting Services Management and General	Total
Salaries	\$ 274,294	\$ 48,405	\$ 322,699
Payroll taxes	21,949	3,874	25,823
Employee benefits	48,602	5,400	54,002
Occupancy	19,825	14,797	34,622
Office supplies and expense	25,115	6,186	31,301
Telephone	1,106	343	1,449
Internet access and website	11,230	1,982	13,212
Postage	7,125	791	7,916
Maintenance and repairs	514	513	1,027
Research expense	36,629	-	36,629
Group sales expense	-	-	-
Advertising and promotion	183,652	-	183,652
Marketing	17,038	-	17,038
Welcome vehicle expense	5,120	-	5,120
Conferences and meetings	17,678	1,964	19,642
Professional development	601	67	668
Familiarization tours	10,180	-	10,180
Event hosting	20,262	-	20,262
Travel	21,067	2,340	23,407
Membership dues and subscriptions	10,220	1,804	12,024
Grants and donations	19,305	-	19,305
Sponsorships	121,416	-	121,416
Professional fees	7,612	7,613	15,225
General insurance	3,907	2,426	6,333
Depreciation and amortization	29,231	5,158	34,389
Interest	-	-	-
Merchandising	-	-	-
Remodeling expense	-	-	-
Miscellaneous	8,523	2,585	11,108
Total Expenses	\$ 922,201	\$ 106,248	\$ 1,028,449

2018		
Program Services	Supporting Services Management and General	Total
\$ 279,417	\$ 33,489	\$ 312,906
20,155	3,557	23,712
46,956	5,718	52,674
22,764	22,764	45,528
21,899	5,094	26,993
5,539	1,125	6,664
5,061	893	5,954
12,146	1,349	13,495
-	-	-
45,710	-	45,710
4,731	-	4,731
178,768	-	178,768
43,488	-	43,488
8,807	-	8,807
22,209	2,834	25,043
-	-	-
-	-	-
-	-	-
20,031	2,225	22,256
13,923	1,547	15,470
30,463	-	30,463
83,564	-	83,564
24,058	24,058	48,116
2,854	2,088	4,942
25,488	4,498	29,986
112	20	132
4,916	-	4,916
-	11,901	11,901
2,064	960	3,024
<u>\$ 925,123</u>	<u>\$ 124,120</u>	<u>\$ 1,049,243</u>

The accompanying notes are an integral part of this statement.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 42,072	\$ (27,333)
Adjustments to reconcile change in net assets to net cash from operating activities-		
Depreciation and amortization	34,389	29,986
Change in assets and liabilities-		
Accounts receivable	28,862	(49,400)
Prepayments	4,678	4,881
Other current assets	73	948
Accounts payable	(7,631)	(37,344)
Legacy Program sponsorships payable	66,835	-
Grants payable	(19,647)	9,873
Other payroll liabilities	1,614	(827)
Net cash from operating activities	<u>151,245</u>	<u>(69,216)</u>
Cash Flows From Investing Activities:		
Purchase of property and equipment	<u>(32,238)</u>	<u>(8,544)</u>
Net cash from investing activities	<u>(32,238)</u>	<u>(8,544)</u>
Change in Cash and Cash Equivalents	119,007	(77,760)
Cash and Cash Equivalents, Beginning of Year	<u>368,876</u>	<u>446,636</u>
Cash and Cash Equivalents, End of Year	<u>\$ 487,883</u>	<u>\$ 368,876</u>

The accompanying notes are an integral part of this statement.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Beloit Convention & Visitors Bureau, Inc. (BCVB), a nonprofit corporation located in Beloit, Wisconsin, was incorporated in 1987. 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 contracting with BCVB for such services.

Basis of Accounting

BCVB's 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 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

Cash equivalents include highly liquid cash investments with an original maturity date of three months or less. Accounts at each institution are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for all accounts. As of December 31, 2019 and 2018, BCVB had uninsured deposits of \$97,139 and \$0, respectively.

Accounts Receivable

Accounts receivable reported on the 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, 2019 and 2018, and management feels the amounts are fully collectable.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued)

Accounts receivable consists of the following as of December 31:

	2019	2018
City room taxes	\$ 214,489	\$ 193,997
Greater Beloit Partnership reimbursements	295	310
Other	9,692	59,031
 Total	 \$ 224,476	 \$ 253,338

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 in excess of 1 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 are removed from the accounts and resulting gains or losses are included in income on the 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.

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, BCVB'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.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to 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. BCVB 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, 2019 and 2018.

Revenues

BCVB's revenues are substantially provided by room taxes collected by the City of Beloit, WI and the City of South Beloit, IL to help promote tourism, conventions, expositions, theatrical, sport, and cultural activities. During 2019 and 2018, the City of Beloit, WI and the City of South Beloit, IL remitted 80% and 1%, respectively, of the room taxes collected to BCVB. This revenue amounted to approximately 88% and 83% of total revenues for the years ended December 31, 2019 and 2018, respectively.

Income Taxes

BCVB is a nonprofit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) as other than a private foundation. As a result, there is no provision for income taxes in the financial statements.

Management of BCVB has evaluated uncertain tax positions and has determined there are no uncertain tax positions as of December 31, 2019. BCVB is 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, 2019, there are no ongoing income tax audits or unresolved disputes with the various taxing authorities BCVB currently files, or has filed, with.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 BCVB'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 BCVB.

Advertising and Promotion Costs

BCVB expenses costs of advertising and promotion at the time incurred. Advertising and promotion expenses were \$183,652 and \$178,768 for the years ended December 31, 2019 and 2018, respectively.

NOTE B LIQUIDITY AND AVAILABILITY

BCVB 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. BCVB 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, BCVB 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 BCVB and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets at year-end-	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 487,883	\$ 368,876
Accounts receivable	224,476	253,338
Other current assets	-	73
Board designated funds	<u>(271,235)</u>	<u>(249,056)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 441,124</u>	<u>\$ 373,231</u>

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE C LEGACY PROGRAM SCHOLARSHIPS PAYABLE

Legacy Program scholarships payable consist of commitments due to local organizations as follows:

	<u>12/31/19</u>
Payable in less than one year	\$ 25,000
Payable in one to two years	\$ 43,333
Less: Discounts to present value	1,498
Net long-term Legacy Program scholarships payable	\$ 41,835

The discount rate used on long-term Legacy Program scholarships payable was 3.0% for 2019.

NOTE D OFFICE RENOVATION PROJECT

In 2017, a renovation project was started by the lessor on the building where BCVB previously leased its office. As part of this project, BCVB was responsible for certain leasehold improvements, including initial design and engineering costs and other costs related to renovating and furnishing BCVB's office space. Costs totaling \$57,683 were incurred by BCVB prior to 2019 related to this project.

In June 2018, due to a construction issue, it was determined that it would not be possible for BCVB to move back to its office after the renovation project was completed. As a result, the lessor provided BCVB with a temporary office and agreed to reimburse BCVB for \$45,782 for costs incurred related to this renovation project, as well as the estimated value of \$2,389 for supplies stolen from BCVB's office during the renovation project. As of December 31, 2018, a receivable from the lessor of \$48,171 was recorded and included in accounts receivable in the Statements of Financial Position. The reimbursement was received in January 2019.

NOTE E OFFICE LEASES

On August 15, 2017, BCVB entered into a new ten-year operating lease for its previous office. This lease began on November 1, 2017 and expires October 31, 2027, and called for monthly rental payments of \$1,236 including amounts for real estate taxes and building maintenance. Due to the office renovation project described in Note D, this lease was amended so that the ten-year lease term would begin on the date BCVB moved back to their remodeled office.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE E OFFICE LEASES (Continued)

On October 13, 2017, BCVB entered into a month-to-month lease agreement for a temporary office space due to the office renovation project described in Note D. Under this agreement, BCVB is not required to make rent or utility payments, but is responsible for all other costs incurred related to this temporary office space.

As described in Note D, due to a construction issue, it was determined that it would not be possible for BCVB to move back to its office after the renovation project was completed. On November 20, 2018, the ten-year operating lease for BCVB's office was mutually terminated, and BCVB intends to continue leasing its temporary office space until a new office location is determined.

BCVB subleases a portion of its office. See Note F.

NOTE F SUBLEASES

In connection with and under terms similar to the operating lease beginning on November 1, 2017, BCVB is subleasing office space to the Greater Beloit Economic Development Corporation and Downtown Beloit Association. Total monthly sublease amounts are \$699, which includes reimbursement of BCVB for their share of the utilities, real estate taxes, and building maintenance. Due to the operating lease amendment described in Note E, the sublease terms will not take effect until BCVB moves back to their remodeled office.

BCVB has not formally signed sublease agreements with the Greater Beloit Economic Development Corporation and Downtown Beloit Association related to the temporary office space lease agreement as described in Note E, but is providing office space to these organizations in exchange for reimbursement of a portion of shared expenses.

The Greater Beloit Economic Development Corporation and Downtown Beloit Association mutually terminated their subleases on October 17, 2018 and September 27, 2018, respectively.

Net rent expense, after deducting sublease amounts described above, was \$24,554 and \$24,346 for the years ended December 31, 2019 and 2018, respectively. These amounts are included in occupancy costs along with other office costs and reimbursements on the Statements of Activities. Year-end amounts due from these entities for sublease and expense reimbursements amounted to \$295 and \$310 for the years ended December 31, 2019 and 2018, respectively.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE G EXPENSE REIMBURSEMENTS

During 2019 and 2018, BCVB received reimbursements of \$44 and \$2,535, respectively, from the Greater Beloit Partnership Partners for shared expenses. Other 2018 expense reimbursements of \$45,782 as reported in the Statements of Activities relate to reimbursement from BCVB's lessor for costs incurred related to the renovation project at BCVB's prior office and items stolen from BCVB's office during the renovation project.

NOTE H IN-KIND CONTRIBUTIONS

As discussed in Note E, BCVB is currently under a month-to-month lease for a temporary office space that does not require rent or utility payments. As of December 31, 2019 and 2018, in-kind contributions for 2019 rent and utilities totaling \$29,583 have been reported in the Statements of Activities.

NOTE I NET ASSETS - DESIGNATED

As of December 31, 2019 and 2018, respectively, the Board designated \$271,235 and \$249,056 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, 2019 and 2018 are reported as designated net assets in the Statements of Financial Position.

NOTE J COPIER LEASE

Through January 2019, BCVB had a monthly service contract for its copier. In February 2019, BCVB 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, 2019 were \$3,412.

Future minimum lease payments through maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	
2020	\$ 2,475
2021	2,475
2022	2,475
2023	2,475
2024	<u>413</u>
Totals	<u>\$ 10,313</u>

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE K COMMITMENTS AND CONTINGENCIES

During 2017, a civil lawsuit was filed related to an injury sustained as a 2012 event of which BCVB was a sponsor. This suit named BCVB as one of many defendants involved with this event. This suit was settled on December 14, 2018 via a settlement payment by BCVB's insurance provider that formally released BCVB from liability related to this matter.

NOTE L SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for interest totaled \$0 and \$132 for 2019 and 2018, respectively, as reported in the Statements of Activities. There was no cash paid for income taxes in 2019 or 2018.

NOTE M NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued a number of new pronouncements that will affect the accounting for nonprofit organizations. They are:

ASU 2016-02 *Leases*. This will amend the treatment of operating leases by lessees by requiring them to be recorded on the Statements of Financial Position as an asset and a liability. It will be effective for the year ending December 31, 2021.

ASU 2018-13 *Fair Value Measurement*. This will amend the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. It will be effective for the year ending December 31, 2020

Management is in the process of reviewing its records to ensure BCVB is prepared to implement the new standards as required. No determination has been made as to the effect of these on BCVB's financial statements.

NOTE N CHANGE IN ACCOUNTING PRINCIPLE

In 2019, BCVB adopted, retrospectively, ASU 2014-09 *Revenue from Contracts with Customers*. The guidance requires BCVB to recognize revenue to depict the transfer of good or services to customers in an amount that reflects the consideration to which BCVB expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgements and changes in judgements, and assets recognized from the costs to obtain or fulfill a contract.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE N CHANGE IN ACCOUNTING PRINCIPLE (Continued)

In 2019, BCVB also adopted ASU 2016-18 *Statement of Cash Flows*. The guidance requires entities to include restricted cash and equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Statements of Cash Flows.

NOTE O CHANGE IN CLASSIFICATION

In conjunction with the adoption of ASU 2014-09 and ASU 2016-18, no reclassifications to the 2018 financial statements are deemed necessary for presentation purposes.

NOTE P SUBSEQUENT EVENTS

BCVB has evaluated subsequent events through August 17, 2020, which was the date these 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, BCVB 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 2021, and BCVB will be financing this project with a local bank. Phase one is expected to cost approximately \$330,000 and phase two is expected to cost approximately \$2,186,000. During 2019, BCVB incurred legal, engineering, design, and other costs totaling \$19,757 related to this project, which is reported as construction in process on the Statements of Financial Position as of December 31, 2019. In 2020, in response to an asbestos survey performed at this property, BCVB contracted for asbestos abatement. Since the cost of the asbestos abatement was immaterial, no liability is deemed necessary as of December 31, 2019.

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 any preventative or protective actions that governments or BCVB may take in respect of this coronavirus may result in a period of business disruption and reduced operations. There has been no material effect at this point, although any resulting financial impact cannot be reasonably estimated at this time but may materially affect BCVB's financial condition and results of operations. The extent to which the coronavirus impacts BCVB's results will depend on future 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.

BELOIT CONVENTION & VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE P SUBSEQUENT EVENTS (Continued)

Room taxes are BCBV's main revenue source, and the coronavirus outbreak resulted in significant declines in the tourism industry and hotel usage, which led to decreases in room taxes remitted to BCBV. During the peak of the outbreak in 2020, room tax revenue was down approximately 54% from the same period in 2019. Despite conditions starting to improve, the industry is still in fluctuation, and there is a reasonable possibility that tourism and hotel usage will continue to change, but that amount cannot be predicted.

On April 17, 2020, BCBV received a Paycheck Protection Program loan of \$65,739 from the United States Small Business Administration.