



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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October 27, 2014

Board of Directors  
Visitors Center, Inc.  
506 5<sup>th</sup> Street  
Columbus, IN 47201

We have reviewed the audit report prepared by Blue & Co., LLC, for the period January 1, 2013 to December 31, 2013. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Visitors Center, Inc., as of December 31, 2013, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

# **VISITORS CENTER, INC.**

**FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2013 AND 2012**

*CPAs / ADVISORS*



# VISITORS CENTER, INC.

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## REPORT OF INDEPENDENT AUDITORS

The Board of Directors  
Visitors Center, Inc.  
Columbus, Indiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Visitors Center, Inc. ("VCI"), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 the entity'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 the entity'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.

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 VCI as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses 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 audits 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.

*Blue & Co., LLC*

Seymour, Indiana

February 20, 2014

# VISITORS CENTER, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2013 AND 2012

### ASSETS

	<u>2013</u>	<u>2012</u>
<b>Current assets</b>		
Cash	\$ 414,607	\$ 247,253
Inventory	184,537	53,855
Other current assets	<u>3,513</u>	<u>39,676</u>
Total current assets	602,657	340,784
<b>Property and equipment, net</b>	600,565	290,580
<b>Other assets</b>		
Restricted cash	115,750	132,265
Board-designated cash	775,675	788,970
Board-designated certificates of deposit	<u>-0-</u>	<u>103,079</u>
	<u>\$ 2,094,647</u>	<u>\$ 1,655,678</u>

### LIABILITIES AND NET ASSETS

<b>Liabilities</b>		
Accounts payable	\$ 11,501	\$ 9,738
Grants payable	<u>30,000</u>	<u>20,000</u>
Total liabilities	41,501	29,738
<b>Net assets</b>		
Unrestricted net assets:		
Board-designated	765,675	872,049
Undesignated	<u>1,171,721</u>	<u>621,626</u>
Total unrestricted net assets	1,937,396	1,493,675
Temporarily restricted net assets	<u>115,750</u>	<u>132,265</u>
Total net assets	<u>2,053,146</u>	<u>1,625,940</u>
	<u>\$ 2,094,647</u>	<u>\$ 1,655,678</u>

*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<b>Unrestricted net assets</b>		
Revenues:		
Hotel/motel tax	\$ 1,292,500	\$ 1,133,587
Gift shop	192,845	177,882
Bus tours	194,116	208,316
Donations	118,736	6,252
In-kind rent	86,400	90,300
Interest	4,441	9,521
Other	13,154	3,695
Net assets released from restrictions	16,594	6,648
Total revenues	1,918,786	1,636,201
Expenses:		
Promotion	750,857	698,676
Hosting	307,807	292,957
Bus tours	262,930	255,290
Administration	153,471	150,653
Total expenses	1,475,065	1,397,576
Change in unrestricted net assets	443,721	238,625
Unrestricted net assets, beginning of year	1,493,675	1,255,050
Unrestricted net assets, end of year	\$ 1,937,396	\$ 1,493,675
<b>Temporarily restricted net assets</b>		
Interest income	\$ 79	\$ 85
Net assets released from restrictions	(16,594)	(6,648)
Change in temporarily restricted net assets	(16,515)	(6,563)
Temporarily restricted net assets, beginning of year	132,265	138,828
Temporarily restricted net assets, end of year	\$ 115,750	\$ 132,265

*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<b>Operating activities</b>		
Change in net assets	\$ 427,206	\$ 232,062
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	71,518	71,007
Interest on board-designated certificates of deposit	(344)	(1,226)
Loss on disposal of assets	-0-	536
Changes in operating assets and liabilities:		
Inventory	(130,682)	19,410
Other current assets	36,163	(27,787)
Restricted cash	16,515	6,563
Board-designated cash	13,295	(239,820)
Accounts payable	1,763	5,746
Grants payable	10,000	20,000
Net cash flows from operating activities	445,434	86,491
<b>Investing activities</b>		
Purchase of property and equipment	(381,503)	(234,933)
Maturities of board-designated certificates of deposit	103,423	62,366
Net cash flows from investing activities	(278,080)	(172,567)
Net change in cash	167,354	(86,076)
<b>Cash, beginning of year</b>	247,253	333,329
<b>Cash, end of year</b>	\$ 414,607	\$ 247,253
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	\$ -0-	\$ 379

*See accompanying notes to financial statements.*



# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Visitors Center, Inc. ("VCI") was incorporated in Indiana on April 28, 1994, and assumed the operations of both the Visitors Center Division of the Columbus Area Chamber Foundation, Inc., and the Columbus Area Visitor Information and Promotion Commission, Inc. ("VIP"). The VIP is funded by taxes levied by Bartholomew County, Indiana, on hotels, motels, and inns under the authority of the Indiana Uniform County Innkeeper Tax Law (Indiana Code, Chapter 6-9-18). As of January 1, 2012, VIP assigned a portion of the innkeeper tax to the Hope Chamber of Commerce's Welcome Center. This portion was included in VCI's draws then paid in full to the Hope Chamber of Commerce in 2012. This portion was not received by VCI in 2013. Gift shop sales and tour income also fund VCI. The purpose of VCI is to attract and host visitors to Bartholomew County and to serve local residents by promoting cultural and educational events.

#### Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

#### Basis of Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Accordingly, the net assets of VCI and the changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions. VCI maintains unrestricted funds as follows:

*Undesignated* – used to fund current operations of VCI.

*Board Designated* – used to fund future operations of VCI as designated by the Board

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions relating to a stipulated purpose or a specified time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

### Cash

Cash consists of cash held in checking and money market accounts. Management believes the Organization is not exposed to any significant credit risk on cash.

### Inventory

Inventory consists of books, maps and other promotional items and is stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

### Property and Equipment

Property and equipment are recorded at cost and include expenditures that substantially increase the useful lives of existing facilities. Maintenance, repairs, and minor improvements are expensed when incurred. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

VCI provides for depreciation of property and equipment utilizing the straight-line method at rates designed to depreciate the cost of such assets over their estimated useful lives. The range of useful lives is as follows:

<u>Description</u>	<u>Useful Lives</u>
Furniture and fixtures	5 – 10 years
Equipment	2 – 10 years
Leasehold improvements	15 years
Vehicles	5 – 7 years

### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. While the methods of allocation are considered appropriate, other methods could produce different results.

### Income Tax

The Organization is organized as a not-for-profit corporation under Section 501(c)(3) of the United States Internal Revenue Code.

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# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, the Organization is generally exempt from income taxes. However, the Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only.

### Restricted Cash

Restricted cash consists of monies received from donors for a specified purpose. Restricted cash was \$115,750 and \$132,265 at December 31, 2013 and 2012, respectively.

### Board-Designated Cash

VCI's board of directors has designated the following funds:

*Maintenance Reserve Fund* – to fund future maintenance and repair costs related to its leased facilities.

*Long-term Operating Reserve Fund* – to provide a contingency fund for unexpected operating expenses.

*Membership Reserve Fund* – to educate residents and visitors about the community and the community's architectural heritage.

*Transportation Reserve Fund* – to fund future transportation-related acquisitions.

*Tourism Enhancement Reserve Fund* – to fund future tourism-related projects.

### Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs were \$147,966 and \$127,498 for 2013 and 2012, respectively.

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### In-Kind Contributions

The Organization receives in-kind contributions of office and storage space. It is the policy of VCI to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount.

### Subsequent Events

VCI has evaluated events or transactions occurring subsequent to the Statement of Financial Position date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is February 20, 2014.

## 2. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Furniture and fixtures	\$ 324,285	\$ 323,424
Equipment	311,579	306,626
Leasehold improvements	733,525	514,913
Vehicles	229,401	231,340
Construction in progress	<u>131,250</u>	<u>3,574</u>
	1,730,040	1,379,877
Less accumulated depreciation	<u>(1,129,475)</u>	<u>(1,089,297)</u>
	<u>\$ 600,565</u>	<u>\$ 290,580</u>

## 3. BOARD-DESIGNATED CERTIFICATES OF DEPOSIT

There were no board-designated certificates of deposit held as of December 31, 2013. Board-designated certificates of deposit consisted of the following at December 31, 2012:

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>
\$ 103,079	4/6/2013	1.20%

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# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

### 4. GRANTS PAYABLE

The grants payable amounts at December 31, 2013 and 2012, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2013				
	Grants Payable, 1-1-13	Grants Awarded In 2013	Grants Paid In 2013	Grants Written Off In 2013	Grants Payable, 12-31-13
Hope Heritage Days	\$ -0-	\$ 3,000	\$ 3,000	\$ -0-	\$ -0-
Lincoln-Central Family Neighborhood	-0-	9,667	9,667	-0-	-0-
Columbus Scottish Festival	-0-	7,580	7,580	-0-	-0-
Columbus Park Foundation	20,000	-0-	10,000	-0-	10,000
Hamilton Ice Arena	-0-	20,000	-0-	-0-	20,000
Other grants	-0-	3,620	3,620	-0-	-0-
	<u>\$ 20,000</u>	<u>\$ 43,867</u>	<u>\$ 33,867</u>	<u>\$ -0-</u>	<u>\$ 30,000</u>

	2012				
	Grants Payable, 1-1-12	Grants Awarded In 2012	Grants Paid In 2012	Grants Written Off In 2012	Grants Payable, 12-31-12
Heritage of Hope	\$ -0-	\$ 2,000	\$ 2,000	\$ -0-	\$ -0-
Columbus Scottish Festival	-0-	6,385	6,181	204	-0-
Columbus Park Foundation	-0-	30,000	10,000	-0-	20,000
City of Columbus	-0-	2,000	2,000	-0-	-0-
Other grants	-0-	5,536	5,376	160	-0-
	<u>\$ -0-</u>	<u>\$ 45,921</u>	<u>\$ 25,557</u>	<u>\$ 364</u>	<u>\$ 20,000</u>

Grants payable at December 31, 2013 is payable as follows:

Year	
2014	\$ 20,000
2015	10,000

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 5. BOARD-DESIGNATED NET ASSETS

At December 31, 2013 and 2012, board-designated net assets include the following:

	<u>2013</u>	<u>2012</u>
Maintenance reserve	\$ 135,455	\$ 293,911
Long-term operating reserve	406,677	403,924
Membership reserve	18,851	19,549
Transportation reserve	174,328	149,312
Tourism enhancement reserve	<u>30,364</u>	<u>5,353</u>
	<u>\$ 765,675</u>	<u>\$ 872,049</u>

### 6. TEMPORARILY RESTRICTED NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets at December 31, 2013 and 2012 are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Wayfinding	\$ 21,059	\$ 23,888
Sports Council	<u>94,691</u>	<u>108,377</u>
	<u>\$ 115,750</u>	<u>\$ 132,265</u>

Net assets were released from donor restrictions for the years ended December 31, 2013 and 2012 by satisfying the following purposes:

	<u>2013</u>	<u>2012</u>
Wayfinding	\$ 2,844	\$ -0-
Sports Council	<u>13,750</u>	<u>6,648</u>
	<u>\$ 16,594</u>	<u>\$ 6,648</u>

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 7. DONATED FACILITIES

VCI receives free use of a building that is owned by the Bartholomew County Public Library. The fair value of this donation for both 2013 and 2012 was \$86,400. In addition, VCI received free use of a storage facility in 2012. The fair value of this donation was \$3,900. These amounts have been included in the statement of activities as an in-kind donation. In-kind rental expense of \$86,400 and \$90,300 is also recorded in the Statements of Activities during the years ended December 31, 2013 and 2012, respectively.

### 8. CONCENTRATIONS OF CREDIT RISK

VCI maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. VCI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

During 2013 and 2012, VCI received 67 percent and 69 percent of its revenues from the Indiana Uniform County Innkeeper Tax, respectively.

### 9. FUNDS HELD BY BARTHOLOMEW COUNTY AUDITOR

At December 31, 2013 and 2012, the Bartholomew County Auditor held amounts of taxes collected under the Indiana Uniform County Innkeeper Tax. These funds are available to VCI upon annual approval of VCI's budget by the Bartholomew County Council, and upon subsequent approvals of requests for draws by the Bartholomew County Commissioners. Because VCI has not requested these funds at December 31, 2013 and 2012, and the Bartholomew County Commissioners have not approved the release of these funds for use by VCI, they are not shown as an asset of VCI. Amounts held by the Bartholomew County Auditor at December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Amount held by auditor, beginning of year	\$ 587,887	\$ 414,422
Innkeeper tax monies collected	958,979	1,307,052
Paid to VCI	<u>(1,292,500)</u>	<u>(1,133,587)</u>
Amount held by auditor, end of year	<u>\$ 254,366</u>	<u>\$ 587,887</u>

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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During 2012, the Organization received \$47,881 in innkeeper's tax to be distributed to the Hope Chamber of Commerce. These funds were immediately disbursed upon receipt.

### 10. DEFINED CONTRIBUTION PLAN

VCI sponsors a defined contribution retirement plan covering all employees who are 18 years of age and older and who have completed at least one year of service. Annual contributions are based on 8 percent of covered employees' salaries. Employer contributions were \$47,364 and \$24,260 for 2013 and 2012, respectively. Employer contributions under this plan are charged to employee benefits expense.



SUPPLEMENTARY INFORMATION

# VISITORS CENTER, INC.

## SCHEDULES OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013				2012				Total	
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours		Administration
Salaries, wages, and payroll taxes	\$ 217,246	\$ 76,289	\$ 112,927	\$ 72,479	\$ 478,941	\$ 197,359	\$ 66,781	\$ 116,658	\$ 72,614	\$ 453,412
Employee benefits	83,033	22,646	18,117	27,173	150,969	75,993	20,725	16,580	24,871	138,169
Other personnel services	-0-	2,850	616	-0-	3,466	-0-	2,455	539	-0-	2,994
Office supplies	5,984	1,619	1,271	1,918	10,792	6,488	1,753	1,372	2,070	11,683
Repair and maintenance supplies	-0-	22,719	2,524	-0-	25,243	-0-	24,591	2,733	-0-	27,324
Professional services	8,753	2,207	1,905	2,508	15,373	13,320	3,009	2,889	3,129	22,347
Communication and transportation	39,309	5,170	13,572	5,261	63,312	30,392	4,627	17,998	5,102	58,119
IMA tour expenses	-0-	-0-	60,323	-0-	60,323	-0-	-0-	48,220	-0-	48,220
Printing and advertising	196,812	14,057	1,287	4,532	216,688	171,164	15,718	1,433	5,482	193,797
Insurance	4,287	1,169	935	1,404	7,795	5,295	1,444	1,155	1,733	9,627
Utilities	13,871	3,783	3,026	4,540	25,220	12,896	3,517	2,814	4,220	23,447
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	-0-	2,474	619	-0-	3,093
In-kind rent expense	47,520	12,960	10,368	15,552	86,400	49,665	13,545	10,836	16,254	90,300
Depreciation	39,335	10,728	8,582	12,873	71,518	39,054	10,651	8,521	12,781	71,007
Gift shop cost of sales	-0-	95,034	23,758	-0-	118,792	-0-	85,214	21,303	-0-	106,517
Sports tourism	41,168	31,056	-0-	-0-	72,224	44,463	33,543	-0-	-0-	78,006
Grants	43,867	-0-	-0-	-0-	43,867	45,557	-0-	-0-	-0-	45,557
Interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	379	-0-	379
Rent - storage building	780	780	2,340	-0-	3,900	-0-	-0-	-0-	-0-	-0-
Loss on disposal of assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	536	536
Miscellaneous	8,892	4,740	1,379	5,231	20,242	7,030	2,910	1,241	1,861	13,042
	<u>\$ 750,857</u>	<u>\$ 307,807</u>	<u>\$ 262,930</u>	<u>\$ 153,471</u>	<u>\$ 1,475,065</u>	<u>\$ 698,676</u>	<u>\$ 292,957</u>	<u>\$ 255,290</u>	<u>\$ 150,553</u>	<u>\$ 1,397,576</u>

See Report of Independent Auditors on pages 1 and 2.