



OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

B46988

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 6, 2016

Board of Directors
Visitors Center, Inc.
506 5th Street
Columbus, IN 47201

We have reviewed the audit report prepared by Blue & Co., LLC, for the period January 1, 2015 to December 31, 2015. 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, 2015, 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, 2015 AND 2014

CPAs / ADVISORS



VISITORS CENTER, INC.

TABLE OF CONTENTS
DECEMBER 31, 2015 AND 2014

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Schedules of Functional Expenses	12



Blue & Co., LLC / 106 Community Drive / Seymour, IN 47274
main 812.522.8416 fax 812.523.8615 email blue@blueandco.com

blueandco.com

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, 2015 and 2014, 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, 2015 and 2014, 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

January 26, 2016

VISITORS CENTER, INC.STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Current assets		
Cash	\$ 450,810	\$ 499,340
Inventory	171,889	165,257
Other current assets	12,968	1,736
Total current assets	635,667	666,333
Property and equipment, net	548,477	582,369
Other assets		
Restricted cash	96,622	103,656
Board-designated cash	1,088,604	978,593
	<u>\$ 2,369,370</u>	<u>\$ 2,330,951</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 28,028	\$ 25,885
Grants and sponsorships payable	-0-	19,000
Total liabilities	28,028	44,885
Net assets		
Unrestricted net assets:		
Board-designated	1,088,604	948,601
Undesignated	1,156,116	1,233,809
Total unrestricted net assets	2,244,720	2,182,410
Temporarily restricted net assets	96,622	103,656
Total net assets	<u>2,341,342</u>	<u>2,286,066</u>
	<u>\$ 2,369,370</u>	<u>\$ 2,330,951</u>

See accompanying notes to financial statements.

VISITORS CENTER, INC.

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Unrestricted net assets		
Revenues:		
Hotel/motel tax	\$ 1,200,000	\$ 1,320,120
Gift shop	157,658	143,717
Bus tours	200,563	195,929
Donations	7,480	7,910
In-kind rent	86,400	86,400
Interest	1,954	1,881
Other	27,767	9,239
Net assets released from restrictions	7,084	12,150
Total revenues	1,688,906	1,777,346
Expenses:		
Promotion	865,906	798,017
Hosting	313,393	301,052
Bus tours	266,965	258,031
Administration	180,332	175,232
Total expenses	1,626,596	1,532,332
Change in unrestricted net assets	62,310	245,014
Unrestricted net assets, beginning of year	2,182,410	1,937,396
Unrestricted net assets, end of year	\$ 2,244,720	\$ 2,182,410
Temporarily restricted net assets		
Interest income	\$ 50	\$ 56
Net assets released from restrictions	(7,084)	(12,150)
Change in temporarily restricted net assets	(7,034)	(12,094)
Temporarily restricted net assets, beginning of year	103,656	115,750
Temporarily restricted net assets, end of year	\$ 96,622	\$ 103,656

See accompanying notes to financial statements.

VISITORS CENTER, INC.STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Operating activities		
Change in net assets	\$ 55,276	\$ 232,920
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	90,633	75,103
Loss on disposal of assets	1,088	-0-
Changes in operating assets and liabilities:		
Inventory	(6,632)	19,280
Other current assets	(11,232)	1,777
Restricted cash	7,034	12,094
Board-designated cash	(110,011)	(202,918)
Accounts payable	2,143	14,384
Grants and sponsorships payable	(19,000)	(11,000)
Net cash flows from operating activities	<u>9,299</u>	<u>141,640</u>
Investing activities		
Purchase of property and equipment	<u>(57,829)</u>	<u>(56,907)</u>
Net change in cash	(48,530)	84,733
Cash, beginning of year	<u>499,340</u>	<u>414,607</u>
Cash, end of year	<u>\$ 450,810</u>	<u>\$ 499,340</u>

See accompanying notes to financial statements.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

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). 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 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.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

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	3 – 10 years
Leasehold improvements	5 – 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.

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, 2015 and 2014, 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.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

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 \$96,622 and \$103,656 at December 31, 2015 and 2014, 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.

Satellite Operation Reserve Fund – to fund future satellite operations.

Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs were \$199,888 and \$178,819 for 2015 and 2014, respectively.

In-Kind Contributions

The Organization receives in-kind contributions of office 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 January 26, 2016.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

2. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2015 and 2014 is as follows:

	2015	2014
Furniture and fixtures	\$ 329,976	\$ 326,785
Equipment	325,644	354,696
Leasehold improvements	859,732	846,420
Vehicles	229,401	229,401
Construction in progress	-0-	25,266
	1,744,753	1,782,568
Less accumulated depreciation	(1,196,276)	(1,200,199)
	\$ 548,477	\$ 582,369

3. GRANTS AND SPONSORSHIPS PAYABLE

The grants and sponsorships payable amounts at December 31, 2015 and 2014, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2015				
	Grants Payable, 1-1-15	Grants Awarded In 2015	Grants Paid In 2015	Grants Returned In 2015	Grants Payable, 12-31-15
Tourism Enhancement Grants	\$ -0-	\$ 35,000	\$ 35,000	\$ -0-	\$ -0-
CAAC's Live on the Plaza	-0-	7,500	7,500	-0-	-0-
Engage Columbus	9,000	-0-	9,000	-0-	-0-
Lincoln-Central Family Neighborhood	-0-	8,300	8,300	-0-	-0-
Columbus Scottish Festival	-0-	7,500	7,500	-0-	-0-
Girlfriend Ride for Turning Point	-0-	3,000	3,000	-0-	-0-
Columbus Parks Foundation	10,000	-0-	10,000	-0-	-0-
Rock the Park	-0-	3,290	3,077	213	-0-
SEEK	-0-	4,700	4,700	-0-	-0-
Yoga in the Park	-0-	3,000	3,000	-0-	-0-
Other grants	-0-	8,550	8,550	-0-	-0-
	\$ 19,000	\$ 80,840	\$ 99,627	\$ 213	\$ -0-

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

	2014				
	Grants Payable, 1-1-14	Grants Awarded In 2014	Grants Paid In 2014	Grants Returned In 2014	Grants Payable, 12-31-14
Hope Heritage Days	\$ -0-	\$ 3,000	\$ 3,000	\$ -0-	\$ -0-
Heritage Fund	-0-	10,000	10,000	-0-	-0-
Engage Columbus	-0-	9,000	-0-	-0-	9,000
Lincoln-Central Family Neighborhood	-0-	9,000	9,000	-0-	-0-
Columbus Scottish Festival	-0-	12,600	12,600	-0-	-0-
Columbus Area Arts Council	-0-	6,650	6,650	-0-	-0-
Columbus Parks Foundation	30,000	-0-	20,000	-0-	10,000
Indiana University Center for Art + Design	-0-	3,450	3,450	-0-	-0-
Ivy Tech Foundation	-0-	3,000	3,000	-0-	-0-
Other grants	-0-	3,526	3,526	-0-	-0-
	<u>\$ 30,000</u>	<u>\$ 60,226</u>	<u>\$ 71,226</u>	<u>\$ -0-</u>	<u>\$ 19,000</u>

4. BOARD-DESIGNATED NET ASSETS

At December 31, 2015 and 2014, board-designated net assets include the following:

	2015	2014
Maintenance reserve	\$ 322,825	\$ 248,079
Long-term operating reserve	450,026	387,100
Membership reserve	23,569	23,561
Transportation reserve	229,388	199,346
Tourism enhancement reserve	61,393	76,369
Satellite operation reserve	1,403	14,146
	<u>\$ 1,088,604</u>	<u>\$ 948,601</u>

5. TEMPORARILY RESTRICTED NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets at December 31, 2015 and 2014 are available for the following purposes:

	2015	2014
Wayfinding	\$ 20,021	\$ 21,070
Sports Council	76,601	82,586
	<u>\$ 96,622</u>	<u>\$ 103,656</u>

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Net assets were released from donor restrictions for the years ended December 31, 2015 and 2014 by satisfying the following purposes:

	2015	2014
Wayfinding	\$ 1,059	\$ -0-
Sports Council	<u>6,025</u>	<u>12,150</u>
	<u>\$ 7,084</u>	<u>\$ 12,150</u>

6. 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 2015 and 2014 was \$86,400. This amount has been included in the statement of activities as an in-kind donation. In-kind rental expense of \$86,400 is also recorded in the Statements of Activities during the years ended December 31, 2015 and 2014.

7. 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 2015 and 2014, VCI received 71 percent and 74 percent of its revenues from the Indiana Uniform County Innkeeper Tax, respectively.

8. DEFINED CONTRIBUTION PLAN

VCI sponsors a defined contribution retirement plan covering all employees who are 21 years of age and older and who have completed at least one year of service (at least 1,000 hours). Annual contributions are based on 8 percent of covered employees' salaries. Employer contributions were \$30,105 and \$38,943 for 2015 and 2014, 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, 2015 AND 2014

	2015					2014				
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours	Administration	Total
Salaries, wages, and payroll taxes	\$ 230,718	\$ 77,037	\$ 126,887	\$ 74,910	\$ 509,552	\$ 233,402	\$ 75,318	\$ 121,620	\$ 75,011	\$ 505,351
Employee benefits	88,084	24,023	19,219	28,827	160,153	86,508	23,592	18,874	28,312	157,286
Other personnel services	-0-	2,070	690	16,255	19,015	-0-	2,985	685	21,030	24,700
Office supplies	7,065	1,918	1,520	2,288	12,791	5,494	1,487	1,169	1,761	9,911
Repair and maintenance supplies	-0-	24,108	2,678	-0-	26,786	-0-	30,498	3,389	-0-	33,887
Professional services	9,678	2,306	2,101	2,512	16,597	7,841	2,014	1,707	2,322	13,884
Communication and transportation	38,029	4,880	10,028	4,443	57,380	40,878	5,060	17,438	5,114	68,490
IMA tour expenses	-0-	-0-	55,122	-0-	55,122	-0-	-0-	46,330	-0-	46,330
Printing and advertising	223,032	14,572	2,144	4,288	244,036	192,576	12,962	900	3,205	209,643
Insurance	5,556	1,515	1,212	1,818	10,101	6,306	1,720	1,376	2,064	11,466
Utilities	13,661	3,726	2,981	4,471	24,839	15,361	4,189	3,351	5,028	27,929
Repairs and maintenance	-0-	9,331	1,878	-0-	11,209	-0-	1,269	-0-	-0-	1,269
In-kind rent expense	47,520	12,960	10,368	15,552	86,400	47,520	12,960	10,368	15,552	86,400
Depreciation	49,848	13,595	10,876	16,314	90,633	41,307	11,265	9,012	13,519	75,103
Gift shop cost of sales	-0-	68,108	17,017	-0-	85,125	-0-	70,065	17,512	-0-	87,577
Sports tourism	46,356	34,971	-0-	-0-	81,327	48,604	36,666	-0-	-0-	85,270
Grants	80,627	-0-	-0-	-0-	80,627	60,226	-0-	-0-	-0-	60,226
Satellite operations	13,748	13,747	-0-	-0-	27,495	7,329	7,328	-0-	-0-	14,657
Rent - storage building	-0-	-0-	-0-	-0-	-0-	390	-0-	3,510	-0-	3,900
Loss on disposal of assets	-0-	-0-	-0-	1,088	1,088	-0-	-0-	-0-	-0-	-0-
Miscellaneous	11,984	4,526	2,244	7,566	26,320	4,275	1,674	790	2,314	9,053
	<u>\$ 865,906</u>	<u>\$ 313,393</u>	<u>\$ 266,965</u>	<u>\$ 180,332</u>	<u>\$ 1,626,596</u>	<u>\$ 798,017</u>	<u>\$ 301,052</u>	<u>\$ 258,031</u>	<u>\$ 175,232</u>	<u>\$ 1,532,332</u>

See Report of Independent Auditors on pages 1 and 2.