



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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June 5, 2009

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

We have reviewed the audit report prepared by Blue & Co., LLC, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. 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 the Visitors Center, Inc., as of December 31, 2007, 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.

STATE BOARD OF ACCOUNTS

VISITORS CENTER, INC.

TABLE OF CONTENTS DECEMBER 31, 2007 AND 2006

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5
Supplementary Information	
Schedules of Functional Expenses	11



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REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statements of financial position of Visitors Center, Inc., as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Visitors Center, Inc.'s management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Visitors Center, Inc., as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Blue & Co., LLC

February 11, 2008

VISITORS CENTER, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2007 AND 2006

ASSETS		
	2007	2006
Current assets		
Cash	\$ 205,830	\$ 262,468
Accounts receivable	2,627	2,241
Prepaid expenses	6,572	7,576
Inventory	141,757	171,096
Total current assets	356,786	443,381
Property and equipment		
Furniture and fixtures	303,588	295,643
Equipment	265,340	221,536
Leasehold improvements	780,898	778,751
Vehicles	247,193	247,193
	1,597,019	1,543,123
Less accumulated depreciation	1,151,071	1,034,069
Net property and equipment	445,948	509,054
Other assets		
Board-designated cash	234,502	196,753
Board-designated certificates of deposit	217,448	210,540
	\$ 1,254,684	\$ 1,359,728
LIABILITIES AND NET ASSETS		
Liabilities		
Current maturities of long-term debt	\$ 19,959	\$ 19,070
Accounts payable	4,374	4,888
Grants payable	52,090	51,035
Total current liabilities	76,423	74,993
Note payable	42,669	62,669
Total liabilities	119,092	137,662
Net assets		
Unrestricted net assets:		
Board-designated	451,950	407,293
Undesignated	636,227	755,181
Total unrestricted net assets	1,088,177	1,162,474
Temporarily restricted net assets	47,415	59,592
Total net assets	1,135,592	1,222,066
	\$ 1,254,684	\$ 1,359,728

See accompanying notes to financial statements.

VISITORS CENTER, INC.

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Unrestricted net assets		
Revenues:		
Hotel/motel tax	\$ 875,000	\$ 875,000
Gift shop	121,139	119,088
Bus tours	35,549	35,806
Donations	4,817	2,634
In-kind rent	86,400	86,400
Interest	20,756	21,353
Gain on sale of asset	-0-	18,000
Other	15,591	11,255
Net assets released from restrictions	12,177	-0-
Total revenues	1,171,429	1,169,536
Expenses:		
Promotion	654,672	613,329
Hosting	293,608	314,479
Bus tours	118,662	122,183
Administration	178,784	184,238
Total expenses	1,245,726	1,234,229
Change in unrestricted net assets	(74,297)	(64,693)
Unrestricted net assets, beginning of year	1,162,474	1,227,167
Unrestricted net assets, end of year	\$ 1,088,177	\$ 1,162,474
Temporarily restricted net assets		
Net assets released from restrictions	\$ (12,177)	\$ -0-
Change in temporarily restricted net assets	(12,177)	-0-
Temporarily restricted net assets, beginning of year	59,592	59,592
Temporarily restricted net assets, end of year	\$ 47,415	\$ 59,592

See accompanying notes to financial statements.

VISITORS CENTER, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Operating activities		
Change in net assets	\$ (86,474)	\$ (64,693)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	117,275	108,969
Gain on sale of asset	-0-	(18,000)
Changes in operating assets and liabilities:		
Accounts receivable	(386)	1,056
Prepaid expenses	1,004	1,096
Inventory	29,339	63,786
Accounts payable	(514)	(13,925)
Grants payable	1,055	(11,215)
Net cash flows from operating activities	61,299	67,074
Investing activities		
Purchase of property and equipment	(54,169)	(47,947)
Proceeds from sale of asset	-0-	18,000
Change in board-designated cash and certificates of deposit	(44,657)	(3,676)
Net cash flows from investing activities	(98,826)	(33,623)
Financing activities		
Principal payments on long-term debt	(19,111)	(18,261)
Net cash flows from financing activities	(19,111)	(18,261)
Net change in cash	(56,638)	15,190
Cash, beginning of year	262,468	247,278
Cash, end of year	\$ 205,830	\$ 262,468

See accompanying notes to financial statements.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

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). It has assigned its rights to the innkeeper tax to VCI. 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, expenses, 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.

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, 2007 AND 2006

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	15 years
Vehicles	5 – 7 years

Income Tax

VCI is exempt from taxation as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code.

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 their 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.

Video Reserve Fund – to fund a future video project.

Wayfinding Reserve Fund – to fund future community signage projects.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs were \$89,252 and \$66,528 for 2007 and 2006, respectively.

2. GRANTS PAYABLE

The grants payable amounts at December 31, 2007 and 2006, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2007			
	Grants Payable, 1-1-07	Grants Awarded In 2007	Grants Paid In 2007	Grants Payable, 12-31-07
County Parks Board	\$ 35,000	\$ -0-	\$ -0-	\$ 35,000
CIAA	-0-	5,000	2,098	2,902
Columbus Area Arts Council	-0-	7,694	7,694	-0-
Heritage of Hope	-0-	2,000	2,000	-0-
Columbus Scottish Festival	-0-	2,500	2,500	-0-
Kidscommons	15,245	-0-	1,847	13,398
Chamber of Commerce	-0-	2,500	2,500	-0-
Senior Center	-0-	3,000	3,000	-0-
Other grants	790	1,525	1,525	790
	<u>\$ 51,035</u>	<u>\$ 24,219</u>	<u>\$ 23,164</u>	<u>\$ 52,090</u>
	2006			
	Grants Payable, 1-1-06	Grants Awarded In 2006	Grants Paid In 2006	Grants Payable, 12-31-06
County Parks Board	\$ 35,000	\$ -0-	\$ -0-	\$ 35,000
Columbus Area Arts Council	2,500	6,755	9,255	-0-
Heritage of Hope	-0-	2,494	2,494	-0-
Columbus Scottish Festival	-0-	2,500	2,500	-0-
Kidscommons	24,000	-0-	8,755	15,245
CMAD	-0-	4,000	4,000	-0-
Other grants	750	1,775	1,735	790
	<u>\$ 62,250</u>	<u>\$ 17,524</u>	<u>\$ 28,739</u>	<u>\$ 51,035</u>

Grants payable at December 31, 2007 and 2006, are all payable in less than one year.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

3. NOTE PAYABLE

VCI has a note payable to bank which bears interest currently at 4.5%. The note is payable in monthly installments of \$1,867, including interest, through December 2010. This note is secured by a vehicle and has an outstanding balance of \$62,628 and \$81,739 at December 31, 2007 and 2006, respectively.

Annual maturities of this note payable subsequent to December 31, 2007, and in the aggregate, are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 19,959
2009	20,889
2010	<u>21,780</u>
	<u>\$ 62,628</u>

4. BOARD-DESIGNATED NET ASSETS

At December 31, 2007 and 2006, board-designated net assets include the following:

	<u>2007</u>	<u>2006</u>
Maintenance reserve	\$ 136,601	\$ 118,201
Long-term operating reserve	217,448	210,540
Membership reserve	22,878	31,145
Transportation reserve	21,022	20,131
Video reserve	26,725	-0-
Wayfinding reserve	<u>27,276</u>	<u>27,276</u>
	<u>\$ 451,950</u>	<u>\$ 407,293</u>

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$47,415 and \$59,592 at December 31, 2007 and 2006, respectively, are available to support the Community Wayfinding project. Temporarily restricted net assets released from restrictions due to satisfaction of purpose restrictions during the years ended December 31, 2007 and 2006, were \$12,177 and \$0, respectively.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

6. OPERATING LEASES

VCI leases land and equipment under operating leases that expire in various years through 2009.

Future rental payments for land under the noncancelable operating lease are subject to an annual change in amount based on a dollar-for-dollar increase or decrease on the lessor's variable rate note on the leased premises. Minimum future rental payments under noncancelable operating leases having initial terms in excess of one year subsequent to December 31, 2007, based on current interest rates, are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 21,299
2009	<u>14,199</u>
	<u>\$ 35,498</u>

Total minimum future rental payments have not been reduced by \$17,750 of sublease rentals to be received in the future under non-cancelable subleases.

Following is a summary of rental expenses under all operating leases for 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Minimum rentals	\$ 20,490	\$ 21,921
Less: sublease rentals	<u>10,693</u>	<u>10,505</u>
Total rent expense	<u>\$ 9,797</u>	<u>\$ 11,416</u>

7. DONATED FACILITIES

VCI receives free use of a building that is owned by the Bartholomew County Public Library. The fair market value of this donation for both 2007 and 2006 was \$86,400, and 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 statement of activities.

VISITORS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

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 2007 and 2006, VCI received 75 percent of its revenues from the Indiana Uniform County Innkeeper Tax.

9. FUNDS HELD BY BARTHOLOMEW COUNTY AUDITOR

At December 31, 2007 and 2006, 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, 2007 and 2006, 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, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Amount held by auditor, beginning of year	\$ 214,873	\$ 234,374
Innkeeper tax monies collected	896,918	855,499
Paid to VCI	<u>(875,000)</u>	<u>(875,000)</u>
Amount held by auditor, end of year	<u>\$ 236,791</u>	<u>\$ 214,873</u>

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 \$22,895 and \$21,440 for 2007 and 2006, 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, 2007 AND 2006**

	2007			2006						
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours	Administration	Total
Salaries, wages, and payroll taxes	\$ 172,277	\$ 71,118	\$ 55,258	\$ 90,840	\$ 389,493	\$ 179,188	\$ 80,787	\$ 57,620	\$ 95,200	\$ 412,795
Employee benefits	55,714	16,347	9,584	20,832	102,477	58,773	17,984	10,302	21,957	109,016
Other personnel services	825	206	133	310	1,474	562	141	90	211	1,004
Office supplies	3,956	954	547	1,307	6,764	3,709	911	554	1,307	6,481
Repair and maintenance supplies	1,139	11,480	4,241	9,364	26,224	971	9,977	3,554	8,089	22,591
Professional services	6,971	1,817	969	3,073	12,830	7,430	2,169	964	4,608	15,171
Communication and transportation	51,889	7,855	6,219	10,531	76,494	60,905	8,843	7,208	11,643	88,599
Printing and advertising	151,439	16,117	1,007	4,147	172,710	109,315	12,694	544	3,096	125,649
Insurance	3,992	998	642	1,497	7,129	5,056	1,264	813	1,895	9,028
Utilities	11,288	2,822	1,814	4,233	20,157	10,812	2,703	1,738	4,055	19,308
Repairs and maintenance	-0-	3,736	-0-	-0-	3,736	-0-	12,441	-0-	-0-	12,441
In-kind rent expense	48,384	12,096	7,776	18,144	86,400	48,384	12,096	7,776	18,144	86,400
Rentals	1,959	1,959	5,879	-0-	9,797	2,283	2,283	6,850	-0-	11,416
Depreciation	65,674	16,419	21,110	14,072	117,275	61,023	15,256	19,614	13,076	108,969
Gift shop cost of sales	-0-	83,307	-0-	-0-	83,307	-0-	99,697	-0-	-0-	99,697
Interest	-0-	-0-	3,296	-0-	3,296	-0-	-0-	4,145	-0-	4,145
Wayfinding project	4,871	7,306	-0-	-0-	12,177	-0-	-0-	-0-	-0-	-0-
USSSA tournament	41,237	31,108	-0-	-0-	72,345	40,137	30,278	-0-	-0-	70,415
Grants	24,219	-0-	-0-	-0-	24,219	17,524	-0-	-0-	-0-	17,524
Miscellaneous	8,838	7,963	187	434	17,422	7,257	4,955	411	957	13,580
	<u>\$ 654,672</u>	<u>\$ 293,608</u>	<u>\$ 118,662</u>	<u>\$ 178,784</u>	<u>\$ 1,245,726</u>	<u>\$ 613,329</u>	<u>\$ 314,479</u>	<u>\$ 122,183</u>	<u>\$ 184,238</u>	<u>\$ 1,234,229</u>