



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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November 18, 2010

Board of Directors  
Visitors Center, Inc.  
501 5<sup>th</sup> Street  
Columbus, IN 47201

We have reviewed the audit report prepared by Blue & Co., LLC, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. 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, 2009, 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.

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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, 2009 and 2008, 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, 2009 and 2008, 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown on page 12 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements; and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Blue & Co., LLC*

February 23, 2010

# VISITORS CENTER, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2009 AND 2008

### ASSETS

	<u>2009</u>	<u>2008</u>
<b>Current assets</b>		
Cash	\$ 220,703	\$ 182,438
Inventory	102,345	114,746
Other current assets	<u>5,360</u>	<u>6,163</u>
Total current assets	328,408	303,347
<b>Property and equipment, net</b>	250,625	389,425
<b>Other assets</b>		
Board-designated cash	230,387	225,304
Board-designated certificates of deposit	<u>235,729</u>	<u>228,719</u>
	<u>\$ 1,045,149</u>	<u>\$ 1,146,795</u>

### LIABILITIES AND NET ASSETS

<b>Liabilities</b>		
Current maturities of long-term debt	\$ 21,568	\$ 20,889
Accounts payable	2,583	12,764
Deferred revenue	7,500	-0-
Grants payable	<u>2,250</u>	<u>1,065</u>
Total current liabilities	33,901	34,718
Note payable	<u>-0-</u>	<u>21,810</u>
Total liabilities	33,901	56,528
<b>Net assets</b>		
Unrestricted net assets:		
Board-designated	466,116	454,023
Undesignated	<u>514,694</u>	<u>615,188</u>
Total unrestricted net assets	980,810	1,069,211
Temporarily restricted net assets	<u>30,438</u>	<u>21,056</u>
Total net assets	<u>1,011,248</u>	<u>1,090,267</u>
	<u>\$ 1,045,149</u>	<u>\$ 1,146,795</u>

*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<b>Unrestricted net assets</b>		
Revenues:		
Hotel/motel tax	\$ 1,010,266	\$ 1,022,000
Gift shop	101,266	113,912
Bus tours	50,904	35,333
Donations	4,523	4,587
In-kind rent	86,400	86,400
Interest	8,267	16,651
Other	2,303	15,618
Net assets released from restrictions	-0-	26,359
Total revenues	1,263,929	1,320,860
Expenses:		
Promotion	703,170	703,073
Hosting	282,894	324,722
Bus tours	147,758	126,853
Administration	218,508	185,178
Total expenses	1,352,330	1,339,826
Change in unrestricted net assets	(88,401)	(18,966)
Unrestricted net assets, beginning of year	1,069,211	1,088,177
Unrestricted net assets, end of year	\$ 980,810	\$ 1,069,211
<b>Temporarily restricted net assets</b>		
Contributions	\$ 9,232	\$ -0-
Interest income	150	-0-
Net assets released from restrictions	-0-	(26,359)
Change in temporarily restricted net assets	9,382	(26,359)
Temporarily restricted net assets, beginning of year	21,056	47,415
Temporarily restricted net assets, end of year	\$ 30,438	\$ 21,056

*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>Operating activities</b>		
Change in net assets	\$ (79,019)	\$ (45,325)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	145,033	121,749
Loss on sale of asset	22,932	1,796
Changes in operating assets and liabilities:		
Inventory	12,401	27,011
Other current assets	803	3,036
Accounts payable	(10,181)	8,390
Deferred revenue	7,500	-0-
Grants payable	<u>1,185</u>	<u>(51,025)</u>
Net cash flows from operating activities	100,654	65,632
<b>Investing activities</b>		
Purchase of property and equipment	(29,165)	(67,022)
Change in board-designated cash and certificates of deposit	<u>(12,093)</u>	<u>(2,073)</u>
Net cash flows from investing activities	(41,258)	(69,095)
<b>Financing activities</b>		
Principal payments on long-term debt	<u>(21,131)</u>	<u>(19,929)</u>
Net cash flows from financing activities	(21,131)	(19,929)
Net change in cash	38,265	(23,392)
<b>Cash, beginning of year</b>	<u>182,438</u>	<u>205,830</u>
<b>Cash, end of year</b>	<u>\$ 220,703</u>	<u>\$ 182,438</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	\$ 1,276	\$ 2,477

*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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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). 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, 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.

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# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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### 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 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.

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# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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*Wayfinding Reserve Fund* – to fund future community signage projects.

### Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs were \$91,948 and \$93,697 for 2009 and 2008, respectively.

### 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 23, 2010.

## 2. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Furniture and fixtures	\$ 290,924	\$ 303,588
Equipment	251,050	314,407
Leasehold improvements	405,468	780,898
Vehicles	<u>231,340</u>	<u>247,193</u>
	1,178,782	1,646,086
Less accumulated depreciation	<u>(928,157)</u>	<u>(1,256,661)</u>
	<u>\$ 250,625</u>	<u>\$ 389,425</u>

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

#### 3. GRANTS PAYABLE

The grants payable amounts at December 31, 2009 and 2008, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2009				
	Grants Payable, 1-1-09	Grants Awarded In 2009	Grants Paid In 2009	Grants Written Off In 2009	Grants Payable, 12-31-09
Columbus Area Arts Council	\$ -0-	\$ 3,467	\$ 3,467	\$ -0-	\$ -0-
Heritage of Hope	-0-	488	488	-0-	-0-
Columbus Scottish Festival	-0-	4,250	4,250	-0-	-0-
Mill Race Park Race	-0-	1,500	-0-	-0-	1,500
Senior Center	750	750	743	7	750
Other grants	315	4,129	4,129	315	-0-
	<u>\$ 1,065</u>	<u>\$ 14,584</u>	<u>\$ 13,077</u>	<u>\$ 322</u>	<u>\$ 2,250</u>

  

	2008				
	Grants Payable, 1-1-08	Grants Awarded In 2008	Grants Paid In 2008	Grants Written Off In 2008	Grants Payable, 12-31-08
County Parks Board	\$ 35,000	\$ -0-	\$ 35,000	\$ -0-	\$ -0-
CIAA	2,902	-0-	-0-	2,902	-0-
Columbus Area Arts Council	-0-	6,500	6,500	-0-	-0-
Heritage of Hope	-0-	2,000	2,000	-0-	-0-
Columbus Scottish Festival	-0-	2,940	2,940	-0-	-0-
Mill Race Park Race	-0-	1,442	1,442	-0-	-0-
Kidscommons	13,398	-0-	13,398	-0-	-0-
Senior Center	-0-	750	-0-	-0-	750
Other grants	790	2,825	3,300	-0-	315
	<u>\$ 52,090</u>	<u>\$ 16,457</u>	<u>\$ 64,580</u>	<u>\$ 2,902</u>	<u>\$ 1,065</u>

Grants payable at December 31, 2009 and 2008, are all payable in less than one year.

#### 4. 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 \$21,568 and \$42,699 at December 31, 2009 and 2008, respectively.

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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### 5. BOARD-DESIGNATED NET ASSETS

At December 31, 2009 and 2008, board-designated net assets include the following:

	<u>2009</u>	<u>2008</u>
Maintenance reserve	\$ 156,470	\$ 149,355
Long-term operating reserve	235,729	228,719
Membership reserve	26,597	27,228
Transportation reserve	20,044	21,445
Tourism enhancement reserve	27,276	-0-
Wayfinding reserve	<u>-0-</u>	<u>27,276</u>
	<u>\$ 466,116</u>	<u>\$ 454,023</u>

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

Temporarily restricted net assets of \$30,438 and \$21,056 at December 31, 2009 and 2008, 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, 2009 and 2008, were \$0 and \$26,359, respectively.

### 7. OPERATING LEASES

VCI leases land and equipment under operating leases that expired in 2009.

Following is a summary of rental expenses under all operating leases for 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Minimum rentals	\$ 13,931	\$ 21,379
Less: sublease rentals	<u>7,002</u>	<u>10,693</u>
Total rent expense	<u>\$ 6,929</u>	<u>\$ 10,686</u>

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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### 8. 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 2009 and 2008 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.

### 9. 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 2009 and 2008, VCI received 80 percent and 77 percent of its revenues from the Indiana Uniform County Innkeeper Tax, respectively.

### 10. FUNDS HELD BY BARTHOLOMEW COUNTY AUDITOR

At December 31, 2009 and 2008, 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, 2009 and 2008, 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, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Amount held by auditor, beginning of year	\$ 229,280	\$ 236,791
Innkeeper tax monies collected	945,311	1,014,489
Paid to VCI	<u>(1,010,266)</u>	<u>(1,022,000)</u>
Amount held by auditor, end of year	<u>\$ 164,325</u>	<u>\$ 229,280</u>

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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### 11. 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 \$30,045 and \$25,110 for 2009 and 2008, 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, 2009 AND 2008

	2009				2008				Total	
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours		Administration
Salaries, wages, and payroll taxes	\$ 213,207	\$ 75,534	\$ 63,322	\$ 100,149	\$ 452,212	\$ 202,076	\$ 83,475	\$ 60,852	\$ 89,788	\$ 436,191
Employee benefits	69,595	18,755	11,538	26,062	125,950	70,201	19,791	11,866	26,267	128,125
Other personnel services	679	170	109	254	1,212	850	213	137	318	1,518
Office supplies	4,131	1,015	617	1,460	7,223	4,694	1,164	730	1,714	8,302
Repair and maintenance supplies	481	11,115	5,312	7,842	24,750	-0-	10,598	3,718	8,007	22,323
Professional services	7,195	1,917	1,169	3,311	13,592	8,888	2,486	1,231	4,885	17,490
Communication and transportation	40,936	5,600	21,022	6,827	74,385	51,500	8,066	6,042	10,708	76,316
Printing and advertising	151,535	17,734	2,485	7,430	179,184	144,003	15,451	866	4,132	164,452
Insurance	5,027	1,257	808	1,884	8,976	3,850	963	619	1,443	6,875
Utilities	12,449	3,112	2,001	4,666	22,228	12,404	3,101	1,994	4,650	22,149
Repairs and maintenance	-0-	3,102	-0-	-0-	3,102	-0-	10,462	-0-	-0-	10,462
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	1,386	1,386	4,157	-0-	6,929	2,137	2,137	6,412	-0-	10,686
Depreciation	81,217	20,305	26,106	17,405	145,033	68,178	17,045	21,915	14,611	121,749
Gift shop cost of sales	-0-	65,713	-0-	-0-	65,713	-0-	75,424	-0-	-0-	75,424
Interest	-0-	-0-	1,276	-0-	1,276	-0-	-0-	2,477	-0-	2,477
Wayfinding project	3,693	5,539	-0-	-0-	9,232	10,544	15,815	-0-	-0-	26,359
Sports tourism	47,218	35,620	-0-	-0-	82,838	58,736	44,310	-0-	-0-	103,046
Grants	14,262	-0-	-0-	-0-	14,262	13,555	-0-	-0-	-0-	13,555
Loss on disposal of assets	-0-	-0-	-0-	22,932	22,932	-0-	-0-	-0-	-0-	-0-
Miscellaneous	1,775	2,924	60	142	4,901	3,073	2,125	218	511	5,927
	<u>\$ 703,170</u>	<u>\$ 282,894</u>	<u>\$ 147,758</u>	<u>\$ 218,508</u>	<u>\$ 1,352,330</u>	<u>\$ 703,073</u>	<u>\$ 324,722</u>	<u>\$ 126,853</u>	<u>\$ 185,178</u>	<u>\$ 1,339,826</u>