



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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June 6, 2018

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

We have reviewed the report prepared by Visitors Center, Inc. and opined upon by Blue & Co., LLC, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Report of Independent Auditors* the financial statements included in the report present fairly the financial condition of Visitors Center, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Blue & Co., LLC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The 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, 2016 AND 2015**

*CPAs / ADVISORS*



**VISITORS CENTER, INC.**

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DECEMBER 31, 2016 AND 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 3, 2017

## VISITORS CENTER, INC.

### STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND 2015

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#### ASSETS

	2016	2015
<b>Current assets</b>		
Cash	\$ 364,094	\$ 450,810
Inventory	88,135	171,889
Other current assets	13,013	12,968
Total current assets	465,242	635,667
<b>Property and equipment, net</b>	523,409	548,477
<b>Other assets</b>		
Restricted cash	96,634	96,622
Board-designated cash	1,225,363	1,088,604
	<u>\$ 2,310,648</u>	<u>\$ 2,369,370</u>

#### LIABILITIES AND NET ASSETS

<b>Liabilities</b>		
Accounts payable	\$ 87,189	\$ 28,028
Grants and sponsorships payable	10,000	-0-
Total liabilities	97,189	28,028
<b>Net assets</b>		
Unrestricted net assets:		
Board-designated	1,188,472	1,088,604
Undesignated	928,353	1,156,116
Total unrestricted net assets	2,116,825	2,244,720
Temporarily restricted net assets	96,634	96,622
Total net assets	<u>2,213,459</u>	<u>2,341,342</u>
	<u>\$ 2,310,648</u>	<u>\$ 2,369,370</u>

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See accompanying notes to financial statements.

## VISITORS CENTER, INC.

### STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
<b>Unrestricted net assets</b>		
Revenues:		
Hotel/motel tax	\$ 1,200,000	\$ 1,200,000
Gift shop	199,101	157,658
Bus tours	205,284	200,563
Donations	8,456	7,480
In-kind rent	86,400	86,400
Interest	3,255	1,954
Other	8,173	27,767
Net assets released from restrictions	24	7,084
Total revenues	1,710,693	1,688,906
Expenses:		
Promotion	956,762	865,906
Hosting	420,483	313,393
Bus tours	291,399	266,965
Administration	169,944	180,332
Total expenses	1,838,588	1,626,596
Change in unrestricted net assets	(127,895)	62,310
Unrestricted net assets, beginning of year	2,244,720	2,182,410
Unrestricted net assets, end of year	\$ 2,116,825	\$ 2,244,720
<b>Temporarily restricted net assets</b>		
Interest income	\$ 36	\$ 50
Net assets released from restrictions	(24)	(7,084)
Change in temporarily restricted net assets	12	(7,034)
Temporarily restricted net assets, beginning of year	96,622	103,656
Temporarily restricted net assets, end of year	\$ 96,634	\$ 96,622

*See accompanying notes to financial statements.*

## VISITORS CENTER, INC.

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2016 AND 2015

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	2016	2015
<b>Operating activities</b>		
Change in net assets	\$ (127,883)	\$ 55,276
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	90,817	90,633
Donation of inventory	90,685	3,406
Loss on disposal of assets	10,187	1,088
Changes in operating assets and liabilities:		
Inventory	(6,931)	(10,038)
Other current assets	(45)	(11,232)
Restricted cash	(12)	7,034
Board-designated cash	(136,759)	(110,011)
Accounts payable	11,653	2,143
Grants and sponsorships payable	10,000	(19,000)
Net cash flows from operating activities	<u>(58,288)</u>	<u>9,299</u>
<b>Investing activities</b>		
Purchase of property and equipment	<u>(28,428)</u>	<u>(57,829)</u>
Net change in cash	(86,716)	(48,530)
<b>Cash, beginning of year</b>	<u>450,810</u>	<u>499,340</u>
<b>Cash, end of year</b>	<u><u>\$ 364,094</u></u>	<u><u>\$ 450,810</u></u>
<b>Supplemental disclosure of non-cash investing activity</b>		
Purchases of property and equipment included in accounts payable	\$ 47,508	\$ -0-

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*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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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). 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.

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# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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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 ranging from 3 to 15 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, 2016 and 2015, 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.

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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### Restricted Cash

Restricted cash consists of monies received from donors for a specified purpose. Restricted cash was \$96,634 and \$96,622 at December 31, 2016 and 2015, 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 \$202,851 and \$199,888 for 2016 and 2015, 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.

### Reclassifications

Certain prior year amounts have been reclassified herein to conform to the current method of presentation.

### 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 3, 2017.

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## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

#### 2. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2016 and 2015 is as follows:

	2016	2015
Furniture and fixtures	\$ 340,685	\$ 329,976
Equipment	283,313	325,644
Leasehold improvements	885,660	859,732
Vehicles	229,401	229,401
	1,739,059	1,744,753
Less accumulated depreciation	(1,215,650)	(1,196,276)
	\$ 523,409	\$ 548,477

#### 3. GRANTS AND SPONSORSHIPS PAYABLE

The grants and sponsorships payable amounts at December 31, 2016 and 2015, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2016				
	Grants Payable, 1-1-16	Grants Awarded In 2016	Grants Paid In 2016	Grants Returned In 2016	Grants Payable, 12-31-16
Tourism Enhancement Grants	\$ -0-	\$ 16,000	\$ 6,000	\$ -0-	\$ 10,000
CAAC's Live on the Plaza	-0-	7,500	7,500	-0-	-0-
Columbus Airport's Aviation Day	-0-	5,000	5,000	-0-	-0-
Hope Heritage Days	-0-	3,000	3,000	-0-	-0-
Lincoln-Central Family Neighborhood	-0-	9,000	9,000	-0-	-0-
Columbus Craft Beerfest	-0-	7,500	7,500	-0-	-0-
Hoosier Trails Boy Scouts of America	-0-	3,500	3,500	-0-	-0-
Mill Race Center	-0-	2,000	2,000	-0-	-0-
Columbus Scottish Festival	-0-	9,425	9,425	-0-	-0-
ArtFest, Inc.	-0-	3,000	3,000	-0-	-0-
	\$ -0-	\$ 65,925	\$ 55,925	\$ -0-	\$ 10,000

**VISITORS CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

	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-
	<u>\$ 19,000</u>	<u>\$ 80,840</u>	<u>\$ 99,627</u>	<u>\$ 213</u>	<u>\$ -0-</u>

**4. BOARD-DESIGNATED NET ASSETS**

At December 31, 2016 and 2015, board-designated net assets include the following:

	2016	2015
Maintenance reserve	\$ 304,072	\$ 322,825
Long-term operating reserve	451,649	450,026
Membership reserve	34,429	23,569
Transportation reserve	279,435	229,388
Tourism enhancement reserve	118,887	61,393
Satellite operation reserve	-0-	1,403
	<u>\$ 1,188,472</u>	<u>\$ 1,088,604</u>

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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

Temporarily restricted net assets at December 31, 2016 and 2015 are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Wayfinding	\$ 20,017	\$ 20,021
Sports Council	<u>76,617</u>	<u>76,601</u>
	<u>\$ 96,634</u>	<u>\$ 96,622</u>

Net assets were released from donor restrictions for the years ended December 31, 2016 and 2015 by satisfying the following purposes:

	<u>2016</u>	<u>2015</u>
Wayfinding	\$ 12	\$ 1,059
Sports Council	<u>12</u>	<u>6,025</u>
	<u>\$ 24</u>	<u>\$ 7,084</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 2016 and 2015 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, 2016 and 2015. In 2016, the Organization signed a lease to remain at the building until May 2019.

#### 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 2016 and 2015, VCI received 70 percent and 71 percent of its revenues from the Indiana Uniform County Innkeeper Tax, respectively.

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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### 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 \$28,816 and \$30,105 for 2016 and 2015, respectively. Employer contributions under this plan are charged to employee benefits expense.

### 9. STATE, COUNTY AND LOCAL FUNDING

In compliance with the Indiana State Board of Account's Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources, state, local, and county funding must be disclosed for the current year. During 2016, VCI received the following:

<u>Grantor</u>	
County	
Innkeepers Tax	<u>\$ 1,200,000</u>
Total county awards	<u>\$ 1,200,000</u>

SUPPLEMENTARY INFORMATION

## VISITORS CENTER, INC.

### SCHEDULES OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016					2015				
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours	Administration	Total
Salaries, wages, and payroll taxes	\$ 229,978	\$ 95,791	\$ 127,844	\$ 70,876	\$ 524,489	\$ 230,718	\$ 77,037	\$ 126,887	\$ 74,910	\$ 509,552
Employee benefits	98,757	26,933	21,547	32,321	179,558	88,084	24,023	19,219	28,827	160,153
Other personnel services	-0-	2,744	914	-0-	3,658	-0-	2,070	690	16,255	19,015
Office supplies	3,797	1,022	792	1,197	6,808	7,065	1,918	1,520	2,288	12,791
Repair and maintenance supplies	-0-	22,419	2,490	1	24,910	-0-	24,108	2,678	-0-	26,786
Professional services	11,840	2,775	2,569	2,982	20,166	9,678	2,306	2,101	2,512	16,597
Communication and transportation	38,642	5,046	10,291	4,535	58,514	38,029	4,880	10,028	4,443	57,380
IMA tour expenses	-0-	-0-	60,764	-0-	60,764	-0-	-0-	55,122	-0-	55,122
Printing and advertising	255,876	26,612	4,340	7,578	294,406	223,032	14,572	2,144	4,288	244,036
Insurance	6,304	1,719	1,375	2,063	11,461	5,556	1,515	1,212	1,818	10,101
Utilities	13,258	3,616	2,893	4,339	24,106	13,661	3,726	2,981	4,471	24,839
Repairs and maintenance	-0-	11,441	2,858	-0-	14,299	-0-	9,331	1,878	-0-	11,209
In-kind rent expense	47,520	12,960	10,368	15,552	86,400	47,520	12,960	10,368	15,552	86,400
Rent - storage building	780	-0-	7,020	-0-	7,800	-0-	-0-	-0-	-0-	-0-
Depreciation	49,949	13,623	10,898	16,347	90,817	49,848	13,595	10,876	16,314	90,633
Gift shop cost of sales	-0-	92,521	23,126	-0-	115,647	-0-	68,108	17,017	-0-	85,125
Donated inventory	45,343	45,342	-0-	-0-	90,685	1,703	1,703	-0-	-0-	3,406
Sports tourism	62,614	47,235	-0-	-0-	109,849	46,356	34,971	-0-	-0-	81,327
Grants	65,925	-0-	-0-	-0-	65,925	80,627	-0-	-0-	-0-	80,627
Satellite operations	7,474	7,473	-0-	-0-	14,947	13,748	13,747	-0-	-0-	27,495
Loss on disposal of assets	-0-	-0-	-0-	10,187	10,187	-0-	-0-	-0-	1,088	1,088
Miscellaneous	18,705	1,211	1,310	1,966	23,192	10,281	2,823	2,244	7,566	22,914
	<u>\$ 956,762</u>	<u>\$ 420,483</u>	<u>\$ 291,399</u>	<u>\$ 169,944</u>	<u>\$ 1,838,588</u>	<u>\$ 865,906</u>	<u>\$ 313,393</u>	<u>\$ 266,965</u>	<u>\$ 180,332</u>	<u>\$ 1,626,596</u>

See Report of Independent Auditors on pages 1 and 2.