



**STATE OF INDIANA**  
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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, 2017 to December 31, 2017. 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, 2017 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, 2017 AND 2016**

*CPAs / ADVISORS*



**VISITORS CENTER, INC.**

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DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 23, 2018

## VISITORS CENTER, INC.

### STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2017 AND 2016

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#### ASSETS

	<u>2017</u>	<u>2016</u>
<b>Current assets</b>		
Cash	\$ 482,268	\$ 364,094
Inventory	88,417	88,135
Deposit	60,000	-0-
Other current assets	19,226	13,013
Total current assets	<u>649,911</u>	<u>465,242</u>
<b>Property and equipment, net</b>	699,762	523,409
<b>Other assets</b>		
Restricted cash	70,721	96,634
Board-designated cash	766,547	1,225,363
	<u>\$ 2,186,941</u>	<u>\$ 2,310,648</u>

#### LIABILITIES AND NET ASSETS

<b>Liabilities</b>		
Accounts payable	\$ 103,833	\$ 87,189
Grants and sponsorships payable	29,000	10,000
Total liabilities	<u>132,833</u>	<u>97,189</u>
<b>Net assets</b>		
Unrestricted net assets:		
Board-designated	716,582	1,188,472
Undesignated	1,266,805	928,353
Total unrestricted net assets	<u>1,983,387</u>	<u>2,116,825</u>
Temporarily restricted net assets	<u>70,721</u>	<u>96,634</u>
Total net assets	<u>2,054,108</u>	<u>2,213,459</u>
	<u>\$ 2,186,941</u>	<u>\$ 2,310,648</u>

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See accompanying notes to financial statements.

## VISITORS CENTER, INC.

### STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>Unrestricted net assets</b>		
Revenues:		
Hotel/motel tax	\$ 1,350,000	\$ 1,200,000
Gift shop	246,102	199,101
Bus tours	265,274	205,284
Donations and grants	77,074	8,456
In-kind rent	86,400	86,400
Interest	3,693	3,255
Other	17,210	8,173
Net assets released from restrictions	26,461	24
Total revenues	2,072,214	1,710,693
Expenses:		
Promotion	1,189,778	956,762
Hosting	466,026	420,483
Bus tours	342,926	291,399
Administration	206,922	169,944
Total expenses	2,205,652	1,838,588
Change in unrestricted net assets	(133,438)	(127,895)
Unrestricted net assets, beginning of year	2,116,825	2,244,720
Unrestricted net assets, end of year	\$ 1,983,387	\$ 2,116,825
<b>Temporarily restricted net assets</b>		
Interest income	\$ 548	\$ 36
Net assets released from restrictions	(26,461)	(24)
Change in temporarily restricted net assets	(25,913)	12
Temporarily restricted net assets, beginning of year	96,634	96,622
Temporarily restricted net assets, end of year	\$ 70,721	\$ 96,634

*See accompanying notes to financial statements.*

## VISITORS CENTER, INC.

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2017 AND 2016

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	2017	2016
<b>Operating activities</b>		
Change in net assets	\$ (159,351)	\$ (127,883)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	106,985	90,817
Donation of inventory	2,155	90,685
Loss on disposal of assets	630	10,187
Changes in operating assets and liabilities:		
Inventory	(2,437)	(6,931)
Deposit	(60,000)	-0-
Other current assets	(6,213)	(45)
Restricted cash	25,913	(12)
Board-designated cash	458,816	(136,759)
Accounts payable	(16,697)	11,653
Grants and sponsorships payable	19,000	10,000
Net cash flows from operating activities	<u>368,801</u>	<u>(58,288)</u>
<b>Investing activities</b>		
Purchase of property and equipment	<u>(250,627)</u>	<u>(28,428)</u>
Net change in cash	118,174	(86,716)
<b>Cash, beginning of year</b>	<u>364,094</u>	<u>450,810</u>
<b>Cash, end of year</b>	<u>\$ 482,268</u>	<u>\$ 364,094</u>
<b>Supplemental disclosure of non-cash investing activity</b>		
Purchases of property and equipment included in accounts payable	\$ 33,341	\$ 47,508

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*See accompanying notes to financial statements.*

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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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, 2017 AND 2016

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### Inventory

Inventory consists of books, maps and other promotional items and is stated at the lower of cost or net realizable value. 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, 2017 and 2016, 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, 2017 AND 2016

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### Restricted Cash

Restricted cash consists of monies received from donors for a specified purpose. Restricted cash was \$70,721 and \$96,634 at December 31, 2017 and 2016, 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 \$266,066 and \$202,851 for 2017 and 2016, respectively.

### In-Kind Contributions

VCI 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.

### Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about VCI's ability to continue as a going concern for a period of one year from the date the financial statements are available to be issued.

### 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, 2018.

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

#### 2. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2017 and 2016 is as follows:

	2017	2016
Furniture and fixtures	\$ 315,615	\$ 340,685
Equipment	178,426	283,313
Leasehold improvements	1,048,433	885,660
Vehicles	330,657	229,401
	1,873,131	1,739,059
Less accumulated depreciation	(1,173,369)	(1,215,650)
	\$ 699,762	\$ 523,409

#### 3. GRANTS AND SPONSORSHIPS PAYABLE

The grants and sponsorships payable amounts at December 31, 2017 and 2016, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2017				
	Grants Payable, 1-1-17	Grants Awarded In 2017	Grants Paid In 2017	Grants Returned In 2017	Grants Payable, 12-31-17
Columbus Craft Beerfest	\$ -0-	\$ 10,000	\$ 10,000	\$ -0-	\$ -0-
Hoosier Trails Boy Scouts of America	-0-	5,000	5,000	-0-	-0-
Sundance Sponsorship	-0-	5,000	5,000	-0-	-0-
CIAA Avenue of the Architects	-0-	5,000	5,000	-0-	-0-
Heritage Fund Exhibit Columbus	-0-	30,000	30,000	-0-	-0-
Scottish Festival of Columbus	-0-	10,000	10,000	-0-	-0-
Columbus Airport's Aviation Day	-0-	6,000	6,000	-0-	-0-
CAAC's Live on the Plaza	-0-	9,000	9,000	-0-	-0-
Yellow Trail Museum	-0-	48,000	24,000	-0-	24,000
Tourism Enhancement Grants	10,000	-0-	5,000	-0-	5,000
Other	-0-	10,000	10,000	-0-	-0-
	\$ 10,000	\$ 138,000	\$ 119,000	\$ -0-	\$ 29,000

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

	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-
	<u>\$ -0-</u>	<u>\$ 65,925</u>	<u>\$ 55,925</u>	<u>\$ -0-</u>	<u>\$ 10,000</u>

#### 4. BOARD-DESIGNATED NET ASSETS

At December 31, 2017 and 2016, board-designated net assets include the following:

	2017	2016
Maintenance reserve	\$ 93,429	\$ 304,072
Long-term operating reserve	453,402	451,649
Membership reserve	21,562	34,429
Transportation reserve	119,520	279,435
Tourism enhancement reserve	28,669	118,887
	<u>\$ 716,582</u>	<u>\$ 1,188,472</u>

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

Temporarily restricted net assets at December 31, 2017 and 2016 are available for the following purposes:

	2017	2016
Wayfinding	\$ 2,734	\$ 20,017
Sports Council	67,987	76,617
	<u>\$ 70,721</u>	<u>\$ 96,634</u>

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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Net assets were released from donor restrictions for the years ended December 31, 2017 and 2016 by satisfying the following purposes:

	<u>2017</u>	<u>2016</u>
Wayfinding	\$ 17,349	\$ 12
Sports Council	<u>9,112</u>	<u>12</u>
	<u>\$ 26,461</u>	<u>\$ 24</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 2017 and 2016 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, 2017 and 2016. 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 2017 and 2016, VCI received 65 percent and 70 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 \$56,057 and \$28,816 for 2017 and 2016, 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.

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## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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During 2017, VCI received the following:

<u>Grantor</u>	
County	
Innkeepers Tax	<u>\$ 1,350,000</u>
Total county awards	<u>\$ 1,350,000</u>

#### 10. COMMITMENTS

VCI has signed a contract for the purchase of a vehicle totaling \$156,136 at December 31, 2017. The amount in assets related to this purchase totals \$60,000 at December 31, 2017 and is reflected in the Statements of Financial Position as a deposit. VCI will take possession of the vehicle in 2018. The remaining amount to be paid, \$96,136, will be due at that time and funded from the transportation reserve.

SUPPLEMENTARY INFORMATION

## VISITORS CENTER, INC.

### SCHEDULES OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017					2016				
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours	Administration	Total
Salaries, wages, and payroll taxes	\$ 213,500	\$ 91,074	\$ 151,561	\$ 90,245	\$ 546,380	\$ 229,978	\$ 95,791	\$ 127,844	\$ 70,876	\$ 524,489
Employee benefits	101,542	27,694	22,155	33,232	184,623	98,757	26,933	21,547	32,321	179,558
Other personnel services	-0-	1,973	657	1	2,631	-0-	2,744	914	-0-	3,658
Office supplies	6,451	1,742	1,364	2,058	11,615	3,797	1,022	792	1,197	6,808
Repair and maintenance supplies	-0-	8,836	981	1	9,818	-0-	22,419	2,490	1	24,910
Professional services	11,890	3,399	2,580	2,962	20,831	11,840	2,775	2,569	2,982	20,166
Communication and transportation	37,170	4,478	17,810	4,867	64,325	38,642	5,046	10,291	4,535	58,514
IMA tour expenses	-0-	-0-	71,897	-0-	71,897	-0-	-0-	60,764	-0-	60,764
Printing and advertising	344,411	34,307	3,894	7,729	390,341	255,876	26,612	4,340	7,578	294,406
Insurance	6,758	1,843	1,475	2,212	12,288	6,304	1,719	1,375	2,063	11,461
Utilities	14,009	3,821	3,057	4,584	25,471	13,258	3,616	2,893	4,339	24,106
Repairs and maintenance	-0-	34,243	8,391	-0-	42,634	-0-	11,441	2,858	-0-	14,299
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	390	-0-	3,510	-0-	3,900	780	-0-	7,020	-0-	7,800
Depreciation	58,842	16,048	12,838	19,257	106,985	49,949	13,623	10,898	16,347	90,817
Gift shop cost of sales	-0-	111,965	27,992	-0-	139,957	-0-	92,521	23,126	-0-	115,647
Donated inventory	1,078	1,077	-0-	-0-	2,155	45,343	45,342	-0-	-0-	90,685
Destination Neighborhood	28,898	43,348	-0-	-0-	72,246	-0-	-0-	-0-	-0-	-0-
Wayfinding	6,940	10,409	-0-	-0-	17,349	-0-	-0-	-0-	-0-	-0-
Sports tourism	71,358	53,831	-0-	-0-	125,189	62,614	47,235	-0-	-0-	109,849
Grants	138,000	-0-	-0-	-0-	138,000	65,925	-0-	-0-	-0-	65,925
Satellite operations	8	7	-0-	-0-	15	7,474	7,473	-0-	-0-	14,947
Tourism	90,032	-0-	-0-	-0-	90,032	-0-	-0-	-0-	-0-	-0-
Loss on disposal of assets	-0-	-0-	-0-	630	630	-0-	-0-	-0-	10,187	10,187
Miscellaneous	10,981	2,971	2,396	23,592	39,940	18,705	1,211	1,310	1,966	23,192
	<u>\$ 1,189,778</u>	<u>\$ 466,026</u>	<u>\$ 342,926</u>	<u>\$ 206,922</u>	<u>\$ 2,205,652</u>	<u>\$ 956,762</u>	<u>\$ 420,483</u>	<u>\$ 291,399</u>	<u>\$ 169,944</u>	<u>\$ 1,838,588</u>

See Report of Independent Auditors on pages 1 and 2.