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September 14, 2020

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

We have reviewed the audit report of Visitors Center, Inc., which was opined upon by Blue & Co., LLC, Independent Public Accountants, for the period January 1, 2018 to December 31, 2018. 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, 2018 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 the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

# **VISITORS CENTER, INC.**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 AND 2017**

*CPAs / ADVISORS*



**VISITORS CENTER, INC.**

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DECEMBER 31, 2018 AND 2017

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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, 2018 and 2017, the related statements of activities, functional expenses 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, 2018 and 2017, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, effective January 1, 2018, VCI adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statement of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*Blue & Co., LLC*

Seymour, Indiana

February 22, 2019

**VISITORS CENTER, INC.**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017

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	2018	2017 As Restated
	<u>2018</u>	<u>As Restated</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 406,683	\$ 482,268
Inventory	99,734	88,417
Deposit	-0-	60,000
Other current assets	4,394	19,226
Total current assets	<u>510,811</u>	<u>649,911</u>
<b>Property and equipment, net</b>	700,065	699,762
<b>Other assets</b>		
Restricted cash	66,271	70,721
Board-designated cash	<u>914,208</u>	<u>766,547</u>
	<u>\$ 2,191,355</u>	<u>\$ 2,186,941</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 32,009	\$ 103,833
Grants and sponsorships payable	<u>-0-</u>	<u>29,000</u>
Total liabilities	32,009	132,833
<b>Net assets</b>		
Without donor restrictions:		
Board-designated	914,208	716,582
Undesignated	<u>1,178,867</u>	<u>1,266,805</u>
	2,093,075	1,983,387
With donor restrictions:		
Purpose restricted	<u>66,271</u>	<u>70,721</u>
Total net assets	<u>2,159,346</u>	<u>2,054,108</u>
	<u>\$ 2,191,355</u>	<u>\$ 2,186,941</u>

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See accompanying notes to financial statements.

## VISITORS CENTER, INC.

### STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017 As Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>						
Hotel/motel tax	\$ 1,350,000	\$ -0-	\$ 1,350,000	\$ 1,350,000	\$ -0-	\$ 1,350,000
Gift shop	235,689	-0-	235,689	246,102	-0-	246,102
Bus tours	248,089	-0-	248,089	265,274	-0-	265,274
Donations and grants	55,788	-0-	55,788	77,074	-0-	77,074
In-kind rent	86,400	-0-	86,400	86,400	-0-	86,400
Interest	5,470	534	6,004	3,693	548	4,241
Other	7,520	-0-	7,520	17,210	-0-	17,210
Net assets released from restrictions	<u>4,984</u>	<u>(4,984)</u>	<u>-0-</u>	<u>26,461</u>	<u>(26,461)</u>	<u>-0-</u>
Total revenues	1,993,940	(4,450)	1,989,490	2,072,214	(25,913)	2,046,301
<b>Expenses:</b>						
Promotion	983,689	-0-	983,689	1,189,778	-0-	1,189,778
Hosting	387,068	-0-	387,068	466,026	-0-	466,026
Bus tours	320,579	-0-	320,579	342,926	-0-	342,926
Administration	<u>192,916</u>	<u>-0-</u>	<u>192,916</u>	<u>206,922</u>	<u>-0-</u>	<u>206,922</u>
Total expenses	<u>1,884,252</u>	<u>-0-</u>	<u>1,884,252</u>	<u>2,205,652</u>	<u>-0-</u>	<u>2,205,652</u>
Change in net assets	109,688	(4,450)	105,238	(133,438)	(25,913)	(159,351)
Net assets, beginning of year	<u>1,983,387</u>	<u>70,721</u>	<u>2,054,108</u>	<u>2,116,825</u>	<u>96,634</u>	<u>2,213,459</u>
Net assets, end of year	<u>\$ 2,093,075</u>	<u>\$ 66,271</u>	<u>\$ 2,159,346</u>	<u>\$ 1,983,387</u>	<u>\$ 70,721</u>	<u>\$ 2,054,108</u>

See accompanying notes to financial statements.

## VISITORS CENTER, INC.

### STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018					2017				
	Promotion	Hosting	Bus Tours	Administration	Total	Promotion	Hosting	Bus Tours	Administration	Total
Salaries, wages, and payroll taxes	\$ 240,641	\$ 94,589	\$ 137,965	\$ 103,202	\$ 576,397	\$ 213,500	\$ 91,074	\$ 151,561	\$ 90,245	\$ 546,380
Employee benefits	57,971	15,810	12,775	18,972	105,528	101,542	27,694	22,155	33,232	184,623
Other personnel services	-0-	2,393	798	-0-	3,191	-0-	1,973	657	1	2,631
Office supplies	7,074	1,911	1,500	2,264	12,749	6,451	1,742	1,364	2,058	11,615
Repair and maintenance supplies	-0-	9,243	1,027	-0-	10,270	-0-	8,836	981	1	9,818
Professional services	10,752	2,608	2,336	2,880	18,576	11,890	3,399	2,580	2,962	20,831
Communication and transportation	34,754	4,218	13,563	3,993	56,528	37,170	4,478	17,810	4,867	64,325
IMA tour expenses	-0-	-0-	75,092	-0-	75,092	-0-	-0-	71,897	-0-	71,897
Printing and advertising	299,660	21,242	3,104	6,267	330,273	344,411	34,307	3,894	7,729	390,341
Insurance	11,684	3,187	2,549	3,824	21,244	6,758	1,843	1,475	2,212	12,288
Utilities	15,430	4,208	3,367	5,050	28,055	14,009	3,821	3,057	4,584	25,471
Repairs and maintenance	-0-	25,760	6,419	-0-	32,179	-0-	34,243	8,391	-0-	42,634
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	390	-0-	3,510	-0-	3,900
Depreciation	85,708	23,375	18,700	28,050	155,833	58,842	16,048	12,838	19,257	106,985
Gift shop cost of sales	-0-	102,394	25,598	-0-	127,992	-0-	111,965	27,992	-0-	139,957
Donated inventory	716	716	-0-	-0-	1,432	1,078	1,077	-0-	-0-	2,155
Destination Neighborhood	3,754	5,630	-0-	-0-	9,384	28,898	43,348	-0-	-0-	72,246
Wayfinding	1,094	1,640	-0-	-0-	2,734	6,940	10,409	-0-	-0-	17,349
Sports tourism	69,993	52,801	-0-	-0-	122,794	71,358	53,831	-0-	-0-	125,189
Grants	87,800	-0-	-0-	-0-	87,800	138,000	-0-	-0-	-0-	138,000
Satellite operations	-0-	-0-	-0-	-0-	-0-	8	7	-0-	-0-	15
Tourism	-0-	-0-	-0-	-0-	-0-	90,032	-0-	-0-	-0-	90,032
Loss on disposal of assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	630	630
Miscellaneous	8,748	2,383	1,908	2,862	15,901	10,981	2,971	2,396	23,592	39,940
	<u>\$ 983,689</u>	<u>\$ 387,068</u>	<u>\$ 320,579</u>	<u>\$ 192,916</u>	<u>\$ 1,884,252</u>	<u>\$ 1,189,778</u>	<u>\$ 466,026</u>	<u>\$ 342,926</u>	<u>\$ 206,922</u>	<u>\$ 2,205,652</u>

*See accompanying notes to financial statements.*

## VISITORS CENTER, INC.

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>Operating activities</b>		
Change in net assets	\$ 105,238	\$ (159,351)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	155,833	106,985
Donation of inventory	1,432	2,155
Loss on disposal of assets	-0-	630
Changes in operating assets and liabilities:		
Inventory	(12,749)	(2,437)
Deposit	60,000	(60,000)
Other current assets	14,832	(6,213)
Restricted cash	4,450	25,913
Board-designated cash	(147,661)	458,816
Accounts payable	(71,824)	(16,697)
Grants and sponsorships payable	(29,000)	19,000
Net cash flows from operating activities	80,551	368,801
<b>Investing activities</b>		
Purchase of property and equipment	(156,136)	(250,627)
Net change in cash	(75,585)	118,174
<b>Cash, beginning of year</b>	482,268	364,094
<b>Cash, end of year</b>	\$ 406,683	\$ 482,268
<b>Supplemental disclosure of non-cash investing activity</b>		
Purchases of property and equipment included in accounts payable	\$ -0-	\$ 33,341

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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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

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use. VCI maintains net assets without donor restrictions as follows:

Undesignated – used to fund current operations of VCI

Board-Designated – used to fund future operations of VCI as designated by the Board

*Net assets with donor restrictions:* Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

#### 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, 2018 AND 2017

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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 and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of VCI. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses, excluding depreciation, are allocated on the basis of estimates of time and effort. While the methods of allocation are considered appropriate, other methods could produce different results.

### Income Tax

VCI 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, 2018 and 2017, 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, 2018 AND 2017

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As such, VCI is generally exempt from income taxes. However, VCI 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 \$66,271 and \$70,721 at December 31, 2018 and 2017, respectively.

#### Board-Designated Cash and Net Assets

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 \$248,234 and \$266,066 for 2018 and 2017, 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.

# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 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 22, 2019.

## **2. CHANGE IN ACCOUNTING PRINCIPLE**

Effective January 1, 2018, VCI adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU simplifies and improves how a not-for-profit organization classifies its net assets, as well as information it presents in the financial statements and notes about its liquidity, financial performance and cash flows. VCI has adjusted the presentation of its 2018 financial statements herein and retrospectively restated the prior year financial statements. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 8), and disclosures related to the functional allocation of expenses were expanded (Note 1).

The impact of the adoption of ASU No. 2016-14 on VCI's net assets is as follows:

### Statement of Financial Position

	As previously stated December 31, 2017	Adjustment	As restated December 31, 2017
Unrestricted net assets	\$ 1,983,387	\$ (1,983,387)	\$ -0-
Temporarily restricted net assets	70,721	(70,721)	-0-
Without donor restrictions	-0-	1,983,387	1,983,387
With donor restrictions	-0-	70,721	70,721
	<u>\$ 2,054,108</u>	<u>\$ -0-</u>	<u>\$ 2,054,108</u>

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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#### Statement of Activities

	As previously stated December 31, 2017	Adjustment	As restated December 31, 2017
Changes in unrestricted net assets	\$ (133,438)	\$ 133,438	\$ -0-
Changes in temporarily restricted net assets	(25,913)	25,913	-0-
Changes in net assets without donor restrictions	-0-	(133,438)	(133,438)
Changes in net assets with donor restrictions	<u>-0-</u>	<u>(25,913)</u>	<u>(25,913)</u>
Total changes in net assets	<u>\$ (159,351)</u>	<u>\$ -0-</u>	<u>\$ (159,351)</u>

There was no significant impact to the Statement of Cash Flows as a result of adopting this ASU.

### 3. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2018 and 2017 is as follows:

	2018	2017
Furniture and fixtures	\$ 312,424	\$ 315,615
Equipment	176,946	178,426
Leasehold improvements	1,048,433	1,048,433
Vehicles	<u>286,793</u>	<u>330,657</u>
	1,824,596	1,873,131
Less accumulated depreciation	<u>(1,124,531)</u>	<u>(1,173,369)</u>
	<u>\$ 700,065</u>	<u>\$ 699,762</u>

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

#### 4. GRANTS AND SPONSORSHIPS PAYABLE

The grants and sponsorships payable amounts at December 31, 2018 and 2017, represent VCI's unconditional promise to give monies to support local activities and projects that would bring visitors into the community as follows:

	2018				
	Grants Payable, 1-1-18	Grants Awarded In 2018	Grants Paid In 2018	Grants Returned In 2018	Grants Payable, 12-31-18
BBQ, Blues & Brews	\$ -0-	\$ 4,000	\$ 4,000	\$ -0-	\$ -0-
CERAFest	-0-	5,000	5,000	-0-	-0-
Community Arts Gallery	-0-	5,000	5,000	-0-	-0-
Wine-A-Ree	-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-
Skate Park	-0-	10,000	10,000	-0-	-0-
Yellow Trail Museum	24,000	-0-	24,000	-0-	-0-
Tourism Enhancement Grants	5,000	-0-	5,000	-0-	-0-
Other	-0-	3,800	3,800	-0-	-0-
	\$ 29,000	\$ 87,800	\$ 116,800	\$ -0-	\$ -0-

	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, 2018 AND 2017

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#### 5. BOARD-DESIGNATED NET ASSETS

At December 31, 2018 and 2017, board-designated net assets include the following:

	<u>2018</u>	<u>2017</u>
Maintenance reserve	\$ 245,006	\$ 93,429
Long-term operating reserve	455,287	453,402
Membership reserve	29,602	21,562
Transportation reserve	21,506	119,520
Tourism enhancement reserve	<u>162,807</u>	<u>28,669</u>
	<u>\$ 914,208</u>	<u>\$ 716,582</u>

#### 6. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at December 31, 2018 and 2017 are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Wayfinding	\$ -0-	\$ 2,734
Sports Council	<u>66,271</u>	<u>67,987</u>
	<u>\$ 66,271</u>	<u>\$ 70,721</u>

Net assets were released from donor restrictions for the years ended December 31, 2018 and 2017 by satisfying the following purposes:

	<u>2018</u>	<u>2017</u>
Wayfinding	\$ 2,734	\$ 17,349
Sports Council	<u>2,250</u>	<u>9,112</u>
	<u>\$ 4,984</u>	<u>\$ 26,461</u>

#### 7. 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 2018 and 2017 was \$86,400. This amount has been included in the Statements of Activities as an in-kind donation. In-kind rental expense of \$86,400 is also

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# VISITORS CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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recorded in the Statements of Activities during the years ended December 31, 2018 and 2017. The Organization has signed a lease to remain at the building until May 2019.

### **8. LIQUIDITY AND AVAILABILITY**

VCI has \$1,320,891 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditures consisting of cash that is not subject to donor or other contractual restrictions. Of this total amount, the board has set aside \$914,208 in certain reserves to plan for certain future expenditures as more fully described in Note 1 but can be used for general expenditures by majority vote of the board. VCI has a goal to maintain cash on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$432,000.

### **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 2018 and 2017, VCI received 68 percent and 66 percent of its revenues from the Indiana Uniform County Innkeeper Tax, respectively.

### **10. 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 \$44,141 and \$56,057 for 2018 and 2017, respectively. Employer contributions under this plan are charged to employee benefits expense.

### **11. 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.

## VISITORS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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During 2018, VCI received the following:

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

#### 12. RECENTLY ISSUED ACCOUNTING STANDARDS

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of this new guidance is that "an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services". On August 12, 2015, the FASB further amended this guidance and issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which deferred the effective date for all entities by one year. These new standards, which VCI is not required to adopt until its year ending December 31, 2019, deal with the timing of reporting revenues from contracts with customers, and disclosures related thereto.

On November 17, 2016, the FASB issued an Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*. This new standard intends to eliminate diversity in practice by requiring the statement of cash flows to present the change in the total cash and cash equivalents, which will include restricted cash and cash equivalents. VCI will be required to adopt this new standard in the year ending December 31, 2019.

VCI is presently evaluating the effects that these ASUs will have on its future financial statements, including related disclosures.