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February 25, 2021

Board of Directors  
Visit Madison, Inc.  
601 West First Street  
Madison, IN 47250

We have reviewed the audit report of Visit Madison, Inc. which was opined upon by Scott and Callicotte, LLC, Independent Public Accountants, for the period January 1, 2018 to December 31, 2018. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Visit Madison, 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, Scott and Callicotte, LLC prepared the audit report in accordance with 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

VISIT MADISON, INCORPORATED  
Madison, Indiana

REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
For the Years Ended  
December 31, 2018 and 2017

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# SCOTT AND CALLICOTTE, LLC

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Visit Madison, Incorporated  
Madison, Indiana

We have audited the accompanying statements of Visit Madison, Incorporated (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2018 and 2017, and the related statements of support, revenue and expenses, and changes in net assets – modified cash basis 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 the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 assets, liabilities, and net assets of Visit Madison, Incorporated as of December 31, 2018 and 2017, and its support, revenue, and expenses and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

### **Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary statements of support, revenue and expenses, and change in net assets – modified cash basis on pages 8-12 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 audit 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, on our consideration of Visit Madison, Incorporated's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Visit Madison, Incorporated's internal control over financial reporting and compliance.

*Scott and Callicotte, LLC*  
Scott and Callicotte, LLC  
Certified Public Accountants

January 25, 2021

VISIT MADISON, INCORPORATED  
Statement of Assets, Liabilities and Net Assets  
Modified Cash Basis  
As of December 31,

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Agency:		
Cash - Checking and Savings Accounts	\$ 42,904	\$ 42,051
Cash - Book Savings Account	4,841	4,838
Cash - Underground Railroad Account	0	4,640
Certificates of Deposit	26,011	25,751
Madison Chautauqua:		
Cash - Checking and Savings Accounts	5,484	14,574
Certificates of Deposit	66,940	66,072
Nights Before Christmas:		
Cash - Checking and Savings Accounts	46,278	53,111
Ribberfest:		
Cash - Checking and Savings Accounts	151,721	170,069
Certificates of Deposit	160,790	158,684
River Roots Folk Festival		
Cash - Checking and Savings Accounts	2,946	2,212
Total Current Assets	<u>507,915</u>	<u>542,002</u>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	69,545	73,583
Less Accumulated Depreciation	<u>-50,852</u>	<u>-50,618</u>
Net Property and Equipment	<u>18,693</u>	<u>22,965</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>526,608</u></b>	<b>\$ <u>564,967</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll Taxes Payable	\$ 4,212	\$ 5,529
Sales Tax Payable	531	0
Employee Benefits Payable	1,103	1,025
Credit Card Payable	<u>3,238</u>	<u>0</u>
Total Current Liabilities	9,084	6,554
<b>NET ASSETS</b>		
Unrestricted	<u>517,524</u>	<u>558,413</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>526,608</u></b>	<b>\$ <u>564,967</u></b>

See Notes to Financial Statements.

VISIT MADISON, INCORPORATED  
 Combine Statement of Support, Revenue, and Expenses, and Changes in Net Assets  
 Modified Cash Basis  
 For the Years Ended

	December 31, 2018						December 31, 2017
	Agency	Chautauqua	Nights Before Christmas	Ribberfest	River Roots Folk Festival	Total	Total
Support and Revenue	\$ 282,844	\$ 119,725	\$ 55,122	\$ 340,861	\$ 150,080	\$ 948,632	\$ 1,005,106
Expenses	<u>288,238</u>	<u>131,511</u>	<u>61,955</u>	<u>358,471</u>	<u>149,346</u>	<u>989,521</u>	<u>1,002,298</u>
Changes in Net Assets	-5,394	-11,786	-6,833	-17,610	734	-40,889	2,808
Net Assets, Beginning of Year	<u>79,408</u>	<u>80,972</u>	<u>53,111</u>	<u>342,710</u>	<u>2,212</u>	<u>558,413</u>	<u>555,605</u>
Net Assets, End of Year	<u>\$ 74,014</u>	<u>\$ 69,186</u>	<u>\$ 46,278</u>	<u>\$ 325,100</u>	<u>\$ 2,946</u>	<u>\$ 517,524</u>	<u>\$ 558,413</u>

# VISIT MADISON, INCORPORATED

## Notes to Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Visit Madison Incorporated (the Agency) is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management, who is responsible for their integrity and objectivity.

The more significant accounting policies of the Agency are as follows:

#### Nature of Operations

The Agency is a private non-profit organization, which was started in January 1993. Its mission is to enrich tourism development, coordinate the area's tourism activity, develop the convention market and increase the overall visitation to the area. The Agency oversees the management of tourism events in the Madison Area including the Nights Before Christmas event, the Chautauqua event, the Ribberfest event, and the River Roots Folk Music Festival.

#### Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. Under this basis, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. This basis differs from accounting principles generally accepted in the United States.

#### Basis of Presentation

The financial statement presentation follows the recommendation of the SFAS No. 117, "Financial Statements of Non-For-Profit Organizations." Under SFAS No. 117, the Agency is required to report information regarding its assets, liabilities, support, revenue and expenses according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There are no temporarily or permanently restricted net assets at December 31, 2018 and 2017.

#### Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, as described above, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities, if any, at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

## VISIT MADISON, INCORPORATED

### Notes to Financial Statements-Continued

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

##### Sources of Support and Revenue

The Agency receives revenues from a contract with the Jefferson County Board of Tourism. The Agency received \$216,410 and \$191,360, respectively for each of the years 2018 and 2017. The Agency also receives revenues from Jefferson County and the City of Madison Indiana governments. The amounts received from Jefferson County and the City of Madison in 2018 was \$1,500 and \$10,000, respectively and \$1,500 and \$10,000, respectively for the year 2017.

The Agency administers four major special events, which promote the city of Madison and Jefferson County in Indiana and generate support and revenues for the Agency. The Chautauqua event receives support and revenues from booth deposits, sponsorships, jury fees, and sales of merchandise and concessions. The Nights Before Christmas event receives support and revenues from ticket sales and sponsorships. The Ribberfest event receives support and revenues from ticket and food sales, and sponsorships. The River Roots Folk Festival receives support and revenues from ticket and food sales, and sponsorships.

##### Cash Equivalents

The Agency considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Agency does not have any cash equivalents at December 31, 2018 and 2017.

##### Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at date of donation. Maintenance and repairs are charged to expense as incurred; renewals and betterments are capitalized. Gain or loss on retirements or disposition of assets are credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

Depreciation is provided on the basis of estimated useful lives of the assets using the straight-line method. The estimated useful lives are 5 to 10 years for equipment.

##### Advertising

The Agency expenses costs of advertising events when paid for. The total advertising expense during the years ended December 31, 2018 and 2017 was \$78,358 and \$66,419.

##### Subsequent Events

The Agency has evaluated subsequent events through January 25, 2021, which is the date the financial statements were available to be issued, for events requiring recording or disclosures in the financial statements for the year ended December 31, 2018.

## VISIT MADISON, INCORPORATED

### Notes to Financial Statements-Continued

#### NOTE 2 – DONATED SERVICES AND PROPERTY

Donated property, materials, equipment and cash are included within other revenue in the accompanying financial statements at their estimated fair market value at the date of receipt. Donated services have not been valued and are not reflected in this report because the criteria for recognition of such volunteer effort under SFAS No. 116, "Accounting for Contributions Received and Contributions Made", have not been satisfied.

#### NOTE 3 – PENSION COSTS

The Agency has a Simple IRA retirement plan (Plan) covering substantially all full-time employees who meet certain requirements as to age and length of service. Under the Plan, employees can contribute up to a maximum of \$12,500 to the Plan for the year 2018. The Agency matches 3% of the participating employee's salary. The Agency contributed \$5,686 and \$3,652, respectively, to the Plan for the years ended December 31, 2018 and 2017. This amount is included in employee benefits in the accompanying financial statements.

#### NOTE 4 – LEASE COMMITMENTS

The Agency shares its current facilities with the Lanier State Historic Site. The facility is owned by the Department of Natural Resources' Division of State Museums & Historic Sites. A memorandum of understanding between the parties provides that in lieu of paying rent, the Agency is to provide reception and gift shop personnel in areas shared with the Lanier Home.

#### NOTE 5 – INCOME TAXES

The Agency has qualified under Internal Revenue Code Section 501(c)(6) and with the State of Indiana as a tax-exempt organization for income tax purposes. Accordingly, there is no provision in the financial statements for federal or state taxes. Generally, the Agency's Form 990 remains open for three years for federal and state income tax examination.

#### NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Agency receives a substantial amount of support from the Jefferson County Board of Tourism. The source of this support is the Jefferson County innkeeper's tax. A significant reduction in the level of this support, if this were to occur, may have an effect on the Agency's programs and activities.

VISIT MADISON, INCORPORATED

AGENCY

SCHEDULE I

Statement of Support, Revenue, and Expenses, and Changes in Net Assets  
 Modified Cash Basis  
 For the Years Ended December 31,

	2018	2017
<b>SUPPORT</b>		
Jefferson County Board of Tourism	\$ 216,410	\$ 191,360
Jefferson County	1,500	1,500
City of Madison	10,000	10,000
<b>REVENUE</b>		
Event Management Fees	35,134	33,275
Other Revenue	19,515	15,801
Interest Income	285	241
<b>TOTAL SUPPORT AND REVENUE</b>	<u>282,844</u>	<u>252,177</u>
<b>EXPENSES</b>		
Salaries	198,303	178,442
Employee Benefits	5,686	3,401
Payroll Taxes	15,328	14,136
Office Expense and Postage	20,421	16,262
Telephone and Internet	4,682	5,643
Depreciation	2,578	2,859
Professional Fees	2,170	2,540
Conferences and Travel	4,719	2,858
Memberships	1,798	1,612
Tourism Development	13,314	8,875
Gift Shop	3,630	3,191
Insurance	3,401	3,153
Equipment Repairs	1,975	505
Cleaning and Restroom Supplies	999	1,258
Other Expenses	9,234	28,217
<b>TOTAL EXPENSES</b>	<u>288,238</u>	<u>272,952</u>
<b>CHANGE IN NET ASSETS</b>	-5,394	-20,775
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>79,408</u>	<u>100,183</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 74,014</u>	<u>\$ 79,408</u>

See Notes to Financial Statements.

VISIT MADISON, INCORPORATED

CHAUTAUQUA EVENT

SCHEDULE II

Statement of Support, Revenue, and Expenses, and Changes in Net Assets

Modified Cash Basis

For the Years Ended December 31,

	2018	2017
<b>REVENUE</b>		
Sponsorship	\$ 19,450	\$ 19,000
Booth Rentals	76,970	72,720
Concessions	16,350	15,300
Merchandise Sales	2,061	11,704
Other Income	4,015	1,761
Interest Income	879	863
<b>TOTAL SUPPORT AND REVENUE</b>	<b>119,725</b>	<b>121,348</b>
<b>EXPENSES</b>		
Administration Fee/Coordinator	36,000	30,000
Advertising	31,853	19,809
Visitor and Exhibitor's Hospitality	1,105	4,640
Entertainment	10,740	9,650
Insurance	3,440	655
Jury and Judges	390	390
Office Expense	6,620	6,053
Telephone and Internet	1,377	1,148
Security	4,675	2,343
Show Expense	24,889	30,434
Membership and Dues	2,563	2,293
Professional Fees	0	440
Gifts and Grants	200	1,725
Travel and Conferences	2,534	3,808
Depreciation Expense	326	373
Other Expenses	4,799	4,790
<b>TOTAL EXPENSES</b>	<b>131,511</b>	<b>118,551</b>
<b>CHANGE IN NET ASSETS</b>	<b>-11,786</b>	<b>2,797</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>80,972</b>	<b>78,175</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 69,186</b>	<b>\$ 80,972</b>

See Notes to Financial Statements.

VISIT MADISON, INCORPORATED

NIGHTS BEFORE CHRISTMAS

SCHEDULE III

Statement of Support, Revenue, and Expenses, and Changes in Net Assets  
Modified Cash Basis  
For the Years Ended December 31,

	2018	2017
REVENUE		
Ticket Sales	\$ 54,841	\$ 64,517
Other Income	276	0
Interest Income	<u>5</u>	<u>5</u>
TOTAL SUPPORT AND REVENUE	55,122	64,522
EXPENSES		
Site Expense	25,876	20,175
Administration Fee	21,634	17,275
Advertising	6,053	8,401
Printing Expense	3,522	3,522
Insurance	1,426	655
Office Expense	2,099	4,356
Professional Fees	440	440
Other Expense	755	319
Website Expense	<u>150</u>	<u>0</u>
TOTAL EXPENSES	<u>61,955</u>	<u>55,143</u>
CHANGE IN NET ASSETS	-6,833	9,379
NET ASSETS, BEGINNING OF YEAR	<u>53,111</u>	<u>43,732</u>
NET ASSETS, END OF YEAR	<u>\$ 46,278</u>	<u>\$ 53,111</u>

See Notes to Financial Statements.

VISIT MADISON, INCORPORATED

RIBBERFEST EVENT

SCHEDULE IV

Statement of Support, Revenue, and Expenses, and Changes in Net Assets

Modified Cash Basis

For the Years Ended December 31,

	2018	2017
<b>REVENUE</b>		
Admission	\$ 101,848	\$ 162,084
Food Tickets	134,109	142,564
Sponsorships	50,675	57,475
Entry Fees	16,275	17,830
Corporate Tents	12,250	12,959
Other Income	23,351	30,665
Interest Income	<u>2,353</u>	<u>2,007</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>340,861</b>	<b>425,584</b>
<b>EXPENSES</b>		
Administration Fee	10,000	10,000
Coordinator	39,000	26,000
Advertising	28,006	24,832
Food and Beer Vendors	91,130	114,728
Event Expense	79,014	89,292
Awards and Sanction Fees	16,960	16,575
Entertainment	62,967	90,250
Office Expense	1,129	831
Tent Rentals	12,050	13,044
Pigmania Parade	334	59
Souvenirs	6,414	7,411
Insurance	5,595	4,967
Professional Fees	440	440
Scholarships Awarded	1,500	1,500
Dues and Subscriptions	1,370	1,522
5K Race Expense	1,194	1,701
Depreciation Expense	<u>1,368</u>	<u>1,368</u>
<b>TOTAL EXPENSES</b>	<b><u>358,471</u></b>	<b><u>404,520</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>-17,610</b>	<b>21,064</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>342,710</u></b>	<b><u>321,646</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 325,100</u></b>	<b><u>\$ 342,710</u></b>

See Notes to Financial Statements.

VISIT MADISON, INCORPORATED

RIVER ROOTS FOLK FESTIVAL

SCHEDULE V

Statement of Support, Revenue, and Expenses, and Changes in Net Assets  
 Modified Cash Basis  
 For the Years Ended December 31,

	2018	2017
REVENUE		
Admissions and Food Sales	\$ 91,892	\$ 75,768
Sponsorships	52,543	51,450
VIP Tents	0	0
Food Vendor Fees	3,484	4,675
Other Income	2,161	9,582
TOTAL SUPPORT AND REVENUE	<u>150,080</u>	<u>141,475</u>
EXPENSES		
Coordinator	7,500	10,000
Bands	72,720	64,200
Advertisement	12,446	11,068
Food and Beer Vendors	12,518	11,635
Event Expense	34,495	38,778
Souvenirs	2,761	4,485
Office Expense	141	1,094
Insurance	2,658	2,297
Professional Fees	0	440
Other Expenses	4,107	7,135
TOTAL EXPENSES	<u>149,346</u>	<u>151,132</u>
CHANGE IN NET ASSETS	734	-9,657
NET ASSETS, BEGINNING OF YEAR	<u>2,212</u>	<u>11,869</u>
NET ASSETS, END OF YEAR	<u>\$ 2,946</u>	<u>\$ 2,212</u>

See Notes to Financial Statements.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Visit Madison, Incorporated's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Scott and Callicotte, LLC*  
Scott and Callicotte, LLC  
Madison, Indiana

January 25, 2021