

SPECIAL OLYMPICS WYOMING, INC.

FINANCIAL STATEMENTS

For the years ended December 31, 2017 and 2016

SPECIAL OLYMPICS WYOMING, INC.

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NOTICE

The accompanying financial statements and independent auditors' report are for the purpose of meeting the requirements of Special Olympics International and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements and independent auditors' report are hereby advised that the liability of Grooms & Harkins, P.C. to third party users who use or rely on this information may be limited pursuant to 1995 Wyo. Sess. Laws, Chapter 155 creating Wyo. Stat. §33-3-201.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Special Olympics Wyoming, Inc.
Casper, Wyoming

We have audited the accompanying financial statements of Special Olympics Wyoming, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statement 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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Special Olympics Wyoming, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grooms & Harkins, PC

Casper, Wyoming
March 26, 2018

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**SPECIAL OLYMPICS WYOMING, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	December 31,	
	2017	2016
Cash and cash equivalents	\$ 127,607	\$ 47,305
Investments at market value	436,837	450,941
Accounts receivable	9,212	19,688
Promises to give	10,250	1,790
Employee receivable	-	2,045
Inventory	2,972	2,972
Prepaid expense	3,038	9,840
Furniture and equipment	41,271	41,271
Less: accumulated depreciation	(37,689)	(35,055)
 Total assets	 \$ 593,498	 \$ 540,797

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 19,317	\$ 21,375
Deferred income	27,536	19,821
 Total liabilities	 46,853	 41,196
 Net assets:		
Unrestricted	476,645	414,601
Board designated funds	70,000	85,000
 Total net assets	 546,645	 499,601
 Total liabilities and net assets	 \$ 593,498	 \$ 540,797

See accompanying notes to the financial statements.

**SPECIAL OLYMPICS WYOMING, INC.
STATEMENTS OF ACTIVITIES**

	For the years ended December 31,	
	2017	2016
Changes in unrestricted net assets:		
Support:		
Contributions - cash	\$ 425,621	\$ 420,775
Contributions - in-kind	288,407	318,252
Special events	278,042	361,062
Special Olympics International	109,104	117,735
Total support	<u>1,101,174</u>	<u>1,217,824</u>
Revenues and other gains:		
Assessments, programs and sales	22,894	19,826
Interest & Dividend Income	22,350	20,572
Realized and unrealized gain	32,310	(30,006)
Total revenues and other gains	<u>77,554</u>	<u>10,392</u>
Total support, revenues and other gains	<u>1,178,728</u>	<u>1,228,216</u>
Expenses and losses:		
Program services	714,831	796,400
Fundraising	337,065	347,727
Management and general	47,611	61,798
Unallocated payments to affiliated organization	32,177	26,085
Total expenses and losses	<u>1,131,684</u>	<u>1,232,010</u>
Increase (decrease) in unrestricted net assets	<u>47,044</u>	<u>(3,794)</u>
Net assets, beginning of year	<u>499,601</u>	<u>503,395</u>
Net assets, end of year	<u>\$ 546,645</u>	<u>\$ 499,601</u>

See accompanying notes to the financial statements.

SPECIAL OLYMPICS WYOMING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2017

	Program Services	Supporting Services		Total
	Game Activities	Fundraising	Management and General	
Salaries	\$ 183,641	\$ 122,212	\$ 17,459	\$ 323,312
Payroll taxes	15,623	10,398	1,485	27,506
Fringe benefits	19,200	12,778	1,825	33,803
Total salaries and benefits	218,464	145,388	20,769	384,621
Games and activities	126,679	-	-	126,679
Fundraising/games expense	45,245	180,979	-	226,224
Telephone	3,135	174	174	3,483
Office supplies/printing	23,396	1,300	1,300	25,996
Rent	57,933	3,219	3,219	64,371
Program development	162,673	-	-	162,673
Publicity	17,731	-	-	17,731
Professional fees	-	-	9,000	9,000
Equipment rental and maintenance	45,900	2,550	2,550	51,000
Travel, conferences, and conventions	9,605	2,401	-	12,006
Depreciation	1,712	922	-	2,634
Miscellaneous administration	-	-	10,469	10,469
Utilities	2,358	132	130	2,620
Total expenses	\$ 714,831	\$ 337,065	\$ 47,611	\$ 1,099,507

See accompanying notes to the financial statements.

SPECIAL OLYMPICS WYOMING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2016

	Program Services	Supporting Services		Total
	Game Activities	Fundraising	Management and General	
Salaries	\$ 174,762	\$ 106,677	\$ 32,316	\$ 313,755
Payroll taxes	15,481	9,450	2,863	27,794
Fringe benefits	28,258	17,249	5,226	50,733
Total salaries and benefits	218,501	133,376	40,405	392,282
Games and activities	139,882	-	-	139,882
Fundraising/games expense	50,837	203,348	-	254,185
Telephone	2,677	149	148	2,974
Office supplies/printing	27,162	1,509	1,509	30,180
Rent	59,512	3,306	3,306	66,124
Program development	200,004	-	-	200,004
Publicity	35,034	-	-	35,034
Professional fees	-	-	8,750	8,750
Equipment rental and maintenance	48,050	2,669	2,669	53,388
Travel, conferences, and conventions	8,549	2,137	-	10,686
Depreciation	1,841	991	-	2,832
Miscellaneous administration	-	-	4,770	4,770
Utilities	4,351	242	241	4,834
Total expenses	\$ 796,400	\$ 347,727	\$ 61,798	\$ 1,205,925

See accompanying notes to the financial statements.

**SPECIAL OLYMPICS WYOMING, INC.
STATEMENTS OF CASH FLOWS**

	For the years ended December 31,	
	2017	2016
Cash flows from operating activities:		
Cash received from contributors	\$ 417,160	\$ 419,928
Cash received from special events	278,042	361,062
Cash received from Special Olympics International	116,819	126,187
Cash received from assessments, programs and sales	33,370	23,767
Interest and dividends received	22,350	20,572
Cash paid to employees and suppliers	<u>(832,999)</u>	<u>(899,614)</u>
Net cash provided by operating activities	<u>34,742</u>	<u>51,902</u>
Cash flows from investing activities:		
Cash paid for purchase of investments	(25,440)	(56,685)
Cash received from sale of investments	71,000	-
Purchase of furniture and equipment	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>45,560</u>	<u>(56,685)</u>
Net increase (decrease) in cash and cash equivalents	80,302	(4,783)
Cash and cash equivalents, beginning of the year	<u>47,305</u>	<u>52,088</u>
Cash and cash equivalents, end of the year	<u>\$ 127,607</u>	<u>\$ 47,305</u>

**Reconciliation of increase (decrease) in
net assets to net cash provided by operating activities**

Increase (decrease) in net assets	\$ 47,044	\$ (3,794)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,634	2,832
Unrealized (gain) loss on investments	(31,456)	31,123
Changes to assets and liabilities not affecting cash:		
Decrease in receivables and promises to give	2,016	3,094
Decrease (increase) in employee receivable	2,045	(2,045)
Decrease in prepaid expenses	6,802	3,174
Increase in deferred revenue	7,715	8,452
Increase (decrease) in accounts payable and accrued expenses	<u>(2,058)</u>	<u>9,066</u>
Net cash provided by operating activities	<u>\$ 34,742</u>	<u>\$ 51,902</u>

See accompanying notes to the financial statements.

SPECIAL OLYMPICS WYOMING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

1. Summary of significant accounting policies

This summary of significant accounting policies of Special Olympics Wyoming, Inc. (the Organization) is provided to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

History and business activity

The primary purpose of the Organization is to provide a year round program of sports training and athletic competition for children and adults with intellectual disabilities in Wyoming. The Organization is a nonprofit community agency, governed by a board of directors, and is primarily supported by private contributions. Because the Organization receives substantial funding from this source, any notable reduction in the level of funding could have a significant effect on the Organization's programs and services. Any notable changes in the economy of Wyoming could have a significant effect as well.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Business activity

The purpose of Special Olympics Wyoming, Inc. shall be to give persons with intellectual disabilities age eight or older wide-ranging opportunities for sports training and athletic competition. Such individuals need and deserve expert training, fair competition and adequate medical preparation and supervision, which shall be the purpose and goal of Special Olympics Wyoming, Inc.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

SPECIAL OLYMPICS WYOMING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

1. Summary of significant accounting policies - continued

Fair value measurements

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their market values in the statement of financial position. The fair values of investments are based on quoted market prices. Unrealized gains and losses are included in the statement of activities.

Special Olympics Wyoming, Inc. adopted Financial Accounting Standards Board Codification No. 958-320-25, *Fair Value Measurement for Investments*. This standard establishes a framework for fair value measurement and disclosure. It requires that assets and liabilities carried at a fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Special Olympics Wyoming, Inc. has valued its investments utilizing the Level 1 approach.

Accounts receivable

At December 31, 2017 and 2016, the amounts carried in accounts receivable were considered by management to be collectible. Uncollectible accounts receivable are charged to expense using the direct write-off method which approximates the allowance method. The Organization performs periodic evaluations of its customers' financial condition and does not require collateral. Receivables are generally due within 30 days. Total amount more than 90 days past due on December 31, 2017 and 2016 is respectively \$4,618 and \$3,020.

Property and equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided on the straight-line method over estimated useful lives of five to seven years for furniture and equipment. The Organization generally capitalizes items with a cost of \$1,000 or more and a life expectancy of greater than one year.

Income tax status

Special Olympics Wyoming, Inc. is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) of the Internal Revenue Code as a public charity. Accordingly, no provision for income taxes has been made in the financial statements. In the opinion of the management of the Organization, it has not engaged in any activities which would jeopardize the tax-exempt status. The Organization is no longer subject to audit by the Internal Revenue Service for returns for years ending before December 31, 2014.

SPECIAL OLYMPICS WYOMING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

1. Summary of significant accounting policies - continued

Donated materials and facilities

Donated materials and facilities of \$281,636 and \$310,376 respectively for the years ended December 31, 2017 and 2016 are reflected in the accompanying statements at their estimated values at date of receipt.

Donated services

The Organization uses volunteers in all of its programs. Contributed services are reported as contributions at their fair value if such services create or enhance non-financial assets, or would have been purchased if not provided by contribution, and which require specialized skills provided by individuals possessing such skills. These services, which were for medical services amounted to \$6,771 and \$7,786 respectively for the years ended December 31, 2017 and 2016. Services contributed but not meeting the above criteria and not recognized as revenue amounted to \$116,912 and \$130,299 respectively at December 31, 2017 and 2016.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily or permanently restricted net assets at December 31, 2017 and 2016.

Advertising costs

The Organization follows the policy of charging costs of advertising to expense as incurred.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a function basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent events were evaluated through March 26, 2018, the date the report was available for issue. In Management's opinion, there were no events subsequent to the date of the financial statement that require disclosure.

SPECIAL OLYMPICS WYOMING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

2. Investments

Investments are held at fair value and consist of the following:

	December 31,	
	2017	2016
Equities	\$ 360,277	\$ 358,095
Mutual funds	76,560	92,846
	\$ 436,837	\$ 450,941

Cost and fair value of investments consist of the following:

As of December 31, 2017

	Amortized Cost	Unrealized Gains/(Losses)	Fair Value
Equities	\$ 362,455	\$ (2,178)	\$ 360,277
Mutual funds	73,122	3,438	76,560
	\$ 435,577	\$ 1,260	\$ 436,837

As of December 31, 2016

	Amortized Cost	Unrealized Gains/(Losses)	Fair Value
Equities	\$ 388,244	\$ (30,149)	\$ 358,095
Mutual funds	93,463	(617)	92,846
	\$ 481,707	\$ (30,766)	\$ 450,941

3. Unconditional promises to give

All unconditional promises to give at December 31, 2017 are receivable in 2017.

4. Inventory

Inventory represents medals and ribbons on hand and is stated at the lower of cost (FIFO basis) or market.

SPECIAL OLYMPICS WYOMING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

5. Retirement plan

The Organization has a 403(b) retirement plan for its full time employees. The plan is a voluntary savings program which allows the employee to set aside pre-tax money for retirement. Contributions are made by salary reduction and earnings are tax deferred until withdrawn. The Organization matches employee contribution ranging from 3% to 6% depending on years of service. Contributions were \$7,254 and \$7,905 respectively for the years ended December 31, 2017 and 2016.

6. Equipment leases

The Organization leases a copier under an operating lease expiring in 2018. Minimum future lease payments under the lease are summarized as follows:

<u>Year ended</u>	
2018	\$ <u>4,575</u>
	<u>\$ 4,575</u>

Equipment lease expense for each of the years ended December 31, 2017 and 2016 was \$6,862, and is included in equipment rental and maintenance in the financial statements.

7. Office lease

The Organization leases an office location and signed a 10-year operating lease for office space which expires August 31, 2025. Minimum future lease payments under the lease are \$2,500 per month through August 31, 2025. The organization also leased one separate storage unit on a month to month basis. The separate storage unit was only used through February 2016. Total rent expense for the year ended December 31, 2017 and 2016 respectively was \$32,500 and \$27,744. Minimum future lease payments on the office lease are summarized as follows:

<u>Year ended</u>	
2018	\$ 30,000
2019	30,000
2020	30,000
2021	30,000
2022	30,000
Thereafter	<u>80,000</u>
	<u>\$ 230,000</u>

SPECIAL OLYMPICS WYOMING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

8. Concentration of credit

The Organization maintains the majority of its cash and cash equivalents in one local financial institution. The balances in the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has no uninsured cash and cash equivalents as of December 31, 2017 and 2016.

9. Board Designated Funds

The Organization received a final grant of \$100,000 from a fund that was sun setting in 2016. The board elected to recognize the grant over seven years in order to offset the impact of the loss of future revenue from the fund. \$15,000 was released from the designation in both 2016 and 2017 and the remaining balance of Board Designated Funds in 2016 and 2017 respectively was \$85,000 and \$70,000.