

**SPECIAL OLYMPICS  
KANSAS, INC.**

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**FINANCIAL STATEMENTS**

---

**December 31, 2013**

# IFFT & CO. PA

*Certified Public Accountants*

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Special Olympics Kansas, Inc.  
Mission, Kansas

We have audited the accompanying financial statements of Special Olympics Kansas, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2013, the related statements of activities, functional expenses, and cash flows for the year 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.

### ***Auditors' 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. 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 auditors' 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 Kansas, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ifft & Co. PA

August 5, 2014

**SPECIAL OLYMPICS KANSAS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2013**

ASSETS	<u>Headquarters and Area Offices</u>	<u>Local Offices</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 139,189	691,443	830,632
Certificates of deposit	-	39,070	39,070
Investments	432,954	13,760	446,714
Accounts receivable	112,886	-	112,886
Inventory	6,439	-	6,439
Prepaid expenses	<u>170</u>	<u>-</u>	<u>170</u>
<b>TOTAL CURRENT ASSETS</b>	<b>691,638</b>	<b>744,273</b>	<b>1,435,911</b>
 DEFERRED COMPENSATION INVESTMENTS	 90,859	 -	 90,859
 CASH VALUE OF LIFE INSURANCE	 82,962	 -	 82,962
 PROPERTY AND EQUIPMENT, net	 <u>215,895</u>	 <u>7,012</u>	 <u>222,907</u>
 <b>TOTAL ASSETS</b>	 <b>\$ 1,081,354</b>	 <b>751,285</b>	 <b>1,832,639</b>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 39,256	2,200	41,456
Accrued vacation	<u>37,539</u>	<u>-</u>	<u>37,539</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>76,795</b>	<b>2,200</b>	<b>78,995</b>
 DEFERRED COMPENSATION LIABILITY	 <u>90,859</u>	 <u>-</u>	 <u>90,859</u>
 <b>TOTAL LIABILITIES</b>	 <b>167,654</b>	 <b>2,200</b>	 <b>169,854</b>
 <b>NET ASSETS</b>			
Unrestricted			
Undesignated	549,774	749,085	1,298,859
Board-designated	50,000	-	50,000
Temporarily restricted	249,926	-	249,926
Permanently restricted	<u>64,000</u>	<u>-</u>	<u>64,000</u>
 <b>TOTAL NET ASSETS</b>	 <b>913,700</b>	 <b>749,085</b>	 <b>1,662,785</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 1,081,354</b>	 <b>751,285</b>	 <b>1,832,639</b>

The accompanying notes are an integral part of these financial statements.

**SPECIAL OLYMPICS KANSAS, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2013**

	<b>Headquarters and Area Offices</b>	<b>Local Offices</b>	<b>Total</b>
<b>UNRESTRICTED NET ASSETS</b>			
Revenues, gains, and other support			
Direct marketing contributions	\$ 160,657	-	160,657
Other contributions	603,420	304,315	907,735
Project Unify grant	7,844	-	7,844
Assessments	102,507	-	102,507
Special Olympics International cooperative projects	5,595	-	5,595
Special events	706,069	287,757	993,826
Interest and dividend income	9,096	430	9,526
Unrealized gain (loss) on investments	16,106	(400)	15,706
Realized gain on investments	10,247	917	11,164
In-kind contributions	329,363	8,387	337,750
Net assets released from restrictions	110,261	-	110,261
	2,061,165	601,406	2,662,571
<b>EXPENSES</b>			
Program	1,371,029	510,341	1,881,370
Management and general	137,420	-	137,420
Fundraising	552,672	37,866	590,538
	2,061,121	548,207	2,609,328
CHANGE IN UNRESTRICTED NET ASSETS	44	53,199	53,243
<b>TEMPORARILY RESTRICTED NET ASSETS</b>			
Contributions	82,373	-	82,373
Special events	79,974	-	79,974
Interest and dividend income	1,610	-	1,610
Unrealized gain on investments	15,924	-	15,924
Realized gain on investments	7,084	-	7,084
Net assets released from restrictions	(110,261)	-	(110,261)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	76,704	-	76,704
CHANGE IN NET ASSETS	76,748	53,199	129,947
NET ASSETS, BEGINNING OF YEAR	836,952	695,886	1,532,838
NET ASSETS, END OF YEAR	\$ 913,700	749,085	1,662,785

The accompanying notes are an integral part of these financial statements.

**SPECIAL OLYMPICS KANSAS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2013

	Headquarters and Area Offices			Local Offices			
	Program	Management and General	Fundraising	Total	Program	Fundraising	Total
Salaries and temporary help	\$ 627,495	117,922	125,857	871,274	-	-	871,274
Payroll taxes and benefits	46,786	8,386	9,577	64,749	-	-	64,749
Professionals and consultants	15,263	2,190	41,007	58,460	505	505	58,965
Public education	46,713	-	-	46,713	-	-	46,713
Office supplies	7,007	289	666	7,962	4,408	4,408	12,370
Telephone	9,011	383	840	10,234	2,273	2,273	12,507
Postage and shipping	1,415	165	459	2,039	2,175	2,175	4,214
Rent	7,867	-	-	7,867	4,142	4,142	12,009
Equipment rental and maintenance	25,429	895	7,518	33,842	-	-	33,842
Contract labor	-	-	-	-	55,709	-	55,709
Travel, meetings, and conferences	55,417	523	4,093	60,033	183,641	-	243,674
Utilities	7,300	866	822	8,988	-	-	8,988
Janitorial services	2,874	421	536	3,831	-	-	3,831
Printing and reproduction	3,099	91	589	3,779	1,200	-	4,979
Insurance	22,189	979	1,246	24,414	2,055	2,055	26,469
Memberships and subscriptions	15,668	300	559	16,527	445	445	16,972
Games expense	246,759	-	-	246,759	174,187	-	420,946
Special events	-	-	173,027	173,027	-	37,866	210,893
Chapter assessment fees	44,546	-	-	44,546	-	-	44,546
Team fees	490	-	-	490	60,440	-	60,930
Depreciation	12,576	1,845	2,348	16,769	524	524	17,293
In-kind expenses	162,674	-	166,689	329,363	8,387	-	337,750
Other	10,451	2,165	16,839	29,455	10,250	-	39,705
<b>Total</b>	<b>\$ 1,371,029</b>	<b>137,420</b>	<b>552,672</b>	<b>2,061,121</b>	<b>510,341</b>	<b>37,866</b>	<b>2,609,328</b>

The accompanying notes are an integral part of these financial statements.

**SPECIAL OLYMPICS KANSAS, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2013.**

	<b>Headquarters. and Area Offices</b>	<b>Local Offices</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Change in net assets	\$ 76,748	53,199	129,947
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities			
Depreciation	16,769	524	17,293
Unrealized (gain) loss on investments	(32,030)	400	(31,630)
Realized gain on investments	(17,331)	(917)	(18,248)
Changes in operating assets and liabilities			
Accounts receivable	(56,243)	5,000	(51,243)
Inventory	(1,330)	-	(1,330)
Prepaid expenses	1,661	-	1,661
Accounts payable	25,025	2,200	27,225
Accrued vacation	(9,614)	-	(9,614)
Refundable grant advance - Project Unify	(7,844)	-	(7,844)
Deferred compensation liability	3,980	-	3,980
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	(209)	60,406	60,197
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of certificates of deposit	-	(32,208)	(32,208)
Proceeds from sale of investments	193,991	-	193,991
Purchases of investments	(203,736)	(76)	(203,812)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(9,745)	(32,284)	(42,029)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(9,954)	28,122	18,168
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	149,143	663,321	812,464
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 139,189	691,443	830,632

The accompanying notes are an integral part of these financial statements.

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Special Olympics Kansas, Inc. is a Kansas nonprofit corporation that provides sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities.

The accompanying financial statements include the accounts of the headquarters office and all local and area programs. Local teams raise and maintain their own funds to support athletes in their area.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets not subject to donor-imposed restrictions but may be subject to Board designations.
- Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. The Organization had permanently restricted net assets of \$64,000 at December 31, 2013.

Recognition of Donor 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. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash Equivalents

The Organization considers all highly liquid investments purchased with initial maturities of less than three months to be cash equivalents. Certificates of deposit with initial maturities longer than three months are shown separately in the accompanying statement of financial position.



**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Special Event Cash Account

The Organization maintains deposits received for specific special events in a separate bank account.

Accounts Receivable

The Organization's receivables are due within thirty days from billing and are recorded at amounts due, net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Organization determines its allowance by considering a number of factors, including the length of time receivables are past due, the Organization's previous loss history, the debtor's current ability to pay its obligations to the Organization, and the condition of the general economy as a whole. The Organization writes off receivables when they become uncollectible. At December 31, 2013, the Organization considered accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded.

Property and Equipment

The Organization capitalizes all significant acquisitions of property and equipment, which are recorded at cost. Donated property and equipment are recorded at their estimated fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Inventory

Inventory consists of sportswear and promotional items. All inventories are valued at the lower of cost or market, with cost being determined using the first-in, first-out (FIFO) method.

Direct Marketing Contributions

The Organization has contracted with a telemarketing agency to conduct direct marketing campaigns to raise funds and to increase public knowledge and awareness of the Organization's mission and activities. The campaigns resulted in contributions of \$160,657 for the year ended December 31, 2013. The campaigns incurred total costs of \$84,933 that included both a fundraising appeal and public education content. Costs of \$46,713 were allocated to program expenses and \$38,220 was allocated to fundraising. The net amount received was \$75,724.

In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of material and equipment from various donors. It is the policy of the Organization to record the estimated fair value of these in-kind contributions.

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In-Kind Contributions - Continued

A substantial number of volunteers donated significant amounts of their time to assist in the Organization's program services. The value of their service does not meet the criteria to record in the accompanying financial statements.

Income Taxes

The Organization is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been included in the accompanying financial statements.

The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Organization is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Organization is no longer subject to income tax examinations by the applicable tax authorities for the years before 2010. If any were to be incurred, the Organization's policy is to record penalties and interest assessed by income tax authorities as operating expenses

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of Estimates

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

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Subsequent Events

Subsequent events have been evaluated through August 5, 2014, which is the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Organization classifies its assets and liabilities into Level 1 (securities valued using quoted market prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs for assets and liabilities measured at fair value pursuant to the valuation hierarchy.

- Funds held by a community foundation in pooled investment funds are valued at the net asset value (NAV) of shares held by the Organization at the reporting date. These pooled investment funds are invested in money market, equity, and fixed income funds. The fair value of the underlying assets is used to determine the NAV of the pooled fund, which is not publicly quoted.
- Interest-bearing cash instruments, exchange traded funds, corporate common stocks, and U.S. Government securities are valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds are valued at the NAV of the shares held by the Organization at the reporting date.
- U.S. Agency securities are valued through the use of standard inputs from third-party sources that evaluate agency securities not traded on an active market and are classified within Level 2 of the fair value hierarchy.

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 2 - FAIR VALUE MEASUREMENTS - Continued

The following table summarizes the valuation of investments measured at fair value on a recurring basis in the accompanying statement of financial position as of December 31, 2013, including the additional requirement to classify securities by major category, which is defined as the major security type classifications within ASC 820.

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest-bearing cash instruments	\$ 15,193	-	-	15,193
U.S. common stocks	3,826	-	-	3,826
Mutual funds - U.S. equity	191,971	-	-	191,971
Mutual funds - International equity	70,976	-	-	70,976
Mutual funds - U.S. fixed income	102,364	-	-	102,364
Exchange traded funds - International equity	1,611	-	-	1,611
Money market pool	-	35,576	-	35,576
Fixed income pool	-	84,493	-	84,493
Equity pool	-	31,563	-	31,563
	<u>\$ 385,941</u>	<u>151,632</u>	<u>-</u>	<u>537,573</u>

Additional information about Level 2 investments where fair value was estimated as of December 31, 2013 using NAV follows:

	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Expected liquidation term</u>	<u>Redemption terms</u>	<u>Redemption restrictions</u>
Money market pool	\$ 35,576	None	None	Immediate	None
Fixed income pool	84,493	None	None	Immediate	None
Equity pool	<u>31,563</u>	None	None	Immediate	None
	<u>\$ 151,632</u>				

Disbursements from the pools can be made with authorization by the Board of Directors.

Total investment advisory fees associated with the above investments for the year ended December 31, 2013 were \$5,634 and were netted with interest and dividend income in the accompanying statement of activities.

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

**NOTE 3 - DEFERRED COMPENSATION PLAN**

The Company has established a non-qualified deferred compensation plan for certain key employees that provides compensation benefits to the employees upon termination or retirement. As of December 31, 2013, the accrued liability related to the deferred compensation plan was \$90,859, which equaled the assets dedicated to the plan.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2013 consisted of:

Land	\$ 78,000
Office building	303,188
Furniture and equipment	46,883
Automobiles	<u>29,744</u>
	457,815
Less accumulated depreciation	<u>234,908</u>
	<u>\$ 222,907</u>

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2013, net assets of \$249,926 were temporarily restricted. Of this amount, \$79,974 were restricted for games to be held in 2014 and \$82,373 were grants restricted for use in 2014. The remaining \$87,579 related to the endowment discussed at Note 6.

**NOTE 6 - ENDOWMENT**

During the year ended December 31, 2009, the Organization entered into an agreement with a local foundation to establish an endowment. The Organization deposited \$50,000 into an investment fund at the Greater Kansas City Community Foundation, and the local foundation contributed an additional \$50,000. During the year ended December 31, 2010, the local foundation contributed an additional \$9,000 into the endowment. Should the agreement with the local foundation be terminated, \$59,000 would be repaid to the foundation along with a portion of earnings thereon. The Organization also has an additional \$5,000 of unrelated permanently restricted net assets.

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 6 - ENDOWMENT - Continued

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization.

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment assets while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. Actual returns in any given year may vary from the desired amount. The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places emphasis on interest-bearing cash instruments, fixed income securities, and equity-based investments.

At the end of each calendar year, Net Annual Return (NAR) is calculated as the total of investment income less expenses, exclusive of long term capital gains and unrealized gains and losses. This amount is available for distribution with Board approval. The local foundation has provided a guideline for acceptable uses. Cumulative investment income less expenses, net of NAR, is temporarily restricted.

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 6 - ENDOWMENT - Continued

The investment transactions related to the endowment during 2013 and the nature of restrictions are as follows:

	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2012	\$ 50,000	62,961	64,000	176,961
Interest and dividends	-	4,345	-	4,345
Realized gains	-	7,084	-	7,084
Unrealized gains	-	15,924	-	15,924
Investment fees	-	<u>(2,735)</u>	-	<u>(2,735)</u>
December 31, 2013	<u>\$ 50,000</u>	<u>87,579</u>	<u>64,000</u>	<u>201,579</u>

NOTE 7 - AFFILIATED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS

The Organization is accredited by Special Olympics International (SOI) to conduct Special Olympics activities within Kansas. During the year ended December 31, 2013, the Organization received \$5,595 from SOI cooperative national fundraising projects and paid \$44,546 to SOI for program support. In addition, during the year ended December 31, 2013, the Organization received \$208,493 in grants from SOI restricted for 2013 and 2014 activities. At December 31, 2013, SOI owed the Organization \$6,243.

NOTE 8 - RETIREMENT PLAN

The Organization has a 403(b) retirement plan that covers substantially all employees. The Plan is funded with employee contributions with no employer contributions.

NOTE 9 - IN-KIND REVENUE

In-kind revenue consisted of the following for the year ended December 31, 2013:

Games expenses	\$ 207,900
Office supplies	992
Professional fees	121,274
Travel expenses	<u>7,584</u>
	<u>\$ 337,750</u>

**SPECIAL OLYMPICS KANSAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

NOTE 10 - OPERATING LEASE

The Organization leases certain equipment under a non-cancelable operating lease agreement that expires in January 2015. Total rent expense for the year ended December 31, 2013 was \$3,709 and was included in rent expenses in the accompanying statement of functional expenses.

Future minimum rental payments required under these operating leases were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	\$ 3,288
2015	<u>274</u>
	<u>\$ 3,562</u>

NOTE 11 - CONCENTRATIONS OF RISK

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.