

**SPECIAL OLYMPICS
KANSAS, INC.**

FINANCIAL STATEMENTS

December 31, 2014

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, 2014, 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, 2014, 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.

IAA + Co. PA

July 1, 2015

SPECIAL OLYMPICS KANSAS, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2014

ASSETS	<u>Headquarters and Area Offices</u>	<u>Local Offices</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 45,665	766,912	-	812,577
Certificates of deposit	-	50,929	-	50,929
Investments	458,419	14,140	-	472,559
Accounts receivable	119,840	280	(10,265)	109,855
Inventory	7,062	-	-	7,062
Prepaid expenses	1,600	-	-	1,600
TOTAL CURRENT ASSETS	<u>632,586</u>	<u>832,261</u>	<u>(10,265)</u>	<u>1,454,582</u>
DEFERRED COMPENSATION INVESTMENTS	95,348	-	-	95,348
CASH VALUE OF LIFE INSURANCE	94,501	-	-	94,501
PROPERTY AND EQUIPMENT, net	<u>213,373</u>	<u>5,655</u>	<u>-</u>	<u>219,028</u>
TOTAL ASSETS	<u>\$ 1,035,808</u>	<u>837,916</u>	<u>(10,265)</u>	<u>1,863,459</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 31,561	10,265	(10,265)	31,561
Accrued vacation	<u>15,694</u>	<u>-</u>	<u>-</u>	<u>15,694</u>
TOTAL CURRENT LIABILITIES	<u>47,255</u>	<u>10,265</u>	<u>(10,265)</u>	<u>47,255</u>
DEFERRED COMPENSATION LIABILITY	<u>95,348</u>	<u>-</u>	<u>-</u>	<u>95,348</u>
TOTAL LIABILITIES	<u>142,603</u>	<u>10,265</u>	<u>(10,265)</u>	<u>142,603</u>
NET ASSETS				
Unrestricted				
Undesignated	529,121	827,651	-	1,356,772
Board-designated	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total unrestricted	579,121	827,651	-	1,406,772
Temporarily restricted	250,084	-	-	250,084
Permanently restricted	<u>64,000</u>	<u>-</u>	<u>-</u>	<u>64,000</u>
TOTAL NET ASSETS	<u>893,205</u>	<u>827,651</u>	<u>-</u>	<u>1,720,856</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,035,808</u>	<u>837,916</u>	<u>(10,265)</u>	<u>1,863,459</u>

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

SPECIAL OLYMPICS KANSAS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

	Headquarters and Area Offices	Local Offices	Total
UNRESTRICTED NET ASSETS			
Revenues, gains, and other support			
Direct marketing contributions	\$ 134,876	-	134,876
Other contributions	566,025	351,232	917,257
Assessments	106,432	-	106,432
Special Olympics International cooperative projects	2,121	-	2,121
Special events	795,738	261,771	1,057,509
Interest and dividend income	6,803	487	7,290
Unrealized gain on investments	8,861	260	9,121
Realized gain on investments	5,340	30	5,370
In-kind contributions	332,747	4,795	337,542
Net assets released from restrictions	162,347	-	162,347
	2,121,290	618,575	2,739,865
EXPENSES			
Program	1,353,571	513,515	1,867,086
Management and general	233,265	-	233,265
Fundraising	555,107	26,494	581,601
	2,141,943	540,009	2,681,952
 CHANGE IN UNRESTRICTED NET ASSETS	 (20,653)	 78,566	 57,913
TEMPORARILY RESTRICTED NET ASSETS			
Contributions	86,667	-	86,667
Special events	66,014	-	66,014
Interest and dividend income	1,108	-	1,108
Unrealized loss on investments	(1,990)	-	(1,990)
Realized gain on investments	10,706	-	10,706
Net assets released from restrictions	(162,347)	-	(162,347)
	158	-	158
 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	 158	 -	 158
 CHANGE IN NET ASSETS	 (20,495)	 78,566	 58,071
 NET ASSETS, BEGINNING OF YEAR	 913,700	 749,085	 1,662,785
 NET ASSETS, END OF YEAR	 \$ 893,205	 827,651	 1,720,856

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, 2014

	Headquarters and Area Offices				Local Offices			
	Program	Management and General	Fundraising	Total	Program	Fundraising	Total	Total
Salaries and temporary help	\$ 533,940	204,860	172,594	911,394	-	-	-	911,394
Payroll taxes and benefits	40,204	13,722	13,282	67,208	-	-	-	67,208
Professionals and consultants	24,131	1,709	29,119	54,959	-	-	-	54,959
Public education	32,932	-	-	32,932	-	-	-	32,932
Office supplies	5,083	84	227	5,394	7,449	-	7,449	12,843
Telephone	7,310	488	1,487	9,285	3,312	-	3,312	12,597
Postage and shipping	1,641	164	511	2,316	1,897	-	1,897	4,213
Rent	8,268	-	-	8,268	5,022	-	5,022	13,290
Equipment rental and maintenance	36,557	636	6,478	43,671	-	-	-	43,671
Contract labor	-	-	-	-	36,287	-	36,287	36,287
Travel, meetings, and conferences	46,474	513	6,900	53,887	211,400	-	211,400	265,287
Utilities	7,099	859	1,093	9,051	-	-	-	9,051
Janitorial services	3,208	470	599	4,277	-	-	-	4,277
Printing and reproduction	4,018	116	660	4,794	156	-	156	4,950
Insurance	29,921	1,611	2,050	33,582	2,026	-	2,026	35,608
Memberships and subscriptions	23,359	300	1,631	25,290	214	-	214	25,504
Games expense	287,568	-	-	287,568	160,086	-	160,086	447,654
Special events	-	-	168,486	168,486	-	26,494	26,494	194,980
Chapter assessment fees	43,843	-	-	43,843	-	-	-	43,843
Team fees	-	-	-	-	70,408	-	70,408	70,408
Depreciation	12,995	1,903	2,426	17,324	1,357	-	1,357	18,681
In-kind expenses	195,348	-	137,399	332,747	4,795	-	4,795	337,542
Other	9,672	5,830	10,165	25,667	9,106	-	9,106	34,773
Total	\$ 1,353,571	233,265	555,107	2,141,943	513,515	26,494	540,009	2,681,952

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, 2014

	<u>Headquarters and Area Offices</u>	<u>Local Offices</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (20,495)	78,566	58,071
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities			
Depreciation	17,324	1,357	18,681
Unrealized gain on investments	(6,871)	(260)	(7,131)
Realized gain on investments	(16,046)	(30)	(16,076)
Changes in operating assets and liabilities			
Accounts receivable	(6,954)	(280)	(7,234)
Inventory	(623)	-	(623)
Prepaid expenses	(1,430)	-	(1,430)
Accounts payable	(7,695)	8,065	370
Accrued vacation	(21,845)	-	(21,845)
Deferred compensation liability	4,489	-	4,489
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(60,146)</u>	<u>87,418</u>	<u>27,272</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of certificates of deposit	-	(11,859)	(11,859)
Proceeds from sale of investments	77,637	1,110	78,747
Purchases of investments	(4,489)	(1,110)	(5,599)
Reinvestment of earnings on investments	(80,185)	(90)	(80,275)
Purchases of equipment	(14,802)	-	(14,802)
Change in cash value of life insurance	(11,539)	-	(11,539)
NET CASH USED IN INVESTING ACTIVITIES	<u>(33,378)</u>	<u>(11,949)</u>	<u>(45,327)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(93,524)	75,469	(18,055)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>139,189</u>	<u>691,443</u>	<u>830,632</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 45,665</u>	<u>766,912</u>	<u>812,577</u>

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

SPECIAL OLYMPICS KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014.

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, 2014

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, 2014, 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 \$134,876 for the year ended December 31, 2014. The campaigns incurred total costs of \$59,876 that included both a fundraising appeal and public education content. Costs of \$32,932 were allocated to program expenses and \$26,944 was allocated to fundraising. The net amount received was \$75,000.

In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of material, equipment, and services 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, 2014

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. Volunteer time donated to the Organization represent the following:

- Event volunteers - Event volunteers provide their time at sporting and fund raising events to do setup, event management, and take-down tasks.
- Board of Directors - The Organization's Board of Directors volunteer their time to oversee the governance of the Organization and provide their expertise to the staff as needed.
- Games management committees - Games management committees plan and execute the statewide tournaments held in the state of Kansas.
- Coaching - Volunteer coaches donate their time with the athletes in training and competition. All coaches who work with the athletes must pass a certification process.

During the year ended December 31, 2014, the Organization estimated 189,800 volunteers' hours at a value of approximately \$4,107,000, using the Independent Sector's Value of Volunteer Time, were donated by nonprofessional volunteers in the above capacities.

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 2011. If any were to be incurred, the Organization's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

SPECIAL OLYMPICS KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

Subsequent Events

Subsequent events have been evaluated through July 1, 2015, 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 investments 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 investments 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 and corporate common stocks, are valued at the closing price reported on the active market on which the individual securities are traded.

SPECIAL OLYMPICS KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 - FAIR VALUE MEASUREMENTS - Continued

- Mutual funds are valued at the NAV of the shares held by the Organization at the reporting date.

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, 2014, 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	\$ 14,586	-	-	14,586
U.S. common stocks	4,497	-	-	4,497
Mutual funds - U.S. equity	216,265	-	-	216,265
Mutual funds - International equity	66,783	-	-	66,783
Mutual funds - U.S. fixed income	109,519	-	-	109,519
Money market pool	-	36,674	-	36,674
Fixed income pool	-	87,868	-	87,868
Equity pool	-	31,715	-	31,715
	<u>\$ 411,650</u>	<u>156,257</u>	<u>-</u>	<u>567,907</u>

Additional information about Level 2 investments where fair value was estimated as of December 31, 2014, 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	\$ 36,674	None	None	Immediate	None
Fixed income pool	87,868	None	None	Immediate	None
Equity pool	<u>31,715</u>	None	None	Immediate	None
	<u>\$ 156,257</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, 2014 were \$5,463 and were netted with interest and dividend income in the accompanying statement of activities.

SPECIAL OLYMPICS KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014, the accrued liability related to the deferred compensation plan was \$95,348, which equaled the assets dedicated to the plan.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2014 consisted of:

Land	\$ 78,000
Office building	303,188
Furniture and equipment	61,688
Automobiles	<u>29,744</u>
	472,620
Less accumulated depreciation	<u>253,592</u>
	<u>\$ 219,028</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2014, net assets of \$250,084 were temporarily restricted. Of this amount, \$66,014 was restricted for games to be held in 2015 and \$86,667 was grants restricted for use in 2015. The remaining \$97,403 related to the endowment discussed at Note 6.

NOTE 6 - ENDOWMENT

During the year ended December 31, 2008, the Organization entered into an agreement with the Norman & Elaine Polsky Supporting Foundation (the Foundation), to establish an endowment. The Organization deposited \$50,000 into an investment fund at the Greater Kansas City Community Foundation, and the Foundation contributed an additional \$50,000. During the year ended December 31, 2010, the Foundation contributed an additional \$9,000 into the endowment. Should the agreement with the 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, 2014

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, 2014

NOTE 6 - ENDOWMENT - Continued

The investment transactions related to the endowment during 2014 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, 2013	\$ 50,000	87,579	64,000	201,579
Interest and dividends	-	4,152	-	4,152
Realized gains	-	10,706	-	10,706
Unrealized losses	-	(1,990)	-	(1,990)
Investment fees	-	(3,044)	-	(3,044)
December 31, 2014	<u>\$ 50,000</u>	<u>97,403</u>	<u>64,000</u>	<u>211,403</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, 2014, the Organization received \$2,121 from SOI cooperative national fundraising projects and paid \$43,843 to SOI for program support. In addition, during the year ended December 31, 2014, the Organization received \$126,486 in grants from SOI restricted for 2014 and 2015 activities. At December 31, 2014, SOI owed the Organization \$22,065.

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, 2014:

Games expenses	\$ 200,143
Office supplies	57,624
Professional fees	66,851
Travel expenses	<u>12,924</u>
	<u>\$ 337,542</u>

SPECIAL OLYMPICS KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014 was \$3,360 and was included in rent expenses in the accompanying statement of functional expenses. Future minimum rental payments required during the year ended December 31, 2015 will be \$274.

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.