

**SPECIAL OLYMPICS WYOMING, INC.**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2016 and 2015**

**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, 2016 and 2015, 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, 2016 and 2015, 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  
June 5, 2017

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

**ASSETS**

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash and cash equivalents	\$ 47,305	\$ 52,088
Investments at market value	450,941	425,379
Accounts receivable	19,688	23,629
Promises to give	1,790	943
Employee receivable	2,045	-
Inventory	2,972	2,972
Prepaid expense	9,840	13,014
Furniture and equipment	41,271	41,271
Less: accumulated depreciation	(35,055)	(32,223)
Total assets	\$ 540,797	\$ 527,073

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 21,375	\$ 12,309
Deferred income	19,821	11,369
Total liabilities	41,196	23,678
Net assets:		
Unrestricted	414,601	503,395
Board designated funds	85,000	-
Total net assets	499,601	503,395
Total liabilities and net assets	\$ 540,797	\$ 527,073

**See accompanying notes to the financial statements.**

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

	<b>For the years ended</b>	
	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Changes in unrestricted net assets:		
Support:		
Contributions - cash	\$ 420,775	\$ 356,061
Contributions - in-kind	318,252	378,996
Special events	361,062	327,329
Special Olympics International	117,735	124,374
Total support	<u>1,217,824</u>	<u>1,186,760</u>
Revenues and other gains:		
Assessments, programs and sales	19,826	16,299
Investment income	20,572	19,203
Realized and unrealized (loss) gain	(30,006)	21,589
Total revenues and other gains	<u>10,392</u>	<u>57,091</u>
Total support, revenues and other gains	<u>1,228,216</u>	<u>1,243,851</u>
Expenses and losses:		
Program services	796,400	859,431
Fundraising	347,727	377,853
Management and general	61,798	68,716
Unallocated payments to affiliated organization	26,085	26,852
Total expenses and losses	<u>1,232,010</u>	<u>1,332,853</u>
(Decrease) in unrestricted net assets	<u>(3,794)</u>	<u>(89,002)</u>
Net assets, beginning of year	<u>503,395</u>	<u>592,397</u>
Net assets, end of year	<u>\$ 499,601</u>	<u>\$ 503,395</u>

See accompanying notes to the financial statements.

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

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Game Activities</u>	<u>Fundraising</u>	<u>Management and General</u>	
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	 <u>\$ 796,400</u>	 <u>\$ 347,727</u>	 <u>\$ 61,798</u>	 <u>\$ 1,205,925</u>

See accompanying notes to the financial statements.



**SPECIAL OLYMPICS WYOMING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended December 31, 2015**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
	<b>Game Activities</b>	<b>Fundraising</b>	<b>Management and General</b>	
Salaries	\$ 192,463	\$ 117,482	\$ 35,590	\$ 345,535
Payroll taxes	18,529	11,310	3,426	33,265
Fringe benefits	25,486	15,557	4,712	45,755
<b>Total salaries and benefits</b>	<b>236,478</b>	<b>144,349</b>	<b>43,728</b>	<b>424,555</b>
Games and activities	235,624	-	-	235,624
Fundraising/games expense	56,320	225,278	-	281,598
Telephone	6,131	341	340	6,813
Office supplies/printing	40,072	2,226	2,226	44,524
Rent	41,845	2,325	2,325	46,494
Program development	213,298	-	-	213,298
Publicity	5,700	-	-	5,700
Professional fees	-	-	8,250	8,250
Equipment rental and maintenance	16,640	925	925	18,490
Travel, conferences, and conventions	5,320	1,330	-	6,650
Depreciation	2,003	1,079	-	3,082
Miscellaneous administration	-	-	2,270	2,270
Utilities	-	-	8,652	8,652
<b>Total expenses</b>	<b>\$ 859,431</b>	<b>\$ 377,853</b>	<b>\$ 68,716</b>	<b>\$ 1,306,000</b>

See accompanying notes to the financial statements.

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

	<b>For the years ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash flows from operating activities:		
Cash received from contributors	\$ 419,928	\$ 364,818
Cash received from special events	361,062	327,329
Cash received from Special Olympics International	126,187	126,391
Cash received from assessments, programs and sales	23,767	2,222
Interest and dividends received	20,572	19,203
Cash paid to employees and suppliers	(899,614)	(962,714)
Net cash provided (used) by operating activities	<u>51,902</u>	<u>(122,751)</u>
Cash flows from investing activities:		
Cash paid for purchase of investments	(56,685)	(14,929)
Cash received from sale of investments	-	10,000
Purchase of furniture and equipment	-	(6,441)
Net cash (used by) investing activities	<u>(56,685)</u>	<u>(11,370)</u>
Net (decrease) in cash and cash equivalents	(4,783)	(134,121)
Cash and cash equivalents, beginning of the year	<u>52,088</u>	<u>186,209</u>
Cash and cash equivalents, end of the year	<u>\$ 47,305</u>	<u>\$ 52,088</u>

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

(Decrease) in net assets	\$ (3,794)	\$ (89,002)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,832	3,082
Unrealized (gain) loss on investments	31,123	(19,808)
Changes to assets and liabilities not affecting cash:		
(Increase) decrease in receivables and promises to give	3,094	(5,320)
(Increase) in employee receivable	(2,045)	-
Decrease in inventory	-	1,400
(Increase) decrease in prepaid expenses	3,174	(3,184)
Increase (decrease) in deferred revenue	8,452	2,017
Increase (decrease) in accounts payable and accrued expenses	9,066	(11,936)
Net cash provided (used) by operating activities	<u>\$ 51,902</u>	<u>\$ (122,751)</u>

See accompanying notes to the financial statements.

**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**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.

**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.

**Accounts receivable**

At December 31, 2016 and 2015, 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, 2016 and 2015 is respectively \$3,020 and \$2,605.

**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.

**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**1. Summary of significant accounting policies - continued**

**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, 2013.

**Donated materials and facilities**

Donated materials and facilities of \$310,376 and \$360,194 respectively for the years ended December 31, 2016 and 2015 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 \$7,876 and \$18,802 respectively for the years ended December 31, 2016 and 2015. Services contributed but not meeting the above criteria and not recognized as revenue amounted to \$130,299 and \$146,031 respectively at December 31, 2016 and 2015.

**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, 2016 and 2015.

**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.

**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**1. Summary of significant accounting policies - continued**

**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 June 5, 2017, 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.

**2. Investments**

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

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Equities	\$ 358,095	\$ 315,034
Bonds	-	9,712
Mutual funds	92,846	100,633
	\$ 450,941	\$ 425,379

**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**2. Investments - continued**

Cost and fair value of investments consist of the following:

As of December 31, 2016

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

As of December 31, 2015

	<u>Amortized Cost</u>	<u>Unrealized Gains/(Losses)</u>	<u>Fair Value</u>
Equities	\$ 310,309	\$ 4,725	\$ 315,034
Bonds	10,000	(288)	9,712
Mutual funds	<u>103,391</u>	<u>(2,758)</u>	<u>100,633</u>
	<u>\$ 423,700</u>	<u>\$ 1,679</u>	<u>\$ 425,379</u>

**3. Unconditional promises to give**

All unconditional promises to give at December 31, 2016 are receivable in 2017.

**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**4. Inventory**

Inventory represents medals and ribbons on hand and is stated at the lower of cost (first in, first out) or market.

**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 \$7,905 and \$10,193 respectively for the years ended December 31, 2016 and 2015.

**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>	
2017	\$ 6,862
2018	<u>4,575</u>
	<u>\$ 11,437</u>

Equipment lease expense for each of the years ended December 31, 2016 and 2015 was \$6,862, and is included in equipment rental and maintenance in the financial statements.

**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**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, 2016 and 2015 respectively was \$27,744 and \$12,204. Minimum future lease payments on the office lease are summarized as follows:

<u>Year ended</u>	
2017	\$ 30,000
2018	30,000
2019	30,000
2020	30,000
2021	30,000
Thereafter	<u>110,000</u>
	<u>\$ 260,000</u>



**SPECIAL OLYMPICS WYOMING, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**8. 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.

**9. 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, 2016 and 2015.