

SPECIAL OLYMPICS LOUISIANA, INC.
HAMMOND, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

F. C. SCHNEIDER, CPA, LLC
A Public Accounting Firm
Baton Rouge, Louisiana

TABLE OF CONTENTS

<i>Independent auditor's report</i>	i - ii
<i>Financial statements</i>	
Statements of Financial Position	1
Statements of Activities	2
Statements of Functional Expenses	3
Statements of Cash Flows	4
<i>Notes to financial statements</i>	5 - 13
<i>Special independent auditor's report</i>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14 - 15
Summary of Findings and Responses	16
Summary of Prior Year Findings and Responses	17
Schedule of Compensation, Benefits and Other Payments to Executive Director	18

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Special Olympics Louisiana, Inc.
Baton Rouge, Louisiana

I have audited the accompanying financial statements of Special Olympics Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements 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:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Special Olympics Louisiana, Inc. as of December 31, 2014 and 2013, 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.

Other Matters:

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to the executive director is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards:

In accordance with *Government Auditing Standards*, I have also issued my report dated June 29, 2015, on my consideration of Special Olympics Louisiana, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Special Olympics Louisiana, Inc.'s internal control over financial reporting and compliance.

J. C. Schneider, CPA, LLC

June 29, 2015

SPECIAL OLYMPICS LOUISIANA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 548,938	\$ 548,578
Cash and cash equivalents - restricted	110,665	154,989
Certificates of deposit	102,452	102,449
Certificates of deposit - restricted	10,000	10,000
Accounts receivable	283,740	300,911
Pledges receivable, net	16,429	24,883
Prepaid expense	28,273	46,222
	1,100,497	1,188,032
 PROPERTY AND EQUIPMENT (NET)	 220,306	 235,645
 OTHER ASSETS		
Pledges receivable, net	33,053	58,717
 TOTAL ASSETS	 \$ 1,353,856	 \$ 1,482,394
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 85,633	\$ 93,618
Payroll liabilities	71,407	72,629
Deferred revenue	10,000	-
TOTAL LIABILITIES	167,040	166,247
 NET ASSETS		
Unrestricted	954,085	1,041,188
Unrestricted - Board designated	-	-
Temporarily restricted	222,731	264,959
Permanently restricted	10,000	10,000
TOTAL NET ASSETS	1,186,816	1,316,147
TOTAL LIABILITIES AND NET ASSETS	\$ 1,353,856	\$ 1,482,394

See accompanying notes

SPECIAL OLYMPICS LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2014 and 2013

	2014				2013			
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
SUPPORT AND REVENUES								
Fundraising revenues	\$ 865,761	\$ -	\$ -	\$ 865,761	\$ 885,052	\$ -	\$ -	\$ 885,052
Contributions	455,631	333,447	-	789,078	432,057	353,403	-	785,460
Government grant	242,549	-	-	242,549	270,945	-	-	270,945
Donated services	794,077	-	-	794,077	894,971	-	-	894,971
Donated materials	95,207	-	-	95,207	58,194	-	-	58,194
Registration fees	3,057	-	-	3,057	2,293	-	-	2,293
Interest income	5,628	-	-	5,628	5,181	-	-	5,181
Changes in net asset restrictions:								
Released from restrictions	375,675	(375,675)	-	-	349,738	(349,738)	-	-
	<u>2,837,585</u>	<u>(42,228)</u>	<u>-</u>	<u>2,795,357</u>	<u>2,898,431</u>	<u>3,665</u>	<u>-</u>	<u>2,902,096</u>
EXPENSES								
Program expenses	2,146,665	-	-	2,146,665	2,160,879	-	-	2,160,879
Fundraising	620,828	-	-	620,828	640,981	-	-	640,981
General and administrative	157,195	-	-	157,195	150,719	-	-	150,719
	<u>2,924,688</u>	<u>-</u>	<u>-</u>	<u>2,924,688</u>	<u>2,952,579</u>	<u>-</u>	<u>-</u>	<u>2,952,579</u>
Changes in net assets	(87,103)	(42,228)	-	(129,331)	(54,148)	3,665	-	(50,483)
NET ASSETS								
Beginning of year, restated	1,041,188	264,959	10,000	1,316,147	1,095,336	261,294	10,000	1,366,630
End of year	<u>\$ 954,085</u>	<u>\$ 222,731</u>	<u>\$ 10,000</u>	<u>\$ 1,186,816</u>	<u>\$ 1,041,188</u>	<u>\$ 264,959</u>	<u>\$ 10,000</u>	<u>\$ 1,316,147</u>

See accompanying notes

SPECIAL OLYMPICS LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2014 and 2013

	2014				2013			
	<i>Program</i>	<i>Fundraising</i>	<i>General & Administrative</i>	<i>Total</i>	<i>Program</i>	<i>Fundraising</i>	<i>General & Administrative</i>	<i>Total</i>
Salary expense	\$ 432,092	\$ 237,585	\$ 72,487	\$ 742,164	\$ 406,459	\$ 223,985	\$ 53,942	\$ 684,386
Payroll taxes	34,776	18,973	5,352	59,101	33,471	18,259	4,068	55,798
Employee retirement	30,175	21,692	6,012	57,879	29,716	18,601	6,231	54,548
Employee insurance	57,383	31,023	7,357	95,763	58,234	27,194	7,353	92,781
Other compensation	20,592	-	100	20,692	10,283	-	11,580	21,863
Post retirement payments	-	-	12,000	12,000	-	-	12,000	12,000
Activity supplies	155,208	4,424	-	159,632	178,233	9,917	-	188,150
Assessment fees	25,640	-	-	25,640	38,106	-	-	38,106
Audit/professional fees	5,320	1,330	2,850	9,500	5,320	1,330	2,850	9,500
Depreciation expense	16,372	3,181	4,560	24,113	14,046	3,072	6,068	23,186
Direct fundraising cost	-	134,144	-	134,144	-	125,203	-	125,203
Equipment maintenance/rental	17,179	13,818	12,166	43,163	17,289	13,120	12,217	42,626
Games expense	148,078	-	-	148,078	142,244	743	-	142,987
Insurance expense	28,911	786	7,525	37,222	29,388	873	7,448	37,709
Meetings/conferences	12,822	13,406	238	26,466	11,289	2,882	2,819	16,990
Office expense	10,807	2,707	10,544	24,058	13,193	3,686	8,229	25,108
Office maintenance	3,064	766	2,196	6,026	3,173	790	2,252	6,215
Postage expense	3,935	1,406	969	6,310	5,890	9,294	1,843	17,027
PR events/campaigns	136,184	18	-	136,202	154,413	-	-	154,413
Rent expense	2,914	-	-	2,914	2,812	-	-	2,812
Telephone expense	6,357	1,196	2,123	9,676	6,723	1,152	2,311	10,186
Travel Expense	224,024	13,437	5,940	243,401	199,322	20,542	5,898	225,762
Utilities & maintenance	6,310	1,575	3,375	11,260	6,757	1,691	3,610	12,058
Donated Services	685,788	106,907	1,382	794,077	758,164	136,807	-	894,971
Donated Materials	82,734	12,454	19	95,207	36,354	21,840	-	58,194
	<u>\$ 2,146,665</u>	<u>\$ 620,828</u>	<u>\$ 157,195</u>	<u>\$ 2,924,688</u>	<u>\$ 2,160,879</u>	<u>\$ 640,981</u>	<u>\$ 150,719</u>	<u>\$ 2,952,579</u>

See accompanying notes

SPECIAL OLYMPICS LOUISIANA, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2014 and 2013

	<i>2014</i>	<i>2013</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (129,331)	\$ (50,483)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	24,113	23,186
Changes in operating assets and liabilities:		
Accounts receivable	17,171	(16,249)
Pledges receivable	34,118	(83,600)
Prepaid expenses	17,949	(1,100)
Accounts payable	(7,985)	(42,445)
Payroll liabilities	(1,222)	1,720
Deferred revenue	10,000	-
	(35,187)	(168,971)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,174)	(15,597)
Sales and dispositions of fixed assets	400	-
Purchase of certificates of deposits	(3)	(268)
Redemption of certificates of deposits	-	19,915
	(8,777)	4,050
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(43,964)	(164,921)
 CASH AND CASH EQUIVALENTS		
Beginning of the year	703,567	868,488
End of the year	\$ 659,603	\$ 703,567
 RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents, unrestricted	548,938	548,578
Cash and cash equivalents, restricted	110,665	154,989
	\$ 659,603	\$ 703,567
 DISCLOSURE OF NON-CASH ITEMS		
In-kind donations to the Organization	\$ 889,284	\$ 953,165

See accompanying notes

SPECIAL OLYMPICS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

A: SIGNIFICANT ACCOUNTING POLICIES

Organization and operations:

Special Olympics Louisiana, Inc. (the Organization or SOLA) is a nonprofit corporation authorized and accredited by Special Olympics, Incorporated (SOI). The Organization was established in 1968 to provide year-round sports training and athletic competition in a variety of Olympic-type sports for all children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community. Currently, more than 13,847 children and adults with intellectual disabilities in Louisiana participate in more than 100 statewide competitions. The accompanying financial statements include the activities of the Special Olympics Louisiana, Inc. headquarters (accredited US program office) and all affiliated units located throughout Louisiana. All Louisiana affiliated units are owned and operated under the direction of the Organization's chapter office.

Financial statement presentation:

SOLA 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, which are described as follows:

Unrestricted Net Assets are net assets that are not subject to donor-imposed stipulations and are available for use at the organization's discretion.

Temporarily Restricted Net Assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a 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.

Permanently Restricted Net Assets are net assets subject to donor-imposed stipulations that the organization maintain the contribution permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

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.

A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition:

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation. The Organization reports gifts of land, buildings, equipment and other nonmonetary contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Revenue from grants and contracts are recognized according to the specific agreement. Generally, revenues from grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of services provided.

Cash and Cash Equivalents:

For purposes of the statements of cash flows, SOLA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The only cash equivalents held by SOLA during 2014 and 2013 were money market accounts.

Accounts Receivables:

Accounts receivables consist of grant receivables and special event sponsorship receivables. Management believes that receivables as reflected in the accompanying financial statements are collectible in full therefore no allowance has been recorded.

Pledges Receivables:

Pledges are recorded at their net realizable value. SOLA uses the allowance method to determine uncollectible pledges. The allowance is based on management's analysis of specific balances. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional promises to give as of December 31, 2014 and 2013.

Functional Allocation of Expenses:

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

Tax-exempt status:

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

SOLA follows the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits. SOLA's open audit periods are 2011 through 2014

Accrued Leave:

Employees are allowed to carry forward a maximum of 360 hours of accrued vacation pay.

Sick pay does not vest. The amount of accrued vacation as of December 31, 2014 and 2013, was \$43,394 and \$43,690, respectively, and is included in payroll liabilities.

Pension plan:

The Organization has a defined contribution pension plan, which covers all permanent employees that have completed one year of service. Contributions are made to the plan at 9% of the participants' gross salaries and an additional 1% matching contribution.

Retirement expense was \$57,879 and \$54,548 for the years ended December 31, 2014 and 2013, respectively.

These assets are held in the trust fund established under the Plan; the trust fund is independent of SOLA. The responsibility for administration of the Plan is with the Mutual of America.

Advertising:

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

Advertising expense amounted to \$143,615 and \$213,481 for the years ended December 31, 2014 and 2013, respectively, of which \$136,115 and \$199,365 was reflected in the financial statements as donated services for the years ended December 31, 2014 and 2013, respectively.

B: PLEDGES RECEIVABLE

Pledges receivable are unconditional promises to pay certain amounts in the future.

Management evaluates the collectability of its receivables and records an allowance for estimated uncollectible amounts. SOLA recorded a provision for uncollectible pledges of \$2,380 and \$3,300 for the years ended December 31, 2014 and 2013, respectively, and is a reduction in contributions. Pledges due beyond one year have been discounted at an annual rate of 5% for pledges received in 2014 and 2013.

B: PLEDGES RECEIVABLE (Continued)

Pledges receivable consist of the following:

	<u>2014</u>	<u>2013</u>
Pledges receivable	\$ 63,785	\$ 97,950
Less		
Allowance for uncollectible pledges	(5,680)	(3,300)
Discount for future payments	<u>(8,623)</u>	<u>(11,050)</u>
Pledges receivable, net	<u>\$ 49,482</u>	<u>\$ 83,600</u>
Current pledges receivable, net	\$ 16,429	\$ 24,883
Non-current pledges receivable, net	<u>33,053</u>	<u>58,717</u>
	<u>\$ 49,482</u>	<u>\$ 83,600</u>

C: PROPERTY

Property and equipment, related service lives, and accumulated depreciation as of December 31, 2014 and 2013 were as follows:

	Estimated Service Lives	<u>2014</u>	<u>2013</u>
Land	-	\$ 50,000	\$ 50,000
Buildings	10 - 40 years	256,969	256,969
Furniture and equipment	2 - 10 years	424,150	416,678
		<u>731,119</u>	<u>723,647</u>
Accumulated depreciation		(510,813)	(488,002)
		<u>\$ 220,306</u>	<u>\$ 235,645</u>

Depreciation expense was \$24,113 and \$23,185 for the years ended December 31, 2014 and 2013, respectively.

D: NET ASSETS

Temporarily restricted net assets at December 31, 2014 and 2013 are available for specific programs to support the Organization in the following areas:

	<u>2014</u>	<u>2013</u>
Project Unify	\$ 135,846	\$ 171,105
Healthy Athletes Program	33,503	2,500
Military Programs	-	3,854
Endowment Establishment Fund	3,900	3,900
Annual Campaign Breakfast	49,482	83,600
	<u>\$ 222,731</u>	<u>\$ 264,959</u>

Net assets released from restrictions by incurring program related expenses were as follows:

	<u>2014</u>	<u>2013</u>
Project Unify	\$ 260,259	\$ 244,948
Healthy Athletes Program	49,997	30,000
Military Programs	3,854	74,790
Annual Campaign Breakfast	11,920	-
Annual Campaign Breakfast-Bad Debt	37,145	-
Games/Events	12,500	-
	<u>\$ 375,675</u>	<u>\$ 349,738</u>

Permanently restricted net assets of \$10,000 at December 31, 2014 and 2013 are restricted to investment in perpetuity, the income from which is expendable to support the activities in Acadia Parish

E: DONATED SERVICES, MATERIALS AND EQUIPMENT

Donated Services:

The Organization receives various services, on a year-round basis, from individuals who donate their time as Area Directors and Parish Directors for programs and events sponsored by the Organization. The value of the services of the Area Directors is recorded as donated services, based on 25% of the lowest board-approved salary range for this position. The value of the services of the Parish Directors is recorded as donated services, based on 50% of the value calculated for an Area Director.

Before participation in any Special Olympics program at any level, all new athletes are required to have a physical examination, by a licensed examiner, in order to submit an accurate and complete Application for Participation in Special Olympics Louisiana. In certain instances, updated medicals are required, which require a medical examination by a licensed examiner. The medical personnel perform most of these physical examinations at no charge to the Organization. The value of these medical examinations is recorded as donated services.

E: DONATED SERVICES, MATERIALS AND EQUIPMENT (Continued)

Donated services recorded in the financial statements are as follows:

	2014			
	Program	Fundraising	General & Admin.	Total
Other compensation	\$ 375,550			\$ 375,550
Activity supplies	300			300
Direct fundraising cost		106,907		106,907
Games expense	202,925			202,925
Meetings/conferences	1,140			1,140
PR Events/campaigns	68,738			68,738
Rent expense	1,200			1,200
Telephone expense			300	300
Travel expense	35,935		1,082	37,017
	<u>\$ 685,788</u>	<u>\$ 106,907</u>	<u>\$ 1,382</u>	<u>\$ 794,077</u>

	2013			
	Program	Fundraising	General & Admin.	Total
Other compensation	\$ 414,149			\$ 414,149
Activity Supplies	7,500			7,500
Direct fundraising cost		133,502		133,502
Games expense	168,755			168,755
Meetings/conferences		2,765		2,765
Office expense	120			120
PR events/campaigns	110,320	540		110,860
Rent expense	720			720
Travel expense	56,600			56,600
	<u>\$ 758,164</u>	<u>\$ 136,807</u>	<u>\$ -</u>	<u>\$ 894,971</u>

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in the performance of its programs, but these services do not meet the criteria for recognition as contributed services and as such, are not recorded in the financial statements. During the years ending December 31, 2014 and 2013, SOLA estimates it received 155,326 hours from approximately 15,000 individuals and 148,672 hours from approximately 15,000 individuals, respectively. These volunteers are an integral part in the overall success of the Organization's programs.

E: DONATED SERVICES, MATERIALS AND EQUIPMENT (Continued)*Donated Materials & Equipment:*

Donated materials recorded in the financial statements are as follows:

	2014			
	Program	Fundraising	General & Admin.	Total
Activity Supplies	\$ 7,732	\$ 275		\$ 8,007
Direct fundraising cost		12,179		12,179
Games expense	57,140			57,140
Meetings/Conferences	445			445
Office Expense			19	19
PR Events/campaigns	17,402			17,402
Travel expense	15			15
	<u>\$ 82,734</u>	<u>\$ 12,454</u>	<u>\$ 19</u>	<u>\$ 95,207</u>

	2013			
	Program	Fundraising	General & Admin.	Total
Activity Supplies	\$ 11,701			\$ 11,701
Direct fundraising cost		21,799		21,799
Games expense	18,884			18,884
Meetings/Conferences	68	42		110
Office Expense	4,531			4,531
PR Events/campaigns	90			90
Travel expense	1,079			1,079
	<u>\$ 36,353</u>	<u>\$ 21,841</u>	<u>\$ -</u>	<u>\$ 58,194</u>

F: RELATED PARTY

Special Olympics Inc. (SOI) distributes mailings to individuals requesting contributions on behalf of the Organization. SOI also collects contributions from its website and through other fundraising initiatives on behalf of the Organization. SOI also awards grants to the Organization. Total revenue from SOI recognized during the year ending December 31, 2014 was \$446,813 of which \$137,120 was in accounts receivable at December 31, 2014. Total revenue from SOI recognized during the year ending December 31, 2013 was \$412,392 of which \$133,633 was in accounts receivable at December 31, 2013.

The Organization recorded accreditation fees and other various payments to SOI of \$71,472 and \$47,076 for the years ended December 31, 2014 and 2013, respectively.

F: RELATED PARTY (Continued)

The Organization utilized the computer services of a company owned by a relative of the President/CEO with approval from the Board of Directors. The Organization paid the company \$2,419 and \$4,353 during the years ended December 31, 2014 and 2013, respectively. In turn, the company contributed \$1,088 and \$2,306 in computer services during the years ended December 31, 2014 and 2013, respectively, at no cost to the Organization.

G: JOINT COST ALLOCATION

The Organization accounts for all joint activity costs in accordance with FASB ASC 958-720-20, Accounting for Costs of Activities of Not-For Profit Organizations and State and Local Governmental Entities That Include Fund Raising. This statement requires that certain criteria be met before joint activity costs are allocated between functions. If the criteria are not met, all joint activity costs are considered fund raising costs.

Joint cost activity related to telemarketing costs for volunteer recruitment, athlete recruitment and support of programs amounted to \$126,377 and \$139,513 for the years ended December 31, 2014 and 2013, respectively, and have been allocated as follows:

	<u>2014</u>	<u>2013</u>
Programs and games	\$ 79,617	\$ 87,893
Fundraising	46,760	51,620
	<u>\$ 126,377</u>	<u>\$ 139,513</u>

H: ECONOMIC DEPENDENCY

The Organization derived approximately 16% of its revenues from Special Olympics, Inc. as fundraising revenue or grants for the year ended December 31, 2014 and 2013.

The Organization derived approximately 7% and 8% of its contributions under an outreach program contract with a national marketing agency for the year ended December 31, 2014 and 2013, respectively.

The Organization derived approximately 9% of its revenues from governmental sources as earned revenue or grants for the year ended December 31, 2014 and 2013.

A significant reduction in these levels of support if it were to occur could have a significant effect on the Organization's programs and activities.

I: CONCENTRATION OF CREDIT RISK

Financial instruments which subject SOLA to concentrations of credit risk consist primarily of receivables. In addition, SOLA maintains cash in local and regional financial institutions, which, may, at times, exceed the FDIC limits. Management believes the risk is limited.

J: CONTINGENCIES

The Organization receives contracts from state and non-profit agencies for specific purposes that are subject to audit by the agencies. Such audits could lead to requests for reimbursement to the agency for expenditures disallowed under terms of the contract. It is the opinion of management that SOLA's compliance with the terms of contracts will result in negligible, if any, disallowed costs.

K: SUBSEQUENT EVENTS

In preparing these financial statements, SOLA has evaluated events and transactions for potential recognition or disclosure through June 29, 2015, the date the financial statements were available to be issued.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Special Olympics Louisiana, Inc.
Hammond, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Special Olympics Louisiana, Inc. (SOLA), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued my report thereon dated June 29, 2015.

Internal Control Over Financial Reporting:

In planning and performing my audit of the financial statements, I considered SOLA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SOLA's internal control. Accordingly, I do not express an opinion on the effectiveness of SOLA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters:

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

Purpose of this Report:

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

J. C. Schneider, CPA, LLC

June 29, 2015

SPECIAL OLYMPICS LOUISIANA, INC.
SUMMARY OF FINDINGS AND RESPONSES
December 31, 2014

No findings noted

SPECIAL OLYMPICS LOUISIANA, INC.
SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES
December 31, 2014

No findings noted

SPECIAL OLYMPICS LOUISIANA, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR
For the Year Ended December 31, 2014

Executive Director: Patricia C. Bourgeois

Salary	\$ 120,769
Benefits - insurance	13,177
Benefits - retirement	12,077
Reimbursements	3,297
Travel	2,932
Registration fees	644
Conference travel	750
Housing	3,269