SPECIAL OLYMPICS TENNESSEE, INC.

COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

As of and for the Year Ended December 31, 2018

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Special Olympics Tennessee, Inc.
Nashville, Tennessee

We have audited the accompanying combined financial statements of Special Olympics Tennessee, Inc. (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2018, and the related combined statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Special Olympics Tennessee, Inc. as of December 31, 2018, 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.

Changes in Financial Statement Presentation

As discussed in Note 1, Special Olympics Tennessee, Inc. adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Report on Combining Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on page 15 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, activities, and cash flows of the individual components, and it is not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Cherry Bekaert LLP

Nashville, Tennessee
June 21, 2019

SPECIAL OLYMPICS TENNESSEE, INC.

COMBINED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

ASSETS		
Current Assets:		
Cash and cash equivalents	$	685,543
Contributed support and other receivables		62,207
Prepaid expenses and other current assets		27,296
Total Current Assets		775,046
Investments		2,687,802
Beneficial interest in assets at Community Foundation of Middle Tennessee		102,737
Property and equipment, net		51,709
Total Assets	$	3,617,294
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	45,572
Accrued vacation		15,965
Total Current Liabilities		61,537
Net Assets:		
Without Donor Restrictions:		
Undesignated		3,451,632
Designated by board as agency fund		102,737
With Donor Restrictions		1,388
Total Net Assets		3,555,757
Total Liabilities and Net Assets	$	3,617,294

The accompanying notes to the combined financial statements are an integral part of this statement.

SPECIAL OLYMPICS TENNESSEE, INC.
COMBINED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions	$ 1,700,652	$ -	$ 1,700,652
Direct marketing contributions	254,233	-	254,233
Grants	73,115	-	73,115
Investment loss, net (Note 3)	(205,116)	-	(205,116)
Other income (including in-kind of $271,390)	304,958	-	304,958
Net assets with donor restrictions released from restrictions	13,486	(13,486)	-
Total Revenues, Gains and Other Support	2,141,328	(13,486)	2,127,842
Expenses:			
Personnel	773,504	-	773,504
Professional fees	126,680	-	126,680
General operations	600,287	-	600,287
Athlete training and games (including in-kind of $271,390)	855,038	-	855,038
Total Expenses	2,355,509	-	2,355,509
Change in net assets	(214,181)	(13,486)	(227,667)
Net assets, beginning of year	3,768,550	14,874	3,783,424
Net assets, end of year	$ 3,554,369	$ 1,388	$ 3,555,757

SPECIAL OLYMPICS TENNESSEE, INC.
COMBINED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Change in net assets	$ (227,667)
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	22,915
Net unrealized and realized loss on investments	343,875
Net unrealized and realized loss on beneficial interest in assets at Community Foundation of Middle Tennessee	6,288
Changes in operating assets and liabilities:	
Contributed support and other receivables	43,378
Prepaid expenses and other current assets	4,273
Accounts payable	8,583
Accrued vacation	(36,690)
Net cash provided by operating activities	164,955
Cash flows from investing activities:	
Distribution from beneficial interest in assets at Community Foundation of Middle Tennessee	5,700
Purchases of investments	(558,817)
Proceeds from sales of investments	515,159
Purchases of property and equipment	(10,621)
Net cash used in investing activities	(48,579)
Net increase in cash and cash equivalents	116,376
Cash and cash equivalents, beginning of year	569,167
Cash and cash equivalents, end of year	$ 685,543

SPECIAL OLYMPICS TENNESSEE, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Games/ Competition	Training	Other Program Expenses	Total Program Expenses	Management and General	Fundraising	Total
Salaries	$ 245,105	$ 44,792	$ 221,231	$ 511,128	$ 51,977	$ 57,989	$ 621,094
Payroll taxes and benefits	60,152	10,991	54,284	125,427	12,754	14,229	152,410
Subtotal Salaries/Benefits	305,257	55,783	275,515	636,555	64,731	72,218	773,504
Advertising and promotion	624	52	3,372	4,048	52	5,231	9,331
In-kind services	109,739	19,258	95,115	224,112	22,347	24,931	271,390
Conferences, conventions, and meetings	102,788	2,285	28,594	133,667	6,689	20,299	160,655
Credit card and other service charges	19,044	1,722	82,945	103,711	1,722	69,709	175,142
Depreciation	9,042	1,653	8,162	18,857	1,918	2,140	22,915
Dues and subscriptions	17,070	3,119	15,407	35,596	3,620	4,038	43,254
Equipment rental	9,820	718	16,221	26,759	718	16,191	43,668
Insurance	17,426	3,185	15,809	36,420	3,695	4,243	44,358
Miscellaneous expense	14,545	404	2,322	17,271	451	385	18,107
Office supplies	66,285	4,079	49,663	120,027	4,715	42,410	167,152
Printing and publications	265	-	10	275	971	14	1,260
Postage and delivery	1,996	165	1,470	3,631	165	353	4,149
Repairs and maintenance	1,003	183	906	2,092	213	237	2,542
Taxes	435	80	830	1,345	92	290	1,727
Telecommunication	12,031	2,177	10,881	25,089	2,526	3,055	30,670
Travel expenses	213,512	547	6,424	220,483	528	2,771	223,782
Occupancy	39,875	7,287	36,278	83,440	8,456	9,557	101,453
Professional fees	33,167	1,134	12,308	46,609	73,761	6,310	126,680
Awards	42,837	-	5,870	48,707	-	7,954	56,661
Uniforms/clothing	73,867	-	1,123	74,990	-	2,119	77,109
Subtotal Other Expenses	785,371	48,048	393,710	1,227,129	132,639	222,237	1,582,005
Total Expenses	$ 1,090,628	$ 103,831	$ 669,225	$ 1,863,684	$ 197,370	$ 294,455	$ 2,355,509

The accompanying notes to the combined financial statements are an integral part of this statement.

Note 1—Summary of significant accounting policies

Special Olympics Tennessee, Inc. (the “Organization”) is a Tennessee nonprofit corporation that provides sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities. These activities are funded through contributions, direct marketing, and special events. The Organization includes the combined accounts of the state office located in Nashville and approximately thirty area programs located throughout Tennessee.

Transactions and balances between the state and area offices have been eliminated for financial reporting purposes.

The following is a summary of the Organization’s significant accounting policies:

Basis of Presentation – The combined financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no such contributions for the year ended December 31, 2018. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statement of activities.

Contributions – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in without donor restrictions net assets if the restrictions expire in the year the contributions are recognized.

Cash and Cash Equivalents – For purposes of the combined statement of cash flows, the Organization considers all cash funds, cash bank accounts, money market funds, and highly liquid debt instruments purchased with an original maturity when purchased of three months or less to be cash equivalents.

Investments – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. See Note 3 for discussion of fair value measurements. Gains or losses on such investments are reported as a change in net assets in the period they occur.

Contributed Support and Other Receivables – Contributed support and other receivables are reviewed annually as to their collectability. Based on collection experience and management’s review, no allowance for doubtful amounts is considered necessary at December 31, 2018.

Note 1—Summary of significant accounting policies (continued)

Property and Equipment – Property and equipment is recorded at cost. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is provided in amounts necessary to allocate the cost of the various classes of assets over their estimated useful lives using the straight-line method. Estimated useful lives of all major classes are as follows:

Equipment and fixtures	5 years
Automobiles	3 to 5 years

In-Kind Contributions – The Organization receives various types of in-kind support including contributed facilities, materials, equipment, and professional services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying combined financial statements as in-kind support are offset by like amounts included in expenses.

Additionally, the Organization receives a significant amount of contributed time from volunteers that does not meet the recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying combined financial statements.

Functional Expenses – Costs of providing the Organization's programs are reported on a functional basis in the statement of functional expenses. Expenses of each program include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management based primarily on time and effort.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income taxes has been made.

The Organization follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying combined financial statements.

Use of Estimates – The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – The Organization evaluated subsequent events through June 21, 2019, when these combined financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the combined statement of financial position date but prior to the filing of this report that would have a material impact on the combined financial statements.

Note 1—Summary of significant accounting policies (continued)

New Accounting Pronouncement – On August 18, 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adopted these new accounting requirements effective in its 2018 combined financial statements.

Future Pronouncements – Revenue Recognition – In May 2014, the FASB issued ASU 2014-09. The amendments in this update create Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), and supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In addition, the amendments supersede the cost guidance in Subtopic 605-35, *Revenue Recognition – Construction-Type and Production-Type Contracts*, and create new Subtopic 340-40, *Other Assets and Deferred Costs – Contracts with Customers*. The core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The amendments in this update will be effective for the Organization's year ending December 31, 2019 with early adoption permitted in certain circumstances. Management is currently evaluating the impact of this standard on the Organization's combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the Organization's year ending December 31, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. The standard will be effective for the Organization's year ending December 31, 2019. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Note 2—Liquidity and availability

The table below represents financial assets available for general expenditures within one year at December 31, 2018:

Financial assets at year end:	
Cash and cash equivalents	$ 685,543
Contributed support and other receivables	62,207
Investments	2,687,802
Beneficial interest in assets at Community Foundation of Middle Tennessee	102,737
Total financial assets	3,538,289
Less amounts not available to be used for general expenditures within one year:	
Board designated	102,737
Financial assets not available to be used within one year	102,737
Financial assets available to meet general expenditures within one year	$ 3,435,552

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of games and competitions, training and other programs, as well as the conduct of services undertaken to support those activities to be general expenditures. The Organization has certain assets limited to use for Board-designated purposes that are designated for future programs. However, the Board-designated amounts could be made available, if necessary. As part of Organization's liquidity management plan, cash in excess of daily requirements are invested in the Organization's investment fund.

Note 3—Investments

Investments consist of the following at December 31, 2018:

Common stocks	$ 1,193,902
Mutual funds	1,068,147
Certificate of deposit	402,851
Exchange traded funds	22,902
Total Investments	$ 2,687,802

The Organization's investment policy is generally to maintain 15% - 75% of its portfolio in equities, 15% - 75% in fixed income securities, and 0% - 50% in cash and cash equivalents.

The Organization's investments are subject to normal market risks. Such risks may cause various fluctuations in value. Management attempts to manage such risks by maintaining a diversified portfolio of investments.

Note 3—Investments (continued)

The Organization follows the Fair Value Measurement topic of the FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Short-term investments are valued at cost which approximates fair value. The Organization's fixed income securities and equities are valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 3—Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large blend	$ 285,761	$ -	$ -	$ 285,761
Moderate allocation	249,789	-	-	249,789
Short-term bond	83,678	-	-	83,678
World allocation	185,031	-	-	185,031
Large growth	166,123	-	-	166,123
Foreign large blend	70,681	-	-	70,681
Multi-sector bond	27,084	-	-	27,084
Total Mutual Funds	1,068,147	-	-	1,068,147
Common Stocks:				
Basic materials	343,502	-	-	343,502
Consumer goods	299,870	-	-	299,870
Services	100,710	-	-	100,710
Healthcare	78,847	-	-	78,847
Technology	191,396	-	-	191,396
Financial	125,262	-	-	125,262
REIT	54,315	-	-	54,315
Total Common Stocks	1,193,902	-	-	1,193,902
Certificate of deposit	402,851	-	-	402,851
Exchange Traded Funds:				
Financial	22,902	-	-	22,902
Total investments at fair value	$ 2,687,802	$ -	$ -	$ 2,687,802

For the year ended December 31, 2018, interest and dividends earned from these investments totaled approximately $141,000 and net unrealized and realized losses on investments amounted to approximately $346,000.

Note 4—Contributed support and other receivables

Contributed support and other receivables consist of the following at December 31, 2018:

Special Olympics International	$ 34,697
Unconditional pledges	12,510
Other contributed support receivables	15,000
Total contributed support and other receivables	62,207
Less noncurrent receivables	-
Current contributed support and other receivables	$ 62,207

Note 5—Property and equipment

Property and equipment consist of the following at December 31, 2018:

Equipment and fixtures	$ 166,857
Automobiles	60,636
	227,493
Less accumulated depreciation	(175,784)
	$ 51,709

Note 6—Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2018:

Area 27 (Wilson County) activities	$ 1,388

Note 7—Affiliated organization

The Organization is accredited by Special Olympics International, Inc. ("SOI") to conduct Special Olympics activities within Tennessee. Following is a summary of transactions with SOI during the year ended December 31, 2018:

Combined Statements of Activities	
SOI cooperative national fundraising project revenue	$ 154,150
Payments to SOI: Program support	$ 39,775
Combined Statements of Financial Position	
Contributions receivable from SOI National fundraising projects	$ 34,697

Note 8—Direct marketing campaign

The Organization conducts marketing campaigns through an outside vendor, including direct mail and telemarketing, to raise funds and to increase public knowledge and awareness of the Organization's mission and activities. Direct mail and telemarketing projects for the year ended December 31, 2018 resulted in contributions of approximately $254,200. The Organization's vendor provided services for total costs of approximately $136,800 during 2018 which are included in credit card and other service charges in the statement of functional expenses. The arrangement with the Organization's vendor extends through December 2019.

Note 9—Special events

The Organization receives support from various special events, some of which are conducted by the Organization and its volunteers throughout the state. Such events include Polar Bear Plunge, Corporate Challenge, Guitars and Cards, Over the Edge, the Golf Classic, and various other community events. Proceeds from special events are included in contributions in the combined statement of activities.

Note 10—Supporting services

Management and general expenses include expenses that are not directly related to specific programs. Management and general expenses totaled $203,892 in 2018, which is approximately 10% of revenues, gains, and other support for 2018. Together, fundraising and management and general expenses represent 21% of revenues, gains, and other support in 2018.

Note 11—Employee retirement plan

The Organization maintained a 403(b) tax-sheltered annuity retirement program available for eligible employees. Any employee who was at least 21 years old and had completed two years of service was permitted to participate in the plan. Effective December 31, 2008, the Organization ceased accepting contributions to its 403(b) plan and replaced it with a new 401(k) plan beginning January 1, 2009. Under the 401(k) plan, contributions are not required; however, the Organization may contribute an amount, which vests immediately, as determined by the board of directors based on each employee's total compensation. Employees may also make pretax contributions to the plan. The Organization did not make any contributions into the plan during 2018.

Note 12—Concentration

At times, the Organization maintains cash and investments in amounts in excess of federally insured limits. For the year ended December 31, 2018, there were no amounts in excess of federally insured limits. In management's opinion, risk relating to such deposits is minimal based on the credit rating of its depositories and based on the diversity of its investments.

Note 13—Leases

In May 2015, the Organization entered into an operating lease for office space. Rent expense under this and other arrangements totaled approximately $94,000 for 2018. Future minimum lease payments required under this and other office space and equipment lease arrangements are as follows:

Years Ending December 31,		
2019	$	73,525
2020		75,731
2021		38,425
	$	187,681

Note 14—Community Foundation of Middle Tennessee

The Community Foundation of Middle Tennessee (the "Foundation") maintains agency investments on behalf of the Organization. The investments result from unrestricted amounts transferred by the Organization to the Foundation in prior years. The Organization has recorded the related asset "beneficial interest in assets at Community Foundation of Middle Tennessee" in the accompanying combined statement of financial position. Changes in the value of the asset are recorded in the accompanying combined statement of activities. Net assets related to the investments are reflected as designated by the board as an agency fund in the accompanying combined statement of financial position.

SUPPLEMENTAL SCHEDULE

SPECIAL OLYMPICS TENNESSEE, INC.
COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	State Office		Area Units		
	Without Donor Restrictions	**With Donor Restrictions**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues, Gains and Other Support:					
Contributions	$ 929,027	$ -	$ 771,625	$ -	$ 1,700,652
Direct marketing contributions	254,233	-	-	-	254,233
Grants	47,935	-	25,180	-	73,115
Investment loss, net (Note 3)	(204,035)	-	(1,081)	-	(205,116)
Other income (including in-kind of $271,390)	284,400	-	20,558	-	304,958
Net assets with donor restrictions released from restrictions	-	-	13,486	(13,486)	-
Total revenues, gains and other support	1,311,560	-	829,768	(13,486)	2,127,842
Expenses:					
Personnel	657,743	-	115,761	-	773,504
Professional fees	114,520	-	12,160	-	126,680
General operations	436,313	-	163,974	-	600,287
Athlete training and games (including in-kind of $271,390)	379,537	-	475,501	-	855,038
Total Expenses	1,588,113	-	767,396	-	2,355,509
Change in net assets	$ (276,553)	$ -	$ 62,372	$ (13,486)	$ (227,667)