

SPECIAL OLYMPICS RHODE ISLAND, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2015 AND 2014

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**Independent Auditor's Report**

To the Board of Directors  
Special Olympics Rhode Island, Inc.  
Smithfield, Rhode Island

**Report on the Financial Statements**

We have audited the accompanying financial statements of Special Olympics Rhode Island, Inc., a nonprofit organization, which comprise the statements of financial position as of December 31, 2015 and 2014, 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**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Rhode Island, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Rosenstien, Halper & Maselli, LLP*

**PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY**

February 16, 2016

SPECIAL OLYMPICS RHODE ISLAND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31

<b>ASSETS</b>	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - operating	\$ 373,664	\$ 393,374
Cash and cash equivalents - capital campaign	51	156,708
Accounts and pledges receivable		
Unrestricted	11,086	10,590
Restricted to purchase of land and building	6,444	45,500
Prepaid expenses	33,715	23,203
<b>Total current assets</b>	<u>424,960</u>	<u>629,375</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land and building	2,576,677	2,576,677
Improvements	87,101	87,101
Office furnishings and equipment	195,209	182,021
Vehicles	48,262	12,424
	<u>2,907,249</u>	<u>2,858,223</u>
Accumulated depreciation	494,164	417,063
<b>Net property and equipment</b>	<u>2,413,085</u>	<u>2,441,160</u>
<b>OTHER ASSETS</b>		
Cash and cash equivalents - team deposits	158,450	179,741
Investments	690,650	840,477
Pledges receivable, noncurrent	10,000	15,100
<b>Total other assets</b>	<u>859,100</u>	<u>1,035,318</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,697,145</u>	<u>\$ 4,105,853</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 15,789	\$ 42,095
Accrued expenses	9,494	23,287
Mortgage payable, current portion	-	60,000
<b>Total current liabilities</b>	<u>25,283</u>	<u>125,382</u>
<b>LONG-TERM LIABILITIES</b>		
Mortgage payable, net of current portion	-	190,000
<b>Total long-term liabilities</b>	<u>-</u>	<u>190,000</u>
<b>TOTAL LIABILITIES</b>	<u>25,283</u>	<u>315,382</u>
<b>NET ASSETS</b>		
Unrestricted	3,406,970	3,286,733
Temporarily restricted	243,612	482,458
Permanently restricted	21,280	21,280
<b>Total net assets</b>	<u>3,671,862</u>	<u>3,790,471</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,697,145</u>	<u>\$ 4,105,853</u>

The accompanying notes are an integral part of the financial statements

SPECIAL OLYMPICS RHODE ISLAND, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(with comparative totals for the year ended December 31, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2 0 1 5	2 0 1 4
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Contributions	\$ 776,956	\$ -	\$ -	\$ 776,956	\$ 766,273
In-kind contributions	604,152	-	-	604,152	541,071
Grants	202,978	-	-	202,978	222,953
Event revenue	658,462	-	-	658,462	661,917
Investment income (loss)	(76,715)	-	-	(76,715)	8,721
Other revenue	13,196	-	-	13,196	20,133
Capital campaign contributions	6,000	-	-	6,000	2,200
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	2,185,029	-	-	2,185,029	2,223,268
<b>NET ASSETS RELEASED FROM RESTRICTION</b>					
Satisfaction of program restrictions	238,846	(238,846)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,423,875	(238,846)	-	2,185,029	2,223,268
<b>EXPENSES</b>				-	-
Program services	1,332,133	-	-	1,332,133	1,473,212
Management and general	341,339	-	-	341,339	184,811
Fundraising	630,166	-	-	630,166	591,632
<b>Total expenses</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,303,638	-	-	2,303,638	2,249,655
<b>INCREASE (DECREASE) IN NET ASSETS</b>	120,237	(238,846)	-	(118,609)	(26,387)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,286,733	482,458	21,280	3,790,471	3,816,858
<b>NET ASSETS, END OF YEAR</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 3,406,970	\$ 243,612	\$ 21,280	\$ 3,671,862	\$ 3,790,471

The accompanying notes are an integral part of the financial statements

## SPECIAL OLYMPICS RHODE ISLAND, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$ 294,867	\$ 138,023	\$ 194,487	\$ 627,377
Payroll taxes	24,915	11,662	16,433	53,010
Employee benefits	44,033	20,611	29,043	93,687
<b>Subtotal salaries/benefits</b>	<u>363,815</u>	<u>170,296</u>	<u>239,963</u>	<u>774,074</u>
Insurance	9,224	4,318	6,084	19,626
Professional fees	3,995	2,370	2,635	9,000
Office supplies	6,346	2,971	4,186	13,503
Shirts	11,152	153	28,034	39,339
Telephone and internet	4,697	2,198	3,098	9,993
Postage and shipping	2,715	1,270	1,791	5,776
Utilities	8,103	3,793	5,344	17,240
Equipment rental and maintenance	9,028	1,671	2,355	13,054
Printing	2,149	4,270	6,723	13,142
Dues and subscriptions	-	1,418	-	1,418
Awards	34,400	-	1,173	35,573
Air travel	2,214	-	3,081	5,295
Vehicle and local travel	3,722	12,110	2,808	18,640
Hotels and meals	3,450	840	1,711	6,001
Meetings and workshops	-	11,568	-	11,568
Chapter assessment fees	20,006	-	14,613	34,619
Advertising and public relations	2,237	3,868	200	6,305
Contracted services	43,287	9,307	93,039	145,633
Rental of facilities and meals	110,775	-	94,722	205,497
Depreciation	38,551	15,420	23,130	77,101
Miscellaneous	15,770	7,850	10,838	34,458
Bank and credit card charges	5,445	2,549	3,591	11,585
Maintenance	11,612	5,435	7,659	24,706
Interest	1,271	5,264	839	7,374
Officials and volunteers	19,235	3,882	75	23,192
Project unified expenses	115,583	2,610	3,677	121,870
Taxes	2,775	1,299	1,830	5,904
Bad debts	8,000	-	-	8,000
Inkind program expenses	472,576	64,609	66,967	604,152
<b>Subtotal other expenses</b>	<u>968,318</u>	<u>171,043</u>	<u>390,203</u>	<u>1,529,564</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,332,133</u>	<u>\$ 341,339</u>	<u>\$ 630,166</u>	<u>\$ 2,303,638</u>

The accompanying notes are an integral part of the financial statements

## SPECIAL OLYMPICS RHODE ISLAND, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$ 372,388	\$ 59,658	\$ 139,367	\$ 571,413
Payroll taxes	36,734	4,408	7,837	48,979
Employee benefits	<u>68,511</u>	<u>8,221</u>	<u>14,616</u>	<u>91,348</u>
<b>Subtotal salaries/benefits</b>	<u>477,633</u>	<u>72,287</u>	<u>161,820</u>	<u>711,740</u>
Insurance	14,792	1,730	3,075	19,597
Professional fees	7,869	1,444	1,679	10,992
Office supplies	12,011	1,442	2,563	16,016
Shirts	62,146	7,156	7,140	76,442
Telephone and internet	6,700	804	1,429	8,933
Postage and shipping	5,079	609	1,084	6,772
Utilities	14,362	1,723	3,064	19,149
Equipment rental and maintenance	4,899	588	1,045	6,532
Printing	1,889	5,023	6,787	13,699
Dues and subscriptions	-	1,559	-	1,559
Awards	28,677	-	2,577	31,254
Air travel	1,629	161	1,369	3,159
Vehicle and local travel	19,140	1,204	2,848	23,192
Hotels and meals	9,444	237	5,601	15,282
Meetings and workshops	2,818	5,729	601	9,148
Chapter assessment fees	15,070	94	11,928	27,092
Advertising and public relations	880	9,034	13,959	23,873
Contracted services	23,944	37,334	97,592	158,870
Rental of facilities and meals	111,994	-	98,818	210,812
Depreciation	30,427	12,171	18,256	60,854
Miscellaneous	12,334	7,371	14,020	33,725
Bank and credit card charges	617	74	13,680	14,371
Maintenance	20,651	2,478	4,406	27,535
Interest	6,821	1,391	1,455	9,667
Officials and volunteers	11,292	3,042	65	14,399
Project unified expenses	150,553	-	-	150,553
Taxes	2,525	303	539	3,367
Inkind program expenses	<u>417,016</u>	<u>9,823</u>	<u>114,232</u>	<u>541,071</u>
<b>Subtotal other expenses</b>	<u>995,579</u>	<u>112,524</u>	<u>429,812</u>	<u>1,537,915</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,473,212</u>	<u>\$ 184,811</u>	<u>\$ 591,632</u>	<u>\$ 2,249,655</u>

The accompanying notes are an integral part of the financial statements

SPECIAL OLYMPICS RHODE ISLAND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31

**Increase (decrease) in cash**

	<u>2 0 1 5</u>	<u>2 0 1 4</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (118,609)	\$ (26,387)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	77,101	60,854
Decrease in contributions receivable	43,660	248,317
(Increase) decrease in prepaid expenses	(10,512)	28
Increase (decrease) in accounts payable	(26,306)	22,727
Increase (decrease) in accrued expenses	<u>(13,793)</u>	<u>3,967</u>
<b>Total adjustments</b>	<u>70,150</u>	<u>335,893</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(48,459)</u>	<u>309,506</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(49,026)	-
(Increase) decrease in investments	<u>149,827</u>	<u>(5,657)</u>
<b>NET CASH (PROVIDED) USED BY INVESTING ACTIVITIES</b>	<u>100,801</u>	<u>(5,657)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of mortgage payable	<u>(250,000)</u>	<u>(125,000)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(197,658)	178,849
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>729,823</u>	<u>550,974</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 532,165</u>	<u>\$ 729,823</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid during the years for:		
Interest	<u>\$ 7,374</u>	<u>\$ 9,095</u>

The accompanying notes are an integral part of the financial statements



SPECIAL OLYMPICS RHODE ISLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

1. Summary of Significant Accounting Policies

Nature of Organization

The Special Olympics Rhode Island, Inc. ("the Organization") is a statewide chapter of Special Olympics, International, headquartered in Washington, D.C., established to promote year-round sports, training and athletic competition, in a variety of olympic-type sporting events for children and adults with intellectual disabilities.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets--Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets--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--Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of three months or less.

Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the related assets using both straight-line and accelerated methods. Additions to fixed assets and major replacements or betterments are added to the accounts at cost. Maintenance repairs and minor replacements are charged to expenses when incurred. Depreciation expense for the year ended December 31, 2015 and 2014 was \$77,101 and \$60,854, respectively.

SPECIAL OLYMPICS RHODE ISLAND, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014

1. Summary of Significant Accounting Policies (Continued)

Accounts and Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization has adjusted for all known uncollectible amounts and no allowance is considered necessary at year end. The direct method is used to write off any amount deemed uncollectible.

Generally accepted accounting principles require an allowance for doubtful accounts receivable whenever it can be reasonably estimated and is a material amount. The effect of using the direct write-off method instead of the reserve method is not material to these financial statements.

Investments

The Organization classifies its marketable mutual funds and equity securities as available for sale. Securities classified as available for sale are carried in the financial statements at fair value. Realized gains and losses, determined using the first-in, first-out (FIFO) method, are included in earnings.

In-kind Contributions

Donated equipment, materials and specialized services are reflected in the accompanying statements at fair market value in the period received. A substantial number of unpaid volunteers have made significant contributions of their time for program services and fundraising campaigns. The value of this contributed time is not reflected in these statements because the criteria for recognition under generally accepted accounting principles have not been satisfied.

Advertising

The Organization expenses advertising costs as they are incurred.

Use of 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.

SPECIAL OLYMPICS RHODE ISLAND, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2015 AND 2014

2. Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization evaluates its uncertain tax positions using the guidance for contingencies as contained in generally accepted accounting principles. The Organization was not aware of any uncertain tax positions that were not provided for in the accompanying financial statements. The Organization is subject to federal and state examinations by taxing authorities for the tax years 2012 through 2015.

3. Affiliated Organizations and Related Party Transactions

The Organization is accredited by Special Olympics International, Inc. (SOI) to conduct Special Olympics activities within the state. The Organization received \$32,739 in 2015 and \$7,320 in 2014 from SOI cooperative national fundraising projects and paid \$18,005 in 2015 and \$14,214 in 2014 to SOI for program support.

There were no accounts receivable or accounts payable between the Organization and SOI at December 31, 2015 and December 31, 2014.

4. Temporarily Restricted Net Assets

Net assets were released from donor restrictions by meeting the time restriction or by incurring expenses satisfying the proposed restrictions specified by donors as follows:

Designated for capital campaign	\$200,813
Time restricted-contributions	<u>38,033</u>
Total net assets released from restrictions	<u>\$238,846</u>

Temporarily restricted net assets remaining at December 31, 2015 and 2014 consist of:

	<u>2 0 1 5</u>	<u>2 0 1 4</u>
Capital campaign	\$ 16,495	\$ 217,308
Special events sponsors	67,784	85,117
Local team deposits	<u>159,333</u>	<u>180,033</u>
	<u>\$ 243,612</u>	<u>\$ 482,458</u>

5. Permanently Restricted Net Assets

Net assets were permanently restricted for the following purposes at December 31:

	<u>2015</u>	<u>2014</u>
Special Olympics Golf Program	\$10,280	\$10,280
Other Endowment Funds	<u>11,000</u>	<u>11,000</u>
	<u>\$21,280</u>	<u>\$21,280</u>

SPECIAL OLYMPICS RHODE ISLAND, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014

6. Accounts and Pledges Receivable

The Organization has accepted contribution pledges that are expected to be collected over the next five years. These pledges have not been adjusted to the present value of their estimated future cash flows because it was considered immaterial. An allowance for doubtful pledges was not recorded for the years ended December 31, 2015, and 2014 because it was considered immaterial.

Included in pledges receivable are the following promises to give:

	<u>2015</u>	<u>2014</u>
Annual fund pledges	\$ 11,086	\$ 10,590
Restricted to purchase land and building	<u>16,444</u>	<u>60,600</u>
Net pledges receivable	\$ <u>27,530</u>	\$ <u>71,190</u>
Amounts due in:		
Less than one year	\$ 17,530	\$ 56,090
One to five years	<u>10,000</u>	<u>15,100</u>
Total	\$ <u>27,530</u>	\$ <u>71,190</u>

7. Investments

Fair market value of investments available for sale at December 31, 2015 are as follows:

	1/1/2015	DIVIDENDS REINVESTED	DISTRIBUTIONS AND FEES	REALIZED /UNREALIZED GAIN (LOSS)	12/31/2015
Mutual Funds	\$ 551,708	\$ 20,519 *	\$ (68,629)	\$ (35,918)	\$ 467,680
Equities	<u>288,769</u>	<u>8,859</u>	<u>-</u>	<u>(74,658)</u>	<u>222,970</u>
Total	<u>\$ 840,477</u>	<u>\$ 29,378</u>	<u>\$ (68,629)</u>	<u>\$ (110,576)</u>	<u>\$ 690,650</u>

\* Distribution of \$60,000 was used to pay remaining mortgage balance on December 30, 2015.

SPECIAL OLYMPICS RHODE ISLAND, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2015 AND 2014

8. Fair Value of Financial Instruments

Generally accepted accounting principles (GAAP) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Basis of Fair Value Measurement

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 - Valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.
- Level 3 - Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As required by GAAP, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

The following table presents financial assets measured at fair value on a recurring basis as of December 31, 2015 by GAAP valuation hierarchy:

Description	Level 1	Level 2	Level 3	Fair Value
Investments	\$ <u>690,650</u>	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>  690,650</u>

The following table presents financial assets measured at fair value on a recurring basis as of December 31, 2014 by GAAP valuation hierarchy:

Description	Level 1	Level 2	Level 3	Fair Value
Investments	\$ <u>840,477</u>	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>  840,477</u>

SPECIAL OLYMPICS RHODE ISLAND, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2015 AND 2014

9. Mortgage payable

The Organization is obligated on a mortgage note of \$950,000 as modified on November 1, 2011. The balance outstanding was \$0 at December 31, 2015 and \$250,000 at December 31, 2014. It accrued interest at 4.75% and was paid in full on December 30, 2015.

10. Contributed services and equipment

The Organization has received in-kind donations of equipment, materials and specialized services. The value of these donations are recorded as revenue and expense in the Statement of Activities. Expenses for the years ended December 31 are as follows:

	<u>2015</u>	<u>2014</u>
Program	\$472,576	\$417,016
Fundraising	66,967	114,232
Management	<u>64,609</u>	<u>9,823</u>
	<u>\$604,152</u>	<u>\$541,071</u>

11. Commitments

The Organization has a retirement plan covering all full-time employees who have worked with the Organization one year. They receive 3% of their base earnings to contribute on a monthly basis to a Section 403(b) tax sheltered annuity. The percentage increases incrementally to 7% after 12 years. The employees are 100% vested in all contributions. The total contribution paid by the Organization under the plan was \$30,220 for 2015 and \$31,297 for 2014.

The Organization has entered into an agreement with Medallion Productions to provide telemarketing services to raise funds from businesses and individuals in Rhode Island to support the program services of the Organization. This agreement extends through December 31, 2015.

12. Concentration of credit risk

The organization maintains cash balances at federally insured financial institutions. The Organization's credit risk with respect to such balances is all amounts on deposit in excess of federally insured limits.

13. Subsequent events

The Organization has evaluated all subsequent events through February 16, 2016, the date the financial statements were available to be issued.