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**SPECIAL OLYMPICS LOUISIANA, INC.**

**REPORT OF INDEPENDENT AUDITORS  
AND  
CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/27/06

**Prepared by**

**Carleton & Company CPAs, APAC  
Certified Public Accountants  
Baton Rouge, Louisiana**

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Carleton  
Company<sup>APAC</sup>  
Certified Public Accountants  
REPORT OF INDEPENDENT AUDITORS

The Board of Directors  
Special Olympics Louisiana, Inc.

We have audited the accompanying consolidated statement of financial position of Special Olympics Louisiana, Inc. (the Organization) as of December 31, 2005, and the related consolidated statements of activities, changes in cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Special Olympics Louisiana, Inc. at December 31, 2005 and the results of its operations and changes in fund balances and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards we have also issued a reported dated September 13, 2006, on our consideration of Special Olympics Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Baton Rouge, Louisiana  
September 13, 2006

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
December 31, 2005

**ASSETS:**

**Current Assets:**

Cash and cash equivalents	\$ 616,930
Certificates of Deposit	201,270
Accounts Receivable	83,534
Interest Receivable	317
Prepaid Expenses	<u>14,320</u>

**Total Current Assets** 916,371

Property, Plant & Equipment, Net	329,002
Other Assets	<u>0</u>

**TOTAL ASSETS** \$ 1,245,373

**LIABILITIES AND NET ASSETS:**

**Current Liabilities:**

Accounts Payable and Accrued Expenses	\$ 11,403
Deferred Support	7,050
Accrued Vacation	<u>34,722</u>

**Total Current Liabilities** 53,175

**Net Assets:**

Unrestricted	978,951
Temporarily Restricted	203,247
Permanently Restricted	<u>10,000</u>

**Total Net Assets** 1,192,198

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,245,373

The accompanying notes are an integral part of this statement.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2005**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>				
<b>Support:</b>				
General Contributions	\$ 305,615	\$	\$	\$ 305,615
State of Louisiana		67,890		67,890
Fund Raising	1,087,779	(886)		1,086,893
Donated Materials & Equipment	50,138			50,138
Donated Services	359,782			359,782
<b>Total Support</b>	<u>1,803,314</u>	<u>67,004</u>	<u>0</u>	<u>1,870,318</u>
<b>Revenue:</b>				
Registration Fees	15,788			15,788
Interest Income	6,845			6,845
<b>Total Revenue</b>	<u>22,633</u>	<u>0</u>	<u>0</u>	<u>22,633</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>				
Satisfaction of Usage Restriction	67,890	(67,890)		0
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,893,837</u>	<u>(886)</u>	<u>0</u>	<u>1,892,951</u>
<b>EXPENSES:</b>				
<b>Operating Expenses:</b>				
Program	1,215,569			1,215,569
Development and Fundraising	560,853			560,853
Management and General	205,418			205,418
<b>Total Operating Expenses</b>	<u>1,981,840</u>	<u>0</u>	<u>0</u>	<u>1,981,840</u>
<b>Net Income/(Loss) from Operations</b>	<u>(88,003)</u>	<u>(886)</u>	<u>0</u>	<u>(88,889)</u>
<b>CHANGE IN NET ASSETS</b>	(88,003)	(886)	0	(88,889)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,066,955</u>	<u>204,133</u>	<u>10,000</u>	<u>1,281,088</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 978,952</u>	<u>\$ 203,247</u>	<u>\$ 10,000</u>	<u>\$ 1,192,199</u>

The accompanying notes are an integral part of this statement.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2005**

	<u>Program</u>	<u>Development</u>	<u>Management</u>	<u>TOTAL</u>
Salaries and Benefits	\$ 368,142	\$ 159,982	\$ 155,931	\$ 684,055
Miscellaneous Compensation	205,129			205,129
Activity Supplies	96,703	6,726		103,430
Assessment Fees	22,890			22,890
Audit/Professional Fees	3,200	1,300	500	5,000
Depreciation Expense	24,922	11,063	15,376	51,361
PR Events/Campaigns	126,196	2,000		128,196
Direct Fundraising Cost		335,120		335,120
Games/Tournaments	155,157	1,064		156,220
Meetings, Conferences	1,425	1,239	175	2,839
Office Expense	14,192	5,377	6,955	26,524
Postage Expense	7,872	10,322	2,719	20,913
Program Insurance	27,866	793	6,036	34,695
Program Materials	854			854
Rent Expense	28,691			28,691
Building Maintenance			2,612	2,612
Equipment Rent/Maintenance	5,200	10,246	6,175	21,621
Telephone Expense	12,108	2,332	1,758	16,198
Travel Expense	108,504	11,792	3,972	124,268
Utilities Expense	6,518	1,497	3,209	11,224
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	\$ <u>1,215,569</u>	\$ <u>560,853</u>	\$ <u>205,418</u>	\$ <u>1,981,840</u>

The accompanying notes are an integral part of this statement.

**SPECIAL OLYMPICS LOUISIANA, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2005**

**OPERATING ACTIVITIES**

<i>Change in Net Assets from Operations</i>	\$ (88,889)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Donated equipment included in contributions	(1,000)
Depreciation & Amortization	51,361
Decrease in contributions, grants and fund raising proceeds receivable	52,002
Decrease in Prepaid and Other Assets	12,766
Decrease in Deferred Support	(17,485)
Decrease in Accounts Payable	<u>(21,353)</u>
 Net Cash Provided By Operating Activities	 <u>(12,598)</u>

**INVESTING ACTIVITIES**

Purchase/Increase of Certificates of Deposit	(198)
Purchase of Fixed Assets	<u>(10,780)</u>
 Net Cash Provided By Investing Activities	 <u>(10,978)</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** (23,576)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 640,506

**CASH AND CASH EQUIVALENTS AT ENDING OF YEAR** \$ 616,930

The accompanying notes are an integral part of this statement.

**SPECIAL OLYMPICS LOUISIANA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**1. Organization**

Special Olympics Louisiana, Inc. (the Organization) is a tax-exempt, not-for-profit corporation. The primary purpose of the Organization is to provide opportunities throughout the year for athletic training and competition for individuals with intellectual disabilities in the State of Louisiana.

To further promote its primary purpose within the State of Louisiana, the Organization created Area programs, of which there are 13, to guide and direct the Special Olympics program throughout the respective geographic areas in accordance with the Organization's stated procedures and policies. Some of the Area programs are further subdivided into Parish/Local programs, which function in the same capacity within the parish or local boundaries. All programs with financial activity are included in the December 31, 2005 financial statements.

**2. Significant Accounting Policies**

The Organization follows the accounting and financial reporting guidelines set forth in the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations.

**Basis of Presentation**

In 1995, Special Olympics Louisiana, Inc. adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report 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) based upon the existence or absence of donor-imposed restrictions. As permitted by this new standard, the Organization has discontinued the use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets.

The Organization also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Special Olympics Louisiana, Inc. and its affiliated Area and Parish programs. All material inter-agency transactions have been eliminated.

**Cash Equivalents**

The Organization considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.



**SPECIAL OLYMPICS LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2005**

**Permanently Restricted Net Assets**

The permanently restricted net assets consist of a certificate of deposit. The endowment was established to fund Organization activities in Acadia Parish. The principal amount is permanently restricted; however, interest income earned may be used by Acadia Parish Special Olympics to fund any activity and, therefore, is recorded in the current unrestricted fund.

**Temporarily Restricted Net Assets**

The temporarily restricted net assets consist of assets restricted by the Organization, and include the assets of two projects. The first project accumulated assets for the creation of an Endowment program. The second project, the Paid Area Directors Pool Account, was created to accumulate assets for the eventual hiring of paid Area Directors in the Special Olympics Areas that are currently operated by Volunteer Area Directors.

**Real Estate, Buildings, Improvements and Equipment**

Real estate, buildings, improvements and equipment are stated at cost, except for donated real estate and equipment, which are recorded at fair market value at date of receipt. Depreciation of buildings and equipment is computed by the straight-line method over the estimated useful lives of the assets, generally two to forty years.

**Contributions**

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. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give, due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

**Allocation of Functional Expenses**

The Organization classified expenses into three functions: Program Services, Development and Management. Program Services includes all expenses directly related to activities and programs, and educating the public about the Organization's programs. Development consists of expenses related to the solicitation of contributions. Management represents general and administrative costs not directly associated with activities and programs. Certain expenses have been allocated among classifications on the basis of estimates made by the Organization's management.

**Income Taxes**

The Organization is a tax-exempt, not-for-profit corporation exempt from federal income taxes under Section 501 (a) of the Internal Revenue Code as an organization described in Section 501c (3). The Organization is also exempt from Louisiana income taxes.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2005**

**Donated Materials, Equipment, and Services**

The Organization is dependent on donated materials, equipment, and services (In-Kind Donations) for a significant portion of its operations and could not operate in its present form without the donation of such materials, equipment, and services. In-Kind Donations include, among others, athletic equipment for competition and training, food/meals for coaches, athletes, and volunteers at many events, supplies and other materials for basic operations, the free or discounted use of facilities for competition and training, and other services contributed by numerous businesses and individuals. Donated materials and equipment are reflected in the accompanying statements at their estimated values at date of receipt.

As part of the In-Kind Donations, 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% 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 Louisiana Special Olympics. 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.

Periodic services of volunteers needed for games, tournaments, fund raising events and general operations are not reflected in the Statement of Public Support, Revenue, and Expenses since those activities are not subject to a sufficient degree of operating supervision and control by the Organization to enable it to have a proper basis for measuring and recording the value of such services and costs.

All other In-Kind Donations are reflected in the Statements of Activities, the Consolidated Statement of Functional Expenses, and further detailed in the supplemental statement, Consolidating Statement of Donated Materials, Services and Equipment.

**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.

**3. Accrued Vacation and Overtime Pay**

Employees are allowed to accumulate and 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, 2005, was \$34,722, and is included in Accrued Vacation.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2005**

**4. Real Estate, Buildings, Improvements and Equipment**

At December 31, 2005, the cost of property, improvements, and equipment was as follows:

Real Estate	\$ 50,000
Building	190,000
Capital Improvements	44,661
Equipment	<u>349,259</u>
	633,920
Less accumulated depreciation	<u>(304,918)</u>
	<u>\$329,002</u>

**5. Defined Contribution Plan**

After one year of employment, salaried employees who work over 1,000 hours are eligible to participate in the Organization's defined contribution plan. Contributions by the Organization to the plan are based on the participants' regular compensation and are funded currently. The Organization's contribution to the plan was \$43,150 for the year ended December 31, 2005 and is reflected in benefits expense in the Statement of Functional Expenses.

**6. Fair Value of Financial Instruments**

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and contributions receivable. The Organization estimates that the fair value of all financial instruments at December 31, 2005, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**7. Volunteers**

During the year, the Organization recorded approximately 12,000 individuals who gave their time and services to the program in various capacities needed to conduct the year-round activities, for an estimated donation of 243,458 hours, valued at \$1,521,613 for the year. These volunteers are an integral part in the overall success of the program.

**8. Area Directors Pool Account**

The Organization reduced the Area Directors Pool Account by \$5,886 during 2005. Withdrawals from the account by Area Special Olympics programs were \$49,507 and repayment from one Area was received in the amount of \$10,400. The balance in the Pool Account is \$194,347.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2005**

**9. Related Party Transactions**

The Organization purchased, with approval from the Board of Directors, \$1,685 of trophies, awards and plaques from Land of Sports-Trophies and Awards, a company owned by the President/CEO. In addition, Land of Sports-Trophies and Awards contributed \$1,181 of trophies, awards and plaques during the year, at no cost to the Organization. The Organization must obtain competitive bids, prior to trophy and plaque purchases, regardless of the amount, and is required to choose the lowest bid, while still maintaining the quality previously received from other similar companies. The Organization purchased \$18,566, of trophies, awards and plaques from other companies in 2005.

The Organization utilized the embroidery services of a relative of the President/CEO. The Organization paid for embroidered items totaling \$1,000 from this individual and \$1,283 from other embroidery companies. The cost of the services from this individual is the same as charged by other embroidery companies utilized by the Organization.

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 this company \$630 for computer services in 2005, and this company contributed \$1,240 in computer services during the year, at no cost to the Organization. The Organization paid \$530 to other computer companies in 2005, and received donated services of \$175 from other companies.

**10. Contracts and Grants**

The Organization entered into several contracts during 2005 in order to fund different programs. Some of these programs are ongoing programs while some were one-time projects for a specific purpose.

**State of Louisiana**

The Organization entered into contracts with the State of Louisiana, Department of Health and Hospitals to provide \$114,000 in services for the contract periods ending June 30, 2005, and 2006 respectively.

In 2004, the Organization entered into contracts with the State of Louisiana, Division of Administration and the Department of Facility Planning and Control, to provide \$24,500 and \$91,791, respectively, for capital improvements and technology upgrades to the property and operations at 1000 East Morris Avenue, in conjunction with the Special Olympics Louisiana Capital Campaign. Through December 31, 2005, the Organization's costs were in the amount of \$7,757, the balance remaining from the two contracts.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2005**

**11. Joint Allocation Cost of Telemarketing Fundraising**

The Organization contracts for telemarketing services to raise funds for programming as well as to raise awareness of Special Olympics Louisiana, of statewide and local programs, and of year-round activities. In addition to solicitation of funds, the campaigns attempt to identify and recruit eligible athletes, volunteers, and coaches. They educate the public about the benefits of the programs offered by the Organization, and encourage individuals to become involved. The total raised through telemarketing campaigns was \$572,417 for the year. Expenses for the telemarketing campaigns are allocated to fundraising, program and public education based on the content of the appeal.

**12. Significant Concentration of Credit Risk**

The cash funds shown on the Consolidated Statement of Financial Position contain an amount that represents a significant concentration of credit risk in that the amount exceeds the federally insured limits by some \$173,018.

As a result of Hurricanes Katrina and Rita, the Organization has been impacted in the areas of fundraising and contributions, however the impact cannot be quantified. Management is closely monitoring expenses to keep them in line with actual revenues. In 2005, several competition and fundraising events had to be canceled or rescheduled due to the situation.

**SUPPLEMENTARY INFORMATION**

# Carleton Company<sup>APAC</sup>

Certified Public Accountants

To The Board of Directors  
Special Olympics Louisiana, Inc.

Our report on our audit of the basic financial statements of Special Olympics Louisiana, Inc. appears on page 3. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Consolidating Statements of Financial Position, Activity and Donated Materials and Services are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baton Rouge, Louisiana  
September 13, 2006

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**December 31, 2005**

	<u>CHAPTER</u>	<u>AREAS</u>	<u>PARISHES</u>	<u>TOTAL</u>
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 218,692	\$ 275,444	\$ 122,794	\$ 616,930
Certificates of Deposit	160,000	39,185	2,085	201,270
Accounts Receivable	74,213	6,206	3,115	83,534
Interest Receivable	215	55	47	317
Prepaid Expenses	13,217	1,035	68	14,320
<b>Total Current Assets</b>	<u>466,337</u>	<u>321,925</u>	<u>128,109</u>	<u>916,371</u>
Property, Plant & Equipment, Net	319,400	7,419	2,183	329,002
Other Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>\$ 785,737</u>	<u>\$ 329,344</u>	<u>\$ 130,292</u>	<u>\$ 1,245,373</u>
 <b>LIABILITIES AND NET ASSETS:</b>				
<b>Current Liabilities:</b>				
Accounts Payable and Accrued Expenses	\$ 14,859	\$ 1,442	\$ 2,152	\$ 18,453
Accrued Vacation	<u>27,432</u>	<u>7,290</u>	<u>          </u>	<u>34,722</u>
<b>Total Current Liabilities</b>	<u>42,291</u>	<u>8,732</u>	<u>2,152</u>	<u>53,175</u>
<b>Net Assets:</b>				
Unrestricted	530,199	320,612	128,140	978,951
Temporarily Restricted	203,247	<u>          </u>	<u>          </u>	203,247
Permanently Restricted	<u>10,000</u>	<u>          </u>	<u>          </u>	<u>10,000</u>
<b>Total Net Assets</b>	<u>743,446</u>	<u>320,612</u>	<u>128,140</u>	<u>1,192,198</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 785,737</u>	<u>\$ 329,344</u>	<u>\$ 130,292</u>	<u>\$ 1,245,373</u>

The accompanying notes are an integral part of this statement.



**SPECIAL OLYMPICS LOUISIANA, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2005**

	<u>CHAPTER</u>	<u>AREAS</u>	<u>PARISHES</u>	<u>TOTAL</u>
<b>SUPPORT AND REVENUE:</b>				
<b>Support:</b>				
General Contributions	\$ 220,894	\$ 57,155	\$ 27,566	\$ 305,615
State of Louisiana	67,890			67,890
Fund Raising	781,905	272,354	32,634	1,086,893
Donated Materials & Equipment	31,069	18,050	1,019	50,138
Donated Services	184,899	134,283	40,600	359,782
<b>Total Support</b>	<u>1,286,657</u>	<u>481,842</u>	<u>101,819</u>	<u>1,870,318</u>
<b>Revenue:</b>				
Registration Fees	0	15,788	0	15,788
Interest Income	5,186	1,585	74	6,845
<b>Total Revenue</b>	<u>5,186</u>	<u>17,373</u>	<u>74</u>	<u>22,633</u>
<b>TOTAL SUPPORT &amp; REVENUE</b>	<u>1,291,843</u>	<u>499,215</u>	<u>101,893</u>	<u>1,892,951</u>
<b>EXPENSES:</b>				
Salaries and Benefits	512,092	171,820	143	684,055
Miscellaneous Comp	120,754	46,875	37,500	205,129
Activity Supplies	64,741	26,452	12,236	103,429
Assessment Fees	20,706	1,800	384	22,890
Audit/Professional Fees	5,000	0	0	5,000
Depreciation Expense	43,145	6,496	1,720	51,361
PR Events/Campaigns	91,578	36,619	0	128,197
Direct Fundraising Cost	245,452	82,008	7,660	335,120
Games/Tournaments	116,504	33,299	6,418	156,221
Meetings, Conferences	2,603	236	0	2,839
Office Expense	19,728	5,936	859	26,523
Postage Expense	19,768	900	246	20,914
Program Insurance	34,664	31	0	34,695
Program Materials	854	0	0	854
Rent Expense	2,025	26,666	0	28,691
Building Maintenance	2,612	0	0	2,612
Equipment Rent/Maint	21,099	522	0	21,621
Telephone Expense	8,232	7,623	343	16,198
Travel Expense	37,612	61,532	25,123	124,267
Utilities Expense	11,224	0	0	11,224
<b>Total Expenses from Operations</b>	<u>1,380,393</u>	<u>508,815</u>	<u>92,632</u>	<u>1,981,840</u>
<b>TOTAL EXPENSES</b>	<u>1,380,393</u>	<u>508,815</u>	<u>92,632</u>	<u>1,981,840</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ (88,550)</u>	<u>\$ (9,600)</u>	<u>\$ 9,261</u>	<u>\$ (88,889)</u>

The accompanying notes are an integral part of this statement.

**SPECIAL OLYMPICS LOUISIANA, INC.**  
**CONSOLIDATING STATEMENT OF DONATED MATERIALS, SERVICES AND EQUIPMENT**  
**YEAR ENDED DECEMBER 31, 2005**

	<u>CHAPTER</u>	<u>AREAS</u>	<u>PARISHES</u>	<u>TOTAL</u>
Salaries and Benefits	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Compensation	119,525	46,875	37,500	203,900
Activity Supplies	12,570	6,505	30	19,105
PR Events/Campaigns	6,235	2,500		8,735
Direct Fundraising Cost	18,993	7,765		26,758
Games/Tournaments	48,455	27,582	3,950	79,987
Meetings/Conferences	116			116
Office Expense	3,882	30	123	4,035
Postage Expense			16	16
Rent Expense		19,500		19,500
Equipment Maintenance	462	175		637
Telephone Expense		1,995		1,995
Travel Expense	5,730	38,406		44,136
	<u>5,730</u>	<u>38,406</u>	<u>3,950</u>	<u>44,136</u>
<b>TOTAL</b>	<b>\$ <u>215,968</u></b>	<b>\$ <u>151,333</u></b>	<b>\$ <u>41,619</u></b>	<b>\$ <u>408,920</u></b>

The accompanying notes are an integral part of this statement.

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**



**REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited the general-purpose financial statements of Special Olympics Louisiana as of and for the year ended December 31, 2005, and have issued our report thereon dated September 13, 2006. We conducted our 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.

**Compliance**

As part of obtaining reasonable assurance about whether Special Olympics Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Special Olympics Louisiana, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

September 13, 2006  
Baton Rouge, Louisiana