

Special Olympics North Carolina, Inc.
Report on Audits of Financial Statements
for the years ended December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Special Olympics North Carolina, Inc.

We have audited the accompanying statements of financial position of Special Olympics North Carolina, Inc. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 auditors' 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 North Carolina, Inc. as of December 31, 2015 and 2014, 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.

McMillan Pate & Company LLP

April 26, 2016

SPECIAL OLYMPICS NORTH CAROLINA, INC.
 Statements of Financial Position
 December 31, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 1,026,443	\$ 1,487,771
Marketable securities	4,007,898	3,970,403
Receivables:		
Pledges, net	38,906	31,191
Special Olympics, Inc.	34,949	27,133
Contributions	215,405	47,941
Sales tax receivable	31,727	22,390
Interest receivable	-	3,364
Total receivables	<u>320,987</u>	<u>132,019</u>
Prepaid expenses	11,485	14,916
Inventories	<u>20,581</u>	<u>13,131</u>
Total current assets	<u>5,387,394</u>	<u>5,618,240</u>
Property and equipment:		
Office equipment and technology	194,640	174,697
Furniture and fixtures	22,871	39,184
Vehicles	119,852	127,852
Program equipment	40,988	37,980
Leasehold improvements	<u>28,391</u>	<u>9,121</u>
	406,742	388,834
Less accumulated depreciation and amortization	<u>280,999</u>	<u>281,136</u>
Property and equipment, net	<u>125,743</u>	<u>107,698</u>
Noncurrent portion of contributions receivable, net	<u>194,156</u>	-
Land held for investment purposes	-	<u>30,000</u>
Deposits	<u>9,180</u>	<u>9,180</u>
	<u>\$ 5,716,473</u>	<u>\$ 5,765,118</u>

The accompanying notes are an integral
 part of the financial statements.

<u>Liabilities and Net Assets</u>	<u>2015</u>	<u>2014</u>
Current liabilities:		
Current obligations under capital lease	\$ 10,751	\$ 10,704
Accounts payable trade	133,524	199,216
Accrued compensation	<u>62,484</u>	<u>55,127</u>
Total current liabilities	<u>206,759</u>	<u>265,047</u>
Noncurrent liabilities:		
Obligations under capital lease, excluding current maturities	18,928	29,678
Deferred rent	<u>90,183</u>	<u>12,040</u>
Total noncurrent liabilities	<u>109,111</u>	<u>41,718</u>
Net assets:		
Unrestricted:		
Designated:		
Athlete Development	576,972	576,972
Undesignated	<u>4,426,392</u>	<u>4,781,381</u>
	<u>5,003,364</u>	<u>5,358,353</u>
Temporarily restricted	<u>397,239</u>	<u>100,000</u>
Total net assets	<u>5,400,603</u>	<u>5,458,353</u>
	\$ <u>5,716,473</u>	\$ <u>5,765,118</u>

SPECIAL OLYMPICS NORTH CAROLINA, INC.
 Statements of Activities
 for the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in unrestricted net assets:		
Revenues and gains (losses):		
Sponsorships	\$ 1,385,485	\$ 1,421,323
In kind sponsorships	2,104,018	1,958,517
Special events	1,727,315	1,760,426
Individual sources	838,223	842,699
Grants	532,063	485,843
Investment income (loss):		
Realized gains (losses) on marketable securities, net	109,126	(16,191)
Unrealized appreciation (depreciation) on marketable securities, net	(317,784)	(48,175)
Interest and dividends	122,325	201,681
Total operating revenue and gains (losses)	<u>6,500,771</u>	<u>6,606,123</u>
Net assets released from restriction	<u>25,000</u>	<u>32,000</u>
Total revenues and gains (losses)	<u>6,525,771</u>	<u>6,638,123</u>
Expenses and losses:		
Programs and games	5,942,316	5,608,103
Fundraising	772,139	790,470
Management and general	152,210	140,672
Total expenses	<u>6,866,665</u>	<u>6,539,245</u>
Loss on disposal of land held for investment	12,484	-
Loss on disposal of property and equipment	1,611	771
Total expenses and losses	<u>6,880,760</u>	<u>6,540,016</u>
Increase (decrease) in unrestricted net assets	<u>(354,989)</u>	<u>98,107</u>
Changes in temporarily restricted net assets:		
Sponsorships	319,156	100,000
Grants	3,083	-
Net assets released from restriction	<u>(25,000)</u>	<u>(32,000)</u>
Increase in temporarily restricted net assets	<u>297,239</u>	<u>68,000</u>
Changes in net assets	(57,750)	166,107
Net assets, beginning of year	<u>5,458,353</u>	<u>5,292,246</u>
Net assets, end of year	\$ <u>5,400,603</u>	\$ <u>5,458,353</u>

The accompanying notes are an integral part of the financial statements.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

1. ORGANIZATION

Special Olympics North Carolina, Inc. (the Organization or SONC) is a nonprofit corporation authorized and accredited by Special Olympics, Incorporated (SOI). The Organization was established in 1971 to contribute to the physical, social and psychological development of citizens with Intellectual disabilities through successful experience in sports training and competition. Based on information collected for the Special Olympics 2015 Global Athlete Census, SONC involves approximately 40,000 athletes throughout North Carolina in 19 sports. The accompanying financial statements include the activities of the Special Olympics North Carolina, Inc. headquarters (accredited US program office) and all affiliated units located throughout North Carolina. All North Carolina affiliated units are owned and operated under the direction of the Organization's chapter office.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of SONC are prepared on the accrual basis of accounting and in accordance with the principles contained in the audit and accounting guide, *Not-for-Profit Entities*, published by the American Institute of Certified Public Accountants.

Reclassification

Certain 2014 amounts have been reclassified to conform to the 2015 financial statement presentation with no effect on previously reported net assets and changes in net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all investments with original maturity of 90 days or less to be cash equivalents. At December 31, 2015 and 2014, there were cash deposits of \$796,717 and \$1,274,897 in excess of amounts insured by the Federal Deposit Insurance Corporation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Based on experience, management believes that the entire amounts are fully collectible. Therefore, no allowance for doubtful accounts has been recorded. In the unlikely event that an outstanding balance could not be collected, it would be written down with a charge against bad debt expense and a credit to the receivable balance. Pledges receivable consist of pledges made through consumer and business telemarketing campaigns recorded based on historical collection rates.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (continued)

Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using interest rates applicable to the years in which the contributions are unconditionally committed.

Inventories

Inventories at December 31, 2015 and 2014 consist of medals awarded during competitions and souvenirs. Inventories are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment

Expenditures for property and equipment are stated at cost. Donated property and equipment is recorded at fair value at the date of receipt. Equipment under capital lease is stated at the lower of the present value of minimum lease payments at the beginning of the lease term or fair value of the equipment at the inception of the lease. Depreciation and amortization is provided over the estimated useful lives of the respective assets using the straight-line method. Equipment under capital lease and leasehold improvements are amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the asset. The estimated useful lives range as follows:

Equipment and technology	3- 5 years
Furniture and fixtures	7 years
Vehicles	5 years
Leasehold improvements	3-10 years

Expenditures for repairs and maintenance are charged to expense as incurred. Upon disposition of property and equipment, the related asset and accumulated depreciation and amortization accounts are removed and any gain or loss is reflected in the statement of activities for the period.

Depreciation and amortization expense for the years ended December 31, 2015 and 2014 was \$33,641 and \$24,715, respectively.

Contributions

The Organization reports monetary gifts as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization reports donor-restricted grants whose restrictions are met in the same year as unrestricted revenue.

The Board of Directors has designated portions of the unrestricted net assets for the purpose of carrying out programs in sports training and competition. Marketable securities and cash equivalents in the amount of \$576,972 are designated at December 31, 2015 and 2014.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (continued)

All contributions are considered available for the general games program of the Organization, unless specifically restricted by the donor. The Organization is the beneficiary under various wills and trust agreements; the total realizability of which is not presently determinable. Such amounts are recorded when the proceeds are measurable.

The Organization recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote. The Organization recognizes unconditional promises to give at their net realizable value.

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.

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.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from North Carolina income taxes, accordingly, no income taxes have been provided in the accompanying financial statements.

Subsequent Events

The Organization has evaluated events and transactions that occurred between December 31, 2015 and April 26, 2016 which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

3. FAIR VALUE MEASUREMENTS

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP). At December 31, 2015 and 2014, the Organization had exchange traded funds, mutual funds, and, land held for investment that were carried at fair value for which the disclosure requirements of FASB ASC 820 applies.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

3. FAIR VALUE MEASUREMENTS (Continued)

FASB ASC 820 establishes three levels of inputs that may be used to measure fair value: Level 1: Quoted prices in active markets for identical assets or liabilities at the measurement date; Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active market for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or Level 3: Unobservable inputs that are supported by little or no market activity and that reflect the Organization's own assumptions about market participants and prices.

Fair value of assets measured on a recurring basis at December 31 are as follows:

2015	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual funds:				
Large value	\$ 543,840	\$ 543,840	\$ -	\$ -
Intermediate bond	538,954	538,954	-	-
Large blend	432,044	432,044	-	-
Large growth	429,085	429,085	-	-
Foreign large blend	253,848	253,848	-	-
Small blend	252,710	252,710	-	-
Diversified Emerging markets	177,257	177,257	-	-
High yield bond	168,451	168,451	-	-
Mid-cap blend	158,116	158,116	-	-
World bond	133,729	133,729	-	-
Real Estate	123,646	123,646	-	-
Small growth	111,510	111,510	-	-
Short-term bond	100,150	100,150	-	-
Mid-cap growth	97,916	97,916	-	-
Emerging markets bond	96,541	96,541	-	-
Multi-sector bond	77,103	77,103	-	-
Treasury	69,924	69,924	-	-
World allocation	59,126	59,126	-	-
Nontraditional bond	57,742	57,742	-	-
Mid-cap value	54,772	54,772	-	-
Bank Loan	37,599	37,599	-	-
Commodities broad	33,835	33,835	-	-
Total	\$ <u>4,007,898</u>	\$ <u>4,007,898</u>	\$ -	\$ -

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

3. FAIR VALUE MEASUREMENTS (Continued)

2014	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Exchange traded funds:				
Emerging markets	\$ 55,611	\$ 55,611	\$ -	\$ -
Mutual funds:				
Large value	743,316	743,316	-	-
Large growth	637,664	637,664	-	-
High yield bond	273,217	273,217	-	-
World allocation	252,089	252,089	-	-
World bond	234,859	234,859	-	-
Short-term bond	221,005	221,005	-	-
Diversified emerging markets	185,899	185,899	-	-
Small blend	169,241	169,241	-	-
Intermediate bond	159,673	159,673	-	-
Foreign large blend	113,841	113,841	-	-
Real Estate	102,315	102,315	-	-
Emerging markets bond	98,254	98,254	-	-
Foreign large growth	92,299	92,299	-	-
Foreign large value	92,154	92,154	-	-
Multi-sector bond	78,580	78,580	-	-
Small growth	76,041	76,041	-	-
Mid-cap blend	73,367	73,367	-	-
Mid-cap growth	71,745	71,745	-	-
Treasury	70,668	70,668	-	-
Nontraditional bond	60,710	60,710	-	-
Bank Loan	40,216	40,216	-	-
Equity precious metals	35,132	35,132	-	-
Commodities broad	32,507	32,507	-	-
Total	\$ <u>3,970,403</u>	\$ <u>3,970,403</u>	\$ <u>-</u>	\$ <u>-</u>

Fair value of assets measured on a nonrecurring basis at December 31, 2014 is as follows:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Land held for investment	\$ <u>30,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>30,000</u>
	\$ <u>30,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>30,000</u>

Land held for investment purpose with a carrying amount of \$30,000 at December 31, 2014 was sold in 2015 at a loss of \$12,484.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

4. MARKETABLE SECURITIES

Marketable debt and equity securities are reported at fair market values based on quotations obtained from national securities exchanges or brokerage firms.

The fair value of marketable securities at December 31, 2015 and 2014 are comprised of the following:

	<u>2015</u>	<u>2014</u>
Mutual funds	\$ 4,007,898	\$ 3,914,792
Exchange traded funds	-	55,611
	<u>\$ 4,007,898</u>	<u>\$ 3,970,403</u>

At December 31, 2015 and 2014, the aggregate fair market value of marketable securities exceeded their aggregate cost by \$12,731 and \$330,515, respectively. The Organization realized gains (losses) of \$109,126 and \$(16,191) from the sale of marketable securities for the years ended December 31, 2015 and 2014, respectively. For purposes of determining the gain or loss on a sale, the cost of marketable securities is based on the average cost of all shares of each such investment fund at the date of sale. Unrealized appreciation (depreciation) related to marketable securities was \$(317,784) and \$(48,175) for the years ended December 31, 2015 and 2014, respectively. The Organization incurred investment fees of \$29,125 and \$42,294 for the years ended December 31, 2015 and 2014, respectively.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are estimated to be collected as follows at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Within one year	\$ 215,405	\$ 47,941
In one to five years	<u>200,000</u>	-
	415,405	47,941
Less discount to net present value at 2%	<u>5,844</u>	-
	<u>\$ 409,561</u>	<u>\$ 47,941</u>

6. CONTRIBUTED SERVICES, FACILITIES AND MATERIALS

The Organization recognizes contributions of services received if such services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed specialized services, facilities, advertising, printing, property and equipment in the amounts of \$2,104,018 and \$1,958,517 have been recognized in the accompanying statements of activities for the years ended December 31, 2015 and 2014, respectively.

7. 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.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

7. JOINT COST ALLOCATION (Continued)

Joint cost activity related to telemarketing costs for volunteer recruitment, athlete recruitment and support of programs in the amounts of \$319,193 and \$359,716 for the years ended December 31, 2015 and 2014, respectively have been allocated as follows:

	<u>2015</u>	<u>2014</u>
Programs and games	\$ 239,394	\$ 269,803
Fundraising	<u>79,799</u>	<u>89,913</u>
	<u>\$ 319,193</u>	<u>\$ 359,716</u>

8. EMPLOYEE BENEFIT PLANS

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 3% of the participants' gross salary. Retirement expense was \$29,422 and \$28,693, for the years ended December 31, 2015 and 2014, respectively.

9. RELATED PARTY TRANSACTIONS

Special Olympics Inc. (SOI) distributes mailings to individuals and corporations requesting contributions on behalf of the Organization. SOI also collects contributions from its website and through other fund raising initiatives on behalf of the Organization. SOI collects these contributions and remits them to the Organization. SOI also awards grants to the Organization. Total revenue from SOI recognized during the years ended December 31, 2015 and 2014 was \$708,317 and \$654,586, respectively, of which \$34,949 and \$27,133, respectively, was in accounts receivable at December 31, 2015 and 2014.

The Organization recorded dues and other various payments to SOI of \$107,559 and \$112,340 for the years ended December 31, 2015 and 2014, respectively, of which \$8,752 and \$0 was in accounts payable at December 31, 2015 and 2014, respectively.

Members of the board and employees contributed \$25,000 and \$30,368 to the Organization in 2015 and 2014, respectively. During 2014 the organization received donated printing services and paid for printing services from a company owned by a board member in the amounts of \$5,858 and \$2,052, respectively.

10. LEASES

Operating Leases

The Organization leases certain facilities under non-cancelable operating leases scheduled to expire at various dates through July 2016. Total rental expense under these leases was \$187,253 and \$142,473 for the years ended December 31, 2015 and 2014, respectively.

The Organization leases its state headquarters in Morrisville, North Carolina under a ten-year facility lease. In March 2015 the Organization extended the lease on its state headquarters. The extended lease began in April 2015 and expires in September 2026 with the option to renew for an additional five years. The lease agreement includes an abatement for the first 16 months of the agreement. The total ten-year commitment is \$1,483,593.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

10. LEASES (Continued)

Operating Leases (continued)

Similarly, the Organization leases its Charlotte office facility under a seven year lease. The lease term began January 2009 and expires July 2016. The total seven year lease term commitment is \$160,358. In July 2015, the Organization negotiated an early termination of this lease agreement effective January 2016. Also in July 2015 the Organization signed a new lease agreement for its Charlotte office facility beginning in January 2016 and expires in September 2026 with the option to renew for an additional five years. The lease agreement includes an abatement for 8 months of the agreement. The total ten-year commitment is \$229,145.

The Organization leases an additional office facility in Greensboro. The lease was extended in April 2016 and expires in April 2018. The total lease commitment on the two year extension is \$32,064.

Payments under these facility leases vary during the term of the related lease. FASB ASC 840, Leases, requires that rental expense be recognized on a straight-line basis. As such, rental expense more than rental payments in the amount of \$78,143 has been reflected in the accompanying statement of activities for the year ended December 31, 2015 and rental expense less than rental payments in the amount of \$34,686 has been reflected in the accompanying statement of activities for the year ended December 31, 2014. Deferred rent is \$90,183 and \$12,040 at December 31, 2015 and 2014, respectively.

Future minimum lease payments under non-cancelable operating lease agreements at December 31, 2015 are as follows:

2016	\$ 63,279
2017	166,206
2018	162,799
2019	161,392
2020	165,426
Thereafter	<u>1,046,083</u>
Total	\$ <u>1,765,185</u>

Capital Leases

The Organization leases copiers under a capital lease arrangement with an effective interest rate of 0.44% and expiring September 2018. The cost of the copiers under capital lease is included in the statement of financial position under the caption office equipment and technology. The cost of the copiers was \$51,486 at December 31, 2015 and 2014. Accumulated amortization on the leased copiers at December 31, 2015 and 2014 was \$18,650 and \$8,652, respectively. Amortization of assets under capital lease is included in depreciation expense.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
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10. LEASES (Continued)

Capital Leases (continued)

The future minimum lease payments required under the capital lease and the present value of the net minimum lease payments at December 31, 2015, are as follows:

Year ending December 31:	
2016	\$ 10,859
2017	10,859
2018	<u>8,144</u>
Total minimum lease payments	29,862
Less amounts representing interest	<u>183</u>
Present value of net minimum lease payments	29,679
Less current obligations under capital lease	<u>10,751</u>
Noncurrent portion of capital lease obligations	\$ <u><u>18,928</u></u>

11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available as follows at December 31:

	<u>2015</u>	<u>2014</u>
Purpose Restrictions:		
Sponsorships	\$ 379,156	\$ 100,000
Health Screenings	3,083	-
Time Restrictions:		
Contributions	<u>15,000</u>	<u>-</u>
	\$ <u><u>397,239</u></u>	\$ <u><u>100,000</u></u>

12. CONCENTRATIONS

The NC Law Enforcement Torch Run for Special Olympics is an annual initiative that involves hundreds of law enforcement officers representing more than 200 agencies throughout the state raising awareness and funds for SONC. The fundraising is carried out through a multitude of special events held during the year such as golf tournaments, polar plunges, 5K races, Tip-A-Cop promotions, Building Sits and more. The officers also accept donations from the public in exchange for an annual commemorative T-shirt. Additionally, the officers raise funds through sponsorships from corporations and businesses. The Law Enforcement Torch Run® for Special Olympics is officially endorsed by the International Association of Chiefs of Police, the North Carolina Association of Chiefs of Police, the National Sheriff's Association, the North Carolina Sheriff's Association, the International Association of Campus Law Enforcement Administrators, the National Association of School Resource Officers, NC Association of School Resource Officers, NC Department of Justice and the NC Department of Public Safety. The Organization derived approximately 15% and 14% of its revenues from contributions generated through the NC Law Enforcement Torch Run during the years ended December 31, 2015 and 2014, respectively.

The Organization derived approximately 8% and 9% of its contributions under corporate outreach program contracts with a national marketing agency for the years ended December 31, 2015 and 2014, respectively. 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.

SPECIAL OLYMPICS NORTH CAROLINA, INC.
Notes to Financial Statements
December 31, 2015 and 2014

12. CONCENTRATIONS (Continued)

Approximately 8% and 24% of the Organization's receivables were due from a national marketing agency at December 31, 2015 and 2014. Approximately 7% and 21% of the Organization's receivables were due from Special Olympics, Inc. at December 31, 2015 and 2014, respectively. Approximately 61% and 10% of the Organization's receivables were due from a contributing organization at December 31, 2015 and 2014, respectively.

Approximately 40% and 19% of the Organization's payables were due to a national marketing agency at December 31, 2015 and 2014, respectively. At December 31, 2015, approximately 14% of the Organization's payables were due to a lessor for rent. At December 31, 2014 approximately 23% of the Organization's payables were due to a financial institution under a credit card services agreement. At December 31, 2014, approximately 13% of the Organization's payables were due to a clothing company.