

To the Board of Directors and Management
Special Olympics Iowa, Inc.

In planning and performing our audit of the financial statements of Special Olympics Iowa, Inc. (the Organization) as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Special Olympics Iowa, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Special Olympics Iowa, Inc.'s internal control to be significant deficiencies:

Use of third-party fundraising and telemarketing platforms

The Organization uses third parties to solicit and collect contributions on behalf of the Organization. Management monitors the contributions remitted by the third parties for unexpected variances and is confident in the third parties' processes and procedures and believes the third parties have remitted all contributions to Special Olympics Iowa, Inc. that were received on behalf of the Organization. However, the third parties do not have an independent service organization examination (commonly referred as a SSAE No. 18 attestation) over the procedures and controls related to soliciting and collecting funds and remittance processes. The lack of such an examination increases the risks that the Organization may not be aware of deficiencies in internal controls at the third parties and not be aware of user controls that should be in place within the Organization related to contribution processing.

The Organization should continue to closely monitor collection results and investigate any unusual changes in expected contributions. Management may also wish to request that the third parties have an annual examination of its credit card and remittances processes conducted in accordance with Statement on Standards for Attestation Engagements (SSAE) No. 18, *Attestation Standards: Clarification and Recodification*.

Segregation of duties

During 2017, the former Director of Financial Activities had access to blank checks, had the ability to process checks, and was also responsible for distributing signed checks. This increased the risk that fraudulent invoices could be paid or checks inappropriately altered. In addition, investment statements and bank reconciliations were not reviewed by anyone other than the Director of Financial Activities, who was the individual that was preparing the monthly reconciliations.

During 2018, the Organization implemented segregation of duties around the check process and the bank reconciliation process. We recommend that the Organization continue these implemented processes. We also recommend that the Chief Executive Officer reviews the monthly investment statements.

This communication is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

McGowan, Hurst, Clark + Smith, P.C.

West Des Moines, Iowa
September 6, 2018