

SPECIAL OLYMPICS IOWA  
FINANCIAL SUMMARY  
AS OF AND FOR THE EIGHT-MONTHS ENDED AUGUST 31, 2018

**NET INCOME (LOSS)**

State office net loss YTD August 2018, excluding in-kind revenues and expenses, was \$148,717; approximately \$96,200 below budget. Key drivers of the YTD August 2018 budget variance include:

Net Income improvements to budget:

- \$68,000 increase in revenues from the individual bequest received in Q1 2018.
- \$25,000 bocce ball sponsorship received for the first time.
- \$58,900 reduction in cash expenses from budget.
  - ✓ \$67,700 reduction in fundraising expenses, offsetting some of the revenue shortfalls noted below.
  - ✓ \$60,700 in payroll related expenses, mostly due to the business office transition offset by contractor fees.

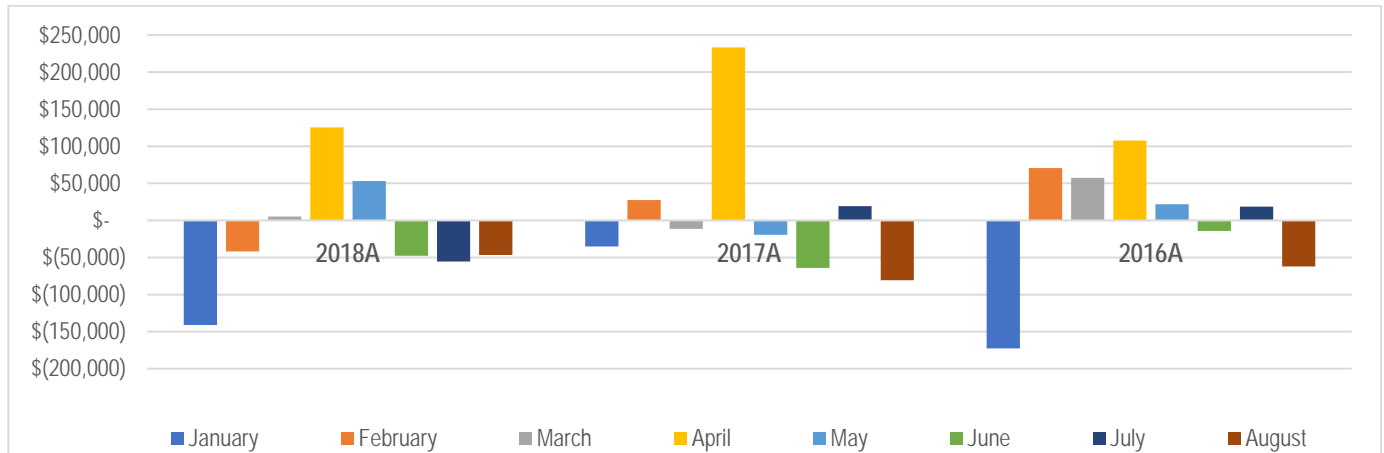
Net Income shortfalls to budget

- \$45,000 shortfall due to budgeted revenue for National Games
  - ✓ Budget contemplated that delegations would fundraise to support travel and related costs.
  - ✓ State office later chose to use other funding sources to support delegation attendance.
- \$40,400 net, shortfall for the pending Truck Raffle that was a new fundraising program added in 2018.
  - ✓ The truck was purchased in March 2018 for \$44,400; 100% variance with budget and year ago.
  - ✓ Ticket sales will proceed through most of 2018, and tickets sold by delegations have a 50% revenue share
  - ✓ Through September 25, 2018, the net cost of the truck raffle had decreased to \$26,785.
- \$81,000 overrun in program expenses driven mostly by:
  - ✓ \$44,000 due to participant souvenir costs.
  - ✓ \$14,300 unbudgeted expense for the Iowa Hall of Pride refresh project; approved by the board in April 2018.
- \$160,100 shortfall in development (aka fundraising) revenues:
  - ✓ \$31,900 shortfall due to timing for Cop on Tops; a change in leadership delayed the events until 2<sup>nd</sup> half year.
  - ✓ \$30,900 shortfall in Plane Pull, mostly due to participation.
  - ✓ \$28,900 shortfall in fundraising with Ames and ISU; Polar Plunge fell short by \$13,200 and the Gourmet Gala was \$11,200 below budget.
  - ✓ \$25,000 shortfall due Run with the Police, whereby the event did not occur in May as planned.
  - ✓ \$23,800 shortfall in fundraising with Iowa City, whereby Swing with Celebs is short \$20,000 mostly timing related.
  - ✓ \$16,300 shortfall in Over the Edge; timing related as the event is scheduled for September 2018.
  - ✓ \$7,400 shortfall in the Torch Run – Dance and Auction, driven by a change in ticketing policy. The new liaison chose not to sell tickets and/or tables, so revenues derived are solely from the auction.

Overall outlook remains in line with budget with development and program sponsorship revenues expected to close the revenue shortfall by year end.

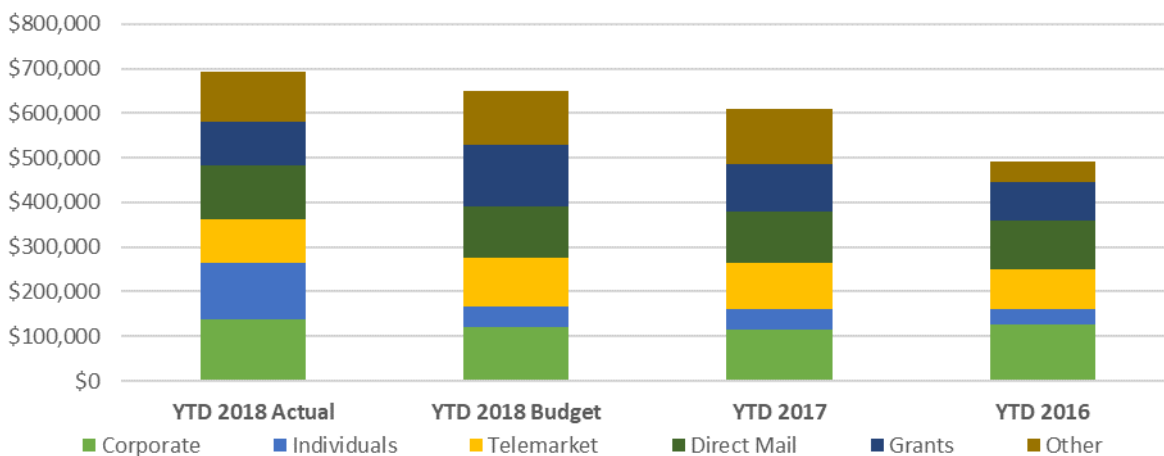
**CASH FLOW PEAKS AND VALLEYS BY MONTH**

The cash flow for Special Olympics Iowa follows a consistent pattern due to its long history with contributed income receipts and promotional programs. April is the month for the Ames polar plunge, and generates positive cash flow. June and July 2018 resulted in higher negative cash flows than the prior two years due to National Games expenses.



**CONTRIBUTED INCOME**

Contributed income is up \$76,100 over year ago, primarily due to a new sponsorship of bocce ball and a bequest left by an individual donor, offset by a \$9,400 reduction in contributions from Knights of Columbus selling initiatives.



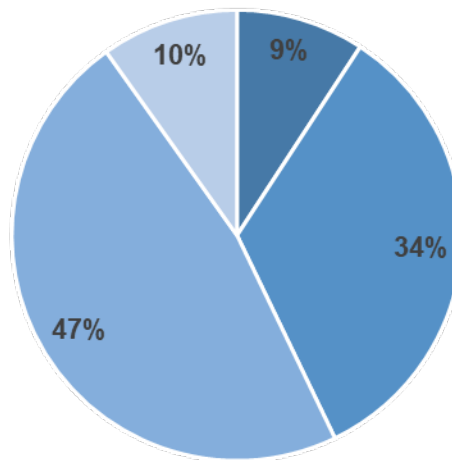
CASH, CASH EQUIVALENTS AND INVESTMENTS

	8.31.2018	12.31.2017	8.31.2017	12.31.2016
Operating Cash	\$ 336,090	\$ 414,190	\$ 516,044	\$ 467,464
Cash Equivalents	\$ 604,492	\$ 703,080	\$ 701,097	\$ 698,458
Investments	\$ 569,272	\$ 596,379	\$ 542,631	\$ 501,930
	<u>\$ 1,509,854</u>	<u>\$ 1,713,649</u>	<u>\$ 1,759,771</u>	<u>\$ 1,667,852</u>

Reduction in cash from year-end totals \$204,000 and is primarily attributable to (i) \$72,400 for National Games expenses, (ii) \$40,400 for the net YTD cost of the truck auction, and (iii) the year to date shortfall in development revenues, as discussed.

Investments are comprised of restricted reserves with Des Moines and Dubuque community foundations and the Lindberg Trust (collectively \$186,883), and unrestricted assets invested with BTC Capital totaling \$410,238. The unrestricted cash reserves are invested as follows:

- Money Market
- Fixed Income
- Domestic Equities
- International Equities





## August YTD 2018 Actual vs 2018 Budget (unaudited)

	Notes	2018 Actual	2018 Budget	Variance
<b>Revenue</b>				
Corporate Contributions	(i)	138,783	120,000	18,783
Individual Contributions		126,222	46,000	80,222
In Kind Revenue	(iv)	952,120	1,005,438	(53,318)
Program Revenue		151,068	136,125	14,943
Promotion Revenue	(ii)	913,398	1,073,500	(160,102)
Grants		60,000	60,000	-
Investment income		4,855	-	4,855
Gain (Loss) on Investments		3,722	-	3,722
National Games	(iii)	1,820	45,000	(43,180)
Other Combined	(ix)	361,143	379,920	(18,777)
<b>Total Revenue</b>		<b>2,713,132</b>	<b>2,865,983</b>	<b>(152,851)</b>
<b>Expenses</b>				
<i>Development Expenses</i>				
Development In Kind		11,000	51,179	40,179
Development Payroll		213,091	192,906	(20,184)
Promotion Expenses	(ii)	131,647	199,300	67,653
Fundraising - Ford F150 Raffle	(vi)	55,397	-	(55,397)
Other Combined		104,058	94,783	(9,274)
<b>Total Development Expenses</b>		<b>515,193</b>	<b>538,169</b>	<b>22,976</b>
<i>Program Expenses</i>				
Program In Kind		941,120	954,259	13,139
Awards		22,938	21,715	(1,223)
Program Payroll		540,216	579,906	39,690
Program Expenses	(vii)	472,404	391,365	(81,039)
Area Compensation		5,661	14,000	8,340
National Games (incl Team Iowa)	(viii)	72,427	73,900	1,473
Other Combined		221,625	222,238	613
<b>Total Program Variance</b>		<b>2,276,390</b>	<b>2,257,384</b>	<b>(19,007)</b>
<i>Admin Expenses</i>				
Admin Payroll	(v)	3,554	74,755	71,202
Audit Fees		17,300	20,000	2,700
Other Combined	(v)	49,413	29,825	(19,588)
<b>Total Admin Variance</b>		<b>\$ 70,267</b>	<b>\$ 122,859</b>	<b>\$ 54,314</b>
<b>Total Expenses</b>		<b>\$ 2,861,850</b>	<b>\$ 2,918,411</b>	<b>\$ 58,283</b>
<b>Operating Profit (Loss):</b>		<b>\$ (148,717)</b>	<b>\$ (52,428)</b>	<b>\$ (96,289)</b>

### Notes

- (i) Sammons Group \$25,000 for bocce ball sponsorship, new in 2018.
- (ii) Refer to Financial Summary
- (iii) Budget assumed \$45,000 in revenues from Team USA Iowa delegation in 1st HY 2018
- (iv) Evaluating management's estimates of In-kind services and value, and will be adjusted in 2HY 2018
- (v) Savings in personnel and the related costs, offset by accounting outsourcing.
- (vi) Purchase of truck for F150 raffle \$48,800 new in 2018; Telemarketing expense up consistent with revenues
- (vii) \$12k increase in General programs (6110-61-000) and \$44k increase in souvenirs (6110-69-000).
- (viii) Once per 4 years



## August YTD 2018 Actual vs 2017 Actual (unaudited)

Notes	2018 Actual	2017 Actual	Variance
<b>Revenue</b>			
Corporate Contributions (i)	\$ 138,783	\$ 115,776	\$ 23,007
Individual Contributions	126,222	44,483	81,738
In Kind Revenue (iv)	952,120	1,005,438	(53,318)
Program Revenue	151,068	136,869	14,199
Promotion Revenue (ii)	913,398	1,042,196	(128,798)
Grants	60,000	60,000	-
Investment income (iii)	4,855	4,175	680
Gain (Loss) on Investments (iii)	3,722	43,688	(39,966)
National Games (ix)	1,820	-	1,820
Other Combined (iii)	361,143	389,830	(28,686)
<b>Total Revenue</b>	<b>\$ 2,713,132</b>	<b>\$ 2,842,456</b>	<b>\$ (129,323)</b>
<b>Expenses</b>			
<i>Development Expenses</i>			
Development In Kind (iv)	11,000	47,168	36,168
Development Payroll	213,091	207,803	(5,288)
Promotion Expenses (ii)	131,647	175,955	44,307
Fundraising - Ford F150 Raffle (vii)	55,397	-	(55,397)
Other Combined	104,058	105,328	1,270
<b>Total Development Expenses</b>	<b>\$ 515,193</b>	<b>\$ 536,253</b>	<b>\$ 21,060</b>
<i>Program Expenses</i>			
Program In Kind (iv)	941,120	954,259	13,139
Program Payroll	540,216	534,811	(5,405)
Awards	22,938	21,763	(1,175)
Program Expenses (vi)	472,404	387,099	(85,305)
Area Compensation	5,661	16,389	10,728
National Games (incl Team Iowa)	72,427	-	(72,427)
Other Combined	221,625	207,248	(14,377)
<b>Total Program Variance</b>	<b>\$ 2,276,390</b>	<b>\$ 2,121,569</b>	<b>\$ (154,821)</b>
<i>Admin Expenses</i>			
Admin Payroll (v)	3,554	73,303	69,749
Audit Fees	17,300	16,920	(380)
Other Combined (v)	49,413	24,628	(24,784)
<b>Total Admin Variance</b>	<b>\$ 70,267</b>	<b>\$ 114,851</b>	<b>\$ 44,584</b>
<b>Total Expenses</b>	<b>\$ 2,861,850</b>	<b>\$ 2,772,673</b>	<b>\$ (89,177)</b>
<b>Operating Profit (Loss):</b>	<b>\$ (148,717)</b>	<b>\$ 69,783</b>	<b>\$ (218,500)</b>

### Notes

- (i) Decrease from Sammons Group in 2018 of \$9k
- (ii) Ames Plunge results \$90,000; expenses down as well. Run with the Police is \$28,300 below year ago, as the event did not occur
- (iii) Market conditions slightly down in 2018, compared to record highs in 2017.
- (iv) Evaluating management's estimates of In-kind services and value, and will be adjusted in 2HY 2018
- (v) Savings in personnel and the related costs, offset by accounting outsourcing.
- (vi) \$12k increase in General programs (6110-61-000) and \$44k increase in souvenirs (6110-69-000).
- (vii) Purchase of truck for F150 raffle in March 2018; new development event in 2018