

Special Olympics Florida

SPECIAL OLYMPICS FLORIDA, INC. AND SUPPORTING ORGANIZATION
Consolidated Financial Statements
December 31, 2023
With Independent Auditor's Reports

withum
ADVISORY TAX AUDIT

Special Olympics Florida, Inc. and Supporting Organization
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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Special Olympics Florida, Inc. and Supporting Organization:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Special Olympics Florida, Inc. (a nonprofit organization) and Supporting Organization (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described above in Note 2, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326) as of January 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2023 as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and schedule of expenditures of state financial assistance as required by Chapter 10.650, Rules of the Auditor General, State of Florida, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



May 20, 2024

Special Olympics Florida, Inc. and Supporting Organization
Consolidated Statement of Financial Position
December 31, 2023

Assets

Current assets	
Cash and cash equivalents	$ 1,407,344
Investments	12,996,190
Grants receivable	435,069
Pledges receivable	1,147,248
Prepaid expenses	308,379
Total current assets	16,294,230
Investments - endowment	54,227
Right-of-use assets - operating, net	1,324,559
Property and equipment, net	1,493,145
Total assets	$ 19,166,161

Liabilities and Net Assets

Current liabilities	
Accounts payable and accrued expenses	$ 1,711,602
Current portion of lease liabilities - operating	319,187
Deferred revenue	222,303
Refundable advances	153,293
Total current liabilities	2,406,385
Lease liabilities - operating, net of current portion	1,009,803
Total liabilities	3,416,188
Net assets	
Without donor restrictions	15,373,540
With donor restrictions	
Restricted in perpetuity - endowment	376,433
Total net assets	15,749,973
Total liabilities and net assets	$ 19,166,161

The Notes to Consolidated Financial Statements are an integral part of this statement.

Special Olympics Florida, Inc. and Supporting Organization
Consolidated Statement of Activities
Year Ended December 31, 2023

Revenues and support without donor restrictions	
Special events	$ 5,672,137
Less direct costs	(1,746,291)
Total special events, net of direct costs	3,925,846
Contributions	7,887,651
Federal and state grants	2,083,914
Other grants and contracts	1,310,820
Contributions of nonfinancial assets	4,059,754
Investment return, net	1,708,768
Gain on disposition of property and equipment	35,418
Net assets released from restrictions	300,000
Total revenues and support without donor restrictions	21,312,171
Expenses	
Program services	
Games	8,145,352
Training	2,780,769
Health programs	2,820,515
Unified Champion Schools	1,651,778
Other programs	4,043,146
Total program services	19,441,560
Support services	
Management and general	874,829
Fundraising	2,184,431
Total support services	3,059,260
Total expenses	22,500,820
Decrease in net assets without donor restrictions	(1,188,649)
Changes in net assets with donor restrictions	
Investment return, net	4,227
Net assets released from restrictions	(300,000)
Decrease in net assets with donor restrictions	(295,773)
Change in net assets	(1,484,422)
Net assets	
Beginning of year	17,234,395
End of year	$ 15,749,973

The Notes to Consolidated Financial Statements are an integral part of this statement.

Special Olympics Florida, Inc. and Supporting Organization
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services						Support Services			
	Games	Training	Health Programs	Unified Champion Schools	Other Programs	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	$ 1,243,728	$ 916,256	$ 341,908	$ 490,111	$ 2,049,083	$ 5,041,086	$ 425,761	$ 1,176,824	$ 1,602,585	$ 6,643,671
Employee benefits and payroll taxes	306,230	172,918	67,702	151,642	636,243	1,334,735	70,392	152,452	222,844	1,557,579
Total salaries and related expenses	1,549,958	1,089,174	409,610	641,753	2,685,326	6,375,821	496,153	1,329,276	1,825,429	8,201,250
Awards and recognition	90,231	38,156	2,998	17,293	25,304	173,982	7,518	31,561	39,079	213,061
Conferences	3,056	1,898	400	2,242	1,500	9,096	211	1,603	1,814	10,910
Consulting and fees	29,850	73,733	5,405	149,440	48,255	306,683	45,759	18,269	64,028	370,711
In-kind	1,516,627	285,106	1,961,994	5,000	168,723	3,937,450	34,800	87,504	122,304	4,059,754
Insurance	75,901	55,708	-	-	140,198	271,807	22,076	20,912	42,988	314,795
Lodging	1,093,568	39,156	72,607	86,286	25,175	1,316,792	18,498	50,648	69,146	1,385,938
Repairs and maintenance	12,939	7,435	15,996	-	9,902	46,272	12,123	7,529	19,652	65,924
Athlete and coach meals	939,301	48,612	44,018	54,679	26,519	1,113,129	20,147	51,330	71,477	1,184,606
Marketing recruitment	3,761	3,008	47,911	267	86,256	141,203	1,965	31,320	33,285	174,488
Office expense	126,492	63,165	24,102	12,486	125,739	351,984	17,349	130,369	147,718	499,702
Supplies	11,646	7,278	6,459	3,117	15,186	43,686	2,485	7,606	10,091	53,777
Other games	842,033	242,609	54,232	272,016	65,216	1,476,106	802	39,807	40,609	1,516,715
Shirts	113,557	181,663	35,557	200,428	60,371	591,576	-	14,971	14,971	606,547
Postage	10,092	20,171	23,141	31,011	9,663	94,078	1,953	43,768	45,721	139,799
Software	10,478	5,899	17	60	9,614	26,068	5,594	24,896	30,490	56,558
Printing, production, and website	5,394	6,226	10,662	23,953	17,554	63,789	1,669	20,150	21,819	85,608
Facilities and equipment rental	1,101,551	485,573	47,081	26,551	58,803	1,719,559	22,317	70,675	92,992	1,812,551
Utilities	27,692	13,024	10,157	1,813	49,492	102,178	3,717	11,632	15,349	117,527
Travel	443,307	40,860	28,261	115,326	68,280	696,034	7,607	77,938	85,545	781,579
Miscellaneous	28,547	11,622	4,654	1,901	20,296	67,020	64,810	48,474	113,284	180,304
Special Olympics, Inc.	-	-	-	-	255,133	255,133	-	17,318	17,318	272,451
Total expenses before depreciation	8,035,981	2,720,076	2,805,262	1,645,622	3,972,505	19,179,446	787,553	2,137,556	2,925,109	22,104,555
Depreciation expense	109,371	60,693	15,253	6,156	70,641	262,114	87,276	46,875	134,151	396,265
Total expenses	$ 8,145,352	$ 2,780,769	$ 2,820,515	$ 1,651,778	$ 4,043,146	$ 19,441,560	$ 874,829	$ 2,184,431	$ 3,059,260	$ 22,500,820

The Notes to Consolidated Financial Statements are an integral part of this statement.

Special Olympics Florida, Inc. and Supporting Organization
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

Operating activities	
Change in net assets	$ (1,484,422)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	396,265
Amortization of right-of-use assets - operating	251,121
Gain on disposal of property and equipment	(35,418)
Net unrealized (gain) loss on investments	(1,060,369)
Changes in operating assets and liabilities	
Grants receivable	1,540,331
Accounts receivable	796,409
Pledges receivable	(847,248)
Prepaid expenses	47,251
Deferred revenue	(324,357)
Refundable advances	(117,259)
Lease liabilities - operating	(246,690)
Accounts payable and accrued expenses	404,256
Net cash used in operating activities	(680,130)
Investing activities	
Purchases of property and equipment	(538,119)
Proceeds from the sale of investments	8,603,518
Purchase of investments	(7,747,698)
Net cash provided by investing activities	317,701
Net change in cash and cash equivalents	(362,429)
Cash and cash equivalents	
Beginning of year	1,769,773
End of year	$ 1,407,344

Noncash investing and financing activities

During the year ended December 31, 2023, the Organization recognized right-of-use assets of $725,479 through operating lease obligations.

The Notes to Consolidated Financial Statements are an integral part of this statement.

1. ORGANIZATION AND PURPOSE

Special Olympics Florida, Inc., ("Special Olympics") is a Florida not-for-profit corporation, established in February 1972, that provides year-round sports training and athletic competition in a variety of Olympic-type sports and health programs for all children and adults with intellectual disabilities who wish to participate, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympic athletes and the community. Special Olympics is accredited by Special Olympics, Inc. ("SOI"). Throughout the state of Florida, the Special Olympics provides the following programs:

- *Games* include competitions and tournaments conducted throughout the year that allow athletes with similar abilities to achieve physical, mental, and spiritual growth through sports. There are 27 different sports offered to these athletes, so they may choose those best suited to their abilities and interests.
- *Training* allows the learning of functional sports and team building skills and rules, which empower the athletes and enable them to interact with the community. Training takes place not only as part of the Olympic type sports we offer, but also through our Young Athletes Program and our Athlete Leadership courses to enhance our athletes opportunities within our community. While providing the athletes with opportunities to build muscles and sharpen motor skills, training also builds self-confidence and the development of social skills that will help them live a better life.
- *Health Programs* strive to improve athletes' well-being and overall sports experience through enhancement of health, wellness and fitness initiatives. Through partnerships, fitness and wellness programs, as well as robust Healthy Athletes programming, Special Olympics Florida is paving the way for inclusive health. We offer an approach that focuses on the whole person with an intellectual and developmental disability and provide integrated health care and referrals. Athletes are offered health care exams in eight disciplines, including health promotion, physical examinations, physical therapy, hearing, vision, podiatry, mental wellness, and dental care. Special Olympics Florida trains health care providers throughout the state, improving access to quality health care year-round for people with intellectual and developmental disabilities in their own communities.
- *Unified Champion Schools* is a sports education program that partners students with and without intellectual disabilities to create a more inclusive environment where students are able to work together, excel athletically and academically regardless of ability. Unified Champion Schools have three components, Unified Sports, Inclusive Youth Leadership and Whole-School Engagement all of which help foster respect, dignity and advocacy for people with intellectual disabilities.
- *Other Programs* include coaching and officiating certification programs, athlete and community outreach, and the promotion of training, competition and the Special Olympics mission.

Special Olympics Florida Foundation, Inc. (the Supporting Organization) is a supporting organization whose purpose is to receive, hold, manage and invest funds to benefit Special Olympics Florida, Inc. The Supporting Organization is a Florida not-for-profit corporation established in September 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of Special Olympics Florida, Inc. and Special Olympics Florida Foundation, Inc. (collectively, the "Organization"). The management and control of the Supporting Organization is at all times to be vested in the persons who control or manage Special Olympics Florida, Inc. Seventy-five percent (75%) of the Board of the Supporting Organization consists of members of the Board of Directors of Special Olympics Florida, Inc. As such consolidation is required by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-810, *Not-for-Profit Entities Consolidation*. All material inter-organizational transactions have been eliminated.

Basis of Presentation

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.
The net assets of the Organization are reported as follows:

Net assets without donor restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Organization. Net assets without donor restrictions may be designated for specific purposes by the Organization and includes board-designated endowment funds.

Net assets with donor restrictions: Net assets that are subject to donor-imposed stipulations. These stipulations either require the Organization to maintain the net assets permanently, generally permitting all or part of the income earned on related investments for general or specific purposes or be met either by the completion of a stipulated action and/or the passage of time.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments used in daily operations with maturities of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values, which consist of money market funds, equities and exchange-traded funds, certificates of deposit, and mutual funds, and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. The fair value of the Organization's debt securities, which consist of investment-grade interest bearing corporate bonds, approximate the amortized cost at December 31, 2023. Interest and dividend income and gains and losses on investments are reported on the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulations or law.

Grants and Accounts Receivable

Grants and accounts receivable include fundraising sponsorships, direct marketing contributions and receivables resulting from grant contracts for services provided but not yet reimbursed at December 31, 2023. Accounts and grants receivable are charged to an allowance when, in management's estimation, based on the Organization's historical losses, existing and expected future economic conditions in the industry, and the credit risk of certain contributors, it is probable that the receivable is uncollectible. Management considers all accounts and grants receivable to be collectible at December 31, 2023, and as such no allowance for doubtful accounts has been recorded in the accompanying consolidated statement of financial position.

Pledges Receivable

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the fair value at the date of promise. That fair value is computed using present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. Pledges receivable are written off as a charge to an allowance when, in management's estimation, based on the Organization's historical losses, existing and expected future economic conditions in the industry, and the credit risk of certain contributors, it is probable that the receivable is uncollectible. Management considers all pledges receivable to be collectible at December 31, 2023, and as such no allowance for doubtful accounts has been recorded in the accompanying consolidated statement of financial position. There were no long-term pledges at December 31, 2023.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. The assets are being depreciated on the straight-line method over the following estimated useful lives:

Description	Estimated Life (Years)
Building and building improvements	7-39
Equipment	2-5
Furniture and fixtures	7
Vehicles	5
Other	3

The cost of additions and improvements which substantially extend the useful life of a particular asset is capitalized. Repair and maintenance costs are charged to expense. Upon sale or retirement, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no impairment charge was required for the year ended December 31, 2023.

Special Events

Special event revenue is comprised of sponsorship revenue (an exchange component), based on the benefits received, and a contribution element for the difference and is treated as revenue without donor restrictions. The Organization does not have any significant financing components as payment is received at or shortly after the point of sale. The contribution portion is recognized as a conditional contribution when received and reported as a refundable advance on the statement of financial position and is recognized as revenue when the condition is met, which is when the event takes place. For the exchange portion, funds received in advance of the event date are recorded as deferred revenue in the statement of financial position. Revenue from the exchange portion is recognized at a point in time, on the date the event is held., Special event revenues are presented net of the direct costs of the event. At January 1, 2023, deferred revenue totaled $477,650.

Contributions and Grants

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received or pledged. Conditional promises to give, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Revenue from government and private grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as refundable advances on the statement of financial position. Future funding from government and private grant and contract agreements is dependent on fiscal funding clauses and available appropriations from granting agencies and organizations.

Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contributions of Nonfinancial Assets

The Organization receives various donated goods and services including services, facilities, materials and special events. Donated goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Contributions of nonfinancial assets are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated goods and services are not sold and goods are only distributed for program use.

In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Leases

The Organization categorizes leases with contractual terms longer than 12 months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the consolidated statement of financial position. Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on the rate implicit in the lease. Right-of-use assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term. At December 31, 2023, the Organization did not have any finance leases.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across program and supporting services based on estimated costs involved with those areas. Other general and administrative expenses, including depreciation and amortization and rent, are allocated based on employee head count and estimated square footage prorated compared to total space used.

Fair Value Measurements

FASB Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs are quoted prices in active markets the Program has the ability to access for identical assets or liabilities.

Level 2 - Inputs are observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs are unobservable inputs. The asset or liability value is calculated by the use of pricing models and/or discounted cash flow methodologies. This level includes financial instruments for which the determination of fair value requires significant management judgment or estimation.

Following is a description of the valuation methodologies used for the assets measured at fair value:

Investments in money market funds, stocks and exchange traded funds, certificates of deposit, and mutual funds are valued at the closing price on the active market which the individual securities are traded.

Investments in corporate bonds are valued at their fair value, which approximates amortized cost, based on future estimated cash flows based on the discount rates of the bonds and the current market rates.

The fair values disclosed in these consolidated financial statements represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Organization's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Organization based on the best information available in the circumstances.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Income Taxes

Special Olympics and the Foundation are not-for-profit organizations exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in consolidated financial statements, and the amounts recognized are affected by income tax positions taken by the Organization in its tax returns. The Organization's status as an exempt Organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Organization in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the consolidated financial statements. Management does not believe that the Organization has any material uncertain tax positions at December 31, 2023.

In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

Recent Accounting Pronouncements Adopted

In June 2016, the FASB issued an Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses* (Topic 326), amending the accounting for credit losses on financial instruments. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposure and other financial instruments recorded at amortized cost. The Organization adopted the new standard effective January 1, 2023, using the modified retrospective approach. The adoption of this standard did not have a significant impact on operations or cash flows of the Organization.

Subsequent Events

The Organization's management has evaluated subsequent events through May 20, 2024, the date which the consolidated financial statements were available to be issued. Management has determined that no subsequent events occurred which require adjustment to or disclosure in the consolidated financial statements.

3. INVESTMENTS

Investments classified within the fair value hierarchy are as follows at December 31, 2023:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	**(Level 1)**	**(Level 2)**	**(Level 3)**
Money market funds	$ 360,178	$ 360,178	$ -	$ -
Equities and exchange traded funds	7,631,941	7,631,941	-	-
Certificates of deposit	250,190	250,190	-	-
Corporate bonds	4,636,522	-	4,636,522	-
Mutual funds	171,586	171,586	-	-
	$ 13,050,417	$ 8,413,895	$ 4,636,522	$ -

The original costs and fair value of investments, and cumulative unrealized gains (losses) are as follows at December 31, 2023:

	Cost basis	**Fair Value**	**Cumulative Unrealized Gain (Loss)**
Money market funds	$ 360,178	$ 360,178	$ -
Equities and exchange traded funds	6,122,521	7,631,941	1,509,420
Certificates of deposit	250,000	250,190	190
Corporate bonds	4,711,473	4,636,522	(74,951)
Mutual funds	170,424	171,586	1,162
	$ 11,614,596	$ 13,050,417	$ 1,435,821

Unrealized gains, interest and other income included in investment return, net on the consolidated statement of activities were as follows for the year ended December 31, 2023:

Dividends and interest	$ 350,736
Realized and unrealized gains	1,362,259
Investment return, net	$ 1,712,995

Management annually evaluates investments for other-than-temporary impairment and more frequently when economic or market conditions warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Organization to retain its investment for a period of time sufficient to allow for any anticipated recovery of its value.

4. GRANTS RECEIVABLE

Grants receivable consist of the following at December 31:

Florida Agency for Persons with Diabilities	$ 152,063
U.S. Department of Education	254,692
Naples Children and Education Foundation, Inc. (NCEF)	28,314
	$ 435,069

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023:

Building and building improvements	$ 2,397,527
Equipment	2,250,096
Furniture and fixtures	826,639
Vehicles	511,933
Other	153,691
Total property and equipment	6,139,886
Less: Accumulated depreciation	(4,646,741)
Net property and equipment	$ 1,493,145

Depreciation expense for the year ended December 31, 2023, totaled $396,265.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Building maintenance endowment	$ 322,206
Foundation endowment	54,227
	$ 376,433

Net assets with donor restrictions of $300,000 were released in satisfaction of time restrictions during the year ended December 31, 2023.

7. ENDOWMENTS

The Organization's endowments consist of two donor-restricted endowments established for different purposes which are included in net assets with donor restrictions in the consolidated statement of financial position at December 31, 2023.

The Organization's foundation endowment was established for the purpose of supporting year-round sports training, competitions, and health care for the Organization's athletes. The principal (or "corpus") on this endowment will not be spent, however, income earned on the investment will be used to fund operations in of the Organization. In accordance with the endowment agreement, a 5% annual distribution will be made and continue annually. At December 31, 2023, the endowment account earned $4,227 in earnings net of expenses.

The Organization's building maintenance endowment was established for the purpose of maintaining the Organization's operating facilities. The principal (or "corpus") on this endowment will not be spent; however, income earned on the investment will be used to fund operations in of the Organization. At December 31, 2023, the endowment account earned $22,206 in earnings net of expenses.

Endowments consisted of the following as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Building maintenance endowment	$ -	$ 322,206	$ 322,206
Foundation endowment	-	54,227	54,227
	$ -	$ 376,433	$ 376,433

Changes in the Organization's endowments for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 372,206	$ 372,206
Income	-	1,868	1,868
Unrealized gains	-	2,572	2,572
Fees	-	(213)	(213)
Endowment net assets, end of year	$ -	$ 376,433	$ 376,433

Interpretation of Relevant Law

The Board of Directors has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization for the donor's intended purpose. In accordance with the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The purposes of the organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the organization; and
- The duration and preservation of the endowment fund

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the building maintenance endowment assets that attempt to provide funding for future maintenance and repairs of the headquarters building in Clermont, Florida. For the permanent endowment assets, the investment and spending policies emphasize continued focus on planned giving. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner to achieve the overall target asset allocation of equity, fixed income and cash, minimize risk and maximize return within acceptable guidelines and achieve a competent rate of return.

Spending Policy

Each endowment fund has an endowment book value, an endowment spending base and an endowment market value. For the Building endowment, distributions are made on an as needed basis. For the permanent endowment, distributions will be made on an annual basis in accordance with the permanent endowment spending policy. The current annual spending rate for the permanent endowment is up to 5.0% of the endowment principal fund's adjusted endowment spending base.

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

For the year ended December 31, 2023, contributed nonfinancial assets recognized within the consolidated statement of activities consisted of the following:

Description	Valuation	Amount
Professional services	Standard industry pricing for similar services	$ 3,353,197
Use of facilities	Fair market value based on square footage and location	342,749
Supplies and materials	Thrift store value for similar items	363,808
		$ 4,059,754

Contributions of nonfinancial assets were used in the following functional categories for the year ended December 31, 2023:

Games	$ 1,516,627
Training	285,106
Health programs	1,961,994
Other programs	173,723
Management and general	34,800
Fundraising	87,504
	$ 4,059,754

9. LEASES

The Organization leases facilities, office space, and office equipment under various operating leases requiring lease payments ranging from $1,200 to $6,295 and expiring on various dates through February 2033. Lease terms may include options to extend or terminate certain leases. The Organization may also, from time to time, lease facilities and equipment under short-term or month-to-month arrangements in normal operations. Lease expense is recorded on a straight-line over the life of the lease term. The following table presents disaggregated lease expense under ASC 842 for the year ended December 31:

Operating leases	$ 282,054
Short-term leases	1,530,497
	$ 1,812,551

The following represents the future lease payments due under the Organization's operating leases as of December 31, 2023:

2024	$ 351,301
2025	336,629
2026	254,053
2027	203,735
2028	119,586
Thereafter	152,272
Gross payments due	1,417,576
Less: Interest	(88,586)
Total lease liability	1,328,990
Current portion	319,187
Long-term portion	$ 1,009,803

The weighted average discount rate associated with the Organization's operating leases as of December 31, 2023 is 2.76% and the weighted average remaining lease term 4.91 years.

The Organization leases land on which the distribution center was built under a twenty five-year lease that contains a renewal clause for an additional period of twenty-five years. Aside from the original consideration paid at time of commencement, no other lease payments are required and the Organizations allows the lessor to utilize a portion of the storage building on the ground lease premises. The impact of this donated use of facilities is not significant to the consolidated financial statements.

10. AFFILIATED ORGANIZATION

As an accredited chapter of SOI (see Note 1), the Organization remits accreditation fees and shares in contributions for nationwide SOI fundraising programs. The Organization incurred accreditation fees totaling $272,451 for the year ended December 31, 2023. These fees are included as program and fundraising costs in the consolidated statement of functional expenses. In addition, the SOI paid the Organization $650,000 in contributions related to direct marketing programs and $847,489 of grants related to Unified Champion Schools during the year ended December 31, 2023.

11. RETIREMENT PLAN

The Organization participates in a defined contribution 401(k) plan. The Organization's retirement plan covers all employees with one year of eligible service who have attained age 21. The Organization contributed 6% of salary of all eligible participants and a 2% match option for the year ended December 31, 2023. The Organization's contribution for the year ended December 31, 2023, was $358,918 and no administrative expenses were incurred related to the plan.

12. CONCENTRATIONS, COMMITMENTS, AND CONTINGENCIES

Risk and Uncertainties

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and grants and pledges receivable. The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows. Investments that potentially subject the Organization to concentrations of credit risk consist principally of investments in money market funds, equities and exchange-traded funds, certificates of deposit, mutual funds and corporate bonds. Quarterly portfolio reviews are performed to assist in the detection of any concentrations of risk. Management does not believe that any concentrations in investments exist.

Grants receivable credit risk is limited due to the nature of the grants. Pledges receivable credit risk is dependent on the financial capabilities of the donors which can be impacted by the donor's operations, the current economic climate, as well as other factors. The Organization regularly monitors its grants and pledges receivable by investigating delayed payments and differences when payments received do not conform to the amount billed or pledged. The Organization considers all grants and pledges collectible. For the year ended December 31, 2023, one donor accounted for 32% of total contribution and grant revenues.

Significant Grantors

Two grantors accounted for approximately and 93% of grants receivable at December 31, 2023. The loss of these funding sources could have an adverse impact on the Organization.

Litigation

The Organization may, from time to time, be involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position or results of operations.

13. DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES

The Organization receives revenue from the sale of the Florida Special Olympics specialty license plate offered by the Florida Department of Highway Safety and Motor Vehicles (the "Department"). For the year ended December 31, 2023, the Organization recognized $40,857 in revenue from the Department. The Organization expended the funds on competition and training of individuals with intellectual disabilities in accordance with the mission of the Organization and in compliance with Sections 320.08056 and 320.08058 of the Florida Statutes governing the use of the funds received from the Department.

14. RELATED PARTY TRANSACTIONS

A member of the Board of Directors is a senior manager with Walt Disney World Company. During the year ended December 31, 2023, the Organization paid the Walt Disney World Company $1,548,189 related to State games held at the Wide World of Sports facility. The member of the board received no compensation from the business transactions.

15. PALM BEACH GYMNASIUM FACILITY

The Organization entered into an agreement in 2003 with Palm Beach County (the "County") to raise funds for the design and construction of a gymnasium facility at the County's Special Populations Recreation Programming and Training Center (the "Center"). The Organization paid $1,030,000 to Palm Beach County for the Center which was completed in 2006. As stated in the contract, the Organization has the right of first priority use of the Center's gymnasium for thirty (30) years within the parameters of the County's regular scheduling process. The County is responsible for the cost of operating and maintaining the gymnasium. There is no further financial obligation on the part of the Organization. The Organization's use of the facilities during the year ended December 31, 2023, was not significant.

16. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

Financial assets	
Cash and cash equivalents	$ 1,407,344
Investments	12,996,190
Grants receivable	435,069
Pledges receivable	1,147,248
Total financial assets available within one year	15,985,851
Less those unavailable for general expenditure within one year due to	
Endowment net assets restricted in perpetuity	(376,433)
Total financial assets available to meet cash needs for general expenditures within one year	$ 15,609,418

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in money market funds or other short-term investments.

The Organization receives grants and contributions restricted by donors. The Organization considers grants and contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

SUPPLEMENTARY INFORMATION

Special Olympics Florida, Inc. and Supporting Organization
Consolidating Statement of Financial Position
December 31, 2023

	Special Olympics Florida	Special Olympics Florida Foundation	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 1,407,344	$ -	$ -	$ 1,407,344
Investments	4,666,679	8,329,511	-	12,996,190
Grants receivable	435,069	-	-	435,069
Pledges receivable	1,147,248	-	-	1,147,248
Due from Special Olympics Florida Foundation	333,699	-	(333,699)	-
Prepaid expenses	308,379	-	-	308,379
Total current assets	8,298,418	8,329,511	(333,699)	16,294,230
Investments - endowment	-	54,227	-	54,227
Right-of-use assets - operating, net	1,324,559	-	-	1,324,559
Property and equipment, net	1,493,145	-	-	1,493,145
Total assets	$ 11,116,122	$ 8,383,738	$ (333,699)	$ 19,166,161
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	$ 1,711,602	$ -	$ -	$ 1,711,602
Due to Special Olympics Florida	-	333,699	(333,699)	-
Current portion of lease liabilities - operating	319,187	-	-	319,187
Deferred revenue	222,303	-	-	222,303
Refundable advances	153,293	-	-	153,293
Total current liabilities	2,406,385	333,699	(333,699)	2,406,385
Lease liabilities - operating, net of current portion	1,009,803	-	-	1,009,803
Total liabilities	3,416,188	333,699	(333,699)	3,416,188
Net assets				
Without donor restrictions	7,377,728	7,995,812	-	15,373,540
With donor restrictions				
Restricted in perpetuity - endowment	322,206	54,227	-	376,433
Total net assets	7,699,934	8,050,039	-	15,749,973
Total liabilities and net assets	$ 11,116,122	$ 8,383,738	$ (333,699)	$ 19,166,161

See Independent Auditor's Report.

Special Olympics Florida, Inc. and Supporting Organization
Consolidating Statement of Activities
Year Ended December 31, 2023

	Special Olympics Florida	Special Olympics Florida Foundation	Eliminations	Consolidated Total
Revenues and support				
Special events	$ 5,672,137	$ -	$ -	$ 5,672,137
Less direct costs	(1,746,291)	-	-	(1,746,291)
Total special events, net of direct costs	3,925,846	-	-	3,925,846
Contributions	8,237,651	-	(350,000)	7,887,651
Federal and state grants	2,083,914	-	-	2,083,914
Other grants and contracts	1,310,820	-	-	1,310,820
Contributions of nonfinancial assets	4,059,754	-	-	4,059,754
Investment return, net	922,109	786,659	-	1,708,768
Gain on disposition of property and equipment	35,418	-	-	35,418
Net assets released from restrictions	300,000	-	-	300,000
Total revenues and support without donor restrictions	20,875,512	786,659	(350,000)	21,312,171
Expenses				
Program services				
Games	8,145,352	-	-	8,145,352
Training	2,780,769	-	-	2,780,769
Health programs	2,820,515	-	-	2,820,515
Unified Champion Schools	1,651,778	-	-	1,651,778
Other programs	4,043,146	350,000	(350,000)	4,043,146
Total program services	19,441,560	350,000	(350,000)	19,441,560
Support services				
Management and general	874,829	-	-	874,829
Fundraising	2,097,241	87,190	-	2,184,431
Total support services	2,972,070	87,190	-	3,059,260
Total expenses	22,413,630	437,190	(350,000)	22,500,820
Changes in net assets without donor restrictions	(1,538,118)	349,469	-	(1,188,649)
Changes in net assets with donor restrictions				
Investment return, net	-	4,227	-	4,227
Net assets released from restrictions	(300,000)	-	-	(300,000)
Changes in net assets with donor restrictions	(300,000)	4,227	-	(295,773)
Change in net assets	(1,838,118)	353,696	-	(1,484,422)
Net assets				
Beginning of year	9,538,052	7,696,343	-	17,234,395
End of year	$ 7,699,934	$ 8,050,039	$ -	$ 15,749,973

See Independent Auditor's Report.

Special Olympics Florida, Inc. and Supporting Organization
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Office of Special Education Programs				
Passed Through Special Olympics, Inc.				
Special Olympics Unified Champion Schools - Year 15	84.380W	Y15 22 800 08	$ -	529,241
Special Olympics Unified Champion Schools - Year 16	84.380W	Y16 23 800 08	-	318,248
Total U.S. Department of Education			-	847,489
U.S. Center for Disease Control and Prevention				
Passed Through Special Olympics, Inc.				
Disabilities Prevention	93.184	5 NU27DD000021-02-00	-	152,869
Total U.S. Center for Disease Control and Prevention				
Total Federal awards			$ -	$ 1,000,358

See Independent Auditor's Report.
See Accompanying Notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.

Special Olympics Florida, Inc. and Supporting Organization
Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2023

State Grantor/Pass-through Grantor/ Program or Cluster Title	State CFSA #	Contract Number	Subrecipient Expenditures	Expenditures
Florida Agency for Persons with Disabilities				
Special Olympics Florida - Healthy athletes	67.028	ACX72	$ -	$ 512,263
Florida Department of Education				
Special Olympics Florida	48.065	92W-90845	-	530,436
Florida Department of Highway Safety and Motor Vehicles				
Special Olympics License Plate Project	76.022	N/A	-	40,857
Total state financial assistance			$ -	$ 1,083,556

See Independent Auditor's Report.
See Accompanying Notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.

Special Olympics Florida, Inc.
Notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance
December 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Special Olympics Florida, Inc. (the "Organization") under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). The accompanying schedule of expenditures of state financial assistance is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General, State of Florida.

Because the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, results of operations, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and requirements of Chapter 10.650, Rules of the Auditor General, State of Florida, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COSTS

The Organization has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. RECEIVABLE FROM GOVERNMENTAL AGENCIES

The Organization submits requests for reimbursement to the U.S. Department of Education, the Florida Department of Education, and the Florida Department of Highway Safety and Motor Vehicles, as well as other agencies. At December 31, 2023, receivables from the U.S. Department of Education, the Florida Agency for Persons with Disabilities, and other organizations totaled $254,692, $152,063, and $28,314, respectively.

5. SUBRECIPIENTS

There were no federal awards provided to subrecipients.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Special Olympics Florida, Inc., and Special Olympics Florida Foundation, Inc.:

We have audited, in accordance with the 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, the consolidated financial statements of Special Olympics Florida, Inc. (a nonprofit organization) and Special Olympics Florida Foundation, Inc. (collectively the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 20, 2024

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated 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.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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 or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith + Brown, PC

May 20, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL,* STATE OF FLORIDA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Special Olympics Florida, Inc.:

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Special Olympics Florida, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the Office of Management and Budget ("OMB") *Compliance Supplement* and *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal and state programs for the year ended December 31, 2023. The Organization's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements, referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance");* and the audit requirements of *Chapter 10.650 Rules of the Auditor General, Florida Single Audit Act, Audits of Nonprofit and For-Profit Organizations* (Chapter 10.650). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Withum Smith + Brown, PC

May 20, 2024

Special Olympics Florida, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section 1 – Summary of Auditor's Results

Consolidated Financial Statements

Type of auditor's report issued on whether the consolidated financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to consolidated financial statements noted?	No

Federal Awards and State Financial Assistance

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major federal and state programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

The following programs were designated as major federal programs and state projects:

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number
U.S. Department of Education	
Office of Special Educaiton Programs	
Passed Through Special Olympics, Inc.	
Special Olympics Unified Champion Schools - Year 15	84.380W
Special Olympics Unified Champion Schools - Year 16	84.380W

State Grantor/Pass-through Grantor/ Program or Cluster Title	State CFSA #
Florida Department of Education	
Special Olympics Florida	48.065
Florida Department of Highway Safety and Motor Vehicles	
Special Olympics License Plate Project	76.022

Dollar threshold used to distinguish between Type A and Type B programs for Federal:	$ 750,000
Dollar threshold used to distinguish between Type A and Type B programs for State:	$ 325,067
Auditee qualified as a low risk auditee?	No

Special Olympics Florida, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section 2 – Financial Statement Findings

No matters were noted.

Section 3 – Findings and Questioned Costs for Federal Awards and State Financial Assistance

No matters were noted.

Section 4 – Prior Year Schedule of Findings and Questioned Costs

No matters were noted.