

**Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)**

**Financial Statements, Schedule of Expenditures of
Federal Awards, Internal Control and Compliance
(With Supplementary Information)
and Independent Auditor's Reports**

December 31, 2022 and 2021

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

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Independent Auditor's Report

To the Board of Directors
Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Special Olympics New Jersey, Inc. (A New Jersey Not-for-Profit Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Special Olympics New Jersey, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are required to be independent of Special Olympics New Jersey, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 Special Olympics New Jersey, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Special Olympics New Jersey, Inc.'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 financial statements as a whole. The accompanying Schedule of Expenditures and Federal Awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and Federal Awards is fairly stated, in all material respects, in relation to the 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 June 5, 2023 on our consideration of Special Olympics New Jersey, Inc.'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 solely 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 the effectiveness of Special Olympics New Jersey, Inc.'s 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 Special Olympics New Jersey, Inc.'s internal control over financial reporting and compliance.



Holmdel, New Jersey
June 5, 2023

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Statements of Financial Position
December 31, 2022 and 2021

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 2,445,148	\$ 3,590,742
Certificates of deposit	254,545	253,288
Grants and other receivables	629,902	508,317
Prepaid expenses and other current assets	<u>331,531</u>	<u>243,594</u>
Total current assets	3,661,126	4,595,941
Investments	9,980,664	10,533,322
Land, buildings, equipment and furniture, net	<u>5,075,062</u>	<u>4,432,056</u>
Total assets	<u><u>\$ 18,716,852</u></u>	<u><u>\$ 19,561,319</u></u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 572,637	\$ 543,568
Deferred revenue	519,022	503,746
Refundable advances	<u>201,782</u>	<u>79,433</u>
Total current liabilities	<u>1,293,441</u>	<u>1,126,747</u>
Total liabilities	<u>1,293,441</u>	<u>1,126,747</u>
Commitments and contingencies		
Net assets		
Without donor restrictions	<u>17,423,411</u>	<u>18,434,572</u>
Total net assets	<u>17,423,411</u>	<u>18,434,572</u>
Total liabilities and net assets	<u><u>\$ 18,716,852</u></u>	<u><u>\$ 19,561,319</u></u>

See Notes to Financial Statements.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Statements of Activities and Changes in Net Assets
Years Ended December 31, 2022 and 2021

	2022	2021
Revenue without restriction and other support		
Contributions of cash and other financial assets	\$ 3,547,521	\$ 2,531,593
Grants	1,829,816	1,592,272
Total	<u>5,377,337</u>	<u>4,123,865</u>
Special events revenue	4,394,044	2,886,653
Direct cost of special events	<u>(1,301,784)</u>	<u>(778,730)</u>
Net special events revenue	<u>3,092,260</u>	<u>2,107,923</u>
Contributions of nonfinancial assets	<u>1,313,225</u>	<u>604,793</u>
Total revenue without restriction and other support	<u>9,782,822</u>	<u>6,836,581</u>
Expenses		
Activities and program services	7,874,688	5,847,509
Fundraising	1,158,672	1,067,525
General and administrative	<u>196,143</u>	<u>185,925</u>
Total expenses	<u>9,229,503</u>	<u>7,100,959</u>
Nonoperating items		
Forgiveness of economic relief loans	-	1,481,852
Gain on sale of fixed assets	-	1,500
Net investment return (loss), net	<u>(1,564,480)</u>	<u>965,661</u>
Total nonoperating items	<u>(1,564,480)</u>	<u>2,449,013</u>
Change in net assets without donor restrictions	<u>(1,011,161)</u>	<u>2,184,635</u>
Change in net assets	(1,011,161)	2,184,635
Net assets, beginning	<u>18,434,572</u>	<u>16,249,937</u>
Net assets, end	<u><u>\$ 17,423,411</u></u>	<u><u>\$ 18,434,572</u></u>

See Notes to Financial Statements.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Statement of Functional Expenses
Year Ended December 31, 2022

	Activities and program services			Fundraising			General and administrative	Total
	In-kind donations	Organizational expenditures	Total activities and program services	In-kind donations	Fundraising	Total fundraising		
Competition costs	\$ 861,652	\$ 1,126,428	\$ 1,988,080	\$ -	\$ -	\$ -	\$ -	\$ 1,988,080
Salaries	-	2,350,036	2,350,036	-	658,010	658,010	125,335	3,133,381
Employee benefits	-	681,668	681,668	-	190,867	190,867	36,356	908,891
Payroll taxes	-	181,897	181,897	-	50,931	50,931	9,701	242,529
Training	-	86,332	86,332	-	5,904	5,904	1,125	93,361
Awards	-	62,555	62,555	-	9,290	9,290	-	71,845
Equipment	-	17,667	17,667	-	4,930	4,930	1,139	23,736
Insurance	-	116,429	116,429	-	7,539	7,539	1,784	125,752
Printing	-	2,455	2,455	-	-	-	-	2,455
Supplies	-	24,585	24,585	64,876	7,029	71,905	931	97,421
Chapter fees	-	151,801	151,801	-	-	-	-	151,801
Conferences and meetings	-	19,955	19,955	-	1,933	1,933	368	22,256
Occupancy	-	69,907	69,907	-	3,780	3,780	1,458	75,145
Postage and freight	-	3,894	3,894	-	730	730	139	4,763
Telephone	-	29,100	29,100	-	6,809	6,809	1,297	37,206
Repairs and maintenance	-	101,621	101,621	-	7,952	7,952	2,273	111,846
Public relations	109,807	1,196,635	1,306,442	26,966	-	26,966	-	1,333,408
Professional fees	199,233	124,670	323,903	28,361	34,908	63,269	4,563	391,735
Special events and programs	-	783	783	-	266	266	-	1,049
Grants	-	9,191	9,191	-	-	-	-	9,191
Depreciation	-	289,225	289,225	-	22,766	22,766	7,056	319,047
Miscellaneous	-	57,162	57,162	-	2,495	2,495	2,618	62,275
Direct costs	-	-	-	22,330	-	22,330	-	22,330
Total functional expenses	<u>\$ 1,170,692</u>	<u>\$ 6,703,996</u>	<u>\$ 7,874,688</u>	<u>\$ 142,533</u>	<u>\$ 1,016,139</u>	<u>\$ 1,158,672</u>	<u>\$ 196,143</u>	<u>\$ 9,229,503</u>

Percentage of total expenses FY 2022:	Program 85%	Fundraising 13%	Administrative 2%
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See Notes to Financial Statements.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Statement of Functional Expenses
Year Ended December 31, 2021

	Activities and program services			Fundraising			General and administrative	Total
	In-kind donations	Organizational expenditures	Total activities and program services	In-kind donations	Fundraising	Total fundraising		
Competition costs	\$ 363,718	\$ 341,862	\$ 705,580	\$ -	\$ -	\$ -	\$ -	\$ 705,580
Salaries	-	2,209,979	2,209,979	-	618,794	618,794	117,866	2,946,639
Employee benefits	-	637,267	637,267	-	178,435	178,435	33,988	849,690
Payroll taxes	-	178,012	178,012	-	49,843	49,843	9,494	237,349
Training	-	72,415	72,415	-	4,028	4,028	767	77,210
Awards	-	6,040	6,040	-	699	699	-	6,739
Equipment	-	16,115	16,115	-	4,403	4,403	981	21,499
Insurance	-	107,286	107,286	-	7,090	7,090	1,676	116,052
Printing	-	1,127	1,127	-	-	-	-	1,127
Supplies	-	16,120	16,120	54,878	3,056	57,934	353	74,407
Chapter fees	-	117,793	117,793	-	-	-	-	117,793
Conferences and meetings	-	15,326	15,326	-	1,341	1,341	255	16,922
Occupancy	-	64,873	64,873	-	3,508	3,508	1,353	69,734
Postage and freight	-	1,773	1,773	-	371	371	71	2,215
Telephone	-	29,419	29,419	-	6,526	6,526	1,243	37,188
Repairs and maintenance	-	74,107	74,107	-	5,613	5,613	1,634	81,354
Public relations	63,038	969,029	1,032,067	-	-	-	-	1,032,067
Professional fees	65,236	173,020	238,256	-	46,346	46,346	6,700	291,302
Special events and programs	-	588	588	-	135	135	-	723
Grants	-	1,351	1,351	-	-	-	-	1,351
Depreciation	-	292,912	292,912	-	22,908	22,908	7,125	322,945
Miscellaneous	-	29,103	29,103	-	1,628	1,628	2,419	33,150
Direct costs	-	-	-	57,923	-	57,923	-	57,923
Total functional expenses	<u>\$ 491,992</u>	<u>\$ 5,355,517</u>	<u>\$ 5,847,509</u>	<u>\$ 112,801</u>	<u>\$ 954,724</u>	<u>\$ 1,067,525</u>	<u>\$ 185,925</u>	<u>\$ 7,100,959</u>
Percentage of total expenses FY 2021:			Program 82%			Fundraising 15%	Administrative 3%	

See Notes to Financial Statements.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (1,011,161)	\$ 2,184,635
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized gain on investments	1,669,913	(833,258)
Depreciation	319,047	322,945
Donated securities	(13,473)	(14,612)
Forgiveness of economic relief loans	-	(1,481,852)
Gain on sale of fixed assets	-	(1,500)
Changes in operating assets and liabilities		
Grants and other receivables	(121,585)	(27,052)
Prepaid expenses and other current assets	(87,937)	(33,398)
Accounts payable and accrued expenses	29,069	65,451
Deferred revenue	15,276	166,413
Refundable advances	<u>122,349</u>	<u>67,603</u>
Net cash provided by operating activities	<u>921,498</u>	<u>415,375</u>
Cash flows from investing activities		
Purchase of certificates of deposit, net	(1,257)	(197)
Proceeds from sale of investments	5,276,789	5,201,263
Purchases of investments	(6,380,571)	(6,828,887)
Purchases of property and equipment	(962,053)	(39,463)
Proceeds from sale of fixed assets	<u>-</u>	<u>1,500</u>
Net cash used in investing activities	<u>(2,067,092)</u>	<u>(1,665,784)</u>
Cash flows from financing activities - proceeds from economic relief loan	<u>-</u>	<u>733,670</u>
Net decrease in cash and cash equivalents	(1,145,594)	(516,739)
Cash and cash equivalents, beginning	<u>3,590,742</u>	<u>4,107,481</u>
Cash and cash equivalents, end	<u><u>\$ 2,445,148</u></u>	<u><u>\$ 3,590,742</u></u>

See Notes to Financial Statements.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Notes to Financial Statements
December 31, 2022 and 2021

Note 1 - Organization

Business

Special Olympics New Jersey, Inc. (the "Organization") is organized as a New Jersey not-for-profit charitable organization, incorporated in the State of New Jersey in 1973. The Organization is accredited by Special Olympics Incorporated to coordinate statewide programs of physical fitness, sports training and athletic competition for children and adults with intellectual disabilities. The Organization has activity areas throughout the state which raise funds to run these programs on a local level.

Note 2 - Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in conformity with the accounting principles generally accepted in the United States of America.

Classification of net assets

Net assets, revenue and releases from restrictions are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and the changes therein are classified and reported in two categories of net assets. The two categories are differentiated as follows:

Without donor restrictions

Net assets without donor restrictions consist of assets that can be used at the discretion of the Organization to support operations.

With donor restrictions

Net assets with donor restrictions consist of assets that are restricted by a donor for use for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions on net assets included in this category are permanent in nature. These net assets have been restricted by donors to be maintained by the Organization either in perpetuity or until released by specific action by the Organization's Board of Directors in accordance with applicable law.

Revenue is reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation or by law.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of estimates

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

Special Olympics New Jersey, Inc.
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Notes to Financial Statements
December 31, 2022 and 2021

liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization places its temporary cash investments with high credit quality financial institutions.

Certificates of deposit

Certificates of deposit held for investments that are not marketable equity or debt securities are recorded at cost. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as current assets.

Grants and other receivables

Grants and other receivables consist of amounts due from government agencies, corporations or other organizations for services performed under grant agreements. The Organization expects all grants and other receivables to be collectable and therefore there is no allowance against uncollectable receivables at December 31, 2022 and 2021.

Investments and investment risk

Net investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments. Related custodian fees are netted against investment returns.

The Organization invests in various securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risk in the near term could materially affect the investments and the amounts reported in the statements of financial position and the statements of activities and changes in net assets. Users of these financial statements should be aware that the financial markets' volatility may significantly impact the subsequent valuation of the Organization's investments. Accordingly, the valuation of investments may not necessarily be indicative of amounts that could be realized in a current market exchange.

Income taxes

The Organization qualifies as a not-for-profit organization as defined by the Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal income taxes. The Organization is also exempt from state and local income taxes.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2022 and 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization's federal and state information returns prior to fiscal years 2019 and 2018, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's policy is to recognize interest expense and penalties if any, in general and administrative expenses. No such amounts have been recorded for the years ended December 31, 2022 and 2021.

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Notes to Financial Statements
December 31, 2022 and 2021

Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Organization compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. Management believes there is no impairment of long-lived assets at December 31, 2022 and 2021.

Revenue recognition

Grants

Revenue from grants with resource providers such as the government agencies, corporations or other organizations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to the Organization, the revenue from the grant is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Organization deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Revenue from grants that are accounted for as contributions is recognized when performance requirements are met and/or allowable qualifying expenditures have been incurred. Cash received in excess of revenue recognized is recorded as refundable advances. At December 31, 2022 and 2021, the Organization recorded \$201,782 and \$79,433 as refundable advances, respectively. Refundable advances recorded as of January 1, 2021 were \$11,830. At December 31, 2022 and 2021, all of the Organization's grants are accounted for as conditional contributions as there are either certain performance requirements to be met or allowable qualifying expenses need to be incurred. At December 31, 2022 and 2021, conditional contributions approximating \$1,573,305 and \$1,330,989, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements because the conditions on which they depend have not yet been met.

Contributions

Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

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Notes to Financial Statements
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Special events

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Amounts received prior to the event taking place are recorded as deferred revenue in the accompanying statements of financial position. At December 31, 2022 and 2021, the deferred revenue balance totaled \$519,022 and \$503,746, respectively.

Contributed goods and services

Donated goods and services are recorded as contributions at their estimated fair values at the date of donation. Donations include facility rental time, volunteer time at various events, on-air promotion time, and meals and entertainment provided to athletes. The amount of donated goods and services for the years ended December 31, 2022 and 2021 was \$1,313,225 and \$604,793, respectively. See Note 7 for further information.

Functional allocation of expenses

Costs are allocated between activities and program services, fundraising and general and administrative based on an evaluation of the related benefits. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, occupancy and facility maintenance, which are allocated on a square footage basis. Compensation and employee benefits, employee training, information technology and office equipment costs, are allocated on the basis of estimates of time and effort.

Land, buildings, equipment and furniture

Purchases of land, buildings, equipment and furniture are stated at cost less accumulated depreciation. The Organization capitalizes all expenditures over \$2,000. Depreciation is computed on the straight-line method using estimated useful lives of the assets, as follows:

Building and improvements	10 - 40 years
Equipment and furniture	3 - 10 years

New accounting pronouncements

Accounting Standards Update 2016-02, *Leases*

The Organization adopted Accounting Standards Update 2016-02 (as amended), *Leases* ("Topic 842") on January 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for virtually all leases.

The adoption of Topic 842 did not have a material impact on the Organization's financial position, changes in net assets or cash flows as of and for the year ended December 31, 2022.

Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*

For the year ended December 31, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides guidance on the presentation of contributed nonfinancial assets in the statement of activities and additional disclosure requirements for each type of contributed nonfinancial asset.

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Notes to Financial Statements
December 31, 2022 and 2021

The ASU provides transparency on the measurement of the contributed nonfinancial assets of the organization and will not change existing recognition and measurement requirements. Special Olympics New Jersey has implemented the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

Subsequent events

The Organization has evaluated subsequent events through June 5, 2023, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and availability

The Organization's working capital and cash flows have seasonable variations during the year. Traditionally, the largest and most profitable fundraising events occur in the first quarter of the year. As a result, cash receipts and the cash balances are significantly higher during the first half of the year. Additionally, the success of fundraising events is highly dependent upon the weather during the events.

In addition to recurring annual fundraising events, the Organization has also benefited from anniversary celebration fundraising events. These events were extremely profitable and resulted in additional cash flow. Finally, the Organization has shown continued growth in sponsorships.

The following reflects the Organization's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of donor restrictions within one year of the balance sheet date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,445,148	\$ 3,590,742
Certificates of deposit	254,545	253,288
Grants and other receivables	629,902	508,317
Investments	<u>9,980,664</u>	<u>10,533,322</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 13,310,259</u>	<u>\$ 14,885,669</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities. See Note 6 for marketable debt and equity securities.

The Organization has invested a portion of its unrestricted resources in long-term investments but these funds remain available and may be spent if needed.

Note 4 - Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and certificates of deposit. At times during the year, the Organization's cash balances and certificates of deposit may exceed the limits of the Federal

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Notes to Financial Statements
December 31, 2022 and 2021

Deposit Insurance Corporation ("FDIC") coverage. The Organization monitors its financial institutions and the concentrations of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

Note 5 - Land, buildings, equipment and furniture

Land, buildings, equipment and furniture at December 31, 2022 and 2021 consist of the following:

	2022	2021
Land	\$ 700,000	\$ 700,000
Buildings and improvements	7,421,678	7,260,551
Equipment, furniture and fixtures	794,035	774,476
Construction in progress	781,367	-
	9,697,080	8,735,027
Less accumulated depreciation	4,622,018	4,302,971
Total	\$ 5,075,062	\$ 4,432,056

Depreciation expense for the years ended December 31, 2022 and 2021 was \$319,047 and \$322,945, respectively. Fully depreciated assets totaling \$0 and \$32,011 were disposed of during the years ended December 31, 2022 and 2021, respectively. Construction in progress represent fixed assets not yet placed in service, therefore no depreciation was incurred as of the years ended December 31, 2022 and 2021.

Note 6 - Fair value measurements

The Organization values its assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs;

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability; and

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Special Olympics New Jersey, Inc.
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Notes to Financial Statements
December 31, 2022 and 2021

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended December 31, 2022 and 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

Investments carried at fair value at December 31, 2022 and 2021, are classified in the tables below in one of the three categories described above:

Assets at fair value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 1,266,270	\$ -	\$ -	\$ 1,266,270
Mutual funds	5,083,628	-	-	5,083,628
Money market funds	566,414	-	-	566,414
Corporate bonds	-	3,064,352	-	3,064,352
Total investments at fair value	<u>\$ 6,916,312</u>	<u>\$ 3,064,352</u>	<u>\$ -</u>	<u>\$ 9,980,664</u>

Assets at fair value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 1,305,455	\$ -	\$ -	\$ 1,305,455
Mutual funds	6,043,813	-	-	6,043,813
Money market funds	567,564	-	-	567,564
Corporate bonds	-	2,616,490	-	2,616,490
Total investments at fair value	<u>\$ 7,916,832</u>	<u>\$ 2,616,490</u>	<u>\$ -</u>	<u>\$ 10,533,322</u>

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Stocks, mutual funds, and money market securities are valued at the closing price reported on the active market on which the individual securities are traded ("Level 1").

Investments in corporate bonds are valued utilizing readily available pricing sources for comparable instruments ("Level 2").

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Special Olympics New Jersey, Inc.
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Notes to Financial Statements
December 31, 2022 and 2021

Note 7 - Contributed goods and services

The Organization received contributed goods and services for the years ended December 31:

	2022			2021			Valuation Techniques and Inputs
	Activities and Program	Fundraising	Total	Activities and Program	Fundraising	Total	
Competition	\$ 861,652	\$ -	\$ 861,652	\$ 363,718	\$ -	\$ 363,718	The Organization was provided gifts-in-kind of supplies, services, and venues at no cost to conduct competitions. Valuation is based on vendor supplied rates and current market rates.
Professional fees	199,233	28,361	227,594	65,236	-	65,236	The Organization was provided professional services and volunteer time at no cost to assist at fundraising events, administrative projects, and competitions. Valuation is based on current market rates for similar services.
Public relations	109,807	26,966	136,773	63,038	-	63,038	The Organization was provided media public service announcements and photography services at no cost to promote events, competitions and the mission. Valuation is based on vendor supplied rates and current market rates for similar services.
Supplies	-	64,876	64,876	-	54,878	54,878	The Organization was provided supplies at no cost to all facets of business to support the mission of the Organization. Valuation is based on vendor supplied rates and current market rates.
Direct costs	-	22,330	22,330	-	57,923	57,923	The Organization was provided gifts-in-kind of direct costs at no cost to conduct fundraising events to support the mission of the Organization. These costs included supplies and venue usage. Valuation is based on vendor supplied rates and current market rates.
Total	<u>\$ 1,170,692</u>	<u>\$ 142,533</u>	<u>\$ 1,313,225</u>	<u>\$ 491,992</u>	<u>\$ 112,801</u>	<u>\$ 604,793</u>	

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization.

All gifts-in-kind received by the Organization for the years ended December 31, 2022, and 2021 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

Note 8 - Pension plan

The Organization maintains a 403(b) defined contribution pension plan for eligible employees. An employee may begin contributions into the plan immediately at the start of employment, but is not eligible for matching employer contributions until the plan entry date following the employee's completion of six months of employment, attainment of the age of 21 and working a minimum of 1,000 hours per year. The Organization matches a maximum of 4% of an employee's eligible wages and contributes 3% of an employee's eligible wages to the plan, and both contributions are subject to the aforementioned eligibility requirements. An individual must be employed on December 31 to be eligible for the Organization's contribution for that plan year. The Organization's contribution will be made by June 30 of the following year. Pension plan costs for the years ended December 31, 2022 and 2021 were \$177,483 and \$173,858, respectively.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Notes to Financial Statements
December 31, 2022 and 2021

Note 9 - Related party transactions

The Organization has a member of the Board of Directors who is a senior executive of a financial institution where the Organization maintains checking accounts and certificates of deposit. The Organization also has a member of the Board of Directors who is a senior executive of a financial institution which is a related party to another financial institution where the Organization maintains investment portfolios and the pension plan.

The Organization is required to pay chapter fees to Special Olympics International ("SOI"). The amount of fees paid to SOI was \$151,801 and \$117,793 for the years ended December 31, 2022 and 2021, respectively.

Note 10 - Economic relief loan

Paycheck Protection Program loan - first draw and forgiveness

In April 2020, the Organization entered into an unsecured promissory note with a commercial bank for an aggregate principal amount of \$748,182 pursuant to the Paycheck Protection Program (the "PPP Loan"), which was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration (the "SBA"). Under the CARES Act, PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. During the year ended December 31, 2021, the Organization submitted its application for PPP Loan forgiveness and received notice from its lender in May 2021 that the SBA approved forgiveness of the full amount of the PPP Loan and the related interest thereon. Accordingly, the Organization derecognized the PPP Loan and recognized a corresponding gain on debt forgiveness in nonoperating items on the statements of activities and changes in net assets. There is a six-year period during which the SBA can review the Organization's forgiveness calculation.

Paycheck Protection Program loan - second draw and forgiveness

In March 2021, the Organization entered into a second unsecured promissory note with a commercial bank for an aggregate principal amount of \$733,670 pursuant to the PPP Loan, which was established under the CARES Act and is administered by the SBA. The outstanding borrowings under the PPP Loan bear interest at a rate of 1% per year and have a maturity of April 2026. Under the CARES Act, PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. During the year ended December 31, 2021, the Organization submitted its application for PPP Loan forgiveness and received notice from its lender in December 2021 that the SBA approved forgiveness of the full amount of the PPP Loan and the related interest thereon. Accordingly, the Organization derecognized the PPP Loan and recognized a corresponding gain on debt forgiveness in nonoperating items on the statements of activities and changes in net assets. There is a six-year period during which the SBA can review the Organization's forgiveness calculation.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Notes to Financial Statements
December 31, 2022 and 2021

Note 11 - Subsequent events

The Organization has received notice of the State's intent to terminate the memorandum of understanding ("MOU") with the Organization under the Rowan University Special Education Cluster (IDEA) Handicapped State Grant. The MOU was terminated as of February 13, 2023. Revenue recognized related to this MOU for the years ended December 31, 2022 and 2021 was \$1,074,020 and \$795,805, respectively. Termination of the MOU does not terminate the State's obligation to pay for reimbursable expenses incurred prior to the termination date. The Organization has committed to the sub-grantors (schools throughout New Jersey) that any expenses submitted for reimbursement for this grant through June 30, 2023 would be reimbursed by the Organization itself. These expenses are estimated to be approximately \$500,000.

Supplementary Information

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Program grant period	Passed through to sub-recipients	Total Federal expenditures
U.S. Department of Education passed through the New Jersey Department of Education, passed through Rowan University Special Education Cluster (IDEA):					
Special Education Grants to States - Handicapped State Grants	84.027A		7/1/21-6/30/22	\$ -	\$ 739,626
Special Education Grants to States - Handicapped State Grants	84.027A		7/1/22-6/30/23	-	334,394
Total CFDA Number 84.027A				-	1,074,020
Total Special Education Cluster (IDEA)				-	1,074,020
U.S. Department of Education, Office of Special Education Programs, passed through Special Olympics, Inc.					
Special Education Olympic Education Programs - Unified Champion Schools Year 14	84.380W	Y14 21 800 29	9/1/21-6/30/22	-	186,035
Special Education Olympic Education Programs - Unified Champion Schools Year 15	84.380W	Y15 22 800 29	9/1/22-6/30/23	-	55,384
Total CFDA Number 84.380W				-	241,419
Total U.S Department of Education				-	1,315,439
U.S. Department of Health and Human Services, Center for Disease Control and Prevention, passed through Special Olympics, Inc.					
Disabilities Prevention - Healthy Athletes	93.184	2022-2603	1/1/22-6/30/22	-	30,518
Disabilities Prevention - Healthy Athletes	93.184	2022-2787	9/1/22-11/30/22	-	8,615
Disabilities Prevention - Health Impact	93.184	2021-1962	8/1/21-7/31/22	-	73,898
Disabilities Prevention - Health Impact	93.184	2022-2765	8/1/22-7/31/23	-	57,335
Total CFDA Number 93.184				-	170,366
Total U.S Department of Health and Human Services				-	170,366
Total expenditures of federal awards				\$ -	\$ 1,485,805

See Notes to Schedule of Expenditures of Federal Awards.

Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") include the federal award activity of Special Olympics New Jersey, Inc. under programs of the federal government for the year ended December 31, 2022. 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"). Because the Schedule presents only a selected portion of the operations of Special Olympics New Jersey, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Special Olympics New Jersey, Inc.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

Special Olympics New Jersey, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Special Olympics New Jersey, Inc. (A New Jersey Not-for-Profit Organization) ("SONJ"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SONJ'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 SONJ's internal control. Accordingly, we do not express an opinion on the effectiveness of SONJ'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 entity'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.

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. 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 SONJ's 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 financial statements. 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 reports 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Holmdel, New Jersey
June 5, 2023

Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Special Olympics New Jersey, Inc.'s (A New Jersey Not-for-Profit) ("SONJ")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SONJ's major federal programs for the year ended December 31, 2022. SONJ's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SONJ complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal 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*); and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SONJ 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 program. Our audit does not provide a legal determination of SONJ'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 SONJ's federal 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 SONJ'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*, and the Uniform Guidance 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 SONJ's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 SONJ'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 SONJ'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, but not for the purpose of expressing an opinion on the effectiveness of SONJ'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 a 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 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 federal program 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. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Holmdel, New Jersey
June 5, 2023

**Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)**

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes ✓ no
- Significant deficiency(ies) identified? yes ✓ none reported

Noncompliance material to financial statements noted?

 yes ✓ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes ✓ no
- Significant deficiency(ies) identified? yes ✓ none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)

 yes ✓ no

Identification of major federal programs:

Name of Federal Program

Assistance Listing Number

U.S. Department of Education passed through the New Jersey Department of Education, passed through Rowan University, Special Education Cluster (IDEA):

Special Education Grants to State - Handicapped State Grants

84.027A

Dollar threshold used to distinguish between type A and B programs

\$750,000

Auditee qualified as low-risk auditee?

 ✓ yes no

**Special Olympics New Jersey, Inc.
(A New Jersey Not-for-Profit Organization)**

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2022**

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported



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