

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Special Olympics New Jersey, Inc.  
Lawrenceville, New Jersey

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of Special Olympics New Jersey, Inc. (The Organization), which comprise the statement of financial position as of December 31, 2024 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.

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, 2024, 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 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.

#### ***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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 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 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.

### ***Other Matters***

The financial statements of the Organization as of December 31, 2023, were audited by other auditors. Their report dated May 10, 2024 expressed an unmodified opinion on the financial statements.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards, 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 New Jersey Office of Management and Budget Circular Letter 15-08 are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the schedules of expenditures of federal and state awards are 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 10, 2025, 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, 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 effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Livingston, New Jersey  
June 10, 2025

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,058,957	\$ 2,816,300
Certificates of Deposit	932,622	891,064
Grants and Other Receivables	906,547	676,624
Prepaid Expenses and Other Current Assets	<u>241,916</u>	<u>385,456</u>
Total Current Assets	5,140,042	4,769,444
<b>INVESTMENTS</b>	12,257,250	10,883,719
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>5,425,690</u>	<u>4,941,842</u>
Total Assets	<u><u>\$ 22,822,982</u></u>	<u><u>\$ 20,595,005</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 684,487	\$ 614,913
Deferred Revenue	632,421	672,778
Refundable Advances	<u>71,693</u>	<u>62,131</u>
Total Current Liabilities	1,388,601	1,349,822
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions	21,434,381	19,167,184
With Donor Restrictions	<u>-</u>	<u>77,999</u>
Total Net Assets	<u>21,434,381</u>	<u>19,245,183</u>
Total Liabilities and Net Assets	<u><u>\$ 22,822,982</u></u>	<u><u>\$ 20,595,005</u></u>

See accompanying Notes to Financial Statements.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenue and Other Support:		
Contributions of Cash and Other Financial Assets	\$ 3,213,988	\$ 3,583,962
Grants	3,028,654	1,167,914
Special Events Revenue, Net Direct Cost of Special		
Events of \$1,729,972 and \$1,829,787, respectively	3,881,326	3,661,931
Contributions of Nonfinancial Assets	1,871,550	1,667,235
Net Assets Released from Restrictions	325,999	14,001
Total Revenue and Other Support	<u>12,321,517</u>	<u>10,095,043</u>
<b>EXPENSES</b>		
Activities and Program Services	9,629,491	8,187,570
Fundraising	1,466,496	1,283,967
General and Administrative	224,685	204,139
Total Expenses	<u>11,320,672</u>	<u>9,675,676</u>
<b>CHANGE IN NET ASSETS</b>	1,000,845	419,367
<b>NONOPERATING INCOME (EXPENSE)</b>		
Net Investment Return	<u>1,266,352</u>	<u>1,324,406</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions of Cash and Other Financial Assets	248,000	92,000
Net Assets Released from Donor Restrictions	<u>(325,999)</u>	<u>(14,001)</u>
Change in Net Assets With Donor Restrictions	<u>(77,999)</u>	<u>77,999</u>
<b>CHANGE IN NET ASSETS</b>	2,189,198	1,821,772
Net Assets - Beginning of Year	<u>19,245,183</u>	<u>17,423,411</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 21,434,381</u></u>	<u><u>\$ 19,245,183</u></u>

See accompanying Notes to Financial Statements.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	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	\$ 1,195,147	\$ 1,667,221	\$ 2,862,368	\$ -	\$ -	\$ -	\$ -	\$ 2,862,368
Salaries	-	2,646,653	2,646,653	-	696,488	696,488	139,298	3,482,439
Employee Benefits	-	731,794	731,794	-	192,577	192,577	38,515	962,886
Payroll Taxes	-	193,427	193,427	-	50,902	50,902	10,180	254,509
Training	-	129,131	129,131	-	3,627	3,627	725	133,483
Awards	-	71,191	71,191	-	4,490	4,490	-	75,681
Equipment	-	9,282	9,282	-	2,443	2,443	705	12,430
Insurance	-	153,873	153,873	-	8,406	8,406	2,064	164,343
Printing	-	3,770	3,770	-	-	-	-	3,770
Supplies	-	11,544	11,544	134,426	7,307	141,733	336	153,613
Chapter Fees	-	153,289	153,289	-	-	-	-	153,289
Conferences and Meetings	-	45,588	45,588	-	3,031	3,031	606	49,225
Occupancy	-	75,079	75,079	-	4,059	4,059	1,566	80,704
Postage and Freight	-	3,753	3,753	-	582	582	116	4,451
Telephone	-	36,794	36,794	-	8,573	8,573	1,715	47,082
Repairs and Maintenance	-	122,074	122,074	-	9,803	9,803	2,816	134,693
Public Relations	143,158	1,204,807	1,347,965	14,919	-	14,919	-	1,362,884
Professional Fees	175,292	420,227	595,519	-	84,270	84,270	9,513	689,302
Special Events and Programs	-	2,902	2,902	-	387	387	-	3,289
Grants	-	16,931	16,931	-	-	-	-	16,931
Depreciation	-	361,997	361,997	-	26,960	26,960	8,672	397,629
Miscellaneous	-	54,567	54,567	-	4,638	4,638	7,858	67,063
Direct Costs	-	-	-	208,608	-	208,608	-	208,608
<b>Total Functional Expenses</b>	<b>\$ 1,513,597</b>	<b>\$ 8,115,894</b>	<b>\$ 9,629,491</b>	<b>\$ 357,953</b>	<b>\$ 1,108,543</b>	<b>\$ 1,466,496</b>	<b>\$ 224,685</b>	<b>\$ 11,320,672</b>
Percentage of total expenses FY 2024:			Program 85%			Fundraising 13%	Administrative 2%	

See accompanying Notes to Financial Statements.



**SPECIAL OLYMPICS NEW JERSEY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	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	\$ 1,110,385	\$ 1,377,968	\$ 2,488,353	\$ -	\$ -	\$ -	\$ -	\$ 2,488,353
Salaries	-	2,422,694	2,422,694	-	678,354	678,354	129,210	3,230,258
Employee Benefits	-	687,838	687,838	-	192,595	192,595	36,685	917,118
Payroll Taxes	-	176,239	176,239	-	49,347	49,347	9,399	234,985
Training	-	86,110	86,110	-	3,863	3,863	736	90,709
Awards	-	67,983	67,983	-	2,006	2,006	-	69,989
Equipment	-	11,020	11,020	-	3,086	3,086	778	14,884
Insurance	-	138,131	138,131	-	7,944	7,944	1,906	147,981
Printing	-	480	480	-	-	-	-	480
Supplies	-	31,030	31,030	68,009	7,484	75,493	475	106,998
Chapter Fees	-	141,175	141,175	-	-	-	-	141,175
Conferences and Meetings	-	35,392	35,392	-	2,695	2,695	513	38,600
Occupancy	-	73,782	73,782	-	3,989	3,989	1,539	79,310
Postage and Freight	-	1,966	1,966	-	343	343	65	2,374
Telephone	-	27,726	27,726	-	6,564	6,564	1,250	35,540
Repairs and Maintenance	-	124,117	124,117	-	8,560	8,560	2,670	135,347
Public Relations	116,767	777,060	893,827	13,310	-	13,310	-	907,137
Professional Fees	207,237	206,481	413,718	-	57,041	57,041	5,871	476,630
Special Events and Programs	-	4,225	4,225	-	58	58	-	4,283
Grants	-	16,340	16,340	-	-	-	-	16,340
Depreciation	-	302,583	302,583	-	24,080	24,080	7,420	334,083
Miscellaneous	-	42,841	42,841	-	3,112	3,112	5,622	51,575
Direct Costs	-	-	-	151,527	-	151,527	-	151,527
<b>Total Functional Expenses</b>	<b>\$ 1,434,389</b>	<b>\$ 6,753,181</b>	<b>\$ 8,187,570</b>	<b>\$ 232,846</b>	<b>\$ 1,051,121</b>	<b>\$ 1,283,967</b>	<b>\$ 204,139</b>	<b>\$ 9,675,676</b>
Percentage of total expenses FY 2023:			Program 85%			Fundraising 13%	Administrative 2%	

See accompanying Notes to Financial Statements.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 2,189,198	\$ 1,821,772
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gain on Investments	(1,034,102)	(1,157,767)
Depreciation	397,629	334,083
Donated Securities	-	(16,637)
Changes in Operating Assets and Liabilities:		
Grants and Other Receivables	(229,923)	(46,722)
Prepaid Expenses and Other Current Assets	143,540	(53,925)
Accounts Payable and Accrued Expenses	69,574	42,276
Deferred Revenue	(40,357)	153,756
Refundable Advances	9,562	(139,651)
Net Cash Provided by Operating Activities	<u>1,505,121</u>	<u>937,185</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Certificates of Deposit	(41,558)	(636,519)
Proceeds from Sale of Investments	1,474,258	3,066,909
Purchases of Investments	(1,813,687)	(2,795,560)
Purchases of Property and Equipment	(881,477)	(200,863)
Net Cash Used by Investing Activities	<u>(1,262,464)</u>	<u>(566,033)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	242,657	371,152
Cash and Cash Equivalents - Beginning of Year	<u>2,816,300</u>	<u>2,445,148</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 3,058,957</u></u>	<u><u>\$ 2,816,300</u></u>

See accompanying Notes to Financial Statements.

**SPECIAL OLYMPICS NEW JERSEY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**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:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions consist of assets that can be used at the discretion of the Organization to support operations.

*Net Assets 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.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 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, 2024 and 2023.

**Investments and Investment Risk**

Net investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried and 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.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2024 and 2023, 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 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, 2024 and 2023.

**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, 2024 and 2023.

**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, 2024 and 2023, the Organization recorded \$71,693 and \$62,131 as refundable advances, respectively.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Grants (Continued)

At December 31, 2024 and 2023, 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, 2024 and 2023, conditional contributions approximating \$1,231,769 and \$4,447,816, 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.

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, 2024 and 2023, the deferred revenue balance totaled \$632,421 and \$672,778, 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, 2024 and 2023 was \$1,871,550 and \$1,667,235, respectively.

**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.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses (Continued)**

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 to 40 Years
Equipment and Furniture	3 to 10 Years

**Subsequent Events**

The Organization has evaluated subsequent events through June 10, 2025 , which is the date the financial statements were available to be issued.

**Reclassifications**

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation. This had no effect on the change in net assets.

**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.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The following reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use because of donor restrictions within one year of the statement of financial position date:

	2024	2023
Cash and Cash Equivalents	\$ 3,058,957	\$ 2,816,300
Certificates of Deposit	932,622	891,064
Grants and Other Receivables	906,547	676,624
Investments	<u>12,257,250</u>	<u>10,883,719</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 17,155,376</u>	<u>\$ 15,267,707</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 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.



**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 5 LAND, BUILDINGS, EQUIPMENT, AND FURNITURE**

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

	2024	2023
Land	\$ 700,000	\$ 700,000
Buildings and Improvements	8,651,774	8,257,744
Equipment, Furniture, and Fixtures	1,392,775	917,392
Construction in Progress	5,000	22,806
Total	10,749,549	9,897,942
Less: Accumulated Depreciation	(5,323,859)	(4,956,100)
Property and Equipment, Net	<u>\$ 5,425,690</u>	<u>\$ 4,941,842</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$397,629 and \$334,083, respectively. Construction in progress represent fixed assets not yet placed in service, therefore no depreciation was incurred as of the years ended December 31, 2024 and 2023.

**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.

*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.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)**

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, 2024 and 2023, there were no significant transfers in or out of Levels 1, 2 or 3.

Investments carried at fair value at December 31, 2024 and 2023, are classified in the tables below in one of the three categories described above:

Assets at Fair Value as of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 677,363	\$ -	\$ -	\$ 677,363
Mutual Funds	7,999,448	-	-	7,999,448
Fixed Income	3,521,867	58,572	-	3,580,439
Total Investments at Fair Value	<u>\$ 12,198,678</u>	<u>\$ 58,572</u>	<u>\$ -</u>	<u>\$ 12,257,250</u>

  

Assets at Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 804,458	\$ -	\$ -	\$ 804,458
Mutual Funds	6,529,975	-	-	6,529,975
Fixed Income	3,491,079	58,207	-	3,549,286
Total Investments at Fair Value	<u>\$ 10,825,512</u>	<u>\$ 58,207</u>	<u>\$ -</u>	<u>\$ 10,883,719</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, 2024 and 2023.

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

Investments in fixed income are valued utilizing readily available pricing sources for comparable instruments (Level 1 or 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.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7 CONTRIBUTED GOODS AND SERVICES**

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

	2024			2023			
	Activities and Programs	Fundraising	Total	Activities and Programs	Fundraising	Total	Valuation Techniques and Inputs
Competition							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.
	\$ 1,195,147	\$ -	\$ 1,195,147	\$ 1,110,385	\$ -	\$ 1,110,385	
Professional Fees							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.
	175,292	-	175,292	207,237	-	207,237	
Public Relations							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.
	143,158	14,919	158,077	116,767	13,310	130,077	
Supplies							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.
	-	134,426	134,426	-	68,009	68,009	
Direct Costs							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.
	-	208,608	208,608	-	151,527	151,527	
Total	<u>\$ 1,513,597</u>	<u>\$ 357,953</u>	<u>\$ 1,871,550</u>	<u>\$ 1,434,389</u>	<u>\$ 232,846</u>	<u>\$ 1,667,235</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, 2024 and 2023 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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, 2024 and 2023 were \$208,512 and \$182,896, respectively.

**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 is required to pay chapter fees to Special Olympics International (SOI). The amount of fees paid to SOI was \$153,289 and \$141,175 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 10 EMPLOYEE RETENTION CREDIT**

In March 2021, the American Rescue Plan of 2021 (ARPA) made a number of changes to the employee retention tax credits previously made available under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act), including modifying and extending the Employee Retention Credit (ERC) through September 30, 2021. As a result of the CARES Act and ARPA, eligible employers can claim a refundable tax credit against qualifying payroll expenses. During the year ended December 31, 2023, the Organization determined that it met the ERC eligibility criteria. For the year ended December 31, 2023, the Company claimed ERC of approximately \$777,000, which is reflected as contributions of cash and other financial assets in the statement of activities of which approximately \$253,000 is included in grants and other receivables on the statements of financial position as of December 31, 2024 and 2023.

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 11 INVESTMENT TAX CREDIT**

In August 2022, the Inflation Reduction Act of 2022 (IRA) updated and expanded the Investment Tax Credit (ITC) for solar power projects. The ITC, which was previously set at a 26% credit for 2023 and 10% credit for every year after, was updated and raised to 30% of eligible project installation costs through 2032. The Organization elected to account for the ITC consistent with the Organization's policy of government grants under Subtopic 958-605 contribution model approach. Under this approach the ITC will be recognized as contribution revenue when the conditions of the contribution are substantially met. During the year ended December 31, 2023, the Organization determined that it met the ITC eligibility criteria and recognized a contribution and receivable of approximately \$203,000 which is reflected in contributions of cash and other financial assets in the statement of activities and in grants and other receivable on the statement of financial position. The credit was received in full in October 2024.

**SPECIAL OLYMPICS NEW JERSEY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2024**

Federal Awards	Assistance Listing Number	Grant Period	Grant Amount	Current Year Expenditures
<b>U.S. Department of Education</b>				
<b>Office of Special Education Programs</b>				
<b>Passed through Special Olympics, Inc.</b>				
Special Olympics Unified Champion Schools Year 16	84.380W	09/01/23 - 06/30/24	\$ 275,000	\$ 191,440
Special Olympics Unified Champion Schools Year 17	84.380W	07/01/24 - 06/30/25	350,000	170,381
<b>U.S. Department of Health and Human Services</b>				
<b>Center for Disease control and prevention</b>				
<b>Passed through Special Olympics, Inc.</b>				
Health Impact subgrant	93.184	08/01/23 - 07/31/24	160,000	86,131
Health Impact subgrant	93.184	08/01/24 - 07/31/25	176,000	77,907
<b>U.S. Department of Education</b>				
<b>Passed through NJ Department of Education</b>				
School-Based Programing	84.027A	11/03/23 - 06/30/24	1,000,000	641,208
				\$ 1,167,067

**SPECIAL OLYMPICS NEW JERSEY, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2024**

State Awards	Grant Number	Grant Period	Grant Amount	Current Year Expenditures
<b>NJ Department of Community Affairs</b>				
Athletics for Persons with Disabilities 2024	2024-05300-0058-00	07/01/23 - 06/30/24	\$ 272,100	\$ 186,221
Athletics for Persons with Disabilities 2025	2025-05300-0094-00	07/01/24 - 06/30/26	462,100	42,261
<b>NJ Department of Community Affairs</b>				
Special Olympics Mobile Medical	2024-05392-1494	07/01/23 - 06/30/25	2,000,000	1,454,934
				<u>\$ 1,683,416</u>

**SPECIAL OLYMPICS NEW JERSEY, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**DECEMBER 31, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and expenditures of state awards include the federal and state grant activity of Special Olympics New Jersey (the Organization), and are presented on the accrual basis of accounting. The information in these schedules 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* and New Jersey Office of Management and Budget Circular Letter 15-08. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 SUBRECIPIENTS**

There were no amounts paid to subrecipients during the year ended December 31, 2024.

**NOTE 3 INDIRECT COSTS**

The Agency did not elect to use the de minimis cost rate when allocating indirect costs to state programs.

**NOTE 4 LOAN AND LOAN GUARANTEE PROGRAMS**

As of December 31, 2024, the Organization did not have any federal or state loan or loan guarantees.





**INDEPENDENT AUDITORS' 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**

Board of Trustees  
Special Olympics New Jersey  
Lawrenceville, New Jersey

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 of America, the financial statements of Special Olympics New Jersey (the Organization), a nonprofit corporation, which comprise the statement of financial position as of December 31, 2024, 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 10, 2025 .

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 the 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 were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Livingston, New Jersey  
June 10, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Special Olympics New Jersey  
Lawrenceville, New Jersey

**Report on Compliance for Each Major Federal and State Program**

***Opinion for Each Major Federal and State Program***

We have audited Special Olympics New Jersey's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the New Jersey Office of Management and Budget Circular Letter 15-08 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, 2024. the Organization's major federal and state programs are identified in the summary of auditors' 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, 2024.

***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; 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) and NJOMB Circular Letter 15-08 (NJOMB). Our responsibilities under those standards and the Uniform Guidance and NJOMB 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 of 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.

### ***Auditors' 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 NJOMB 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 NJOMB, 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 NJOMB, 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and NJOMB and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal and state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 and state 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 and 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 federal and state 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 NJOMB. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Livingston, New Jersey  
June 10, 2025

**SPECIAL OLYMPICS NEW JERSEY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024**

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***Section I – Summary of Auditors' Results***

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***Financial Statements***

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

***Identification of Major Federal Programs***

**Assistance Listing Number(s)**

84.027A

**Name of Federal Program or Cluster**

School-Based Programing

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no

**SPECIAL OLYMPICS NEW JERSEY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section I – Summary of Auditors' Results (Continued)***

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**State Awards**

1. Internal control over state awards:

Material weakness(es) identified?      \_\_\_\_\_ yes        x   no

• Significant deficiency(ies) identified  
that are not considered to be  
material weakness(es)?        x   yes      \_\_\_\_\_ none reported

2. Type of auditors' report issued on  
compliance for state projects:      Unmodified

3. Any audit findings disclosed that are  
required to be reported in accordance  
with state requirements?        x   yes      \_\_\_\_\_ no

***Identification of Major State Projects***

**State Award Number**

2024-05392-1494

**Name of State Award**

Special Olympics Mobile Medical

Dollar threshold used to distinguish between  
Type A and Type B state awards:      \$   750,000  

Auditee qualified as low-risk auditee?      \_\_\_\_\_ yes        x   no

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**SPECIAL OLYMPICS NEW JERSEY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section III – Findings and Questioned Costs – Major Federal and State Programs***

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**2024 – 001**

State Agency: NJ Department of Community Affairs

State Program Name: Special Olympics Mobile Medical

State Award Identification Number and Year: 2024-05392-1494 2024

Award Period: 07/01/23 - 06/30/25

Type of Finding: Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** New Jersey Office of Management and Budget Circular Letter 15-08 requires compliance with the provisions of allowable costs with respect to grant expenditures.

**Condition:** During our testing, one employee's salary applied to the grant was not supported by the appropriate time and effort documentation, leading to unallowable expenses being submitted on expenditure reports.

**Questioned costs:** \$34,536

**Cause:** There were inadequate internal controls relating to review of the calculation of employee's salaries applied to the grant.

**Effect:** Grant expenditures were reported inaccurately on expenditure reports.

**Repeat Finding:** N/A

**Recommendation:** We recommend the client design controls to ensure an adequate review process is in place to review percentages of payroll charged to the grant and to ensure costs are allowable.

**Views of responsible officials:** Management agrees with the findings. However, it is important to note that SONJ accounting personnel did identify this issue in preparation for the audit selections. The organization then immediately contacted the funding agency to notify them of the situation and determine what their recommended corrective action was. SONJ then resolved the issue prior to the completion of the audit. The organization has recorded the accrued expense in fiscal year 2024 and has notified the funding agency. The funding agency allowed for the less than 10% of the budget line correction to be made on the next period submission scheduled for June 30, 2025. The Organization has conducted a review of current employee rates and established a procedure to review rates applied to a grant on a monthly basis.



