

**SPECIAL OLYMPICS CONNECTICUT, INC.**

**FINANCIAL STATEMENTS AND  
STATE SINGLE AUDIT REPORT**

**AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

# SPECIAL OLYMPICS CONNECTICUT, INC.

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## **Independent Auditors' Report**

The Board of Directors  
**Special Olympics Connecticut, Inc.**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Special Olympics Connecticut, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

#### ***Prior Period Financial Statements***

The financial statements of the Organization as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated July 31, 2024, expressed an unmodified opinion on those statements.

## ***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 for 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 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, 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 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.

*CBIZ CPAs P.C.*

Providence, RI  
July 31, 2025

# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF FINANCIAL POSITION

**DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,730,635	\$ 1,814,314
Grants and unconditional promises to give	514,009	254,402
Prepaid expenses and other	128,163	200,098
<b>Total Current Assets</b>	5,372,807	2,268,814
<b>Long-Term Investments</b>	7,607,402	9,370,677
<b>Operating Lease Right-of-Use Asset</b>	54,926	109,852
<b>Property and Equipment</b> - less accumulated depreciation of \$307,642 in 2024 and \$245,990 in 2023	2,707,455	55,770
<b>Total Assets</b>	<u>\$ 15,742,590</u>	<u>\$ 11,805,113</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 188,034	\$ 89,536
Deferred grant revenue	2,363,185	--
Accrued expenses	150,836	108,035
Current portion of operating lease liability	61,060	57,871
<b>Total Current Liabilities</b>	2,763,115	255,442
<b>Operating Lease Liability, Net of current portion</b>	--	61,060
<b>Total Liabilities</b>	<u>2,763,115</u>	<u>316,502</u>
<b>Net Assets</b>		
Without donor restrictions		
Board designated	2,068,292	1,945,824
Undesignated	6,733,524	3,786,959
	8,801,816	5,732,783
With donor restrictions	4,177,659	5,755,828
<b>Total Net Assets</b>	<u>12,979,475</u>	<u>11,488,611</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 15,742,590</u>	<u>\$ 11,805,113</u>

*The accompanying notes are an integral part of these financial statements.*

# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF ACTIVITIES

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Revenue and Other Support</b>						
Contributions, grants and allocations	\$ 3,961,438	\$ 1,084,151	\$ 5,045,589	\$ 2,588,243	\$ 337,536	\$ 2,925,779
Donated materials and services	3,628,370	--	3,628,370	2,847,623	--	2,847,623
Fundraising	1,968,404	--	1,968,404	1,848,586	--	1,848,586
Net assets released from restriction	<u>2,881,300</u>	<u>(2,881,300)</u>	<u>--</u>	<u>402,826</u>	<u>(402,826)</u>	<u>--</u>
<b>Total Revenue and Other Support</b>	<u>12,439,512</u>	<u>(1,797,149)</u>	<u>10,642,363</u>	<u>7,687,278</u>	<u>(65,290)</u>	<u>7,621,988</u>
<b>Expenses</b>						
Program services	7,390,489	--	7,390,489	6,087,305	--	6,087,305
Fundraising	1,643,831	--	1,643,831	1,288,393	--	1,288,393
Administrative and general	<u>780,940</u>	<u>--</u>	<u>780,940</u>	<u>556,777</u>	<u>--</u>	<u>556,777</u>
<b>Total Expenses</b>	<u>9,815,260</u>	<u>--</u>	<u>9,815,260</u>	<u>7,932,475</u>	<u>--</u>	<u>7,932,475</u>
<b>Income (Loss) from Operations</b>	<u>2,624,252</u>	<u>(1,797,149)</u>	<u>827,103</u>	<u>(245,197)</u>	<u>(65,290)</u>	<u>(310,487)</u>
<b>Nonoperating Items</b>						
Investment return, net	277,068	131,454	408,522	205,637	124,355	329,992
Realized and unrealized gain on investments	<u>167,713</u>	<u>87,526</u>	<u>255,239</u>	<u>203,594</u>	<u>261,597</u>	<u>465,191</u>
<b>Net Nonoperating Items</b>	<u>444,781</u>	<u>218,980</u>	<u>663,761</u>	<u>409,231</u>	<u>385,952</u>	<u>795,183</u>
<b>Change in Net Assets</b>	<u>3,069,033</u>	<u>(1,578,169)</u>	<u>1,490,864</u>	<u>164,034</u>	<u>320,662</u>	<u>484,696</u>
<b>Net Assets - Beginning</b>	<u>5,732,783</u>	<u>5,755,828</u>	<u>11,488,611</u>	<u>5,568,749</u>	<u>5,435,166</u>	<u>11,003,915</u>
<b>Net Assets - Ending</b>	<u>\$ 8,801,816</u>	<u>\$ 4,177,659</u>	<u>\$ 12,979,475</u>	<u>\$ 5,732,783</u>	<u>\$ 5,755,828</u>	<u>\$ 11,488,611</u>

*The accompanying notes are an integral part of these financial statements.*

# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services						
	Training	Community Impact, Local and Health Programs	Summer Games	Unified Sports Holiday Classic	Winter Games and Other	Outreach and Other	Total Program Services
Meals and lodging	\$ 165	\$ 2,416	\$ 108,236	\$ 19,587	\$ 168,930	\$ 76,962	\$ 376,296
Game supplies	3,473	40,957	162,136	69,531	188,522	118,125	582,744
Program grants	--	97,900	--	--	725,700	--	823,600
Salaries, wages and fringe benefits	1,270,497	555,474	395,791	188,538	1,422,260	169,085	4,001,645
Rentals	2,496	56,230	220,529	90,503	357,584	35,189	762,531
Professional fees	527	6,408	26,056	1,547	14,934	1,398	50,870
Administrative	2,227	32,916	12,166	6,697	29,157	34,365	117,528
Insurance and other	2,267	29,577	11,538	6,658	23,577	6,079	79,696
Automobile	388	1,446	4,920	1,613	14,056	12,845	35,268
Printing	--	357	501	--	2,575	5,212	8,645
Meeting, travel and conferences	--	3,351	170	7,000	14,242	10,739	35,502
Contract services	1,527	30,457	9,210	4,487	21,185	161,182	228,048
Advertising and public relations	18	5,123	6,735	428	80,223	149,163	241,690
<b>Total Expenses Before Depreciation</b>	<b>1,283,585</b>	<b>862,612</b>	<b>957,988</b>	<b>396,589</b>	<b>3,062,945</b>	<b>780,344</b>	<b>7,344,063</b>
<b>Depreciation</b>	<b>8,114</b>	<b>5,453</b>	<b>6,056</b>	<b>2,507</b>	<b>19,363</b>	<b>4,933</b>	<b>46,426</b>
<b>Total Expenses</b>	<b>\$ 1,291,699</b>	<b>\$ 868,065</b>	<b>\$ 964,044</b>	<b>\$ 399,096</b>	<b>\$ 3,082,308</b>	<b>\$ 785,277</b>	<b>\$ 7,390,489</b>

*The accompanying notes are an integral part of these financial statements.*



# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Supporting Services					
	Fundraising					
	Other Fundraising	Direct Marketing	Total Fundraising	Administrative and General	Total Supporting Services	Total Expenses
Meals and lodging	\$ 54,877	\$ 260	\$ 55,137	\$ 19,204	\$ 74,341	\$ 450,637
Game supplies	132,734	183	132,917	2,634	135,551	718,295
Program grants	--	--	--	--	--	823,600
Salaries, wages and fringe benefits	832,748	111,396	944,144	580,747	1,524,891	5,526,536
Rentals	84,784	6,515	91,299	34,466	125,765	888,296
Professional fees	11,808	1,423	13,231	7,418	20,649	71,519
Administrative	74,950	6,017	80,967	13,870	94,837	212,365
Insurance and other	46,325	6,123	52,448	31,921	84,369	164,065
Automobile	11,744	212	11,956	997	12,953	48,221
Printing	2,956	--	2,956	--	2,956	11,601
Meeting, travel and conferences	6,866	95	6,961	1,721	8,682	44,184
Contract services	145,784	4,126	149,910	82,802	232,712	460,760
Advertising and public relations	91,525	54	91,579	260	91,839	333,529
<b>Total Expenses Before Depreciation</b>	1,497,101	136,404	1,633,505	776,040	2,409,545	9,753,608
<b>Depreciation</b>	9,464	862	10,326	4,900	15,226	61,652
<b>Total Expenses</b>	<u>\$ 1,506,565</u>	<u>\$ 137,266</u>	<u>\$ 1,643,831</u>	<u>\$ 780,940</u>	<u>\$ 2,424,771</u>	<u>\$ 9,815,260</u>

*The accompanying notes are an integral part of these financial statements.*

# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services						
	Training	Community Impact, Local and Health Programs	Summer Games	Unified Sports Holiday Classic	Winter Games and Other	Outreach and Other	Total Program Services
Meals and lodging	\$ 162	\$ 10,855	\$ 56,605	\$ 16,075	\$ 62,359	\$ 69,361	\$ 215,417
Game supplies	1,830	60,696	82,347	48,169	100,909	71,382	365,333
Program grants	--	102,860	--	--	635,200	400	738,460
Salaries, wages and fringe benefits	944,946	399,397	305,896	179,836	1,453,535	121,960	3,405,570
Rentals	3,087	48,025	172,829	93,742	277,530	18,421	613,634
Professional fees	826	6,320	8,660	1,953	9,380	1,112	28,251
Administrative	3,280	28,764	9,937	7,706	36,105	23,962	109,754
Insurance and other	2,474	19,924	8,696	5,848	23,131	5,344	65,417
Automobile	710	1,207	4,407	1,287	11,712	9,835	29,158
Printing	4	209	180	9	1,483	5,974	7,859
Meeting, travel and conferences	--	345	783	196	3,627	9,081	14,032
Contract services	2,214	29,728	10,553	5,655	39,225	192,370	279,745
Advertising and public relations	28	13,917	22,111	192	41,199	99,008	176,455
<b>Total Expenses Before Depreciation</b>	<b>959,561</b>	<b>722,247</b>	<b>683,004</b>	<b>360,668</b>	<b>2,695,395</b>	<b>628,210</b>	<b>6,049,085</b>
<b>Depreciation</b>	<b>6,063</b>	<b>4,563</b>	<b>4,316</b>	<b>2,279</b>	<b>17,030</b>	<b>3,969</b>	<b>38,220</b>
<b>Total Expenses</b>	<b>\$ 965,624</b>	<b>\$ 726,810</b>	<b>\$ 687,320</b>	<b>\$ 362,947</b>	<b>\$ 2,712,425</b>	<b>\$ 632,179</b>	<b>\$ 6,087,305</b>

*The accompanying notes are an integral part of these financial statements.*

# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Supporting Services					
	Fundraising					
	Other Fundraising	Direct Marketing	Total Fundraising	Administrative and General	Total Supporting Services	Total Expenses
Meals and lodging	\$ 51,842	\$ 97	\$ 51,939	\$ 15,239	\$ 67,178	\$ 282,595
Game supplies	78,852	12	78,864	1,661	80,525	445,858
Program grants	--	--	--	--	--	738,460
Salaries, wages and fringe benefits	715,329	7,853	723,182	437,851	1,161,033	4,566,603
Rentals	62,852	469	63,321	26,772	90,093	703,727
Professional fees	11,445	126	11,571	7,006	18,577	46,828
Administrative	67,736	489	68,225	12,087	80,312	190,066
Insurance and other	37,291	376	37,667	20,976	58,643	124,060
Automobile	9,404	15	9,419	849	10,268	39,426
Printing	6,674	1	6,675	32	6,707	14,566
Meeting, travel and conferences	4,736	106	4,842	1,859	6,701	20,733
Contract services	157,707	337	158,044	28,611	186,655	466,400
Advertising and public relations	66,552	4	66,556	338	66,894	243,349
<b>Total Expenses Before Depreciation</b>	1,270,420	9,885	1,280,305	553,281	1,833,586	7,882,671
<b>Depreciation</b>	8,026	62	8,088	3,496	11,584	49,804
<b>Total Expenses</b>	<u>\$ 1,278,446</u>	<u>\$ 9,947</u>	<u>\$ 1,288,393</u>	<u>\$ 556,777</u>	<u>\$ 1,845,170</u>	<u>\$ 7,932,475</u>

*The accompanying notes are an integral part of these financial statements.*

# SPECIAL OLYMPICS CONNECTICUT, INC.

## STATEMENTS OF CASH FLOWS

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,490,864	\$ 484,696
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	61,652	49,804
Amortization of right-of-use asset	54,926	54,926
Realized gain on investments	173,740	232,360
Unrealized loss on investments	(428,979)	(697,551)
Changes in assets and liabilities:		
Grants and unconditional promises to give	(259,607)	804,838
Prepaid expenses and other	71,935	61,106
Operating lease liability	(57,871)	(51,234)
Accounts payable	98,498	(28,171)
Deferred grant revenue	2,363,185	--
Accrued expenses	42,801	(12,481)
<b>Net Cash Provided by Operating Activities</b>	<u>3,611,144</u>	<u>898,293</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(2,713,337)	(10,964)
Purchases of investments	(581,001)	(2,726,924)
Proceeds from sales of investments	<u>2,599,515</u>	<u>1,252,803</u>
<b>Net Cash Used in Investing Activities</b>	<u>(694,823)</u>	<u>(1,485,085)</u>
<b>Net Change in Cash and Cash Equivalents</b>	2,916,321	(586,792)
<b>Cash and Cash Equivalents - Beginning</b>	<u>1,814,314</u>	<u>2,401,106</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>\$ 4,730,635</u></u>	<u><u>\$ 1,814,314</u></u>

*The accompanying notes are an integral part of these financial statements.*

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 1 – OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

##### *NATURE OF OPERATIONS*

Special Olympics Connecticut, Inc. (the Organization) is a not-for-profit corporation which is recognized as exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and classified as “other than private foundation”. The primary purpose of the Organization is to provide opportunities throughout the year for sports training and athletic competition for individuals with intellectual disabilities in the State of Connecticut.

##### *SIGNIFICANT ACCOUNTING POLICIES*

##### *BASIS OF PRESENTATION*

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods or services is incurred, regardless of the timing of cash flows.

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

**Net Assets Without Donor Restrictions** – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

**Net Assets With Donor Restrictions** – Assets subject to usage limitations based on donor-imposed restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state or federal laws.

##### *INCOME FROM OPERATIONS*

The statements of activities include income from operations as the performance indicator. Changes in unrestricted net assets that are excluded from the performance indicator, consistent with industry practice, include investment return and unrealized gains (losses) on investments.

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 1 – OPERATIONS AND 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include assessing the fair value of donated materials and services, fair value of investments and the estimated useful lives of long lived assets, among others. Actual results could differ from those estimates.

##### ***CASH AND CASH EQUIVALENTS***

The Organization considers all highly liquid investments with an initial maturity at purchase of three months or less to be cash and cash equivalents for the purpose of the statement of cash flows. The Organization maintains its cash accounts at federally insured financial institutions. Generally, the Organization's cash and cash equivalents exceed Federal Deposit Insurance Corporation (FDIC) limits of up to \$250,000 per depositor. However, the Organization has not experienced any losses in such accounts and believes that its cash and cash equivalents are not exposed to significant risk.

##### ***PROMISES TO GIVE***

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All unconditional promises to give at December 31, 2024 and 2023 are due within one year.

##### ***INVESTMENT VALUATION AND INVESTMENT INCOME RECOGNITION***

Investments are measured at fair value in the statements of financial position. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in the excess of revenue over expenses unless the income is restricted by donor.

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 1 – OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***INVESTMENT VALUATION AND INVESTMENT INCOME RECOGNITION (CONTINUED)***

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Expenses relating to investment income, including custodial fees and investment advisory fees, amounted to \$25,497 in 2024 and \$39,228 in 2023, and have been netted against investment return in the accompanying statements of activities.

The Board of Directors develops the investment policies and monitors the Organization's adherence to these investment policies.

##### ***BOARD DESIGNATED NET ASSETS***

Board designated net assets consist of assets set aside by the Board of Directors to be used for future operations as deemed necessary by the Board, and amounts to be used to fund local programs in the New London area, over which the Board retains control and may at its discretion subsequently use for other purposes.

##### ***REVENUE RECOGNITION***

The Organization reports unconditional contributions of cash and other assets at fair value at the date of the contribution. Fundraising is recognized in the period the event takes place. Grant revenue is recognized as the respective conditions in the contract have been met, with any unexpended amounts recorded as deferred grant revenue. Unconditional contributions, fundraising and grants received are recorded as unrestricted or restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year received are reported as unrestricted contributions in the accompanying financial statements. Contributions of marketable securities are valued at fair value on the date of donation.

Deferred grant revenue represents American Rescue Plan Act (ARPA) funds received as a beneficiary which totaled \$2,363,185 as of December 31, 2024.

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 1 – OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *REVENUE RECOGNITION (CONTINUED)*

The Organization receives significant support for its programs from fundraising events and activities, as follows:

	2024	2023
Direct marketing	\$ 311,320	\$ 311,235
Other significant special events:		
Torch run	856,573	686,432
Golf tournaments	412,660	394,794
Penguin plunge	80,158	82,521
Over the Edge	151,044	132,979
All other events	<u>156,649</u>	<u>240,625</u>
	<u>\$ 1,968,404</u>	<u>\$ 1,848,586</u>

##### *PROPERTY AND EQUIPMENT*

Property and equipment are recorded at cost, except for donated items, which are recorded at fair value at the date of the gift. Betterments and major renewals are capitalized, and maintenance and repairs are charged to expense as incurred. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from three to thirty-nine years.

##### *LONG-LIVED ASSETS*

The Organization continually evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of its long-lived assets or whether the remaining balance of its long-lived assets should be evaluated for possible impairment. The Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no impairment losses recognized during 2024 and 2023.



# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE 1 – OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *DONATED MATERIALS AND SERVICES*

The Organization is dependent on donated materials and services for a significant portion of its operations and could not operate in its present form without the donation of such services and materials. Donations include, among other things, athletic equipment, food and other materials, use of facilities and other services contributed by numerous donors. Donated materials and services are recognized as revenue and support and as expense, based on estimated fair values.

All donated materials and services are utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated materials and services.

The expenses related to the contributed services requiring specialized skills consist of volunteer time and are included in salaries, wages and fringe benefits. In addition, a substantial number of individuals have donated significant amounts of time to the Organization's program services that do not meet the criteria for recognition under the standards. No amounts have been recognized in the financial statements for those services.

Amounts recorded in the financial statements relating to donated materials and services are as follows:

##### Donated Materials

Category	Type of Contributions	Valuation	2024	2023
Media/public relations	Digital, broadcast, and public service announcements	Third-party estimate using billing rates in like circumstances	\$ 304,681	\$ 302,695
Professional Services	Discounted professional service	Third-party estimate using billing rates in like circumstances	6,587	8,363
Tickets, rentals and transportation	Tickets and ski rentals for events and athletic competition	Based on third-party estimates and current market rates for similar services	358,704	225,599
Auction items	Trips, gift cards, and other auction items	Based on third-party estimates and current market rates for similar items	3,000	30,432
Food, supplies, and other	Food, supplies, gift certificates, and other	Based on third-party estimates and current market rates for similar items	292,509	93,591
Totals			<u>\$ 965,481</u>	<u>\$ 660,680</u>

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 1 – OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***DONATED MATERIALS AND SERVICES (CONTINUED)***

###### **Donated Services**

The Organization receives services from individuals with specialized skills who donate their time as area and local chapter coordinators and volunteers for programs and events sponsored by the Special Olympics programs. The individuals who donate their time include coaches, fitness trainers, referees, local program coordinators, event planners, medical and security volunteers, and photographers. In determining the valuation for the donated services, the Organization uses data compiled by an independent website that values volunteer time based on a state-by-state basis. The value of contributed time amounted to \$2,662,889 in 2024 and \$2,186,943 in 2023, and is recognized in the financial statements as contributions, since the volunteers' time met the criteria for such recognition.

The total value of contributed materials and services for the years ended December 31, 2024 and 2023 was \$3,628,370 and \$2,847,623, respectively. No items were donor restricted.

##### ***FUNCTIONAL EXPENSES***

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classification. All other expenses are allocated based on square footage, estimates of time and effort, and other allocation metrics, depending on the nature of the expense.

##### ***INCOME TAXES***

The Organization is exempt from income taxes under Section 501(c)(3) of the Code. As such, the Organization is exempt from state and federal income taxes on income related to its tax-exempt purpose. The Organization also qualifies under Section 501(a) (2) of the Code as "other than private foundation". The Organization accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. Management has analyzed the tax position taken and has concluded that as of December 31, 2024 and 2023, there are no 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 is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 1 – OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *PENSION*

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code (the Code), covering full-time employees of the Organization. Employee contributions are at the discretion of the Board of Directors. For 2024 and 2023, the Organization contributed \$54,361 and \$44,877, respectively, to the Plan. Employees may make voluntary contributions to the plan up to the maximum amount allowed by the Code.

##### *RECLASSIFICATIONS*

Certain reclassifications to the 2023 financial statements have been made in order to conform to 2024 presentation. Such reclassifications did not have an effect on the Organization's 2023 net assets.

#### NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT

The Organizations' investment policy allows the allocation of its investments to debt and equity securities, certificates of deposit, and treasury securities.

The Organization's investments at December 31 consisted of the following:

	2024	2023
Long-term investments:		
Board designated	\$ 2,068,292	\$ 1,945,824
Donor restricted		
Restricted as to time or purpose	3,180,301	4,957,755
Donor-restricted endowment, including earnings	<u>784,215</u>	<u>714,416</u>
	6,032,808	7,617,995
Unrestricted	<u>1,574,594</u>	<u>1,752,682</u>
	<u>\$ 7,607,402</u>	<u>\$ 9,370,677</u>

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

The cost and fair value of investments at December 31 are as follows:

	2024			
	Cost	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value Total
Mutual funds:				
International Equities	\$ 946,227	\$ 853,389	\$ --	\$ 853,389
US Bonds - 1-3 Year	411,287	395,657	--	395,657
US Bonds - 5-10 Year	2,065,000	1,882,343	--	1,882,343
US Equities - Large Cap	1,044,876	1,374,369	--	1,374,369
US Equities - Mid Cap	185,780	204,144	--	204,144
US Equities - Small Cap	--	--	--	--
US Treasury Notes	1,346,480	--	1,366,314	1,366,314
Certificates of Deposit	1,520,000	--	1,531,186	1,531,186
	<u>\$ 7,519,650</u>	<u>\$ 4,709,902</u>	<u>\$ 2,897,500</u>	<u>\$ 7,607,402</u>
	2023			
	Cost	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value Total
Mutual funds:				
International Equities	\$ 1,042,253	\$ 911,259	\$ --	\$ 911,259
US Bonds - 1-3 Year	1,508,193	1,445,240	--	1,445,240
US Bonds - 5-10 Year	4,065,886	3,753,586	--	3,753,586
US Equities - Large Cap	1,099,433	1,243,118	--	1,243,118
US Equities - Mid Cap	94,137	94,865	--	94,865
US Equities - Small Cap	170,693	160,338	--	160,338
US Treasury Notes	721,308	--	734,027	734,027
Certificates of Deposit	1,010,000	--	1,028,244	1,028,244
	<u>\$ 9,711,904</u>	<u>\$ 7,608,406</u>	<u>\$ 1,762,271</u>	<u>\$ 9,370,677</u>

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

The following summarizes the unrealized appreciation (depreciation) for the years ended December 31:

	2024	2023
Beginning of year:		
Cost	\$ 9,711,904	\$ 8,470,143
Fair value	<u>9,370,677</u>	<u>7,431,365</u>
Unrealized depreciation	<u>\$ (341,227)</u>	<u>\$ (1,038,778)</u>
End of year:		
Cost	\$ 7,519,650	\$ 9,711,904
Fair value	<u>7,607,402</u>	<u>9,370,677</u>
Unrealized appreciation (depreciation)	<u>\$ 87,752</u>	<u>\$ (341,227)</u>

The following summarizes the return on investments for the years ended December 31:

	2024	2023
Change in unrealized appreciation (depreciation)	\$ 428,979	\$ 697,551
Realized loss on investment transactions	(173,740)	(232,360)
Investment income	<u>408,522</u>	<u>329,992</u>
Net investment return	<u>\$ 663,761</u>	<u>\$ 795,183</u>

#### ***FAIR VALUE MEASUREMENT***

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)**

##### ***FAIR VALUE MEASUREMENT (CONTINUED)***

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level of the asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization values investments in securities that are actively traded and listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Based on the above, the fair value for the Organization's investments are measured based on Level 1 and Level 2 inputs, as defined above.

##### ***RISKS AND UNCERTAINTIES FOR INVESTMENTS***

The Organization's investment securities are subject to exposure to various risks such as interest rate risk, financial market risk, and credit risk. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of investment securities reported in the Organization's financial statements.

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 3 – NET ASSETS WITHOUT DONOR RESTRICTIONS

##### *RISKS AND UNCERTAINTIES FOR INVESTMENTS (CONTINUED)*

Net assets without donor restrictions at December 31 are as follows:

	2024	2023
Undesignated	\$ 4,026,069	\$ 3,731,189
Designated by the governing board	2,068,292	1,945,824
Property and equipment, net	<u>2,707,455</u>	<u>55,770</u>
Total Net Assets Without Donor Restrictions	<u>\$ 8,801,816</u>	<u>\$ 5,732,783</u>

#### NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31 may be expended for:

	2024	2023
Subject to Expenditure for Specified Time or Purpose:		
Building fund	\$ 1,571,004	\$ 3,405,748
Local program fund	786,127	766,963
Statewide programs	<u>1,309,755</u>	<u>1,072,344</u>
	<u>3,666,886</u>	<u>5,245,055</u>
Subject to Appropriation and Expenditure when a Specified Event Occurs:		
Endowment contributions from which the income is expendable for program activities (initial corpus)	<u>510,773</u>	<u>510,773</u>
Total Net Assets With Donor Restrictions	<u>\$ 4,177,659</u>	<u>\$ 5,755,828</u>

The building fund is intended to be used to purchase and outfit a new corporate headquarters, and the regional and local program funds will be used to support future activities.

The Local Program Fund consists of contributions to the Organization to provide long-term support to local programs. These funds will provide annual support through a five percent spending policy for all eligible local programs, in accordance with the Organization's local program accreditation process. In addition, in the event of organizational hardship, the Organization may request up to ten percent of the fund's principal for operational purposes.

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

##### ***UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT***

As required by accounting principles generally accepted in the United States of America (US GAAP), net assets, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Connecticut adopted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In the absence of authoritative guidance on the application of Connecticut's UPMIFA to donor-restricted funds, the Organization interprets UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Any remaining portion of the donor-restricted funds that is not classified in net assets with donor restrictions would be classified as donor restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. From time to time, donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no deficiencies, which would be reported in donor-restricted net assets, for the years ended December 31, 2024 and 2023.

#### **NOTE 5 – LINE OF CREDIT**

The Organization has an available \$500,000 line of credit agreement with a bank. The line of credit is due on demand, and secured by a blanket lien on substantially all assets of the Organization. Interest is charged on advances at the bank's base lending rate (7.50% and 8.50% at December 31, 2024 and 2023, respectively). The line of credit is due on demand and was not used during 2024 or 2023.



# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 6 – RIGHT OF USE ASSET AND OPERATING LEASE LIABILITY

The Organization leases its headquarters under the terms of a noncancellable operating lease expiring December 31, 2025, with required minimum annual rental payments of \$62,852 through December 31, 2025. The present value of the future minimum lease payments has been determined using an incremental borrowing rate of 5.375% per annum.

The carrying value of the right-of-use asset was \$54,926 and \$109,852 at December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, the Organization incurred interest expense on the operating lease liability of \$4,981 of \$7,896, respectively.

The following summarizes the future minimum lease payments under the operating lease liability at December 31:

2025	\$	62,852
Less, amount representing interest		<u>1,792</u>
Present value of net minimum lease payments	\$	<u><u>61,060</u></u>

#### NOTE 7 – JOINT COSTS

The Organization solicits support through a variety of fund-raising activities, including direct mail and telephone solicitation. These fund-raising activities are conducted with activities related to program functions and include components that would otherwise be associated with program or supporting services. Joint costs are costs incurred as part of the fund-raising function, with elements of program and/or supporting service functions.

During the years ended December 31, 2024 and 2023, the Organization incurred joint costs of \$710,415 and \$597,490, respectively, for informational materials and activities that included fundraising appeals, among other things.

The joint costs were allocated as follows:

	2024	2023
Fundraising	\$ 426,249	\$ 358,494
Program services:		
Outreach and volunteer	<u>284,166</u>	<u>238,996</u>
	<u><u>\$ 710,415</u></u>	<u><u>\$ 597,490</u></u>

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 8 – AFFILIATED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS**

The Organization is accredited by Special Olympics, Inc. (SOI) to conduct activities within the State of Connecticut. For the years ended December 31, 2024 and 2023, the Organization received \$954,683 and \$823,157, respectively, from SOI cooperative national fundraising projects and incurred expenses of \$101,247 and \$97,583 in 2024 and 2023, respectively, to SOI for accreditation fees and program support.

As part of the cooperative national fundraising projects noted above, the Organization entered into an agreement with SOI to perform integrated direct marketing services through December 31, 2027. Pursuant to the agreement, SOI provides integrated direct marketing services to the Organization including residential telemarketing, direct mail, public education campaigns and on-line giving. Further, the agreement with SOI provides that the Organization will share in the net revenues generated by SOI, as defined. These net revenues are included in the amounts reflected above.

The Organization has retained the right to terminate its agreement with SOI at any time if it does not consider the economic benefits realized to be in accordance with its goals.

#### **NOTE 9 – CONTINGENCIES**

Amounts received or receivable from granting agencies are subject to audit and adjustment by Federal and State grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be insignificant.

Due to the federal government's review and potential restructuring of federal funding priorities, there is uncertainty regarding the continuation and amount of any future funding from federal sources. The Organization is monitoring policy developments and may need to explore alternative funding sources to mitigate potential impacts.

From time to time, the Organization is involved in routine litigation that arises in the ordinary course of business. There are no pending legal proceedings to which the Organization is a party for which management believes, after consulting legal counsel, the ultimate outcome would have a material adverse effect on the Organization's financial position.

# SPECIAL OLYMPICS CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's primary sources of support are derived from contributions, grants, donated materials and services, and fundraising events. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of contractual restrictions or internal board designations. Amounts not available include donor restricted balances, board-designated investments intended to fund future operations and local program activities not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

	2024	2023
Financial Assets at Year-End		
Cash and cash equivalents	\$ 4,730,635	\$ 1,814,314
Investments	7,607,402	9,370,677
Grants and unconditional promises to give	<u>514,009</u>	<u>254,402</u>
Total Financial Assets Available at Year-End	12,852,046	11,439,393
Less Contractual or Donor-Imposed Restrictions		
Perpetual endowment (initial corpus)	510,773	510,773
Restricted by donors	3,666,886	5,245,055
Board designated	<u>2,068,292</u>	<u>1,945,824</u>
Financial Assets Available to Meet Cash Needs for		
General Expenditures Within One Year	<u>\$ 6,606,095</u>	<u>\$ 3,737,741</u>

The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, or other obligations come due. The Organization also has an available \$500,000 line of credit agreement with a bank (see Note 5).

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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#### **NOTE 11 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 31, 2025, the date the financial statements were available to be issued. There were no subsequent events identified requiring recognition or disclosure in these financial statements.

**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***

To the Board of Directors  
**Special Olympics Connecticut, Inc.**

We have audited, in accordance with the 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 ("*Government Auditing Standards*"), the financial statements of Special Olympics Connecticut, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"), and have issued our report thereon dated July 31, 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 were not identified.

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

As part of obtaining reasonable assurance about whether the Organization'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 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.

***CBIZ CPAs P.C.***

Providence, RI

July 31, 2025

**Independent Auditors' Report on Compliance for Each Major State Program;  
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures  
of State Financial Assistance Required by the State Single Audit Act**

Board of Directors  
**Special Olympics Connecticut, Inc.**

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

***Opinion on Each Major State Program***

We have audited Special Olympics Connecticut, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on the Organization's major state program for the year ended December 31, 2024. The Organization's major state program is 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 compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended December 31, 2024.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' 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 state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's 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*, and the State Single Audit Act 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, 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 State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 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. 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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the Organization as of and for the year ended December 31, 2024, and have issued our report thereon dated July 31, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 GAAS. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*CBIZ CPAs P.C.*

Providence, RI  
July 31, 2025

**SPECIAL OLYMPICS CONNECTICUT, INC.**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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State Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Department of Developmental Services Service/Program/Enrichment	25329-15DDS0101OT	<u>\$ 300,000</u>

*See notes to schedule of expenditures of state financial assistance.*

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED DECEMBER 31, 2024**

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The accompanying schedule of expenditures of state financial assistance (the Schedule) includes state grant activity of Special Olympics Connecticut, Inc. (the Organization) under a program of the State of Connecticut for the year ended December 31, 2024. The State of Connecticut Department of Developmental Services has provided financial assistance through a grant and in accordance with the General Statutes of the State of Connecticut. That financial assistance program funds the training and outreach program of the Organization as listed on the Schedule of Expenditures of State Financial Assistance.

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

#### ***BASIS OF ACCOUNTING***

The expenditures reported in the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

### **NOTE 2 – SUBRECIPIENTS**

Special Olympics Connecticut, Inc. had no subrecipients for the year ended December 31, 2024.

# SPECIAL OLYMPICS CONNECTICUT, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### I. SUMMARY OF AUDITORS' RESULTS

#### *FINANCIAL STATEMENTS*

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes X No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes X No

#### *STATE FINANCIAL ASSISTANCE*

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes X No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None reported

Type of auditors' report issued on compliance for major programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_\_ Yes X No

The following schedule reflects the major program included in the audit:

State Grantor/Program Title	State Grant Program	
	Core-CT Number	Expenditures
Department of Developmental Services		
Service/Program/Enrichment	25329-15DDS0101OT	\$ <u>300,000</u>

Dollar threshold used to distinguish between type A and type B programs: \$100,000

# **SPECIAL OLYMPICS CONNECTICUT, INC.**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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### **II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated July 31, 2025 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*.
- There were no items to report.

### **III. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE PROGRAMS**

There were no findings or questioned costs related to state financial assistance programs.

### **IV. SCHEDULE OF PRIOR YEAR FINDINGS**

There were no findings related to State financial assistance programs in the prior year.