



**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Special Olympics Florida, Inc.  
Special Olympics Florida Foundation, Inc.  
Clermont, Florida

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Special Olympics Florida, Inc. (a nonprofit organization) and Special Olympics Florida Foundation, Inc. (collectively the Organization), which comprise the consolidated statements of financial position as of December 31, 2019, and the related consolidated statements of activities and changes in net assets, consolidated statement of functional expenses, and consolidated statements of cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

***Report on Schedule of Expenditures of Financial Awards Required by Chapter 10.650, Rules of the Auditor General, State of Florida***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of financial awards is presented for purposes of additional analysis as required by Chapter 10.650, Rules of the Auditor General, State of Florida, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Reeder & Associates, PA***

Certified Public Accountants  
April 30, 2020

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019**

	<b>Special Olympics Florida</b>	<b>Special Olympics Florida Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 689,771	\$ -	\$ -	\$ 689,771
Short-term investments	3,598,247	8,868,446	-	12,466,693
Accounts receivable	585,272	-	-	585,272
Pledges receivable	334,254	-	-	334,254
Due from SOFL Foundation	44,174	-	(44,174)	-
Prepaid expenses	348,746	-	-	348,746
<b>Total Current Assets</b>	<b>5,600,464</b>	<b>8,868,446</b>	<b>(44,174)</b>	<b>14,424,736</b>
Beneficial interest in Community Foundation	135,179	-	-	135,179
Pledges receivable, net of discount	557,223	-	-	557,223
Property and equipment, net of accumulated depreciation	1,950,593	13,750	-	1,964,343
<b>Total Assets</b>	<b>\$ 8,243,459</b>	<b>\$ 8,882,196</b>	<b>\$ (44,174)</b>	<b>\$ 17,081,481</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 924,150	\$ -	\$ -	\$ 924,150
Due to Special Olympics Florida	-	44,174	(44,174)	-
Deferred revenue	558,993	-	-	558,993
<b>Total Liabilities</b>	<b>1,483,143</b>	<b>44,174</b>	<b>(44,174)</b>	<b>1,483,143</b>
<b>NET ASSETS</b>				
Without donor restrictions:				
Undesignated	3,714,240	8,824,272	-	12,538,512
Invested in property and equipment	1,950,593	13,750	-	1,964,343
<b>Total Net Assets Without Donor Restrictions</b>	<b>5,664,833</b>	<b>8,838,022</b>	<b>-</b>	<b>14,502,855</b>
With donor restrictions:				
Time restrictions	757,223	-	-	757,223
Purpose restrictions	338,260	-	-	338,260
<b>Total Net Assets With Donor Restrictions</b>	<b>1,095,483</b>	<b>-</b>	<b>-</b>	<b>1,095,483</b>
<b>Total Net Assets</b>	<b>6,760,316</b>	<b>8,838,022</b>	<b>-</b>	<b>15,598,338</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,243,459</b>	<b>\$ 8,882,196</b>	<b>\$ (44,174)</b>	<b>\$ 17,081,481</b>

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Special Olympics Florida</b>	<b>Special Olympics Florida Foundation</b>	<b>Eliminations</b>	<b>Consolidated Total</b>
<b>Changes in Net Assets Without Donor Restrictions:</b>				
<b>REVENUES</b>				
Special events	\$ 4,051,863	\$ -	\$ -	\$ 4,051,863
Less direct costs	(1,308,468)	-	-	(1,308,468)
Total special events, net of direct costs	2,743,395	-	-	2,743,395
Contributions	8,063,022	-	(700,000)	7,363,022
Federal and state grants	1,302,645	-	-	1,302,645
Other grants and contracts	1,281,646	-	-	1,281,646
In-kind contributions	4,099,186	-	-	4,099,186
Investment return, net	558,209	1,225,593	-	1,783,802
Change in beneficial interest in Community Foundation	8,732	-	-	8,732
Gain (loss) on disposal of property and equipment	(3,879)	-	-	(3,879)
Net assets released from restrictions	1,750	-	-	1,750
<b>Total Revenues Without Donor Restrictions</b>	<b>18,054,706</b>	<b>1,225,593</b>	<b>(700,000)</b>	<b>18,580,299</b>
<b>EXPENSES</b>				
<b>Program Services:</b>				
Games	7,024,044	-	-	7,024,044
Training	2,575,523	-	-	2,575,523
Health programs	2,028,538	-	-	2,028,538
Unified Champion Schools	890,747	-	-	890,747
Other programs	3,145,511	700,000	(700,000)	3,145,511
<b>Total Program Services</b>	<b>15,664,363</b>	<b>700,000</b>	<b>(700,000)</b>	<b>15,664,363</b>
<b>Support Services:</b>				
Management and general	557,957	-	-	557,957
Fundraising	1,795,746	50,144	-	1,845,890
<b>Total Support Services</b>	<b>2,353,703</b>	<b>50,144</b>	<b>-</b>	<b>2,403,847</b>
<b>TOTAL EXPENSES</b>	<b>18,018,066</b>	<b>750,144</b>	<b>(700,000)</b>	<b>18,068,210</b>
<b>Increase (Decrease) in Net Assets Without Donor Restrictions</b>	<b>36,640</b>	<b>475,449</b>	<b>-</b>	<b>512,089</b>

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**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Special Olympics Florida</b>	<b>Special Olympics Florida Foundation</b>	<b>Eliminations</b>	<b>Consolidated Total</b>
<b><i>Changes in Net Assets With Donor Restrictions:</i></b>				
Contributions	\$ 757,223	\$ -	\$ -	\$ 757,223
Change in beneficial interest in Community Foundation	(3,816)	-	-	(3,816)
Net assets released from restrictions	(1,750)	-	-	(1,750)
<b>Increase (Decrease) in Net Assets With Donor Restrictions</b>	751,657	-	-	751,657
<b>CHANGE IN NET ASSETS</b>	788,297	475,449	-	1,263,746
<b>NET ASSETS, beginning of year</b>	5,972,019	8,362,573	-	14,334,592
<b>NET ASSETS, end of year</b>	<u>\$ 6,760,316</u>	<u>\$ 8,838,022</u>	<u>\$ -</u>	<u>\$ 15,598,338</u>

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SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services					Support Services		
	Games	Training	Health Programs	Unified Champion Schools	Other Programs	Total	Management and General	
							Fundraising	Total
Salaries	\$ 1,077,477	\$ 708,370	\$ 432,223	\$ 177,316	\$ 1,137,548	\$ 3,532,934	\$ 188,361	\$ 846,970
Employee benefits and payroll taxes	251,516	220,795	79,986	35,922	335,964	924,183	51,479	189,241
Total salaries and related expenses	1,328,993	929,165	512,209	213,238	1,473,512	4,457,117	239,840	1,036,211
Awards and recognition	79,143	20,639	956	4,778	40,513	146,029	4,386	26,563
Conferences	8,897	5,816	500	-	5,375	20,588	927	6,687
Consulting and fees	41,200	101,554	19,063	90,350	145,237	397,404	61,474	394,140
In-kind	1,765,986	640,332	1,084,131	-	351,281	3,841,730	64,219	257,456
Insurance	41,735	32,288	506	-	102,426	176,955	10,331	21,820
Lodging	964,231	28,142	75,210	93,735	9,261	1,170,579	5,822	48,350
Repairs and maintenance	15,143	5,333	13,339	-	6,151	39,966	1,502	6,041
Athlete and coach meals	620,855	52,488	28,315	54,966	33,617	790,241	9,395	46,457
Marketing recruitment	1,382	4,427	56,039	-	75,998	137,846	199	25,042
Office expense	161,200	53,662	15,549	6,517	116,814	353,742	17,064	80,078
Supplies	7,219	6,835	8,475	-	7,699	30,228	4,568	4,568
Other games	637,190	105,515	49,096	248,919	101,182	1,141,902	2,094	14,648
Shirts	91,394	81,901	8,283	18,595	68,428	268,601	1,139	100,422
Postage	11,675	13,180	10,377	6,601	4,873	46,706	2,813	27,187
Software	3,700	2,033	-	-	4,188	9,921	-	13,682
Printing, production, and website	8,294	17,224	368	840	26,580	53,306	1,447	16,446
Facilities and equipment rental	700,461	356,327	80,261	19,549	35,323	1,191,921	3,444	17,893
Utilities	25,181	11,776	16,535	1,881	47,643	103,016	837	8,455
Travel	320,472	42,772	35,883	75,163	38,445	512,735	10,825	64,448
Miscellaneous	27,654	6,324	1,789	1,583	17,725	55,075	39,907	53,031
Special Olympics, Inc	-	-	-	-	252,685	252,685	-	15,000
Total expenses before depreciation	6,862,005	2,517,733	2,016,884	836,715	2,964,956	15,198,293	482,233	2,285,443
Depreciation expense	162,039	57,790	11,654	54,032	180,555	466,070	75,724	118,404
<b>TOTAL EXPENSES</b>	<b>\$ 7,024,044</b>	<b>\$ 2,575,523</b>	<b>\$ 2,028,538</b>	<b>\$ 890,747</b>	<b>\$ 3,145,511</b>	<b>\$ 15,664,363</b>	<b>\$ 557,957</b>	<b>\$ 2,403,847</b>
								<b>\$ 18,068,210</b>

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**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
DECEMBER 31, 2019**

	<b>Special Olympics Florida</b>	<b>Special Olympics Florida Foundation</b>	<b>Consolidated Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Change in Net Assets	\$ 788,297	\$ 475,449	\$ 1,263,746
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>			
Depreciation	569,474	15,000	584,474
Loss on disposal of property and equipment	3,879	-	3,879
Net unrealized (gain) loss on investments	(486,297)	(982,729)	(1,469,026)
Net unrealized (gain) loss on beneficial interest in Community Foundation	(4,916)	-	(4,916)
(Increase) decrease in accounts receivable	101,892	-	101,892
(Increase) decrease in pledges receivable	(891,477)	-	(891,477)
(Increase) decrease in due to/from Foundation	(8,026)	8,026	-
(Increase) decrease in prepaid expenses	54,886	-	54,886
(Increase) decrease in note receivable from related party	250,000	-	250,000
Increase (decrease) in deferred revenue	(145,331)	-	(145,331)
Increase (decrease) in accounts payable and accrued expenses	100,474	-	100,474
Total adjustments	(455,442)	(959,703)	(1,415,145)
<b>Net cash provided (used) by operating activities</b>	332,855	(484,254)	(151,399)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	(558,407)	-	(558,407)
Proceeds from the sale of property and equipment	8,500	-	8,500
Proceeds from the sale of investments	2,850,017	1,973,971	4,823,988
Proceeds from the sale of beneficial interest in Community Foundation	1,750	-	1,750
Purchase of investments	(2,846,648)	(1,489,717)	(4,336,365)
<b>Net cash provided (used) by investing activities</b>	(544,788)	484,254	(60,534)
<b>Net increase (decrease) in cash and cash equivalents</b>	(211,933)	-	(211,933)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	901,704	-	901,704
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 689,771	\$ -	\$ 689,771
<b>NON-CASH AND SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Disposal of fully depreciated property	\$ 15,621	\$ -	\$ 15,621

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**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE A – DESCRIPTION OF ORGANIZATIONS**

Special Olympics Florida, Inc., (Special Olympics) is a Statewide nonprofit corporation that provides year-round sports training and athletic competition in a variety of Olympic-type sports and health programs for all children and adults with intellectual disabilities who wish to participate, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympic athletes and the community. Special Olympics is accredited by Special Olympics, Inc. (SOI). Throughout Florida, the Organization provides the following programs:

- *Games* include competitions and tournaments conducted throughout the year that allow athletes with similar abilities to achieve physical, mental, and spiritual growth through sports. There are 24 different sports offered to these athletes, so they may choose those best suited to their abilities and interests.
- *Training* allows the learning of functional sports and team building skills and rules, which empower the athletes and enable them to interact with the community. Training takes place not only as part of the Olympic type sports we offer, but also through our Young Athletes Program and our Athlete Leadership courses to enhance our athletes opportunities within our community. While providing the athletes with opportunities to build muscles and sharpen motor skills, training also builds self-confidence and the development of social skills that will help them live a better life.
- *Health Programs* strive to improve athletes' well-being and overall sports experience through enhancement of health, wellness and fitness initiatives. Through partnerships, fitness and wellness programs, as well as robust Healthy Athletes programming, Special Olympics Florida is paving the way for inclusive health. We offer an approach that focuses on the whole person with an intellectual and developmental disability and provide integrated health care and referrals. Athletes are offered health care exams in eight disciplines, including health promotion, physical examinations, physical therapy, hearing, vision, podiatry, mental wellness, and dental care. Special Olympics Florida trains health care providers throughout the state, improving access to quality health care year-round for people with intellectual and developmental disabilities in their own communities.
- *Unified Champion Schools* is a sports education program that partners students with and without intellectual disabilities to create a more inclusive environment where students are able to work together, excel athletically and academically regardless of ability. Unified Champion Schools have three components, Unified Sports, Inclusive Youth Leadership and Whole-School Engagement all of which help foster respect, dignity and advocacy for people with intellectual disabilities.
- *Other Programs* include coaching and officiating certification programs, athlete and community outreach, and the promotion of training, competition and the Special Olympics mission.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE A – DESCRIPTION OF ORGANIZATIONS (continued)**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Consolidation**

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

**Basis of Presentation and Recent Accounting Pronouncement**

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that:

- may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- are maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. Estimates also affect the reported amounts of increases or decreases in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers currency on hand, demand deposits and money market funds as cash and cash equivalents for purposes of the Statement of Cash Flows.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Interest and dividend income and gains and losses on investments are reported on the statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulations or law.

**Functional Allocation of Expenses**

Expenses are shown by natural expense classification and function in the accompanying consolidated statement of functional expenses. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, employee benefits and payroll taxes. Facilities, maintenance, insurance, utilities and depreciation are allocated on a square footage basis.

**Accounts Receivable**

Accounts receivable include fundraising sponsorships, direct marketing contributions and grants receivable resulting from grant contracts for services provided but not yet reimbursed at December 31, 2019. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined by the donor or unallowable by the grantor are deducted from revenue upon notification of the disallowance. No amounts were subsequently disallowed with respect to the amounts recorded at December 31, 2019.

**Pledges Receivable**

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the fair value at the date of promise. That fair value is computed using present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. Management has determined that pledges receivable are fully collectible, and there was no allowance for doubtful accounts at December 31, 2019.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions**

The Organization reports contributions as pledges receivable when there is an unconditional promise to give, supported by evidence of the amount, timing, and nature of the contributions. Gifts of cash and other assets are reported as restricted support if they are received with donor-imposed time or purpose restrictions. When a donor restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions.

**Deferred Revenue**

Revenues from grants are recorded based upon the terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. For the year ended December 31, 2019, deferred grant revenue in the amount of \$386,048 is reflected in the statement of financial position for amounts received but not earned. For the year ended December 31, 2019, deferred revenue also includes \$172,945 related to special events to be held in 2019.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents and investments. The Organization places its deposits with high quality, credit-worthy financial institutions and investment companies. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The amount in excess of the FDIC limit totaled \$235,863 for the year ended December 31, 2019. The Organization has not experienced any losses on its cash and cash equivalents. The Organization reviews its cash positions to minimize its exposure and mitigate its risk of loss.

Investments that potentially subject the Organization to concentrations of credit risk consist principally of investments in fixed income bond funds, mutual funds and equity securities. Quarterly portfolio reviews are performed to assist in the detection of any concentrations of risk. Management does not believe that any concentrations in investments exist.

**Concentration of Income Source**

For the year ended December 31, 2019, contributions were 42% of total revenue with 37% of its contributions from one donor company.

**Fair Value of Financial Instruments**

Professional standards require disclosure of an estimated fair value of certain financial instruments. The Organization's significant financial instruments are cash and other current assets and liabilities. For these financial instruments, carrying values approximate fair value.

**Property and Equipment**

Property and equipment are recorded at cost as of the date of acquisition, or fair value as of the date of receipt in the case of gifts. Depreciation is computed on a straight-line method over the estimated useful lives of each asset – building, 30 years, furniture and equipment, generally 3 - 7 years. Acquisitions of property and equipment in excess of \$1,000 are capitalized.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Donated Materials, Services and Facilities**

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods and property are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property or inventory.

A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

**Income Tax Status**

The Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the organization's tax-exempt status. The Organization is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2016.

**NOTE C – PLEDGES RECEIVABLE**

Pledges receivable at December 31, 2019 consist of the following:

Receivable in less than one year	\$ 334,254
Receivable in one to three years	<u>600,000</u>
	934,254
Less discount for present value	<u>(42,777)</u>
	<u>\$ 891,477</u>

Future pledge receipts are discounted using a discount rate of 3.75% at December 31, 2019.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE D – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date:

Financial assets:

Cash and cash equivalents	\$ 689,771
Short-term investments	12,466,693
Accounts receivable	585,272
Pledges receivable, net	891,477
Beneficial interest in Community Foundation	<u>135,179</u>
 Total financial assets available within one year	 14,768,392
 Less those unavailable for general expenditure within one year due:	
Beneficial interest in Community Foundation- unrestricted	(130,075)
Donor imposed time restrictions	(757,223)
Donor imposed purpose restrictions	<u>(338,260)</u>
 Total financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 13,542,834</u>

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

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

**NOTE E – FAIR VALUE MEASUREMENTS**

Professional standards establish a framework for measuring fair value. The 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).

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE E – FAIR VALUE MEASUREMENTS (continued)**

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 Organizations' have the ability to access.

**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 asset's or liability's fair value measurement level 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 input and minimize the use of unobservable inputs.

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

Investments in cash alternatives, equities, exchange traded funds, fixed income, mutual funds and common stocks are valued at the closing price on the active market which the individual securities are traded.

Community Foundation investments are valued at the fair value of the investments of the related trust.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2019:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equities	\$ 1,290,571	\$ 1,290,571	\$ -	\$ -
Exchange traded funds	6,664,880	6,664,880	-	-
Fixed income securities	3,980,053	-	3,980,053	-
Beneficial interest in Community Foundation	135,179	-	-	135,179
Total	<u>\$ 12,070,683</u>	<u>\$ 7,955,451</u>	<u>\$3,980,053</u>	<u>\$ 135,179</u>

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE E – FAIR VALUE MEASUREMENTS (continued)**

Included in short term investments on the Statement of Financial Position are cash and cash equivalents of \$531,189 that are not required to be included in the fair value hierarchy.

The reconciliation of the changes in the beneficial interest in Community Foundation measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows:

January 1, 2019	\$ 132,013
Withdrawals for programs	(1,750)
Net appreciation (realized and unrealized)	<u>4,916</u>
December 31, 2019	<u>\$ 135,179</u>

**NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment, at costs, at December 31, 2019:

Building and building improvements	\$ 2,372,228
Equipment	1,861,944
Furniture and Fixtures	682,919
Uniforms	899,823
Vehicles	<u>359,116</u>
Total Property and Equipment	6,176,030
Less: Accumulated Depreciation	<u>(4,211,687)</u>
Net Property and Equipment	<u>\$ 1,964,343</u>

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

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

Building maintenance	\$ 333,156
Time restrictions	757,223
The Gulf Coast Community Foundation – investment purposes	<u>5,104</u>
	<u>\$ 1,095,483</u>

Net assets with donor restrictions of \$1,750 were released in satisfaction of restrictions during the year ended December 31, 2019.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE H – DONATED MATERIALS, SERVICES AND FACILITIES**

The Organization's contributed services, materials and use of facilities during the year ended December 31, 2019 are as follows:

Services	\$ 2,876,175
Facilities	739,422
Materials	483,589
	<u>\$ 4,099,186</u>

In-kind contributions are included in the following areas of the Organization:

Games	\$ 1,765,986
Training	640,332
Health Programs	1,084,131
Other Programs	351,281
Management and General	64,219
Fundraising	193,237
	<u>\$ 4,099,186</u>

**NOTE I – BUILDING ENDOWMENT**

The Organization has established funds functioning as an endowment (the endowment) for which contributions have been restricted for the benefit of the headquarters in Clermont and includes all donor restricted funds.

Endowment Net Asset Composition by Type of Fund as of December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted Endowment funds	\$ -	\$ 333,156	\$ 333,156
Total funds	<u>\$ -</u>	<u>\$ 333,156</u>	<u>\$ 333,156</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 333,156	\$ 333,156
Contributions	-	-	-
Distributions	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 333,156</u>	<u>\$ 333,156</u>

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE I – BUILDING ENDOWMENT (continued)**

**Interpretation of Relevant Law**

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

- 1) The purposes of the organization and the donor-restricted endowment fund
- 2) General economic conditions
- 3) The possible effect of inflation and deflation
- 4) The expected total return from income and the appreciation of investments
- 5) Other resources of the organization
- 6) The duration and preservation of the endowment fund

**Return Objectives and Risk Parameters**

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

**Spending Policy**

The original donor restricted contributions to the endowment and subsequent contributions are restricted for the benefit of the headquarters building for maintenance, repairs and operations. No part of the net earnings of the funds shall inure to the benefit of any individual.

**NOTE J – AFFILIATED ORGANIZATION**

As an accredited chapter of SOI (See Note A), the Organization remits accreditation fees and shares in contributions for nationwide SOI fundraising programs. The Organization incurred accreditation fees totaling \$267,685 for the year ended December 31, 2019. These fees are included as program and fundraising costs in the statement of functional expenses. In addition, the Organization received approximately \$1,014,000 in grants related to program services and contributions related to direct marketing programs from SOI during the year ended December 31, 2019. The balance due from SOI related to the direct marketing campaign at December 31, 2019 was \$223,394 and is included in accounts receivable.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE K – RETIREMENT PLAN**

The Organization participates in a defined contribution (401K) plan. The Organization's retirement plan covers all employees with one year of eligible service who have attained age 21. The Organization contributed 6% of salary of all eligible participants and a 2% match option for the year ended December 31, 2019. The Organization's contribution for the year ended December 31, 2019 was \$210,623 and no administrative expenses were incurred related to the plan.

**NOTE L – LEASES**

The Organization leases land on which the distribution center was built. This is a twenty five-year lease that contains a renewal clause for an additional period of twenty-five years. In consideration of the Organization's agreement to allow the Lessor a portion of the storage building on the ground lease premises, base annual rent is zero.

**NOTE M – DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES**

The Organization receives revenue from the sale of the Florida Special Olympics specialty license plate offered by the Florida Department of Highway Safety and Motor Vehicles (the Department). For the year ended December 31, 2019, the Organization recognized \$45,086 in revenue from the Department. The Organization expended the moneys on competition and training of individuals with intellectual disabilities in accordance with the mission of the Organization and in compliance with sections 320.08056 and 320.08058 of the Florida Statutes governing the use of the moneys received from the Department.

**NOTE N – RELATED PARTY TRANSACTIONS**

A member of the Board of Directors is a senior manager with Walt Disney World Company. During the year ended December 31, 2019, the Organization paid the Walt Disney World Company \$1,058,504 related to State games held at the Wide World of Sports facility. The member of the board received no compensation from the business transactions.

A member of the Board of Directors is the Bureau Chief for the Florida Department of Education. During the year ended December 31, 2019 the Organization received approximately \$386,000 in grants for the Unified Champion Schools program.

During the year ended December 31, 2018, Special Olympics USA Games 2022 Organizing Committee (2022 Games), a Florida not-for-profit corporation was formed for the planning, funding and operating of the 2022 Games to be held in Orlando, Florida in the summer of 2022. Three of the thirteen board members of the 2022 Games are also board members of the Organization.

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE N – RELATED PARTY TRANSACTIONS (continued)**

In 2019, The Organization and 2022 Games entered into a contract for sponsorship revenue with a corporation. In 2019, the Organization and SOFL split the contributions equally. The total agreement was for \$2,000,000 to be paid out over the next 3 years. The Organization received \$200,000 in 2019 and a pledge receivable for the remaining \$800,000 is reported net of present value discount. (See footnote C). 2022 Games also paid the Organization \$18,000 for use of space, equipment and staff for the year ended December 31, 2019.

**NOTE O – PALM BEACH GYMNASIUM FACILITY**

The Organization entered into an agreement in 2003 with Palm Beach County (the County) to raise funds for the design and construction of a gymnasium facility at the County's Special Populations Recreation Programming and Training Center (the Center). The Organization expended \$1,030,000 to Palm Beach County for the Center which was completed in 2006. As stated in the contract, the Organization has the right of first priority use of the Center's gymnasium for thirty (30) years within the parameters of the County's regular scheduling process. The County is responsible for the cost of operating and maintaining the gymnasium. There is no further financial obligation on the part of the Organization.

**NOTE P – SUBSEQUENT EVENTS**

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact revenue and support. As the Organization continues to evaluate the response to COVID-19, there could be additional impact which is unknown at this time.

Subsequent to December 31, 2019, the Organization obtained a Payroll Protection Program loan under the CARES Act of approximately \$892,000 to help keep their workforce employed during the COVID-19 crisis. The loan has a maturity of 2 years, an interest rate of 1% and initial loan payments are deferred for six months. The loan can be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. At least 75% of the forgiven amount must have been used for payroll. Management intends to comply with the forgiveness provisions and thoroughly evaluate its expenditures to meet the Payroll Protection Program loan requirements.

Management has evaluated subsequent events through April 30, 2020 the date the financial statements were available to be issued.

Read Report of Independent Certified Public Accountants.

**SUPPLEMENTARY INFORMATION  
AND OTHER REPORTS**

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Description Grantor/Program Title	Federal CFDA # or State CSFA #	Contract Number	Expenditures
<b>STATE ASSISTANCE:</b>			
<b>FLORIDA AGENCY FOR PERSONS WITH DISABILITIES</b>			
Special Olympics Florida - Healthy Athletes	67.028	WCX 18	\$ 557,250
<b>FLORIDA DEPARTMENT OF EDUCATION</b>			
Special Olympics Florida	48.065	92W-90845 -8Q001	386,118
<b>FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES</b>			
Special Olympics License Plate Project	76.022		45,086
<b>TOTAL STATE ASSISTANCE</b>			<b>\$ 988,454</b>
<b>FEDERAL ASSISTANCE:</b>			
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Special Olympics International - Unified Champion Schools</i> Special Education - Olympic Education Programs	84.380		\$ 314,191
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ 314,191</b>
<b>TOTAL STATE AND FEDERAL ASSISTANCE</b>			<b>\$ 1,302,645</b>

Read Report of Independent Certified Public Accountants.

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO SCHEDULE OF EXPENDITURES OF  
FINANCIAL ASSISTANCE  
DECEMBER 31, 2019**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Financial Assistance (the Schedule) includes the federal and state award activity of Special Olympics, Florida, Inc. (the Organization) under programs of the Federal Government and State of Florida for the year ended December 31, 2019. The information in the Schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General, State of Florida. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Read Report of Independent Certified Public Accountants.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
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 Special Olympics Florida, Inc.  
Special Olympics Florida Foundation, Inc.  
Clermont, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Special Olympics Florida, Inc. (a nonprofit organization) and Special Olympics Florida Foundation, Inc. (collectively the Organization), which comprise the consolidated statements of financial position as of December 31, 2019, and the related consolidated statements of activities and change in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 30, 2020.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Reeder & Associates, PA*

Certified Public Accountants  
April 30, 2020



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR STATE FINANCIAL ASSISTANCE  
PROJECT AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
CHAPTER 10.650 RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA**

To Special Olympics Florida, Inc.  
Special Olympics Florida Foundation, Inc.  
Clermont, Florida

***Report on Compliance for Each Major State Financial Assistance Project***

We have audited Special Olympics Florida, Inc. and Special Olympics Florida Foundation, Inc. (the Organization) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major State projects for the year ended December 31, 2019. The Organization's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General. Those standards, Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the Organization's compliance.

### ***Opinion on Each Major State Financial Assistance Project***

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 State projects for the year ended December 31, 2019.

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

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project 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 the type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any purpose.

*Reeder & Associates, PA*

Certified Public Accountants  
April 30, 2020

**SPECIAL OLYMPICS FLORIDA, INC.  
AND SUPPORTING ORGANIZATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Special Olympics Florida, Inc. (the Organization).
2. No significant deficiencies were disclosed during the audit of the basic financial statements and no material weaknesses are reported.
3. No instances of noncompliance material to the basic financial statements of the Organization were disclosed during the audit of the basic financial statements.
4. There were no significant deficiencies disclosed during the audits of the major state financial assistance projects.
5. The auditor's report on compliance for the major state financial assistance projects for the Organization expresses an unmodified opinion.
6. There were no audit findings relative to the major state financial assistance projects of the Organization.
7. The projects tested as major projects included:

State:

*Florida Agency For Persons With Disabilities*  
67.028 Special Olympics Florida

\$557,250

*Florida Department of Education*  
48.065 Special Olympics Florida

\$386,118

8. The threshold for distinguishing Type A and Type B projects was \$243,073 for major state financial assistance projects.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**  
NONE

**C. FINDINGS AND QUESTIONED COSTS – MAJOR STATE FINANCIAL ASSISTANCE PROJECTS**  
NONE

**D. OTHER ISSUES**  
NONE

**E. PRIOR YEAR FINDINGS**  
NONE

**F. MANAGEMENT LETTER -CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA**  
NO ITEMS REQUIRED TO BE REPORTED

**G. CORRECTIVE ACTION PLAN**  
NOT APPLICABLE AS NO ITEMS REPORTED