SPECIAL OLYMPICS OREGON, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2023

Special Olympics Oregon

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

SPECIAL OLYMPICS OREGON, INC.
FINANCIAL STATEMENTS

Year Ended December 31, 2023

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CEO Letter for 2023 Audit

Special Olympics Oregon, Inc. came back strong during 2023. Our winter started with a record-breaking Polar Plunge in six cities around the state – a great way to show our athletes the incredible support they have. The Winter Season included Regional Competitions in Basketball and Powerlifting.

Our Summer Season was history-making with eight Unified Champion Schools track and field teams participating in the first-ever Unified 4x100 relay within OSAA's state meet. The teams were able to compete on the legendary Hayward Field track at the University of Oregon. Athletes across the state participated in athletics, bocce, softball, and golf, all of which culminated in Regional Competitions. We also held Young Athletes clinics where children with and without intellectual disabilities could participate together and introduce very basic developmental skills.

As the weather began to cool, we shifted to our popular Fall sports of soccer, volleyball, swimming, and bowling. We held tryouts for the Unified Timbers, which is a partnership we have with the Timbers that brings individuals ages 15-24 with and without ID/D together as teammates to participate in unique training, competition, and social experiences. This was followed by our Fall State Games presented by Providence at Providence Park.

We are grateful for our incredible partnerships (in addition to those mentioned above) including the Law Enforcement Torch Run, Jersey Mike's, Nike, Kuni Foundation, Embold Credit Union, Collins Foundation, Lithia Auto, and more. We received incredible media coverage of our year-round events. And, as always, we were powered by thousands of dedicated and wonderful volunteers.

To our athletes – you continue to push your boundaries, find joy in experiences, and make friendships everywhere you go. You are outstanding and it's an incredible honor for everyone associated with Special Olympics Oregon, Inc. to work for and with you.

Cheers to a bright 2024 sports calendar that will take us back to Summer State Games at Oregon State University for the first time since 2017!

Britt Oase

BRITT CARLSON OASE
Chief Executive Officer
Special Olympics Oregon, Inc.
8313 SW Cirrus Drive I Beaverton, OR 97225

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Special Olympics Oregon, Inc.
Beaverton, Oregon

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Special Olympics Oregon, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Special Olympics Oregon, Inc.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Special Olympics Oregon, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Special Olympics Oregon, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Special Olympics Oregon, Inc.'s 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kern + Thompson, LLC

Portland, Oregon
August 31, 2024

SPECIAL OLYMPICS OREGON, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023
(With Comparative Totals as of December 31, 2022)

ASSETS

	2023	2022
Assets		
Cash and cash equivalents – operations	$ 2,055,553	$ 1,764,107
Cash and cash equivalents – segregated accounts	1,108,462	983,135
Investments	1,341,101	1,260,395
Grants and contributions receivable, net	270,289	352,425
Beneficial interest in assets held by others	458,102	397,357
Prepaid expenses and other assets	94,077	46,785
Property and equipment, net	67,877	88,897
Operating lease right-of-use asset	259,128	125,018
Total assets	**$ 5,654,589**	**$ 5,018,119**

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	$ 43,192	$ 59,005
Accrued payroll and related liabilities	20,035	17,363
Refundable advance	55,129	60,724
Operating lease liability	259,128	125,018
Total liabilities	**377,484**	**262,110**
Net assets		
Without donor restrictions		
Undesignated	3,242,215	2,632,019
Board designated	1,255,757	1,207,897
Total without donor restrictions	**4,497,972**	**3,839,916**
With donor restrictions	779,133	916,093
Total net assets	**5,277,105**	**4,756,009**
Total liabilities and net assets	**$ 5,654,589**	**$ 5,018,119**

See notes to financial statements.

SPECIAL OLYMPICS OREGON, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Operating revenues, gains and other support:				
Grants and contributions	$ 3,028,876	$ 192,709	$ 3,221,585	$ 2,282,236
Employee Retention Tax Credits	-	-	-	154,407
Special events, net of direct expenses of $440,830 and $460,051, respectively	648,525	-	648,525	504,345
In-kind contributions	1,939,464	-	1,939,464	903,753
Net change in beneficial interest in assets held by others	-	60,745	60,745	29,793
Investment income	61,699	-	61,699	19,265
	5,678,564	253,454	5,932,018	3,893,799
Release from restrictions	390,414	(390,414)	-	-
Total operating revenues, gains and other support:	**6,068,978**	**(136,960)**	**5,932,018**	**3,893,799**
Expenses				
Program services	4,416,431	-	4,416,431	2,865,519
Supporting services				
Management and general	187,333	-	187,333	530,348
Fundraising	807,158	-	807,158	310,937
Total expenses	**5,410,922**	**-**	**5,410,922**	**3,706,804**
Increase (decrease) in net assets	658,056	(136,960)	521,096	186,995
Net assets, beginning of year	3,839,916	916,093	4,756,009	4,569,014
Net assets, ending of year	**$ 4,497,972**	**$ 779,133**	**$ 5,277,105**	**$ 4,756,009**

See notes to financial statements.

SPECIAL OLYMPICS OREGON, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

		SUPPORTING SERVICES		Total	
	Program Services	Management and General	Fundraising	2023	2022
Salaries and related expenses	$ 1,157,793	$ 133,321	$ 387,089	$ 1,678,203	$ 1,398,617
Competition and training	1,147,880	-	-	1,147,880	666,453
Volunteer services	1,757,339	-	-	1,757,339	954,168
Professional services	65,952	7,594	22,050	95,596	248,548
Occupancy	69,802	8,038	23,337	101,177	137,179
Development and marketing	85,256	-	341,966	427,222	-
Supplies and equipment	20,309	8,391	6,790	35,490	23,213
Office expenses	23,460	2,700	7,844	34,004	27,317
Travel	-	6,269	6,269	12,538	10,898
Special events	-	-	-	-	115,975
National accreditation fees	55,143	-	-	55,143	59,293
Insurance	33,497	-	10,006	43,503	32,303
Interest and bank fees	-	-	1,807	1,807	5,951
Depreciation	-	21,020	-	21,020	26,889
Total expenses	**$ 4,416,431**	**$ 187,333**	**$ 807,158**	**$ 5,410,922**	**$ 3,706,804**

See notes to financial statements.

SPECIAL OLYMPICS OREGON, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 521,096	$ 186,995
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	21,020	26,889
Unrealized gains from investments	(6,513)	(13,117)
Unrealized gains from beneficial interest	(60,745)	(29,793)
Changes in assets and liabilities:		
Grants and contributions receivable	82,136	(36,520)
Prepaid expenses	(47,292)	12,721
Accounts payable	(15,813)	42,050
Accrued payroll and related expenses	2,672	7,737
Accrued expenses	-	(12,083)
Refundable advance	(5,595)	31,480
Net cash provided by (used in) operating activities	**490,966**	**216,359**
Cash flows from investing activities:		
Purchase of fixed assets	-	(34,651)
Purchase of investments	(74,193)	(37,570)
Proceeds from the sale of investments	-	5,138
Net cash provided by (used in) investing activities	**(74,193)**	**(67,083)**
Net increase in cash and cash equivalents	**416,773**	**149,276**
Cash and cash equivalents, beginning of year	2,747,242	2,597,966
Cash and cash equivalents, end of year	**$ 3,164,015**	**$ 2,747,242**

See notes to financial statements.

SPECIAL OLYMPICS OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – DESCRIPTION OF ORGANIZATION

Special Olympics Oregon, Inc. (the "Organization") is a private, non-profit organization founded in Oregon in 1972 to provide year-round sports training and athletic competition in a variety of Olympic-style sports for individuals with intellectual disabilities. The Organization provides individuals with continuing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in a sharing of gifts, skills, and friendship with their families, other Special Olympics athletes, and the community.

Special Olympics Oregon, Inc. is an affiliate with, and accredited by, Special Olympics, Inc., the national and global organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the 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. The Board of Directors may designate net assets without donor restrictions for specific purposes.

- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include accounts with financial institutions covered by the Federal Deposit Insurance Corporation (FDIC) of $250,000. Cash balances of $1,063,016 and $2,427,329 were in excess of FDIC insurance limits at December 31, 2023 and 2022, respectively. A significant portion of cash balances in excess of FDIC insurance limits are related to segregated accounts controlled by the Organization's local programs.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Cash and Cash Equivalents (Continued)

Cash and cash equivalents include the following at December 31:

	2023	2022
Cash and cash equivalents - operations	$ 2,055,553	$ 1,764,107
Cash and cash equivalents - segregated accounts	1,108,462	983,135
Total cash and cash equivalents	$ 3,164,015	$ 2,747,242

Cash and cash equivalents – segregated accounts represent cash raised by the local programs that are held in separate bank accounts and are to be used to support the mission of the Organization in those localities. It is the Organization's policy not to use those segregated accounts to pay general operating expenses.

Investments

Investments consist of marketable securities, certificates of deposit with initial maturities of greater than three months, cash surrender value of life insurance policies, and money market and cash funds held for long-term investment purposes. Interest income is accrued as earned.

Grants and Contributions

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Grants and contributions receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Contributions of Long-Lived Assets

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the without donor restrictions net asset class. Contributions of cash or other assets to be used to acquire equipment with such donor stipulations are reported as revenues of the with donor restrictions net asset class. The restrictions are considered to be released at the time of such long-lived assets are placed in service.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions: Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Special Events: The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Amounts received in advance for events are included in deferred revenue.

Donated Goods and Services: The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. General volunteer support is not reflected in the financial statements as they do not meet the criteria for recording donated services.

Other revenues: Revenues for services are recognized at a single point in time when services are provided and all of the risks and rewards transfer.

Conditional Promises to Give

A portion of the Organization's revenue is derived from grants which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions or has met the performance requirements. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization has conditional grants of approximately $180,700 that have not been recognized at December 31, 2023 because performance requirements and/or qualifying expenditures have not yet been incurred. The Organization has recorded refundable advances of $55,129 and $60,724 at December 31, 2023 and 2022, respectively, related to conditional promises to give.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in a Charitable Trust

Special Olympics Oregon, Inc. is the remainder beneficiary of a charitable trust in which a donor-designated beneficiary retains a life interest. The assets are invested and administered by an independent trustee, and distributions are made to the beneficiary during the term of the agreement. The funds in the trust are invested in equity and debt securities, and the Organization records its beneficial interest in the trust based on estimated future cash receipts. The initial recognition of the gift was reported as a contribution, and subsequent adjustments to the asset's carrying values are reported in the accompanying financial statements as a change in the carrying value of the charitable trust. The beneficial interest is classified as with donor restrictions due to the existence of the donor-imposed time restriction.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as fixed common area and other fixed maintenance costs, in calculating the ROU assets and lease liabilities for its office building. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Organization uses a risk free discount rate to measure the present value.

Lease expense is generally recognized on a straight-line basis over the lease term.

Advertising Expenses

Advertising and promotional costs are charged to expense as they are incurred.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Funds and Interpretation of Relevant Law

The Organization has adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which governs Oregon charitable institutions with respect to the management, investment, and expenditure of endowment funds.

The Board of Directors has interpreted Oregon's adoption of UPMIFA as requiring the Organization to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although the Organization has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds.

Furthermore, in accordance with UPMIFA, a portion of the endowment's historic dollar value be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the Organization classifies as net assets with restriction (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as restricted if the terms of the gift impose restrictions on the use of the income, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA or until expended in a manner consistent with the purpose of time restrictions, if any, imposed by the donor. Any investment return classified as restricted represents only those amounts required to be retained as a result of explicit donor stipulations.

The Organization has adopted a spending plan which allows spending up to 5% of the endowment assets each year for operating expense. During the years ended December 31, 2023 and 2022, the Organization's Board of Directors did not appropriate any endowment assets for expenditure.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalents have been placed with national and regional banking institutions.

Certain receivables may also, from time to time, subject the Organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Acquisitions of property and equipment are recorded at cost. When assets are retired or otherwise disposed of, the related carrying value, and accumulated depreciation are removed from their respective accounts and the net difference less any amount realized from disposition is reflected in gain or loss on disposal. Maintenance and repairs are expensed as incurred.

Depreciation is calculated using the straight line method over the following estimated useful lives of the assets:

Software	3-5 years
Computer equipment	3-5 years
Leasehold improvements	5 years
Office equipment	3-5 years
Furniture	3-5 years

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and applicable state law. It is management's opinion that none of the Organization's present activities are subject to unrelated business income taxes. Therefore, no provision for income taxes has been recorded in the accompanying financial statements.

Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional expense basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that were allocated include the following:

Salaries and benefits	Time and effort
Occupancy	Square footage
Professional services	Time and effort
Office expenses	Time and effort
Insurance	Time and effort

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE C – LIQUIDITY

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization's cash needs are expected to be met on a monthly basis from regular revenue sources. In general, the Organization maintains sufficient financial assets on hand to meet normal operating expenditures and to reserve for future needs.

The following represents the Organization's financial assets at December 31:

Financial assets at year-end*	
Cash and cash equivalents	$ 3,164,015
Beneficial interest held by others	458,102
Investments	1,341,101
Grants and contributions receivable	270,289
Total financial assets	5,233,507
Less amounts unavailable for general expenditure within one year:	
Cash and cash equivalents – segregated accounts	(1,108,462)
Net assets with donor restrictions	(779,133)
Board designated net assets	(1,255,757)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,090,155

*Special Olympics Oregon, Inc. Total assets, less nonfinancial assets (e.g., property and equipment, prepaid expenses)

While the Organization does not intend to spend the designated net assets for operational expenses, the Board can remove the designation if necessary.

NOTE D – GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are summarized as follows at December 31:

	2023	2022
Less than 1 year	$ 104,384	$ 121,000
One year to 5 years	200,000	250,000
	304,384	371,000
Less discount	(34,095)	(18,575)
Total	$ 270,289	$ 352,425

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 2.63%. One grantor accounts for 93% and 85% of the grants and contributions receivable at December 31, 2023 and 2022, respectively.

NOTE E – FAIR VALUE MEASUREMENTS

Assets and liabilities recorded at fair value are measured under a three-level hierarchy. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources, while unobservable inputs reflect estimates about market data.

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities and mutual fund investments.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

Realized and unrealized gains and losses from investments are reported in the statement of activities as they occur. There have been no changes in valuation techniques and related inputs.

NOTE E – FAIR VALUE MEASUREMENTS (CONTINUED)

December 31, 2023	Level 1	Level 2	Level 3	Fair Value Total
Money market and cash funds	$ 641,536	$ -	$ -	$ 641,536
Certificates of deposit	362,819	-	-	362,819
Short-term bond funds	251,402	-	-	251,402
Certificates of deposit, endowment	53,136	-	-	53,136
Cash surrender value of life insurance	-	-	32,208	32,208
Total	$ 1,308,893	$ -	$ 32,208	$ 1,341,101

December 31, 2022	Level 1	Level 2	Level 3	Fair Value Total
Money market and cash funds	$ 258,447	$ -	$ -	$ 258,447
Certificates of deposit	697,561	-	-	697,561
Equities	251,889	-	-	251,889
Certificates of deposit, endowment	52,498	-	-	52,498
Total	$ 1,260,395	$ -	$ -	$ 1,260,395

For the year ended December 31, 2023, the change in investments classified as Level 3 is as follows:

Balance, December 31, 2022	$ -
Contributions	30,414
Total gains, losses, and interest included on the Statement of Activities	1,794
Balance, December 31, 2023	$ 32,208

NOTE F – INVESTMENT ENDOWMENT

The endowment is invested in a certificate of deposit which has a three-month term and earns interest at 0.15%. The endowment investment has an original gift value of $51,299 and accumulated earnings of $1,837 at December 31, 2023. The investment earnings generated by this endowment can be used for such general, unrestricted purposes as determined by the Board of Directors.

NOTE G – BENEFICIAL INTEREST IN CHARITABLE TRUST HELD BY OTHERS

Special Olympics Oregon, Inc. is the beneficiary of a charitable remainder trust established by the will of a donor. Upon the death of the income beneficiary, the Organization will receive 50% of the remaining assets of the trust. The trust's assets are managed by a third-party trustee not affiliated with Special Olympics Oregon, Inc. Total trust assets are valued at $2,191,242 and $1,990,836 at December 31, 2023 and 2022, respectively. An asset of $458,102 is recorded at December 31, 2023, representing the actuarially determined present value of the estimated future cash flows using a discount rate of 7%. A summary of the change in valuation of this asset during the years ended December 31 is as follows:

	2023	2022
Beginning of year	$ 397,357	$ 367,564
Appreciation in value	60,745	29,793
End of year	$ 458,102	$ 397,357

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Furniture	$ 39,404	$ 39,404
Computer equipment	103,876	103,876
Leasehold improvements	21,354	21,354
Office equipment	32,835	32,835
Software	329,202	329,202
	526,671	526,671
Less accumulated depreciation	(458,794)	(437,774)
	$ 67,877	$ 88,897

NOTE I – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are as follows at December 31:

	2023	2022
Endowment investment	$ 53,136	$ 52,498
Beneficial interest in charitable trust	458,102	369,527
Contributions restricted for purpose	51,990	87,642
Contributions to be received in future years	215,905	281,426
Contributions restricted for future years	-	125,000
Total net assets with donor restrictions	$ 779,133	$ 916,093

NOTE J – BOARD DESIGNATED NET ASSETS

During the year ended December 31, 2022, the Board of Directors designated certain assets be held as a reserve for future operating and other proposed expenses. At December 31, 2023 and 2022, board designated assets totaled $1,255,757 and $1,270,897, respectively, and are included in investments on the accompanying statement of financial position.

NOTE K – LEASE ASSET AND LIABILITIES

Operating Facilities Lease

The Organization leases its administrative offices under an operating lease agreement which expires in July 2027. The lease generally requires the Organization to pay for property taxes, maintenance, and insurance under a rent schedule beginning at $2,254 per month and increasing annually up to $7,850 in the final year of the term. During the year ended December 31, 2023, the Organization amended the lease to add additional space. Additional rent on the space is payable beginning in September of 2024. The Organization recognized an initial ROU asset and liability of $259,128 using a risk free 5-year rate of 3.94%.

	Facilities Leases
Annual Lease Cost	$ 67,344
Cash paid for amounts included in the measurement of lease liabilities: Operating cash flows from leases	$ 70,018
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 205,738
Weighted-average remaining lease term	3.6 years
Weighted-average discount rate	3.94%

Future minimum lease payments and reconciliation to the statement of financial position at December 31, 2023 are as follows:

Year Ending December 31,	Operating Leases
2024	$ 45,494
2025	88,542
2026	92,084
2027	54,948
Total future undiscounted lease payments	281,068
Less present value discount	(21,940)
Lease liabilities	$ 259,128

NOTE L – RETIREMENT PLAN

The Organization provides all employees who are scheduled to work 30 hours or more each week with a qualified retirement plan, as described under Section 401(k) of the Internal Revenue Code. All employees may make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law, from their first day of employment. The Organization may, in its sole discretion, make employer contributions as defined in the plan document. No employer contributions were made to the Plan during the years ended December 31, 2023 or 2022.

NOTE M – UNEMPLOYMENT INSURANCE COVERAGE

The Organization participates in the Northwest Agencies Trust for funding of unemployment insurance. Use of the Trust is intended to reduce the Organization's unemployment costs. The Trust provides the Organization with a program of self-insurance, with stop-loss insurance purchased to cover unusual amounts of unemployment costs. The Trust bills the Organization for amounts intended to reach a predetermined reserve level.

NOTE N – IN-KIND CONTRIBUTIONS

The Organization receives contributed services from a large number of volunteers who assist in program efforts through their participation in a range of activities. In accordance with FASB ASC 958-605, significant services received that create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statements of activities and functional expenses.

In addition, in-kind contributions of equipment, materials, and the free use of facilities for competitions and training are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the organization's activities. Such contributions are recorded at the fair market value of the donated items.

The Organization's in-kind contributions for the years ended December 31, 2023 and 2022 were utilized in programs, are summarized as follows:

	2023	2022
Volunteer services		
Volunteer certified coaches	$ 1,240,079	$ 333,411
Volunteer local program coordinators and managers	425,843	390,997
Other services	40,042	7,065
Total volunteer services	1,705,964	731,473
Competition and training:		
Materials and supplies	118,000	71,780
Free use of facilities	115,500	100,500
Total competition and training	233,500	172,280
Total in-kind contributions	$ 1,939,464	$ 903,753

NOTE O – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 31, 2024, which is the date financial statements were available to be issued.