

SPECIAL OLYMPICS LOUISIANA, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023



TWRU

CPAs & Financial Advisors

TABLE OF CONTENTS

Independent Auditors' Report.....	1
Statements of Financial Position.....	3
Statements of Activities.....	5
Statements of Functional Expenses.....	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8
Schedule of Compensation, Benefits and Other Payments to Executive Director.....	16
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	17
Summary of Findings and Responses.....	18
Summary of Prior Year Findings and Responses.....	18

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Special Olympics Louisiana, Inc.
Covington, Louisiana

Opinion

We have audited the financial statements of Special Olympics of Louisiana, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2024, and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.™

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is required by Louisiana Revised Statute 24:513 (A)(3) and is presented for purposes of additional analysis 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2025, on our consideration of Special Olympics Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Special Olympics Louisiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Special Olympics Louisiana, Inc.'s internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 6, 2025

SPECIAL OLYMPICS LOUISIANA, INC.
COVINGTON, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)
December 31, 2024 and 2023

	ASSETS	
	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,197,595	\$ 1,006,354
Accounts and Grants Receivable	580,877	454,230
Prepaid Expense	41,045	29,394
	<u>1,819,517</u>	<u>1,489,978</u>
TOTAL CURRENT ASSETS	1,819,517	1,489,978
PROPERTY AND EQUIPMENT		
Building	532,250	-
Furniture and Fixtures	81,061	91,930
Office Equipment	28,461	28,461
	<u>641,772</u>	<u>120,391</u>
Total Depreciable Assets	641,772	120,391
Accumulated Depreciation	(75,433)	(70,295)
	<u>566,339</u>	<u>50,096</u>
Net Depreciable Assets	566,339	50,096
Land	108,220	-
Operating Right of Use Asset	-	34,653
	<u>674,559</u>	<u>84,749</u>
TOTAL PROPERTY AND EQUIPMENT	674,559	84,749
OTHER NONCURRENT ASSETS		
Investments	1,100,628	864,019
Security Deposits	3,000	3,000
	<u>1,103,628</u>	<u>867,019</u>
TOTAL OTHER ASSETS	1,103,628	867,019
TOTAL ASSETS	\$ 3,597,704	\$ 2,441,746

SPECIAL OLYMPICS LOUISIANA, INC.
COVINGTON, LOUISIANA

STATEMENTS OF FINANCIAL POSITION

(See Notes to Financial Statements)

December 31, 2024 and 2023

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts Payable	\$ 5,863	\$ 18,583
Accrued Expenses	37,589	44,096
Current Portion of Operating Lease Liability	-	34,821
Current Portion of Mortgage Payable	10,345	-
TOTAL CURRENT LIABILITIES	53,797	97,500
LONG TERM LIABILITIES		
Long Term Mortgage Payable, Net of Current Portion	454,418	-
TOTAL LIABILITIES	508,215	97,500
NET ASSETS		
Board Designated Operating Reserve	1,050,628	966,060
Unrestricted	1,222,331	702,851
Without Donor Restrictions	2,272,959	1,668,911
With Donor Restrictions	816,530	675,335
TOTAL NET ASSETS	3,089,489	2,344,246
TOTAL LIABILITIES AND NET ASSETS	\$ 3,597,704	\$ 2,441,746

SPECIAL OLYMPICS LOUISIANA, INC.
COVINGTON, LOUISIANA

STATEMENTS OF ACTIVITIES
(See Notes to Financial Statements)
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
SUPPORT AND REVENUES						
Fundraising Revenues	\$ 99,428	\$ -	\$ 99,428	\$ 323,314	\$ -	\$ 323,314
Contributions	772,494	-	772,494	683,613	145,994	829,607
Grants, Non Government	194,973	95,000	289,973	102,563	17,998	120,561
Government Grants/Credits	798,893	894,341	1,693,234	169,538	867,888	1,037,426
Area Parish Assessments	33,546	-	33,546	51,302	-	51,302
Contributed Non Financial Assets	1,274,511	-	1,274,511	1,158,222	-	1,158,222
Net Investment (Loss) Income	84,567	-	84,567	71,125	-	71,125
Miscellaneous Income	20,067	-	20,067	36,091	-	36,091
Changes in net asset restrictions:						
Released from Restrictions	848,146	(848,146)	-	864,422	(864,422)	-
	<u>4,126,625</u>	<u>141,195</u>	<u>4,267,820</u>	<u>3,460,190</u>	<u>167,458</u>	<u>3,627,648</u>
EXPENSES						
Program	2,526,599	-	2,526,599	2,652,950	-	2,652,950
Fundraising	405,176	-	405,176	422,537	-	422,537
General and Administrative	590,802	-	590,802	219,229	-	219,229
	<u>3,522,577</u>	<u>-</u>	<u>3,522,577</u>	<u>3,294,716</u>	<u>-</u>	<u>3,294,716</u>
Changes in net assets	604,048	141,195	745,243	165,474	167,458	332,932
NET ASSETS						
Beginning Balance	1,668,911	675,335	2,344,246	1,503,437	507,877	2,011,314
End of year	<u>\$ 2,272,959</u>	<u>\$ 816,530</u>	<u>\$ 3,089,489</u>	<u>\$ 1,668,911</u>	<u>\$ 675,335</u>	<u>\$ 2,344,246</u>

SPECIAL OLYMPICS LOUISIANA, INC.
COVINGTON, LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Years Ended December 31, 2024 and 2023

	2024				2023			
	<i>Program</i>	<i>Fundraising</i>	<i>General & Administrative</i>	<i>Total</i>	<i>Program</i>	<i>Fundraising</i>	<i>General & Administrative</i>	<i>Total</i>
Activity Supplies/Games Expense	\$ 303,674	\$ 37,972	\$ 17,230	\$ 358,876	\$ 429,421	\$ 55,233	\$ 21,562	\$ 506,216
Amortization Expense	-	-	-	-	604	100	39	743
Depreciation Expense	8,145	1,352	11,294	20,791	8,145	1,352	528	10,025
Donated Services & Materials	941,006	156,226	177,279	1,274,511	941,006	156,226	60,990	1,158,222
Employee Benefits	146,175	24,269	55,717	226,161	146,175	24,269	9,475	179,919
Equipment Maintenance/Rental	8,851	1,470	(5,602)	4,719	8,851	1,470	573	10,894
Insurance	45,295	7,520	11,753	64,568	45,295	7,520	2,936	55,751
Interest Expense	-	-	12,261	12,261	-	-	-	-
Marketing and Advertising	8,610	4,918	2,772	16,300	8,610	4,918	558	14,086
Meetings/Conferences	3,672	610	548	4,830	3,672	610	238	4,520
Membership Dues	69,512	11,540	132,293	213,345	69,512	11,540	4,506	85,558
Miscellaneous Expenses	1,179	196	6,692	8,067	1,179	196	113	1,488
Office Maintenance & Expenses	79,703	13,234	(18,907)	74,030	79,703	13,234	5,167	98,104
Payroll Taxes	55,774	9,260	9,096	74,130	55,774	9,260	3,614	68,648
Professional Fees	3,994	663	56,293	60,950	3,994	663	55,865	60,522
Salaries	681,424	113,133	125,294	919,851	681,424	113,133	44,163	838,720
Telephone & IT	57,432	9,536	8,282	75,250	57,432	9,536	3,720	70,688
Travel, Meals, and Lodging	112,153	13,277	(11,493)	113,937	112,153	13,277	5,182	130,612
	<u>\$ 2,526,599</u>	<u>\$ 405,176</u>	<u>\$ 590,802</u>	<u>\$ 3,522,577</u>	<u>\$ 2,652,950</u>	<u>\$ 422,537</u>	<u>\$ 219,229</u>	<u>\$ 3,294,716</u>

SPECIAL OLYMPICS LOUISIANA, INC.
COVINGTON, LOUISIANA

STATEMENTS OF CASH FLOWS
(See Notes to Financial Statements)
For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 745,243	\$ 332,932
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation	20,791	10,025
Amortization of Right of Use Assets	-	8,336
Unrealized (Gain) Loss on Marketable Securities	(68,089)	(54,156)
Decrease (Increase) in Assets:		
Accounts Receivable	(126,647)	370,821
Operating Right of Use Assets	34,653	41,062
Prepaid Expenses	(11,651)	13,824
Increase (Decrease) in Liabilities:		
Accounts Payable	(12,720)	(25,734)
Payroll Liabilities	(6,507)	1,013
Operating Lease Obligations	(34,821)	(41,264)
Deferred Contributions	-	(83,595)
	540,252	573,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(177,254)	(37,145)
Purchase of Marketable Securities	(168,520)	(15,840)
	(345,774)	(52,985)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments on Long Term Debt	(3,237)	(8,393)
	(3,237)	(8,393)
NET INCREASE IN CASH AND CASH EQUIVALENTS	191,241	511,886
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,006,354	494,468
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 1,197,595	\$ 1,006,354
DISCLOSURE OF NON-CASH ITEMS		
Contributed Non Financial Assets	\$ 1,274,511	\$ 1,158,222
Disposal of Fixed Assets	\$ 15,653	\$ 14,583
Accumulated Depreciation	(15,653)	(14,583)
Cash Received on Disposal of Assets.	\$ -	\$ -

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Special Olympics Louisiana, Inc. (the Organization or SOLA) is a nonprofit corporation authorized and accredited by Special Olympics, Incorporated (SOI). The Organization was established in 1968 to provide year-round sports training and athletic competition in a variety of Olympic-type sports for all children and adults with intellectual disabilities, giving them 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. SOLA currently has 9,579 registered athletes across the state, including student participation on over 900 elementary, middle/high school and college campuses. This includes 461 schools which are part of the Unified Champion Schools Program. In 2024, 8,458 people with intellectual disabilities, 1,301 unified partners, and 2,136 certified coaches. The accompanying financial statements include the activities of the Special Olympics Louisiana, Inc. headquarters (accredited US program office) and all affiliated units located throughout Louisiana. All Louisiana affiliated units are owned and operated under the direction of the Organization's chapter office.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation – The financial statement presentation of the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets without donor restrictions are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Net assets with donor restrictions are resources that are limited by donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or the fulfillment of an event or circumstance specified by the donor. Some net assets with donor restrictions neither expire by passage of time nor can be fulfilled or otherwise removed by specific action. There were no net assets with permanent donor restrictions at December 31, 2024, and 2023. The only limit on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purpose specified in corporate documents, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Further, net assets without donor restrictions can be earmarked for a specific purpose by the Board of Directors and will be shown as board designated on the financial statements. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements as net assets released from restrictions in the statement of activities. The organization has both net assets with donor restrictions and net assets without donor restrictions at December 31, 2024, and 2023.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition – Contributions are recognized when the donor makes a promise to give that is unconditional. Conditional promises to give that are received in advance are reported as deferred contributions in the statements of financial position. Conditional promises to give are not recognized until they become unconditional. Amounts that have been received but are conditional promises that have not yet become unconditional are classified as deferred contributions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributed non financial assets are reflected as contributions at their estimated fair value at the date of donation. The Organization reports gifts of land, buildings, equipment and other nonmonetary contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Revenues from grants and contracts are recognized according to the specific agreement. Generally, revenues from grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of services provided.

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, SOLA considers all highly liquid investments with a maturity of three months or less to be cash equivalents. However, cash, money funds and other such items with a maturity greater than three months are considered investments for the purpose of the statement of cash flows.

Accounts Receivables – Accounts receivables consist of grants, unconditional promises to give, and special event sponsorships. Management believes that receivables as reflected in the accompanying financial statements are collectible in full therefore no allowance has been recorded.

Property and Equipment – Property and equipment purchased with a cost of \$1,000 or more by the Organization is recorded at cost at the date of acquisition. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, 2-10 years. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as an increase in net assets with donor restrictions and are considered released when placed into service.

Right of Use Assets - The Company has recorded an operating right of use asset which consists of an office lease and a financing right of use assets which consists of a copier lease, as a result of implementing ASC 842. The right of use assets are initially measured at an amount equal to the initial measurement date of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus any ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line bases over the life of the related lease.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tax-exempt status – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made; however, if the Organization should engage in activities unrelated to the purpose for which it was created, taxable income could result. The Organization has no unrelated business income for the years ended December 31, 2024, and 2023.

Accrued Leave – Each employee is afforded the flexibility to take planned vacations as needed. Paid Time Off (PTO) is considered a gratuity of SOLA, therefore no PTO is accrued or paid out upon termination or separation.

Retirement plan – The Organization has a defined contribution pension plan, which covers all permanent employees that have completed one year of service. Contributions are made to the plan at 9% of the participants' gross salaries and an additional 1% matching contribution. Retirement expense was \$55,299 and \$43,997 for the years ended December 31, 2024, and 2023, respectively. These assets are held in mutual funds and/or annuity contracts under the plan independent of SOLA.

Advertising – SOLA follows the policy of charging the costs of advertising to expense as incurred. Advertising expense amounted to \$16,300 and \$14,086 for the years ended December 31, 2024, and 2023, respectively.

Investments – Investments in equity and debt securities are recorded at fair value. Dividends, interest, and other investment income including realized and unrealized gains and losses, net of any investment expenses, are included in changes in net assets without donor restrictions.

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification - Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported change in net assets.

NOTE 2: INVESTMENTS

Investments are recorded at fair value and are comprised of both debt and equity securities. Investment fees for the year ended December 31, 2024, and 2023 were \$8,447 and \$5,127 and were subtracted from investment income on the statements of activities.

The following schedules summarize the investment revenue and expenses in the statements of activities for the year ended December 31, 2024, and 2023:

	<u>2024</u>
Interest & Dividends	\$ 24,827
Gain on Sale of Marketable Securities	98
Unrealized Gains (Losses), Net	68,089
Investment Fees	<u>(8,447)</u>
Investment Gain	<u>\$ 84,567</u>
	<u>2023</u>
Interest & Dividends	\$ 22,096
Gain on Sale of Marketable Securities	-
Unrealized Gains (Losses), Net	54,156
Investment Fees	<u>(5,127)</u>
Investment Loss	<u>\$ 71,125</u>

Investments are measured at fair value in the statements of financial position based on quoted market price. The following schedules summarize the value of the investments at December 31, 2024, and 2023:

	<u>2024</u>
Current Cost Basis	\$ 1,032,539
Unrealized Gains, Net	68,089
Marketable Securities at Fair Value	<u>\$ 1,100,628</u>
	<u>2023</u>
Current Cost Basis	\$ 872,323
Unrealized Gains, Net	<u>(8,304)</u>
Marketable Securities at Fair Value	<u>\$ 864,019</u>

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 3: FAIR VALUE INSTRUMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. 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.

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 by other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments at fair value consist of the following at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Bonds	\$ 62,444	\$ -	\$ -
Municipal Bonds	428,982	-	-
Common Stocks	239,010	-	-
Exchange-Traded Products	348,803	-	-
Bank Deposits	21,389	-	-
Total Market Value	<u>\$ 1,100,628</u>	<u>\$ -</u>	<u>\$ -</u>

Investments at fair value consist of the following at December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Bonds	\$ 43,729	\$ -	\$ -
U.S Government Bonds	9,937	-	-
Municipal Bonds	409,226	-	-
Common Stocks	201,723	-	-
Exchange-Traded Products	49,414	-	-
Bank Deposits	149,990	-	-
Total Market Value	<u>\$864,019</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment, related service lives, and accumulated depreciation as of December 31, 2024, and 2023 were as follows:

Depreciation expense was \$20,791 and \$10,768 for the years ended December 31, 2024, and 2023, respectively.

During 2024 and 2023, SOLA disposed of \$15,653 and \$14,584 fixed assets, and purchased \$645,253 and \$37,145 of new assets, respectively.

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 5: LONG-TERM NOTE PAYABLE

During 2024, the Organization executed a note for the purchase of a building. The note has minimum monthly payments of \$3,874 for 59 months with a balloon payment of \$409,950 due in month 60. The note carries a 7.75% interest rate and the building is the collateral. The following is a payout schedule for the next five years.

2025	\$	10,345
2026		11,187
2027		12,099
2028		12,985
Thereafter		418,147
Total	\$	<u>464,763</u>

NOTE 6: NET ASSETS

Net assets with donor restrictions at December 31, 2024, and 2023 are available to support the Organization in the following areas:

	<u>2024</u>	<u>2023</u>
Unified Champions School	\$ 433,117	\$ 382,847
Specific Parish/Location	202,007	118,412
ESPN Grants	5,023	-
Healthy Athletes, Community, & Family	101,383	90,481
Other Restricted Net Assets	<u>75,000</u>	<u>83,595</u>
	<u>\$ 816,530</u>	<u>\$ 675,335</u>

Net assets released from restrictions by incurring program related expenses or meeting time restrictions were as follows:

	<u>2024</u>	<u>2023</u>
Unified Champions School	\$ 656,088	\$ 651,980
Healthy Athletes, Community, & Family	177,081	180,102
Fitness Programs	-	24,838
ESPN Grants	14,977	-
Specific Parish/Location	<u>-</u>	<u>7,502</u>
Released from Restrictions	<u>\$ 848,146</u>	<u>\$ 864,422</u>

NOTE 7: DONATED SERVICES AND MATERIALS

The Organization receives services, on a year-round basis, from individuals who donate their time as Area Directors and Parish Directors for programs and events sponsored by the Organization. The value of the services of is recorded as donated services, based on the independent sector per hour average and management's estimation of hours worked. These services are also recorded as expense and are allocated as 81% program, 14% fundraising, and 5% general & admin. The Organization also receives medical, transportation, security, and various other services from individuals with the expertise to provide those services and help SOLA reduce operating costs for programs and fundraising events.

The Organization also receives items donated or provided at a discount for fundraising and program events. Materials and other noncash donations are recorded at cost or estimated fair value determined at the date of donation.

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 7: DONATED SERVICES AND MATERIALS (CONTINUED)

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in the performance of its programs, but these services do not meet the criteria for recognition as contributed services and are not recorded in the financial statements. During the years ending December 31, 2024, and 2023, SOLA estimates it received 53,400 hours from approximately 8,500 individuals and 58,000 hours from approximately 8,500 individuals, respectively. These volunteers are an integral part in the overall success of the Organization's programs.

NOTE 8: RELATED PARTY

Special Olympics, Inc. (SOI) distributes mailings to individuals requesting contributions on behalf of the Organization. SOI also collects contributions from its website and through other fundraising initiatives on behalf of the Organization. SOI also awards grants to the Organization. Total revenue from SOI recognized during the year ending December 31, 2024 was \$56,875, of which \$27,354 was in accounts receivable at December 31, 2024. Total revenue from SOI recognized during the year ending December 31, 2023, was \$878,390 of which \$313,578 was in accounts receivable.

The Organization paid accreditation fees to SOI of \$38,172 and \$31,414 for the years ended December 31, 2024, and 2023, respectively.

During the year, the Organization receives various fees and assessments from regional areas and parishes throughout the state. At December 31, 2024 and 2023, the Organization received \$33,546 and \$51,302, respectively, from the regional areas and parishes.

NOTE 9: ECONOMIC DEPENDENCY

The Organization derived approximately 8% and 24% of its revenues from Special Olympics, Inc. as fundraising revenue or grants for the years ended December 31, 2024, and 2023, respectively.

The Organization derived approximately 40% and 28% of its revenues from government grants for the years ended December 31, 2024, and 2023, respectively.

A significant reduction in these levels of support, if it were to occur, could have an effect on the Organization's programs and activities.

NOTE 10: CONCENTRATION OF CREDIT RISK

Financial instruments which subject SOLA to concentrations of credit risk consist primarily of receivables. In addition, SOLA maintains cash in local and regional financial institutions, which may at times exceed the FDIC limits. During the current year the Organization had \$87,040 over the FDIC limit. SOLA also maintains cash in a local investment firm that at times may exceed FDIC limits and investments in stocks and bonds that exceed the SIPC limits. Management believes the risk is limited.

NOTE 11: INCOME TAXES

The Organization's administration recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization's administration has evaluated its position regarding the accounting for uncertain income tax positions. The Organization's administration does not believe that it has any uncertain tax positions and is no longer subject to federal, state, or local tax examinations by tax authorities for years before 2021.

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 12: LEASES

As of December 31, 2024, there were no leasing activities.

The Organization has obligations as a lessee for an office lease and copier with initial noncancelable terms in excess of one year. The Organization classifies the office lease as an operating lease, and copier lease as a finance lease. These leases generally do not contain renewal options. The Organization's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for many of the Organization's leases, variable payments. These variable lease payments are not included in the lease payments used to determine lease liability and are recognized as variable costs when incurred. The components of lease costs for the year ended December 31, 2023 are as follows:

	Operating Lease
	December 31, 2023
Lease expense	
Finance lease expense	
Amortization of ROU assets	\$ -
Interest on lease liabilities	-
Operating lease expense	83,597
Short-term lease expense *	
Variable lease expense	-
Total	\$ 83,597

Other Information

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases (i.e. Interest)	\$ -
Financing cash flows from finance leases (i.e. principal portion)	\$ -
Operating cash flows from operating leases	\$ 84,000
ROU assets obtained in exchange for new finance lease liabilities	\$ -
ROU assets obtained in exchange for new operating lease liabilities	\$ 116,788
Weighted-average remaining lease term in years for finance leases	0.00
Weighted-average remaining lease term in years for operating leases	0.83
Weighted-average discount rate for finance leases	0.00%
Weighted-average discount rate for operating leases	1.37%

Maturity Analysis

	Operating
2023	\$ 35,000
Thereafter	-
Total undiscounted cash flows	35,000
Less: present value discount	(179)
Total lease liabilities	\$ 34,821

SPECIAL OLYMPICS LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023NOTE 13: LIQUIDITY AND AVAILABILITY

During 2019 the Organization's Board of Directors approved policies regarding operating reserves, board designations, and investments. The target amount to be attained and maintained for the board-restricted operating reserve is \$2,000,000, representing approximately 100% of annual operating expenses. As of December 31, 2024, the Board of Directors has designated approximately \$966,060 of existing accumulated net assets to be managed by an investment firm and classified as board restricted. The remaining amount is to be funded over the next five fiscal years through funding strategies incorporated into SOLA's annual fundraising plan and capital budget.

The following reflects the Organizations financial assets as of the statement of financial position date, reduced by the amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations.

	<u>12/31/2024</u>	<u>12/31/2023</u>
Cash	\$ 1,197,595	\$ 1,006,354
Investments	1,100,628	864,019
Receivables	<u>580,877</u>	<u>454,230</u>
Total Financial Assets	2,879,100	2,324,603
Subtract: Donor Restrictions	(816,530)	(675,335)
Board Designations	<u>(1,050,628)</u>	<u>(966,060)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,011,942</u>	<u>\$ 683,208</u>

NOTE 14: BOARD DESIGNATED FUNDS

The Board of Directors designated an operating reserve to help ensure the long-term financial stability of the organization and position it to respond to varying economic conditions. The target amount to be attained and maintained for the operating reserve is \$2,000,000 and represents approximately 100% of the annual operating expenses of the organization. At December 31, 2024, and 2023 the balance of this account was \$1,100,628 and \$1,016,060, respectively, of which \$50,000 may be accessed by the organization as needed but must be approved by the board chair and board treasurer and repaid within three months. The remaining balance is to be funded through strategies incorporated into SOLA's annual fundraising plan and capital budget.

NOTE 15: SUBSEQUENT EVENTS

SOLA has evaluated all subsequent events through June 6, 2025, the date the financial statements were available to be issued.

SPECIAL OLYMPICS LOUISIANA, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR
For the Year Ended December 31, 2024Executive Director: John Guzzardo

Salary	\$ 190,355
Benefits – cell phone	1,500
Benefits- insurance	5,520
Benefits – retirement	1,580
Reimbursements	<u>14,238</u>
TOTAL COMPENSATION, BENEFITS AND OTHER PAYMENTS	<u>\$ 213,193</u>



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Special Olympics Louisiana, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Special Olympics Louisiana, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses,¹ and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 6, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 6, 2025

SPECIAL OLYMPICS LOUISIANA, INC.
SUMMARY OF FINDINGS AND RESPONSES
December 31, 2024

No Findings Noted

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES
December 31, 2023

No Findings Noted

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Special Olympics Louisiana, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024, through December 31, 2024. Special Olympics Louisiana, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Special Olympics Louisiana, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024, through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - viii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- x. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Report whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, **obtain the prior year audit report and observe the unassigned fund balance in the general fund.** If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exception noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).
 - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exception noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions noted.

- B. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.
 - iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not Applicable – no termination payments..

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) *Ethics*

- A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Not Applicable.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not Applicable.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Not Applicable.

- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Not Applicable.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures,

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- E. Using 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. That requires employees hired before 6/9/2020 to have completed the training and the employees hired after 6/9/2020 to have completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Not Applicable.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Not Applicable.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements.
 - ii. Number of sexual harassment complaints received by the agency.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Not Applicable.

We were engaged by Special Olympics Louisiana, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Special Olympics Louisiana, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 6, 2025