

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

**1906 Palmyra Road
Albany, Georgia**

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
EasterSeals Southern Georgia, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of EasterSeals Southern Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EasterSeals Southern Georgia, Inc. as of August 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

MEMBERS

American Institute of Certified Public Accountants / Georgia Society of Certified Public Accountants

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 18 to 37 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 December 8, 2020, on our consideration of EasterSeals Southern Georgia, 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 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 EasterSeals Southern Georgia, Inc.'s internal control over financial reporting and compliance.

CLENNEY + LUKE, PC



Certified Public Accountants
Albany, Georgia
December 8, 2020

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash	\$ 3,484,512	\$ 2,365,104
Accounts Receivable:		
Production work sites	15,687	20,827
Contracts	125,791	357,428
Other receivables	46,932	45,534
Patient fees	103,171	244,625
Allowance for doubtful accounts	(3,000)	(3,000)
Inventory, at cost	63,170	60,305
Prepaid expenses	<u>97,601</u>	<u>167,251</u>
Total Current Assets	<u>3,933,864</u>	<u>3,258,074</u>
PROPERTY:		
Investment Property	38,500	38,500
Land, buildings and equipment, net	<u>3,157,168</u>	<u>3,209,757</u>
Net Property	<u>3,195,668</u>	<u>3,248,257</u>
OTHER ASSETS:		
Cash Held in Unemployment Service Trust	32,077	26,752
Cash - Donor Restricted Endowment	<u>74,088</u>	<u>72,067</u>
Total Other Assets	<u>106,165</u>	<u>98,819</u>
TOTAL ASSETS	<u><u>\$ 7,235,697</u></u>	<u><u>\$ 6,605,150</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 178,203	\$ 328,361
Accrued Payroll and Other	211,637	221,228
Notes Payable-Current Portion	114,508	22,664
Deferred Revenue	<u>595,083</u>	<u>596,301</u>
Total Current Liabilities	1,099,431	1,168,554
Long Term Portion of Notes Payable	<u>230,118</u>	<u>344,355</u>
Total Liabilities	<u>1,329,549</u>	<u>1,512,909</u>
NET ASSETS:		
Without Donor Restrictions:		
Board Designated	2,456,946	1,264,397
Undesignated	<u>2,069,635</u>	<u>2,381,865</u>
Total Net Assets Without Donor Restrictions	4,526,581	3,646,262
With Donor Restrictions:	<u>1,379,567</u>	<u>1,445,979</u>
Total Net Assets	<u>5,906,148</u>	<u>5,092,241</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,235,697</u></u>	<u><u>\$ 6,605,150</u></u>

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	2020		2019	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
		<u>Total</u>		<u>Total</u>
Public Support and Revenue				
Public Support:				
Memorials, Bequests-Cash	\$ 113,879	\$ 113,879	\$ 131,522	\$ 131,522
-Noncash	-	-	4,473	4,473
Contribution-SBA PPP Loan	1,411,159	1,411,159	-	-
Special Events, Net-Note 8	42,533	42,533	30,217	30,217
United Way Allocation	5,510	5,510	24,654	24,654
TOTAL PUBLIC SUPPORT	1,573,081	1,573,081	190,866	190,866
Revenue:				
Government Grants	1,559,999	1,559,999	4,670,360	4,670,360
Program Service Fees-Note 2	9,373,273	9,373,273	8,092,162	8,092,162
Foundation Grants	38,063	38,063	197,420	197,420
Production Income	88,471	88,471	135,084	135,084
Investment Income	10,104	10,104	7,628	7,628
Rent Income-Note 9	5,000	5,000	5,000	5,000
HUD Property Fees	(46)	(46)	264	264
Miscellaneous Income	80,663	80,663	97,598	97,598
Net Assets Released from Restrictions	66,412	(66,412)	34,785	(34,785)
TOTAL REVENUE	11,221,939	11,155,527	13,240,301	13,205,516
TOTAL PUBLIC SUPPORT AND REVENUE	12,795,020	12,728,608	13,431,167	13,396,382
Expenses:				
Direct Services	10,648,720	10,648,720	12,432,183	12,432,183
Fund Raising	177,921	177,921	135,991	135,991
Management and General	1,040,040	1,040,040	1,047,501	1,047,501
National Membership Fees	48,020	48,020	39,809	39,809
Total Expenses	11,914,701	11,914,701	13,655,484	13,655,484
CHANGE IN NET ASSETS				
Net Assets at Beginning of Year	880,319	813,907	(224,317)	(259,102)
	3,646,262	5,092,241	3,870,579	5,351,343
NET ASSETS-END OF YEAR	\$ 4,526,581	\$ 5,906,148	\$ 3,646,262	\$ 5,092,241

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	Direct Services	Fund Raising	Management and General	National Membership Fees	2019 Totals	2019 Totals
Salaries	\$ 4,254,065	\$ 81,143	\$ 674,506	\$ -	\$ 5,009,714	\$ 5,545,784
Client Wages	143,405	-	-	-	143,405	306,163
Contract Services	609,455	39,845	5,956	-	655,256	513,625
FICA Tax	326,998	6,164	46,883	-	380,045	429,627
Unemployment Tax	4,380	-	1,442	-	5,822	9,249
Group Insurance	518,102	467	80,050	-	598,619	728,899
Workers Comp Insurance	149,949	2,782	23,435	-	176,166	182,161
Retirement Expense	51,927	1,656	12,803	-	66,386	52,118
Postage and Printing	8,025	303	3,379	-	11,707	10,811
Supplies	77,656	3,377	13,313	-	94,346	106,121
Program Supplies	83,453	-	-	-	83,453	89,979
Promotional Expense	-	-	-	-	-	1,496
Auto and Travel Expense	151,600	537	5,868	-	158,005	265,022
Conference and Training	27,606	-	3,203	-	30,809	38,232
References and Publications	-	-	20	-	20	410
Rent Expense	191,899	126	1,512	-	193,537	184,310
Insurance	108,366	426	9,926	-	118,718	104,716
Utilities	191,418	442	5,314	-	197,174	205,158
Telecommunications	103,663	1,743	7,755	-	113,161	118,165
Facilities Maintenance/Repair	157,040	1,372	16,451	-	174,863	205,138
Equipment Maintenance/Repair	8,172	98	25,510	-	33,780	26,855
CARF Expense	-	-	12,706	-	12,706	15,634
Dues and Memberships	9,495	-	4,567	-	14,062	12,509
NESS Fees	-	-	-	48,020	48,020	39,809
Legal and Accounting	16,000	-	14,000	-	30,000	29,500
Employment Expense	23,170	-	200	-	23,370	62,947
Family Support/Direct Services	2,986,951	-	-	-	2,986,951	3,807,040
Miscellaneous Expense	6,126	26,982	10,358	-	43,466	56,736
Noncash Donation Expense	-	-	-	-	-	4,300
Software Subscriptions	67,607	9,010	40,605	-	117,222	106,726
Equipment Purchase/Leases	68,904	318	6,728	-	75,950	79,031
Interest	23,739	-	-	-	23,739	16,221
Bad Debt Expense	1,321	-	-	-	1,321	6,514
Depreciation	162,018	1,130	13,550	-	176,698	185,425
Totals Before Depreciation of Assets Funded by Governmental Agencies	10,532,510	177,921	1,040,040	48,020	11,798,491	13,546,431
Depreciation	116,210	-	-	-	116,210	109,053
Totals	<u>\$ 10,648,720</u>	<u>\$ 177,921</u>	<u>\$ 1,040,040</u>	<u>\$ 48,020</u>	<u>\$ 11,914,701</u>	<u>\$ 13,655,484</u>

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$ 813,907	\$ (259,102)
Adjustments to Reconcile Change in Net Assets to Cash		
Provided by Operating Activities:		
Depreciation	292,908	294,478
(Gain) Loss on Assets Held in Trust	(2,671)	(1,449)
Non-Cash Items-Net	4,380	8,064
Changes in Operating Assets and Liabilities:		
Accounts Receivable-Net	376,833	262,393
Inventories	(2,865)	(2,413)
Prepaid Expenses and Other Assets	69,650	(54,183)
Net Transfers to Unemployment Service Trust	(9,055)	14,796
Accounts Payable	(150,158)	(182,663)
Accrued Expenses	(9,591)	43,067
Deferred Income	(1,218)	(56,300)
Net Cash Provided/(Used) by Operating Activities	<u>1,382,120</u>	<u>66,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment	<u>(240,319)</u>	<u>(162,718)</u>
Net Cash Provided/(Used) in Investing Activities	<u>(240,319)</u>	<u>(162,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes	(22,393)	(21,419)
Proceeds from Restricted Contributions	-	-
Net Cash Provided/(Used) in Financing Activities	<u>(22,393)</u>	<u>(21,419)</u>
Net Increase in Cash and Cash Equivalents	1,119,408	(117,449)
Cash and Cash Equivalents-Beginning of Year	<u>2,365,104</u>	<u>2,482,553</u>
Cash and Cash Equivalents-End of Year	<u>\$ 3,484,512</u>	<u>\$ 2,365,104</u>
Supplemental Disclosures:		
Interest Paid	<u>\$ 15,590</u>	<u>\$ 16,221</u>

See notes to consolidated financial statements

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

EasterSeals Southern Georgia, Inc., (the parent) and its related entities were organized under the Georgia Nonprofit Corporation Act. EasterSeals principle purpose is to furnish vocational, residential, respite and family support, day habilitation and other advocacy services to people of all ages and disabilities from a fifty-four county area in South Georgia and a sixteen county area in North Florida. The organization accomplishes these goals through contributions received from businesses, individuals, and civic organizations, as well as grants from federal, state and local governmental agencies. The organization is a member of the National Easter Seal Society.

EasterSeals Southern Georgia, Inc.'s related entities operate multi-family housing projects that are affordable and accessible for persons with disabilities under Section 811 of the National Housing Act. The related entities are as follows:

Options for Living, Inc.	Crisp County Options, Inc.
Options for Living East One, Inc.	Grady County Options, Inc.
Options for Living East Two, Inc.	Valdosta/Lowndes County Options for Living
Colquitt Options, Inc.	Satilla Solutions, Inc.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Net assets of EasterSeals Southern Georgia, Inc. and its related entities are accounted for using the accrual basis of accounting.

The consolidated financial statements include the accounts of the parent and its related entities. All material intercompany balances and transactions have been eliminated in consolidation.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions. The organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance method is based on prior year's experience and management's analysis of specific promises made.

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.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset 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 restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated asset or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Capitalization and Depreciation Policy

Property, plant and equipment purchased at a cost of \$5,000 or more are capitalized at cost and are depreciated over their estimated useful lives in accordance with the straight-line method. Donated fixed assets meeting the capitalization threshold of \$5,000 or more are recorded at their fair market value at the date of the gift and depreciated over their estimated useful lives in accordance with the straight-line method. Depreciation is computed at rates based on the following estimated useful lives:

Buildings	30 Years
Equipment	5-10 Years

Repairs, maintenance and minor renewals are expensed in the period incurred. Expenditures for major renewals and betterments normally are capitalized.

Financial Statement Presentation

The organization follows the guidance of the FASB Accounting Standards Codification, which is the source of authoritative accounting principles for nongovernmental entities that prepare financial statements in accordance with generally accepted accounting principles in the United States of America. All standards applicable to the organization have been properly adopted and applied in the preparation of the financial statements.

The financial statements are prepared in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit organizations. EasterSeals Southern Georgia, Inc. therefore reports information about its financial position and activities using two classes of net assets that recognize the existence and nature of restrictions on its net assets.

Net assets without donor restrictions represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the organization in accordance with the Articles of Incorporation and By-laws.

Net assets with donor restrictions represent resources whose use is limited by donor-imposed restrictions that will be met either by actions of the organization or by the passage of time.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization and its related entities have been approved by the Internal Revenue Service to be exempt from taxation pursuant to Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the financial statements. However, the Organization and its related entities file annual information returns (Form 990) with the Internal Revenue Service. The organization has no unrelated business taxable income and thus has no uncertain tax positions that are material to the financial statements.

Inventories

Inventories are stated at the lower of cost or market determined by the first-in, first-out method. The majority of the inventory consists of commemorative Christmas ornaments held for resale by the Organization.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of one year or less to be cash equivalents. At August 31, 2020, and for the fiscal year then ended, the Organization held no marketable securities or debt securities meeting these criteria.

Contributions

The Organization follows the guidance of SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received are recorded as net asset with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Fair Values of Financial Instruments

The following methods and assumptions are used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments and promises to give due in less than one year are reported in the statement of financial position at approximate fair values because of the short maturities of those instruments.

Promises to give due in more than one year are estimated by discounting the future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected collection period.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 2 – PROGRAM SERVICE FEES

A schedule of program service fees earned during the fiscal year ended August 31, 2020, follows:

Medicaid Fee Income	\$ 6,530,190
HUD Fee Income	397,658
Consumer Income	305,194
Respite Contracts	2,202,740
Service Discounts	<u>(62,509)</u>
Total	<u>\$ 9,373,273</u>

NOTE 3 – CONTRACTS RECEIVABLE

The Organization was owed the following amounts on state contracts as of August 31, 2020:

Georgia Vocational Rehabilitation Agency:	
Vocational Services	\$ 29,372
Florida Department of Education:	
Vocational Contracts	31,635
Georgia Department of Community Health:	
Champions for Children	61,690
Georgia Department of Behavioral Health and Developmental Disabilities:	
Prevocational	2,304
Family Support	<u>790</u>
	<u>\$ 125,791</u>

NOTE 4 – INVESTMENT PROPERTY

The carrying value shown represents the fair market value assigned per appraisal in 1978 for certain unimproved real estate bequeathed to the Organization. The property contains approximately four acres located in Albany, Georgia commonly referred to as the Midtown Mall property. The Organization is a co-owner of the property along with the Georgia Baptist Children's Home, Inc., each having a one-half undivided interest.

The property is subject to a long term lease which provided annual rental income of \$10,000 until December 31, 1994, then subject to five year renewal options through December 31, 2059, under the same rental terms, which the lessee exercised on January 1, 2020.

Due to the absence of a current appraisal, the current market value is not presented.

NOTE 5 – LAND, BUILDING AND EQUIPMENT

A detailed schedule of the costs and related accumulated depreciation of land, buildings and equipment as of August 31, 2020, is presented on the following page.

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020

<u>ASSETS</u>	<u>COST/BASIS</u> <u>8/31/2019</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>COST/BASIS</u> <u>8/31/2020</u>	<u>ACC DEP</u> <u>8/31/2020</u>	<u>NET</u>
Land	\$ 172,757	\$ -	\$ -	\$ 172,757	\$ -	\$ 172,757
Building	2,709,274	179,707	(90,371)	2,798,610	1,296,928	1,501,682
Equipment	969,423	23,273	(63,657)	929,039	769,870	159,169
Totals-Easter Seals	3,851,454	202,980	(154,028)	3,900,406	2,066,798	1,833,608
Land	32,897	-	-	32,897	-	32,897
Furniture/Equipment	6,354	-	-	6,354	5,599	755
Building	367,770	7,210	-	374,980	290,787	84,193
Totals-OFL, Inc.	407,021	7,210	-	414,231	296,386	117,845
Land	9,993	-	-	9,993	-	9,993
Furniture/Equipment	12,149	-	-	12,149	9,034	3,115
Building	212,796	8,644	-	221,440	158,677	62,763
Totals-OFL East One	234,938	8,644	-	243,582	167,711	75,871
Land	9,965	-	-	9,965	-	9,965
Equipment	7,634	-	-	7,634	7,634	-
Building	579,113	-	-	579,113	399,908	179,205
Totals-OFL East Two	596,712	-	-	596,712	407,542	189,170
Land	30,494	-	-	30,494	-	30,494
Equipment	20,317	-	-	20,317	7,565	12,752
Building	445,650	4,285	-	449,935	288,220	161,715
Totals-Colquitt Options	496,461	4,285	-	500,746	295,785	204,961
Land	16,000	-	-	16,000	-	16,000
Furniture/Equipment	3,372	-	-	3,372	899	2,473
Building	214,520	-	-	214,520	124,163	90,357
Totals-Crisp Options	233,892	-	-	233,892	125,062	108,830
Land	29,756	-	-	29,756	-	29,756
Equipment	1,232	-	-	1,232	1,183	49
Building	283,825	-	-	283,825	160,115	123,710
Totals-Grady Options	314,813	-	-	314,813	161,298	153,515
Land	53,822	-	-	53,822	-	53,822
Furniture/Equipment	16,037	-	-	16,037	12,339	3,698
Building	355,574	1,204	-	356,778	184,885	171,893
Totals-Valdosta Options	425,433	1,204	-	426,637	197,224	229,413
Land	8,813	-	-	8,813	-	8,813
Furniture/Equipment	13,546	-	-	13,546	11,727	1,819
Building	428,146	15,996	-	444,142	210,819	233,323
Total-Satilla Solutions	450,505	15,996	-	466,501	222,546	243,955
TOTALS	\$ 7,011,229	\$ 240,319	\$ (154,028)	\$ 7,097,520	\$ 3,940,352	\$ 3,157,168

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 5 – LAND, BUILDING AND EQUIPMENT (Continued)

The land, building and equipment of \$7,097,520 at August 31, 2020, consisted of purchased assets recorded at cost in the amount of \$6,554,052 and donated assets recorded at fair market value in the amount of \$543,468. Depreciation for the year was \$292,908 of which \$176,698 was attributable to EasterSeals Southern Georgia, Inc., and \$116,210 was attributable to its related entities.

NOTE 6 – CASH

As of August 31, 2020, the carrying amount of the Organization's deposits was \$3,484,512. The bank balances totaled \$3,541,415 and all balances were insured by Federal Deposit Insurance Coverage.

NOTE 7 – DEFERRED REVENUES

The balance shown represents certain collections received by August 31, 2020, which are not recognized as current year revenues in these financial statements. A detailed schedule follows:

Champions for Children	\$ 572,521
Other Miscellaneous	<u>22,562</u>
Total Deferred Revenues	<u>\$ 595,083</u>

NOTE 8 – SPECIAL EVENTS

During the year, the Organization was associated with several fund raising special events to further its stated purpose. A schedule of activities follows:

EVENT	GROSS REVENUES	RELATED EXPENSES	NET PROFITS
Christmas Ornament Sales	\$ 7,089	\$ 4,180	\$ 2,909
Crumble Event	18,275	1,229	17,046
Flights and Bites	<u>25,189</u>	<u>2,611</u>	<u>22,578</u>
	<u>\$ 50,553</u>	<u>\$ 8,020</u>	<u>\$ 42,533</u>

NOTE 9 – RENTAL INCOME

A schedule of the rental income generated during the year ended August 31, 2020, follows:

Midtown Mall Property – See Note 4	<u>\$ 5,000</u>
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**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 10 – DONATED SERVICES AND MATERIALS

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising, program activities and special events. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 11 – LEASING ARRANGEMENTS

The Organization's leasing activity consists of the present commercial lessee with respect to the investment property commonly known as the Midtown Mall property. The lease remained in effect until December 31, 1994, and was renewed by the current lessee on January 1, 2020, for five years. The lease calls for annual rent in the amount of \$10,000, which is shared equally with the Georgia Baptist Children's Home, Inc. as co-owner. The lease grants the lessee the option of five year renewal periods through December 31, 2059. The following is a schedule by years of the minimum future rentals on non cancelable operating leases as of August 31, 2020:

Year Ending August 31:	
2021	\$ 5,000
2022	5,000
2023	5,000
2024	5,000
2025	5,000

NOTE 12 – PROPERTY OWNED BY THE STATE OF GEORGIA

In connection with the Organization's annual contract with the State of Georgia Department of Behavioral Health and Developmental Disabilities, EasterSeals receives periodic grants for the purchase of property and equipment. Although title to these assets is held by the State of Georgia, the Organization anticipates utilizing the property during the assets' useful lives. However, should the Organization discontinue using the property, the property must be returned to the State.

NOTE 13 – RELATED PARTY TRANSACTIONS

The Organization maintains a working relationship with its related entities which are listed in Note 1. Those organizations were formed to administer U.S. Department of Housing and Urban Development grants for the development and the operations of housing for persons with disabilities.

The Organizations are deemed to be under a sufficient degree of common control through their respective officers and board of directors whereby consolidation of the Organization's financial statements is required.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 14 – COMPENSATED ABSENCES

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, an employer is required to accrue a liability for its employees' rights to receive compensation for future absences when such absences are vested and payment of compensation is probable and can be reasonably estimated. Employees of the organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors.

Beginning in the fiscal year ended August 31, 2019, the organization adopted policies to allow employees to carry over up to 37.5 hours of paid time off to the following fiscal year. As such, the organization has accrued \$39,088 of leave as of August 31, 2020.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2020 consist of the following:

Endowment Fund	\$ 42,100
Net assets of HUD Group Homes	<u>1,337,467</u>
Total Assets with Donor Restrictions	<u><u>\$1,379,567</u></u>

NOTE 16 – NET ASSETS WITHOUT DONOR RESTRICTIONS

The organization's board of directors has chosen to place the following limitations on net assets without donor restrictions:

	<u>2020</u>
Designated for Unemployment Claims	\$ 32,077
Designated for Capital Improvements	90,041
Designated for Cash Reserves	2,303,946
Designated for USDA Sinking Fund	12,982
Designated for Endowment Fund	17,900
Undesignated	<u>2,069,635</u>
Unrestricted Net Assets	<u><u>\$4,526,581</u></u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 17 – DEBT

Notes Payable

The Organization's notes payable consisted of the following at August 31, 2020:

A note was secured from Flint Community Bank on November 28, 2016, for the purpose of refinancing real estate in Valdosta, Georgia. The amount of the note was \$100,895 which is payable in 144 installments of \$874. The note bears interest at a rate of 3.75% and matures in November, 2028.

A note was secured from Flint Community Bank on March 30, 2018, for the purpose of purchasing real estate in Albany, Georgia. The amount of the note was \$94,658 and is payable in 180 installments of \$712. The note bears interest at a rate of 4.25% and matures in March, 2032.

A note was secured from the United States Department of Agriculture on December 21, 2007, for the purpose of renovating the real estate in Camilla, Georgia commonly referred to as the Carlisle House. The amount of the note was \$150,000 which is payable in 300 installments of \$843. The note bears interest at a rate of 4.38% and matures in December, 2032.

A note was secured from SB&T Bank on October 9, 2015, for the purpose of purchasing real estate in Valdosta, Georgia. The amount of the note was \$115,000 and is payable in 60 payments of \$722. The note bears interest at a rate of 4.35% and matures in October, 2020.

Principal maturities of the aforementioned notes payable are as follows:

Year Ending August 31:

2021 (Current)	<u>\$ 114,508</u>
2022	19,930
2023	20,785
2024	21,604
2025	21,650
Thereafter	<u>146,149</u>
Total Noncurrent	<u>\$ 230,118</u>

Line of Credit

A line of credit in the amount of \$500,000 was renewed with SB&T Bank on December 30, 2018. The purpose of the line was for working capital. The interest rate on the outstanding principal balance of the line of credit is 5.25% and the entire principal and interest balance is due and payable on December 30, 2020. As of August 31, 2020, there was no outstanding balance on the line of credit.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 19—PENSION PLAN

During the fiscal year ended August 31, 2018, the organization established a defined contribution pension plan under IRS Code Section 403(B). The organization matches 50% of the first 6% that an employee contributes. Contributions totaling \$66,386 and \$52,118 for the years ended August 31, 2020 and 2019, respectively, were made by the Organization, in addition to the elective deferrals made by employees.

NOTE 20 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The organization has \$3,773,093 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$3,484,512 and various receivables of \$288,581.

In addition, the organization has \$106,165 in unemployment and endowment trust funds that could be utilized upon approval by the board. The organization also has a line of credit available if needed.

NOTE 21 – PAYCHECK PROTECTION PROGRAM LOAN

On April 22, 2020, the organization received loan proceeds in the amount of \$1,403,010 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES act) provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its payroll levels.

EasterSeals Southern Georgia, Inc. initially accounted for the PPP loan as a conditional contribution. The organization met all required conditions for forgiveness prior to August 31, 2020, and as such has recognized the entire amount as contribution revenue in the financial statements. On November 18, 2020, EasterSeals Southern Georgia, Inc. was notified that the entire PPP loan had been forgiven.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**

NOTE 22 – DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management of the Organization has evaluated the effects of subsequent events through December 8, 2020, which is the date the financial statements are available to be issued.

COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the Coronavirus (COVID-19) a global pandemic. The COVID-19 outbreak in the United States resulted in significant disruption to business operations and a significant increase in economic uncertainty. Prior to August 31, 2020, EasterSeals Southern Georgia, Inc.'s operations were affected as well in the following areas:

- Day programs were closed for over three months
- A significant cut was made in the Family Support contract which in turn led to cuts in individuals served as well as staff
- Vocational services were dramatically decreased as schools went virtual
- Due to Shelter in Place orders, no outings or visitors were allowed at residential sites
- Administrative offices were closed for three months and staff worked remotely

Subsequent to August 31, 2020, EasterSeals Southern Georgia, Inc. has continued to be impacted by the COVID-19 virus. Day services and workshops are still operating at limited capacity and one of the organization's day program locations has been shut down completely. Residential sites continue to adhere to the State of Georgia's shelter in place orders. EasterSeals Southern Georgia, Inc. will continue to follow the recommendations and policies of the Centers for Disease Control as well as those policies implemented by local and state officials. The organization is dedicated to continue operations in the best and safest way possible without jeopardizing the health of staff and those that receive services.

SUPPLEMENTARY INFORMATION

(See Accompanying Independent Auditors' Report)

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2020

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash	\$ 3,484,512	\$ -	\$ 3,309,813	\$ 174,699
Accounts Receivable:				
Production Work Sites	15,687	-	15,687	-
Contracts	125,791	-	125,791	-
Other Receivables	46,932	(136,854)	182,273	1,513
Patient Fees, less allowance for uncollectible accounts of \$3,000	100,171	-	100,171	-
Inventory, at cost	63,170	-	63,170	-
Prepaid Expenses	97,601	-	88,052	9,549
Total Current Assets	<u>3,933,864</u>	<u>(136,854)</u>	<u>3,884,957</u>	<u>185,761</u>
PROPERTY:				
Investment Property	38,500	-	38,500	-
Land, building and equipment, net	<u>3,157,168</u>	<u>-</u>	<u>1,833,608</u>	<u>1,323,560</u>
Net Property	<u>3,195,668</u>	<u>-</u>	<u>1,872,108</u>	<u>1,323,560</u>
OTHER ASSETS:				
Cash Held in Unemployment Service Trust	32,077	-	32,077	-
Cash - Donor Restricted Endowment	<u>74,088</u>	<u>-</u>	<u>74,088</u>	<u>-</u>
Total Other Assets	<u>106,165</u>	<u>-</u>	<u>106,165</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 7,235,697</u></u>	<u><u>\$ (136,854)</u></u>	<u><u>\$ 5,863,230</u></u>	<u><u>\$ 1,509,321</u></u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 178,203	\$ (136,854)	\$ 154,072	\$ 160,985
Accrued Payroll and Other	211,637	-	200,768	10,869
Notes Payable-Current Portion	114,508	-	114,508	-
Deferred Revenue	<u>595,083</u>	<u>-</u>	<u>595,083</u>	<u>-</u>
Total Current Liabilities	1,099,431	(136,854)	1,064,431	171,854
Long Term Portion of Notes Payable	<u>230,118</u>	<u>-</u>	<u>230,118</u>	<u>-</u>
Total Liabilities	<u>1,329,549</u>	<u>(136,854)</u>	<u>1,294,549</u>	<u>171,854</u>
NET ASSETS:				
Without Donor Restrictions:				
Board Designated	2,456,946	-	2,456,946	-
Undesignated	<u>2,069,635</u>	<u>-</u>	<u>2,069,635</u>	<u>-</u>
Total Net Assets without Donor Restrictions	4,526,581	-	4,526,581	-
With Donor Restrictions	<u>1,379,567</u>	<u>-</u>	<u>42,100</u>	<u>1,337,467</u>
Total Net Assets	<u>5,906,148</u>	<u>-</u>	<u>4,568,681</u>	<u>1,337,467</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,235,697</u></u>	<u><u>\$ (136,854)</u></u>	<u><u>\$ 5,863,230</u></u>	<u><u>\$ 1,509,321</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING AUGUST 31, 2020

<u>Net Assets Without Donor Restrictions:</u>	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
Public Support and Revenue				
Public Support:				
Memorials, Bequests-Cash	\$ 113,879	\$ -	\$ 113,879	\$ -
-Noncash	-	-	-	-
Contribution-SBA PPP Loan	1,411,159	-	1,411,159	-
Special Events, Net	42,533	-	42,533	-
United Way Allocation	5,510	-	5,510	-
TOTAL PUBLIC SUPPORT	<u>1,573,081</u>	<u>-</u>	<u>1,573,081</u>	<u>-</u>
Revenue:				
Government Grants	1,559,999	-	1,559,999	-
Program Service Fees	9,373,273	-	8,975,615	397,658
Foundation Grants	38,063	-	38,063	-
Production Income	88,471	-	88,471	-
Investment Income	10,104	-	9,905	199
Rent Income	5,000	-	5,000	-
HUD Property Fees	(46)	(81,312)	81,266	-
Miscellaneous Income	80,663	-	80,506	157
Net Assets Released from Restrictions	66,412	-	66,412	-
TOTAL REVENUE	<u>11,221,939</u>	<u>(81,312)</u>	<u>10,905,237</u>	<u>398,014</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>12,795,020</u>	<u>(81,312)</u>	<u>12,478,318</u>	<u>398,014</u>
Expenses:				
Direct Services	10,648,720	(81,312)	10,265,606	464,426
Fund Raising	177,921	-	177,921	-
Management and General	1,040,040	-	1,040,040	-
National Membership Fees	48,020	-	48,020	-
Total Expenses	<u>11,914,701</u>	<u>(81,312)</u>	<u>11,531,587</u>	<u>464,426</u>
Change in Net Assets without Donor Restrictions:	<u>880,319</u>	<u>-</u>	<u>946,731</u>	<u>(66,412)</u>
Net Assets with Donor Restrictions:				
Net Assets Released from Restrictions	(66,412)	-	(66,412)	-
Change in Net Assets with Donor Restrictions	<u>(66,412)</u>	<u>-</u>	<u>(66,412)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>813,907</u>	<u>-</u>	<u>880,319</u>	<u>(66,412)</u>
Net Assets at Beginning of Year	<u>5,092,241</u>	<u>-</u>	<u>3,688,362</u>	<u>1,403,879</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,906,148</u>	<u>\$ -</u>	<u>\$ 4,568,681</u>	<u>\$ 1,337,467</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
SUMMARY STATEMENT OF SERVICES DELIVERED
FOR THE YEAR ENDED AUGUST 31, 2020**

STATE CONTRACT NUMBERS

44100-264-9072021104 (GA DBHDD)
44100-264-9072020 (GA DBHDD)
44100-907-00000134259 (GA DBHDD)
44100-907-00000126352 (GA DBHDD)
2015037 (GA DCH)
42700-610-0000081668 (GA Vocational Rehab)
42700-610-SA-0000010080 (GA Vocational Rehab)

Enabled by funding from the contracts listed above, EasterSeals Southern Georgia, Inc. provided Work Adjustment, Sheltered Employment, Supported Employment, Residential Services, Community Service, Transition Services, Day Habilitation Services, and Respite Services for 3,971 (unduplicated count) disabled individuals during the year September 1, 2019 through August 31, 2020. These services were provided through contractual agreements between EasterSeals Southern Georgia, Inc. and Georgia Department of Behavioral Health and Developmental Disabilities, Georgia Department of Community Health, and Georgia Vocational Rehabilitation Agency.

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED AUGUST 31, 2020**

<u>Grantor/Program</u>	<u>Contract Number</u>	<u>Federal Funds</u>	<u>State Funds</u>	<u>Total</u>
Georgia Vocational Rehabilitation Agency				
Work Adjustment/ Transition Services	42700-610-0000081668	\$ 139,408	\$ 37,731	\$ 177,139
	42700-610-SA-0000010080	2,283	618	2,901
Supported Employment		-	6,625	6,625
Georgia Department of Behavioral Health & Developmental Disabilities				
Family Support Services	44100-264-9072021104	715	2,276	2,991
	44100-264-9072020104	21,210	31,031	52,241
Summer Enrichment	44100-907-00000134259	-	150,000	150,000
Champions for Children	44100-907-00000126352	-	58,165	58,165
Pineland CSB Supported Employment		-	23,043	23,043
Georgia Department of Community Health				
Champions for Children	2015037	-	725,340	725,340
	2015037	-	139,539	139,539
Florida Department of Education				
Employment/Supported Employment Services; On-the-Job Training		112,852	30,543	143,395
Other				
GA Vocational Rehab Miscellaneous		<u>61,874</u>	<u>16,746</u>	<u>78,620</u>
TOTAL GOVERNMENT GRANTS		<u>\$ 338,342</u>	<u>\$ 1,221,657</u>	<u>\$ 1,559,999</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY 20
	Contract
	<u>42700-610-0000081668</u>
Vocational Services	
Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	177,139
Non-Contract Revenues	78,620
Other Revenue Sources	<u>18,432</u>
 TOTAL REVENUE	 <u>274,191</u>
 Expenses:	
Salaries	241,138
Work Adjustment Wages	61,953
Payroll Taxes	23,127
Group Insurance	36,063
Workers' Compensation	10,656
Printing and Postage	177
Supplies	1,758
Retirement	2,696
Program Supplies	52
Travel Expense	20,437
Conferences and Training	1,874
Telephone/Internet	6,465
Equipment Purchases	772
Building/Equipment Repairs and Maintenance	959
Depreciation	1,061
Employment Expense	451
Oper. & Maintenance Allocation	<u>20,854</u>
 TOTAL EXPENSES	 <u>430,493</u>
 REVENUE OVER (UNDER) EXPENSES	 <u><u>(156,302)</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY 21
	Contract
	<u>42700-610-SA-0000010080</u>
Vocational Services	
Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	2,901
Non-Contract Revenues	-
Other Revenue Sources	<u>9,442</u>
 TOTAL REVENUE	 <u>12,343</u>
 Expenses:	
Salaries	45,129
Work Adjustment Wages	695
Payroll Taxes	3,756
Group Insurance	6,507
Workers' Compensation	1,616
Printing and Postage	413
Supplies	74
Retirement	1,179
Employee Mileage/Travel	210
Conferences and Training	400
Telephone/Internet	1,068
Building/Equipment Repairs and Maintenance	163
Depreciation	(42)
Employment Expense	69
Oper. & Maintenance Allocation	<u>(112)</u>
 TOTAL EXPENSES	 <u>61,125</u>
 REVENUE OVER (UNDER) EXPENSES	 <u><u>(48,782)</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY 20 TSE Service Agreement
Traditional Supported Employment	
Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	6,625
Other Revenue Sources	<u>-</u>
TOTAL REVENUE	<u>6,625</u>
Expenses:	
Direct Services	6,625
TOTAL EXPENSES	<u>6,625</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL
DISABILITIES - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY 21 Contract <u>#44100-264-9072021104</u>
Grant-In Aid Services	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>2,991</u>
TOTAL REVENUE	<u>2,991</u>
Expenses:	
Salaries	2,752
Payroll Taxes	239
TOTAL EXPENSES	<u>2,991</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL
DISABILITIES - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY 20 Contract <u>#44100-264-9072020104</u>
Grant-In Aid Services	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>52,241</u>
TOTAL REVENUE	<u>52,241</u>
Expenses:	
Salaries	48,062
Payroll Taxes	4,179
TOTAL EXPENSES	<u>52,241</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL
DISABILITIES - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY20 Contract <u>#44100-907-0000134259</u>
Summer Enrichment	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>150,000</u>
TOTAL REVENUE	<u>150,000</u>
Expenses:	
Direct Services	<u>150,000</u>
TOTAL EXPENSES	<u>150,000</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL
DISABILITIES - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

	FY19 Contract <u>#44100-907-0000126352</u>
Champions for Children Program	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	58,165
Other Revenue Sources	<u>-</u>
TOTAL REVENUE	<u>58,165</u>
Expenses:	
Direct Services	<u>58,165</u>
TOTAL EXPENSES	<u>58,165</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

Champions for Children Program	FY20 Contract #2015037
Revenue:	
State of Georgia Department of Community Health - Contract Revenues	725,340
TOTAL REVENUE	725,340
Expenses:	
Direct Services	725,340
TOTAL EXPENSES	725,340
REVENUE OVER (UNDER) EXPENSES	-

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2020

Champions for Children Program	FY21 Contract #2015037
Revenue:	
State of Georgia Department of Community Health - Contract Revenues	139,536
TOTAL REVENUE	139,536
Expenses:	
Direct Services	139,536
TOTAL EXPENSES	139,536
REVENUE OVER (UNDER) EXPENSES	-

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 2020**

EasterSeals Southern Georgia, Inc. entered into contracts with the State of Georgia Department of Behavioral Health and Developmental Disabilities, the Georgia Vocational Rehabilitation Agency, and the Georgia Department of Community Health to provide respite, family support, and vocational services. The following contracts were completed during the year under audit:

<u>Grant Number</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>Due (To)From Granting Agency as of 8/31/2020</u>
<u>Georgia Vocational Rehabilitation Agency:</u>			
42700-610-0000081668	\$ 229,068	7/1/19 to 6/30/20	\$ 27,721
Supported Employment	949,315	8/1/19 to 6/30/20	-
Customized Supported Employment	949,315	8/1/19 to 6/30/20	-
<u>Georgia Department of Behavioral Health and Developmental Disabilities:</u>			
44100-264-9072020104	\$ 287,540	7/1/19 to 6/30/20	\$ -
44100-907-00000134259	150,000	7/1/19 to 6/30/20	-
44100-907-00000126352	250,000	3/1/19 to 2/28/20	-
<u>Georgia Department of Community Health:</u>			
2015037	\$ 1,013,000	7/1/19 to 6/30/20	\$ -

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL RAHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
July 1, 2019 - June 30, 2020

Contract #42700-610-0000081668	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Vocational Services			
REVENUE:			
Georgia Vocational Rehabilitation Agency			
Contract Revenues	229,068	229,068	-
Non-Contract Revenues	78,620	716,592	637,972
Other Revenue Sources	<u>23,616</u>	<u>-</u>	<u>(23,616)</u>
TOTAL REVENUE	<u>331,304</u>	<u>945,660</u>	<u>614,356</u>
EXPENSES:			
Salaries	291,080	351,250	60,170
Client Wages	80,790	234,170	153,380
Payroll Taxes	29,733	43,279	13,546
Group Insurance	44,181	52,590	8,409
Workers' Compensation	12,834	21,080	8,246
Postage	466	150	(316)
Supplies	2,575	3,500	925
Promotional Expense	-	180	180
Retirement	3,290	6,218	2,928
Program Activities	52	-	(52)
Employee Mileage/Travel	26,953	53,830	26,877
Conferences and Training	2,076	1,290	(786)
Telephone/Internet	7,776	9,610	1,834
Equipment Purchases	1,282	600	(682)
Building & Equipment R&M	1,386	950	(436)
Depreciation	1,283	1,325	42
Software Subscriptions	-	100	100
Employment Expense	849	2,470	1,621
Operation & Maint. Alloc	<u>23,997</u>	<u>41,074</u>	<u>17,077</u>
TOTAL EXPENSES	<u>530,603</u>	<u>823,666</u>	<u>293,063</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ (199,299)</u>	<u>\$ 121,994</u>	<u>\$ 321,293</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2019 - June 30, 2020

	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Traditional Supported Employment Services Agreement			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>6,625</u>	<u>-</u>	<u>(6,625)</u>
TOTAL REVENUE	<u>6,625</u>	<u>0</u>	<u>(6,625)</u>
EXPENSES:			
Direct Services	<u>6,625</u>	<u>-</u>	<u>(6,625)</u>
TOTAL EXPENSES	<u>6,625</u>	<u>0</u>	<u>(6,625)</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2019 - June 30, 2020

Contract No. 44100-264-9072020104	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Grant-In Aid Services			
REVENUE:			
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>61,279</u>	<u>287,540</u>	<u>226,261</u>
TOTAL REVENUE	<u>61,279</u>	<u>287,540</u>	<u>226,261</u>
EXPENSES:			
Salaries	<u>56,409</u>	<u>264,537</u>	<u>208,128</u>
Payroll Taxes	<u>4,870</u>	<u>23,003</u>	<u>18,133</u>
TOTAL EXPENSES	<u>61,279</u>	<u>287,540</u>	<u>226,261</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2019 - June 30, 2020

Contract No. 44100-907-0000134259	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Summer Enrichment			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>150,000</u>	<u>150,000</u>	<u>-</u>
TOTAL REVENUE	<u>150,000</u>	<u>150,000</u>	<u>-</u>
EXPENSES:			
Direct Services	<u>150,000</u>	<u>150,000</u>	<u>-</u>
TOTAL EXPENSES	<u>150,000</u>	<u>150,000</u>	<u>-</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
March 1, 2019 - February 28, 2020

Contract No. 44100-907-0000126352	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Champions for Children Program			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>250,000</u>	<u>250,000</u>	<u>-</u>
TOTAL REVENUE	<u>250,000</u>	<u>250,000</u>	<u>-</u>
EXPENSES:			
Direct Services	<u>250,000</u>	<u>250,000</u>	<u>-</u>
TOTAL EXPENSES	<u>250,000</u>	<u>250,000</u>	<u>-</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2019 - June 30, 2020

	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Contract No. 2015037			
Champions for Children Program			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>725,340</u>	<u>1,013,000</u>	<u>287,660</u>
TOTAL REVENUE	<u>725,340</u>	<u>1,013,000</u>	<u>287,660</u>
EXPENSES:			
Direct Services	<u>725,340</u>	<u>1,013,000</u>	<u>287,660</u>
TOTAL EXPENSES	<u>725,340</u>	<u>1,013,000</u>	<u>287,660</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CLENNEY + LUKE, PC

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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 of
EasterSeals Southern Georgia, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of EasterSeals Southern Georgia, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2020, and the related consolidated statements of activities functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EasterSeals Southern Georgia, Inc.'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*.

MEMBERS

American Institute of Certified Public Accountants / Georgia Society of Certified Public Accountants

Purpose of this Report

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

CLENNEY + LUKE, P.C.

A handwritten signature in cursive script that reads "Clenny + Luke PC". The signature is written in dark ink and is positioned above a horizontal line.

Albany, Georgia
December 8, 2020

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2020**

There were no findings for the prior fiscal year ending August 31, 2019.

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FINDING AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2020**

There were no findings for the fiscal year ending August 31, 2020.