

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

**1906 Palmyra Road
Albany, Georgia**

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES

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**CLENNEY,
POWELL &
RENTZ, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Easter Seals Southern Georgia, Inc

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Easter Seals Southern Georgia, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of August 31, 2015 and 2014, and the related consolidated 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals Southern Georgia, Inc. as of August 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


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 20 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 November 18, 2015, on our consideration of Easter Seals 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 Easter Seals Southern Georgia, Inc.'s internal control over financial reporting and compliance.

CLENNEY, POWELL & RENTZ



Certified Public Accountants
Albany, Georgia
November 18, 2015

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:		
Cash	\$ 1,537,159	\$ 1,069,803
Accounts Receivable:		
Production work sites	31,471	17,393
Contracts	338,062	239,483
Other receivables	14,024	4,509
Patient fees	528,711	359,024
Allowance for doubtful accounts	(3,000)	(3,000)
Unconditional Promises to Give	74,850	11,825
Inventory, at cost	51,382	53,942
Prepaid expenses	<u>116,266</u>	<u>99,978</u>
 Total Current Assets	 <u>2,688,925</u>	 <u>1,852,957</u>
PROPERTY:		
Investment Property	38,500	38,500
Land, buildings and equipment, net	2,725,120	<u>2,905,848</u>
 Net Property	 <u>2,763,620</u>	 <u>2,944,348</u>
OTHER ASSETS:		
Unconditional Promises to Give	4,750	7,000
Cash Held in Unemployment Service Trust	92,040	130,303
Cash - Donor Restricted Endowment	<u>41,451</u>	<u>42,905</u>
 Total Other Assets	 <u>138,241</u>	 <u>180,208</u>
 TOTAL ASSETS	 <u>\$ 5,590,786</u>	 <u>\$ 4,977,513</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 252,697	\$ 266,560
Accrued Payroll and Other	241,617	212,625
Notes Payable-Current Portion	41,361	79,809
Deferred Revenue	<u>825,425</u>	<u>457,867</u>
 Total Current Liabilities	 1,361,100	 1,016,861
 Long Term Portion of Notes Payable	 <u>241,943</u>	 <u>283,305</u>
 Total Liabilities	 <u>1,603,043</u>	 <u>1,300,166</u>
NET ASSETS:		
Unrestricted:		
Board Designated	319,352	266,700
Undesignated	1,523,383	<u>1,384,256</u>
Total Unrestricted	1,942,735	1,650,956
Temporarily Restricted	2,002,908	1,984,291
Permanently Restricted	<u>42,100</u>	<u>42,100</u>
 Total Net Assets	 <u>3,987,743</u>	 <u>3,677,347</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 5,590,786</u>	 <u>\$ 4,977,513</u>

See notes to consolidated financial statements

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Revenue								
Public Support:								
Memorials, Bequests-Cash	\$ 81,772	\$ 123,630	\$ -	\$ 205,402	\$ 66,085	\$ 57,847	-	\$ 123,932
-Noncash	14,000	-	-	14,000	2,214	-	-	2,214
Special Events, Net-Note 8	41,734	-	-	41,734	53,026	-	-	53,026
United Way Allocation	24,145	-	-	24,145	24,482	-	-	24,482
TOTAL PUBLIC SUPPORT	<u>161,651</u>	<u>123,630</u>	<u>-</u>	<u>285,281</u>	<u>145,807</u>	<u>57,847</u>	<u>-</u>	<u>203,654</u>
Revenue:								
Government Grants	3,762,016	-	-	3,762,016	2,742,047	100,000	-	2,842,047
Program Service Fees-Note 2	6,969,070	-	-	6,969,070	6,383,231	-	-	6,383,231
Production Income	135,479	-	-	135,479	128,242	-	-	128,242
Investment Income	3,456	-	-	3,456	15,593	-	-	15,593
Rent Income-Note 9	5,000	-	-	5,000	5,000	-	-	5,000
HUD Property Fees	(482)	-	-	(482)	187	-	-	187
Miscellaneous Income	4,768	-	-	4,768	4,664	-	-	4,664
Net Assets Released from Restrictions	105,013	(105,013)	-	-	53,770	(53,770)	-	-
TOTAL REVENUE	<u>10,984,320</u>	<u>(105,013)</u>	<u>-</u>	<u>10,879,307</u>	<u>9,332,734</u>	<u>46,230</u>	<u>-</u>	<u>9,378,964</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>11,145,971</u>	<u>18,617</u>	<u>-</u>	<u>11,164,588</u>	<u>9,478,541</u>	<u>104,077</u>	<u>-</u>	<u>9,582,618</u>
Expenses:								
Direct Services	9,995,759	-	-	9,995,759	8,363,510	-	-	8,363,510
Fund Raising	23,681	-	-	23,681	20,560	-	-	20,560
Management and General	798,240	-	-	798,240	706,159	-	-	706,159
National Membership Fees	36,512	-	-	36,512	35,653	-	-	35,653
Total Expenses	<u>10,854,192</u>	<u>-</u>	<u>-</u>	<u>10,854,192</u>	<u>9,125,882</u>	<u>-</u>	<u>-</u>	<u>9,125,882</u>
Loss on Sale of Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,187</u>	<u>-</u>	<u>-</u>	<u>49,187</u>
Total Expenses and Losses	<u>10,854,192</u>	<u>-</u>	<u>-</u>	<u>10,854,192</u>	<u>9,175,069</u>	<u>-</u>	<u>-</u>	<u>9,175,069</u>
CHANGE IN NET ASSETS	291,779	18,617	-	310,396	303,472	104,077	-	407,549
Net Assets at Beginning of Year	1,650,956	1,984,291	42,100	3,677,347	1,347,484	1,880,214	42,100	3,269,798
NET ASSETS-END OF YEAR	<u>\$ 1,942,735</u>	<u>\$ 2,002,908</u>	<u>\$ 42,100</u>	<u>\$ 3,987,743</u>	<u>\$ 1,650,956</u>	<u>\$ 1,984,291</u>	<u>\$ 42,100</u>	<u>\$ 3,677,347</u>

See notes to consolidated financial statements

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	Direct Services	Fund Raising	Management and General	National Membership Fees	2015 Totals	2014 Totals
Salaries	\$ 4,154,285	\$ 12,602	\$ 478,242	\$ -	\$ 4,645,129	\$ 4,187,551
Work Adjustment Wages	161,950			-	161,950	95,234
Sheltered Employment Wages	48,307	-		-	48,307	41,023
Contract Services	465,666	134	46,063		511,863	379,788
FICA Tax	324,892	929	37,807	-	363,628	319,112
Unemployment Tax	2,099	-	1,978	-	4,077	17,341
Group Insurance	473,211	1,796	54,864	-	529,871	481,650
Workers Comp Insurance	266,999	782	30,641		298,422	223,121
Postage and Printing	6,306	14	4,907	-	11,227	10,863
Supplies	124,375	2,588	12,558	-	139,521	94,501
Food	123,909	-			123,909	120,520
Promotional Expense	9,535		17,366	-	26,901	31,614
Auto and Travel Expense	261,867	-	25,408	-	287,275	274,326
Conference and Training	30,087	499	1,840	-	32,426	32,338
References and Publications	1,265	-	20	-	1,285	602
Rent Expense	145,472				145,472	126,127
Insurance	65,133	335	6,797	-	72,265	71,873
Utilities	187,854	594	5,941		194,389	181,229
Telephone/Fax/Beeper	78,465	89	5,478	-	84,032	81,845
Facilities Maintenance/Repair	174,613	727	8,393	-	183,733	160,461
Equipment Maintenance/Repair	27,749	1,632	10,036	-	39,417	47,256
CARF Expense	-	-	9,150		9,150	9,805
Dues and Memberships	10,607	-	4,168		14,775	16,849
NESS Fees	-			36,512	36,512	35,653
Legal and Accounting	22,000	-	10,949	-	32,949	27,450
Employment Expense	29,356	-	481		29,837	34,149
Family Support/Direct Services	2,498,558	-		-	2,498,558	1,726,685
Miscellaneous Expense	50,529	178	16,287	-	66,994	54,868
Noncash Donation Expense					-	470
Interest	14,361	-	1,043		15,404	16,215
Depreciation	<u>134,295</u>	<u>782</u>	7,823	-	<u>142,900</u>	<u>125,791</u>
Totals Before Depreciation of Assets Funded by Governmental Agencies	9,893,745	23,681	798,240	36,512	10,752,178	9,026,310
Depreciation	<u>102,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,014</u>	<u>99,572</u>
Totals	<u>\$ 9,995,759</u>	<u>\$ 23,681</u>	<u>\$ 798,240</u>	<u>\$ 36,512</u>	<u>\$ 10,854,192</u>	<u>\$ 9,125,882</u>

See notes to consolidated financial statements

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2015</u>	<u>2014</u>
Change in Net Assets	\$ 310,396	\$ 407,549
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	244,914	225,363
(Gain) Loss on Disposal of Assets	-	49,187
(Gain) Loss on Assets Held in Trust	2,675	(5,338)
Non-Cash Items-Net	(9,923)	14,929
Contributions Restricted for Long Term Purposes	(123,630)	(57,847)
Changes in Operating Assets and Liabilities:		
Accounts Receivable-Net	(291,859)	(152,487)
Inventories	2,560	5,125
Prepaid Expenses and Other Assets	(16,288)	(4,182)
Net Transfers to Unemployment Service Trust	46,863	15,047
Accounts Payable	(13,863)	26,770
Accrued Expenses	28,992	41,338
Deferred Income	367,558	110,568
Net Cash Provided/(Used) by Operating Activities	<u>548,395</u>	<u>676,022</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment	(104,085)	(368,640)
Proceeds from Disposal of Assets	<u>-</u>	<u>159,460</u>
Net Cash Provided/(Used) in Investing Activities	<u>(104,085)</u>	<u>(209,180)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes	(39,809)	(134,842)
Proceeds from New Borrowings	-	118,500
Proceeds from Restricted Contributions	<u>62,855</u>	<u>39,022</u>
Net Cash Provided/(Used) in Financing Activities	<u>23,046</u>	<u>22,680</u>
Net Increase in Cash and Cash Equivalents	467,356	489,522
Cash and Cash Equivalents-Beginning of Year	<u>1,069,803</u>	<u>580,281</u>
Cash and Cash Equivalents-End of Year	\$ 1,537,159	\$ 1,069,803
Supplemental Disclosures:		
Interest Paid	\$ 15,404	\$ 16,215

See notes to consolidated financial statements

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Easter Seals Southern Georgia, Inc., (the parent) and its related entities were organized under the Georgia Nonprofit Corporation Act. Easter Seals 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. 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.

Easter Seals 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 Easter Seals 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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The organization used 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.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

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 temporarily restricted net assets to unrestricted net assets at that time.

Capitalization and Depreciation Policy

Property, plant and equipment purchased at a cost of \$1,000 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 \$1,000 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. Easter Seals Southern Georgia, Inc. therefore reports information about its financial position and activities using three classes of net assets that recognize the existence and nature of restrictions on its net assets.

Unrestricted net assets 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.

Temporarily restricted net assets 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.

Permanently restricted net assets represent resources whose use is limited by donor-imposed restrictions that require the net assets to be maintained permanently.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

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, 2015, and for the fiscal year then ended, the Organization held no marketable securities or debt securities meeting these criteria.

Contributions

The Organization also elected to adopt SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support 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 unrestricted net assets 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 temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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.

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

NOTE 2 – PROGRAM SERVICE FEES

A schedule of program service fees earned during the fiscal year ended August 31, 2015, follows:

Medicaid Fee Income	\$ 6,413,231
HUD Fee Income	333,359
Consumer Income	222,480
 Total	 \$ 6,969,070

NOTE 3 – CONTRACTS RECEIVABLE

The Organization was owed the following amounts on state contracts as of August 31, 2015:

Georgia Vocational Rehabilitation Agency: Sheltered Employment/Work Adjustment	\$ 89,734
Florida Department of Education: Vocational Contracts	17,963
Georgia Department of Behavioral Health and Developmental Disabilities: Respite Contracts	200,605
Intensive Family Support	<u>29,760</u>
	<u>\$ 338,062</u>

NOTE 4 – INVESTMENT PROPERTY

The carrying value shown represents the fair market value assigned per appraisal in 1978 for certain unimproved real estate bequested 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, 2015.

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, 2015, is presented on the following page.

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015

ASSETS	COST/BASIS 8/31/2014	ADDITIONS	DELETIONS	COST/BASIS 8/31/2015	ACC DEP 8/31/2015	NET
Land	\$ 84,035	\$ -	\$ (7,560)	\$ 76,475	\$ -	\$ 76,475
Building	1,681,346	15,413	(46,340)	1,650,419	985,080	665,339
Equipment	652,395	93,563	(8,300)	737,658	440,676	296,982
Totals-Easter Seals	2,417,776	108,976	(62,200)	2,464,552	1,425,756	1,038,796
Land	32,897	-	-	32,897	-	32,897
Furniture/Equipment	10,943	-	-	10,943	9,478	1,465
Building	359,312	2,800	-	362,112	225,107	137,005
Totals-OFL, Inc.	403,152	2,800	-	405,952	234,585	171,367
Land	9,993	-	-	9,993	-	9,993
Furniture/Equipment	9,047	-	-	9,047	2,685	6,362
Building	206,025	-	-	206,025	118,475	87,550
Totals-OFL East One	225,065	-	-	225,065	121,160	103,905
Land	9,965	-	-	9,965	-	9,965
Equipment	7,634	-	-	7,634	6,286	1,348
Building	530,613	3,060	-	533,673	299,688	233,985
Totals-OFL East Two	548,212	3,060	-	551,272	305,974	245,298
Land	30,494	-	-	30,494	-	30,494
Equipment	2,165	-	-	2,165	1,273	892
Building	429,377	-	-	429,377	205,490	223,887
Totals-Colquitt Options	462,036	-	-	462,036	206,763	255,273
Land	16,000	-	-	16,000	-	16,000
Furniture/Equipment	600	-	-	600	257	343
Building	201,599	-	-	201,599	85,311	116,288
Totals-Crisp Options	218,199	-	-	218,199	85,568	132,631
Land	29,756	-	-	29,756	-	29,756
Equipment	1,232	-	-	1,232	765	467
Building	276,850	-	-	276,850	109,869	166,981
Totals-Grady Options	307,838	-	-	307,838	110,634	197,204
Land	53,822	-	-	53,822	-	53,822
Furniture/Equipment	9,235	709	-	9,944	7,479	2,465
Building	353,034	2,540	-	355,574	124,776	230,798
Totals-Valdosta Options	416,091	3,249	-	419,340	132,255	287,085
Land	8,813	-	-	8,813	-	8,813
Furniture/Equipment	11,050	-	-	11,050	10,848	202
Building	420,846	-	-	420,846	136,300	284,546
Total-Satilla Solutions	440,709	-	-	440,709	147,148	293,561
TOTALS	\$ 5,439,078	\$ 118,085	\$ (62,200)	\$ 5,494,963	\$ 2,769,843	\$ 2,725,120

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

NOTE 5 – LAND, BUILDING AND EQUIPMENT (Continued)

The land, building and equipment of \$5,494,963 at August 31, 2015, consisted of purchased assets recorded at cost in the amount of \$4,960,304 and donated assets recorded at fair market value in the amount of \$534,659. Depreciation for the year was \$244,914 of which \$142,900 was attributable to Easter Seals Southern Georgia, Inc., and \$102,014 was attributable to its related entities.

NOTE 6 – CASH

As of August 31, 2015 the carrying amount of the Organization's deposits was \$1,537,159. The bank balances totaled \$1,471,428 of which \$1,195,763 was insured by Federal Deposit Insurance Coverage and \$275,665 was uninsured.

NOTE 7 – DEFERRED REVENUES

The balance shown represents certain collections received by August 31, 2015, which are not recognized as current year revenues in these financial statements. A detailed schedule follows:

Advances from State of Georgia Department Of Behavioral Health and Developmental Disabilities – Respite Contracts	\$ 354,006
Champions for Children	466,782
Other Miscellaneous	<u>4,637</u>
Total Deferred Revenues	<u>\$ 825,425</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
Spring Bass Tournament	\$ 27,700	\$ 20,938	\$ 6,762
Christmas Ornament Sales	5,250	488	4,762
Chocolate Classics	6,840	2,075	4,765
Wine Markets	100	50	50
Duathlon	31,001	11,988	19,013
Uncorked and Unplugged	23,530	18,425	5,105
Other Miscellaneous Events	<u>1,738</u>	<u>461</u>	<u>1,277</u>
	<u>\$ 96,159</u>	<u>\$ 54,425</u>	<u>\$ 41,734</u>

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

NOTE 9 – RENTAL INCOME

A schedule of the rental income generated during the year ended August 31, 2015, follows:

Midtown Mall Property – See Note 4	<u>\$ 5,000</u>
------------------------------------	-----------------

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, 2015, 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, 2015:

Year Ending August 31:	
2016	\$ 5,000
2017	5,000
2018	5,000
2019	5,000
2020	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, Easter Seals 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.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

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.

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.

Since it is the policy of the Organization that employees are not allowed to carry over vacation leave from one fiscal year to the next and payment is not made for unused sick leave, any contingent liability at August 31, 2015, is considered to be immaterial and no liability has been accrued in these financial statements.

NOTE 15 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of August 31, 2015:

Net assets of HUD Group Homes	\$ 1,721,431
Restricted Contributions	<u>281,477</u>
Total Temporarily Restricted	\$ 2,002,908

NOTE 16 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of donations made to the endowment fund of the organization. Per the endowment fund policies adopted by the organization, only the interest and other investment income from the donations may be used by Easter Seals. As of August 31, 2015, Easter Seals permanently restricted net assets were \$42,100.

NOTE 17 – SUBSEQUENT EVENT

On October 9, 2015, Easter Seals Southern Georgia, Inc. purchased real estate in Valdosta, Georgia. The organization secured financing from SB&T Bank in the amount of \$115,000 to purchase this property. The amount was financed at 4.35% for five years with a balloon payment due at the end of the five year amortization period.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

NOTE 18 - PROMISES TO GIVE

Unconditional promises to give at August 31, 2015, consist of \$79,600 related to the Megan's House capital campaign. Amounts due are as follows:

	<u>Current</u>	Noncurrent
Receivable in less than one year	\$ 74,850	\$ -
Receivable in one to five years	-	4,750
		<hr/>
Total Unconditional Promises to Give	<u>\$ 74,850</u>	\$ 4,750

All remaining balances associated with the capital campaign are considered to be collectible and no allowance account has been established. The discount to present value of the noncurrent balance is considered immaterial.

NOTE 19 – DEBT

Notes Payable

The Organization's notes payable consisted of the following at August 31, 2015:

A note was secured from SB&T Bank on October 8, 2013, for the purpose of purchasing real estate in Valdosta, Georgia. The amount of the note was \$118,500 which is payable in 35 installments of \$868. The note bears interest at a rate of 3.80% and matures in September, 2016.

A note was secured from SB&T Bank on May 8, 2013, for the purpose of refinancing a prior note for the purchase of vehicles. The amount of the note was \$117,070 and is payable in 48 installments of \$2,630. The note bears interest at a rate of 3.75% and matures in May, 2017.

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.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

NOTE 19 –DEBT (CONTINUED)

Principal maturities of the aforementioned notes payable are as follows

Year Ending August 31:

2016 (Current)	\$ 41,361
2017	\$ 129,201
2018	5,278
2019	5,514
2020	5,760
Thereafter	96,190
Total Noncurrent	\$ 241,943

Line of Credit

A line of credit in the amount of \$500,000 was renewed with SB&T Bank on October 13, 2014. The purpose of the line was for working capital. The interest rate on the outstanding principal balance of the line of credit is 4.00% and the entire principal and interest balance is due and payable on October 13, 2015. As of August 31, 2015, there was no outstanding balance on the line of credit.

NOTE 20 – LIMITATIONS ON NET ASSETS

The organization's board of directors has chosen to place the following limitations on unrestricted net assets:

	<u>2015</u>
Designated for Megan's House Campaign	\$ 24,500
Designated for Unemployment Claims	92,040
Designated for Capital Improvements	194,948
Designated for USDA Sinking Fund	7,864
Undesignated	<u>1,623,383</u>
Unrestricted Net Assets	\$1,942,735

NOTE 21 – DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management of the Organization has evaluated the effects of subsequent events through November 18, 2015, which is the date the financial statements are available to be issued.



**CLENNEY,
POWELL &
RENTZ, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

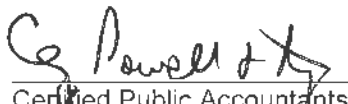
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PUBLIC ACCOUNTANTS**
**GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS**

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATING INFORMATION

To the Board of Directors
Easter Seals Southern Georgia, Inc.

Our report on our audits of the consolidated financial statements of Easter Seals Southern Georgia, Inc. and related entities for the years ended August 31, 2015 and 2014 appears on page 1-2. Those audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 18-19 have been subjected to the auditing procedures applied in the audits of the consolidated financial statements and is presented for purposes of additional analysis of the consolidated financial statements rather than to present financial position, results of operations, and cash flows of the individual companies. Accordingly, we do not express an opinion on the financial position, results of operations, and cash flows of the individual companies. However, in our opinion, the consolidating information on pages 18-19 is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

CLENNEY, POWELL & RENTZ, P.C.



Certified Public Accountants
Albany, Georgia
November 18, 2015

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2015

<u>ASSETS</u>	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
CURRENT ASSETS:				
Cash	\$ 1,537,159	\$ -	\$ 1,363,795	\$ 173,364
Accounts Receivable:				
Production Work Sites	31,471	-	31,471	-
Contracts	338,062	-	338,062	-
Other Receivables	14,024	(114,493)	127,533	984
Patient Fees, less allowance for uncollectible accounts of \$3,000	525,711	-	525,711	-
Unconditional Promises to Give	74,850	-	74,850	-
Inventory, at cost	51,382	-	51,382	-
Prepaid Expenses	116,266	-	107,210	9,056
Total Current Assets	<u>2,688,925</u>	<u>-</u>	<u>2,620,014</u>	<u>183,404</u>
PROPERTY:				
Investment Property	38,500	-	38,500	-
Land, building and equipment, net	2,725,120	-	1,038,798	1,686,322
Net Property	<u>2,763,620</u>	<u>-</u>	<u>1,077,298</u>	<u>1,686,322</u>
OTHER ASSETS:				
Unconditional Promises to Give	4,750	-	4,750	-
Cash Held in Unemployment Service Trust	92,040	-	92,040	-
Cash - Donor Restricted Endowment	41,451	-	41,451	-
Total Other Assets	<u>138,241</u>	<u>-</u>	<u>138,241</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,590,786</u>	<u>\$ -</u>	<u>\$ 3,835,553</u>	<u>\$ 1,869,726</u>
 <u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 252,697	\$ (114,493)	\$ 228,812	\$ 138,378
Accrued Payroll and Other	241,617	-	231,700	9,917
Notes Payable-Current Portion	41,361	-	41,361	-
Deferred Revenue	825,425	-	825,425	-
Total Current Liabilities	1,361,100	(114,493)	1,327,298	148,295
Long Term Portion of Notes Payable	241,943	-	241,943	-
Total Liabilities	<u>1,603,043</u>	<u>(114,493)</u>	<u>1,569,241</u>	<u>148,295</u>
NET ASSETS:				
Unrestricted:				
Board Designated	319,352	-	319,352	-
Undesignated	1,623,383	-	1,623,383	-
Total Unrestricted	1,942,735	-	1,942,735	-
Temporarily Restricted	2,002,908	-	281,477	1,721,431
Permanently Restricted	42,100	-	42,100	-
Total Net Assets	<u>3,987,743</u>	<u>-</u>	<u>2,266,312</u>	<u>1,721,431</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,590,786</u>	<u>\$ (114,493)</u>	<u>\$ 3,835,553</u>	<u>\$ 1,869,726</u>

**EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING AUGUST 31, 2015**

<u>Unrestricted Net Assets:</u>			Easter Seals Southern Georgia, Inc.	HUD Group Homes
	<u>Consolidated</u>	<u>Eliminations</u>		
Public Support and Revenue				
Public Support:				
Memorials, Bequests-Cash	\$ 81,772	\$ -	\$ 81,772	\$ -
-Noncash	14,000	-	14,000	-
Special Events, Net	41,734	-	41,734	-
United Way Allocation	24,145	-	24,145	-
TOTAL PUBLIC SUPPORT	<u>161,651</u>	<u>-</u>	<u>161,651</u>	<u>-</u>
Revenue:				
Government Grants	3,762,016	-	3,762,016	-
Program Service Fees	6,969,070	-	6,635,711	333,359
Production Income	135,479	-	135,479	-
Investment Income	3,456	-	3,267	189
Rent Income	5,000	-	5,000	-
HUD Property Fees	(482)	(67,023)	66,541	-
Miscellaneous Income	4,768	-	3,987	781
Net Assets Released from Restrictions	105,013	-	105,013	-
TOTAL REVENUE	<u>10,984,320</u>	<u>(67,023)</u>	<u>10,717,014</u>	<u>334,329</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>11,145,971</u>	<u>(67,023)</u>	<u>10,878,665</u>	<u>334,329</u>
Expenses:				
Direct Services	9,995,759	(67,023)	9,623,440	439,342
Fund Raising	23,681	-	23,681	-
Management and General	798,240	-	798,240	-
National Membership Fees	36,512	-	36,512	-
Total Expenses	<u>10,854,192</u>	<u>(67,023)</u>	<u>10,481,873</u>	<u>439,342</u>
Loss on Sale of Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses and Losses	<u>10,854,192</u>	<u>(67,023)</u>	<u>10,481,873</u>	<u>439,342</u>
Change in Unrestricted Net Assets	<u>291,779</u>	<u>-</u>	<u>396,792</u>	<u>(105,013)</u>
Temporarily Restricted Net Assets:				
Donations	123,630	-	123,630	-
Net Assets Released from Restrictions	(105,013)	-	(105,013)	-
Change in Temporarily Restricted Net Assets	<u>18,617</u>	<u>-</u>	<u>18,617</u>	<u>-</u>
CHANGE IN NET ASSETS	310,396	-	415,409	(105,013)
Net Assets at Beginning of Year	3,677,347	-	1,850,903	1,826,444
NET ASSETS AT END OF YEAR	<u>\$ 3,987,743</u>	<u>\$ -</u>	<u>\$ 2,266,312</u>	<u>\$ 1,721,431</u>

SUPPLEMENTARY INFORMATION

(See Accompanying Independent Auditors' Report)

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
SUMMARY STATEMENT OF SERVICES DELIVERED
FOR THE YEAR ENDED AUGUST 31, 2015**

STATE CONTRACT NUMBERS

441-93-1534003 (GA DBHDD)
441-93-1634007 (GA DBHDD)
44100-907-0000057782 (GA DBHDD)
44100-907-0000066132 (GA DBHDD)
44100-907-0000052073 (GA DBHDD)
201537 (GA DCH)
42700-610-0000023314 (GA Vocational Rehab)
VJ004 (Florida Dept of Education)
VR5075 (Florida Dept of Education)

Enabled by funding from the contracts listed above, Easter Seals Southern Georgia, Inc. provided Work Adjustment, Sheltered Employment, Supported Employment, Residential Services, Community Service, Transition Services, Day Habilitation Services, and Respite Services for 3,425 (unduplicated count) disabled individuals during the year September 1, 2014 through August 31, 2015. These services were provided through contractual agreements between Easter Seals Southern Georgia, Inc. and Georgia Department of Behavioral Health and Developmental Disabilities, Georgia Department of Community Health, Georgia Vocational Rehabilitation Agency, and Florida Department of Education.

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED AUGUST 31, 2015**

<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/ Sheltered Employment Transition Services	42700-610-0000023314	\$ 154,070	\$ 41,699	\$ 195,769
	42700-610-0000023314	80,682	21,836	102,518
Georgia Department of Behavioral Health & Developmental Disabilities				
Family Support Services	441-93-1534003	-	2,284,542	2,284,542
	441-93-1634007	-	334,631	334,631
	44100-907-0000057782	-	107,045	107,045
	44100-907-0000052073	-	51,265	51,265
	44100-907-0000066132	-	29,760	29,760
Georgia Department of Community Health				
Champions for Children	2015037	-	250,000	250,000
Florida Department of Education				
Employment Services/ On-the-Job Training	VJ004	24,098	6,522	30,620
	VR5075	14,071	3,808	17,879
Other				
FL Dept of Education Miscellaneous			14,565	14,565
GA Vocational Rehab Miscellaneous		19,033	70,326	89,359
GA DBHDD Hospital Transitions			115,493	115,493
NACCRRRA (Air Force Respite)		2,700	-	2,700
Champions for Children		-	135,870	135,870
TOTAL GOVERNMENT GRANTS		<u>\$ 294,654</u>	<u>\$3,467,362</u>	<u>\$3,762,016</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2015

	FY 15 Contract #42700-610-0000023314
Work Adjustment, Vocational Evaluation, and Transition Services Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	195,769
Non-Contract Revenues	89,359
Other Revenue Sources	41,929
TOTAL REVENUE	327,057
Expenses:	
Salaries	133,716
Work Adjustment Wages	105,376
Contract Services	500
Payroll Taxes	17,624
Unemployment Taxes	-
Group Insurance	7,257
Workers' Compensation	13,831
Printing and Postage	251
Supplies	4,806
Promotional	417
Travel Expense	33,404
Conferences and Training	1,556
Utilities	4,166
Telephone/Internet	3,643
Building Repairs and Maintenance	3,165
Equipment Repairs and Maintenance	2,187
Equipment Purchases	2,815
Depreciation	694
Equipment Leases	168
Employment Expense	1,475
Oper. & Maintenance Allocation	9,855
TOTAL EXPENSES	346,906
REVENUE OVER (UNDER) EXPENSES	(19,849)

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY 16 Contract <u>#42700-610-0000023314</u>
Work Adjustment, Vocational Evaluation, and Transition Services Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	102,518
Other Revenue Sources	<u>19,839</u>
TOTAL REVENUE	<u>122,357</u>
Expenses:	
Salaries	38,869
Work Adjustment Wages	41,063
Contract Services	110
Payroll Taxes	5,789
Group Insurance	310
Workers' Compensation	4,842
Printing and Postage	10
Supplies	1,378
Travel Expense	9,305
Conferences and Training	60
Utilities	975
Telephone/Internet	713
Building Repairs and Maintenance	179
Equipment Repairs and Maintenance	325
Equipment Purchases	159
Depreciation	139
Equipment Leases	20
Employment Expense	723
Oper. & Maintenance Allocation	<u>2,002</u>
TOTAL EXPENSES	<u>106,971</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>15,386</u></u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL
 DISABILITIES - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY15 Contract <u>#441-93-1534003</u>
MR/DD/Autism	
Revenue:	
Other Revenue Sources	322,036
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>2,284,542</u>
TOTAL REVENUE	<u>2,606,578</u>
Expenses:	
Salaries	299,226
Contract Services	1,939
Payroll Taxes	23,444
Group Insurance	10,181
Workers' Compensation	12,490
Printing and Postage	2,013
Supplies	5,179
Promotional Expense	744
Employee Mileage/Travel	10,013
Conferences and Training	797
Rent	12,000
Employee Appreciation	605
General Insurance	1,462
Utilities	3,223
Telephone/Internet	3,459
Equipment Purchases	2,375
Building/Equipment Repairs & Maintenance	2,453
Depreciation	80
Equipment Leases	353
Dues and Memberships	869
Employment Expense	841
Family Support & Direct Services	1,531,154
Miscellaneous Expense	100
Personal Support Services	316,215
Operations and Maintenance Cost Allocation	<u>86,497</u>
TOTAL EXPENSES	<u>2,327,712</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>278,866</u></u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL
 DISABILITIES - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY16 Contract <u>#441-93-1634007</u>
MR/DD/Autism	
Revenue:	
Other Revenue Sources	69,351
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	334,631
Other DBHDD Contract Revenue	<u>20,160</u>
TOTAL REVENUE	<u>424,142</u>
Expenses:	
Salaries	64,643
Contract Services	221
Payroll Taxes	4,773
Group Insurance	3,236
Workers' Compensation	2,508
Printing and Postage	725
Supplies	1,744
Promotional Expense	3,441
Employee Mileage/Travel	3,036
Conferences and Training	25
General Insurance	352
References and Publications	-
Rent	2,400
Utilities	520
Telephone/Internet	775
Building/Equipment Repairs & Maintenance	498
Depreciation	162
Equipment Leases	117
Employment Expense	93
Family Support & Direct Services	181,751
Personal Support Services	65,131
Operations and Maintenance Cost Allocation	<u>17,834</u>
TOTAL EXPENSES	<u>353,985</u>
REVENUE OVER (UNDER) EXPENSES	<u>70,157</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL
 DISABILITIES - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY15 Contract <u>#44100-907-0000057782</u>
Champions for Children Program	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>107,045</u>
TOTAL REVENUE	<u>107,045</u>
Expenses:	
Direct Services	<u>107,045</u>
TOTAL EXPENSES	<u>107,045</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL
 DISABILITIES - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY15 Contract
Supported Employment Pilot Project	<u>#44100-907-0000052073</u>
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>51,265</u>
TOTAL REVENUE	<u>51,265</u>
Expenses:	
Wages & Benefits	30,759
Administrative Costs	<u>20,506</u>
TOTAL EXPENSES	<u>51,265</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL
 DISABILITIES - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY15 Contract <u>#44100-907-0000066132</u>
Intensive Family Support Program	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>29,760</u>
TOTAL REVENUE	<u>29,760</u>
Expenses:	
Direct Services	-
Administrative Costs	<u>29,760</u>
TOTAL EXPENSES	<u>29,760</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2015

	FY15 Contract #2015037
Champions for Children Program	<u>250,000</u>
Revenue:	
State of Georgia Department of Community Health - Contract Revenues	<u>250,000</u>
TOTAL REVENUE	<u>250,000</u>
Expenses:	
Direct Services	<u>250,000</u>
TOTAL EXPENSES	<u>250,000</u>
REVENUE OVER (UNDER) EXPENSES	<u>-</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FLORIDA DEPARTMENT OF EDUCATION - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2015

	FY 15 Contract #VJ004
Employment Services, Supported Employment Services, On-the Job Training Services	
Revenue:	
Florida Department of Education	
Contract Revenues	30,620
OJT Employer Reimbursement	8,625
Other Revenue Sources	-
TOTAL REVENUE	39,245
Expenses:	
Salaries	11,251
Work Adjustment Wages	8,687
Contract Services	8,522
Payroll Taxes	1,476
Group Insurance	1,122
Workers' Compensation	696
Printing and Postage	10
Supplies	159
Travel Expense	4,675
Rent	2,100
General Insurance	154
Equipment Purchases	796
Equipment Repairs	163
Dues & Memberships	70
Employment Expense	536
TOTAL EXPENSES	40,417
REVENUE OVER (UNDER) EXPENSES	(1,172)

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FLORIDA DEPARTMENT OF EDUCATION - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2015

	FY 15 Contract #VR5075
Employment Services, Supported Employment Services, On-the Job Training Services	
 Revenue:	
Florida Department of Education	
Contract Revenues	17,879
OJT Employer Reimbursement	5,940
Other Revenue Sources	-
TOTAL REVENUE	23,819
 Expenses:	
Salaries	12,686
Work Adjustment Wages	6,825
Contract Services	6,335
Payroll Taxes	1,478
Group Insurance	1,440
Workers' Compensation	522
Supplies	13
Travel Expense	4,315
Conferences and Training	99
Rent	1,500
General Insurance	270
Equipment Purchases	328
Equipment Repairs	65
Equipment Leases	59
Employment Expense	82
TOTAL EXPENSES	36,017
REVENUE OVER (UNDER) EXPENSES	(12,198)

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 2015**

Easter Seals 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 Florida Department of Education 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 8/31/2015</u>
<u>Georgia Department of Behavioral Health and Developmental Disabilities:</u>			
441-93-1534003	\$ 3,501,343	7/1/14 to 6/30/15	\$ -
<u>Georgia Vocational Rehabilitation Agency:</u>			
42700-610-0000023314	\$ 229,068	7/1/14 to 4/30/15	\$ 2,529
<u>Georgia Department of Community Health:</u>			
2015037	\$ 250,000	7/1/14 to 6/30/15	\$ -
<u>Florida Department of Education:</u>			
VJ004	\$ -	7/1/13 to 3/31/15	\$ 1,823

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2014 - June 30, 2015

Contract No. 441-93-1534003	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference</u> <u>(Over) Under</u>
MR/DD/Autism			
REVENUE:			
Other Revenue Sources	396,162	386,170	(9,992)
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>2,605,515</u>	<u>3,173,180</u>	<u>567,665</u>
TOTAL REVENUE	<u>3,001,677</u>	<u>3,559,350</u>	<u>557,673</u>
EXPENSES:			
Salaries	359,988	386,131	26,143
Contract Services	3,074	1,385	(1,689)
Payroll Taxes	27,866	30,187	2,321
Unemployment Taxes	-	280	280
Group Insurance	12,783	18,620	5,837
Workers' Compensation	14,945	15,325	380
Postage	2,578	3,000	422
Supplies	6,473	3,870	(2,603)
Promotional Expense	2,344	3,000	656
Employee Mileage/Travel	11,639	5,920	(5,719)
Conferences and Training	897	520	(377)
References and Publications	138	-	(138)
Rent Expense	14,400	14,400	-
Employee Appreciation	605	300	(305)
General Insurance	1,706	1,405	(301)
Utilities	3,835	4,330	495
Telephone/Internet	4,264	8,270	4,006
Equipment Purchases	2,375	500	(1,875)
Depreciation	94	20	(74)
Building & Equipment R&M	2,634	1,420	(1,214)
Equipment Leases	353		
Dues and Memberships	869	580	(289)
Employment Expense	1,045	610	(435)
Family Support & Direct Services	1,692,329	2,235,410	543,081
Personal Support Services	371,266	357,840	(13,426)
Operation & Maint. Alloc	<u>100,343</u>	<u>105,375</u>	<u>5,032</u>
TOTAL EXPENSES	<u>2,638,843</u>	<u>3,198,698</u>	<u>560,208</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 362,834</u>	<u>\$ 360,652</u>	<u>\$ (2,535)</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL RAHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
July 1, 2014 - June 30, 2015

Contract #42700-610-0000023314 (FY 15)	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Work Adjustment, Vocational Evaluations and Transition Services			
REVENUE:			
Georgia Vocational Rehabilitation Agency			
Contract Revenues	229,068	159,000	(70,068)
Non-Contract Revenues	89,359	-	(89,359)
Other Revenue Sources	45,771	-	(45,771)
TOTAL REVENUE	364,198	159,000	(205,198)
EXPENSES:			
Salaries	151,856	134,170	(17,686)
Client Wages	123,552	62,500	(61,052)
Contract Services	611	685	74
Payroll Taxes	20,179	17,082	(3,097)
Unemployment Taxes	-	262	262
Group Insurance	10,075	11,270	1,195
Workers' Compensation	16,007	13,210	(2,797)
Postage	337	340	3
Supplies	7,473	1,640	(5,833)
Promotional Expense	886	500	(386)
Employee Mileage/Travel	36,356	23,360	(12,996)
Conferences and Training	1,896	80	(1,816)
Employee Appreciation	59	250	191
Utilities	4,939	4,840	(99)
Telephone/Internet	3,762	2,055	(1,707)
Equipment Purchases	2,815	920	(1,895)
Building & Equipment R&M	5,533	2,000	(3,533)
Depreciation	764	-	(764)
Equipment Leases	207	250	43
Employment Expense	1,827	650	(1,177)
Operation & Maint. Alloc	11,578	12,539	961
TOTAL EXPENSES	400,712	288,603	(112,109)
REVENUE OVER (UNDER) EXPENSES	\$ (36,514)	\$(129,603)	\$ (93,089)

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 July 1, 2014 - June 30, 2015

Contract No. 2015037	<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	250,000	250,000	-
TOTAL REVENUE	<u>250,000</u>	<u>250,000</u>	<u>-</u>
EXPENSES:			
Direct Services	250,000	250,000	-
TOTAL EXPENSES	<u>250,000</u>	<u>250,000</u>	<u>-</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FLORIDA DEPARTMENT OF EDUCATION - CONTRACTS
REVENUES AND EXPENSES
July 1, 2013 - March 31, 2015

Contract No. VJ004	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Employment Services, Supported Employment Services, On-the Job Training Services			
REVENUE:			
Florida Department of Education			
Contract Revenues	48,423	32,081	(16,342)
OJT Employer Reimbursement	<u>18,814</u>	<u>-</u>	<u>(18,814)</u>
TOTAL REVENUE	<u>67,237</u>	<u>32,081</u>	<u>(35,156)</u>
EXPENSES:			
Salaries	18,645	13,125	(5,520)
Work Adjustment Wages	18,672	11,669	(7,003)
Contract Services	17,401	-	(17,401)
Payroll Taxes	2,667	1,860	(807)
Unemployment Taxes		25	25
Group Insurance	1,416	1,330	(86)
Workers' Compensation	1,479	1,491	12
Postage	10	794	784
Supplies	325	1,581	1,256
Promotional Expense	-	1,000	1,000
Employee Mileage/Travel	10,233	5,919	(4,314)
Rent Expense	2,867	7,600	4,733
General Insurance	154	-	(154)
Equipment Purchases	796	500	(296)
Equipment Repairs	163	-	(163)
Dues and Memberships	269	119	(150)
Employment Expense	<u>786</u>	<u>-</u>	<u>(786)</u>
TOTAL EXPENSES	<u>75,883</u>	<u>47,013</u>	<u>(28,870)</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ (8,646)</u>	<u>\$ (14,932)</u>	<u>\$ (6,286)</u>



**CLENNEY,
POWELL &
RENTZ, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**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
Easter Seals 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 Easter Seals Southern Georgia, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2015, 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 November 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Easter Seals Southern Georgia, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Easter Seals 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

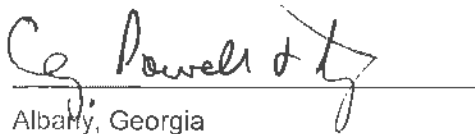
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Easter Seals 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CLENNEY, POWELL & RENTZ, P.C.

A handwritten signature in cursive script, appearing to read "C. Powell & R.", is written over a horizontal line.

Albany, Georgia
November 18, 2015

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2015**

There were no findings or questioned costs for the prior fiscal year ending August 31, 2014

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FINDING AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2015**

There were no findings or questioned costs for the fiscal year ending August 31, 2015