

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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2017 AND 2016

**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 financial statements of Easter Seals Southern Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2017 and 2016, 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 Easter Seals Southern Georgia, Inc. as of August 31, 2017 and 2016, 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.


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 17 to 44 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 28, 2017, 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 28, 2017

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2017 AND 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash	\$ 2,513,245	\$ 1,445,625
Accounts Receivable:		
Production work sites	19,215	23,110
Contracts	552,248	538,253
Other receivables	31,626	65,151
Patient fees	276,886	266,860
Allowance for doubtful accounts	(3,000)	(3,000)
Unconditional Promises to Give	53,192	14,850
Inventory, at cost	52,503	48,282
Prepaid expenses	<u>99,185</u>	<u>110,639</u>
Total Current Assets	<u>3,594,900</u>	<u>2,509,770</u>
PROPERTY:		
Investment Property	38,500	38,500
Land, buildings and equipment, net	<u>3,059,125</u>	<u>2,914,685</u>
Net Property	<u>3,097,625</u>	<u>2,953,185</u>
OTHER ASSETS:		
Cash Held in Unemployment Service Trust	46,446	77,008
Cash - Donor Restricted Endowment	<u>64,203</u>	<u>42,930</u>
Total Other Assets	<u>110,649</u>	<u>119,938</u>
TOTAL ASSETS	<u>\$ 6,803,174</u>	<u>\$ 5,582,893</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 465,698	\$ 334,974
Accrued Payroll and Other	270,093	298,734
Notes Payable-Current Portion	20,907	133,004
Deferred Revenue	<u>616,978</u>	<u>645,978</u>
Total Current Liabilities	1,373,676	1,412,690
Long Term Portion of Notes Payable	<u>388,787</u>	<u>220,896</u>
Total Liabilities	<u>1,762,463</u>	<u>1,633,586</u>
NET ASSETS:		
Unrestricted:		
Board Designated	1,081,143	189,111
Undesignated	<u>2,139,498</u>	<u>1,850,764</u>
Total Unrestricted	3,220,641	2,039,875
Temporarily Restricted	1,777,970	1,867,332
Permanently Restricted	<u>42,100</u>	<u>42,100</u>
Total Net Assets	<u>5,040,711</u>	<u>3,949,307</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,803,174</u>	<u>\$ 5,582,893</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, 2017 AND 2016

	<u>2017</u>				<u>2016</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenue								
Public Support:								
Memorials, Bequests-Cash	\$ 56,745	\$ 242,025	\$ -	\$ 298,770	\$ 79,313	\$ 23,567	\$ -	\$ 102,880
-Noncash	554	-	-	554	10,000	-	-	10,000
Special Events, Net-Note 8	23,238	-	-	23,238	52,325	-	-	52,325
United Way Allocation	24,752	-	-	24,752	24,993	-	-	24,993
TOTAL PUBLIC SUPPORT	<u>105,289</u>	<u>242,025</u>	<u>-</u>	<u>347,314</u>	<u>166,631</u>	<u>23,567</u>	<u>-</u>	<u>190,198</u>
Revenue:								
Government Grants	6,675,359	-	-	6,675,359	5,356,284	-	-	5,356,284
Program Service Fees-Note 2	7,686,377	-	-	7,686,377	7,031,976	-	-	7,031,976
Foundation Grants	3,109	-	-	3,109	7,167	-	-	7,167
Production Income	127,645	-	-	127,645	149,543	-	-	149,543
Investment Income	6,575	-	-	6,575	5,295	-	-	5,295
Rent Income-Note 9	5,000	-	-	5,000	5,000	-	-	5,000
HUD Property Fees	543	-	-	543	964	-	-	964
Miscellaneous Income	5,343	-	-	5,343	4,686	-	-	4,686
Net Assets Released from Restrictions	331,387	(331,387)	-	-	159,143	(159,143)	-	-
TOTAL REVENUE	<u>14,841,338</u>	<u>(331,387)</u>	<u>-</u>	<u>14,509,951</u>	<u>12,720,058</u>	<u>(159,143)</u>	<u>-</u>	<u>12,560,915</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>14,946,627</u>	<u>(89,362)</u>	<u>-</u>	<u>14,857,265</u>	<u>12,886,689</u>	<u>(135,576)</u>	<u>-</u>	<u>12,751,113</u>
Expenses:								
Direct Services	12,741,772	-	-	12,741,772	11,812,329	-	-	11,812,329
Fund Raising	108,834	-	-	108,834	26,552	-	-	26,552
Management and General	867,832	-	-	867,832	908,745	-	-	908,745
National Membership Fees	47,423	-	-	47,423	41,923	-	-	41,923
Total Expenses	<u>13,765,861</u>	<u>-</u>	<u>-</u>	<u>13,765,861</u>	<u>12,789,549</u>	<u>-</u>	<u>-</u>	<u>12,789,549</u>
CHANGE IN NET ASSETS	1,180,766	(89,362)	-	1,091,404	97,140	(135,576)	-	(38,436)
Net Assets at Beginning of Year	2,039,875	1,867,332	42,100	3,949,307	1,942,735	2,002,908	42,100	3,987,743
NET ASSETS-END OF YEAR	<u>\$ 3,220,641</u>	<u>\$ 1,777,970</u>	<u>\$ 42,100</u>	<u>\$ 5,040,711</u>	<u>\$ 2,039,875</u>	<u>\$ 1,867,332</u>	<u>\$ 42,100</u>	<u>\$ 3,949,307</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, 2017 AND 2016

	Direct Services	Fund Raising	Management and General	National Membership Fees	2017 Totals	2016 Totals
Salaries	\$ 4,398,613	\$ 34,374	\$ 563,496	\$ -	\$ 4,996,483	\$ 5,184,633
Work Adjustment Wages	290,971	-	-	-	290,971	308,227
Sheltered Employment Wages	48,487	-	-	-	48,487	48,904
Contract Services	569,828	30,399	5,851	-	606,078	508,392
FICA Tax	356,508	2,300	39,760	-	398,568	408,873
Unemployment Tax	-	-	1,651	-	1,651	2,176
Group Insurance	494,085	3,084	63,918	-	561,087	556,634
Workers Comp Insurance	159,009	1,022	19,116	-	179,147	208,314
Postage and Printing	6,760	9	5,184	-	11,953	13,718
Supplies	103,131	2,796	16,321	-	122,248	126,899
Food	91,540	-	-	-	91,540	100,577
Promotional Expense	6,715	16,096	-	-	22,811	12,605
Auto and Travel Expense	295,635	116	27,309	-	323,060	354,706
Conference and Training	24,738	188	2,569	-	27,495	43,299
References and Publications	23	-	140	-	163	922
Rent Expense	182,564	122	1,224	-	183,910	179,017
Insurance	74,025	348	7,634	-	82,007	77,900
Utilities	188,063	506	5,058	-	193,627	194,921
Telephone/Fax/Beeper	96,315	379	6,966	-	103,660	95,266
Facilities Maintenance/Repair	159,356	986	10,067	-	170,409	169,568
Equipment Maintenance/Repair	10,983	132	10,146	-	21,261	51,679
CARF Expense	-	-	9,527	-	9,527	10,145
Dues and Memberships	39,291	2,792	21,922	-	64,005	15,723
NESS Fees	-	-	-	47,423	47,423	41,923
Legal and Accounting	16,000	-	11,300	-	27,300	32,000
Employment Expense	39,890	160	362	-	40,412	30,758
Family Support/Direct Services	4,704,391	-	-	-	4,704,391	3,557,378
Miscellaneous Expense	113,255	11,770	25,083	-	150,108	73,763
Noncash Donation Expense	-	-	554	-	554	-
Interest	15,699	-	123	-	15,822	14,986
Bad Debt Expense	737	-	-	-	737	108,999
Depreciation	151,222	1,255	12,551	-	165,028	154,209
Totals Before Depreciation of Assets Funded by Governmental Agencies	12,637,834	108,834	867,832	47,423	13,661,923	12,687,114
Depreciation	103,938	-	-	-	103,938	102,435
Totals	\$ 12,741,772	\$108,834	\$ 867,832	\$ 47,423	\$ 13,765,861	\$ 12,789,549

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, 2017 AND 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2017</u>	<u>2016</u>
Change in Net Assets	\$ 1,091,404	\$ (38,436)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	268,966	256,644
(Gain) Loss on Assets Held in Trust	(3,313)	(1,545)
Non-Cash Items-Net	1,651	(7,933)
Contributions Restricted for Long Term Purposes	(242,025)	(23,567)
Changes in Operating Assets and Liabilities:		
Accounts Receivable-Net	13,599	18,894
Inventories	(4,221)	3,100
Prepaid Expenses and Other Assets	11,454	5,627
Net Transfers to Unemployment Service Trust	28,851	13,082
Transfer to Endowment Account	(17,900)	-
Accounts Payable	130,724	82,277
Accrued Expenses	(28,641)	57,117
Deferred Income	(29,000)	(179,447)
Net Cash Provided/(Used) by Operating Activities	<u>1,221,549</u>	<u>185,813</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment	(318,747)	(436,210)
Proceeds from Disposal of Assets	-	-
Net Cash Provided/(Used) in Investing Activities	<u>(318,747)</u>	<u>(436,210)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes	(38,865)	(44,454)
Proceeds from New Borrowings	-	115,000
Proceeds from Restricted Contributions	203,683	88,317
Net Cash Provided/(Used) in Financing Activities	<u>164,818</u>	<u>158,863</u>
Net Increase in Cash and Cash Equivalents	1,067,620	(91,534)
Cash and Cash Equivalents-Beginning of Year	<u>1,445,625</u>	<u>1,537,159</u>
Cash and Cash Equivalents-End of Year	<u>\$ 2,513,245</u>	<u>\$ 1,445,625</u>
Supplemental Disclosures:		
Interest Paid	<u>\$ 15,822</u>	<u>\$ 14,986</u>
Noncash investing and financing transaction:		
Real Estate Acquisition:		
Cost of Property	\$ 94,658	\$ -
Property Loan	<u>(94,658)</u>	<u>-</u>
Net Cash Paid for Property	<u>\$ -</u>	<u>\$ -</u>

See notes to consolidated financial statements

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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 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.

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, 2017**

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, 2017**

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, 2017, 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 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 2016 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, 2017**

NOTE 2 – PROGRAM SERVICE FEES

A schedule of program service fees earned during the fiscal year ended August 31, 2017, follows:

Medicaid Fee Income	\$ 7,088,777
HUD Fee Income	352,630
Consumer Income	244,970
	<hr/>
Total	<u>\$ 7,686,377</u>

NOTE 3 – CONTRACTS RECEIVABLE

The Organization was owed the following amounts on state contracts as of August 31, 2017:

Georgia Vocational Rehabilitation Agency: Sheltered Employment/Work Adjustment	\$ 74,499
Florida Department of Education: Vocational Contracts	22,896
Georgia Department of Behavioral Health and Developmental Disabilities: Prevocational	2,000
Family Support	397,675
Champions for Children	<u>55,178</u>
	<u>\$ 552,248</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, 2017, is presented on the following page.

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

ASSETS	COST/BASIS			COST/BASIS		ACC DEP	NET
	8/31/2016	ADDITIONS	DELETIONS	8/31/2017	8/31/2017		
Land	\$ 148,757	\$ 24,000	\$ -	\$ 172,757	\$ -		\$ 172,757
Building	1,966,561	331,758	-	2,298,319	1,102,248		1,196,071
Equipment	784,126	32,651	(29,750)	787,027	608,675		178,352
Totals-Easter Seals	2,899,444	388,409	(29,750)	3,258,103	1,710,923		1,547,180
Land	32,897	-	-	32,897	-		32,897
Furniture/Equipment	10,943	-	(5,051)	5,892	5,583		309
Building	362,112	-	-	362,112	251,122		110,990
Totals-OFL, Inc.	405,952	-	(5,051)	400,901	256,705		144,196
Land	9,993	-	-	9,993	-		9,993
Furniture/Equipment	9,047	-	-	9,047	5,211		3,836
Building	206,025	-	-	206,025	134,221		71,804
Totals-OFL East One	225,065	-	-	225,065	139,432		85,633
Land	9,965	-	-	9,965	-		9,965
Equipment	7,634	-	-	7,634	7,146		488
Building	533,673	5,911	-	539,584	337,527		202,057
Totals-OFL East Two	551,272	5,911	-	557,183	344,673		212,510
Land	30,494	-	-	30,494	-		30,494
Equipment	2,165	5,872	(856)	7,181	1,630		5,551
Building	429,377	8,273	-	437,650	236,492		201,158
Totals-Colquitt Options	462,036	14,145	(856)	475,325	238,122		237,203
Land	16,000	-	-	16,000	-		16,000
Furniture/Equipment	600	-	(600)	-	-		-
Building	201,599	-	-	201,599	100,060		101,539
Totals-Crisp Options	218,199	-	(600)	217,599	100,060		117,539
Land	29,756	-	-	29,756	-		29,756
Equipment	1,232	-	-	1,232	932		300
Building	280,250	-	-	280,250	129,654		150,596
Totals-Grady Options	311,238	-	-	311,238	130,586		180,652
Land	53,822	-	-	53,822	-		53,822
Furniture/Equipment	9,944	1,242	-	11,186	8,737		2,449
Building	355,574	-	-	355,574	148,819		206,755
Totals-Valdosta Options	419,340	1,242	-	420,582	157,556		263,026
Land	8,813	-	-	8,813	-		8,813
Furniture/Equipment	11,050	-	-	11,050	11,050		-
Building	424,446	3,700	-	428,146	165,773		262,373
Total-Satilla Solutions	444,309	3,700	-	448,009	176,823		271,186
TOTALS	\$ 5,936,855	\$ 413,407	\$ (36,257)	\$ 6,314,005	\$ 3,254,880		\$ 3,059,125

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

NOTE 5 – LAND, BUILDING AND EQUIPMENT (Continued)

The land, building and equipment of \$6,314,005 at August 31, 2017, consisted of purchased assets recorded at cost in the amount of \$5,769,346 and donated assets recorded at fair market value in the amount of \$544,659. Depreciation for the year was \$268,966 of which \$165,028 was attributable to Easter Seals Southern Georgia, Inc., and \$103,938 was attributable to its related entities.

NOTE 6 – CASH

As of August 31, 2017, the carrying amount of the Organization's deposits was \$2,513,245. The bank balances totaled \$2,626,243 of which \$2,320,073 was insured by Federal Deposit Insurance Coverage and \$306,170 was uninsured.

NOTE 7 – DEFERRED REVENUES

The balance shown represents certain collections received by August 31, 2017, which are not recognized as current year revenues in these financial statements. A detailed schedule follows:

Champions for Children	\$ 590,506
Other Miscellaneous	<u>26,472</u>
Total Deferred Revenues	<u>\$ 616,978</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	\$ 24,505	\$ 21,331	\$ 3,174
Christmas Ornament Sales	11,724	805	10,919
Crumble Event	5,760	1,081	4,679
Valdosta Sweet Charity	<u>6,690</u>	<u>2,224</u>	<u>4,466</u>
	<u>\$ 48,679</u>	<u>\$ 25,441</u>	<u>\$ 23,238</u>

NOTE 9 – RENTAL INCOME

A schedule of the rental income generated during the year ended August 31, 2017, follows:

Midtown Mall Property – See Note 4	<u>\$ 5,000</u>
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**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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, 2017:

Year Ending August 31:	
2018	\$ 5,000
2019	5,000
2020	5,000
2021	5,000
2022	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.

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.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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, 2017, 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, 2017:

Net assets of HUD Group Homes	\$ 1,504,992
Restricted Contributions	<u>272,978</u>
Total Temporarily Restricted	\$ 1,777,970

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, 2017, Easter Seals permanently restricted net assets were \$42,100.

NOTE 17 - PROMISES TO GIVE

Unconditional promises to give at August 31, 2017, consist of \$53,192 related to the Megan's House capital campaign. Amounts due are as follows:

	Current	Noncurrent
Receivable in less than one year	\$ 53,192	\$ -
Receivable in one to five years	-	-
	\$ 53,192	\$ -
Total Unconditional Promises to Give		

All remaining balances associated with the capital campaign are considered to be collectible and no allowance account has been established.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

NOTE 18 – DEBT

Notes Payable

The Organization's notes payable consisted of the following at August 31, 2017:

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, 2017, 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:

2018 (Current)	<u>\$ 20,907</u>
2019	21,777
2020	22,693
2021	114,818
2022	19,930
Thereafter	<u>209,569</u>
Total Noncurrent	<u>\$ 388,787</u>

Line of Credit

A line of credit in the amount of \$500,000 was renewed with SB&T Bank on September 30, 2016. The purpose of the line was for working capital. The interest rate on the outstanding principal balance of the line of credit is 3.50% and the entire principal and interest balance is due and payable on September 30, 2017. As of August 31, 2017, there was no outstanding balance on the line of credit.

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

NOTE 20 – LIMITATIONS ON NET ASSETS

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

	<u>2017</u>
Designated for Megan's House Campaign	\$ 51,133
Designated for Unemployment Claims	46,446
Designated for Capital Improvements	90,551
Designated for Cash Reserves	865,201
Designated for USDA Sinking Fund	9,912
Designated for Endowment Fund	17,900
Undesignated	<u>2,139,498</u>
Unrestricted Net Assets	<u>\$3,220,641</u>

NOTE 21 – DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management of the Organization has evaluated the effects of subsequent events through November 28, 2017, which is the date the financial statements are available to be issued.

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended August 31, 2017

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
<u>Pass-through Programs from:</u>			
Georgia Department of Behavioral Health and Developmental Disabilities:			
Social Services Block Grant	93.667	44100-264-9072018104	<u>554,903</u>
Total U.S. Department of Health & Human Services			<u>554,903</u>
U.S. Department of Education:			
<u>Pass-through Programs from:</u>			
Georgia Vocational Rehabilitation Agency:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	42700-610-0000023314 42700-610-0000054848	599,517
Florida Department of Education:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	VR5075	<u>101,026</u>
Total U.S. Department of Education			<u>700,543</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,255,446</u></u>

EASTER SEALS SOUTHERN GEORGIA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017

NOTE 1 - BASIS OF PRESENTATION

The preceding schedule of expenditures of federal awards includes the federal award activity of Easter Seals Southern Georgia, Inc. under programs of the federal government for the year ended August 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Easter Seals Southern Georgia, Inc., it is not intended to and does not present the financial position or changes in financial position of Easter Seals Southern Georgia, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Easter Seals Southern Georgia, Inc. elected to not use the 10% de minimis cost rate allowed under the Uniform Guidance.

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2017

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash	\$ 2,513,245	\$ -	\$ 2,369,070	\$ 144,175
Accounts Receivable:				
Production Work Sites	19,215	-	19,215	-
Contracts	552,248	-	552,248	-
Other Receivables	31,626	(117,980)	148,256	1,350
Patient Fees, less allowance for uncollectible accounts of \$3,000	273,686	-	273,686	-
Unconditional Promises to Give	53,192	-	53,192	-
Inventory, at cost	52,503	-	52,503	-
Prepaid Expenses	99,185	-	90,230	8,955
Total Current Assets	<u>3,594,900</u>	<u>(117,980)</u>	<u>3,558,400</u>	<u>154,480</u>
PROPERTY:				
Investment Property	38,500	-	38,500	-
Land, building and equipment, net	<u>3,059,125</u>	<u>-</u>	<u>1,547,180</u>	<u>1,511,945</u>
Net Property	<u>3,097,625</u>	<u>-</u>	<u>1,585,680</u>	<u>1,511,945</u>
OTHER ASSETS:				
Cash Held in Unemployment Service Trust	46,446	-	46,446	-
Cash - Donor Restricted Endowment	<u>64,203</u>	<u>-</u>	<u>64,203</u>	<u>-</u>
Total Other Assets	<u>110,649</u>	<u>-</u>	<u>110,649</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,803,174</u>	<u>\$ (117,980)</u>	<u>\$ 5,254,729</u>	<u>\$ 1,666,425</u>
 <u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 465,698	\$ (117,980)	\$ 433,122	\$ 150,556
Accrued Payroll and Other	270,093	-	259,216	10,877
Notes Payable-Current Portion	20,907	-	20,907	-
Deferred Revenue	<u>616,978</u>	<u>-</u>	<u>616,978</u>	<u>-</u>
Total Current Liabilities	1,373,676	(117,980)	1,330,223	161,433
Long Term Portion of Notes Payable	<u>388,787</u>	<u>-</u>	<u>388,787</u>	<u>-</u>
Total Liabilities	<u>1,762,463</u>	<u>(117,980)</u>	<u>1,719,010</u>	<u>161,433</u>
NET ASSETS:				
Unrestricted:				
Board Designated	1,081,143	-	1,081,143	-
Undesignated	<u>2,139,498</u>	<u>-</u>	<u>2,139,498</u>	<u>-</u>
Total Unrestricted	3,220,641	-	3,220,641	-
Temporarily Restricted	1,777,970	-	272,978	1,504,992
Permanently Restricted	<u>42,100</u>	<u>-</u>	<u>42,100</u>	<u>-</u>
Total Net Assets	<u>5,040,711</u>	<u>-</u>	<u>3,535,719</u>	<u>1,504,992</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,803,174</u>	<u>\$ (117,980)</u>	<u>\$ 5,254,729</u>	<u>\$ 1,666,425</u>

EASTER SEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING AUGUST 31, 2017

<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	\$ 56,745	\$ -	\$ 56,745	\$ -
-Noncash	554	-	554	-
Special Events, Net	23,238	-	23,238	-
United Way Allocation	<u>24,752</u>	<u>-</u>	<u>24,752</u>	<u>-</u>
TOTAL PUBLIC SUPPORT	<u>105,289</u>	<u>-</u>	<u>105,289</u>	<u>-</u>
Revenue:				
Government Grants	6,675,359	-	6,675,359	-
Program Service Fees	7,686,377	-	7,333,747	352,630
Foundation Grants	3,109	-	3,109	-
Production Income	127,645	-	127,645	-
Investment Income	6,575	-	6,415	160
Rent Income	5,000	-	5,000	-
HUD Property Fees	543	(72,891)	73,434	-
Miscellaneous Income	5,343	-	5,338	5
Net Assets Released from Restrictions	<u>331,387</u>	<u>-</u>	<u>331,387</u>	<u>-</u>
TOTAL REVENUE	<u>14,841,338</u>	<u>(72,891)</u>	<u>14,561,434</u>	<u>352,795</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>14,946,627</u>	<u>(72,891)</u>	<u>14,666,723</u>	<u>352,795</u>
Expenses:				
Direct Services	12,741,772	(72,891)	12,347,290	467,373
Fund Raising	108,834	-	108,834	-
Management and General	867,832	-	867,832	-
National Membership Fees	<u>47,423</u>	<u>-</u>	<u>47,423</u>	<u>-</u>
Total Expenses	<u>13,765,861</u>	<u>(72,891)</u>	<u>13,371,379</u>	<u>467,373</u>
Change in Unrestricted Net Assets	<u>1,180,766</u>	<u>-</u>	<u>1,295,344</u>	<u>(114,578)</u>
Temporarily Restricted Net Assets:				
Donations	242,025	-	242,025	-
Net Assets Released from Restrictions	<u>(331,387)</u>	<u>-</u>	<u>(331,387)</u>	<u>-</u>
Change in Temporarily Restricted Net Assets	<u>(89,362)</u>	<u>-</u>	<u>(89,362)</u>	<u>-</u>
CHANGE IN NET ASSETS	1,091,404	-	1,205,982	(114,578)
Net Assets at Beginning of Year	<u>3,949,307</u>	<u>-</u>	<u>2,329,737</u>	<u>1,619,570</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,040,711</u>	<u>\$ -</u>	<u>\$ 3,535,719</u>	<u>\$ 1,504,992</u>

**EASTER SEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
SUMMARY STATEMENT OF SERVICES DELIVERED
FOR THE YEAR ENDED AUGUST 31, 2017**

STATE CONTRACT NUMBERS

441-93-1734004 (GA DBHDD)
44100-264-9072018104 (GA DBHDD)
44100-907-0000066132 (GA DBHDD)
44100-907-0000052073 (GA DBHDD)
44100-907-0000097384 (GA DBHDD)
44100-907-0000082896 (GA DBHDD)
44100-907-0000077544 (GA DBHDD)
44100-907-0000093549 (GA DBHDD)
2015037 (GA DCH)
42700-610-0000023314 (GA Vocational Rehab)
42700-610-0000054848 (GA Vocational Rehab)
0197536 (GA Vocational Rehab)
VR5075 (Florida Dept of Education)
S-A-NPA-F4199-11-D-0018-9.30.16-A1-GA-002 (NACCRRRA)

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 5,696 (unduplicated count) disabled individuals during the year September 1, 2016 through August 31, 2017. 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 and NACCRRRA.

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED AUGUST 31, 2017**

<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	42700-610-0000023314	\$ 108,323	\$ 29,318	\$ 137,641
	42700-610-0000054848	95,911	25,958	121,869
Supported Employment	0197536	-	1,500	1,500
 Georgia Department of Behavioral Health & Developmental Disabilities				
Family Support Services	441-93-1734004	-	2,913,062	2,913,062
	44100-264-9072018104	554,903	328,700	883,603
Summer Enrichment	44100-907-0000082896	-	150,000	150,000
Champions for Children	44100-907-0000077544	-	15,196	15,196
	44100-907-0000093549	-	218,419	218,419
Supported Employment	44100-907-0000052073	-	12,613	12,613
Intensive Family Support	44100-907-0000066132	-	1,083,722	1,083,722
 Georgia Department of Community Health				
Champions for Children	2015037	-	500,000	500,000
 Florida Department of Education				
Employment/Supported Employment Services; On-the-Job Training	VR5075	77,035	20,849	97,884
 Other				
FL Dept of Education Miscellaneous		23,991	6,493	30,484
GA Vocational Rehab Miscellaneous		395,283	106,733	502,016
NACCRRRA (Air Force Respite)	S-A-NPA-F4199-11-D-0018-9.30.16-A1-GA-002	<u>7,350</u>	<u>-</u>	<u>7,350</u>
TOTAL GOVERNMENT GRANTS		<u>\$ 1,262,796</u>	<u>\$ 5,412,563</u>	<u>\$ 6,675,359</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2017

	FY 18 Contract <u>#42700-610-0000023314</u>
Work Adjustment, Vocational Evaluation, and Transition Services Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	137,641
Other Revenue Sources	<u>5,471</u>
TOTAL REVENUE	<u>143,112</u>
Expenses:	
Salaries	47,051
Work Adjustment Wages	45,048
Payroll Taxes	6,996
Group Insurance	4,870
Workers' Compensation	4,354
Printing and Postage	135
Supplies	594
Client Activities	322
Travel Expense	10,200
Conferences and Training	150
Utilities	1,002
Telephone/Internet	1,376
Building/Equipment Repairs and Maintenance	555
Equipment Leases	121
Depreciation	633
Employment Expense	848
Oper. & Maintenance Allocation	<u>3,708</u>
TOTAL EXPENSES	<u>127,963</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>15,149</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2017

FY 17
Contract
#42700-610-0000054848

Work Adjustment, Vocational Evaluation, and Transition Services
Revenue:

Georgia Vocational Rehabilitation Agency	
Contract Revenues	121,869
Non-Contract Revenues	502,266
Supported Employment Contract	1,250
Other Revenue Sources	<u>8,846</u>
TOTAL REVENUE	<u>634,231</u>

Expenses:

Salaries	241,802
Work Adjustment Wages	219,170
Payroll Taxes	35,829
Group Insurance	35,328
Workers' Compensation	14,101
Printing and Postage	152
Supplies	5,937
Promotional	1,047
Client Activities	410
Travel Expense	55,284
Conferences and Training	1,388
Miscellaneous	34
Insurance	171
Utilities	3,715
Telephone/Internet	7,194
Equipment Purchases	1,643
Building/Equipment Repairs and Maintenance	4,227
Equipment Leases	903
Depreciation	3,170
Employment Expense	1,906
Oper. & Maintenance Allocation	<u>15,074</u>
TOTAL EXPENSES	<u>648,485</u>

REVENUE OVER (UNDER) EXPENSES	<u>(14,254)</u>
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EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2017

	<u>Contract 0197536</u>
Supported Employment Services	
Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	1,500
Other Revenue Sources	<u>-</u>
TOTAL REVENUE	<u>1,500</u>
Expenses:	
Direct Services	<u>1,500</u>
TOTAL EXPENSES	<u>1,500</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, 2017

	FY 17 Contract <u>#441-93-1734004</u>
Family Support Services	
Revenue:	
Other Revenue Sources	1,651,920
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>2,913,062</u>
TOTAL REVENUE	<u>4,564,982</u>
Expenses:	
Salaries	459,251
Payroll Taxes	35,780
Group Insurance	47,869
Workers' Compensation	11,484
Printing and Postage	3,640
Supplies	8,753
Promotional Expense	418
Employee Mileage/Travel	23,153
Conferences and Training	721
References & Publications	23
Rent	35,000
General Insurance	2,902
Utilities	5,307
Telephone/Internet	7,900
Equipment Purchases	1,098
Building/Equipment Repairs & Maintenance	1,898
Depreciation	808
Equipment Leases	3,955
Dues and Memberships	660
Employment Expense	2,901
Family Support & Direct Services	2,947,092
Personal Support Services	388,135
Operations and Maintenance Cost Allocation	<u>97,668</u>
TOTAL EXPENSES	<u>4,086,416</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>478,566</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, 2017

	FY 18 Contract
Family Support	<u>#44100-264-9072018104</u>
Revenue:	
Other Revenue Sources	67,590
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	883,603
Other DBHDD Contract Revenue	<u>-</u>
TOTAL REVENUE	<u>951,193</u>
Expenses:	
Salaries	79,061
Payroll Taxes	5,496
Group Insurance	6,822
Workers' Compensation	3,063
Printing and Postage	894
Supplies	2,027
Promotional Expense	22
Employee Mileage/Travel	2,267
Conferences and Training	312
General Insurance	645
Rent	7,000
Utilities	1,565
Telephone/Internet	1,524
Equipment Purchases	387
Building/Equipment Repairs & Maintenance	435
Dues and Memberships	319
Depreciation	161
Equipment Leases	743
Employment Expense	731
Family Support & Direct Services	678,931
Personal Support Services	58,878
Operations and Maintenance Cost Allocation	<u>19,154</u>
TOTAL EXPENSES	<u>870,437</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>80,756</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, 2017

	FY17 Contract
Summer Enrichment	<u>#44100-907-0000082896</u>
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, 2017

	FY17 Contract
Champions for Children Program	<u>#44100-907-0000077544</u>
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>15,196</u>
TOTAL REVENUE	<u>15,196</u>
Expenses:	
Direct Services	<u>15,196</u>
TOTAL EXPENSES	<u>15,196</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, 2017

	FY17 Contract <u>#44100-907-0000093549</u>
Champions for Children Program	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>218,419</u>
TOTAL REVENUE	<u>218,419</u>
Expenses:	
Direct Services	<u>218,419</u>
TOTAL EXPENSES	<u>218,419</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, 2017

	FY15 Contract
Supported Employment Pilot Project	<u>#44100-907-0000052073</u>
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>12,613</u>
TOTAL REVENUE	<u>12,613</u>
Expenses:	
Wages & Benefits	7,568
Administrative Costs	<u>5,045</u>
TOTAL EXPENSES	<u>12,613</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, 2017

	FY15 Contract
Intensive Family Support Program	<u>#44100-907-0000066132</u>
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>1,083,722</u>
TOTAL REVENUE	<u>1,083,722</u>
Expenses:	
Direct Services	764,961
Administrative Costs	<u>318,761</u>
TOTAL EXPENSES	<u>1,083,722</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, 2017

	FY17 Contract #2015037
Champions for Children Program	
Revenue:	
State of Georgia Department of Community Health - Contract Revenues	500,000
TOTAL REVENUE	500,000
Expenses:	
Direct Services	500,000
TOTAL EXPENSES	500,000
REVENUE OVER (UNDER) EXPENSES	-

EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF FLORIDA DEPARTMENT OF EDUCATION - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2017

	FY 15 Contract #VR5075
Employment Services, Supported Employment Services, On-the Job Training Services	
Revenue:	
Florida Department of Education	
Contract Revenues	97,884
OJT Employer Reimbursement	30,484
Other Revenue Sources	851
TOTAL REVENUE	129,219
Expenses:	
Salaries	90,245
Work Adjustment Wages	26,754
Payroll Taxes	8,002
Group Insurance	11,760
Workers' Compensation	1,506
Printing and Postage	47
Promotional	1,120
Supplies	1,417
Travel Expense	20,474
Conferences and Training	244
Rent	12,810
General Insurance	842
Utilities	843
Telephone/Internet	4,045
Equipment Purchases	796
Equipment Repairs	1,473
Equipment Leases	2,103
Dues & Memberships	819
Employment Expense	559
TOTAL EXPENSES	185,859
REVENUE OVER (UNDER) EXPENSES	(56,640)

EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF NACCRRRA - CONTRACTS
 REVENUES AND EXPENSES
 For the Year Ended August 31, 2017

	Contract
	S-A-NPA-F4199-11-D-0018-9.30.16-A1-GA-02
Respite Revenue:	
NACCRRRA	
Contract Revenues	7,350
Non-Contract Revenues	-
TOTAL REVENUE	7,350
Expenses:	
Travel Expense	-
Direct Services	7,350
TOTAL EXPENSES	7,350
REVENUE OVER (UNDER) EXPENSES	-

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 2017**

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 8/31/2017</u>
<u>Georgia Vocational Rehabilitation Agency:</u>			
42700-610-0000054848	\$ 229,068	7/1/16 to 6/30/17	\$ 3,690
0197536		9/16/16 to 6/30/17	-
<u>Georgia Department of Behavioral Health and Developmental Disabilities:</u>			
441-93-1734004	\$ 3,478,156	7/1/16 to 6/30/17	\$ -
44100-907-0000082896	150,000	7/1/16 to 6/30/17	-
44100-907-0000077544	250,000	3/1/16 to 2/28/17	-
44100-907-0000066132	1,083,722	6/15/15 to 6/14/17	-
<u>Georgia Department of Community Health:</u>			
2015037	\$ 500,000	7/1/16 to 6/30/17	\$ -

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL RAHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2016 - June 30, 2017

Contract #42700-610-0000054848 (FY 17)	<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	229,068	-
Non-Contract Revenues	502,266	730,133	227,867
Other Revenue Sources	16,345	10,254	(6,091)
	<u>747,679</u>	<u>969,455</u>	<u>221,776</u>
EXPENSES:			
Salaries	291,260	326,493	35,233
Client Wages	266,616	276,789	10,173
Contract Services	111	120	9
Payroll Taxes	43,152	45,125	1,973
Unemployment Taxes	-	-	-
Group Insurance	41,886	32,090	(9,796)
Workers' Compensation	17,109	21,265	4,156
Postage	175	285	110
Supplies	7,346	7,660	314
Promotional Expense	1,047	-	(1,047)
Client Activities	576	250	(326)
Employee Mileage/Travel	67,341	86,150	18,809
Conferences and Training	2,777	1,780	(997)
Employee Appreciation	-	-	-
Miscellaneous	34	-	(34)
Insurance	257	520	263
Utilities	4,872	5,000	128
Telephone/Internet	8,307	8,720	413
Equipment Purchases	1,778	-	(1,778)
Building & Equipment R&M	9,647	3,100	(6,547)
Depreciation	3,832	3,640	(192)
Equipment Leases	956	750	(206)
Dues	-	-	-
Employment Expense	2,197	720	(1,477)
Bad Debt	2,582	-	-
Operation & Maint. Alloc	18,004	18,688	684
	<u>791,862</u>	<u>839,145</u>	<u>49,865</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ (44,183)</u>	<u>\$ 130,310</u>	<u>\$ 171,911</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 September 16, 2016 - June 30, 2017

Contract No. 0197536	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Supported Employment			
REVENUE:			
Georgia Vocational Rehabilitation Agency			
Contract Revenues	<u>10,250</u>	<u>10,250</u>	<u>-</u>
TOTAL REVENUE	<u>10,250</u>	<u>10,250</u>	<u>-</u>
EXPENSES:			
Direct Services	<u>10,250</u>	<u>10,250</u>	<u>-</u>
TOTAL EXPENSES	<u>10,250</u>	<u>10,250</u>	<u>-</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, 2016 - June 30, 2017

Contract No. 441-93-1734004	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
MR/DD/Autism			
REVENUE:			
Other Revenue Sources	1,856,299	1,647,090	(209,209)
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>3,406,102</u>	<u>3,245,920</u>	<u>(160,182)</u>
TOTAL REVENUE	<u>5,262,401</u>	<u>4,893,010</u>	<u>(369,391)</u>
EXPENSES:			
Salaries	560,169	599,659	39,490
Contract Services	444	690	246
Payroll Taxes	42,834	45,562	2,728
Unemployment Taxes	-	-	-
Group Insurance	55,653	57,265	1,612
Workers' Compensation	13,796	18,560	4,764
Postage	4,647	5,130	483
Supplies	10,458	11,160	702
Promotional Expense	718	850	132
Employee Mileage/Travel	30,130	28,920	(1,210)
Conferences and Training	935	1,330	395
References and Publications	-	130	130
Rent Expense	42,000	42,000	-
Employee Appreciation	-	-	-
General Insurance	3,539	3,660	121
Utilities	6,632	7,440	808
Telephone/Internet	9,480	10,535	1,055
Equipment Purchases	1,238	1,680	442
Depreciation	970	985	15
Building & Equipment R&M	2,230	1,830	(400)
Software Subscriptions	-	420	420
Equipment Leases	4,259	4,705	446
Dues and Memberships	967	905	(62)
Employment Expense	3,585	600	(2,985)
Family Support & Direct Services	3,331,112	3,272,840	(58,272)
Personal Support Services	455,605	466,670	11,065
Miscellaneous Expense	2,299	80	(2,219)
Operation & Maint. Alloc	<u>116,523</u>	<u>120,414</u>	<u>3,891</u>
TOTAL EXPENSES	<u>4,700,223</u>	<u>4,704,020</u>	<u>3,797</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 562,178</u>	<u>\$ 188,990</u>	<u>\$ (373,188)</u>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
 CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 July 1, 2016 - June 30, 2017

	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Contract No. 44100-907-0000082896			
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, 2016 - February 28, 2017

	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Contract No. 44100-907-0000077544			
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>

EASTER SEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
 CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 June 15, 2015 - June 30, 2017

Contract No. 44100-907-0000066312	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Intensive Family Support			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>1,643,978</u>	<u>2,500,000</u>	<u>856,022</u>
TOTAL REVENUE	<u>1,643,978</u>	<u>2,500,000</u>	<u>856,022</u>
EXPENSES:			
Direct Services	956,798	1,455,000	498,202
Administrative Costs	<u>687,180</u>	<u>1,045,000</u>	<u>357,820</u>
TOTAL EXPENSES	<u>1,643,978</u>	<u>2,500,000</u>	<u>856,022</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, 2016 - June 30, 2017

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	<u>500,000</u>	<u>500,000</u>	<u>-</u>
TOTAL REVENUE	<u>500,000</u>	<u>500,000</u>	<u>-</u>
EXPENSES:			
Direct Services	<u>500,000</u>	<u>500,000</u>	<u>-</u>
TOTAL EXPENSES	<u>500,000</u>	<u>500,000</u>	<u>-</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF NACCRRA - CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 June 1, 2015 - November 30, 2016

Contract No. S-A-NPA-F4199-11-D-0018-9.30.6-A1-GA-002	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Air Force Respite			
REVENUE:			
NACCRRA			
Contract Revenues	13,700	22,000	8,300.00
Non-Contract Revenues	<u>625</u>	<u>-</u>	<u>(625)</u>
TOTAL REVENUE	<u>14,325</u>	<u>22,000</u>	<u>7,675.00</u>
EXPENSES:			
Travel Expense	625	-	(625)
Direct Services	<u>13,700</u>	<u>22,000</u>	<u>8,300</u>
TOTAL EXPENSES	<u>14,325</u>	<u>22,000</u>	<u>7,675</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017, 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 28, 2017.

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.

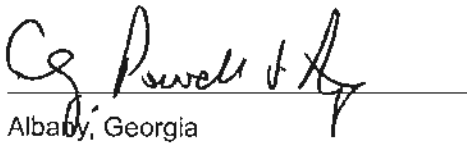
Compliance and Other Matters

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 black ink, appearing to read "C. Powell", is written over a horizontal line.

Albany, Georgia
November 28, 2017



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Easter Seals Southern Georgia, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Easter Seals Southern Georgia, Inc.'s major federal programs for the year ended August 31, 2017. Easter Seals Southern Georgia, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Easter Seal Southern Georgia, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Easter Seals Southern Georgia, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Easter Seals Southern Georgia, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Easter Seals Southern Georgia, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

Report on Internal Control over Compliance

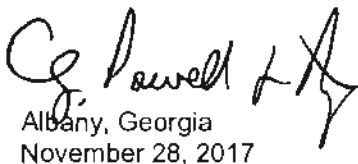
Management of Easter Seals Southern Georgia, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Easter Seals Southern Georgia, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Easter Seals Southern Georgia, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CLENNEY, POWELL AND RENTZ, PC


Albany, Georgia
November 28, 2017

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2017**

There were no findings for the prior fiscal year ending August 31, 2016.

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017**

SECTION I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Easter Seals Southern Georgia, Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the "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."
3. No instances of noncompliance material to the financial statements of Easter Seals Southern Georgia, Inc., were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal awards programs for Easter Seals Southern Georgia, Inc. expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The following program was tested as a major program:

CFDA # 93.667 Social Services Block Grant
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Easter Seals Southern Georgia, Inc. did not qualify as a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statement audit.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relating to the audit of federal awards programs.