

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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

**1906 Palmyra Road
Albany, Georgia**

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES

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CLENNEY + LUKE, PC

Certified Public Accountants & Consultants

735 N. WESTOVER BLVD., SUITE B
PO BOX 70099
ALBANY, GEORGIA 31708
Phone: 229.883.1314 / Fax: 229.317.2079
clenneylukecpa.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of EasterSeals Southern Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EasterSeals Southern Georgia, Inc. as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

MEMBERS

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

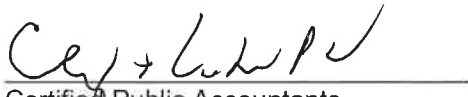
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 17 to 30 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 23, 2021, on our consideration of EasterSeals Southern Georgia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EasterSeals Southern Georgia, Inc.'s internal control over financial reporting and compliance.

CLENNEY + LUKE, PC



Certified Public Accountants
Albany, Georgia
November 23, 2021

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash	\$5,128,022	\$ 3,484,512
Accounts Receivable:		
Production work sites	4,938	15,687
Contracts	141,725	125,791
Other receivables	55,931	46,932
Patient fees	137,187	103,171
Allowance for doubtful accounts	(3,000)	(3,000)
Inventory, at cost	69,967	63,170
Prepaid expenses	<u>100,959</u>	<u>97,601</u>
Total Current Assets	<u>5,635,729</u>	<u>3,933,864</u>
PROPERTY:		
Investment Property	38,500	38,500
Land, buildings and equipment, net	<u>2,975,946</u>	<u>3,157,168</u>
Net Property	<u>3,014,446</u>	<u>3,195,668</u>
OTHER ASSETS:		
Cash Held in Unemployment Service Trust	1,674	32,077
Cash - Donor Restricted Endowment	<u>93,582</u>	<u>74,088</u>
Total Other Assets	<u>95,256</u>	<u>106,165</u>
TOTAL ASSETS	<u><u>\$8,745,431</u></u>	<u><u>\$ 7,235,697</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 158,627	\$ 178,203
Accrued Payroll and Other	204,862	211,637
Notes Payable-Current Portion	24,574	114,508
Deferred Revenue	<u>634,460</u>	<u>595,083</u>
Total Current Liabilities	1,022,523	1,099,431
Long Term Portion of Notes Payable	<u>296,845</u>	<u>230,118</u>
Total Liabilities	<u>1,319,368</u>	<u>1,329,549</u>
NET ASSETS:		
Without Donor Restrictions:		
Board Designated	3,492,638	2,456,946
Undesignated	<u>2,626,751</u>	<u>2,069,635</u>
Total Net Assets Without Donor Restrictions	6,119,389	4,526,581
With Donor Restrictions:	<u>1,306,674</u>	<u>1,379,567</u>
Total Net Assets	<u>7,426,063</u>	<u>5,906,148</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$8,745,431</u></u>	<u><u>\$ 7,235,697</u></u>

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Public Support and Revenue				
Public Support:				
Memorials, Bequests-Cash	\$ 119,240	\$ -	\$ 113,879	\$ -
Contribution-SBA PPP Loan	1,411,303	-	1,411,159	-
Special Events, Net-Note 8	3,663	-	42,533	-
United Way Allocation	15,224	-	5,510	-
TOTAL PUBLIC SUPPORT	1,549,430	-	1,573,081	-
Revenue:				
Government Grants	2,134,929	-	1,559,999	-
Program Service Fees-Note 2	8,598,625	-	9,373,273	-
Foundation Grants	34,445	-	38,063	-
Production Income	80,084	-	88,471	-
Investment Income	28,515	-	10,104	-
Rent Income-Note 9	5,000	-	5,000	-
HUD Property Fees	849	-	(46)	-
Miscellaneous Income	62,073	-	80,663	-
Net Assets Released from Restrictions	72,893	(72,893)	66,412	(66,412)
TOTAL REVENUE	11,017,413	(72,893)	11,221,939	(66,412)
TOTAL PUBLIC SUPPORT AND REVENUE	12,566,843	(72,893)	12,795,020	(66,412)
Expenses:				
Direct Services	9,697,373	-	10,648,720	-
Fund Raising	177,130	-	177,921	-
Management and General	1,046,957	-	1,040,040	-
National Membership Fees	52,575	-	48,020	-
Total Expenses	10,974,035	-	11,914,701	-
CHANGE IN NET ASSETS				
Net Assets at Beginning of Year	1,592,808	(72,893)	880,319	(66,412)
NET ASSETS-END OF YEAR	4,526,581	1,379,567	3,646,262	1,445,979
	\$ 6,119,389	\$ 1,306,674	\$ 4,526,581	\$ 1,379,567
				\$ 5,906,148

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

	Direct <u>Services</u>	Fund <u>Raising</u>	Management and <u>General</u>	National Membership <u>Fees</u>	2021 <u>Totals</u>	2020 <u>Totals</u>
Salaries	\$ 3,493,173	\$ 61,454	\$ 672,471	\$ -	\$ 4,227,098	\$ 5,009,714
Client Wages	89,217	-	-	-	89,217	143,405
Contract Services	950,876	58,892	6,643	-	1,016,411	655,256
FICA Tax	265,984	4,610	47,191	-	317,785	380,045
Unemployment Tax	41,834	25	2,895	-	44,754	5,822
Group Insurance	453,626	355	63,455	-	517,436	598,619
Workers Comp Insurance	109,232	1,942	21,511	-	132,685	176,166
Retirement Expense	46,721	1,722	13,746	-	62,189	66,386
Postage and Printing	7,465	1,465	2,666	-	11,596	11,707
Supplies	143,374	1,836	11,650	-	156,860	94,346
Program Supplies	72,491	-	-	-	72,491	83,453
Auto and Travel Expense	127,655	749	1,944	-	130,348	158,005
Conference and Training	23,499	-	250	-	23,749	30,809
References and Publications	-	-	-	-	-	20
Rent Expense	155,351	84	2,264	-	157,699	193,537
Insurance	113,367	321	16,166	-	129,854	118,718
Utilities	181,276	307	8,264	-	189,847	197,174
Telecommunications	95,856	704	8,164	-	104,724	113,161
Facilities Maintenance/Repair	153,985	706	20,513	-	175,204	174,863
Equipment Maintenance/Repair	8,653	114	7,104	-	15,871	33,780
CARF Expense	-	-	12,320	-	12,320	12,706
Dues and Memberships	12,180	175	3,641	-	15,996	14,062
NESS Fees	-	-	-	52,575	52,575	48,020
Legal and Accounting	16,000	-	26,750	-	42,750	30,000
Employment Expense	41,146	189	313	-	41,648	23,370
Family Support/Direct Services	2,652,036	-	-	-	2,652,036	2,986,951
Miscellaneous Expense	3,507	36,156	10,424	-	50,087	43,466
Software Subscriptions	68,386	4,297	48,542	-	121,225	117,222
Equipment Purchase/Leases	73,942	185	6,986	-	81,113	75,950
Interest	13,996	-	8,404	-	22,400	23,739
Bad Debt Expense	21,721	-	-	-	21,721	1,321
Depreciation	142,124	842	22,680	-	165,646	176,698
Totals Before Depreciation of Assets Funded by Governmental Agencies	9,578,673	177,130	1,046,957	52,575	10,855,335	11,798,491
Depreciation	118,700	-	-	-	118,700	116,210
Totals	<u>\$ 9,697,373</u>	<u>\$177,130</u>	<u>\$ 1,046,957</u>	<u>\$ 52,575</u>	<u>\$ 10,974,035</u>	<u>\$ 11,914,701</u>

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$ 1,519,915	\$ 813,907
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	284,346	292,908
(Gain) Loss on Assets Held in Trust	(22,254)	(2,671)
Non-Cash Items-Net	43,770	4,380
Changes in Operating Assets and Liabilities:		
Accounts Receivable-Net	(48,200)	376,833
Inventories	(6,797)	(2,865)
Prepaid Expenses and Other Assets	(3,358)	69,650
Net Transfers to Unemployment Service Trust	(10,606)	(9,055)
Accounts Payable	(19,576)	(150,158)
Accrued Expenses	(6,775)	(9,591)
Deferred Income	39,377	(1,218)
Net Cash Provided/(Used) by Operating Activities	<u>1,769,842</u>	<u>1,382,120</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment	<u>(103,124)</u>	<u>(240,319)</u>
Net Cash Provided/(Used) in Investing Activities	<u>(103,124)</u>	<u>(240,319)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes	(23,208)	(22,393)
Proceeds from Restricted Contributions	-	-
Net Cash Provided/(Used) in Financing Activities	<u>(23,208)</u>	<u>(22,393)</u>
Net Increase in Cash and Cash Equivalents	1,643,510	1,119,408
Cash and Cash Equivalents-Beginning of Year	<u>3,484,512</u>	<u>2,365,104</u>
Cash and Cash Equivalents-End of Year	<u>\$ 5,128,022</u>	<u>\$ 3,484,512</u>
Supplemental Disclosures:		
Interest Paid	<u>\$ 14,097</u>	<u>\$ 15,590</u>

See notes to consolidated financial statements

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

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

Basis of Accounting

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

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

Promises to Give

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

Estimates

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

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

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

Capitalization and Depreciation Policy

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

Buildings	30 Years
Equipment	5-10 Years

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

Financial Statement Presentation

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

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

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

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

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

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, 2021, and for the fiscal year then ended, the Organization held no marketable securities or debt securities meeting these criteria.

Contributions

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

Recognition of Donor Restrictions

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

Fair Values of Financial Instruments

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

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

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

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 2 – PROGRAM SERVICE FEES

A schedule of program service fees earned during the fiscal year ended August 31, 2021, follows:

Medicaid Fee Income	\$ 6,321,452
HUD Fee Income	390,468
Consumer Income	308,416
DBHDD Contracts	1,636,948
Service Discounts	<u>(58,659)</u>
Total	<u>\$ 8,598,625</u>

NOTE 3 – CONTRACTS RECEIVABLE

The Organization was owed the following amounts on state contracts as of August 31, 2021:

Georgia Vocational Rehabilitation Agency:	
Vocational Services	\$ 8,558
Florida Department of Education:	
Vocational Contracts	50,375
Georgia Department of Community Health:	
Champions for Children	<u>82,792</u>
	<u>\$ 141,725</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, 2021.

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, 2021, is presented on the following page.

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

ASSETS	COST/BASIS 8/31/2020	ADDITIONS	DELETIONS	COST/BASIS 8/31/2021	ACC DEP 8/31/2021	NET
Land	\$ 172,757	\$ -	\$ -	\$ 172,757	\$ -	\$ 172,757
Building	2,798,610	50,410	(11,171)	2,837,849	1,389,526	1,448,323
Equipment	929,039	25,176	(31,148)	923,067	800,599	122,468
Totals-Easter Seals	3,900,406	75,586	(42,319)	3,933,673	2,190,125	1,743,548
Land	32,897	-	-	32,897	-	32,897
Furniture/Equipment	6,354	-	-	6,354	5,785	569
Building	374,980	-	-	374,980	304,470	70,510
Totals-OFL, Inc.	414,231	-	-	414,231	310,255	103,976
Land	9,993	-	-	9,993	-	9,993
Furniture/Equipment	12,149	-	-	12,149	10,080	2,069
Building	221,440	-	-	221,440	168,092	53,348
Totals-OFL East One	243,582	-	-	243,582	178,172	65,410
Land	9,965	-	-	9,965	-	9,965
Equipment	7,634	-	-	7,634	7,634	-
Building	579,113	8,352	-	587,465	422,970	164,495
Totals-OFL East Two	596,712	8,352	-	605,064	430,604	174,460
Land	30,494	-	-	30,494	-	30,494
Equipment	20,317	-	-	20,317	10,616	9,701
Building	449,935	-	-	449,935	306,037	143,898
Totals-Colquitt Options	500,746	-	-	500,746	316,653	184,093
Land	16,000	-	-	16,000	-	16,000
Furniture/Equipment	3,372	-	-	3,372	1,573	1,799
Building	214,520	1,432	-	215,952	132,674	83,278
Totals-Crisp Options	233,892	1,432	-	235,324	134,247	101,077
Land	29,756	-	-	29,756	-	29,756
Equipment	1,232	-	-	1,232	1,232	-
Building	283,825	5,210	-	289,035	170,768	118,267
Totals-Grady Options	314,813	5,210	-	320,023	172,000	148,023
Land	53,822	-	-	53,822	-	53,822
Furniture/Equipment	16,037	-	-	16,037	7,129	8,908
Building	356,778	8,944	-	365,722	203,172	162,550
Totals-Valdosta Options	426,637	8,944	-	435,581	210,301	225,280
Land	8,813	-	-	8,813	-	8,813
Furniture/Equipment	13,546	-	-	13,546	12,143	1,403
Building	444,142	3,600	-	447,742	227,879	219,863
Total-Satilla Solutions	466,501	3,600	-	470,101	240,022	230,079
TOTALS	\$ 7,097,520	\$ 103,124	\$ (42,319)	\$ 7,158,325	\$ 4,182,379	\$ 2,975,946

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 5 – LAND, BUILDING AND EQUIPMENT (Continued)

The land, building and equipment of \$7,158,325 at August 31, 2021, consisted of purchased assets recorded at cost in the amount of \$6,614,857 and donated assets recorded at fair market value in the amount of \$543,468. Depreciation for the year was \$284,346 of which \$165,646 was attributable to EasterSeals Southern Georgia, Inc., and \$118,700 was attributable to its related entities.

NOTE 6 – CASH

As of August 31, 2021, the carrying amount of the Organization's deposits was \$5,128,022. The bank balances totaled \$5,122,386. Of this amount, \$4,774,679 was covered by Federal Deposit Insurance Coverage and \$347,707 was uninsured.

NOTE 7 – DEFERRED REVENUES

The balance shown represents certain collections received by August 31, 2021, which are not recognized as current year revenues in these financial statements. A detailed schedule follows:

Champions for Children	\$ 621,009
Other Miscellaneous	<u>13,451</u>
Total Deferred Revenues	<u>\$ 634,460</u>

NOTE 8 – SPECIAL EVENTS

During the year, the Organization was associated with the following fund raising events to further its stated purpose.

<u>EVENT</u>	<u>GROSS REVENUES</u>	<u>RELATED EXPENSES</u>	<u>NET PROFITS</u>
Christmas Ornament Sales	<u>\$ 8,933</u>	<u>\$ 5,270</u>	<u>\$ 3,663</u>

NOTE 9 – RENTAL INCOME

A schedule of the rental income generated during the year ended August 31, 2021, follows:

Midtown Mall Property – See Note 4	<u>\$ 5,000</u>
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**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 10 – DONATED SERVICES AND MATERIALS

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

NOTE 11 – LEASING ARRANGEMENTS

The Organization's leasing activity consists of the present commercial lessee with respect to the investment property commonly known as the Midtown Mall property. The lease remained in effect until December 31, 1994, and was renewed by the current lessee on January 1, 2020, for five years. The lease calls for annual rent in the amount of \$10,000, which is shared equally with the Georgia Baptist Children's Home, Inc. as co-owner. The lease grants the lessee the option of five year renewal periods through December 31, 2059. The following is a schedule by years of the minimum future rentals on non cancelable operating leases as of August 31, 2021:

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

NOTE 12 – PROPERTY OWNED BY THE STATE OF GEORGIA

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

NOTE 13 – RELATED PARTY TRANSACTIONS

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

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

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 14 – COMPENSATED ABSENCES

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

Beginning in the fiscal year ended August 31, 2019, the organization adopted policies to allow employees to carry over up to 37.5 hours of paid time off to the following fiscal year. As such, the organization has accrued \$38,033 of leave as of August 31, 2021.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2021 consist of the following:

Endowment Fund	\$ 42,100
Net assets of HUD Group Homes	<u>1,264,574</u>
Total Assets with Donor Restrictions	<u>\$1,306,674</u>

NOTE 16 – NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	<u>2021</u>
Designated for Unemployment Claims	\$ 1,673
Designated for Capital Improvements	116,163
Designated for Cash Reserves	3,342,982
Designated for USDA Sinking Fund	13,920
Designated for Endowment Fund	17,900
Undesignated	<u>2,626,751</u>
Unrestricted Net Assets	<u>\$6,119,389</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 17 – DEBT

Notes Payable

The Organization's notes payable consisted of the following at August 31, 2021:

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

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

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

A note was secured from SB&T Bank on October 9, 2020, for the purpose of refinancing real estate in Valdosta, Georgia. The amount of the note was \$95,337 and is payable in 59 payments of \$696 and a final payment of the remaining balance. The note bears interest at a rate of 3.75% and matures in October, 2025.

Principal maturities of the aforementioned notes payable are as follows:

Year Ending August 31:

2022 (Current)	<u>\$ 24,574</u>
2023	25,939
2024	26,957
2025	27,211
2026	92,815
Thereafter	<u>123,923</u>
Total Noncurrent	<u>\$ 296,845</u>

Line of Credit

A line of credit in the amount of \$500,000 was renewed with Synovus Bank on March 30, 2021. 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 March 30, 2022. As of August 31, 2021, there was no outstanding balance on the line of credit.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

NOTE 19—PENSION PLAN

During the fiscal year ended August 31, 2018, the organization established a defined contribution pension plan under IRS Code Section 403(B). The organization matches 50% of the first 6% that an employee contributes. Contributions totaling \$62,189 and \$66,386 for the years ended August 31, 2021 and 2020, respectively, were made by the Organization, in addition to the elective deferrals made by employees.

NOTE 20 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The organization has \$5,464,803 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$5,128,022 and various receivables of \$336,781.

In addition, the organization has \$95,256 in unemployment and endowment trust funds that could be utilized upon approval by the board. The organization also has a line of credit available if needed.

NOTE 21 – PAYCHECK PROTECTION PROGRAM LOAN

On February 24, 2021, the organization received loan proceeds in the amount of \$1,403,000 in the second round of the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES act) provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its payroll levels.

EasterSeals Southern Georgia, Inc. initially accounted for the PPP loan as a conditional contribution. The organization met all required conditions for forgiveness prior to August 31, 2021, and as such has recognized the entire amount as contribution revenue in the financial statements. On September 27, 2021, EasterSeals Southern Georgia, Inc. was notified that the entire PPP loan had been forgiven.

NOTE 22 – DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management of the Organization has evaluated the effects of subsequent events through November 23, 2021, which is the date the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION
(See Accompanying Independent Auditors' Report)

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash	\$ 5,128,022	\$ -	\$ 4,936,101	\$ 191,921
Accounts Receivable:				
Production Work Sites	4,938	-	4,938	-
Contracts	141,725	-	141,725	-
Other Receivables	55,931	(129,147)	183,791	1,287
Patient Fees, less allowance for uncollectible accounts of \$3,000	134,187	-	134,187	-
Inventory, at cost	69,967	-	69,967	-
Prepaid Expenses	100,959	-	90,662	10,297
	<u>5,635,729</u>	<u>(129,147)</u>	<u>5,561,371</u>	<u>203,505</u>
Total Current Assets				
	<u>5,635,729</u>	<u>(129,147)</u>	<u>5,561,371</u>	<u>203,505</u>
PROPERTY:				
Investment Property	38,500	-	38,500	-
Land, building and equipment, net	2,975,946	-	1,743,548	1,232,398
	<u>3,014,446</u>	<u>-</u>	<u>1,782,048</u>	<u>1,232,398</u>
Net Property				
	<u>3,014,446</u>	<u>-</u>	<u>1,782,048</u>	<u>1,232,398</u>
OTHER ASSETS:				
Cash Held in Unemployment Service Trust	1,674	-	1,674	-
Cash - Donor Restricted Endowment	93,582	-	93,582	-
	<u>95,256</u>	<u>-</u>	<u>95,256</u>	<u>-</u>
Total Other Assets				
	<u>95,256</u>	<u>-</u>	<u>95,256</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 8,745,431</u>	<u>\$ (129,147)</u>	<u>\$ 7,438,675</u>	<u>\$ 1,435,903</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 158,627	\$ (129,147)	\$ 127,191	\$ 160,583
Accrued Payroll and Other	204,862	-	194,116	10,746
Notes Payable-Current Portion	24,574	-	24,574	-
Deferred Revenue	634,460	-	634,460	-
	<u>1,022,523</u>	<u>(129,147)</u>	<u>980,341</u>	<u>171,329</u>
Total Current Liabilities				
	<u>1,022,523</u>	<u>(129,147)</u>	<u>980,341</u>	<u>171,329</u>
Long Term Portion of Notes Payable	296,845	-	296,845	-
	<u>1,319,368</u>	<u>(129,147)</u>	<u>1,277,186</u>	<u>171,329</u>
Total Liabilities				
	<u>1,319,368</u>	<u>(129,147)</u>	<u>1,277,186</u>	<u>171,329</u>
NET ASSETS:				
Without Donor Restrictions:				
Board Designated	3,492,638	-	3,492,638	-
Undesignated	2,626,751	-	2,626,751	-
Total Net Assets without Donor Restrictions	6,119,389	-	6,119,389	-
With Donor Restrictions	1,306,674	-	42,100	1,264,574
	<u>7,426,063</u>	<u>-</u>	<u>6,161,489</u>	<u>1,264,574</u>
Total Net Assets				
	<u>7,426,063</u>	<u>-</u>	<u>6,161,489</u>	<u>1,264,574</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,745,431</u>	<u>\$ (129,147)</u>	<u>\$ 7,438,675</u>	<u>\$ 1,435,903</u>

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING AUGUST 31, 2021

<u>Net Assets Without Donor Restrictions:</u>	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
<u>Public Support and Revenue</u>				
Public Support:				
Memorials, Bequests-Cash	\$ 119,240	\$ -	\$ 119,240	\$ -
Contribution-SBA PPP Loan	1,411,303	-	1,411,303	-
Special Events, Net	3,663	-	3,663	-
United Way Allocation	15,224	-	15,224	-
TOTAL PUBLIC SUPPORT	<u>1,549,430</u>	<u>-</u>	<u>1,549,430</u>	<u>-</u>
Revenue:				
Government Grants	2,134,929	-	2,134,929	-
Program Service Fees	8,598,625	-	8,208,157	390,468
Foundation Grants	34,445	-	34,445	-
Production Income	80,084	-	80,084	-
Investment Income	28,515	-	28,387	128
Rent Income	5,000	-	5,000	-
HUD Property Fees	849	(81,666)	82,515	-
Miscellaneous Income	62,073	-	61,769	304
Net Assets Released from Restrictions	72,893	-	72,893	-
TOTAL REVENUE	<u>11,017,413</u>	<u>(81,666)</u>	<u>10,708,179</u>	<u>390,900</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>12,566,843</u>	<u>(81,666)</u>	<u>12,257,609</u>	<u>390,900</u>
Expenses:				
Direct Services	9,697,373	(81,666)	9,315,246	463,793
Fund Raising	177,130	-	177,130	-
Management and General	1,046,957	-	1,046,957	-
National Membership Fees	52,575	-	52,575	-
Total Expenses	<u>10,974,035</u>	<u>(81,666)</u>	<u>10,591,908</u>	<u>463,793</u>
Change in Net Assets without Donor Restrictions:	<u>1,592,808</u>	<u>-</u>	<u>1,665,701</u>	<u>(72,893)</u>
<u>Net Assets with Donor Restrictions:</u>				
Net Assets Released from Restrictions	(72,893)	-	(72,893)	-
Change in Net Assets with Donor Restrictions	<u>(72,893)</u>	<u>-</u>	<u>(72,893)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>1,519,915</u>	<u>-</u>	<u>1,592,808</u>	<u>(72,893)</u>
Net Assets at Beginning of Year	<u>5,906,148</u>	<u>-</u>	<u>4,568,681</u>	<u>1,337,467</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,426,063</u>	<u>\$ -</u>	<u>\$ 6,161,489</u>	<u>\$ 1,264,574</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
SUMMARY STATEMENT OF SERVICES DELIVERED
FOR THE YEAR ENDED AUGUST 31, 2021**

STATE CONTRACT NUMBERS

44100-264-9072021104 (GA DBHDD)
44100-264-907202211004 (GA DBHDD)
2015037 (GA DCH)
42700-610-SA-0000010080 (GA Vocational Rehab)

Enabled by funding from the contracts listed above, EasterSeals Southern Georgia, Inc. provided Work Adjustment, Sheltered Employment, Supported Employment, Residential Services, Community Service, Transition Services, Day Habilitation Services, and Respite Services for 2,536 (unduplicated count) disabled individuals during the year September 1, 2020 through August 31, 2021. These services were provided through contractual agreements between EasterSeals Southern Georgia, Inc. and Georgia Department of Behavioral Health and Developmental Disabilities, Georgia Department of Community Health, and Georgia Vocational Rehabilitation Agency.

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED AUGUST 31, 2021

<u>Grantor/Program</u>	<u>Contract Number</u>	<u>Federal Funds</u>	<u>State Funds</u>	<u>Total</u>
Georgia Vocational Rehabilitation Agency				
Vocational Services	42700-610-SA-0000010080	\$ 112,901	\$ 30,556	\$ 143,457
Georgia Department of Behavioral Health & Developmental Disabilities				
Family Support Services	44100-264-9072021104	2,779	8,849	11,628
Pineland CSB Supported Employment		-	24,192	24,192
Georgia Department of Community Health				
Champions for Children	2015037	-	845,173	845,173
	2015037	-	82,792	82,792
Florida Department of Education				
Employment/Supported Employment Services; On-the-Job Training		118,250	32,004	150,254
HRSA				
Provider Relief Funds		<u>877,433</u>	<u>-</u>	<u>877,433</u>
TOTAL GOVERNMENT GRANTS		<u>\$1,111,363</u>	<u>\$1,023,566</u>	<u>\$2,134,929</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2021

	FY 21
	Contract
	<u>42700-610-SA-0000010080</u>
Vocational Services	
Revenue:	
Georgia Vocational Rehabilitation Agency	
Contract Revenues	143,457
Non-Contract Revenues	-
Other Revenue Sources	<u>44,410</u>
 TOTAL REVENUE	 <u>187,867</u>
 Expenses:	
Salaries	179,560
Work Adjustment Wages	16,654
Payroll Taxes	14,829
Unemployment	5,045
Group Insurance	24,833
Workers' Compensation	5,935
Printing and Postage	1,311
Supplies	1,092
Retirement	3,273
Program Activities	1,900
Employee Mileage/Travel	9,620
Conferences and Training	410
Telephone/Internet	4,556
Equipment Purchases	696
Building/Equipment Repairs and Maintenance	228
Depreciation	849
Software Subscriptions	870
Dues/Memberships	790
Employment Expense	421
Bad Debt	23,319
Oper. & Maintenance/Facilities/Oversight Allocation	<u>145,111</u>
 TOTAL EXPENSES	 <u>441,302</u>
 REVENUE OVER (UNDER) EXPENSES	 <u><u>(253,435)</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, 2021

	FY 21 Contract <u>#44100-264-9072021104</u>
Grant-In Aid Services	
Revenue:	
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>11,627</u>
TOTAL REVENUE	<u>11,627</u>
Expenses:	
Salaries	10,583
Payroll Taxes	1,044
TOTAL EXPENSES	<u>11,627</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, 2021

Supported Employment-Pineland CSB

Revenue:

State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>24,192</u>
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TOTAL REVENUE	<u>24,192</u>
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Expenses:

Salaries	22,400
Payroll Taxes	1,792

TOTAL EXPENSES	<u>24,192</u>
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REVENUE OVER (UNDER) EXPENSES	<u><u>-</u></u>
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EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2021

Champions for Children Program	FY21 Contract #2015037
Revenue:	
State of Georgia Department of Community Health - Contract Revenues	845,173
TOTAL REVENUE	845,173
Expenses:	
Direct Services	845,173
TOTAL EXPENSES	845,173
REVENUE OVER (UNDER) EXPENSES	-

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2021

Champions for Children Program	FY22 Contract #2015037
Revenue:	
State of Georgia Department of Community Health - Contract Revenues	82,792
TOTAL REVENUE	82,792
Expenses:	
Direct Services	82,792
TOTAL EXPENSES	82,792
REVENUE OVER (UNDER) EXPENSES	-

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FLORDIA DEPARTMENT OF EDUCATION - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2021

	<u>FY 21</u>
Employment Services, Supported Employment Services, On-The-Job Training Services	
Revenue:	
Florida Department of Eduction	
Contract Revenues	92,899
OJT Employer Reimbursement	57,355
Other Revenue Sources	<u>4,571</u>
 TOTAL REVENUE	 <u>154,825</u>
Expenses:	
Salaries	61,702
Work Adjustment Wages	48,068
Payroll Taxes	8,566
Group Insurance	867
Workers' Compensation	3,165
Printing and Postage	7
Supplies	212
Retirement	12
Employee Mileage/Travel	635
Rent	13,109
Insurance	970
Utilities	802
Telephone/Internet	3,886
Equipment Purchases	-
Building/Equipment Repairs and Maintenance	1,045
Equipment Leases	753
Software Subscriptions	1,010
Dues/Memberships	853
Employment Expense	70
Oper. & Maintenance/Oversight Allocation	<u>39,411</u>
 TOTAL EXPENSES	 <u>185,143</u>
 REVENUE OVER (UNDER) EXPENSES	 <u><u>(30,318)</u></u>

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF HEALTH RESOURCES SERVICES ADMINISTRATION - CONTRACTS
REVENUES AND EXPENSES
For the Year Ended August 31, 2021

Provider Relief Fund Payment	CARES
Round 2 & Round 3	Act
Revenue:	
Health Resources & Services Administration	
CARES Act Revenue	877,433
TOTAL REVENUE	877,433
Expenses:	
PPE-CARES Act	59,196
TOTAL EXPENSES	59,196
REVENUE OVER (UNDER) EXPENSES	818,237

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 2021**

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

<u>Grant Number</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>Due (To)From Granting Agency as of 8/31/2021</u>
<u>Georgia Department of Behavioral Health and Developmental Disabilities:</u>			
44100-264-9072021104	\$ 170,387	7/1/20 to 6/30/21	\$ -
<u>Georgia Department of Community Health:</u>			
2015037	\$ 1,013,000	7/1/20 to 6/30/21	\$ -

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH DEVELOPMENTAL DISABILITIES -
CONTRACTS
REVENUES AND EXPENSES VS. BUDGET
July 1, 2020 - June 30, 2021

Contract No. 44100-264-9072021104	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference (Over) Under</u>
Grant-In Aid Services			
REVENUE:			
State of Georgia Department of Behavioral Health & Developmental Disabilities - Contract Revenues	<u>14,618</u>	<u>170,387</u>	<u>155,769</u>
TOTAL REVENUE	<u>14,618</u>	<u>170,387</u>	<u>155,769</u>
EXPENSES:			
Salaries	<u>13,335</u>	<u>155,000</u>	<u>141,665</u>
Payroll Taxes	<u>1,283</u>	<u>15,387</u>	<u>14,104</u>
TOTAL EXPENSES	<u>14,618</u>	<u>170,387</u>	<u>155,769</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, 2020 - June 30, 2021

Contract No. 2015037	<u>Contract-to-Date</u>	<u>Budget</u>	Difference (Over) Under
Champions for Children Program			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>984,708</u>	<u>1,013,000</u>	<u>28,292</u>
TOTAL REVENUE	<u>984,708</u>	<u>1,013,000</u>	<u>28,292</u>
EXPENSES:			
Direct Services	<u>984,708</u>	<u>1,013,000</u>	<u>28,292</u>
TOTAL EXPENSES	<u>984,708</u>	<u>1,013,000</u>	<u>28,292</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CLENNEY
+ LUKE, PC**

Certified Public Accountants & Consultants

735 N. WESTOVER BLVD., SUITE B

PO BOX 70099

ALBANY, GEORGIA 31708

Phone: 229.883.1314 / Fax: 229.317.2079

clenneylukecpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of EasterSeals Southern Georgia, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2021, 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 23, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

MEMBERS

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

Purpose of this Report

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

CLENNEY + LUKE, P.C.

A handwritten signature in dark ink, appearing to read "Clenny + Luke PC", is written over a horizontal line.

Albany, Georgia
November 23, 2021

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021**

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

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FINDING AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2021**

There were no findings for the fiscal year ending August 31, 2021.