

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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

**1906 Palmyra Road
Albany, Georgia**

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Easterseals Southern Georgia, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of August 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Easterseals Southern Georgia, Inc. as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Easterseals Southern Georgia, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Easterseals Southern Georgia, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Easterseals Southern Georgia, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information (pages 19-25) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Easterseals Southern Georgia, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easterseals Southern Georgia, Inc.'s internal control over financial reporting and compliance.

Clenney + Luke

Albany, Georgia
January 22, 2025

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 5,048,790	\$ 4,713,713
Accounts Receivable:		
Production work sites	-	1,087
Contracts	87,376	85,843
Other receivables	40,514	32,874
Patient fees	792,123	295,712
Allowance for doubtful accounts	(3,000)	(3,000)
Employee Retention Credits	-	239,092
Inventory, at cost	65,590	68,853
Prepaid expenses	83,016	92,198
Total Current Assets	<u>6,114,409</u>	<u>5,526,372</u>
PROPERTY:		
Investment Property	38,500	38,500
Land, buildings and equipment, net	<u>2,745,827</u>	<u>2,917,162</u>
Net Property	<u>2,784,327</u>	<u>2,955,662</u>
OTHER ASSETS:		
Operating Lease Right of Use Asset	80,206	51,000
Cash Held in Unemployment Service Trust	22,551	21,487
Cash - Donor Restricted Endowment	102,143	90,583
Total Other Assets	<u>204,900</u>	<u>163,070</u>
TOTAL ASSETS	<u><u>\$ 9,103,636</u></u>	<u><u>\$ 8,645,104</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 174,384	\$ 182,282
Accrued Payroll and Other	241,898	218,675
Operating Lease Payable	27,935	13,244
Notes Payable	29,422	27,125
Deferred Revenue	697,574	741,714
Total Current Liabilities	<u>1,171,213</u>	<u>1,183,040</u>
LONG-TERM LIABILITIES:		
Operating Lease Payable	52,271	37,756
Notes Payable	212,569	242,738
Total Long-Term Liabilities	<u>264,840</u>	<u>280,494</u>
Total Liabilities	<u>1,436,053</u>	<u>1,463,534</u>
NET ASSETS:		
Without Donor Restrictions:		
Board Designated	3,493,450	3,203,580
Undesignated	<u>3,274,199</u>	<u>2,937,072</u>
Total Net Assets Without Donor Restrictions	6,767,649	6,140,652
With Donor Restrictions:	<u>899,934</u>	<u>1,040,918</u>
Total Net Assets	<u>7,667,583</u>	<u>7,181,570</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,103,636</u></u>	<u><u>\$ 8,645,104</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, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Public Support:						
Memorials, Bequests-Cash	\$ 70,280	\$ -	\$ 70,280	\$ 86,794	\$ -	\$ 86,794
Special Events, Net-Note 8	42,621	-	42,621	68,587	-	68,587
United Way Allocation	13,058	-	13,058	14,400	-	14,400
TOTAL PUBLIC SUPPORT	125,959	-	125,959	169,781	-	169,781
Revenue:						
Government Grants	1,568,346	-	1,568,346	1,219,508	-	1,219,508
Program Service Fees-Note 2	11,684,703	-	11,684,703	10,389,870	-	10,389,870
Foundation Grants	122,136	-	122,136	72,620	-	72,620
Production Income	16,340	-	16,340	43,571	-	43,571
Investment Income	123,677	-	123,677	94,841	-	94,841
Rent Income-Note 9	8,600	-	8,600	8,600	-	8,600
HUD Property Fees	311	-	311	390	-	390
Miscellaneous Income	100,800	-	100,800	564,376	-	564,376
Net Assets Released from Restrictions	140,984	(140,984)	-	125,356	(125,356)	-
TOTAL REVENUE	13,765,897	(140,984)	13,624,913	12,519,132	(125,356)	12,393,776
TOTAL PUBLIC SUPPORT AND REVENUE	13,891,856	(140,984)	13,750,872	12,688,913	(125,356)	12,563,557
Expenses:						
Direct Services	11,946,136	-	11,946,136	10,921,861	-	10,921,861
Fund Raising	132,821	-	132,821	174,558	-	174,558
Management and General	1,132,984	-	1,132,984	1,075,977	-	1,075,977
National Membership Fees	52,918	-	52,918	53,709	-	53,709
Total Expenses	13,264,859	-	13,264,859	12,226,105	-	12,226,105
CHANGE IN NET ASSETS	626,997	(140,984)	486,013	462,808	(125,356)	337,452
Net Assets at Beginning of Year	6,140,652	1,040,918	7,181,570	5,677,844	1,166,274	6,844,118
NET ASSETS-END OF YEAR	\$ 6,767,649	\$ 899,934	\$ 7,667,583	\$ 6,140,652	\$ 1,040,918	\$ 7,181,570

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

	<u>Direct Services</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>National Membership Fees</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
Salaries	\$ 3,829,985	\$ 77,209	\$ 749,415	\$ -	\$ 4,656,609	\$ 4,335,659
Client Wages	49,468	-	-	-	49,468	34,323
Contract Services	1,042,542	-	309	-	1,042,851	1,297,614
FICA Tax	287,712	6,033	52,910	-	346,655	322,056
Unemployment Tax	3,903	-	1,633	-	5,536	12,232
Group Insurance	398,853	279	62,921	-	462,053	433,627
Workers Comp Insurance	30,818	586	6,430	-	37,834	90,476
Retirement Expense	56,221	2,032	15,043	-	73,296	27,949
Postage and Printing	8,305	40	2,707	-	11,052	10,177
Supplies	75,948	1,214	19,928	-	97,090	181,228
Program Supplies	143,467	-	-	-	143,467	134,700
Promotional Expense	-	-	-	-	-	9,072
Auto and Travel Expense	181,839	866	10,825	-	193,530	156,729
Conference and Training	24,117	-	3,939	-	28,056	22,656
References and Publications	44	-	25	-	69	20
Rent Expense	116,864	90	2,805	-	119,759	132,679
Insurance	126,979	337	21,164	-	148,480	155,447
Utilities	195,096	316	9,783	-	205,195	184,325
Telecommunications	121,306	1,331	14,356	-	136,993	116,437
Facilities Maintenance/Repair	205,214	537	16,978	-	222,729	222,689
Equipment Maintenance/Repair	10,748	-	3,107	-	13,855	16,130
CARF Expense	-	-	8,100	-	8,100	8,803
Dues and Memberships	16,757	-	4,533	-	21,290	19,566
NESS Fees	-	-	-	52,918	52,918	53,709
Legal and Accounting	16,000	-	28,386	-	44,386	44,500
Employment Expense	68,263	214	11	-	68,488	71,152
Family Support/Direct Services	4,490,299	-	-	-	4,490,299	3,561,382
Miscellaneous Expense	14,013	34,311	26,754	-	75,078	65,223
Software Subscriptions	105,558	6,124	38,103	-	149,785	136,434
Equipment Purchase/Leases	26,664	572	10,191	-	37,427	37,491
Interest	12,240	-	-	-	12,240	12,002
Bad Debt Expense	2,672	-	-	-	2,672	6,009
Depreciation	153,188	730	22,628	-	176,546	184,006
Totals Before Depreciation of Assets Funded by Governmental Agencies	11,815,083	132,821	1,132,984	52,918	13,133,806	12,096,502
Depreciation	131,053	-	-	-	131,053	129,603
Totals	\$ 11,946,136	\$132,821	\$ 1,132,984	\$ 52,918	\$ 13,264,859	\$ 12,226,105

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2024</u>	<u>2023</u>
Change in Net Assets	\$ 486,013	\$ 337,452
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	307,599	313,609
(Gain) Loss on Assets Held in Trust	(17,453)	(5,704)
Non-Cash Items-Net	3,831	10,400
Changes in Operating Assets and Liabilities:		
Accounts Receivable-Net	(265,405)	(12,711)
Inventories	3,263	3,905
Prepaid Expenses and Other Assets	9,182	18,720
Net Transfers to Unemployment Service Trust	999	11,239
Accounts Payable	(7,898)	(102,420)
Accrued Expenses	23,223	35,465
Deferred Income	(44,140)	12,910
Net Cash Provided/(Used) by Operating Activities	<u>499,214</u>	<u>622,865</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment	<u>(136,265)</u>	<u>(260,140)</u>
Net Cash Provided/(Used) in Investing Activities	<u>(136,265)</u>	<u>(260,140)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes	(27,872)	(26,789)
Proceeds from Restricted Contributions	<u>-</u>	<u>-</u>
Net Cash Provided/(Used) in Financing Activities	<u>(27,872)</u>	<u>(26,789)</u>
 Net Increase in Cash and Cash Equivalents	335,077	335,936
 Cash and Cash Equivalents-Beginning of Year	<u>4,713,713</u>	<u>4,377,777</u>
 Cash and Cash Equivalents-End of Year	<u>\$ 5,048,790</u>	<u>\$ 4,713,713</u>
 Supplemental Disclosures:		
Interest Paid	<u>\$ 12,240</u>	<u>\$ 12,002</u>
 Noncash Investing and Financing Transaction:		
Property Leases:		
Right of Use Asset	\$ 45,846	\$ 55,482
Lease Obligation	(45,846)	(55,482)

See notes to consolidated financial statements

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

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 principal 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.

SIGNIFICANT ACCOUNTING POLICIES

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, 2024**

NOTE 1 - 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, 2024**

NOTE 1 - 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, 2024, 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, 2024**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by 1) identifying the contract(s) with a customer, 2) identifying the performance obligations in the contract, 3) determining the transaction price, 4) allocating the transaction price to the performance obligations in the contract, and 5) recognizing revenue when the entity satisfies a performance obligation.

The Organization's revenue subject to this revenue recognition standard is derived primarily from program services. The Organization has contractual arrangements with various funders to provide program services at negotiated rates for specific services. As such, the performance obligation is the service provided and revenue is recognized in the month the contractual services are rendered. The Organization does not have multiple performance obligations that would require allocation of the transaction price.

Leases

The Organization leases office spaces and facilities. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

NOTE 2 – PROGRAM SERVICE FEES

A schedule of program service fees earned during the fiscal year ended August 31, 2024, follows:

Medicaid Fee Income	\$ 7,444,067
HUD Fee Income	415,319
VR Training	100,000
Consumer Income	300,792
DBHDD Contracts	3,426,301
Service Discounts	<u>(1,776)</u>
Total	<u>\$11,684,703</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

NOTE 3 – CONTRACTS RECEIVABLE

The Organization was owed the following amounts on state contracts as of August 31, 2024:

Georgia Vocational Rehabilitation Agency: Vocational Services	\$ 27,443
Florida Department of Education: Vocational Contracts	17,479
Georgia Department of Community Health: Champions for Children	<u>42,454</u>
	<u>\$ 87,376</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, 2020.

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

NOTE 5 – LAND, BUILDING AND EQUIPMENT

A detailed schedule of the costs and related accumulated depreciation of land, buildings, and equipment as of August 31, 2024, is presented on the following page.

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

<u>ASSETS</u>	COST/BASIS			COST/BASIS		ACC DEP	NET
	8/31/2023	ADDITIONS	DELETIONS	8/31/2024	8/31/2024		
Land	\$ 174,757	\$ -	\$ -	\$ 174,757	\$ -		\$ 174,757
Building	3,093,098	21,651	-	3,114,749	1,731,232		1,383,517
Equipment	922,476	101,219	(53,006)	970,689	796,386		174,303
Totals-Easter Seals	<u>4,190,331</u>	<u>122,870</u>	<u>(53,006)</u>	<u>4,260,195</u>	<u>2,527,618</u>		<u>1,732,577</u>
Land	32,897	-	-	32,897	-		32,897
Furniture/Equipment	26,609	1,221	-	27,830	11,234		16,596
Building	392,825	-	-	392,825	349,576		43,249
Totals-OFL, Inc.	<u>452,331</u>	<u>1,221</u>	<u>-</u>	<u>453,552</u>	<u>360,810</u>		<u>92,742</u>
Land	9,993	-	-	9,993	-		9,993
Furniture/Equipment	24,744	-	-	24,744	14,628		10,116
Building	231,840	-	-	231,840	195,784		36,056
Totals-OFL East One	<u>266,577</u>	<u>-</u>	<u>-</u>	<u>266,577</u>	<u>210,412</u>		<u>56,165</u>
Land	9,965	-	-	9,965	-		9,965
Equipment	4,866	-	(1,929)	2,937	945		1,992
Building	621,547	5,389	-	626,936	502,896		124,040
Totals-OFL East Two	<u>636,378</u>	<u>5,389</u>	<u>(1,929)</u>	<u>639,838</u>	<u>503,841</u>		<u>135,997</u>
Land	30,494	-	-	30,494	-		30,494
Equipment	18,152	-	-	18,152	15,255		2,897
Building	460,779	-	-	460,779	358,287		102,492
Totals-Colquitt Options	<u>509,425</u>	<u>-</u>	<u>-</u>	<u>509,425</u>	<u>373,542</u>		<u>135,883</u>
Land	16,000	-	-	16,000	-		16,000
Furniture/Equipment	3,372	-	-	3,372	3,372		-
Building	215,952	-	-	215,952	157,066		58,886
Totals-Crisp Options	<u>235,324</u>	<u>-</u>	<u>-</u>	<u>235,324</u>	<u>160,438</u>		<u>74,886</u>
Land	29,756	-	-	29,756	-		29,756
Equipment	18,023	-	-	18,023	3,699		14,324
Building	293,255	-	-	293,255	203,687		89,568
Totals-Grady Options	<u>341,034</u>	<u>-</u>	<u>-</u>	<u>341,034</u>	<u>207,386</u>		<u>133,648</u>
Land	53,822	-	-	53,822	-		53,822
Furniture/Equipment	15,390	2,310	(5,830)	11,870	3,481		8,389
Building	382,357	-	-	382,357	245,407		136,950
Totals-Valdosta Options	<u>451,569</u>	<u>2,310</u>	<u>(5,830)</u>	<u>448,049</u>	<u>248,888</u>		<u>199,161</u>
Land	8,813	-	-	8,813	-		8,813
Furniture/Equipment	13,546	-	-	13,546	13,335		211
Building	452,102	4,475	-	456,577	280,833		175,744
Total-Satilla Solutions	<u>474,461</u>	<u>4,475</u>	<u>-</u>	<u>478,936</u>	<u>294,168</u>		<u>184,768</u>
TOTALS	<u>\$ 7,557,430</u>	<u>\$ 136,265</u>	<u>\$ (60,765)</u>	<u>\$ 7,632,930</u>	<u>\$ 4,887,103</u>		<u>\$ 2,745,827</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

NOTE 5 – LAND, BUILDING AND EQUIPMENT (Continued)

The land, building and equipment of \$7,632,930 at August 31, 2024, consisted of purchased assets recorded at cost in the amount of \$7,089,462 and donated assets recorded at fair market value in the amount of \$543,468. Depreciation for the year was \$307,599 of which \$176,546 was attributable to EasterSeals Southern Georgia, Inc., and \$131,053 was attributable to its related entities.

NOTE 6 – CASH

As of August 31, 2024, the carrying amount of the Organization's deposits was \$5,048,790. The bank balances totaled \$5,244,613 of which \$4,887,380 was insured by Federal Depository Insurance Coverage (FDIC) and \$357,233 was uninsured.

NOTE 7 – DEFERRED REVENUES

The balance shown represents certain collections received by August 31, 2024, which are not recognized as current year revenues in these financial statements. A detailed schedule follows:

Champions for Children	\$ 683,096
Other Miscellaneous	<u>14,478</u>
Total Deferred Revenues	<u>\$ 697,574</u>

NOTE 8 – SPECIAL EVENTS

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

EVENT	GROSS REVENUES	RELATED EXPENSES	NET PROFITS
Christmas Ornament Sales	\$ 7,572	\$ 4,089	\$ 3,483
Golf Tournament	<u>45,448</u>	<u>6,310</u>	<u>39,138</u>
Totals	<u>\$ 53,020</u>	<u>\$ 10,399</u>	<u>\$ 42,621</u>

NOTE 9 – RENTAL INCOME

A schedule of the rental income generated during the year ended August 31, 2024, follows:

Midtown Mall Property – See Note 4	\$ 5,000
Miscellaneous Office Space	<u>3,600</u>
Total Rent Income	<u>\$ 8,600</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

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 – 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 12 – RELATED PARTY TRANSACTIONS

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

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

NOTE 13 – 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.

The organization has 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 \$44,755 of leave as of August 31, 2024.

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2024 consist of the following:

Endowment Fund	\$ 42,100
Net assets of HUD Group Homes	<u>899,934</u>
Total Assets with Donor Restrictions	<u>\$ 942,034</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

NOTE 15 – NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	2024
Designated for Unemployment Claims	\$ 22,551
Designated for Capital Improvements	161,123
Designated for Cash Reserves	3,274,878
Designated for USDA Sinking Fund	16,998
Designated for Endowment Fund	17,900
Undesignated	3,274,199
Unrestricted Net Assets	<u>\$6,767,649</u>

NOTE 16 – DEBT

Notes Payable

The Organization’s notes payable consisted of the following at August 31, 2024:

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.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

NOTE 16 – DEBT (continued)

Principal maturities of the aforementioned notes payable are as follows:

Year Ending August 31:

2025 (Current)	\$ 29,422
2026	86,642
2027	24,492
2028	25,516
2029	18,621
Thereafter	57,298
Total Noncurrent	\$ 212,569

Line of Credit

A line of credit in the amount of \$500,000 was renewed with Synovus Bank on March 30, 2024. The purpose of the line was for working capital. The interest rate on the outstanding principal balance of the line of credit is the Prime Rate with the minimum interest rate being 5.50% and the entire principal and interest balance is due and payable on March 30, 2025. As of August 31, 2024, there was no outstanding balance on the line of credit.

NOTE 17 - 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 \$73,296 and \$27,949 for the years ended August 31, 2024 and 2023, respectively, were made by the Organization, in addition to the elective deferrals made by employees.

NOTE 18 – LEASES

Upon adoption, ASC 842 *Leases* had an impact on EasterSeals Southern Georgia, Inc.'s consolidated statements of financial position and cash flows. As part of the transition, the Organization elected the following practical expedients:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are, or contain, leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize right-of-use (ROU) assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.
- Use the rate implicit in the lease whenever that rate is readily determinable. Otherwise, the risk-free rate (such as governmental treasury bills) will be used.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

NOTE 18 – LEASES (continued)

EasterSeals Southern Georgia, Inc. leases office facilities and office equipment under various short-term and long-term operating leases. The Organization has determined that only two real estate leases (Thomasville and Valdosta office space) are non-cancelable and meets the criteria for recognition in these financial statements. These leases expire at various dates through 2027. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The office equipment leases are not considered material to the financial statements and thus are not recorded on the statement of financial position. Lease expense is recognized for these arrangements on a straight-line basis over the various lease terms.

As of August 31, 2024, the right-of-use (ROU) assets has a balance of \$80,206 as shown in other assets on the statement of financial position. The lease liability is included in current liabilities (\$27,935) and long-term liabilities (\$52,271). The lease did not contain an implicit interest rate so the ROU asset and related lease liability were calculated using the risk-free rate of return at the commencement date of the lease.

Additional information about the Organization’s leases is as follows:

Lease Costs (included in rent expense on the statement of functional expenses)	\$18,900
<u>Other Information:</u>	
Lease Assets Obtained in Exchange for Lease Obligations in Current Year	\$ 45,846
Weighted Average Remaining Lease Term	2.7 years
Weighted Average Discount Rate	4.22%

Future minimum lease payments for ROU operating leases are as follows:

August 31, 2025	\$ 30,795
August 31, 2026	31,584
August 31, 2027	<u>22,897</u>
Total Lease Payments	85,276
Less Interest	<u>(5,070)</u>
Present Value of Lease Liabilities	<u>\$ 80,206</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

NOTE 19 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The organization has \$5,965,803 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 \$5,048,790 and various receivables of \$917,013.

In addition, the organization has \$124,694 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.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing social service programs to individuals with intellectual and developmental disabilities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

NOTE 20 – DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management of the Organization has evaluated the effects of subsequent events through January 22, 2025, which is the date the financial statements are available to be issued.

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2024

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash	\$ 5,048,790	\$ -	\$ 4,838,484	\$ 210,306
Accounts Receivable:				
Production Work Sites	-	-	-	-
Contracts	87,376	-	87,376	-
Other Receivables	40,514	(349,989)	385,951	4,552
Patient Fees, less allowance for uncollectible accounts of \$3,000	789,123	-	789,123	-
Employee Retention Credits	-	-	-	-
Inventory, at cost	65,590	-	65,590	-
Prepaid Expenses	83,016	-	65,178	17,838
Total Current Assets	<u>6,114,409</u>	<u>(349,989)</u>	<u>6,231,702</u>	<u>232,696</u>
PROPERTY:				
Investment Property	38,500	-	38,500	-
Land, building and equipment, net	2,745,827	-	1,732,577	1,013,250
Net Property	<u>2,784,327</u>	<u>-</u>	<u>1,771,077</u>	<u>1,013,250</u>
OTHER ASSETS:				
Operating Lease Right of Use Asset	80,206	-	80,206	-
Cash Held in Unemployment Service Trust	22,551	-	22,551	-
Cash - Donor Restricted Endowment	102,143	-	102,143	-
Total Other Assets	<u>204,900</u>	<u>-</u>	<u>204,900</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 9,103,636</u>	<u>\$ (349,989)</u>	<u>\$ 8,207,679</u>	<u>\$ 1,245,946</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 174,384	\$ (349,989)	\$ 148,139	\$ 376,234
Accrued Payroll and Other	241,898	-	230,020	11,878
Operating Lease Payable	27,935	-	27,935	-
Notes Payable	29,422	-	29,422	-
Deferred Revenue	697,574	-	697,574	-
Total Current Liabilities	<u>1,171,213</u>	<u>(349,989)</u>	<u>1,133,090</u>	<u>388,112</u>
LONG-TERM LIABILITIES:				
Operating Lease Payable	52,271	-	52,271	-
Notes Payable	212,569	-	212,569	-
Total Long-Term Liabilities	<u>264,840</u>	<u>-</u>	<u>264,840</u>	<u>-</u>
Total Liabilities	<u>1,436,053</u>	<u>(349,989)</u>	<u>1,397,930</u>	<u>388,112</u>
NET ASSETS:				
Without Donor Restrictions:				
Board Designated	6,767,649	-	6,767,649	-
Undesignated	-	-	-	-
Total Net Assets without Donor Restrictions	<u>6,767,649</u>	<u>-</u>	<u>6,767,649</u>	<u>-</u>
With Donor Restrictions	899,934	-	42,100	857,834
Total Net Assets	<u>7,667,583</u>	<u>-</u>	<u>6,809,749</u>	<u>857,834</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,103,636</u>	<u>\$ (349,989)</u>	<u>\$ 8,207,679</u>	<u>\$ 1,245,946</u>

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING AUGUST 31, 2024

<u>Net Assets Without Donor Restrictions:</u>			Easter Seals Southern Georgia, Inc.	HUD Group Homes
	<u>Consolidated</u>	<u>Eliminations</u>		
<u>Public Support and Revenue</u>				
Public Support:				
Memorials, Bequests-Cash	\$ 70,280	\$ -	\$ 70,280	\$ -
Special Events, Net	42,621	-	42,621	-
United Way Allocation	<u>13,058</u>	<u>-</u>	<u>13,058</u>	<u>-</u>
TOTAL PUBLIC SUPPORT	<u>125,959</u>	<u>-</u>	<u>125,959</u>	<u>-</u>
Revenue:				
Government Grants	1,568,346	-	1,568,346	-
Program Service Fees	11,684,703	-	11,269,384	415,319
Foundation Grants	122,136	-	122,136	-
Production Income	16,340	-	16,340	-
Investment Income	123,677	-	123,116	561
Rent Income	8,600	-	8,600	-
HUD Property Fees	311	(89,136)	89,447	-
Miscellaneous Income	100,800	-	100,316	484
Net Assets Released from Restrictions	<u>140,984</u>	<u>-</u>	<u>140,984</u>	<u>-</u>
TOTAL REVENUE	<u>13,765,897</u>	<u>(89,136)</u>	<u>13,438,669</u>	<u>416,364</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>13,891,856</u>	<u>(89,136)</u>	<u>13,564,628</u>	<u>416,364</u>
Expenses:				
Direct Services	11,946,136	(89,136)	11,477,924	557,348
Fund Raising	132,821	-	132,821	-
Management and General	1,132,984	-	1,132,984	-
National Membership Fees	<u>52,918</u>	<u>-</u>	<u>52,918</u>	<u>-</u>
Total Expenses	<u>13,264,859</u>	<u>(89,136)</u>	<u>12,796,647</u>	<u>557,348</u>
Change in Net Assets without Donor Restrictions	<u>626,997</u>	<u>-</u>	<u>767,981</u>	<u>(140,984)</u>
<u>Net Assets with Donor Restrictions:</u>				
Net Assets Released from Restrictions	<u>(140,984)</u>	<u>-</u>	<u>(140,984)</u>	<u>-</u>
Change in Net Assets with Donor Restrictions	<u>(140,984)</u>	<u>-</u>	<u>(140,984)</u>	<u>-</u>
CHANGE IN NET ASSETS	486,013	-	626,997	(140,984)
Net Assets at Beginning of Year	<u>7,181,570</u>	<u>-</u>	<u>6,182,752</u>	<u>998,818</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,667,583</u>	<u>\$ -</u>	<u>\$ 6,809,749</u>	<u>\$ 857,834</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
SUMMARY STATEMENT OF SERVICES DELIVERED
FOR THE YEAR ENDED AUGUST 31, 2024**

STATE CONTRACT NUMBERS

44100-264-9072023104 (GA DBHDD)
44100-264-9072024104 (GA DBHDD)
2015037 (GA DCH)
44100-907-CMA00002928 (GA DBHDD)
44100-907-CMA00003994 (GA DBHDD)
41200-610-SS-FY22-010080 (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 2,395 (unduplicated count) disabled individuals during the year September 1, 2023 through August 31, 2024. 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, 2024**

<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	41200-610-SS-FY22-010080	\$ 22,974	\$ -	\$ 22,974
	41200-610-SS-FY22-010080	462,164	-	462,164
GROW Summer Program		110,250	-	110,250
Georgia Department of Community Health				
Champions for Children	2015037	-	793,136	793,136
	2015037	-	83,239	83,239
Florida Department of Education				
Employment/Supported Employment Services; On-the-Job Training		<u>76,010</u>	<u>20,573</u>	<u>96,583</u>
TOTAL GOVERNMENT GRANTS		<u>\$ 671,398</u>	<u>\$ 896,948</u>	<u>\$ 1,568,346</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 2024**

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

<u>Grant Number</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>Due (To)From Granting Agency as of 8/31/2024</u>
<u>Georgia Vocational Rehabilitation Agency:</u>			
41200-610-SS-FY22-010080	\$ 488,099	10/1/22 to 9/30/23	\$ 95
<u>Georgia Department of Community Health:</u>			
2015037	\$ 1,013,000	7/1/23 to 6/30/24	\$ -

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES VS BUDGET
October 1, 2022 - September 30, 2023

Contract No. 41200-610-SS-FY22-010080	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference Over (Under)</u>
Vocational Services			
REVENUE:			
Georgia Vocational Rehabilitation Agency			
Contract Revenues	191,819	217,333	(25,514)
Non-Contract Revenues	97,500	-	97,500
Other Revenue Sources	<u>70,104</u>	<u>60,250</u>	<u>9,854</u>
 TOTAL REVENUE	 <u>359,423</u>	 <u>277,583</u>	 <u>81,840</u>
EXPENSES			
Salaries	121,901	142,467	(20,566)
Work Adjustment Wages	7,521	13,917	(6,396)
Payroll Taxes	9,629	11,245	(1,616)
Group Insurance	11,074	12,858	(1,784)
Workers' Compensation	2,453	4,083	(1,630)
Printing and Postage	263	79	184
Supplies	1,611	1,729	(118)
Retirement	1,081	1,585	(504)
Program Activities	6,464	83	6,381
Employee Mileage/Travel	11,626	8,834	2,792
Conferences and Training	35	-	35
Employee Appreciation	110	-	110
Telephone/Internet	3,242	3,681	(439)
Equipment Purchases	1,596	400	1,196
Building/Equipment Repairs and Maintenance	43	308	(265)
Software Subscriptions	4,781	4,100	681
Dues/Memberships	5,085	5,100	(15)
Employment Expense	1,577	833	744
Direct Services	2,334	208	2,126
Oper. & Maintenance/Facilities/Oversight Allocation	<u>188,151</u>	<u>192,796</u>	<u>(4,645)</u>
 TOTAL EXPENSES	 <u>380,577</u>	 <u>404,306</u>	 <u>(23,729)</u>
 REVENUE OVER (UNDER) EXPENSES	 <u>\$ (21,154)</u>	 <u>\$ (126,723)</u>	 <u>\$ 105,569</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 July 1, 2023 - June 30, 2024

	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference Over (Under)</u>
Contract No. 2015037			
Champions for Children Program			
REVENUE:			
State of Georgia Department of Community Health - Contract Revenues	<u>879,979</u>	<u>1,013,000</u>	<u>(133,021)</u>
TOTAL REVENUE	<u>879,979</u>	<u>1,013,000</u>	<u>(133,021)</u>
EXPENSES:			
Direct Services	<u>879,979</u>	<u>1,013,000</u>	<u>(133,021)</u>
TOTAL EXPENSES	<u>879,979</u>	<u>1,013,000</u>	<u>(133,021)</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



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

To the Board of Directors 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 financial statements of Easterseals Southern Georgia, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities and changes in net assets, 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 January 22, 2025.

Report on 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) 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 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 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 or significant deficiencies may exist that were not identified.

Report on 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 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 + Luke

Albany, Georgia
January 22, 2025

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2024**

There were no findings for the prior fiscal year ending August 31, 2023.

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FINDING AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2024**

There were no findings for the fiscal year ending August 31, 2024.