

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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

**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, 2025 and 2024, 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, 2025 and 2024, 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 18-24) 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 February 4, 2026, 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
February 4, 2026

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
CURRENT ASSETS:		
Cash	\$ 6,845,515	\$ 5,048,790
Accounts Receivable:		
Contracts	331,570	87,376
Other receivables	39,563	40,514
Patient fees	503,239	792,123
Allowance for doubtful accounts	(3,000)	(3,000)
Inventory, at cost	66,419	65,590
Prepaid expenses	135,459	83,016
Total Current Assets	<u>7,918,765</u>	<u>6,114,409</u>
PROPERTY:		
Investment Property	38,500	38,500
Land, buildings and equipment, net	3,096,895	2,745,827
Net Property	<u>3,135,395</u>	<u>2,784,327</u>
OTHER ASSETS:		
Operating Lease Right of Use Asset	52,271	80,206
Cash Held in Unemployment Service Trust	32,230	22,551
Cash - Donor Restricted Endowment	111,670	102,143
Total Other Assets	<u>196,171</u>	<u>204,900</u>
TOTAL ASSETS	<u>\$ 11,250,331</u>	<u>\$ 9,103,636</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 225,248	\$ 174,384
Accrued Payroll and Other	262,401	241,898
Operating Lease Payable	29,937	27,935
Notes Payable	7,512	29,422
Deferred Revenue	679,977	697,574
Total Current Liabilities	<u>1,205,075</u>	<u>1,171,213</u>
LONG-TERM LIABILITIES:		
Operating Lease Payable	22,334	52,271
Notes Payable	55,579	212,569
Total Long-Term Liabilities	<u>77,913</u>	<u>264,840</u>
Total Liabilities	<u>1,282,988</u>	<u>1,436,053</u>
NET ASSETS:		
Without Donor Restrictions:		
Board Designated	5,117,800	3,493,450
Undesignated	4,056,298	3,274,199
Total Net Assets Without Donor Restrictions	9,174,098	6,767,649
With Donor Restrictions:	793,245	899,934
Total Net Assets	<u>9,967,343</u>	<u>7,667,583</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,250,331</u>	<u>\$ 9,103,636</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, 2025 AND 2024**

	2025		2024		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue					
Public Support:					
Memorials, Bequests-Cash	\$ 354,880	-	\$ 70,280	-	\$ 70,280
-Noncash	1,500	-	-	-	-
Special Events, Net-Note 8	42,769	-	42,621	-	42,621
United Way Allocation	19,261	-	13,058	-	13,058
TOTAL PUBLIC SUPPORT	418,410	-	125,959	-	125,959
Revenue:					
Government Grants	2,302,282	-	1,568,346	-	1,568,346
Program Service Fees-Note 2	14,315,584	-	11,684,703	-	11,684,703
Foundation Grants	139,166	-	122,136	-	122,136
Production Income	-	-	16,340	-	16,340
Investment Income	57,545	-	123,677	-	123,677
Rent Income-Note 9	7,100	-	8,600	-	8,600
HUD Property Fees	3,260	-	311	-	311
Miscellaneous Income	94,961	-	100,800	-	100,800
Net Assets Released from Restrictions	106,689	(106,689)	140,984	(140,984)	-
TOTAL REVENUE	17,026,587	(106,689)	13,765,897	(140,984)	13,624,913
TOTAL PUBLIC SUPPORT AND REVENUE	17,444,997	(106,689)	13,891,856	(140,984)	13,750,872
Expenses:					
Direct Services	13,537,888	-	11,946,136	-	11,946,136
Fund Raising	166,871	-	132,821	-	132,821
Management and General	1,278,448	-	1,132,984	-	1,132,984
National Membership Fees	55,341	-	52,918	-	52,918
Total Expenses	15,038,548	-	13,264,859	-	13,264,859
CHANGE IN NET ASSETS					
Net Assets at Beginning of Year	2,406,449	(106,689)	626,997	(140,984)	486,013
NET ASSETS-END OF YEAR	\$ 9,174,098	\$ 793,245	\$ 6,767,649	\$ 899,934	\$ 7,667,583

See notes to consolidated financial statements

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Direct Services	Fund Raising	Management and General	National Membership Fees	2025 Totals	2024 Totals
Salaries	\$ 5,356,220	\$ 96,165	\$ 878,914	\$ -	\$ 6,331,299	\$ 4,656,609
Client Wages	18,452	-	-	-	18,452	49,468
Contract Services	654,471	9,075	7,628	-	671,174	1,042,851
FICA Tax	400,268	7,335	61,082	-	468,685	346,655
Unemployment Tax	112	-	1,511	-	1,623	5,536
Group Insurance	428,503	681	63,161	-	492,345	462,053
Workers Comp Insurance	57,081	1,022	9,351	-	67,454	37,834
Retirement Expense	49,363	1,684	12,107	-	63,154	73,296
Postage and Printing	7,744	203	269	-	8,216	11,052
Supplies	65,207	1,878	13,941	-	81,026	97,090
Program Supplies	159,031	-	-	-	159,031	143,467
Promotional Expense	1,425	7,761	-	-	9,186	-
Auto and Travel Expense	189,287	3,695	15,618	-	208,600	193,530
Conference and Training	27,320	-	5,193	-	32,513	28,056
References and Publications	-	-	-	-	-	69
Rent Expense	103,096	92	2,843	-	106,031	119,759
Insurance	131,016	455	26,100	-	157,571	148,480
Utilities	215,162	337	10,461	-	225,960	205,195
Telecommunications	128,377	1,096	18,218	-	147,691	136,993
Facilities Maintenance/Repair	190,186	503	15,008	-	205,697	222,729
Equipment Maintenance/Repair	8,843	-	4,891	-	13,734	13,855
CARF Expense	-	-	9,195	-	9,195	8,100
Dues and Memberships	17,361	-	5,364	-	22,725	21,290
NESS Fees	-	-	-	55,341	55,341	52,918
Legal and Accounting	25,713	-	24,800	-	50,513	44,386
Employment Expense	49,162	138	641	-	49,941	68,488
Family Support/Direct Services	4,649,108	-	-	-	4,649,108	4,490,299
Miscellaneous Expense	108,211	27,277	21,531	-	157,019	75,078
Software Subscriptions	134,023	6,858	45,497	-	186,378	149,785
Equipment Purchase/Leases	46,659	124	9,877	-	56,660	37,427
Interest	11,470	-	-	-	11,470	12,240
Bad Debt Expense	10,321	-	-	-	10,321	2,672
Depreciation	163,442	492	15,247	-	179,181	176,546
Totals Before Depreciation of Assets Funded by Governmental Agencies	13,406,634	166,871	1,278,448	55,341	14,907,294	13,133,806
Depreciation	131,254	-	-	-	131,254	131,053
Totals	<u>\$ 13,537,888</u>	<u>\$ 166,871</u>	<u>\$ 1,278,448</u>	<u>\$ 55,341</u>	<u>\$ 15,038,548</u>	<u>\$ 13,264,859</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, 2025 AND 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2025</u>	<u>2024</u>
Change in Net Assets	\$ 2,299,760	\$ 486,013
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	310,435	307,599
(Gain) Loss on Assets Held in Trust	(11,778)	(17,453)
Non-Cash Items-Net	1,623	3,831
Changes in Operating Assets and Liabilities:		
Accounts Receivable-Net	45,641	(265,405)
Inventories	(829)	3,263
Prepaid Expenses and Other Assets	(52,443)	9,182
Net Transfers to Unemployment Service Trust	(9,051)	999
Accounts Payable	50,864	(7,898)
Accrued Expenses	20,503	23,223
Deferred Income	(17,597)	(44,140)
Net Cash Provided/(Used) by Operating Activities	<u>2,637,128</u>	<u>499,214</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment	<u>(661,503)</u>	<u>(136,265)</u>
Net Cash Provided/(Used) in Investing Activities	<u>(661,503)</u>	<u>(136,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes	(178,900)	(27,872)
Proceeds from Restricted Contributions	<u>-</u>	<u>-</u>
Net Cash Provided/(Used) in Financing Activities	<u>(178,900)</u>	<u>(27,872)</u>
Net Increase in Cash and Cash Equivalents	1,796,725	335,077
Cash and Cash Equivalents-Beginning of Year	<u>5,048,790</u>	<u>4,713,713</u>
Cash and Cash Equivalents-End of Year	<u>\$ 6,845,515</u>	<u>\$ 5,048,790</u>
Supplemental Disclosures:		
Interest Paid	<u>\$ 11,470</u>	<u>\$ 12,240</u>
Noncash Investing and Financing Transaction:		
Property Leases:		
Right of Use Asset	\$ -	\$ 45,846
Lease Obligation	-	(45,846)

See notes to consolidated financial statements

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

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, 2025**

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, 2025**

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, 2025, 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, 2025**

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, 2025, follows:

Medicaid Fee Income	\$ 9,859,345
HUD Fee Income	448,258
VR Training	99,457
Consumer Income	327,662
DBHDD Contracts	3,583,038
Service Discounts	<u>(2,176)</u>
Total	<u>\$14,315,584</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

NOTE 3 – CONTRACTS RECEIVABLE

The Organization was owed the following amounts on state contracts as of August 31, 2025:

Georgia Vocational Rehabilitation Agency:	
Vocational Services	\$ 53,978
Florida Department of Education:	
Vocational Contracts	4,438
Georgia Department of Community Health:	
Champions for Children	<u>273,154</u>
	<u>\$ 331,570</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, 2025.

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, 2025, is presented on the following page.

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

<u>ASSETS</u>	COST/BASIS			COST/BASIS		ACC DEP	NET
	8/31/2024	ADDITIONS	DELETIONS	8/31/2025	8/31/2025		
Land	\$ 174,757	\$ 29,725	\$ -	\$ 204,482	\$ -		\$ 204,482
Building	3,114,749	554,224	-	3,668,973	1,852,852		1,816,121
Equipment	970,689	37,952	(52,979)	955,662	800,968		154,694
Totals-Easter Seals	<u>4,260,195</u>	<u>621,901</u>	<u>(52,979)</u>	<u>4,829,117</u>	<u>2,653,820</u>		<u>2,175,297</u>
Land	32,897	-	-	32,897	-		32,897
Furniture/Equipment	27,830	-	-	27,830	14,796		13,034
Building	392,825	4,299	-	397,124	364,468		32,656
Totals-OFL, Inc.	<u>453,552</u>	<u>4,299</u>	<u>-</u>	<u>457,851</u>	<u>379,264</u>		<u>78,587</u>
Land	9,993	-	-	9,993	-		9,993
Furniture/Equipment	24,744	-	-	24,744	17,095		7,649
Building	231,840	-	-	231,840	204,383		27,457
Totals-OFL East One	<u>266,577</u>	<u>-</u>	<u>-</u>	<u>266,577</u>	<u>221,478</u>		<u>45,099</u>
Land	9,965	-	-	9,965	-		9,965
Equipment	2,937	-	-	2,937	1,364		1,573
Building	626,936	2,663	-	629,599	530,575		99,024
Totals-OFL East Two	<u>639,838</u>	<u>2,663</u>	<u>-</u>	<u>642,501</u>	<u>531,939</u>		<u>110,562</u>
Land	30,494	-	-	30,494	-		30,494
Equipment	18,152	-	-	18,152	17,131		1,021
Building	460,779	-	-	460,779	374,744		86,035
Totals-Colquitt Options	<u>509,425</u>	<u>-</u>	<u>-</u>	<u>509,425</u>	<u>391,875</u>		<u>117,550</u>
Land	16,000	-	-	16,000	-		16,000
Furniture/Equipment	3,372	5,475	-	8,847	3,632		5,215
Building	215,952	-	-	215,952	164,297		51,655
Totals-Crisp Options	<u>235,324</u>	<u>5,475</u>	<u>-</u>	<u>240,799</u>	<u>167,929</u>		<u>72,870</u>
Land	29,756	-	-	29,756	-		29,756
Equipment	18,023	-	-	18,023	6,191		11,832
Building	293,255	-	-	293,255	214,437		78,818
Totals-Grady Options	<u>341,034</u>	<u>-</u>	<u>-</u>	<u>341,034</u>	<u>220,628</u>		<u>120,406</u>
Land	53,822	-	-	53,822	-		53,822
Furniture/Equipment	11,870	-	(2,771)	9,099	1,040		8,059
Building	382,357	27,165	-	409,522	261,441		148,081
Totals-Valdosta Options	<u>448,049</u>	<u>27,165</u>	<u>(2,771)</u>	<u>472,443</u>	<u>262,481</u>		<u>209,962</u>
Land	8,813	-	-	8,813	-		8,813
Furniture/Equipment	13,546	-	-	13,546	13,546		-
Building	456,577	-	-	456,577	298,828		157,749
Total-Satilla Solutions	<u>478,936</u>	<u>-</u>	<u>-</u>	<u>478,936</u>	<u>312,374</u>		<u>166,562</u>
TOTALS	<u>\$ 7,632,930</u>	<u>\$ 661,503</u>	<u>\$ (55,750)</u>	<u>\$ 8,238,683</u>	<u>\$ 5,141,788</u>		<u>\$ 3,096,895</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

NOTE 5 – LAND, BUILDING AND EQUIPMENT (Continued)

The land, building and equipment of \$8,238,683 at August 31, 2025, consisted of purchased assets recorded at cost in the amount of \$7,695,215 and donated assets recorded at fair market value in the amount of \$543,468. Depreciation for the year was \$310,435 of which \$179,181 was attributable to EasterSeals Southern Georgia, Inc., and \$131,254 was attributable to its related entities.

NOTE 6 – CASH

As of August 31, 2025, the carrying amount of the Organization's deposits was \$6,845,515. The bank balances totaled \$7,104,297 of which \$6,506,774 was insured by Federal Depository Insurance Coverage (FDIC) and \$597,523 was uninsured.

NOTE 7 – DEFERRED REVENUES

The balance shown represents certain collections received by August 31, 2025, which are not recognized as current year revenues in these financial statements. A detailed schedule follows:

Champions for Children	\$ 673,537
Other Miscellaneous	<u>6,440</u>
Total Deferred Revenues	<u>\$ 679,977</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	\$ 9,333	\$ 5,594	\$ 3,739
Golf Tournament	<u>47,758</u>	<u>8,728</u>	<u>39,030</u>
Totals	<u>\$ 57,091</u>	<u>\$ 14,322</u>	<u>\$ 42,769</u>

NOTE 9 – RENTAL INCOME

A schedule of the rental income generated during the year ended August 31, 2025, follows:

Midtown Mall Property – See Note 4	\$ 5,000
Miscellaneous Office Space	<u>2,100</u>
Total Rent Income	<u>\$ 7,100</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

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 \$51,541 of leave as of August 31, 2025.

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2025 consist of the following:

Endowment Fund	\$ 42,100
Net assets of HUD Group Homes	<u>751,145</u>
Total Assets with Donor Restrictions	<u>\$ 793,245</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

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:

	2025
Designated for Unemployment Claims	\$ 32,230
Designated for Capital Improvements	222,187
Designated for Cash Reserves	4,827,463
Designated for USDA Sinking Fund	18,020
Designated for Endowment Fund	17,900
Undesignated	4,056,298
Unrestricted Net Assets	\$9,174,098

NOTE 16 – DEBT

Notes Payable

The Organization's notes payable consisted of the following at August 31, 2025:

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.

Principal maturities of the aforementioned note payable are as follows:

Year Ending August 31:

2026 (Current)	\$ 7,512
2027	7,819
2028	8,168
2029	8,533
2030	8,914
Thereafter	22,145
Total Noncurrent	\$ 55,579

Line of Credit

A line of credit in the amount of \$500,000 was renewed with Synovus Bank on March 30, 2025. 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, 2025, 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, 2025**

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 \$63,154 and \$73,296 for the years ended August 31, 2025 and 2024, 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. 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, 2025, the right-of-use (ROU) assets has a balance of \$52,271 as shown in other assets on the statement of financial position. The lease liability is included in current liabilities (\$29,937) and long-term liabilities (\$22,334). 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.

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

NOTE 18 – LEASES (continued)

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

Lease Costs (included in rent expense on the statement of functional expenses)	\$30,795
<u>Other Information:</u>	
Weighted Average Remaining Lease Term	1.7 years
Weighted Average Discount Rate	4.23%

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

August 31, 2026	\$ 31,584
August 31, 2027	<u>22,897</u>
Total Lease Payments	54,481
Less Interest	<u>(2,210)</u>
Present Value of Lease Liabilities	\$ <u>52,271</u>

NOTE 19 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The organization has \$7,716,887 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 \$6,845,515 and various receivables of \$871,372.

In addition, the organization has \$143,900 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 February 4, 2026, 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, 2025

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Easter Seals Southern Georgia, Inc.</u>	<u>HUD Group Homes</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash	\$ 6,845,515	\$ -	\$ 6,607,995	\$ 237,520
Accounts Receivable:				
Contracts	331,570	-	331,570	-
Other Receivables	39,563	(390,687)	429,985	265
Patient Fees, less allowance for uncollectible accounts of \$3,000	500,239	-	500,239	-
Inventory, at cost	66,419	-	66,419	-
Prepaid Expenses	135,459	-	117,338	18,121
Total Current Assets	<u>7,918,765</u>	<u>(390,687)</u>	<u>8,053,546</u>	<u>255,906</u>
PROPERTY:				
Investment Property	38,500	-	38,500	-
Land, building and equipment, net	3,096,895	-	2,175,297	921,598
Net Property	<u>3,135,395</u>	<u>-</u>	<u>2,213,797</u>	<u>921,598</u>
OTHER ASSETS:				
Operating Lease Right of Use Asset	52,271	-	52,271	-
Cash Held in Unemployment Service Trust	32,230	-	32,230	-
Cash - Donor Restricted Endowment	111,670	-	111,670	-
Total Other Assets	<u>196,171</u>	<u>-</u>	<u>196,171</u>	<u>-</u>
TOTAL ASSETS	<u>\$11,250,331</u>	<u>\$ (390,687)</u>	<u>\$10,463,514</u>	<u>\$ 1,177,504</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 225,248	\$ (390,687)	\$ 201,890	\$ 414,045
Accrued Payroll and Other	262,401	-	250,087	12,314
Operating Lease Payable	29,937	-	29,937	-
Notes Payable	7,512	-	7,512	-
Deferred Revenue	679,977	-	679,977	-
Total Current Liabilities	<u>1,205,075</u>	<u>(390,687)</u>	<u>1,169,403</u>	<u>426,359</u>
LONG-TERM LIABILITIES:				
Operating Lease Payable	22,334	-	22,334	-
Notes Payable	55,579	-	55,579	-
Total Long-Term Liabilities	<u>77,913</u>	<u>-</u>	<u>77,913</u>	<u>-</u>
Total Liabilities	<u>1,282,988</u>	<u>(390,687)</u>	<u>1,247,316</u>	<u>426,359</u>
NET ASSETS:				
Without Donor Restrictions:				
Board Designated	5,117,800	-	5,117,800	-
Undesignated	4,056,298	-	4,056,298	-
Total Net Assets without Donor Restrictions	9,174,098	-	9,174,098	-
With Donor Restrictions	793,245	-	42,100	751,145
Total Net Assets	<u>9,967,343</u>	<u>-</u>	<u>9,216,198</u>	<u>751,145</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$11,250,331</u>	<u>\$ (390,687)</u>	<u>\$10,463,514</u>	<u>\$ 1,177,504</u>

EASTERSEALS SOUTHERN GEORGIA, INC. AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING AUGUST 31, 2025

<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	\$ 354,880	\$ -	\$ 354,880	\$ -
-Noncash	1,500	-	1,500	-
Special Events, Net	42,769	-	42,769	-
United Way Allocation	19,261	-	19,261	-
TOTAL PUBLIC SUPPORT	<u>418,410</u>	<u>-</u>	<u>418,410</u>	<u>-</u>
Revenue:				
Government Grants	2,302,282	-	2,302,282	-
Program Service Fees	14,315,584	-	13,867,326	448,258
Foundation Grants	139,166	-	139,166	-
Production Income	-	-	-	-
Investment Income	57,545	-	56,881	664
Rent Income	7,100	-	7,100	-
HUD Property Fees	3,260	(103,538)	106,798	-
Miscellaneous Income	94,961	-	57,837	37,124
Net Assets Released from Restrictions	106,690	-	106,690	-
TOTAL REVENUE	<u>17,026,588</u>	<u>(103,538)</u>	<u>16,644,080</u>	<u>486,046</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>17,444,998</u>	<u>(103,538)</u>	<u>17,062,490</u>	<u>486,046</u>
Expenses:				
Direct Services	13,537,888	(103,538)	13,048,691	592,735
Fund Raising	166,871	-	166,871	-
Management and General	1,278,448	-	1,278,448	-
National Membership Fees	55,341	-	55,341	-
Total Expenses	<u>15,038,548</u>	<u>(103,538)</u>	<u>14,549,351</u>	<u>592,735</u>
Change in Net Assets without Donor Restrictions	<u>2,406,450</u>	<u>-</u>	<u>2,513,139</u>	<u>(106,689)</u>
<u>Net Assets with Donor Restrictions:</u>				
Net Assets Released from Restrictions	(106,690)	-	(106,690)	-
Change in Net Assets with Donor Restrictions	<u>(106,690)</u>	<u>-</u>	<u>(106,690)</u>	<u>-</u>
CHANGE IN NET ASSETS	2,299,760	-	2,406,449	(106,689)
Net Assets at Beginning of Year	7,667,583	-	6,809,749	857,834
NET ASSETS AT END OF YEAR	<u>\$ 9,967,343</u>	<u>\$ -</u>	<u>\$ 9,216,198</u>	<u>\$ 751,145</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
AND RELATED ENTITIES
SUMMARY STATEMENT OF SERVICES DELIVERED
FOR THE YEAR ENDED AUGUST 31, 2025**

STATE CONTRACT NUMBERS

44100-264-9072026104 (GA DBHDD)
44100-264-9072025104 (GA DBHDD)
2015037 (GA DCH)
44100-907-CMA00005158 (GA DBHDD)
44100-907-CMA00006843 (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, Supported Employment, Residential Services, Community Service, Transition Services, Day Habilitation Services, and Respite Services for 2,853 (unduplicated count) disabled individuals during the year September 1, 2024 through August 31, 2025. 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, Georgia Vocational Rehabilitation Agency, and Florida Department of Education Division of Vocational Rehabilitation.

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED AUGUST 31, 2025**

<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	\$ 39,070	\$ -	\$ 39,070
	41200-610-SS-FY22-010080	1,355,462	-	1,355,462
GROW Summer Program		101,500	-	101,500
Georgia Department of Community Health				
Champions for Children	2015037	-	710,942	710,942
	2015037	-	75,764	75,764
Florida Department of Education				
Employment/Supported Employment Services; On-the-Job Training		<u>15,382</u>	<u>4,163</u>	<u>19,545</u>
TOTAL GOVERNMENT GRANTS		<u>\$ 1,511,414</u>	<u>\$ 790,869</u>	<u>\$ 2,302,283</u>

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 2025**

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 8/31/2025</u>
<u>Georgia Vocational Rehabilitation Agency:</u>			
41200-610-SS-FY22-010080	\$ 842,432	10/1/23 to 9/30/24	\$ -
<u>Georgia Department of Community Health:</u>			
2015037	\$ 1,013,000	7/1/24 to 6/30/25	\$ 230,680

EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF GEORGIA VOCATIONAL REHABILITATION AGENCY - CONTRACTS
REVENUES AND EXPENSES VS BUDGET
October 1, 2023 - September 30, 2024

Contract No. 41200-610-SA-FY22-010080	<u>Contract-to-Date</u>	<u>Budget</u>	<u>Difference Over (Under)</u>
Vocational Services			
REVENUE:			
Georgia Vocational Rehabilitation Agency			
Contract Revenues	493,254	382,666	110,588
Non-Contract Revenues	110,250	-	110,250
Other Revenue Sources	<u>51,333</u>	<u>62,583</u>	<u>(11,250)</u>
 TOTAL REVENUE	 <u>654,837</u>	 <u>445,249</u>	 <u>209,588</u>
 EXPENSES			
Salaries	219,056	164,064	54,992
Work Adjustment Wages	6,078	2,208	3,870
Payroll Taxes	16,236	11,816	4,420
Group Insurance	17,315	10,387	6,928
Workers' Compensation	1,876	3,446	(1,570)
Printing and Postage	539	129	410
Supplies	3,150	1,603	1,547
Retirement	3,247	2,727	520
Program Activities	14,107	3,709	10,398
Employee Mileage/Travel	26,485	13,917	12,568
Conferences and Training	-	-	-
Employee Appreciation	-	-	-
Telephone/Internet	5,448	3,148	2,300
Equipment Purchases	2,970	-	2,970
Building/Equipment Repairs and Maintenance	-	366	(366)
Equipment Leases	1,022	117	905
Software Subscriptions	8,408	5,759	2,649
Dues/Memberships	5,085	5,100	(15)
Employment Expense	4,039	1,750	2,289
Direct Services	2,250	2,500	(250)
Oper. & Maintenance/Facilities/Oversight Allocation	<u>227,265</u>	<u>227,098</u>	<u>167</u>
 TOTAL EXPENSES	 <u>564,576</u>	 <u>459,844</u>	 <u>104,732</u>
 REVENUE OVER (UNDER) EXPENSES	 <u>\$ 90,261</u>	 <u>\$ (14,595)</u>	 <u>\$ 104,856</u>

EASTERSEALS SOUTHERN GEORGIA, INC.
 SCHEDULE OF GEORGIA DEPARTMENT OF COMMUNITY HEALTH - CONTRACTS
 REVENUES AND EXPENSES VS. BUDGET
 July 1, 2024 - June 30, 2025

	<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>796,470</u>	<u>1,013,000</u>	<u>(216,530)</u>
TOTAL REVENUE	<u>796,470</u>	<u>1,013,000</u>	<u>(216,530)</u>
EXPENSES:			
Direct Services	<u>796,470</u>	<u>1,013,000</u>	<u>(216,530)</u>
TOTAL EXPENSES	<u>796,470</u>	<u>1,013,000</u>	<u>(216,530)</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, 2025, 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 February 4, 2026.

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
February 4, 2026

**EASTERSEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2025**

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

**EASTER SEALS SOUTHERN GEORGIA, INC.
SCHEDULE OF FINDING AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2025**

There were no findings for the fiscal year ending August 31, 2025.