



Easter Seals South Florida, Inc.

**Financial Statements; Reports Required by *Government Auditing Standards*, the
Uniform Guidance, the Florida Single Audit Act; and Schedules of Expenditures
of Federal Awards and State Financial Assistance**

For the Years Ended August 31, 2019 and 2018

Easter Seals South Florida, Inc.

Financial Statements; Reports Required by *Government Auditing Standards*, the Uniform Guidance, the Florida Single Audit Act; and Schedules of Expenditures of Federal Awards and State Financial Assistance

For the Years Ended August 31, 2019 and 2018

Easter Seals South Florida, Inc.

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Tel: 305-381-8000
Fax: 305-374-1135
www.bdo.com

100 SE 2ND Street
Miami Tower - 17th Floor
Miami, FL 33131

Independent Auditor's Report

Board of Directors
Easter Seals South Florida, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Easter Seals South Florida, Inc. (the "Organization"), which comprise the statements of financial position as of August 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals South Florida, Inc. as of August 31, 2019 and 2018, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Florida Auditor General*, and is not required part of the basic 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. Such 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 information 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 21, 2020, on our consideration of the Organization'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 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 the Organization's internal control over financial reporting and compliance.

Miami, Florida
February 21, 2020

BDO USA, LLP

Certified Public Accountants

Financial Statements

Easter Seals South Florida, Inc.

Statements of Financial Position

| <i>August 31,</i> | 2019 | 2018 |
|---|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 811,521 | \$ 987,558 |
| Grants and accounts receivable, net | 1,379,157 | 1,190,614 |
| Contributions receivable, net | 227,646 | 225,376 |
| Prepaid expenses | 28,490 | 70,844 |
| Investments | 4,387,414 | 4,430,742 |
| Investments in partnerships | 2,709,657 | 2,709,657 |
| Property and equipment, net | 2,896,258 | 2,653,470 |
| Other assets | 3,792 | 13,288 |
| Total assets | \$ 12,443,935 | \$ 12,281,549 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 1,247,485 | \$ 1,118,591 |
| Refundable advances | 59,224 | 184,373 |
| Obligations under capital leases | - | 4,249 |
| Total liabilities | 1,306,709 | 1,307,213 |
| Net assets | | |
| Without donor restrictions | 10,823,620 | 10,662,999 |
| With donor restrictions | 313,606 | 311,337 |
| Total net assets | 11,137,226 | 10,974,336 |
| Total liabilities and net assets | \$ 12,443,935 | \$ 12,281,549 |

The accompanying notes are an integral part of these financial statements.

Easter Seals South Florida, Inc.

Statement of Activities

| <i>For the years ended August 31,</i> | Without Donor Restrictions | With Donor Restrictions | 2019 Total | Without Donor Restrictions | With Donor Restrictions | 2018 Total |
|---|----------------------------------|-------------------------------|----------------------|----------------------------------|-------------------------------|----------------------|
| Public Support, Revenue, and Gains | | | | | | |
| Contributions | \$ 914,103 | \$ 666,899 | \$ 1,581,002 | \$ 1,000,898 | \$ 414,893 | \$ 1,415,791 |
| Special events, net of direct costs of \$84,147 for 2019 and f \$63,730 for 2018 | 84,147 | - | 84,147 | 97,341 | - | 97,341 |
| Government grants and contracts | 10,388,872 | - | 10,388,872 | 9,589,855 | - | 9,589,855 |
| Program service fee | 2,093,506 | - | 2,093,506 | 1,951,264 | - | 1,951,264 |
| Investment income, net | 112,949 | - | 112,949 | 100,279 | - | 100,279 |
| Net realized and unrealized gains on investments | (79,087) | - | (79,087) | 188,120 | - | 188,120 |
| Distributions received from investments in partnerships | 372,333 | - | 372,333 | 311,801 | - | 311,801 |
| In-kind contributions | 489,550 | - | 489,550 | 362,659 | - | 362,659 |
| Other income | 27,226 | - | 27,226 | 70,946 | - | 70,946 |
| Net assets released from restrictions | 664,630 | (664,630) | - | 592,638 | (592,638) | - |
| Total public support, revenue, and gains | 15,068,229 | 2,269 | 15,070,498 | 14,265,801 | (177,745) | 14,088,056 |
| Expenses | | | | | | |
| Functional expenses: | | | | | | |
| Program services | 13,671,491 | - | 13,671,491 | 12,655,573 | - | 12,655,573 |
| Supporting activities: | | | | | | |
| Management and general | 641,782 | - | 641,782 | 625,748 | - | 625,748 |
| Fundraising activities | 522,204 | - | 522,204 | 446,333 | - | 446,333 |
| Total functional expenses | 14,835,477 | - | 14,835,477 | 13,727,654 | - | 13,727,654 |
| Membership fees to affiliated organization | 72,131 | - | 72,131 | 61,342 | - | 61,342 |
| Total expenses | 14,907,608 | - | 14,907,608 | 13,788,996 | - | 13,788,996 |
| Changes in net assets | 160,621 | 2,269 | 162,890 | 476,805 | (177,745) | 299,060 |
| Net assets, beginning of year | 10,662,999 | 311,337 | 10,974,336 | 10,186,194 | 489,082 | 10,675,276 |
| Net assets, end of year | \$ 10,823,620 | \$ 313,606 | \$ 11,137,226 | \$ 10,662,999 | \$ 311,337 | \$ 10,974,336 |

The accompanying notes are an integral part of these financial statements.

Easter Seals South Florida, Inc.

Statement of Functional Expenses

For the year ended August 31, 2019

| | Program Services | | | | | | Supporting Activities | | | Total |
|---|---------------------|----------------------|---------------------|--------------------------------|---------------------|------------------------|-----------------------|------------------------|---------------------------|----------------------|
| | Early Childhood | Educational Services | Vocational Services | Adult and Senior Care Services | Head Start | Total Program Services | Fundraising | Management and General | Total Supporting Services | |
| Salaries and benefits: | | | | | | | | | | |
| Salaries and wages | \$ 857,626 | \$ 1,884,953 | \$ - | \$ 2,555,322 | \$ 2,759,626 | \$ 8,057,527 | \$ 357,225 | \$ 290,025 | \$ 647,250 | \$ 8,704,777 |
| Payroll taxes and employee benefits | 152,003 | 309,828 | - | 471,536 | 516,483 | 1,449,850 | 47,746 | 60,914 | 108,660 | 1,558,510 |
| Total salaries and benefits | 1,009,629 | 2,194,781 | - | 3,026,858 | 3,276,109 | 9,507,377 | 404,971 | 350,939 | 755,910 | 10,263,287 |
| Other expenses: | | | | | | | | | | |
| Contracted services | 182,453 | 92,468 | 18,700 | 252,177 | 19,360 | 565,158 | - | 24,011 | 24,011 | 589,169 |
| Professional fees | 28,409 | 47,199 | - | 51,960 | 63,912 | 191,480 | 9,068 | 57,141 | 66,209 | 257,689 |
| Program supplies and expenses | 64,177 | 228,206 | 365 | 494,021 | 419,900 | 1,206,669 | 3,155 | 3,326 | 6,481 | 1,213,150 |
| Occupancy | 76,433 | 188,804 | - | 446,331 | 98,031 | 809,599 | 7,783 | 4,517 | 12,300 | 821,899 |
| Travel and transportation | 8,383 | 48,504 | - | 70,250 | 8,855 | 135,992 | 296 | 5,552 | 5,848 | 141,840 |
| Insurance | 32,127 | 46,210 | - | 56,669 | 90,673 | 225,679 | 6,451 | 19,654 | 26,105 | 251,784 |
| Staff training and development | 3,387 | 17,867 | - | 19,220 | 27,639 | 68,113 | 1,961 | 20,111 | 22,072 | 90,185 |
| Office supplies | 17,796 | 24,710 | 134 | 52,605 | 45,342 | 140,587 | 12,149 | 43,676 | 55,825 | 196,412 |
| Bad debt expense | 16,413 | 13,875 | - | 64,433 | - | 94,721 | 50,713 | - | 50,713 | 145,434 |
| Depreciation and amortization | 68,061 | 63,683 | - | 77,264 | - | 209,008 | 3,872 | 14,789 | 18,661 | 227,669 |
| In-kind contributions expense | - | 130,100 | - | - | 359,450 | 489,550 | - | - | - | 489,550 |
| Interest, penalties, assessments, and other | 2,907 | 2,379 | - | 4,655 | - | 9,941 | 7,491 | 95,334 | 102,825 | 112,766 |
| Marketing and promotion | 4,234 | 8,743 | - | 4,640 | - | 17,617 | 14,294 | 2,732 | 17,026 | 34,643 |
| Total other expenses | 504,780 | 912,748 | 19,199 | 1,594,225 | 1,133,162 | 4,164,114 | 117,233 | 290,843 | 408,076 | 4,572,190 |
| Total expenses | \$ 1,514,409 | \$ 3,107,529 | \$ 19,199 | \$ 4,621,083 | \$ 4,409,271 | \$ 13,671,491 | \$ 522,204 | \$ 641,782 | \$ 1,163,986 | \$ 14,835,477 |

The accompanying notes are an integral part of these financial statements.

Easter Seals South Florida, Inc.

Statement of Functional Expenses

For the year ended August 31, 2018

| | Program Services | | | | | | Supporting Activities | | | Total |
|---|---------------------|----------------------|---------------------|--------------------------------|---------------------|------------------------|-----------------------|------------------------|---------------------------|----------------------|
| | Early Childhood | Educational Services | Vocational Services | Adult and Senior Care Services | Head Start | Total Program Services | Fundraising | Management and General | Total Supporting Services | |
| Salaries and benefits: | | | | | | | | | | |
| Salaries and wages | \$ 707,923 | \$ 1,868,318 | \$ - | \$ 2,360,637 | \$ 2,696,803 | \$ 7,633,681 | \$ 282,945 | \$ 306,761 | \$ 589,706 | \$ 8,223,387 |
| Payroll taxes and employee benefits | 126,012 | 286,230 | - | 455,909 | 559,070 | 1,427,221 | 46,400 | 54,829 | 101,229 | 1,528,450 |
| Total salaries and benefits | 833,935 | 2,154,548 | - | 2,816,546 | 3,255,873 | 9,060,902 | 329,345 | 361,590 | 690,935 | 9,751,837 |
| Other expenses: | | | | | | | | | | |
| Contracted services | 157,789 | 16,891 | 16,150 | 104,573 | 24,094 | 319,497 | 527 | 15,178 | 15,705 | 335,202 |
| Professional fees | 20,849 | 38,020 | - | 38,073 | 56,042 | 152,984 | 4,983 | 86,587 | 91,570 | 244,554 |
| Program supplies and expenses | 46,224 | 211,134 | 183 | 503,066 | 428,758 | 1,189,365 | 1,892 | 1,971 | 3,863 | 1,193,228 |
| Occupancy | 87,482 | 147,830 | - | 406,531 | 99,971 | 741,814 | 6,485 | 41,273 | 47,758 | 789,572 |
| Travel and transportation | 3,089 | 60,227 | - | 51,881 | 8,464 | 123,661 | 243 | 7,484 | 7,727 | 131,388 |
| Insurance | 32,220 | 39,088 | - | 62,815 | 84,150 | 218,273 | 4,022 | 7,915 | 11,937 | 230,210 |
| Staff training and development | 10,563 | 19,197 | - | 16,101 | 20,422 | 66,283 | 2,894 | 24,333 | 27,227 | 93,510 |
| Office supplies | 16,049 | 41,388 | 1,079 | 50,107 | 43,629 | 152,252 | 11,799 | 35,835 | 47,634 | 199,886 |
| Bad debt expense | 22,136 | - | - | 7,864 | - | 30,000 | 70,000 | - | 70,000 | 100,000 |
| Depreciation and amortization | 70,192 | 66,283 | - | 75,272 | - | 211,747 | 2,242 | 10,956 | 13,198 | 224,945 |
| In-kind contributions expense | - | 130,100 | - | 420 | 232,139 | 362,659 | - | - | - | 362,659 |
| Interest, penalties, assessments, and other | 1,833 | 1,898 | - | 3,586 | - | 7,317 | 4,511 | 31,922 | 36,433 | 43,750 |
| Marketing and promotion | 18,819 | - | - | - | - | 18,819 | 7,390 | 704 | 8,094 | 26,913 |
| Total other expenses | 487,245 | 772,056 | 17,412 | 1,320,289 | 997,669 | 3,594,671 | 116,988 | 264,158 | 381,146 | 3,975,817 |
| Total expenses | \$ 1,321,180 | \$ 2,926,604 | \$ 17,412 | \$ 4,136,835 | \$ 4,253,542 | \$ 12,655,573 | \$ 446,333 | \$ 625,748 | \$ 1,072,081 | \$ 13,727,654 |

The accompanying notes are an integral part of these financial statements.

Easter Seals South Florida, Inc.

Statement of Cash Flows

| <i>For the years ended August 31,</i> | 2019 | 2018 |
|--|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 162,890 | \$ 299,060 |
| Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities: | | |
| Realized and unrealized (gains) losses on investments | 79,087 | (188,120) |
| Depreciation and amortization | 227,669 | 224,945 |
| Change in allowance for doubtful accounts | (182) | 65,253 |
| Changes in operating assets and liabilities: | | |
| Grants and accounts receivables | (188,543) | 216,007 |
| Contributions receivable, net | (2,088) | 142,493 |
| Prepaid expenses | 42,354 | (37,321) |
| Other assets | 9,497 | (134) |
| Accounts payable and accrued expenses | 128,894 | 127,536 |
| Refundable advances | (125,149) | (583,621) |
| Net cash provided by operating activities | 334,429 | 266,098 |
| Cash flows from investing activities: | | |
| Investment activity, net | (35,759) | (16,512) |
| Purchase of property and equipment | (470,458) | (97,391) |
| Net cash used in investing activities | (506,217) | (113,903) |
| Cash Flows from Financing Activities: | | |
| Payments on capital leases | (4,249) | (8,831) |
| Net cash used in financing activities | (4,249) | (8,831) |
| Net increase (decrease) in cash and cash equivalents | (176,037) | 143,364 |
| Cash and cash equivalents, beginning of year | 987,558 | 844,194 |
| Cash and cash equivalents, end of year | \$ 811,521 | \$ 987,558 |
| Cash unrestricted | \$ 811,521 | \$ 987,558 |
| Total | \$ 811,521 | \$ 987,558 |

The accompanying notes are an integral part of these financial statements.

Easter Seals South Florida, Inc.

Notes to Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Easter Seals South Florida, Inc. (the "Organization") is a nonprofit organization established in 1942. The Organization's cause and purpose is to support and strengthen families living with a disability in its community. Its mission is to change the way the world defines and views disability by making profound, positive differences in people's lives every day. The Organization provides programs and services in early childhood education, special education and aging services across eleven locations in South Florida.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant amounts receivable, payable, accrued and unearned. Net assets can be classified in the following categories:

- *Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions, including stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.
- *Net Assets Without Donor Restrictions* - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in net assets with donor restrictions.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between these two classes of net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid investments as cash equivalents that have an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts. These deposits may exceed the amount of FDIC insurance provided on such deposits; generally these deposits may be redeemed upon demand and; therefore, bear minimal risk. At August 31, 2019 and 2018, the Organization had \$552,071 and \$898,397, respectively, in cash uninsured by the Federal Deposit Insurance Corporation.

Easter Seals South Florida, Inc.

Notes to Financial Statements

Grants and Accounts Receivable, Net

Grants and accounts receivable are stated at the amount management expects to collect from outstanding balances and consists of amounts due from various government agencies and other third parties. The Organization's agreements with government agencies typically require the Organization to apply for annual renewal. The Organization carries grants and accounts receivable net of an estimated allowance for doubtful accounts. The Organization provides for losses on grants and accounts receivable using the allowance method. The allowance is based on the Organization's experience with third party contracts and other circumstances which may affect the ability of clients to meet their obligations. Receivables are considered impaired if payments are not received in accordance with contractual terms. It is the Organization's policy to charge off uncollectible grants and accounts receivable against the allowance when management determines the receivable will not be collected. The allowance for doubtful accounts as of August 31, 2019 and 2018 was \$139,075 for both years.

Contributions Receivable, Net

Contributions receivable represent unconditional promises to give by donors. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected after one year have been discounted using risk-free interest rates applicable to the years in which the promises are received, approximately at 1%, and are reflected in the financial statements at their net present value. Amortization of the discounts is included in contribution revenue. The Organization determines an allowance for doubtful accounts based upon management's evaluation of the collectability of individual promises. The allowance for doubtful accounts as of August 31, 2019 and 2018 was \$112,850 and \$113,033, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets, investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The overall valuation processes and information sources by major investment classification are as follows:

Investments accounts: The Organization maintains certain investment accounts. These include closed-end mutual funds, stocks, corporate bonds, real estate - REITs, and preferred trust securities (all Level 1 measurements). The fair value of these investments is based on quoted net asset values of the shares held by the Organization at year-end.

Equity interest in partnerships: The Organization initially recorded its equity interest in partnerships at their fair values as of the dates the investments were donated to the Organization and thereafter carries such investments at that value in accordance with the cost method of accounting.

Easter Seals South Florida, Inc.

Notes to Financial Statements

Property and Equipment, Net

Purchased property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the assets, which are as follows below. Leasehold improvements are amortized over the estimated useful life of the improvement or the lease term, whichever is shorter. For donated property, refer to note *Donated Non-Cash Assets* below.

| | |
|------------------------------------|-------------|
| Building and building improvements | 10-40 years |
| Leasehold improvements | 7 years |
| Furniture and equipment | 5-7 years |
| Therapeutic pool | 5 years |
| Vehicles | 5 years |
| Software | 3 years |

Purchases of property and equipment in excess of \$2,500, unless specified otherwise by the funder, are capitalized. Costs of maintenance and repairs of minor items are charged to expense as incurred. Major repairs and improvements that extend the life of the asset are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the statement of activities and changes in net assets.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its carrying amount in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment has been recognized during the years ended August 31, 2019 and 2018.

Refundable Advances

The Organization records advances on grant awards accounted for as exchange transactions as refundable advances until related services are performed, at which time they are recognized as revenues.

Contributions

The Organization reports gifts of cash with donor restrictions if they are pledged or received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Donated Non-Cash Assets

Donations of non-cash assets are recorded as support at their estimated fair values at the date of donation. Donated non-cash assets include but not limited to property and equipment, investments, and other tangible property. Such donations would be reported as support without donor restrictions, unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use are also reported as donations with donor restrictions.

Easter Seals South Florida, Inc.

Notes to Financial Statements

Absent donor stipulations regarding how long donated long-lived assets must be used, the Organization reports expirations of donor restrictions when the donated 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.

Donated Supplies and Services

Donated supplies and services are reflected in the accompanying statement of activities at their estimated fair value at the date of receipt. The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skill that would typically need to be purchased if not provided by donation. The value of donated services is recorded as contributions and expenses in the period received.

Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been summarized in the accompanying statement of activities. Direct expenses have been assigned to functions based on specific identification. All indirect expenses have been allocated among the functions benefitted. Program services include costs of early childhood services, educational services, vocational services, adult and senior care services, and head start. Fundraising expenses include costs related to campaigns, development, and other fundraising efforts. Management and general expenses include executive, financial administration, information systems and personnel expenses. All expenses are allocated among the functional expense categories based on usage information.

Following is a description of the Organization's program and support services:

Early Childhood

The Child Development Center includes specialized early childhood childcare and education as well as pediatric therapies for children from birth to five years old. Although the Organization is known for its work with persons with disabilities, the Child Development Center has an inclusive program for typical learners as well as children with developmental delays and disabilities.

Educational Services

The Elementary and Middle School Academy serves children from Kindergarten through 8th grade, providing expert support and special education for children with autism and other developmental disabilities. The academy incorporates specialized education services and life skills training to support academic growth and independent skill building that best prepares academy students for high school success. The Culinary Arts High School has uniquely addressed the needs of young adults with Autism Spectrum Disorder and other developmental disabilities for more than 25 years. The program combines high quality education services and supports that combine academic skills, life skills and vocational training for students ages 14 - 22.

Vocational Services

The Organization offers supported employment services and helps prepare youth & adults with physical, emotional and/or developmental and disabilities for employment through Vocational Evaluations. Assessments are offered in English & Spanish.

Easter Seals South Florida, Inc.

Notes to Financial Statements

Adult and Senior Care Services

The Organization provides an array of activities for attendees to participate in, many of which can be adapted to each person's unique abilities, maximizing enjoyment and minimizing frustration. These adult day services provide participants with the opportunity to connect with others living with Alzheimer's in a meaningful way. The Organization also offers in-home respite to those with Alzheimer's Disease and other memory-related disorders. The specialty services include physical, music, recreational and pet therapies.

Head Start

The Organization provides education to 488 young children in six Head Start programs (480 Head Start slots and 8 Early Head Start slots through the program). The Organization provides comprehensive early childhood care, case management, and education services for pregnant women, infants, toddlers, and pre-school age children.

Recently Issued Accounting Pronouncements Adopted

The Organization adopted Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* during the year ended August 31, 2019. The ASU amends the current reporting model for nonprofit organizations and enhances the required disclosures. The major changes in the ASU address the net asset classification, presentation of underwater endowments and related disclosures, use of the placed in service approach to recognize expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, presentation of an analysis of expenses by both function and nature, presentation of net investment return and additional disclosures to improve the usefulness of nonprofit financial statements. The ASU has been applied retrospectively to all periods presented except for disclosures around liquidity and availability of resources. These disclosures have been presented for 2018 by ASU 2016-14. As a result of the implementation, the Organization reclassified net assets previously reported as temporary and permanently restricted net assets, to net assets with donor restrictions.

In May 2014, Financial Accounting Standard Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is 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. FASB issued ASU 2015-14 that deferred the effective date for the Organization until annual periods beginning after December 15, 2018. Management is currently evaluating the impact of the ASU on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies the right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Organization's fiscal years beginning after December 15, 2020 with early adoption permitted. Management is currently evaluating the impact of the ASU on its financial statements.

Easter Seals South Florida, Inc.

Notes to Financial Statements

Income Taxes

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and income tax regulations of the State of Florida. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a) (2). The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Income determined to be unrelated business income would be taxable. The Organization accrued an approximate \$116,000 and \$23,000 for the years ended August 31, 2019 and 2018, respectively, for tax liabilities for unrelated business income taxes.

2. Bequests

In October 1996, the Organization was devised an interest in the Estate of Josephine Wolfe (the "Estate"). As certain portions of the Estate cleared probate, the Organization received approximately \$500,000 and \$4,000,000 from its interest in the Estate during fiscal years 1997 and 1998, respectively. During fiscal year 1999, the Organization received an additional devise of the Estate consisting primarily of equity interest in a partnership with 14.7% interest. The Organization recorded the bequest of this equity interest at the estimated fair value at the time of donation, based on an independent appraisal. The investment balances relating to investments in partnerships are included as investments in the accompanying statements of financial position as of August 31, 2019 and 2018 and distributions received from investments in partnerships are reflected in the accompanying statement of activities. As of August 31, 2019 and 2018, the carrying value of the investments in partnerships was \$2,709,657.

In May 2018, the general partnership bought back one of the partner's equity share using the loan proceeds it obtained from a bank secured by the partnership's total assets. Consequently, the Organization's equity share increased from 14.7% to 26.3%. Distributions received from this partnership were \$372,333 and \$311,801 for the years ended August 31, 2019 and 2018, respectively, and recorded in revenue in the period received in the statement of activities.

The loan required the Organization and other partners in the partnership to serve as guarantor (the "Guarantors"). The Guarantors guarantee the due and prompt payment of all amounts and the due and prompt performance of the LLC of all obligations for which the LLC is liable under the terms of the loan. This guarantee is triggered in the event the LLC otherwise does not perform under the terms of the loan. As of June 30, 2019, management estimates the value of collateral is sufficient to cover all expected future payments under the guarantee and the LLC is in compliance with the terms of the loan.

3. Fair Value Measurements

FASB ASC 820 *Fair Value Measurements and Disclosures* defines fair value and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or, in

Easter Seals South Florida, Inc.

Notes to Financial Statements

the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

| Description | Fair Value 8/31/19 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|-------------------------|-----------------------|---|--|--|
| Stocks | \$ 2,544,864 | \$ 2,544,864 | \$ - | \$ - |
| Closed-end mutual funds | 16,313 | 16,313 | - | - |
| Corporate Bonds | 1,826,237 | 1,826,237 | - | - |
| Total | \$ 4,387,414 | \$ 4,387,414 | \$ - | \$ - |

| Description | Fair Value 8/31/18 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|-------------------------|-----------------------|---|--|--|
| Stocks | \$ 2,620,508 | \$ 2,620,508 | \$ - | \$ - |
| Closed-end mutual funds | 8,402 | 8,402 | - | - |
| Corporate Bonds | 1,801,832 | 1,801,832 | - | - |
| Total | \$ 4,430,742 | \$ 4,430,742 | \$ - | \$ - |

4. Contributions Receivable, Net

Contributions receivable as of August 31, 2019 and 2018 amounted to \$346,575 and \$344,487, respectively, before net present value discounts. Contributions receivable utilizing discount rates of 1.0% consist of:

| | 2019 | 2018 |
|---------------------------------------|-------------------|-------------------|
| Receivables due in less than one year | \$ 240,008 | \$ 227,987 |
| Receivables due greater than one year | 106,567 | 116,500 |
| Less: discounts to net present value | (6,078) | (6,078) |
| Less: allowance for doubtful accounts | (112,851) | (113,033) |
| Total | \$ 227,646 | \$ 225,376 |

Easter Seals South Florida, Inc.

Notes to Financial Statements

5. Investments

Investments at August 31, 2019 and 2018 are summarized as follows:

| | 2019 | 2018 |
|-----------------------------|---------------------|---------------------|
| Closed-end mutual funds | \$ 16,313 | \$ 8,402 |
| Stocks | 2,544,864 | 2,620,508 |
| Corporate bonds | 1,826,237 | 1,801,832 |
| Investments in partnerships | 2,709,657 | 2,709,657 |
| Total | \$ 7,097,071 | \$ 7,140,399 |

The Organization has equity interest in a partnership with 26.3% interest (see Note 2 - Bequests). The Organization recorded the bequest of this equity interest at the estimated fair value, at the time of donation, based on an independent appraisal. Dividends distributed from accumulated earnings of the investee are recorded as revenue in the period received in the statement of activities as distributions received from investments in partnerships. The investment is carried under cost method of accounting based on the applicable standards. The carrying value of this investment is recorded in the statements of financial position in investments in partnerships.

Investment income is reported net of related investment expenses in the statement of activities. The amount of expenses netted were \$13,519 and \$13,404 for the years ended August 31, 2019 and 2018, respectively.

6. Property and Equipment, Net

Property and equipment, net, at August 31, 2019 and 2018 consisted of the following:

| | 2019 | 2018 |
|------------------------------------|---------------------|---------------------|
| Land | \$ 679,948 | \$ 679,948 |
| Building and building improvements | 5,777,685 | 5,332,239 |
| Furniture and equipment | 698,777 | 678,143 |
| Therapeutic pool | 134,869 | 134,869 |
| Vehicles | 255,528 | 255,528 |
| Software | 110,011 | 110,011 |
| Leasehold improvements | 167,287 | 162,909 |
| Total property and equipment | 7,824,105 | 7,353,647 |
| Accumulated depreciation | (4,927,847) | (4,700,177) |
| Property and equipment, net | \$ 2,896,258 | \$ 2,653,470 |

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Easter Seals South Florida, Inc.

Notes to Financial Statements

7. Obligations Under Capital Leases

The Organization acquired certain equipment under two leasing agreements classified as capital leases, which expired on various dates through February 2019. The obligation under capital leases was payable in monthly installments of \$395, including interest ranging from 6.03% to 7.42%. The total cost and accumulated depreciation of the assets at August 31, 2019 consisted of the following:

| | 2019 | 2018 |
|------------------------------------|-------------|-----------------|
| Equipment under capital lease | \$ 39,994 | \$ 39,994 |
| Accumulated depreciation | (39,994) | (36,325) |
| Property and equipment, net | \$ - | \$ 3,669 |

The present values of future minimum payments at August 31, 2019 under these leases are \$0.

8. Retirement Plan

Effective June 1, 1997, the Organization implemented a defined contribution retirement plan in accordance with Section 403(b) of the Internal Revenue Code, Tax Deferred Annuity Plan. The plan, which is administered by a third party, is funded by employee contributions up to the amount allowed by law per employee per year and discretionary contributions by the Organization. No discretionary contributions were made for the years ended August 31, 2019 and 2018.

9. Membership Fees to Affiliated Organization

In accordance with the terms of the membership agreement between the Organization and National Easter Seals, Inc. (the "National Organization"), the Organization is subject to membership fees as part of its national affiliation, as determined by a formula included in the membership agreement. Fees paid to the National Organization for the years ended August 31, 2019 and 2018 were \$72,131 and \$61,342, respectively, and are included on the accompanying statement of activities and changes in net assets.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are available with the following restrictions as of August 31, 2019 and 2018:

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Program services and projects - time restricted | \$ 233,725 | \$ 231,456 |
| Joan Bornstein Scholarship Fund - purpose restricted | 79,881 | 79,881 |
| Total net assets with donor restrictions | \$ 313,606 | \$ 311,337 |

11. Concentrations

Grant Awards

For 2019, the Organization received approximately 30% of its government grant funding from the U.S. Department of Health and Human Services - Head Start Program, and 11% from The Children's Trust. As of August 31, 2019, receivables from the U.S. Department of Health and Human Services - Head Start Program, accounted for 15% of the Organization's total grants and accounts receivable.

Easter Seals South Florida, Inc.

Notes to Financial Statements

Receivables from The Children's Trust accounted for approximately 36% of the Organization's total grants and accounts receivable.

For 2018, the Organization received approximately 32% of its government grant funding from the U.S. Department of Health and Human Services - Head Start Program, and 13% from The Children's Trust. As of August 31, 2018, receivables from the U.S. Department of Health and Human Services - Head Start Program and The Children's Trust accounted for approximately 14% and 30% of the Organization's total grants and accounts receivable, respectively.

12. Commitments and Contingencies

Leases

The property on which the Organization's building and improvements are located is owned by Miami-Dade County, Florida (the "County"). The Organization pays an annual rental of \$1 to the County for use of this property. The lease was executed in 1956 and provides for automatic five-year renewal periods not to exceed a total of 95 years.

The Organization leases offices and office equipment under various operating lease agreements. These leases have various terms of up to 39 months and expire on various dates through 2023.

Future minimum rental payments under these lease arrangements are as follows for the years ending August 31:

| | | |
|--------------|-----------|----------------|
| 2020 | \$ | 178,775 |
| 2021 | | 142,710 |
| 2022 | | 106,190 |
| 2023 | | 1,289 |
| Total | \$ | 428,964 |

Lease expense for the years ended August 31, 2019 and 2018 was approximately \$337,964 and \$334,000 respectively, and is included in occupancy and office supplies on the accompanying statement of functional expenses.

Contingencies

In the normal course of business, the Organization has received grants which are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes that all the expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be significant.

As of August 31, 19, the Organization had a revolving line of credit with a maximum borrowing base of \$1 million. As of the year end, the balance on this line was \$0.

Easter Seals South Florida, Inc.

Notes to Financial Statements

13. Liquidity

At August 31, 2019, the financial assets which are without donor restrictions of \$6,492,132 are available to meet cash needs for general expenditures of the organization within one year. These financial assets consist of cash of \$811,521, net grants and accounts receivable of \$1,379,157, net contributions receivable of \$227,646, and investments of \$4,387,414, minus net assets with donor restrictions of \$313,606. The Organization's liquidity management includes a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, the Organization has a \$1 million line of credit available to meet any obligations that come due.

14. Subsequent Events

Events occurring after August 31, 2019, the date of the most recent statement of financial position, have been evaluated for possible adjustments to the financial statements or disclosures through February 21, 2020, which is the date when these financial statements are available to be issued. There were no events noted that would require disclosure.

**Other Financial Information Required by *Government
Auditing Standards*, the Uniform Guidance,
and the Florida Auditor General**



Tel: 305-381-8000
Fax: 305-374-1135
www.bdo.com

100 SE 2ND Street
Miami Tower - 17th Floor
Miami, FL 33131

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
Easter Seals South Florida, Inc.
Miami, Florida

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 Easter Seals South Florida, Inc. (the "Organization"), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization'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 may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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.

Miami, Florida
February 21, 2020

BDO USA, LLP

Certified Public Accountants



Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*

To the Board of Directors
Easter Seals South Florida, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Easter Seals South Florida, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the Organization's major federal programs and state project for the year ended August 31, 2019. The Organization's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance), and Chapter 10.650, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Organization's compliance.



Opinion on Each Major Federal Program and State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state project for the year ended August 31, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal programs and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of its major federal programs and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Miami, Florida
February 21, 2020

Certified Public Accountants

**Schedules of Expenditures of Federal Awards
and State Financial Assistance**

Easter Seals South Florida, Inc.
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2019

| Federal or Grantor/Pass -Through/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Pass-Through to Subrecipients | Expenditures |
|---|------------------------|---|----------------------------------|--------------|
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Pass-through from Miami-Dade County | | | | |
| Head Start/Early Head Start Program | 93.600 | RFA16 | \$ - | \$ 3,112,757 |
| Subtotal pass through from Miami-Dade County | | | - | 3,112,757 |
| Pass-through from Alliance for Aging, Inc. | | | | |
| National Family Caregiver Support | | | | |
| Older Americans Act (OAA) Title III, Part B | 93.044 | AE-1792, AE-1893 | | 29,131 |
| Pass-through from Council/City of Pembroke Pines | | | | |
| Title III, Part B Support Services | 93.044 | JA1-16-10-2017 | | 201,187 |
| Subtotal CFDA No. 93.044 | | | - | 230,318 |
| Pass-through from Alliance for Aging, Inc. | | | | |
| National Family Caregiver Support | | | | |
| Older Americans Act (OAA) Title III, Part E | 93.052 | AE-1792, AE-1892 | | 215,976 |
| Pass-through from Council/City of Pembroke Pines | | | | |
| Title III, Part E Support Services | 93.052 | JA1-16-10-2017 | | 86,971 |
| Subtotal CFDA No. 93.052 | | | - | 302,947 |
| Total U.S. Department of Health and Human Services | | | - | 3,646,022 |
| <u>Corporation for National and Community Service</u> | | | | |
| Pass-through from State of Florida | | | | |
| Department of Elder Affairs | | | | |
| AmeriCorps Program | 94.006 | XV117, XV118 | | 143,995 |
| Total Corporation for National and Community Service | | | - | 143,995 |
| <u>U.S. Department of Agriculture</u> | | | | |
| Pass-Through from State of Florida | | | | |
| Department of Elder Affairs | | | | |
| Adult Care Food Program | | | | |
| (Non-Pricing Program) | 10.558 | Y4013, Y3013 | | 182,247 |
| Pass-Through from State of Florida | | | | |
| Department of Health | | | | |
| Child Care Food Program | 10.558 | S-3934, A-1859 | | 500,980 |
| (Non-Pricing Program) | 10.558 | S-3934, A-1859 | | 64,299 |
| Total U.S. Department of Agriculture | | | - | 747,526 |
| U.S. Department of Transportation | 20.513 | | | 53,130 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 4,590,673 |

Easter Seals South Florida, Inc.
Schedule of Expenditures of State Financial Assistance
Year Ended August 31, 2019

| State Grantor/Pass-Through Grantor/Program or Title | CSFA Number | Pass-through Entity Identifying Number | Total Expenditures |
|---|-------------|--|-----------------------|
| <u>Florida Department of Elder Affairs</u> | | | |
| Pass-Through from Alliance of Aging Alzheimer's Disease Initiative | 65.004 | KZ-1892, KZ-1992 | \$ 930,777 218,101 |
| Subtotal Florida Department of Elder Affairs | | | 1,148,878 |
| <u>Alzheimer's Respite Series</u> | | | |
| Pass through from Americorps: Respite for Elders Living in Everyday Families | 65.006 | XV117, XV119 | 66,016 |
| Subtotal Alzheimer's Respite Series | | | 66,016 |
| Total Expenditures of State Financial Assistance | | | \$ 1,214,894 |

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

Easter Seals South Florida, Inc.
Notes to Schedules of Expenditures of Federal Awards and
State Financial Assistance
Year Ended August 31, 2019

1. Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the “Schedules”) include the federal awards and state financial assistance project activity of Easter Seals South Florida, Inc. (the “Organization”) under programs of the federal government and State of Florida for the year ended August 31, 2019. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Florida Auditor General*, respectively. Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Organization.

The Organization had no federally funded insurance programs or loan guarantees during the year ended August 31, 2019.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General* wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Easter Seals South Florida, Inc.
Schedule of Findings and Questioned Costs
Year Ended August 31, 2019

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards and State Projects:

Internal control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) or Chapter 10.650, *Rules of Florida Auditor General*?

 Yes X No

Identification of Major Programs:

Federal Program:

CFDA Number

93.600
93.044

Name of Program

Head Start/Early Head Start Program
Title III, Part B Support Services

State Project:

CSFA Number

65.004

Name of Program

Alzheimer's Disease Initiative

Dollar threshold used to distinguish between type A and type B programs:

Type A and Type B programs

Federal programs

\$750,000

State projects

\$300,000

Auditee qualified as a low risk auditee?

 X Yes No

Easter Seals South Florida, Inc.
Schedule of Findings and Questioned Costs
Year Ended August 31, 2019

Section II - Financial Statement Findings

There were no deficiencies that were required to be reported.

Section II - Federal Award and State Project Findings and Questioned Costs

There were no findings identified that were required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, *Rules of the Florida Auditor General* during the year ended August 31, 2019.