

ACCESS SERVICES, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2017 AND 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Access Services, Inc.
Fort Washington, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Access Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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.

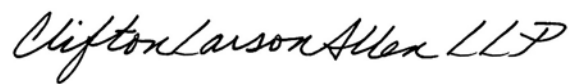
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Access Services, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Access Services, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of Access Services, 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 result of that testing, and not to provide an opinion on the effectiveness of Access Services, 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 Access Services, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 21, 2017

ACCESS SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash, Operating	\$ 1,743,047	\$ 1,452,971
Cash, Client Funds	371,931	376,939
Total Cash	2,114,978	1,829,910
Accounts Receivable	4,876,751	5,073,761
Total Current Assets	6,991,729	6,903,671
PROPERTY AND EQUIPMENT	3,154,803	3,086,592
OTHER ASSETS		
Deposits	358,855	317,703
Total Assets	\$ 10,505,387	\$ 10,307,966
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-term Debt	\$ 321,627	\$ 111,789
Capital Lease Obligations, Current Portion	212,335	148,787
Client Funds	371,931	376,939
Accounts Payable	974,233	972,097
Accrued Payroll	386,906	327,902
Accrued Expenses and Other Liabilities	482,175	455,830
Due to the Office of Developmental Programs	-	545,016
Total Current Liabilities	2,749,207	2,938,360
LONG-TERM DEBT LIABILITIES		
Long-Term Debt, Net of Current Maturities	906,063	1,227,690
Capital Lease Obligations, Net of Current Portion	453,715	288,095
Total Long-Term Liabilities	1,359,778	1,515,785
Total Liabilities	4,108,985	4,454,145
NET ASSETS		
Unrestricted	6,394,884	5,848,116
Temporarily Restricted	1,518	5,705
Total Net Assets	6,396,402	5,853,821
Total Liabilities and Net Assets	\$ 10,505,387	\$ 10,307,966

See accompanying Notes to Financial Statements.

ACCESS SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Office of Developmental Programs			
Waiver Income	\$ 14,501,633	\$ -	\$ 14,501,633
Fee Schedule Income	1,155,017	-	1,155,017
Vendor Service Income	153,944	-	153,944
County Funding			
Base Income	631,081	-	631,081
MH/IDD	8,096,464	-	8,096,464
CYS	2,408,010	-	2,408,010
Program Fees and Other Funding	239,099	-	239,099
Behavioral Health	5,193,809	-	5,193,809
Room and Board	1,089,377	-	1,089,377
Rent Rebate	76,110	-	76,110
Grants and Contributions	25,199	21,653	46,852
Interest Income	1,569	-	1,569
Subtotal	33,571,312	21,653	33,592,965
NET ASSETS RELEASED FROM RESTRICTIONS	25,840	(25,840)	-
Total Support and Revenue	33,597,152	(4,187)	33,592,965
EXPENDITURES			
Program	29,859,932	-	29,859,932
Management and General	3,232,398	-	3,232,398
Fundraising	24,871	-	24,871
Total Expenditures	33,117,201	-	33,117,201
CHANGES IN NET ASSETS BEFORE			
NONRECURRING AND NONOPERATING INCOME	479,951	(4,187)	475,764
NONRECURRING AND NONOPERATING INCOME (EXPENSE)			
Miscellaneous Income	33,638	-	33,638
Office of Developmental Programs Repayment	-	-	-
Loss on Sale of Investments	-	-	-
Gain on Sale of Property	33,179	-	33,179
Total Nonrecurring and Nonoperating Income (Expense)	66,817	-	66,817
CHANGE IN NET ASSETS	546,768	(4,187)	542,581
Net Assets - Beginning of Year	5,848,116	5,705	5,853,821
NET ASSETS - END OF YEAR	\$ 6,394,884	\$ 1,518	\$ 6,396,402

See accompanying Notes to Financial Statements.

ACCESS SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Office of Developmental Programs			
Waiver Income	\$ 14,379,649	\$ -	\$ 14,379,649
Fee Schedule Income	1,026,410	-	1,026,410
Vendor Service Income	338,053	-	338,053
County Funding			
Base Income	510,231	-	510,231
MH/IDD	7,029,328	-	7,029,328
CYS	1,795,398	-	1,795,398
Program Fees and Other Funding	310,743	-	310,743
Behavioral Health	5,267,667	-	5,267,667
Room and Board	1,050,652	-	1,050,652
Rent Rebate	79,900	-	79,900
Grants and Contributions	28,142	32,355	60,497
Interest Income	1,403	-	1,403
Subtotal	31,817,576	32,355	31,849,931
NET ASSETS RELEASED FROM RESTRICTIONS	31,588	(31,588)	-
Total Support and Revenue	31,849,164	767	31,849,931
EXPENDITURES			
Program	28,702,159	-	28,702,159
Management and General	3,040,597	-	3,040,597
Fundraising	54,172	-	54,172
Total Expenditures	31,796,928	-	31,796,928
CHANGES IN NET ASSETS BEFORE			
NONRECURRING AND NONOPERATING INCOME	52,236	767	53,003
NONRECURRING AND NONOPERATING INCOME (EXPENSE)			
Miscellaneous Income	78,955	-	78,955
Office of Developmental Programs Repayment	(545,016)	-	(545,016)
Loss on Sale of Investments	(2,001)	-	(2,001)
Gain on Sale of Property	1,636	-	1,636
Total Nonrecurring and Nonoperating Income (Expense)	(466,426)	-	(466,426)
CHANGE IN NET ASSETS	(414,190)	767	(413,423)
Net Assets - Beginning of Year	6,262,306	4,938	6,267,244
NET ASSETS - END OF YEAR	\$ 5,848,116	\$ 5,705	\$ 5,853,821

See accompanying Notes to Financial Statements.

ACCESS SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
EXPENSES								
Payroll	\$ 14,861,762	\$ 1,937,500	\$ 19,437	\$ 16,818,699	\$ 14,167,831	\$ 1,754,922	\$ 30,276	\$ 15,953,029
Employee Benefits and Expenses	3,598,006	458,549	120	4,056,675	3,568,115	441,188	5,867	4,015,170
Advertising and Recruiting	219,053	23,864	774	243,691	184,820	17,816	267	202,903
Automobile Expenses	349,547	-	-	349,547	266,637	-	-	266,637
Client Transportation	511,360	-	-	511,360	847,171	-	-	847,171
Communications	395,589	183,289	1,639	580,517	366,012	209,522	3,748	579,282
Consulting, Accounting and Legal	364,605	121,922	-	486,527	491,081	106,038	5,500	602,619
Depreciation	289,492	27,310	-	316,802	281,793	22,930	-	304,723
Minor Equipment and Furnishings	153,562	59,276	-	212,838	236,430	40,734	-	277,164
Food Costs	159,732	7,525	-	167,257	161,620	6,089	-	167,709
Household Expenses	60,167	1,496	-	61,663	59,826	132	-	59,958
Insurance	76,679	7,527	-	84,206	63,872	5,931	-	69,803
Interest Expense	81,422	16,617	-	98,039	80,109	17,723	-	97,832
Other Expenses	66,780	-	-	66,780	54,776	-	-	54,776
Professional Services	6,834,851	-	-	6,834,851	6,242,523	-	-	6,242,523
Rent	631,974	218,253	-	850,227	577,307	264,275	-	841,582
Repairs and Maintenance	122,953	30,123	-	153,076	242,180	29,923	-	272,103
Staff Development	170,592	29,663	-	200,255	182,037	22,409	-	204,446
Staff Travel	628,670	25,451	-	654,121	374,177	21,763	40	395,980
Supplies	77,566	49,746	2,901	130,213	65,243	52,237	8,474	125,954
Utilities	205,570	34,287	-	239,857	188,599	26,965	-	215,564
Total Expenses	<u>\$ 29,859,932</u>	<u>\$ 3,232,398</u>	<u>\$ 24,871</u>	<u>\$ 33,117,201</u>	<u>\$ 28,702,159</u>	<u>\$ 3,040,597</u>	<u>\$ 54,172</u>	<u>\$ 31,796,928</u>

See accompanying Notes to Financial Statements.

ACCESS SERVICES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 542,581	\$ (413,423)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	316,802	304,723
Realized Loss on Investments	-	2,001
Gain on Sale of Property	(33,179)	(1,636)
Increase in:		
Accounts Receivable, Net	197,010	(686,810)
Deposits	(41,152)	(59,453)
Increase (Decrease) in:		
Client Funds	(5,008)	34,292
Accounts Payable	2,136	115,169
Accrued Expenses	26,345	(41,494)
Accrued Payroll	59,004	(497,172)
Due to ODP	(545,016)	545,016
Net Cash Provided (Used) by Operating Activities	519,523	(698,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on Sale of Property	196,094	1,636
Purchase of Property and Equipment	(98,780)	(220,097)
Purchase of Investments	-	(24,791)
Proceeds from Sale of Investments	-	423,979
Net Cash Provided by Investing Activities	97,314	180,727
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease	(219,980)	(160,849)
Principal Payments on Long-term Debt	(111,789)	(106,681)
Net Cash Used by Financing Activities	(331,769)	(267,530)
NET INCREASE (DECREASE) IN CASH	285,068	(785,590)
Cash - Beginning of Year	1,829,910	2,615,500
CASH - END OF YEAR	\$ 2,114,978	\$ 1,829,910
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 98,039	\$ 97,832
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of Equipment through a Capital Lease Obligation	\$ 449,148	\$ 204,797

See accompanying Notes to Financial Statements.

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Access Services, Inc. (the Organization) provides services to children and adults with intellectual, emotional, and behavioral disabilities. Our mission is to empower and serve people in need of specialized supports by providing innovative services that improve their ability to live fulfilling lives in the community. As an Equal Opportunity Care Provider, the Organization looks for ways to partner with individuals, as well as local, county, and state agencies to create services that result in positive change in our communities and in the lives of the individuals whom we support.

Our services span across 11 counties including Berks, Bucks, Carbon/Monroe/Pike, Chester, Delaware, Lehigh, Montgomery, Northampton, and Schuylkill. The majority of the services are funded through managed care organizations, Medicaid waivers, county funds, subcontracting agreements, and private pay enrollment. All service plans are directed by the participant and based on a strong agency philosophy of care that is holistic, strengths-based, and recovery-oriented.

The Organization continues to develop as we seek new, innovative ways to support people with a wide variety of mental health and developmental challenges. Most of our services fall into one of four categories:

Residential Services provide individuals with living options such as community homes, supported living, companion, and family living programs. Each Residential Service focuses on providing personalized attention, helping recipients live in a self-determined manner while enjoying a higher quality of life.

Support Services provide assistance for individuals with developmental disabilities and those who have emotional or behavioral health needs and their loved ones in a support capacity. We offer extra help as needed so that care recipients and their families can meet their goals and pursue their dreams.

Children's Services are primarily concerned with providing a safe environment for children with emotional and behavioral challenges. The main objective of Children's Services is to build bridges of stability and structure within nurturing homes.

Clinical Services provide counseling and planning for children and adults going through difficult times, who may be in the midst of crisis or who may have chronic conditions. Clinical caregivers work to help these individuals stay active in their communities and maintain a healthy lifestyle.

Basis of Presentation

The financial statements of the Organization are reported on the accrual basis of accounting. The Organization's information regarding its financial position and activities according to the following three classes of net assets:

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes and prohibits the use of principal. At June 30, 2017 and 2016, the Organization did not have any permanently restricted net assets.

Temporarily Restricted Net Assets

Net assets whose use has been limited by donors to a specific time period or purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

The Organization considers all government awards to be exchange transactions in which each party receives and sacrifices commensurate value. Accordingly, government awards do not affect temporarily restricted or permanently restricted net assets, and funds received in advance are deferred revenue, and funds disbursed and not reimbursed represent receivables.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Accounting Estimates—Self-Insured Claims

The Organization is primarily self-insured, up to certain limits, for employee group health claims. The Organization has purchased stop-loss insurance, which will reimburse the Organization for individual claims in excess of \$50,000 annually or aggregate claims exceeding \$2,134,810 annually. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported. A liability for unpaid claims and the associated claim expenses, including incurred but not reported losses, is actuarially determined and reflected in the statement of financial position as an accrued liability. Total expense under the program was \$2,705,627 and \$2,653,108 for the years ended June 30, 2017 and 2016, respectively. The self-insured claims liability includes incurred but not reported losses of \$216,538 and \$224,093 as of June 30, 2017 and 2016, respectively.

The determination of such claims and expenses and the appropriateness of the related liability is continually reviewed and updated. It is reasonably possible that the accrued estimated liability for self-insured claims may need to be revised on a quarterly basis.

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

For purposes of the statements of cash flows, the Organization considers all balances maintained in financial institutions to be cash.

Assets Whose Use is Limited – Cash – Client Funds

A custodial fund has been established to account for assets received by the Organization on behalf of certain clients of certain programs. These funds are held for the sole benefit of each individual and are expended at the direction of the program directors, within the framework of the governing regulations. The balance of the cash and related liability was \$371,931 and \$376,939 at June 30, 2017 and 2016, respectively.

Advertising Expense

The Organization follows the policy of charging the costs of advertising to expense when the advertisements are first displayed or aired and consist primarily of newspaper and radio ads for the Organization's programs, mission and fund raisers. Advertising expense for the years ended June 30, 2017 and 2016 was approximately \$121,800 and \$101,500, respectively.

Grants and Accounts Receivable

The Organization provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2017 and 2016, an allowance was not warranted for accounts receivable from the counties. No allowance was warranted for grants and all accounts receivable at June 30, 2017 and 2016.

Property and Equipment and Depreciation

The counties hold reversionary interest to property and equipment purchased by the Organization with funds from the counties. Equipment purchased with county funds that costs less than \$5,000 is shown on the accompanying statement of activities. If the cost is greater than \$5,000 the item is capitalized and reported on the statement of financial position and depreciated over its useful life. The Organization has complete possession and use of the assets. There were no assets capitalized and purchased with county funds during the years ended June 30, 2017 and 2016. Property and equipment purchased with funds from sources other than counties are shown on the statement of financial position and are recorded at cost. Property and equipment are depreciated using the straight-line method overestimated useful lives ranging from two to thirty years.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of payroll, units of service and/or square footage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

The Organization follows the income tax standard for uncertain tax positions. The standard had no impact on the Organization's financial statements. The Organization's income tax returns are subject to review and examination by federal, state, and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

Concentration of Credit Risk

The Organization maintains its cash in several financial institutions, which, at times, may exceed federally insured limits.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 31, 2017, the date the financial statements were available to be issued.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts Receivable is summarized as follows:

	2017	2016
Accounts Receivable, Counties	\$ 1,788,351	\$ 1,607,524
Accounts Receivable, Office of Developmental Programs	2,640,090	2,928,390
Accounts Receivable, Behavioral Health	407,539	490,944
Accounts Receivable, Other	40,771	46,903
Total Accounts Receivable	\$ 4,876,751	\$ 5,073,761

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2017	2016
Land	\$ 490,937	\$ 490,937
Buildings	2,683,886	2,737,965
Equipment	50,530	50,530
Vehicles	1,542,670	1,470,849
Total	4,768,023	4,750,281
Less: Accumulated Depreciation	(1,613,220)	(1,663,689)
Total Property and Equipment	\$ 3,154,803	\$ 3,086,592

Depreciation expense was \$316,802 and \$304,723 for the years ended June 30, 2017 and 2016, respectively.

NOTE 4 LINE OF CREDIT

The Organization has a \$1,100,000 line of credit. The line was renewed after year-end and is due July 31, 2018. The line of credit is secured by all of the assets of the Organization. The note bears interest at the bank's prime rate plus .25%. The interest rate was 4.50% at June 30, 2017. Any borrowings are due to delays in funding from the counties. There was no outstanding balance on the line of credit at either June 30, 2017 or 2016.

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 5 LONG-TERM DEBT

Long-term debt is comprised of the following:

	2017	2016
Mortgage note, which was payable in monthly installments of \$967, including interest at 6.15%, collateralized by property in Allentown, Pennsylvania. The mortgage note was scheduled to have a balloon payment due in February, 2015. However, the Mortgage note was refinanced in April, 2015, with monthly installments of \$908, including interest at a fixed rate of 4.75%. All unpaid principal and interest is due in May, 2020.	\$ 29,584	\$ 38,808
Mortgage note, payable in monthly installments of \$5,163, including interest at 6.70%, collateralized by property in Orwigsburg, Pennsylvania due October 1, 2017.	255,720	296,542
Mortgage note, payable in monthly installments of \$1,217, including interest at 6%, collateralized by property located in East Norriton, Pennsylvania, with a balloon payment due January 1, 2018.	5,939	19,097
Northampton County Industrial Development Authority Series A revenue note, payable in monthly installments of \$5,642, including interest at 3.45%, collateralized by property located in Bethlehem, Pennsylvania, due on January 11, 2032	774,991	815,199
Northampton County Industrial Development Authority Series B revenue note, payable in monthly installments of \$1,175, including interest at 3.45%, collateralized by property located in Bethlehem, Pennsylvania, due on January 11, 2032	161,456	169,833
Total Long-Term Debt	1,227,690	1,339,479
Less: Current Maturities	321,627	111,789
Total Long-Term Debt, Net of Current Maturities	\$ 906,063	\$ 1,227,690

Under the agreements with the Northampton County Industrial Development Authority, the Organization is required to maintain a debt service coverage ratio of not less than 1.2 to 1 and debt to tangible net worth ratio of not more than 1 to 1. At June 30, 2017 the Organization was in compliance with these requirements.

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 5 LONG-TERM DEBT (CONTINUED)

As of June 30, 2017, maturities of long-term debt over the next five years and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 321,627
2019	62,207
2020	63,624
2021	55,765
2022	57,719
Thereafter	666,748
Total	<u>\$ 1,227,690</u>

Interest expense on all debt amounted to \$98,039 and \$97,832 for the years ended June 30, 2017 and 2016, respectively.

NOTE 6 CAPITAL LEASE OBLIGATIONS

The Organization has entered into capital leases for vehicles with a total cost of \$1,194,753 and \$768,954 and accumulated depreciation of \$545,433 and \$349,908 at June 30, 2017 and 2016, respectively. These capitalized leases are included in property and equipment.

At June 30, 2017, future minimum rental payments required under capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 256,651
2019	193,661
2020	163,193
2021	128,450
2022	17,613
Total Minimum Lease Payments	<u>759,568</u>
Less: Amount Representing Interest	<u>93,518</u>
Present Value of Minimum Lease Payments	666,050
Less: Current Portion	<u>212,335</u>
Total	<u>\$ 453,715</u>

NOTE 7 EMPLOYEE BENEFIT PLANS

The Organization maintains a defined contribution 401(k) plan covering all full-time employees with at least one year of service. The Organization makes contributions to the plan at the discretion of management and the board of directors. Pension expense for the years ended June 30, 2017 and 2016 was \$143,869 and \$135,247, respectively.

ACCESS SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 8 LEASE COMMITMENTS

The Organization leases various buildings, office equipment, and automobiles under leasing arrangements expiring through August 2022. These noncancellable leases are accounted for as operating leases. The Organization also has several month-to-month leases. Future minimum annual rentals under the noncancellable operating lease arrangements at June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 859,441
2019	702,664
2020	623,541
2021	882,014
2022	<u>360,573</u>
Total	<u>\$ 3,428,233</u>

Rent expense including rentals on a month-to-month basis amounted to \$850,227 and \$841,582 for the years ended June 30, 2017 and 2016, respectively.

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted as to purpose and available for the following:

	<u>2017</u>	<u>2016</u>
Child Development Foundation - Respite Services	<u>\$ 1,518</u>	<u>\$ 5,705</u>

NOTE 10 CONTRACTUAL ADJUSTMENTS

The contracts under which the Organization conducts its programs contain provisions defining costs, which are allowable and reimbursable within the program. Program billings are subject to audit by various governmental funding sources. Audits of these billings may result in adjustments for disallowances. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined to date.

ACCESS SERVICES, INC.
SCHEDULE OF COUNTY ANALYSIS
YEAR ENDED JUNE 30, 2017

	EXPENSE			INCOME				Surplus (Deficit)
	Direct Care	Administration	Total Expenses	Program Revenue	Room and Board	Other Income	Total Income	
ODP BASE PROGRAMS:								
BUCKS COUNTY:								
HOME AND COMMUNITY HABILITATION	\$ 12,010	\$ 1,309	\$ 13,319	\$ 12,257	\$ -	\$ -	\$ 12,257	\$ (1,062)
FAMILY LIVING	45,213	4,928	50,141	41,883	6,472	500	48,855	(1,286)
BUCKS COUNTY TOTAL:	57,223	6,237	63,460	54,140	6,472	500	61,112	(2,348)
CARBON-MONROE-PIKE COUNTIES:								
LIFE PROGRAM	30,286	3,301	33,587	32,441	-	-	32,441	(1,146)
LIFE PROGRAM TRANSPORTATION	2,831	309	3,140	3,212	-	-	3,212	72
CARBON-MONROE-PIKE COUNTIES TOTAL:	33,117	3,610	36,727	35,653	-	-	35,653	(1,074)
LEHIGH COUNTY:								
FAMILY LIVING	205,693	22,421	228,114	201,086	30,266	1,573	232,925	4,811
RESPIRE	2,172	237	2,409	5,259	-	-	5,259	2,850
HOME AND COMMUNITY HABILITATION	4,077	444	4,521	6,338	-	-	6,338	1,817
LEHIGH COUNTY TOTAL:	211,942	23,102	235,044	212,683	30,266	1,573	244,522	9,478
MONTGOMERY COUNTY								
FAMILY LIVING	-	-	-	-	-	-	-	-
HOME AND COMMUNITY HABILITATION	170,057	18,536	188,593	159,717	25,973	1,650	187,340	(1,253)
MONTGOMERY COUNTY TOTAL:	170,057	18,536	188,593	159,717	25,973	1,650	187,340	(1,253)
NORTHAMPTON COUNTY:								
FAMILY LIVING	73,830	8,047	81,877	72,332	13,338	65	85,735	3,858
RESPIRE	3,125	340	3,465	7,500	-	-	7,500	4,035
HOME AND COMMUNITY HABILITATION	1,287	141	1,428	2,026	-	-	2,026	598
LIFE PROGRAM	41,040	4,473	45,513	46,773	-	-	46,773	1,260
LIFE PROGRAM - TRANSPORTATION	2,079	227	2,306	2,227	-	-	2,227	(79)
NORTHAMPTON COUNTY TOTAL:	121,361	13,228	134,589	130,858	13,338	65	144,261	9,672
SCHUYLKILL COUNTY:								
LIFE PROGRAM	20,018	2,182	22,200	20,127	-	-	20,127	(2,073)
LIFE PROGRAM TRANSPORTATION	681	74	755	798	-	-	798	43
FAMILY LIVING	21,634	2,358	23,992	21,295	4,172	-	25,467	1,475
SCHUYLKILL COUNTY TOTAL:	42,333	4,614	46,947	42,220	4,172	-	46,392	(555)
TOTAL ODP BASE PROGRAMS	\$ 636,033	\$ 69,327	\$ 705,360	\$ 635,271	\$ 80,221	\$ 3,788	\$ 719,280	\$ 13,920
CHILDREN AND YOUTH/JUVENILE JUSTICE (COUNTY):								
SCHUYLKILL CTY (COUNSELING/REBOUND - JP655C)	\$ 670,318	\$ 73,065	\$ 743,383	\$ 730,501	\$ -	\$ -	\$ 730,501	\$ (12,882)
SCHUYLKILL CTY (COUNSELING/MENTORING - CY655R)	595,389	64,897	660,286	799,118	-	-	799,118	138,832
TOTAL CYS/JUVENILE JUSTICE (COUNTY) PROGRAMS	\$ 1,265,707	\$ 137,962	\$ 1,403,669	\$ 1,529,619	\$ -	\$ -	\$ 1,529,619	\$ 125,950

ACCESS SERVICES, INC.
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2017

	BUCKS COUNTY				CHESTER COUNTY		
	BCHT/NITT	CRISIS	LIFE/		FAM SUPP	FOSTER CARE	RESPIRE
	Healthy Transitions		ADMIN MGT	TIP	#17341	#17507	#16527
EXPENSES:							
Personnel Expenses							
Wages and Salaries	\$ 18,240	\$ 176,999	\$ 169,332	\$ 282,660	\$ 62,383	\$ 31,927	\$ 1,440
Fringe Benefits	4,737	46,080	43,709	73,164	16,258	8,320	376
Staff Development	8,780	5,642	6,337	6,724	4,013	1,563	42
Purchased Personnel	2,190	4,077	2,903	4,520	1,013	1,267	25
Total Personnel	33,947	232,798	222,281	367,068	83,667	43,077	1,883
Operating Expenses							
Occupancy	1,839	12,462	18,250	18,274	22,396	3,180	37
Utilities	333	747	3,926	3,926	-	-	-
Communications	592	7,075	5,958	9,300	4,230	1,412	22
Supplies	278	392	1,878	3,219	465	568	-
Clothing	-	-	-	-	-	1,512	-
Prof Serv/Provider Payment	-	1,200	-	300	-	63,158	1,800
Transportation	2,292	8,979	1,249	14,514	3,353	2,179	-
Total Operating	5,334	30,855	31,261	49,533	30,444	72,009	1,859
Fixed Assets							
Equipment Purchases	350	351	1,368	692	-	-	-
Repairs and Improvements	-	23	427	117	93	-	-
Total Fixed Assets	350	374	1,795	809	93	-	-
Total Program Expenses	39,631	264,027	255,337	417,410	114,204	115,086	3,742
Administration Expenses	4,320	28,779	27,832	45,498	12,448	12,544	408
Total Expenses	43,951	292,806	283,169	462,908	126,652	127,630	4,150
REVENUE:							
County Funding	43,951	30,000	-	9,432	122,941	131,215	4,355
Magellan	-	271,500	291,270	448,802	-	-	-
Total Revenue	43,951	301,500	291,270	458,234	122,941	131,215	4,355
Surplus (Deficit)	\$ -	\$ 8,694	\$ 8,101	\$ (4,674)	\$ (3,711)	\$ 3,585	\$ 205
UNIT VERIFICATION:							
Unit Definition					Day	Day	
Units Provided					1,348	18	
Units Billed					1,348	18	
Unit Cost					N/A	94.68	230.56

ACCESS SERVICES, INC.
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2017

	LEHIGH COUNTY	NORTHAMPTON COUNTY		
	TIP	AIRPORT	LYNNWOOD	RECRUITMENT/ RETENTION
EXPENSES:				
Personnel Expenses				
Wages and Salaries	\$ 229,641	\$ 307,137	\$ 245,049	\$ 8,000
Fringe Benefits	59,532	74,402	38,240	2,085
Staff Development	15,150	3,714	3,013	4,650
Purchased Personnel	3,636	5,047	4,157	-
Total Personnel	307,959	390,300	290,459	14,735
Operating Expenses				
Occupancy	4,057	38,383	32,603	-
Utilities	2,646	10,423	5,206	-
Communications	5,658	5,459	4,486	-
Supplies	1,629	487	440	-
Food/Household	-	18,112	9,385	-
Prof Serv/Provider Payment	-	-	-	-
Transportation	11,410	16,746	4,035	-
Total Operating	25,400	89,610	56,155	-
Fixed Assets				
Equipment Purchases	1,653	1,671	-	-
Repairs and Improvements	1,274	5,705	2,168	-
Total Fixed Assets	2,927	7,376	2,168	-
Total Program Expenses	336,286	487,286	348,782	14,735
Administration Expenses	36,655	53,114	38,017	-
Total Expenses	372,941	540,400	386,799	14,735
REVENUE:				
County Funding	99,953	488,310	381,412	14,735
Room and Board	-	39,196	16,006	-
Guardian Liability	-	-	2,352	-
Rent Rebate	-	2,600	650	-
Magellan	272,966	-	-	-
Total Revenue	372,919	530,106	400,420	14,735
Surplus (Deficit)	\$ (22)	\$ (10,294)	\$ 13,621	\$ -

ACCESS SERVICES, INC.
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2017

		MONTGOMERY COUNTY						
		PEER SUPPORT			HOUSING SUPP/	RESPITE/	CRR	
		CRISIS (Adult)	CRISIS (Children)	(AGING)	JRS	PSYCH REHAB	TAKE 5	FAM LIV
EXPENSES:								
Personnel Expenses								
Wages and Salaries	\$	948,614	\$ 136,824	\$ 47,272	\$ 241,011	\$ 774,351	\$ 1,800	\$ 3,592
Fringe Benefits		244,214	35,792	12,231	62,772	200,369	469	936
Staff Development		32,960	3,767	662	10,318	21,622	108	227
Purchased Personnel		19,189	3,501	401	4,910	14,367	65	163
Total Personnel		1,244,977	179,884	60,566	319,011	1,010,709	2,442	4,918
Operating Expenses								
Occupancy		74,703	6,789	1,254	10,791	39,923	96	426
Utilities		3,451	-	-	299	4,061	-	-
Communications		39,338	6,554	826	8,810	38,664	56	175
Supplies		9,886	203	102	3,149	13,350	-	253
Clothing		-	-	-	-	-	-	370
Prof Serv/Provider Payment		30,778	2,250	-	720	1,289	7,380	7,970
Transportation		48,155	5,206	-	30,521	71,911	-	133
Total Operating		206,311	21,002	2,182	54,290	169,198	7,532	9,327
Fixed Assets								
Equipment Purchases		35,753	209	-	27,293	31,843	-	-
Repairs and Improvements		-	-	-	-	746	-	-
Total Fixed Assets		35,753	209	-	27,293	32,589	-	-
Total Program Expenses		1,487,041	201,095	62,748	400,594	1,212,496	9,974	14,245
Administration Expenses		162,097	21,919	6,830	43,665	132,945	1,087	1,553
Total Expenses		1,649,138	223,014	69,578	444,259	1,345,441	11,061	15,798
REVENUE:								
County Funding		70,663	-	-	327,999	374,468	11,000	16,100
County Funding - Aging		-	-	69,578	-	-	-	-
County Funding - Housing Supp		-	-	-	-	212,472	-	-
HSBG - State Match		-	-	-	23,457	-	-	-
PATH Funding		-	-	-	35,186	-	-	-
Magellan		1,578,475	237,672	-	57,617	927,201	-	-
Total Revenue		1,649,138	237,672	69,578	444,259	1,514,141	11,000	16,100
Surplus (Deficit)	\$	-	\$ 14,658	\$ -	\$ -	\$ 168,700	\$ (61)	\$ 302

ACCESS SERVICES, INC.
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2017

CHILDREN AND YOUTH (FOSTER CARE)

	BERKS	BUCKS	LEHIGH	MONROE	MONTGOMERY	NORTHAMPTON	SCHUYLKILL
EXPENSES:							
Personnel Expenses							
Wages and Salaries	\$ 17,360	\$ 125,340	\$ 37,372	\$ 1,037	\$ 32,157	\$ 217,144	\$ 52,992
Fringe Benefits	4,508	32,641	9,669	268	8,357	56,181	13,344
Staff Development	1,021	6,181	2,311	64	1,839	13,426	4,139
Purchased Personnel	679	4,733	1,603	44	1,312	9,315	2,590
Total Personnel	23,568	168,895	50,955	1,413	43,665	296,066	73,065
Operating Expenses							
Occupancy	1,224	12,241	1,218	34	3,193	7,079	1,749
Utilities	102	-	465	13	-	2,704	1,303
Communications	729	5,713	1,548	43	1,522	8,998	2,288
Supplies	434	1,666	759	21	513	4,404	307
Clothing	1,034	5,058	3,249	90	2,218	18,881	5,177
Prof Serv/Provider Payment	38,897	253,003	96,460	2,675	67,847	560,465	137,419
Transportation	1,131	6,363	1,887	52	1,860	10,966	2,040
Total Operating	43,551	284,044	105,586	2,928	77,153	613,497	150,283
Fixed Assets							
Equipment Purchases	157	1,859	715	20	-	4,157	872
Repairs and Improvements	58	-	262	7	-	1,523	252
Total Fixed Assets	215	1,859	977	27	-	5,680	1,124
Total Program Expenses	67,334	454,798	157,518	4,368	120,818	915,243	224,472
Administration Expenses	7,340	49,573	17,169	476	13,169	99,762	24,467
Total Expenses	74,674	504,371	174,687	4,844	133,987	1,015,005	248,939
REVENUE:							
County Funding	77,915	515,708	185,528	5,146	135,639	1,073,907	274,247
County - Clothing/Prescription	-	-	1,969	-	698	5,889	150
Total Revenue	77,915	515,708	187,497	5,146	136,337	1,079,796	274,397
Surplus (Deficit)	\$ 3,241	\$ 11,337	\$ 12,810	\$ 302	\$ 2,350	\$ 64,791	\$ 25,458

ACCESS SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND COUNTY AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Expenditures
Federal Awards				
<u>U. S. Department of Health and Human Services</u>				
Pass-Through Commonwealth of Pennsylvania Department of Public Welfare Substance Abuse and Mental Health Services Projects of Regional and National Significance Bucks County	93.243	N/A	07/01/16 to 06/30/17	\$ 43,951
Pass-Through County Children and Youth Agencies: Foster Care, Residential Treatment, and Family Living Services				
Berks County	93.658	N/A	07/01/16 to 06/30/17	27,688
Bucks County	93.658	N/A	07/01/16 to 06/30/17	170,184
Chester County	93.658	N/A	07/01/16 to 06/30/17	92,236
Montgomery County	93.658	N/A	07/01/16 to 06/30/17	64,375
Northampton County	93.658	N/A	07/01/16 to 06/30/17	336,138
Schuylkill County	93.658	CY 655F	07/01/16 to 06/30/17	83,401
Total Title IV-E Foster Care				<u>774,022</u>
Temporary Assistance for Needy Families				
Schuylkill County	93.558	JP-655C	07/01/16 to 06/30/17	70,253
Total Temporary Assistance for Needy Families				<u>70,253</u>
Total Federal Awards				888,226

See accompanying Notes to Schedule of Expenditures of Federal, State, and County Awards

ACCESS SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND COUNTY AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Expenditures
State Awards				
<u>Pennsylvania Department of Public Welfare Direct Programs</u>				
Pass-Through Commonwealth of Pennsylvania Department of Public Welfare Office of Developmental Programs Medical Assistance - Provider Type 50 Health/Mental Retardation Services				
Bucks County	N/A	N/A	07/01/16 to 06/30/17	\$ 360,138
Lehigh County	N/A	N/A	07/01/16 to 06/30/17	212,279
Montgomery County	N/A	N/A	07/01/16 to 06/30/17	760,791
Northampton County	N/A	N/A	07/01/16 to 06/30/17	985,312
Schuylkill County	N/A	N/A	07/01/16 to 06/30/17	42,220
County Children and Youth Agencies: Foster Care, Residential Treatment, and Family Living Services				
Berks County	N/A	N/A	07/01/16 to 06/30/17	40,268
Bucks County	N/A	N/A	07/01/16 to 06/30/17	278,482
Chester County	N/A	N/A	07/01/16 to 06/30/17	132,008
Montgomery County	N/A	N/A	07/01/16 to 06/30/17	57,011
Northampton County	N/A	N/A	07/01/16 to 06/30/17	598,640
Schuylkill County	N/A	JP 655C, CY 655F, CY 655R	07/01/16 to 06/30/17	<u>1,320,288</u>
Total State Awards				4,787,437
County Awards				
<u>County Departments of MH/MR/Medical Assistance Program, Family Living Services, Home Based Services, Supported Living Services, Residential Treatment, and Community Employment Services, Children's Mobile Crisis</u>				
Berks County	N/A	N/A	07/01/16 to 06/30/17	22,500
Bucks County	N/A	N/A	07/01/16 to 06/30/17	15,242
Chester County	N/A	N/A	07/01/16 to 06/30/17	4,355
Lehigh County	N/A	N/A	07/01/16 to 06/30/17	404
Montgomery County	N/A	N/A	07/01/16 to 06/30/17	16,947
Northampton County	N/A	N/A	07/01/16 to 06/30/17	20,006

See accompanying Notes to Schedule of Expenditures of Federal, State, and County Awards

ACCESS SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND COUNTY AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Expenditures
County Awards (Continued)				
<u>County Children and Youth Agencies, Foster Care, Residential Treatment, and Family Living Services</u>				
Berks County	N/A	N/A	07/01/16 to 06/30/17	\$ 9,959
Bucks County	N/A	N/A	07/01/16 to 06/30/17	67,042
Chester County	N/A	N/A	07/01/16 to 06/30/17	33,002
Montgomery County	N/A	N/A	07/01/16 to 06/30/17	14,951
Northampton County	N/A	N/A	07/01/16 to 06/30/17	142,058
Schuylkill County	N/A	JP 655C, CY 655F, CY 655R	07/01/16 to 06/30/17	330,072
Total County Awards				<u>676,538</u>
Total Federal, State, and County Awards				<u>\$ 6,352,201</u>

See accompanying Notes to Schedule of Expenditures of Federal, State, and County Awards

ACCESS SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND COUNTY AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state, and county awards presents activities in all of the federal, state, and county awards programs of Access Services, Inc. All financial assistance received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, is included in the schedule. There were subrecipients in 2017

NOTE 2 BASIS OF ACCOUNTING, EXPENDITURES

The accompanying schedule of expenditures of federal, state, and county awards is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to funding agencies because those reports may be submitted on either a cash or modified accrual basis of accounting.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal, state, and county award expenditures are reported on the statement of functional expenditures as program costs. However, expenditures in the schedule of expenditures of federal, state, and county awards for certain programs which have incurred deficits have been limited to the related contracted amount. In addition, for certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported on the schedule of expenditures of federal, state and county awards due to program expenditures exceeding grant or contract budget limitations, which are not included as federal, state and county financial assistance.

NOTE 4 INDIRECT COST RATE

Access Services, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SPECIFIED
INDIRECT COST ALLOCATION REQUIREMENTS**


Board of Directors
Access Services, Inc.
Fort Washington, Pennsylvania

We have examined Access Services, Inc.'s compliance with allocating indirect costs reflected in the schedules of county analysis as required by the individual counties that fund the MH/MR Base Funded and Children and Youth programs and the Commonwealth of Pennsylvania, Department of Public Welfare, Section 4300.94 of the Title 4300 Regulations for the year ended June 30, 2017. Management is responsible for Access Services, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on Access Services, Inc.'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, including examining, on a test basis, evidence about Access Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Access Services, Inc.'s compliance with specified requirements.

In our opinion, Access Services, Inc. complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2017.

This report is intended solely for the information and use of the board of directors, management, and other county governmental entities and is not intended to be and should not be use by anyone other than these specified parties.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 21, 2017

INDEPENDENT AUDITORS' 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

Board of Directors
Access Services, Inc.
Fort Washington, Pennsylvania

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 Access Services, Inc., which comprise the statement of financial position as of June 30, 2017, 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 December 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Access Services, 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 Access Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Access Services, Inc.'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 Access Services, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 21, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Access Services, Inc.
Fort Washington, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Access Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Access Services, Inc.'s major federal programs for the year ended June 30, 2017. Access Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Access Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal, state and county awards, as required by the Uniform Guidance, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of County Analysis is presented for purposes of additional analysis, as required by the various county funding sources, and also is not a required part of the financial statements of Access Services, Inc. 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

Board of Directors
Access Services, Inc.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 21, 2017

ACCESS SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ yes X no
 - Significant deficiency identified that are not considered to be material weakness? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? _____ yes X no
 - Significant deficiency identified that are not considered to be material weakness? _____ yes X none reported
2. Type of auditor’s report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.515(d)(2) of the Uniform Guidance? _____ yes X no

Identification of Major Federal Programs

CFDA Number(s)

93.658

Name of Federal Program or Cluster

Foster Care – Title IV-E

Dollar threshold used to distinguish between Type A or Type B programs was:

\$ 750,000/ \$187,500

Auditee qualified as low-risk auditee?

 X yes no

ACCESS SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR section 200.515(d)(2) of the Uniform Guidance.

Section IV – Prior Findings

There were no findings disclosed in our audit for the year ended June 30, 2016.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.