

**ACCESS SERVICES, INC.**  
**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

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, 2018 and 2017, 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.

Board of Directors  
Access Services, Inc.

***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, 2018 and 2017, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2018, 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.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 23, 2018

**ACCESS SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash, Operating	\$ 2,578,093	\$ 1,743,047
Cash, Client Funds	376,611	371,931
Total Cash	2,954,704	2,114,978
Accounts Receivable	5,414,065	4,876,751
Total Current Assets	8,368,769	6,991,729
<b>PROPERTY AND EQUIPMENT</b>	3,883,708	3,154,803
<b>OTHER ASSETS</b>		
Deposits	519,393	358,855
Total Assets	\$ 12,771,870	\$ 10,505,387
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt	\$ 105,782	\$ 321,627
Capital Lease Obligations, Current Portion	236,201	212,335
Client Funds	376,611	371,931
Accounts Payable	1,008,000	974,233
Accrued Payroll	474,785	386,906
Accrued Expenses and Other Liabilities	917,819	482,175
Total Current Liabilities	3,119,198	2,749,207
<b>LONG-TERM DEBT LIABILITIES</b>		
Long-Term Debt, Net of Current Maturities	1,574,697	906,063
Capital Lease Obligations, Net of Current Portion	621,287	453,715
Total Long-Term Liabilities	2,195,984	1,359,778
Total Liabilities	5,315,182	4,108,985
<b>NET ASSETS</b>		
Unrestricted	7,444,013	6,394,884
Temporarily Restricted	12,675	1,518
Total Net Assets	7,456,688	6,396,402
Total Liabilities and Net Assets	\$ 12,771,870	\$ 10,505,387

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Office of Developmental Programs:			
Waiver Income	\$ 16,193,509	\$ -	\$ 16,193,509
Fee Schedule Income	487,413	-	487,413
Vendor Service Income	123,746	-	123,746
County Funding:			
Base Income	589,292	-	589,292
MH/IDD	8,690,053	-	8,690,053
CYS	3,552,048	-	3,552,048
Program Fees and Other Funding	245,126	-	245,126
Behavioral Health	5,193,836	-	5,193,836
Room and Board	1,030,443	-	1,030,443
Rent Rebate	81,087	-	81,087
Grants and Contributions	90,912	29,162	120,074
Interest Income	2,456	-	2,456
Subtotal	36,279,921	29,162	36,309,083
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>18,005</b>	<b>(18,005)</b>	<b>-</b>
Total Support and Revenue	36,297,926	11,157	36,309,083
<b>EXPENDITURES</b>			
Program	31,928,826	-	31,928,826
Management and General	3,543,194	-	3,543,194
Fundraising	122,490	-	122,490
Total Expenditures	35,594,510	-	35,594,510
<b>CHANGES IN NET ASSETS BEFORE NONRECURRING AND NONOPERATING INCOME</b>	<b>703,416</b>	<b>11,157</b>	<b>714,573</b>
<b>NONRECURRING AND NONOPERATING INCOME (EXPENSE)</b>			
Miscellaneous Income	36,350	-	36,350
Reconciliation of Prior Year Income	330,000	-	330,000
Loss on Sale of Property	(20,637)	-	(20,637)
Total Nonrecurring and Nonoperating Income	345,713	-	345,713
<b>CHANGE IN NET ASSETS</b>	<b>1,049,129</b>	<b>11,157</b>	<b>1,060,286</b>
Net Assets - Beginning of Year	6,394,884	1,518	6,396,402
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 7,444,013</b>	<b>\$ 12,675</b>	<b>\$ 7,456,688</b>

See accompanying Notes to Financial Statements.

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
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	<u>33,571,312</u>	<u>21,653</u>	<u>33,592,965</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>25,840</u>	<u>(25,840)</u>	<u>-</u>
Total Support and Revenue	33,597,152	(4,187)	33,592,965
<b>EXPENDITURES</b>			
Program	29,859,932	-	29,859,932
Management and General	3,232,398	-	3,232,398
Fundraising	24,871	-	24,871
Total Expenditures	<u>33,117,201</u>	<u>-</u>	<u>33,117,201</u>
<b>CHANGES IN NET ASSETS BEFORE NONRECURRING AND NONOPERATING INCOME</b>	479,951	(4,187)	475,764
<b>NONRECURRING AND NONOPERATING INCOME (EXPENSE)</b>			
Miscellaneous Income	33,638	-	33,638
Reconciliation of Prior Year Income	-	-	-
Gain on Sale of Property	33,179	-	33,179
Total Nonrecurring and Nonoperating Income	<u>66,817</u>	<u>-</u>	<u>66,817</u>
<b>CHANGE IN NET ASSETS</b>	546,768	(4,187)	542,581
Net Assets - Beginning of Year	<u>5,848,116</u>	<u>5,705</u>	<u>5,853,821</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 6,394,884</u>	<u>\$ 1,518</u>	<u>\$ 6,396,402</u>

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018				2017			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
<b>EXPENSES</b>								
Payroll	\$ 14,986,585	\$ 2,057,703	\$ 95,609	\$ 17,139,897	\$ 14,861,762	\$ 1,937,500	\$ 19,437	\$ 16,818,699
Employee Benefits and Expenses	3,934,052	541,948	18,097	4,494,097	3,598,006	458,549	120	4,056,675
Advertising and Recruiting	278,022	28,983	3,015	310,020	219,053	23,864	774	243,691
Automobile Expenses	360,461	-	-	360,461	349,547	-	-	349,547
Client Transportation	483,100	-	-	483,100	511,360	-	-	511,360
Communications	525,189	163,537	838	689,564	395,589	183,289	1,639	580,517
Consulting, Accounting and Legal	360,633	147,456	1,193	509,282	364,605	121,922	-	486,527
Depreciation	349,717	29,505	-	379,222	289,492	27,310	-	316,802
Minor Equipment and Furnishings	354,740	80,511	-	435,251	153,562	59,276	-	212,838
Food Costs	158,579	8,941	370	167,890	159,732	7,525	-	167,257
Household Expenses	67,075	3,635	-	70,710	60,167	1,496	-	61,663
Insurance	97,657	9,891	-	107,548	76,679	7,527	-	84,206
Interest Expense	88,987	11,978	-	100,965	81,422	16,617	-	98,039
Other Expenses	76,399	-	-	76,399	66,780	-	-	66,780
Professional Services	7,745,297	-	-	7,745,297	6,834,851	-	-	6,834,851
Rent	720,820	256,903	-	977,723	631,974	218,253	-	850,227
Repairs and Maintenance	148,760	31,552	-	180,312	122,953	30,123	-	153,076
Staff Development	190,091	38,217	-	228,308	170,592	29,663	-	200,255
Staff Travel	684,314	38,983	662	723,959	628,670	25,451	-	654,121
Supplies	93,686	53,422	2,706	149,814	77,566	49,746	2,901	130,213
Utilities	224,662	40,029	-	264,691	205,570	34,287	-	239,857
<b>Total Expenses</b>	<b>\$ 31,928,826</b>	<b>\$ 3,543,194</b>	<b>\$ 122,490</b>	<b>\$ 35,594,510</b>	<b>\$ 29,859,932</b>	<b>\$ 3,232,398</b>	<b>\$ 24,871</b>	<b>\$ 33,117,201</b>

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,060,286	\$ 542,581
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	379,222	316,802
(Gain) Loss on Sale of Property	20,637	(33,179)
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(537,314)	197,010
Deposits	(160,538)	(41,152)
Client Funds	4,680	(5,008)
Accounts Payable	33,767	2,136
Accrued Expenses	435,644	26,345
Accrued Payroll	87,879	59,004
Due to ODP	-	(545,016)
Net Cash Provided by Operating Activities	1,324,263	519,523
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on Sale of Property	91,927	196,094
Purchase of Property and Equipment	(1,220,691)	(98,780)
Net Cash Provided (Used) by Investing Activities	(1,128,764)	97,314
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease	(325,211)	(219,980)
Principal Payments on Long-term Debt	(237,576)	(111,789)
Proceeds from Long-Term Debt	778,000	-
Assets Purchased through Capital Lease Obligation	429,014	-
Net Cash Provided (Used) by Financing Activities	644,227	(331,769)
<b>NET INCREASE IN CASH</b>	839,726	285,068
Cash - Beginning of Year	2,114,978	1,829,910
<b>CASH - END OF YEAR</b>	\$ 2,954,704	\$ 2,114,978
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 100,965	\$ 98,039
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of Equipment through a Capital Lease Obligation	\$ 429,014	\$ 449,148

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**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, 2018 AND 2017**

**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, 2018 and 2017, 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 \$60,000 annually or aggregate claims exceeding \$2,527,061 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 \$2,999,294 and \$2,705,627 for the years ended June 30, 2018 and 2017, respectively. The self-insured claims liability includes incurred but not reported losses of \$261,434 and \$216,538 as of June 30, 2018 and 2017, respectively.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Significant Accounting Estimates – Self-Insured Claims (Continued)**

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.

**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 \$376,611 and \$371,931 at June 30, 2018 and 2017, 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, 2018 and 2017 was approximately \$155,000 and \$121,800, 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 uncollectability has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2018 and 2017, an allowance was not warranted for accounts receivable from the counties. No allowance was warranted for grants and all accounts receivable at June 30, 2018 and 2017.

**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, 2018 and 2017. 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.

**ACCESS SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**NOTE 2 ACCOUNTS RECEIVABLE**

Accounts Receivable is summarized as follows:

	<u>2018</u>	<u>2017</u>
Accounts Receivable, Counties	\$ 2,165,623	\$ 1,788,351
Accounts Receivable, Office of Developmental Programs	2,885,910	2,640,090
Accounts Receivable, Behavioral Health	360,395	407,539
Accounts Receivable, Other	2,137	40,771
Total Accounts Receivable	<u>\$ 5,414,065</u>	<u>\$ 4,876,751</u>

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment are summarized as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 481,526	\$ 490,937
Buildings	3,344,883	2,683,886
Equipment	50,530	50,530
Vehicles	<u>1,671,967</u>	<u>1,542,670</u>
Total	5,548,906	4,768,023
Less: Accumulated Depreciation	<u>(1,665,198)</u>	<u>(1,613,220)</u>
Total Property and Equipment	<u>\$ 3,883,708</u>	<u>\$ 3,154,803</u>

Depreciation expense was \$379,222 and \$316,802 for the years ended June 30, 2018 or 2017, 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 March 31, 2019. 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, 2018. 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, 2018 or 2017.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 5 LONG-TERM DEBT**

Long-term debt is comprised of the following:

<u>Description</u>	<u>2018</u>	<u>2017</u>
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.	\$ 19,906	\$ 29,584
Mortgage note, payable in monthly installments of \$5,166, including interest at 5.00%, collateralized by property in Orwigsburg, Pennsylvania due May 1, 2023.	774,416	255,720
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
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.	733,371	774,991
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	<u>152,786</u>	<u>161,456</u>
Total Long-Term Debt	1,680,479	1,227,690
Less: Current Maturities	<u>(105,782)</u>	<u>(321,627)</u>
Total Long-Term Debt, Net of Current Maturities	<u>\$ 1,574,697</u>	<u>\$ 906,063</u>

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, 2018 the Organization was in compliance with these requirements.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

As of June 30, 2018, maturities of long-term debt over the next five years and thereafter are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2019	\$ 105,782
2020	108,275
2021	101,517
2022	104,600
2023	107,781
Thereafter	1,152,522
Total	<u>\$ 1,680,477</u>

Interest expense on all debt amounted to \$100,965 and \$98,039 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 6 CAPITAL LEASE OBLIGATIONS**

The Organization has entered into capital leases for vehicles with a total cost of \$1,464,850 and \$1,194,753 and accumulated depreciation of \$654,375 and \$545,433 at June 30, 2018 and 2017, respectively. These capitalized leases are included in property and equipment.

At June 30, 2018, future minimum rental payments required under capital leases are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2019	\$ 293,859
2020	264,288
2021	232,765
2022	151,168
2023	49,336
Total Minimum Lease Payments	<u>991,416</u>
Less: Amount Representing Interest	<u>133,928</u>
Present Value of Minimum Lease Payments	857,488
Less: Current Portion	<u>(236,201)</u>
Total	<u>\$ 621,287</u>

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**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, 2018 and 2017 was \$154,060 and \$143,869, respectively.

**NOTE 8 LEASE COMMITMENTS**

The Organization leases various buildings, office equipment, and automobiles under leasing arrangements expiring through January 2025. 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, 2018, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 844,730
2020	889,562
2021	868,369
2022	681,617
2023	544,697
Thereafter	281,762
Total	<u>\$ 4,110,737</u>

Rent expense including rentals on a month-to-month basis amounted to \$977,723 and \$850,227 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 9 TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2018</u>	<u>2017</u>
Child Development Foundation - Respite Services	\$ -	\$ 1,518
Youth Outdoor Expedition	12,675	-
Total	<u>\$ 12,675</u>	<u>\$ 1,518</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.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 11 SUBSEQUENT EVENTS**

Subsequent to the year ended June 30, 2018 but prior to October 23, 2018, the Organization entered into and finalized the purchase of property located at 1305 Richard Avenue, Bethlehem, PA 18018, in the amount of \$152,704. Additionally, subsequent to the year ended June 30, 2018 but prior to October 23, 2018, the Organization had a signed sale of agreement for their property located at 814 N Halsted St, Allentown, PA 18109-1830.

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS**  
**YEAR ENDED JUNE 30, 2018**

	Expense			Income			Surplus (Deficit)	
	Direct Care	Administration	Total Expenses	Program Revenue	Room and Board	Other Income		Total Income
<b><u>ODP Base Programs</u></b>								
Bucks County:								
Home and Community Habilitation	\$ 2,134	\$ 237	\$ 2,371	\$ 2,230	\$ -	\$ -	\$ 2,230	\$ (141)
Family Living	41,484	4,605	46,089	43,446	6,528	500	50,474	4,385
Total Bucks County	43,618	4,842	48,460	45,676	6,528	500	52,704	4,244
Carbon-Monroe-Pike Counties:								
Life Program	32,593	3,618	36,211	35,053	-	-	35,053	(1,158)
Life Program Transportation	2,872	319	3,191	3,287	-	-	3,287	96
Total Carbon-Monroe-Pike Counties	35,465	3,937	39,402	38,340	-	-	38,340	(1,062)
Lehigh County:								
Family Living	151,153	16,778	167,931	173,949	26,388	1,952	202,289	34,358
Respite	7,764	862	8,626	9,235	-	-	9,235	609
Home and Community Habilitation	3,706	411	4,117	4,408	-	-	4,408	291
Total Lehigh County	162,623	18,051	180,674	187,592	26,388	1,952	215,932	35,258
Luzerne County								
Life Program	3,149	350	3,499	3,271	-	-	3,271	(228)
Total Luzerne County	3,149	350	3,499	3,271	-	-	3,271	(228)
Montgomery County:								
Family Living	149,434	16,587	166,021	154,642	25,521	1,650	181,813	15,792
Total Montgomery County	149,434	16,587	166,021	154,642	25,521	1,650	181,813	15,792
Northampton County:								
Family Living	37,829	4,199	42,028	52,933	6,569	650	60,152	18,124
Life Program	24,768	2,749	27,517	25,743	-	-	25,743	(1,774)
Life Program - Transportation	1,754	195	1,949	1,821	-	-	1,821	(128)
Total Northampton County	64,351	7,143	71,494	80,497	6,569	650	87,716	16,222
Schuylkill County:								
Life Program	40,818	4,531	45,349	43,899	-	-	43,899	(1,450)
Life Program - Transportation	1,549	172	1,721	1,773	-	-	1,773	52
Family Living	37,778	4,193	41,971	39,359	6,606	-	45,965	3,994
Total Schuylkill County	80,145	8,896	89,041	85,031	6,606	-	91,637	2,596
Total ODP Base Programs	<u>\$ 538,785</u>	<u>\$ 59,805</u>	<u>\$ 598,591</u>	<u>\$ 595,049</u>	<u>\$ 71,612</u>	<u>\$ 4,752</u>	<u>\$ 671,413</u>	<u>\$ 72,822</u>

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Bucks County				Chester County		
	BCHT/NITT Health Transitions	Crisis	Life/ Administrative Management	TIP	Family Support #17341	Foster Care #17507	Respite #16527
<b>PROGRAM EXPENSES</b>							
Personnel Expenses:							
Wages and Salaries	\$ 14,616	\$ 206,554	\$ 167,872	\$ 261,245	\$ 81,576	\$ 53,329	\$ 2,400
Fringe Benefits	3,919	55,853	45,432	70,650	22,060	14,419	655
Staff Development	14,697	3,851	4,073	3,127	3,990	2,855	75
Purchased Personnel	2,048	3,050	2,458	3,980	1,193	1,809	45
Total Personnel	<u>35,280</u>	<u>269,308</u>	<u>219,835</u>	<u>339,002</u>	<u>108,819</u>	<u>72,412</u>	<u>3,175</u>
Operating Expenses:							
Occupancy	965	13,452	15,659	15,761	21,936	5,499	66
Utilities	161	2,285	2,974	2,952	-	-	-
Communications	1,441	9,892	6,126	9,956	9,808	2,744	39
Supplies	58	1,472	1,609	3,950	1,060	620	-
Clothing	-	-	-	-	-	2,696	-
Professional Service/Provider Payment	-	174	-	-	-	97,946	3,000
Transportation	571	15,376	2,824	17,458	4,387	4,480	-
Total Operating	<u>3,196</u>	<u>42,651</u>	<u>29,192</u>	<u>50,077</u>	<u>37,191</u>	<u>113,985</u>	<u>3,105</u>
Fixed Assets:							
Equipment Purchases	-	462	3,915	462	881	-	-
Repairs and Improvements	2	592	1,351	1,235	-	-	-
Total Fixed Assets	<u>2</u>	<u>1,054</u>	<u>5,266</u>	<u>1,697</u>	<u>881</u>	<u>-</u>	<u>-</u>
Total Program Expenses	38,478	313,013	254,293	390,776	146,891	186,397	6,280
<b>ADMINISTRATION EXPENSES</b>	<u>4,271</u>	<u>34,744</u>	<u>28,227</u>	<u>43,376</u>	<u>16,305</u>	<u>20,690</u>	<u>697</u>
Total Expenses	42,749	347,757	282,520	434,152	163,196	207,087	6,977
<b>REVENUE</b>							
County Funding	42,749	57,780	289,968	9,558	159,786	206,219	7,258
Magellan	-	292,407	-	429,173	-	-	-
Total Revenue	<u>42,749</u>	<u>350,187</u>	<u>289,968</u>	<u>438,731</u>	<u>159,786</u>	<u>206,219</u>	<u>7,258</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 2,430</u>	<u>\$ 7,448</u>	<u>\$ 4,579</u>	<u>\$ (3,410)</u>	<u>\$ (868)</u>	<u>\$ 281</u>
<b>UNIT VERIFICATION</b>		Day	Day				
Units Provided		2,124	30				
Units Billed		2,124	30				
Unit Cost	N/A	\$ 97.50	\$ 232.57				

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Lehigh County	Northampton County	
	TIP	Airport	Lynnwood
<b>PROGRAM EXPENSES</b>			
Personnel Expenses:			
Wages and Salaries	\$ 236,902	\$ 294,869	\$ 45,318
Fringe Benefits	64,063	75,878	10,823
Staff Development	3,762	4,804	503
Purchased Personnel	4,038	4,668	366
Total Personnel	<u>308,765</u>	<u>380,219</u>	<u>57,010</u>
Operating Expenses:			
Occupancy	5,288	39,363	10,728
Utilities	3,344	11,089	1,699
Communications	6,999	6,700	1,061
Supplies	3,404	1,085	135
Food/Household	-	18,573	1,754
Professional Service/Provider Payment	-	-	-
Transportation	14,556	14,646	1,026
Total Operating	<u>33,591</u>	<u>91,456</u>	<u>16,403</u>
Fixed Assets:			
Equipment Purchases	11,700	4,466	-
Repairs and Improvements	1,275	2,594	263
Total Fixed Assets	<u>12,975</u>	<u>7,060</u>	<u>263</u>
Total Program Expenses	355,331	478,735	73,676
<b>ADMINISTRATION EXPENSES</b>	<u>39,442</u>	<u>53,140</u>	<u>8,105</u>
Total Expenses	394,773	531,875	81,781
<b>REVENUE</b>			
County Funding	33,200	504,968	79,305
Room and Board	-	38,969	1,976
Rent Rebate	-	2,646	500
Magellan	366,696	-	-
Total Revenue	<u>399,896</u>	<u>546,583</u>	<u>81,781</u>
Surplus (Deficit)	<u>\$ 5,123</u>	<u>\$ 14,708</u>	<u>\$ -</u>

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Montgomery County							
	Crisis (Adult)	Peer Support (Aging)	Opioid	Street Outreach	JRS	Housing Support/ Psych Rehab	Respite/ Take 5	CRR Family Living
<b>PROGRAM EXPENSES</b>								
Personnel Expenses:								
Wages and Salaries	1,182,420	47,184	32,385	150,724	439,696	832,164	30,418	2,095
Fringe Benefits	319,751	12,759	8,756	40,772	118,903	225,031	8,206	566
Staff Development	65,739	1,002	316	1,819	11,676	26,857	1,049	134
Purchased Personnel	25,191	347	313	1,856	7,353	13,755	861	78
Total Personnel	<u>1,593,101</u>	<u>61,292</u>	<u>41,770</u>	<u>195,171</u>	<u>577,628</u>	<u>1,097,807</u>	<u>40,534</u>	<u>2,873</u>
Operating Expenses:								
Occupancy	117,725	1,310	1,211	6,228	20,821	36,835	2,452	122
Utilities	5,294	-	-	-	-	2,096	-	-
Communications	73,573	1,118	562	4,763	16,947	40,938	1,107	79
Supplies	20,278	112	-	744	8,957	20,727	94	38
Clothing	-	-	-	-	21	119	-	60
Professional Service/Provider Payment	38,403	-	-	-	-	75	25,665	1,916
Transportation	50,808	-	503	14,561	54,233	69,251	749	40
Total Operating	<u>306,081</u>	<u>2,540</u>	<u>2,276</u>	<u>26,296</u>	<u>100,979</u>	<u>170,041</u>	<u>30,067</u>	<u>2,255</u>
Fixed Assets:								
Equipment Purchases	109,940	2,258	1,610	27,109	3,992	10,716	-	-
Repairs and Improvements	16,178	-	-	49	-	6,705	-	-
Total Fixed Assets	<u>126,118</u>	<u>2,258</u>	<u>1,610</u>	<u>27,158</u>	<u>3,992</u>	<u>17,421</u>	<u>-</u>	<u>-</u>
Total Program Expenses	2,025,300	66,090	45,656	248,625	682,599	1,285,269	70,601	5,128
<b>ADMINISTRATION EXPENSES</b>	<u>224,801</u>	<u>7,343</u>	<u>5,068</u>	<u>27,597</u>	<u>75,768</u>	<u>142,665</u>	<u>7,837</u>	<u>569</u>
Total Expenses	2,250,101	73,433	50,724	276,222	758,367	1,427,934	78,438	5,697
<b>REVENUE</b>								
County Funding	252,416	-	50,723	268,729	290,764	346,847	78,438	7,191
County Funding - Aging	-	73,433	-	-	-	-	-	-
County Funding - Housing Support	-	-	-	-	-	236,988	-	-
CCBHC Funding	63,175	-	-	-	-	37,828	-	-
HSBG - State Match	-	-	-	-	-	-	-	-
PATH Funding	-	-	-	-	85,204	-	-	-
Magellan	1,934,375	-	-	-	283,638	956,200	-	-
Total Revenue	<u>2,249,966</u>	<u>73,433</u>	<u>50,723</u>	<u>268,729</u>	<u>659,606</u>	<u>1,577,863</u>	<u>78,438</u>	<u>7,191</u>
Surplus (Deficit)	<u>\$ (135)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (7,493)</u>	<u>\$ (98,761)</u>	<u>\$ 149,929</u>	<u>\$ -</u>	<u>\$ 1,494</u>

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Children and Youth (Foster Care)							
	Berks	Bucks	Delaware	Lehigh	Monroe	Montgomery	Northampton	Schuylkill
<b>PROGRAM EXPENSES</b>								
Personnel Expenses:								
Wages and Salaries	\$ 14,420	\$ 109,830	\$ 273	\$ 167,073	\$ 18,310	\$ 18,034	\$ 304,838	\$ 40,895
Fringe Benefits	3,877	29,704	74	44,857	4,916	4,879	81,846	10,980
Staff Development	864	5,130	10	11,261	1,234	946	20,547	2,757
Purchased Personnel	554	3,793	7	7,038	771	742	12,841	1,723
Total Personnel	<u>19,715</u>	<u>148,457</u>	<u>364</u>	<u>230,229</u>	<u>25,231</u>	<u>24,601</u>	<u>420,072</u>	<u>56,355</u>
Operating Expenses:								
Occupancy	665	11,881	27	3,669	402	1,922	6,695	898
Utilities	146	-	1	2,424	266	-	4,421	593
Communications	716	5,610	13	8,367	917	876	15,266	2,048
Supplies	269	1,130	-	2,613	286	374	4,767	639
Clothing	706	3,267	3	11,739	1,287	(26)	21,419	2,873
Professional Service/Provider Payment	35,889	216,311	641	455,126	49,879	35,800	830,416	111,402
Transportation	792	7,105	13	10,046	1,101	1,234	18,331	2,459
Total Operating	<u>39,183</u>	<u>245,304</u>	<u>698</u>	<u>493,984</u>	<u>54,138</u>	<u>40,180</u>	<u>901,315</u>	<u>120,912</u>
Fixed Assets:								
Equipment Purchases	430	-	2	7,158	785	-	13,061	1,752
Repairs and Improvements	71	-	-	1,177	129	-	2,146	288
Total Fixed Assets	<u>501</u>	<u>-</u>	<u>2</u>	<u>8,335</u>	<u>914</u>	<u>-</u>	<u>15,207</u>	<u>2,040</u>
Total Program Expenses	59,399	393,761	1,064	732,548	80,283	64,781	1,336,594	179,307
<b>ADMINISTRATION EXPENSES</b>	<u>6,593</u>	<u>43,468</u>	<u>118</u>	<u>81,313</u>	<u>8,911</u>	<u>7,191</u>	<u>148,362</u>	<u>19,903</u>
Total Expenses	65,992	437,229	1,182	813,861	89,194	71,972	1,484,956	199,210
<b>REVENUE</b>								
County Funding	70,105	426,124	1,165	868,077	95,245	71,037	1,587,050	212,725
County - Clothing/Prescription	-	-	-	2,038	-	-	3,917	300
Total Revenue	<u>70,105</u>	<u>426,124</u>	<u>1,165</u>	<u>870,115</u>	<u>95,245</u>	<u>71,037</u>	<u>1,590,967</u>	<u>213,025</u>
Surplus (Deficit)	<u>\$ 4,113</u>	<u>\$ (11,105)</u>	<u>\$ (17)</u>	<u>\$ 56,254</u>	<u>\$ 6,051</u>	<u>\$ (935)</u>	<u>\$ 106,011</u>	<u>\$ 13,815</u>

**ACCESS SERVICES, INC.  
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

	Schuylkill County	
	Counseling/ Rebound JP655C	Counseling/ Mentoring CY655R
<b>EXPENSES</b>		
Personnel Expenses:		
Wages and Salaries	\$ 355,060	\$ 334,867
Fringe Benefits	95,324	89,902
Staff Development	8,870	8,777
Purchased Personnel	8,391	8,224
Total Personnel	467,645	441,770
Operating Expenses:		
Occupancy	10,645	10,700
Utilities	7,084	7,084
Communications	13,977	14,633
Supplies	3,152	2,825
Treatment and Supportive Supplies	18,171	25,829
Misc. Operating Expenses	324	229
Transportation	36,234	55,538
Total Operating	89,587	116,838
Fixed Assets:		
Equipment Purchases	12,535	16,557
Repairs and Improvements	6,192	6,192
Total Fixed Assets	18,727	22,749
Total Program Expenses	575,959	581,357
<b>ADMINISTRATION EXPENSES</b>	63,931	64,530
Total Expenses	639,890	645,887
<b>REVENUE</b>		
County Funding	618,973	710,476
Total Revenue	618,973	710,476
Surplus (Deficit)	\$ (20,917)	\$ 64,589

**ACCESS SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND COUNTY AWARDS**  
**YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Federal Expenditures
<b>Federal Awards</b>				
U.S. Department of Health and Human Services:				
Pass-Through Commonwealth of Pennsylvania				
Welfare Substance Abuse and Mental				
Department of Public Health Services Projects of				
Regional and National Significance Bucks County				
	93.243	N/A	07/01/17 to 06/30/18	\$ 42,749
Pass-Through County Children and Youth Agencies:				
Foster Care, Residential Treatment, and				
Family Living Services:				
Berks County	93.658	N/A	07/01/17 to 06/30/18	24,391
Bucks County	93.658	N/A	07/01/17 to 06/30/18	93,747
Chester County	93.658	N/A	07/01/17 to 06/30/18	196,821
Delaware	93.658	N/A	07/01/17 to 06/30/18	405
Lehigh County	93.658	N/A	07/01/17 to 06/30/18	247,447
Monroe County	93.658	N/A	07/01/17 to 06/30/18	29,356
Montgomery County	93.658	N/A	07/01/17 to 06/30/18	33,542
Northampton County	93.658	N/A	07/01/17 to 06/30/18	485,716
Schuylkill County	93.658	CY 655F	07/01/17 to 06/30/18	81,085
Total Title IV-E Foster Care				<u>1,192,510</u>
Temporary Assistance for Needy Families:				
Schuylkill County	93.558	JP-655C	07/01/17 to 06/30/18	156,043
Total Temporary Assistance for Needy Families				<u>156,043</u>
Total Federal Awards				1,391,302

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, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Federal Expenditures
<b>State Awards</b>				
Pennsylvania Department of Public Welfare Direct Programs:				
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	07/01/17 to 06/30/18	\$ 375,310
Chester County	N/A	N/A	07/01/17 to 06/30/18	7,258
Lehigh County	N/A	N/A	07/01/17 to 06/30/18	187,237
Montgomery County	N/A	N/A	07/01/17 to 06/30/18	751,263
Northampton County	N/A	N/A	07/01/17 to 06/30/18	652,274
Schuylkill County	N/A	N/A	07/01/17 to 06/30/18	85,031
County Children and Youth Agencies: Foster Care, Residential Treatment, and Family Living Services:				
Berks County	N/A	N/A	07/01/17 to 06/30/18	36,508
Bucks County	N/A	N/A	07/01/17 to 06/30/18	264,197
Chester County	N/A	N/A	07/01/17 to 06/30/18	7,518
Delaware	N/A	N/A	07/01/17 to 06/30/18	607
Lehigh County	N/A	N/A	07/01/17 to 06/30/18	498,481
Monroe County	N/A	N/A	07/01/17 to 06/30/18	53,051
Montgomery County	N/A	N/A	07/01/17 to 06/30/18	29,705
Northampton County	N/A	N/A	07/01/17 to 06/30/18	877,777
Schuylkill County	N/A	JP 655C, CY 655F, CY 655R	07/01/17 to 06/30/18	105,552
Total State Awards				3,931,769

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, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Federal Expenditures
<b>County Awards</b>				
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:				
Berks County	N/A	N/A	07/01/17 to 06/30/18	\$ 11,260
Bucks County	N/A	N/A	07/01/17 to 06/30/18	15,884
Chester County	N/A	N/A	07/01/17 to 06/30/18	-
Lehigh County	N/A	N/A	07/01/17 to 06/30/18	356
Montgomery County	N/A	N/A	07/01/17 to 06/30/18	16,735
Northampton County	N/A	N/A	07/01/17 to 06/30/18	12,497
County Children and Youth Agencies, Foster Care, Residential Treatment, and Family Living Services:				
Berks County	N/A	N/A	07/01/17 to 06/30/18	9,206
Bucks County	N/A	N/A	07/01/17 to 06/30/18	68,180
Chester County	N/A	N/A	07/01/17 to 06/30/18	1,880
Delaware	N/A	N/A	07/01/17 to 06/30/18	153
Lehigh County	N/A	N/A	07/01/17 to 06/30/18	124,620
Monroe County	N/A	N/A	07/01/17 to 06/30/18	12,838
Montgomery County	N/A	N/A	07/01/17 to 06/30/18	7,790
Northampton County	N/A	N/A	07/01/17 to 06/30/18	212,418
Schuykill County	N/A	JP 655C, CY 655F, CY 655R	07/01/17 to 06/30/18	26,388
Total County Awards				<u>520,205</u>
Total Federal, State, and County Awards				<u>\$ 5,843,276</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**  
**JUNE 30, 2018**

**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 2018.

**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.



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**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, 2018. 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, 2018.

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*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 23, 2018



**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, 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, and have issued our report thereon dated October 23, 2018.

**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.

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

### **CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 23, 2018

**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, 2018. 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, 2018.

**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 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  
October 23, 2018

**ACCESS SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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**Section I – Summary of Auditors’ Results**

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**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, 2018**

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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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.

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***Section IV – Prior Findings***

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There were no findings disclosed in our audit for the year ended June 30, 2017.



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