

**ACCESS SERVICES, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2019 AND 2018**



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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, 2019 and 2018, 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, 2019 and 2018, 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 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.

**Emphasis-of-Matter Regarding a Change in Accounting Principle**

As discussed in Note 1 to the financial statements, adopted provisions of Financial Accounting Standards Board Accounting Standards Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The new accounting standard changes the presentation of various classifications and disclosures within the financial statements. Our opinion is not modified with respect to that matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019, 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 15, 2019

**ACCESS SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash, Operating	\$ 3,591,136	\$ 2,578,093
Cash, Client Funds	401,930	376,611
Total Cash	3,993,066	2,954,704
Accounts Receivable	5,372,994	5,414,065
Total Current Assets	9,366,060	8,368,769
<b>PROPERTY AND EQUIPMENT</b>	3,903,763	3,883,708
<b>OTHER ASSETS</b>		
Deposits	534,382	519,393
Total Assets	\$ 13,804,205	\$ 12,771,870
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt	\$ 102,555	\$ 105,782
Capital Lease Obligations, Current Portion	265,529	236,201
Client Funds	401,930	376,611
Accounts Payable	1,112,267	1,008,000
Accrued Payroll	548,784	474,785
Accrued Expenses and Other Liabilities	1,030,454	917,819
Total Current Liabilities	3,461,519	3,119,198
<b>LONG-TERM DEBT LIABILITIES</b>		
Long-Term Debt, Net of Current Maturities	1,605,048	1,574,697
Capital Lease Obligations, Net of Current Portion	570,418	621,287
Total Long-Term Liabilities	2,175,466	2,195,984
Total Liabilities	5,636,985	5,315,182
<b>NET ASSETS</b>		
Without Donor Restrictions	8,089,671	7,444,013
With Donor Restrictions	77,549	12,675
Total Net Assets	8,167,220	7,456,688
Total Liabilities and Net Assets	\$ 13,804,205	\$ 12,771,870

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Office of Developmental Programs:			
Waiver Income	\$ 18,410,074	\$ -	\$ 18,410,074
Fee Schedule Income	195,749	-	195,749
Vendor Service Income	129,083	-	129,083
County Funding:			
Base Income	480,621	-	480,621
MH/IDD	8,724,438	-	8,724,438
CYS	4,232,208	-	4,232,208
Program Fees and Other Funding	296,927	-	296,927
Behavioral Health	5,357,462	-	5,357,462
Room and Board	1,051,824	-	1,051,824
Rent Rebate	78,403	-	78,403
Grants and Contributions	30,888	122,674	153,562
Interest Income	20,451	-	20,451
Subtotal	<u>39,008,128</u>	<u>122,674</u>	<u>39,130,802</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>57,800</u>	<u>(57,800)</u>	<u>-</u>
Total Support and Revenue	39,065,928	64,874	39,130,802
<b>EXPENDITURES</b>			
Program	34,540,742	-	34,540,742
Management and General	3,894,835	-	3,894,835
Fundraising	126,233	-	126,233
Total Expenditures	<u>38,561,810</u>	<u>-</u>	<u>38,561,810</u>
<b>CHANGES IN NET ASSETS BEFORE NONRECURRING AND NONOPERATING INCOME</b>	504,118	64,874	568,992
<b>NONRECURRING AND NONOPERATING INCOME</b>			
Miscellaneous Income	87,691	-	87,691
Gain on Sale of Property	53,849	-	53,849
Total Nonrecurring and Nonoperating Income	<u>53,849</u>	<u>-</u>	<u>53,849</u>
<b>CHANGE IN NET ASSETS</b>	645,658	64,874	710,532
Net Assets - Beginning of Year	<u>7,444,013</u>	<u>12,675</u>	<u>7,456,688</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,089,671</u>	<u>\$ 77,549</u>	<u>\$ 8,167,220</u>

See accompanying Notes to Financial Statements.

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<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	<u>36,279,921</u>	<u>29,162</u>	<u>36,309,083</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>18,005</u>	<u>(18,005)</u>	<u>-</u>
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	<u>35,594,510</u>	<u>-</u>	<u>35,594,510</u>
<b>CHANGES IN NET ASSETS BEFORE NONRECURRING AND NONOPERATING INCOME (EXPENSE)</b>	703,416	11,157	714,573
<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	<u>345,713</u>	<u>-</u>	<u>345,713</u>
<b>CHANGE IN NET ASSETS</b>	1,049,129	11,157	1,060,286
Net Assets - Beginning of Year	<u>6,394,884</u>	<u>1,518</u>	<u>6,396,402</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,444,013</u>	<u>\$ 12,675</u>	<u>\$ 7,456,688</u>

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	2019						2018 Total	
	ODP Programs	Foster Care IV-E Programs	Behavioral Health	Other Programs	Management General	Fundraising		Total
<b>EXPENSES</b>								
Payroll	\$ 8,236,336	\$ 836,964	\$ 5,433,338	\$ 1,410,830	\$ 2,275,983	\$ 87,631	\$ 18,281,082	\$ 17,139,897
Employee Benefits and Expenses	2,248,250	228,601	1,478,209	\$371,150	610,251	20,991	4,957,452	4,494,097
Advertising and Recruiting	92,882	40,497	61,003	\$45,786	22,927	4,936	268,031	310,020
Automobile Expenses	286,026	-	64,365	\$15,534	-	-	365,925	360,461
Client Transportation	398,389	1,601	842	\$83,897	-	-	484,729	483,100
Communications	241,395	49,465	219,410	\$53,226	175,025	564	739,085	689,564
Consulting, Accounting, and Legal	217,881	35,026	110,834	\$35,344	175,235	4,627	578,947	509,282
Depreciation	271,258	8,147	68,242	\$25,603	44,832	-	418,082	379,222
Minor Equipment and Furnishings	91,200	20,275	60,781	\$42,518	53,218	-	267,992	435,251
Food Costs	97,827	2,659	26,485	\$53,698	13,699	286	194,654	167,890
Household Expenses	41,606	1,225	11,093	\$5,928	3,943	-	63,795	70,710
Insurance	66,303	13,898	42,022	\$7,959	14,534	-	144,716	107,548
Interest Expense	72,253	4,229	19,533	\$6,244	14,006	-	116,265	100,965
Other Expenses	19,557	57,533	8,621	\$13,056	-	-	98,767	76,399
Professional Services	4,241,556	2,229,203	2,356,040	\$138,722	-	-	8,965,521	7,745,297
Rent	367,530	21,826	281,140	\$88,908	271,416	-	1,030,820	977,723
Repairs and Maintenance	93,740	6,408	11,173	\$5,834	46,668	-	163,823	180,312
Staff Development	70,002	17,956	78,817	\$43,874	46,929	190	257,768	228,308
Staff Travel	386,006	56,745	171,852	\$83,682	46,436	957	745,678	723,959
Supplies	36,517	6,516	25,506	\$36,184	43,349	6,051	154,123	149,814
Utilities	155,883	11,111	43,558	\$17,619	36,384	-	264,555	264,691
<b>Total Expenses</b>	<b><u>\$ 17,732,397</u></b>	<b><u>\$ 3,649,885</u></b>	<b><u>\$ 10,572,864</u></b>	<b><u>\$ 2,585,596</u></b>	<b><u>\$ 3,894,835</u></b>	<b><u>\$ 126,233</u></b>	<b><u>\$ 38,561,810</u></b>	<b><u>\$ 35,594,510</u></b>

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 710,532	\$ 1,060,286
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	418,082	379,222
(Gain) Loss on Sale of Property	(53,849)	20,637
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	41,071	(537,314)
Deposits	(14,989)	(160,538)
Client Funds	25,319	4,680
Accounts Payable	104,267	33,767
Accrued Expenses	112,635	435,644
Accrued Payroll	73,999	87,879
Net Cash Provided by Operating Activities	1,417,067	1,324,263
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on Sale of Property	150,825	91,927
Purchase of Property and Equipment	(535,113)	(1,220,691)
Net Cash Used by Investing Activities	(384,288)	(1,128,764)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease	(251,006)	(325,211)
Principal Payments on Long-term Debt	(116,876)	(237,576)
Proceeds from Long-Term Debt	144,000	778,000
Assets Purchased through Capital Lease Obligation	229,465	429,014
Net Cash Provided by Financing Activities	5,583	644,227
 <b>NET INCREASE IN CASH</b>	1,038,362	839,726
 Cash - Beginning of Year	2,954,704	2,114,978
 <b>CASH - END OF YEAR</b>	\$ 3,993,066	\$ 2,954,704
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 6,244	\$ 100,965
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of Equipment through a Capital Lease Obligation	\$ 229,465	\$ 429,014

See accompanying Notes to Financial Statements.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**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**

For the year ended June 30, 2019, the Organization adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The standard is intended to improve net asset classification requirements and the information present in the financial statements and notes about the Organization's liquidity, financial performance, and cash flows. The standard requires the Organization to reclassify its net assets from three categories (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories: net asset without donor restrictions and net assets with donor restrictions.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**Basis of Presentation (Continued)**

It also requires recognition of underwater endowment funds as a reduction of net assets with donor restrictions, which is not applicable to the Organization. In addition, the guidance requires enhanced disclosures about governing board designations; composition of net assets with donor restrictions; the Organization's liquidity; and expenses by both their natural and functional classification.

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions consist of normal operations and include net assets as designated by the board of directors.

Net assets with donor restrictions represent net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When the stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**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 \$3,239,059 and \$2,999,294 for the years ended June 30, 2019 and 2018, respectively. The self-insured claims liability includes incurred but not reported losses of \$222,771 and \$261,434 as of June 30, 2019 and 2018, 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.

**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 \$401,930 and \$376,611 at June 30, 2019 and 2018, 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, 2019 and 2018 was approximately \$134,000 and \$155,000, 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, 2019 and 2018, an allowance was not warranted for accounts receivable from the counties. No allowance was warranted for grants and all accounts receivable at June 30, 2019 and 2018.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**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, 2019 and 2018. 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. Expenses that are allocated include: insurance benefits which are allocated on the basis of payroll; advertising/recruitment/staff development which are allocated on the basis of departments; purchased personnel which is allocated on the basis of program revenue; and office rent/utilities/supplies and communications/maintenance which are allocated on the space utilized by each. 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.

**New Accounting Pronouncements**

During the year ended June 30, 2019, the Organization adopted a provision of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. This new accounting standard results in a reduction of three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) to two (net assets with donor restrictions and net assets without donor restrictions) and disclosures within the financial statements. The adoption of this accounting standard did not have an impact on the Organization's financial position or statements of activities.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**New Accounting Pronouncements (Continued)**

In May 2014, FASB issued amended guidance to clarify the principles of recognizing revenue from contracts with customers as discussed within ASU No. 2014-09, *Revenue from Contracts with Customers*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an account that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Organization for annual reporting periods beginning after December 15, 2018. Management is evaluating the impact of the amended revenue recognition guidance on the Organization's financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Organization's leasing activities. The Organization will be required to retrospectively adopt the guidance in ASU No. 2016-02 for years beginning after December 15, 2019. The Organization has not yet determined the impact of adoption of ASU No. 2016-02 on its financial statements.

**NOTE 2 LIQUIDITY**

The Organization has \$9,312,926 of financial assets available within one year of the balance sheet date consisting of cash of \$3,993,066 and accounts receivable of \$5,319,860. \$479,479 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash, on hand to meet three months of normal operating expenses, which are, on average, approximately \$9,555,000. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including certificates of deposits and money market accounts. As more fully described in Note 5, the Organization also has a committed line of credit in the amount of \$1,100,000, which it could draw upon in the event of an unanticipated liquidity need.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable are summarized as follows:

	2019	2018
Accounts Receivable, Counties	\$ 2,351,191	\$ 2,165,623
Accounts Receivable, Office of Developmental Programs	2,989,962	2,885,910
Accounts Receivable, Behavioral Health	20,644	360,395
Accounts Receivable, Other	11,197	2,137
Total Accounts Receivable	<u>\$ 5,372,994</u>	<u>\$ 5,414,065</u>

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment are summarized as follows:

	2019	2018
Land	\$ 481,526	\$ 481,526
Buildings	3,498,108	3,344,883
Equipment	15,430	50,530
Vehicles	1,755,525	1,671,967
Total	5,750,589	5,548,906
Less: Accumulated Depreciation	(1,846,826)	(1,665,198)
Total Property and Equipment	<u>\$ 3,903,763</u>	<u>\$ 3,883,708</u>

Depreciation expense was \$418,082 and \$379,222 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 5 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, 2020. 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 0.25%. The interest rate was 5.75% at June 30, 2019. 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, 2019 or 2018.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 6 LONG-TERM DEBT**

Long-term debt is comprised of the following:

<u>Description</u>	<u>2019</u>	<u>2018</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
Mortgage note, payable in monthly installments of \$5,166, including interest at 5.00%, collateralized by property in Orwigsburg, Pennsylvania due May 1, 2023.	730,842	774,416
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.	690,294	733,371
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.	143,811	152,786
Mortgage note, payable in monthly installments of \$1,004, including interest at 5.59%, collateralized by property located in Bethlehem, Pennsylvania, due on February 13, 2039.	<u>142,656</u>	<u>-</u>
Total Long-Term Debt	1,707,603	1,680,479
Less: Current Maturities	<u>(102,555)</u>	<u>(105,782)</u>
Total Long-Term Debt, Net of Current Maturities	<u>\$ 1,605,048</u>	<u>\$ 1,574,697</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, 2019 the Organization was in compliance with these requirements.

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

As of June 30, 2019, maturities of long-term debt over the next five years and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 102,555
2021	105,821
2022	109,155
2023	112,600
2024	116,161
Thereafter	1,161,311
Total	<u>\$ 1,707,603</u>

Interest expense on all debt amounted to \$116,265 and \$100,965 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 7 CAPITAL LEASE OBLIGATIONS**

The Organization has entered into capital leases for vehicles with a total cost of \$1,161,180 and \$1,464,850 and accumulated depreciation of \$771,853 and \$654,375 at June 30, 2019 and 2018, respectively. These capitalized leases are included in property and equipment.

At June 30, 2019, future minimum rental payments required under capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 318,549
2021	287,026
2022	205,429
2023	115,243
2024	19,537
Total Minimum Lease Payments	<u>945,784</u>
Less: Amount Representing Interest	<u>109,837</u>
Present Value of Minimum Lease Payments	835,947
Less: Current Portion	<u>(265,529)</u>
Total	<u>\$ 570,418</u>

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 8 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, 2019 and 2018 was \$189,016 and \$154,060, respectively.

**NOTE 9 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, 2019, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 1,325,044
2021	1,195,068
2022	910,589
2023	717,418
2024	221,077
Thereafter	123,016
Total	<u>\$ 4,492,212</u>

Rent expense including rentals on a month-to-month basis amounted to \$1,030,820 and \$977,723 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 10 NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are restricted as to purpose and available for the following:

	<u>2019</u>	<u>2018</u>
Child Development Foundation - Respite Services	\$ 2,645	\$ -
World Projects	827	-
Youth Outdoor Expedition	5,176	12,675
Your Way Home Grant	1,539	-
Home for Good Grant	67,362	-
Total Net Assets With Donor Restrictions	<u>\$ 77,549</u>	<u>\$ 12,675</u>

**ACCESS SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 11 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.

**NOTE 12 UPCOMING PRONOUNCEMENTS**

In June 2018, FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. For contributions, the guidance in Subtopic 958-605, *Not-for-Profit Entities—Revenue Recognition*, should be followed. For exchange transactions, Topic 606, *Revenue from Contracts with Customers*, should be followed. To determine which guidance should be followed, grant documents have to be carefully analyzed. In addition, once a transaction is deemed to be a contribution, this ASU assists in determining whether a contribution is conditional or unconditional, and if unconditional, whether the transaction is donor-restricted for a limited purpose or timing. The standard will be effective for the Organization for annual reporting period beginning after December 15, 2018. The Organization is assessing the impact this standard will have on its financial statements.

**ACCESS SERVICES, INC.  
SCHEDULE OF COUNTY ANALYSIS  
YEAR ENDED JUNE 30, 2019**

	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:								
Respite	\$ 236	\$ 27	\$ 263	\$ 245	\$ -	\$ -	\$ 245	\$ (18)
Family Living	40,313	4,580	44,893	42,851	6,762	500	50,113	5,220
Total Bucks County	<u>40,549</u>	<u>4,607</u>	<u>45,156</u>	<u>43,096</u>	<u>6,762</u>	<u>500</u>	<u>50,358</u>	<u>5,202</u>
Carbon-Monroe-Pike Counties:								
Life Program	41,086	4,667	45,753	45,034	-	-	45,034	(719)
Life Program Transportation	3,727	423	4,150	4,078	-	-	4,078	(72)
Total Carbon-Monroe-Pike Counties	<u>44,813</u>	<u>5,090</u>	<u>49,903</u>	<u>49,112</u>	<u>-</u>	<u>-</u>	<u>49,112</u>	<u>(791)</u>
Lebanon County								
Respite	2,835	322	3,157	2,942	-	-	2,942	(215)
Total Lebanon County	<u>2,835</u>	<u>322</u>	<u>3,157</u>	<u>2,942</u>	<u>-</u>	<u>-</u>	<u>2,942</u>	<u>(215)</u>
Lehigh County:								
Family Living	172,024	19,542	191,566	189,477	27,009	1,800	218,286	26,720
Home and Community Habilitation	2,199	250	2,449	2,230	-	-	2,230	(219)
Community Participative Supports	7,795	886	8,681	8,138	-	-	8,138	(543)
Total Lehigh County	<u>182,018</u>	<u>20,678</u>	<u>202,696</u>	<u>199,845</u>	<u>27,009</u>	<u>1,800</u>	<u>228,654</u>	<u>25,958</u>
Montgomery County:								
Family Living	161,046	18,295	179,341	173,266	26,321	1,500	201,087	21,746
Total Montgomery County	<u>161,046</u>	<u>18,295</u>	<u>179,341</u>	<u>173,266</u>	<u>26,321</u>	<u>1,500</u>	<u>201,087</u>	<u>21,746</u>
Northampton County:								
Family Living	2,250	256	2,506	2,518	436	-	2,954	448
Total Northampton County	<u>2,250</u>	<u>256</u>	<u>2,506</u>	<u>2,518</u>	<u>436</u>	<u>-</u>	<u>2,954</u>	<u>448</u>
Schuylkill County:								
Life Program	6,856	779	7,635	7,486	-	-	7,486	(149)
Life Program - Transportation	426	48	474	466	-	-	466	(8)
Family Living	3,419	388	3,807	3,809	556	54	4,419	612
Total Schuylkill County	<u>10,701</u>	<u>1,215</u>	<u>11,916</u>	<u>11,761</u>	<u>556</u>	<u>54</u>	<u>12,371</u>	<u>455</u>
Total ODP Base Programs	<u>\$ 444,212</u>	<u>\$ 50,463</u>	<u>\$ 494,675</u>	<u>\$ 482,540</u>	<u>\$ 61,084</u>	<u>\$ 3,854</u>	<u>\$ 547,478</u>	<u>\$ 52,803</u>

**ACCESS SERVICES, INC.  
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

	Bucks County				Chester County		
	BCHT/NITT Health Transitions	Psych Rehab	Life/ Administrative Management	TIP	Family Support #18493	Foster Care #17936	Respite #19-18402
<b>PROGRAM EXPENSES</b>							
Personnel Expenses:							
Wages and Salaries	\$ 3,286	\$ 12,821	\$ 160,429	\$ 235,596	\$ 90,302	\$ 26,382	\$ 1,120
Fringe Benefits	896	3,503	43,821	64,346	24,668	7,205	306
Staff Development	21,208	152	4,001	3,768	2,735	1,473	18
Purchased Personnel	12,686	2,076	2,498	3,335	1,028	928	25
Total Personnel	<u>38,076</u>	<u>18,552</u>	<u>210,749</u>	<u>307,045</u>	<u>118,733</u>	<u>35,988</u>	<u>1,469</u>
Operating Expenses:							
Occupancy	1,184	-	22,723	19,799	23,868	3,709	19
Utilities	64	-	4,039	4,006	-	-	-
Communications	755	142	7,750	10,111	8,770	1,617	29
Supplies	131	40	1,933	3,530	1,073	314	-
Clothing	-	-	-	-	-	1,086	-
Professional Service/Provider Payment	-	-	-	-	-	55,273	1,400
Transportation	18	26	2,240	17,013	3,482	1,240	5
Total Operating	<u>2,152</u>	<u>208</u>	<u>38,685</u>	<u>54,459</u>	<u>37,193</u>	<u>63,239</u>	<u>1,453</u>
Fixed Assets:							
Equipment Purchases	-	12,019	6,258	250	-	529	-
Repairs and Improvements	-	-	94	94	-	-	-
Total Fixed Assets	<u>-</u>	<u>12,019</u>	<u>6,352</u>	<u>344</u>	<u>-</u>	<u>529</u>	<u>-</u>
Total Program Expenses	40,228	30,779	255,786	361,848	155,926	99,756	2,922
<b>ADMINISTRATION EXPENSES</b>	<u>4,570</u>	<u>3,496</u>	<u>29,057</u>	<u>41,106</u>	<u>17,713</u>	<u>11,332</u>	<u>332</u>
Total Expenses	44,798	34,275	284,843	402,954	173,639	111,088	3,254
<b>REVENUE</b>							
County Funding	44,798	34,275	289,968	16,983	170,545	108,557	3,387
Magellan	-	-	-	349,056	-	-	-
Total Revenue	<u>44,798</u>	<u>34,275</u>	<u>289,968</u>	<u>366,039</u>	<u>170,545</u>	<u>108,557</u>	<u>3,387</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,125</u>	<u>\$ (36,915)</u>	<u>\$ (3,094)</u>	<u>\$ (2,531)</u>	<u>\$ 133</u>
<b>UNIT VERIFICATION</b>						Day	Day
Units Provided						1,145	14
Units Billed						1,145	14
Unit Cost					N/A	\$ 97.02	\$ 232.43

**ACCESS SERVICES, INC.  
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

	Northampton County	
	Airport Road	Respite Reinvestment
<b>PROGRAM EXPENSES</b>		
Personnel Expenses:		
Wages and Salaries	\$ 312,794	\$ 6,823
Fringe Benefits	85,278	1,864
Staff Development	3,625	33
Purchased Personnel	5,019	-
Total Personnel	<u>406,716</u>	<u>8,720</u>
Operating Expenses:		
Occupancy	40,942	-
Utilities	8,599	-
Communications	8,368	76
Supplies	523	-
Food/Household	17,979	-
Professional Service/Provider Payment	-	-
Transportation	8,219	61
Total Operating	<u>84,630</u>	<u>137</u>
Fixed Assets:		
Equipment Purchases	1,272	253
Repairs and Improvements	3,418	-
Total Fixed Assets	<u>4,690</u>	<u>253</u>
Total Program Expenses	496,036	9,110
<b>ADMINISTRATION EXPENSES</b>	<u>56,350</u>	<u>1,035</u>
Total Expenses	552,386	10,145
<b>REVENUE</b>		
County Funding	524,303	10,145
Room and Board	40,103	-
Rent Rebate	3,250	-
Total Revenue	<u>567,656</u>	<u>10,145</u>
Surplus (Deficit)	<u>\$ 15,270</u>	<u>\$ -</u>

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

	Montgomery County							
	Crisis	Peer Support (Aging)	Opioid	Street Outreach	JRS	Housing Support/ Psych Rehab	Respite/ Take 5	Respite Family Support Service
<b>PROGRAM EXPENSES</b>								
Personnel Expenses:								
Wages and Salaries	1,414,688	51,668	85,989	203,747	501,821	946,515	33,344	1,080
Fringe Benefits	383,478	14,109	23,485	55,653	137,065	258,529	9,106	295
Staff Development	46,538	454	2,361	4,256	9,680	30,161	893	60
Purchased Personnel	21,751	213	911	3,251	8,325	15,413	824	87
Total Personnel	<u>1,866,455</u>	<u>66,444</u>	<u>112,746</u>	<u>266,907</u>	<u>656,891</u>	<u>1,250,618</u>	<u>44,167</u>	<u>1,522</u>
Operating Expenses:								
Occupancy	129,923	1,182	2,862	12,986	19,847	46,441	3,459	64
Utilities	11,534	-	-	225	-	4,441	-	-
Communications	73,230	747	2,560	7,575	16,825	36,046	1,312	103
Supplies	14,488	-	74	910	9,472	18,109	134	-
Clothing	-	-	-	-	-	-	-	-
Professional Service/Provider Payment	34,841	-	-	-	4,800	3,193	47,450	9,000
Transportation	58,229	-	3,785	15,271	54,001	65,277	546	18
Total Operating	<u>322,245</u>	<u>1,929</u>	<u>9,281</u>	<u>36,967</u>	<u>104,945</u>	<u>173,507</u>	<u>52,901</u>	<u>9,185</u>
Fixed Assets:								
Equipment Purchases	5,828	241	-	3,215	5,437	15,103	248	-
Repairs and Improvements	-	-	-	-	-	1,891	-	-
Total Fixed Assets	<u>5,828</u>	<u>241</u>	<u>-</u>	<u>3,215</u>	<u>5,437</u>	<u>16,994</u>	<u>248</u>	<u>-</u>
Total Program Expenses	2,194,528	68,614	122,027	307,089	767,273	1,441,119	97,316	10,707
<b>ADMINISTRATION EXPENSES</b>	<u>249,175</u>	<u>7,788</u>	<u>13,862</u>	<u>34,885</u>	<u>87,162</u>	<u>163,711</u>	<u>11,055</u>	<u>1,216</u>
Total Expenses	2,443,703	76,402	135,889	341,974	854,435	1,604,830	108,371	11,923
<b>REVENUE</b>								
County Funding	440,356	-	135,880	335,442	348,663	405,195	108,372	11,700
County Funding - Aging	-	76,402	-	-	-	-	-	-
County Funding - Housing Support	-	-	-	-	-	182,127	-	-
CCBHC Funding	42,525	-	-	-	-	87,164	-	-
HSBG - State Match	-	-	-	-	-	-	-	-
PATH Funding	-	-	-	-	79,164	-	-	-
Magellan	1,960,950	-	-	-	426,538	1,048,292	-	-
Total Revenue	<u>2,443,831</u>	<u>76,402</u>	<u>135,880</u>	<u>335,442</u>	<u>854,365</u>	<u>1,722,778</u>	<u>108,372</u>	<u>11,700</u>
Surplus (Deficit)	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ (6,532)</u>	<u>\$ (70)</u>	<u>\$ 117,948</u>	<u>\$ 1</u>	<u>\$ (223)</u>

**ACCESS SERVICES, INC.**  
**SCHEDULE OF COUNTY ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

	Children and Youth (Foster Care)								
	Berks	Bucks	Delaware	Lehigh	Monroe	Montgomery	Northampton	Pike	Schuylkill
<b>PROGRAM EXPENSES</b>									
Personnel Expenses:									
Wages and Salaries	\$ 28,348	\$ 83,892	\$ 23,037	\$ 213,944	\$ 15,549	\$ 22,142	\$ 380,930	\$ 1,391	\$ 38,269
Fringe Benefits	7,741	22,912	6,291	58,435	4,247	6,047	104,045	380	10,453
Staff Development	1,931	4,685	1,383	15,684	1,055	1,237	27,925	102	2,805
Purchased Personnel	1,164	2,952	856	9,305	635	779	16,569	60	1,665
Total Personnel	<u>39,184</u>	<u>114,441</u>	<u>31,567</u>	<u>297,368</u>	<u>21,486</u>	<u>30,205</u>	<u>529,469</u>	<u>1,933</u>	<u>53,192</u>
Operating Expenses:									
Occupancy	1,917	11,794	2,666	7,886	1,075	3,113	14,043	51	1,411
Utilities	330	-	92	3,543	177	-	6,311	23	634
Communications	1,683	5,143	1,398	12,527	924	1,358	22,304	81	2,241
Supplies	400	1,000	291	3,227	218	264	5,744	20	577
Clothing	1,803	3,453	1,125	15,630	981	911	27,830	102	2,796
Professional Service/Provider Payment	73,533	175,765	52,186	599,966	40,170	46,391	1,068,249	3,900	107,318
Transportation	1,897	3,943	1,239	16,120	1,034	1,041	28,699	105	2,883
Total Operating	<u>81,563</u>	<u>201,098</u>	<u>58,997</u>	<u>658,899</u>	<u>44,579</u>	<u>53,078</u>	<u>1,173,180</u>	<u>4,282</u>	<u>117,860</u>
Fixed Assets:									
Equipment Purchases	673	1,682	491	5,404	368	444	9,623	35	967
Repairs and Improvements	190	-	53	2,043	102	-	3,640	13	366
Total Fixed Assets	<u>863</u>	<u>1,682</u>	<u>544</u>	<u>7,447</u>	<u>470</u>	<u>444</u>	<u>13,263</u>	<u>48</u>	<u>1,333</u>
Total Program Expenses	121,610	317,221	91,108	963,714	66,535	83,727	1,715,912	6,263	172,385
<b>ADMINISTRATION EXPENSES</b>	<u>13,815</u>	<u>36,036</u>	<u>10,350</u>	<u>109,478</u>	<u>7,558</u>	<u>9,511</u>	<u>194,928</u>	<u>711</u>	<u>19,583</u>
Total Expenses	135,425	353,257	101,458	1,073,192	74,093	93,238	1,910,840	6,974	191,968
<b>REVENUE</b>									
County Funding	139,276	345,203	101,067	1,123,153	76,132	91,112	1,999,789	7,300	200,902
County - Clothing/Prescription	450	-	535	1,350	-	-	4,615	200	-
Total Revenue	<u>139,726</u>	<u>345,203</u>	<u>101,602</u>	<u>1,124,503</u>	<u>76,132</u>	<u>91,112</u>	<u>2,004,404</u>	<u>7,500</u>	<u>200,902</u>
Surplus (Deficit)	<u>\$ 4,301</u>	<u>\$ (8,054)</u>	<u>\$ 144</u>	<u>\$ 51,311</u>	<u>\$ 2,039</u>	<u>\$ (2,126)</u>	<u>\$ 93,564</u>	<u>\$ 526</u>	<u>\$ 8,934</u>

**ACCESS SERVICES, INC.  
SCHEDULE OF COUNTY ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

	Schuylkill County	
	Counseling/ Rebound JP655C	Counseling/ Mentoring CY655R
<b>EXPENSES</b>		
Personnel Expenses:		
Wages and Salaries	\$ 337,890	\$ 356,976
Fringe Benefits	92,286	97,500
Staff Development	9,264	7,269
Purchased Personnel	5,774	6,525
Total Personnel	445,214	468,270
Operating Expenses:		
Occupancy	11,829	12,143
Utilities	5,866	5,866
Communications	11,165	12,647
Supplies	2,097	3,264
Treatment and Supportive Supplies	22,827	33,564
Misc. Operating Expenses	109	128
Transportation	30,773	53,771
Total Operating	84,666	121,383
Fixed Assets:		
Equipment Purchases	8,512	8,404
Repairs and Improvements	1,161	1,554
Total Fixed Assets	9,673	9,958
Total Program Expenses	539,553	599,611
<b>ADMINISTRATION EXPENSES</b>	61,293	68,116
Total Expenses	600,846	667,727
<b>REVENUE</b>		
County Funding	523,882	734,500
Total Revenue	523,882	734,500
Surplus (Deficit)	\$ (76,964)	\$ 66,773

**ACCESS SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND COUNTY AWARDS**  
**YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Total 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	07/01/18 to 06/30/19	\$ 44,798
Montgomery County Mental Health	93.958	N/A	07/01/18 to 06/30/19	281,296
Montgomery County Mental Health	93.150	N/A	07/01/18 to 06/30/19	79,165
Montgomery County Drug and Alcohol	93.788	N/A	07/01/18 to 06/30/19	135,880
Pass-Through County Children and Youth Agencies:				
Foster Care, Residential Treatment, and				
Family Living Services:				
Berks County	93.658	N/A	07/01/18 to 06/30/19	37,716
Bucks County	93.658	N/A	07/01/18 to 06/30/19	155,512
Chester County	93.658	N/A	07/01/18 to 06/30/19	65,234
Delaware	93.658	N/A	07/01/18 to 06/30/19	39,137
Lehigh County	93.658	N/A	07/01/18 to 06/30/19	314,516
Monroe County	93.658	N/A	07/01/18 to 06/30/19	19,651
Montgomery County	93.658	N/A	07/01/18 to 06/30/19	43,021
Northampton County	93.658	N/A	07/01/18 to 06/30/19	512,645
Pike County	93.658	N/A	07/01/18 to 06/30/19	3,562
Schuylkill County	93.658	CY 655F	07/01/18 to 06/30/19	59,676
Total Title IV-E Foster Care				<u>1,250,670</u>
Temporary Assistance for Needy Families:				
Chester County	93.558	N/A	07/01/18 to 06/30/19	10,398
Schuylkill County	93.558	JP-655C	07/01/18 to 06/30/19	96,652
Total Temporary Assistance for Needy Families				<u>107,050</u>
Total Federal Awards				1,898,859

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, 2019**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Total 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	07/01/18 to 06/30/19	\$ 319,306
Chester County	N/A	N/A	07/01/18 to 06/30/19	3,387
Lehigh County	N/A	N/A	07/01/18 to 06/30/19	199,465
Montgomery County	N/A	N/A	07/01/18 to 06/30/19	1,368,655
Northampton County	N/A	N/A	07/01/18 to 06/30/19	580,684
Schuylkill County	N/A	N/A	07/01/18 to 06/30/19	11,761
County Children and Youth Agencies: Foster Care, Residential Treatment, and Family Living Services:				
Berks County	N/A	N/A	07/01/18 to 06/30/19	77,130
Bucks County	N/A	N/A	07/01/18 to 06/30/19	152,056
Chester County	N/A	N/A	07/01/18 to 06/30/19	26,340
Delaware	N/A	N/A	07/01/18 to 06/30/19	76,395
Lehigh County	N/A	N/A	07/01/18 to 06/30/19	647,990
Monroe County	N/A	N/A	07/01/18 to 06/30/19	45,264
Montgomery County	N/A	N/A	07/01/18 to 06/30/19	38,100
Northampton County	N/A	N/A	07/01/18 to 06/30/19	1,180,808
Pike	N/A	N/A	07/01/18 to 06/30/19	2,990
Schuylkill County	N/A	JP 655C, CY 655F, CY 655R	07/01/18 to 06/30/19	1,042,365
Total State Awards				5,772,696

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, 2019**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Period	Total 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	07/01/18 to 06/30/19	\$ 14,300
Bucks County	N/A	N/A	07/01/18 to 06/30/19	13,513
Chester County	N/A	N/A	07/01/18 to 06/30/19	-
Lehigh County	N/A	N/A	07/01/18 to 06/30/19	380
Montgomery County	N/A	N/A	07/01/18 to 06/30/19	25,840
Northampton County	N/A	N/A	07/01/18 to 06/30/19	11,126
County Children and Youth Agencies, Foster Care, Residential Treatment, and Family Living Services:				
Berks County	N/A	N/A	07/01/18 to 06/30/19	25,710
Bucks County	N/A	N/A	07/01/18 to 06/30/19	38,014
Chester County	N/A	N/A	07/01/18 to 06/30/19	6,585
Delaware	N/A	N/A	07/01/18 to 06/30/19	25,465
Lehigh County	N/A	N/A	07/01/18 to 06/30/19	161,997
Monroe County	N/A	N/A	07/01/18 to 06/30/19	11,217
Montgomery County	N/A	N/A	07/01/18 to 06/30/19	9,991
Northampton County	N/A	N/A	07/01/18 to 06/30/19	292,620
Pike County	N/A	N/A	07/01/18 to 06/30/19	748
Schuylkill County	N/A	JP 655C, CY 655F, CY 655R	07/01/18 to 06/30/19	260,591
Total County Awards				<u>898,097</u>
Total Federal, State, and County Awards				<u><u>\$ 8,569,652</u></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, 2019**

**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 2019.

**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 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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2019.

**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 15, 2019



## **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, 2019. 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 Principals, 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, 2019.

**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.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 15, 2019

**ACCESS SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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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, 2019**

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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, 2018.

