

**ACCESS: SUPPORTS FOR LIVING, INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements as of  
December 31, 2021 and 2020  
Together with  
Independent Auditor's Report**

## INDEPENDENT AUDITOR'S REPORT

May 31, 2022

The Board of Directors of  
Access: Supports for Living, Inc. and Subsidiaries:

### Opinion

We have audited the consolidated financial statements of Access: Supports for Living, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Access: Supports for Living, Inc. and Subsidiaries, as of December 31, 2021, and the results of their change in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Access: Supports for Living, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about of Access: Supports for Living, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Access: Supports for Living, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Access: Supports for Living, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022, on our consideration of Access: Supports for Living, Inc. and Subsidiaries' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Access: Supports for Living, Inc. and Subsidiaries' internal control over financial reporting and compliance.

**ACCESS: SUPPORTS FOR LIVING, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021****ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents	\$ 24,263,777
Investments	7,768,510
Accounts receivable - net	21,053,536
Due from related organizations	177,333
Prepaid expenses and other assets	2,155,136
Inventories	1,544,103
Security deposits	629,556
Investments held for retirement plans	3,469,470
Assets held for sale	375,015
Loan and accrued interest receivable	<u>4,769,649</u>

Total current assets 66,206,085

PROPERTY AND EQUIPMENT, NET 16,612,823

## OTHER ASSETS:

Goodwill	80,000
Contribution receivable	554,720
Consumer funds	370,804
Equity interest in Access: Supports for Living Foundation, Inc.	3,662,486
Loans receivable from Three Cities Management LLC	1,072,372
Investment in Three Cities Management LLC	<u>398,546</u>

Total other assets 6,138,928

Total assets \$ 88,957,836

**LIABILITIES AND NET ASSETS**

## CURRENT LIABILITIES:

Current portion of long-term debt	\$ 935,699
Accounts payable and accrued expenses	3,143,247
Accrued payroll and related liabilities	5,983,716
Accrued compensated absences payable	1,302,640
Due to related organizations	476,264
Due to government agencies	13,729,283
Deferred compensation payable	<u>3,444,106</u>

Total current liabilities 29,014,955

141,420

## OTHER LONG-TERM LIABILITIES

4,673,130

## LONG-TERM DEBT, net of current portion

370,804

## CONSUMER FUNDS

Total liabilities 34,200,309

## NET ASSETS:

Without donor restrictions -	
Undesignated	47,764,425
Board designated	<u>2,700,000</u>
Total net assets without donor restrictions	50,464,425
With donor restrictions	<u>4,293,102</u>

Total net assets 54,757,527

Total liabilities and net assets \$ 88,957,836

**ACCESS: SUPPORTS FOR LIVING, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Fees from services	\$ 61,309,804	\$ -	\$ 61,309,804
Contracts and grants	30,989,273	-	30,989,273
Subcontract and industrial operations	16,535,097	-	16,535,097
Interest	178,402	-	178,402
Miscellaneous	64,106	-	64,106
	<u>109,076,682</u>	<u>-</u>	<u>109,076,682</u>
<b>OPERATING EXPENSES:</b>			
Program services	94,265,849	-	94,265,849
Management and general	11,658,939	-	11,658,939
Fundraising	423,220	-	423,220
	<u>106,348,008</u>	<u>-</u>	<u>106,348,008</u>
<b>INCOME FROM OPERATIONS</b>	<u>2,728,674</u>	<u>-</u>	<u>2,728,674</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Investment income, net	273,203	-	273,203
Contributions	170,991	-	170,991
Management fees	488,146	-	488,146
Affordable housing grant	44,375	-	44,375
Other income	2,662	-	2,662
Special event income, net of direct costs	159,633	-	159,633
Gain on sale of property and equipment	197,328	-	197,328
Net assets released from restriction	82,539	(82,539)	-
	<u>1,418,877</u>	<u>(82,539)</u>	<u>1,336,338</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	4,147,551	(82,539)	4,065,012
<b>CHANGE IN EQUITY INTEREST IN ACCESS: SUPPORTS FOR LIVING FOUNDATION, INC.</b>	-	855,470	855,470
<b>CHANGE IN INVESTMENT IN THREE CITIES MANAGEMENT LLC</b>	349,150	-	349,150
<b>CHANGE IN NET ASSETS</b>	4,496,701	772,931	5,269,632
<b>NET ASSETS - beginning of year</b>	<u>46,043,620</u>	<u>3,444,275</u>	<u>49,487,895</u>
<b>NET ASSETS - end of year</b>	<u>\$ 50,540,321</u>	<u>\$ 4,217,206</u>	<u>\$ 54,757,527</u>

The accompanying notes are an integral part of these statements.

## ACCESS: SUPPORTS FOR LIVING, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

---

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 51,831,925	\$ 5,512,542	\$ 130,462	\$ 57,474,929
Other employee benefits	7,005,149	686,997	7,793	7,699,939
Occupancy	10,948,381	415,559	11,709	11,375,649
Payroll taxes	5,938,148	581,158	10,703	6,530,009
Other expenses	5,063,329	196,578	2,977	5,262,884
Disabled wages	4,500,990	-	-	4,500,990
Office expenses	3,159,860	700,080	4,489	3,864,429
Depreciation	1,786,529	212,968	83	1,999,580
Information technology	1,326,856	998,720	-	2,325,576
Travel	1,004,915	67,104	159	1,072,178
Insurance	1,124,923	903,801	3,513	2,032,237
Interest	6,995	331,853	-	338,848
Conferences, meetings	155,557	112,816	-	268,373
Payments to affiliates	-	501,200	250,000	751,200
Advertising and promotion	65,042	64,418	3	129,463
Professional fees	250,953	363,586	1,324	615,863
Special events	3,255	9,202	5	12,462
Bad debt	83,006	-	-	83,006
Management services	<u>10,036</u>	<u>357</u>	<u>-</u>	<u>10,393</u>
Total	<u>\$ 94,265,849</u>	<u>\$ 11,658,939</u>	<u>\$ 423,220</u>	<u>\$ 106,348,008</u>

The accompanying notes are an integral part of these statements.

**ACCESS: SUPPORTS FOR LIVING, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 5,269,632
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Depreciation and amortization	1,999,580
Gain on sale of fixed assets	(197,328)
Bad debt expense	82,805
Paycheck Protection loan forgiveness	(2,265,000)
Loan forgiveness	(8,527)
Unrealized and realized gains on investments	(273,145)
Change in equity interest in Access: Supports for Living Foundation Inc.	(855,470)
Gain on investment in Three Cities Management LLC	(124,150)
Changes in:	
Accounts receivable - net	(2,194,169)
Due from related organizations	(160,596)
Prepaid expenses and other assets	(651,983)
Inventories	70,805
Security deposits	(144,154)
Loan and accrued interest receivable	(181,574)
Contribution receivable	82,539
Accounts payable and accrued expenses	(1,530,916)
Accrued payroll and related liabilities	1,521,930
Accrued compensated absences payable	114,936
Other liabilities	(737,221)
Due to related organizations	462,463
Due to government agencies	2,593,555
Deferred compensation payable	<u>446,539</u>
Net cash flow from operating activities	<u>3,320,551</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of investment in Meaningful NY	-
Loan advances to Three Cities Management LLC	(568,434)
Proceeds from sales of investments	1,109,743
Purchase of investments	(4,922,800)
Proceeds from sales of property and equipment	1,274,839
Purchase of property and equipment	<u>(1,656,747)</u>
Net cash flow from investing activities	<u>(4,763,399)</u>
CASH FLOW FROM FINANCING ACTIVITIES:	
Principal payments on long-term debt	<u>(2,204,254)</u>
Net cash flow from financing activities	<u>(2,204,254)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(3,647,102)
CASH AND CASH EQUIVALENTS - beginning of year	<u>27,910,879</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 24,263,777</u>
NON-CASH FINANCING ACTIVITIES:	
Debt forgiveness	<u>\$ 2,273,527</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for interest	<u>\$ 338,848</u>
Cash paid during the year for taxes	<u>\$ 225,632</u>

The accompanying notes are an integral part of these statements.

## **ACCESS: SUPPORTS FOR LIVING, INC. AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020**

---

#### **1. THE ORGANIZATION**

The consolidated financial statements consist of the following corporations: Access: Supports for Living, Inc., Sunrise Gardens Housing Development Fund Company, Inc. (Sunrise), Oak Ridge Apartments Housing Development Fund Company, Inc. (Oak Ridge), Golden Ridge Apartments Housing Development Fund Company, Inc. (Golden Ridge), Temple Hill I Housing Development Fund Company, Inc. (Temple Hill), THII-BVI Housing Development Fund Company (Temple Hill II), Bella Vista II Housing Development Fund Company, Inc. (Bella Vista II), Deerfield Commons Housing Development Fund Company, Inc. (Deerfield), Golden Ridge II Housing Development Fund Company (Golden Ridge II), Golden Ridge IV Housing Development Fund Company (Golden Ridge IV) Isabella Housing Development Fund Company (Isabella), Mayburgh LLC, The Guidance Center of Westchester, Inc, and Meaningful NY Initiatives for People with Disabilities, Inc. (Meaningful NY). The corporations are collectively referred to as “Access” or “the Organization”.

Access: Supports for Living, Inc. is organized under the Not-for-Profit Corporation Law of the State of New York. Access: Supports for Living, Inc. provides industrial and rehabilitation services, residential services, counseling centers and crisis services, community services, and intensive clinical services to persons with emotional, developmental and/or physical disabilities in Orange, Ulster, Sullivan, Dutchess, Columbia and Greene Counties, New York. Access: Supports for Living Inc. receives its principal support from Medicaid and New York State contracts.

Access: Supports for Living, Inc. is the sole member of Sunrise. Sunrise is a general partner in the Sunrise Gardens Limited Partnership, with a .005% ownership interest. Sunrise was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Oak Ridge. Oak Ridge is a general partner in the Oakridge Limited Partnership, with a .005% ownership interest. Oak Ridge was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Golden Ridge. Golden Ridge is a general partner in the Golden Ridge Limited Partnership, with a .005% ownership interest. Golden Ridge was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Temple Hill. Temple Hill is a general partner in the Temple Hill Limited Partnership, with a .005% ownership interest. Temple Hill was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of THII-BVI Housing Development Fund Company. THII is a general partner in the THII-BVI Limited Partnership, with a .005% ownership interest. Temple Hill II and Bella Vista II Housing Development Fund Company, Inc. were incorporated as not-for-profit organizations, but it is not anticipated that tax-exempt status will be applied for.

## 1. THE ORGANIZATION (Continued)

Access: Supports for Living, Inc. is the sole member of Bella Vista II. Bella Vista II is a general partner in the Bella Vista II Limited Partnership, with a .005% ownership interest. Bella Vista II was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Deerfield. Deerfield is a general partner in the Deerfield Limited Partnership, with a .005% ownership interest. Deerfield was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Golden Ridge II. Golden Ridge II is a general partner in the Golden Ridge II Limited Partnership, with a .005% ownership interest. Golden Ridge II was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Golden Ridge IV. Golden Ridge IV is a general partner in the Golden Ridge IV Limited Partnership, with a .005% ownership interest. Golden Ridge IV was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Isabella. Isabella is a general partner in the Isabella Limited Partnership, with a .005% ownership interest. Isabella was incorporated as a not-for-profit organization, but it is not anticipated that tax-exempt status will be applied for.

Access: Supports for Living, Inc. is the sole member of Mayburgh LLC which is a holding company that was created to accept a property donation.

Deerfield, Golden Ridge II, Golden Ridge IV and Isabella did not have any activity during 2021.

Access: Supports for Living, Inc. is related through common board members with Envision Coordinated Supports, Inc. (Envision) and Access: Supports for Living Foundation, Inc. (the Foundation).

Access: Supports for Living, Inc. is the sole member of The Guidance Center of Westchester, Inc. which was acquired in July 2021 (see Note 21). The Guidance Center of Westchester, Inc. was incorporated as a not-for-profit organization and offers essential and lasting support to those challenged by mental illness, substance abuse, poverty, and homelessness.

Access: Supports for Living, Inc. is the sole member of Meaningful New York which was acquired in December 2021 (see Note 21). Meaningful New York was incorporated as a not-for-profit organization for the purpose of helping individuals with intellectual and developmental disabilities exercise independence and become more productive members of their communities.

Access: Supports for Living, Inc. is a member of CBHS, Inc. which was founded to develop various programs, business plans and/or strategies that it deems beneficial to furthering the purposes of CBHS, Inc. CBHS, Inc. is supported primarily by membership fees. Access: Supports for Living, Inc. is a Class A member of the corporation. No consolidation is required as Access: Supports for Living, Inc. has less than a 50% membership in the corporation.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

The consolidated financial statements are prepared on the accrual basis of accounting.

### **Principles of Consolidation**

All material intercompany balances and transactions have been eliminated in the consolidation.

### **Use of Estimates**

The preparation of consolidated financial statements in accordance 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and highly liquid instruments with maturity dates when acquired of three months or less. Access has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

### **Consumer Funds**

Consumer funds are cash deposits held in separate bank accounts in the name of Access. Consumer funds are considered the property of the consumers and may not be commingled with assets of Access. Interest earned on these funds is credited to the consumers' accounts. Upon cessation of each consumer's stay at Access, the funds are returned to the consumer or family members.

### **Investments**

Investments are recorded at fair value. Access invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect Access's consolidated financial statements. Dividends are recorded on the ex-dividend date and purchases and sales of securities are recorded on a trade-date basis (the date the order to buy or sale is executed). Interest income is recognized on the accrual basis.

### **Accounts Receivable**

Accounts receivable primarily include uncollateralized obligations from Medicaid and other third party payors under credit terms that are customary for similar non-profit organizations. Accounts receivable from Medicaid are generally billed monthly, depending on the type of services provided, and payment is generally due within 30 – 60 days.

Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted the account is written off. The carrying amount of accounts receivable is reduced by a valuation that reflects management's best estimate of amounts that will not be collected. Management estimates the portion, if any, of the balance that will not be collected based upon the Organization's past credit loss experience, an assessment of the payor's current creditworthiness, and applicable Medicaid billing regulations. Estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Assets Held for Sale**

Assets held for sale represent a building and land that was purchased to use in program operations but subsequently listed for sale. Access sold this asset in early 2022.

### **Loans Receivable and Allowance for Doubtful Accounts**

Access records loans receivable based on signed loan agreements. Bad debt expense is charged if the loan receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the loan receivable and a review of payments subsequent to year end. Interest accrues on outstanding loans receivable. Access stops accruing interest on the loans once they become delinquent. As of December 31, 2021 and 2020, there was no allowance for doubtful accounts.

### **Contributions Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net present value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management has determined that there is no need to record an allowance for doubtful accounts on the outstanding contributions receivable.

### **Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. Items costing more than \$5,000 (or if donated at the approximate fair value at the date of donation) and having a useful life of more than one year are capitalized. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the term of the applicable lease.

Donations of fixed assets are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use are reported as increases in net assets with donor restrictions.

### **Equity Interest in Access: Supports for Living Foundation, Inc.**

Access has recognized its equity interest in the net assets of the Foundation. The Foundation is a related organization whose purpose is to raise funds for the exclusive benefit of Access.

### **Investment in Three Cities Management LLC**

In 2016, Access became a 49% owner of Three Cities Management, LLC ("Three Cities"). Investment in Three Cities is recorded on the equity method. As of December 31, 2021, accrued expenses of \$28,475 are included in the accompanying consolidated statements of financial position relating to taxes due. Federal and New York State unrelated business income tax for the year ended December 31, 2021 are estimated as \$100,000 exclusive of adjustments for overstatements of prior years.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Due to Government Agencies**

Access records liabilities based on the reimbursement provisions of its funding agreements.

### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors.

### **Board Designated Net Assets**

Board designated net assets are net assets without donor restrictions and include funds that have been designated by the Board to fund employee benefit plans, program expansion, and assistance to affiliated organizations.

### **Net Assets With Donor Imposed Restrictions**

Net assets with donor-imposed restrictions are those whose use by Access has been limited by donors to a specific time period or purpose and are maintained by Access.

### **Revenue Recognition**

The Organization receives a significant portion of its revenue for services provided from third-party reimbursement agencies, primarily OPWDD, OMH, OASAS, SED, OCFS, Medicare, Insurance companies and Medicaid. Revenue is based on predetermined rates based on cost reimbursement principles and is subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. Revenue is recognized when the Organization satisfies their performance obligations under contracts by transferring services to individuals. The Organization's performance obligations include providing clinical services, community and day habilitation services, residential services, work programs and family support services, counseling and crisis services and other services to individuals and children. The transaction price is based on established charges for services provided. These rates are determined by allowable expenditures in rate setting periods. Fee for service revenue is recognized based on approved rates when the Organization satisfies their performance obligations under contracts by transferring services to individuals. The Organization expects to collect established charges.

Revenue under Medicaid and third-party payor agreements are subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing services using the most likely outcome method. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations. Differences between the estimated amounts accrued and interim and final settlements are reported in the year of settlement. Laws and regulations governing the Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue Recognition (Continued)

Revenue from industrial operations includes the sale of stencils, staplers, earplugs, 3M hearing protection, janitorial, food and facility services. Subcontract revenue is from New York State Industries for the Disabled, Inc. and Ability One program service contracts for janitorial cleaning services. Revenue is recognized as the Organization satisfies their performance obligations under contracts by delivering goods and services to customers. Performance obligations for all of the Organization's services are provided and consumed at a point in time, not over time, and therefore the fees allocated to performance obligations are not left unsatisfied or partially unsatisfied at the end of the reporting period.

Because performance obligations are met at a point in time, not over time, there are no fees allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are amounts recorded in deferred revenue due to advances received from funding sources for use in future periods.

The Organization expects to collect the amounts to which they are entitled. Revenues are charged and collected routinely throughout the month. Estimates of implicit price concessions are determined based on historical collection experience using a portfolio approach as a practical expedient to account for contracts as collective groups rather than as individual contracts. Amounts that remain uncollected at the end of the month are recorded as accounts receivable. Accounts receivable are written off when they are determined to be uncollectible.

The Organization reviews individual contracts at the time of performance, in order to determine estimated uncollectable accounts due from third party payors or private pay individuals and records these implicit price concessions as a direct reduction to revenue. For the year ended December 31, 2021, the implicit price concessions were approximately \$1,400,000.

### Contributions

Unconditional contributions are reported at fair value at the date the contribution is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor restricted contributions received and expended in the same fiscal year are reflected as without donor restrictions revenues. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

### Operating Measure

The operating measure includes the operating activities of Access and excludes contributions, affordable housing grant, fund-raising expenses, investment gain or loss, gain on sale of property and equipment, change in equity interest in the Foundation and gain (loss) on investment in Three Cities. Interest income included in operating revenues is generated from deposit accounts, money market accounts, investments and loans receivable from Three Cities.

### Functional Expenses

The costs of providing Access' services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and wages, other employee benefits and payroll taxes are directly charged based on the employee's time charged to the applicable function. Occupancy is allocated based on the square footage of the building. Depreciation is allocated based on the location of the asset and the use of the asset.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Fair Value Measurements

Access uses various valuation techniques in determining fair value and classifies them into a three-level hierarchy based on the nature of the inputs. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities that Access has the ability to access. Level 2 valuations are based on inputs, other than quoted prices included within Level 1 that are observable either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. Access' short-term equities, ETF, and mutual funds are valued utilizing Level 1 inputs. Access' corporate notes, international bonds, fixed annuities and inflation linked bonds are valued utilizing Level 2 inputs.

### Income Taxes

Access: Supports for Living, Inc., The Guidance Center of Westchester, Inc., and Meaningful New York are not-for-profit corporations and are exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. These entities have also been classified by the Internal Revenue Service as an entity that is not a private foundation.

## 3. LIQUIDITY

Access is substantially supported by Medicaid, Medicare, and private insurance revenue generated by its operations. In addition, revenue is received from subcontract and industrial operations, government grants, contributions, and investment earnings. The following reflects Access' financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets	
Cash and cash equivalents	\$ 24,263,777
Investments	7,768,510
Accounts receivable - net	21,154,363
Loan and accrued interest receivable	4,769,649
Due from related organizations	<u>177,333</u>
Total financial assets	58,133,632
Less: those unavailable for general expenditure within one year	
Contractual or donor restricted:	
Board designated funds	(2,700,000)
Net assets with donor restrictions	<u>(4,293,102)</u>
Total financial assets available to meet cash needs	
for general expenditures within one year	<u>\$ 51,140,530</u>

### 3. LIQUIDITY (Continued)

Access' ability to meet its cash needs is highly dependent on timely collection of its accounts receivable. Access' accounts receivable are due primarily from government funders and third-party payers including Medicaid, Medicare, and private insurers. Many of these arrangements require Access to incur costs in advance and then bill for reimbursements after the cash outlay has been made. Access has designed procedures to collect from these payers as quickly as possible. However, timeliness of these payments can sometimes be difficult to predict. Due to this factor, Access has a line-of-credit available (see note 5), which it can draw upon throughout the year. In addition, Access could also manage vendor relationships to extend payment terms where possible. They have also engaged in fundraising efforts over the years to supplement operating cash flow and build up investment reserves. Should any of the affiliated entities be struggling from a cash flow perspective, they also have the ability to borrow from these investment reserves.

### 4. INVESTMENTS

Investments consisted of the following at December 31, 2021:

Equities	\$ 10,406
ETF	3,976,444
Corporate notes	1,984,436
International bonds	482,447
Mutual funds	984,543
Inflation hedges	74,795
Cash equivalents	<u>255,439</u>
	<u>\$ 7,768,510</u>

### 5. BANK LINES OF CREDIT

Access has a \$4,000,000 revolving line of credit from M&T Bank to support working capital. The line of credit bears interest at SOFR plus 187 basis points. The line of credit renews annually with a 30-day out-of-debt period requirement. The line is secured by a first security interest in all accounts receivable as well as a UCC filing on all non-realty business assets. There was no outstanding balance under this line of credit at December 31, 2021.

Access also obtained a commitment letter to support the acquisition of vehicles and equipment to be used by Access in individual loan amounts not to exceed \$750,000. These loans bear interest at the borrower's option, either fixed at M&T Bank's five-year cost of funds plus 175 basis points or floating at SOFR plus 187 basis points. The loans are renewable annually with each loan having a maximum term of five years. M&T Bank requires a first security interest in specific vehicles or equipment acquired. There was no outstanding balance under this commitment letter at December 31, 2021.

The Guidance Center of Westchester has a revolving \$1,000,000 line of credit with a bank with interest at the prime rate. The line of credit expires on August 31, 2022 and is secured by the Organization's accounts receivable. There was no balance outstanding on the line of credit as of December 31, 2021.

## 6. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at December 31, 2021:

	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	<u>Total</u>
Investments measured at fair value				
Equity				
Financial Services	\$ 10,406	\$ -	\$ -	\$ 10,406
ETF	3,976,444	-	-	3,976,444
Corporate notes	-	1,984,436	-	1,984,436
International bonds	-	482,447	-	482,447
Mutual funds - fixed income	984,543	-	-	984,543
Inflation hedges				
Inflation linked bonds	<u>74,795</u>	<u>-</u>	<u>-</u>	<u>74,795</u>
Investments measured at fair value	<u>\$ 5,046,188</u>	<u>\$ 2,466,883</u>	<u>\$ -</u>	7,513,071
Cash equivalents				<u>255,439</u>
				<u>\$ 7,768,510</u>

There were no changes in valuation methods during 2021.

The following table sets forth by level, within the fair value hierarchy, investments held for deferred compensation plans at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Fixed annuity	\$ -	\$ 213,054	\$ -	\$ 213,054
Mutual funds	<u>3,256,416</u>	<u>-</u>	<u>-</u>	<u>3,256,416</u>
	<u>\$ 3,256,416</u>	<u>\$ 213,054</u>	<u>\$ -</u>	<u>\$ 3,469,470</u>

## 7. CONTRIBUTION RECEIVABLE

The unconditional contribution receivable has been recorded at net present value. Those amounts that are due in more than one year have been discounted to their present value using a discount rate of 3.25%.

Future maturities of this contribution are as follows at December 31:

2022	\$	100,000
2023		100,000
2024		100,000
2025		100,000
2026		100,000
Thereafter		<u>100,000</u>
		600,000
Discount to net present value		<u>(45,280)</u>
	\$	<u><u>554,720</u></u>

The receivable is from a single donor, which represents a concentration of credit risk.

## 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

Land	\$	2,818,481
Buildings and improvements		34,946,831
Leasehold improvements		606,941
Furniture and equipment		6,743,576
Transportation equipment		8,308,408
Construction in progress		<u>83,546</u>
		53,507,783
Less: Accumulated depreciation		<u>(36,894,960)</u>
	\$	<u><u>16,612,823</u></u>

Depreciation expense was \$1,999,580 for the year ending December 31, 2021.

## 9. CONTINGENCIES

### Third-Party Payors and Contractual Funding

Access is responsible to report to and is regulated by various governmental third parties, among which are the Centers for Medicare and Medicaid Services (CMS) and DOH. These agencies, as well as the New York State Office of the Attorney General's Medicaid Fraud Control Unit (MFCU), the Internal Revenue Service, the New York State Office of the Attorney General's Charities Bureau, the New York State Department of Health's Independent Office of Medicaid Inspector General (OMIG), and other agencies have the right to audit fiscal as well as programmatic compliance, i.e., clinical documentation, among other compliance requirements.

Access receives certain funding for its programs in the form of operational grants, which usually run for a period of one year or longer. This support is restricted to operations within the terms of the grants and, accordingly, recognition of grant support is deferred until qualified expenditures are incurred. Any excess of grant support over expenses incurred is recorded as due to government agencies.

Also, Access received additional Medicaid funding for its clinic and other related services in the form of a Comprehensive Outpatient Services (COPS) add-on. The COPS add-on was derived from a formula calculated by the New York State Office of Mental Health (OMH). After certain thresholds were met, a COPS Medicaid liability became due for payments received in excess of the threshold. The amount due is withheld from current Medicaid remittances and is recorded as part of due to government agencies as of December 31, 2021. Effective October 2013, the COPS program has been discontinued statewide.

Access is party to various litigation matters which, in the opinion of management, will not have a material adverse impact on the financial position of Access.

## 10. LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2021:

	<u>2021</u>
Loan payable to M&T Bank in monthly installments of \$3,884, including interest at 4.10%, maturing on 12/1/2027. The loan is secured by real property located at Grand Street in Newburgh, New York.	\$ 600,000
Loan payable to Sterling National Bank in monthly installments of \$12,841, including fixed interest at 6.87%, maturing on 9/1/2026. The loan is secured by real property of Access: Supports for Living, Inc.	614,904
Loan payable to Sterling National Bank in monthly installments of \$7,284, including fixed interest at 4.14%, maturing on 9/1/2027. The loan is secured by real property located at Fish and Game Road in Claverack, New York.	445,846

## 10. LONG-TERM DEBT (Continued)

Loan payable to Key Bank in annual principal payments of approximately \$26,533, plus interest at the Federal Home Loan Bank of New York, amortizing advanced indicators plus 1.9%, which was 4.3% at December 31, 2021 maturing on 7/1/2023. The loan is secured by real property located at Birch Drive in Middletown, New York.

42,014

Loan payable to Key Bank in annual principal payments of \$32,133, plus interest at SOFR (3-month) plus 2%, which was 2.13% at December 31, 2021 maturing on 12/1/2021. The loan is secured by real property located at Kerilee Court in Pine Bush, New York.

2,678

Loan payable to Key Bank in annual principal payments of \$41,200, plus interest at SOFR (3-month) plus 2%, which was 2.13% at December 31, 2021, maturing on 12/1/2021. The loan is secured by real property located at Malloy Road in Wallkill, New York.

2,199

Loan payable to Key Bank in annual principal payments of \$42,100, plus interest at SOFR plus 2%, which was 2.13% December 31, 2021 maturing on 4/1/2022. The loan is secured by real property located at Seaman Road in Circleville, New York.

14,035

Loan payable to Key Bank in annual principal payments of \$42,034, plus interest at SOFR plus 2%, which was 2.13% at December 31, 2021 maturing on 4/1/2022. The loan is secured by real property located at Irving Road in Greenville, New York.

14,001

Loan payable to Key Bank in annual principal payments of \$42,000, plus interest at SOFR plus 2%, which was 2.13% at December 31, 2021 maturing on 4/1/2022. The loan is secured by real property located at Starhaven Avenue in Middletown, New York.

14,000

Loan payable to Key Bank in annual principal payments of \$21,467, plus interest at SOFR plus 2%, which was 2.13% at December 31, 2021 maturing on 4/1/2022. The loan is secured by real property located at Greenwood Drive in Coxsackie, New York.

7,155

## 10. LONG-TERM DEBT (Continued)

Loan payable to Key Bank in annual principal payments of \$52,952, plus interest at SOFR plus 2%, which was 2.13% at December 31, 2021 maturing on 12/1/2023. The loan is secured by real property located at Meadow Hill Road in Newburgh, New York.	105,574
Loan payable to Sterling National Bank in monthly installments of \$3,060, including fixed interest at 4.27%, maturing on 4/1/2022. The loan is secured by real property located at Fini Drive in Middletown, New York.	12,424
Loan payable to Sterling National Bank in monthly installments of \$5,131, including fixed interest at 4.59%, maturing on 2/1/2027. The loan is secured by real property located at North Street in Crawford, New York.	282,320
Loan payable to Sterling National Bank in monthly installments of \$4,770, including fixed interest at 4.14%, maturing on 9/1/2027. The loan is secured by real property located at Alia Court in Poughkeepsie, New York.	291,982
Loan payable to Key Bank in annual principal payments of \$10,258, plus interest at SOFR plus 4.25%, which was 4.38% at December 31, 2021, maturing on 12/1/2026. The loan is secured by real property located at Gillespie Drive in Coxsackie, New York.	44,450
Loan payable to Key Bank in annual principal payments of \$5,131, plus interest at SOFR (3-month) plus 4.25%, which was 4.38% at December 31, 2021, maturing on 12/1/2026. The loan is secured by real property located at Jones Road in Coxsackie, New York.	22,225
Loan payable to Sterling National Bank in monthly installments of \$4,607, including fixed interest at 4.62%, maturing on 10/1/2027. The loan is secured by real property located at Moores Hill Road in New Windsor, New York.	281,468

**10. LONG-TERM DEBT (Continued)**

Loan payable to Sterling National Bank in monthly installments of \$5,098, including interest at the prime rate, which was 3.25% at December 31, 2021 maturing on 12/15/2029. The loan is secured by real property located at Kirbytown Road in Wawayanda, New York.

347,880

Mortgage payable to Sterling National Bank in monthly installments of \$4,761, including fixed interest at 3.25%, maturing on 2/28/2030. The mortgage is secured by real property located at Teal Road in Pleasant Valley, New York.

383,514

Mortgage payable to Sterling National Bank in monthly installments of \$3,723, including fixed interest at 5.62%, maturing on 12/31/2028. The mortgage is secured by real property located at Shawangunk Road in Walkill, New York.

257,396

Mortgage payable to Sterling National Bank in monthly installments of \$5,117, including fixed interest at 5.78%, maturing on 11/1/2028. The mortgage is secured by real property located at Freetown Highway in Plattekill, New York.

348,468

Mortgage payable to Key Bank in annual principal payments of \$43,985, including fixed interest at 3.52%, maturing on 2/1/2026. The mortgage is secured by real property located at Route 52 in Shawangunk, New York.

271,240

Mortgage payable to Sterling National Bank in monthly installments of \$4,638, including fixed interest at 4.62%, maturing on 11/1/2030. The mortgage is secured by real property located at Greenville Turnpike, Middletown, NY

403,929

Mortgage payable to Sterling National Bank in monthly installments of \$4,685, including fixed interest at 5.06%, maturing on 12/1/2030. The mortgage is secured by real property located at Maple Court in Washingtonville, New York.

389,674

## 10. LONG-TERM DEBT (Continued)

Loan payable to M&T Bank in 60 monthly installments of approximately \$2,840, including fixed interest at 3.86%, maturing on 3/1/2022. The loan is secured by vehicles owned by Access: Supports for Living, Inc. 8,456

Capital improvement advance payable to OASAS for building improvements at 26 Sickles Avenue, New Rochelle, NY. Interest at 4.96% and repayment is not required as long as the Organization uses the property as specified by OASAS for 20 years. 400,997

Total \$ 5,608,829

Future minimum payments are as follows:

2022	\$ 933,393
2023	836,308
2024	800,745
2025	835,743
2026	823,320
Thereafter	<u>1,379,320</u>
	<u>\$ 5,608,829</u>

Interest expense was \$338,848 for the year ending December 31, 2021.

Access must comply with certain financial covenants, including:

- Maintaining a maximum total liability to net assets ratio of 2.75
- Maintaining a minimum debt coverage ratio of 1.20

Access has determined they have met all covenants at December 31, 2021.

## 11. BENEFIT PLANS

Access sponsors a 403(b) plan (the Plan) through TIAA-CREF and Empower Retirement. Access matches semimonthly contributions to each participant's account equal to 100% of the first 2% of compensation contributed by each participant and 50% up to the next 4% contributed by each participant. Participants must contribute to the Plan at least 1% of their pay in order to be eligible for matching contributions and may contribute up to an annual limit set by the IRS. The limit was \$19,500 in 2021. Pension expense for the year ended December 31, 2021 was \$903,227.

Access also has a 457(b) plan for certain employees. As of December 31, 2021 the liability was \$3,189,373. Contributions to this plan for the year ended December 31, 2021 were \$191,756.

During 2005, Access established a separate 457(f) plan for select key management employees. Vesting is contingent on years of service, age or death. \$50,505 was contributed for the plan year ended December 31, 2021. As of December 31, 2021 the liability was \$254,733.

The Guidance Center of Westchester, Inc. provides a 403(b) tax deferred annuity plan for its employees. The Organization may contribute a discretionary amount determined annually by the Board of Directors. There were no contributions made to the Plan by the Organization in 2021.

## 12. LEASE AGREEMENTS

Access is obligated, pursuant to various operating lease agreements, to approximate future minimum annual real property and equipment rental payments as indicated below. The leases expire at various dates through 2023. Access is obligated for certain other costs at these sites. Rent is recorded on the straight-line basis over the life of the lease. Deferred rent is recorded where there are material differences between the fixed payment and the rent expense. Rent expense for the year ended December 31, 2021 was \$5,103,182.

The Guidance Center leases real property and equipment for program and administrative use and has entered into various operating lease agreements expiring through 2030. Rent expense under the leases was \$5,444,685 for the year ended December 31, 2021.

Minimum future payments on leases are as follows:

2022	\$ 4,809,200
2023	1,684,301
2024	1,290,527
2025	1,143,072
2026	1,155,483
Thereafter	<u>5,348,502</u>
	<u>\$ 15,431,085</u>

### 13. CONCENTRATIONS

The majority of services and the resulting accounts receivable are paid by New York State. Therefore, Access is highly dependent on the New York State reimbursement system for its revenues.

### 14. RELATED PARTY TRANSACTIONS

Access provides management and administrative services and leased employees to Envision and the Foundation. Amounts for the years ended December 31, 2021 are as follows:

	<u>Management and Administrative</u>	<u>Leased Employees</u>	<u>Total</u>
Envision	\$ 1,274	\$ 36,823	\$ 38,097
The Foundation	<u>16,175</u>	<u>163,405</u>	<u>179,580</u>
	<u>\$ 17,449</u>	<u>\$ 200,228</u>	<u>\$ 217,677</u>

The balance due from (to) Access as of December 31, 2021 was:

	<u>2021</u>
Envision	\$ (1,842)
The Foundation	<u>(430,660)</u>
	<u>\$ (432,502)</u>

Access Supports for Living, Inc. and The Guidance Center of Westchester, Inc. granted the Foundation \$650,000 for the year ended December 31, 2021.

Access conducts business (such as banking, utilities and other services) with several members of the Board of Directors throughout the year. A member of the Foundation board, who is also a member of the Access: Supports for Living, Inc. board, is a principal in the energy company that brokers utilities to Access. No monetary value can be determined for this transaction. All of the transactions are in the normal course of business and the board members did not receive any direct compensation for these services.

### 15. WORKERS' COMPENSATION INSURANCE

Access was a member of Provider Agency Trust for Human Services Workers' Compensation Group. Although Access is no longer part of the group, they are potentially liable for any claims that are still outstanding from the time that they were part of the group. Access previously recorded a liability to cover any potential future claims. Currently, Access has workers' compensation coverage through AIG. As of December 31, 2021 there is no liability due.

**16. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2021 are as follows:

Funding for Access programs from the Foundation	\$ 3,662,486
Future periods	<u>630,616</u>
Total	<u>\$ 4,293,102</u>

**17. LOANS RECEIVABLE FROM THREE CITIES MANAGEMENT, LLC**

On February 29, 2016, Access entered into a revolving loan agreement with Three Cities. The loan was extended until March 1, 2023 with a total maximum credit amount of \$1,500,000. Interest is charged at LIBOR plus 2%. As of December 31, 2021 the interest rate was 2.13%. The loan is secured by the assets of Three Cities. As of December 31, 2021 the loan receivable balance was \$1,072,372.

Interest income earned on the loans to Three Cities was \$15,301 during 2021.

**18. SELF-INSURED MEDICAL**

As of December 1, 2015, Access became self-insured with regard to health insurance. Access has recorded a potential liability for claims in the amount of \$958,276 at December 31, 2021, which is included in accrued payroll and related liabilities. Access has also entered into an insurance plan for stop loss coverage with a maximum amount of \$1,000,000 and per person maximum of \$125,000.

**19. LOAN RECEIVABLE**

In January 2017, Access received a \$4,000,000 grant from Local Initiatives Support Corporation, a not-for-profit organization, to make a loan to THII-BVI Limited Partnership. The loan is secured by property located in the town of New Windsor, New York. Interest is being charged at 1% per annum. The outstanding principal balance and the accrued interest is payable on the maturity date of the loan which is November 1, 2048. At December 31, 2021 the loan receivable balance was \$4,198,333 which includes accrued interest income totaling \$198,333.

**20. COVID-19 PANDEMIC**

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

## **20. COVID-19 PANDEMIC (Continued)**

### **Paycheck Protection Program**

In May 2021, Access entered into an unsecured promissory note payable to a bank in the amount of approximately \$3,000,000. This note was entered into by the Organization as part of the U.S. Small Business Administration's Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP provides for this borrowing, or a portion of the borrowing, to be forgiven to the extent Access meets defined requirements related to expenditure of the funds and management of the Organization's personnel complement. If no forgiveness is granted, the terms of this agreement require the Organization to repay the loan over a 5-year period with monthly principal payments including interest at 1%. Repayment would begin after a 10-month period to apply for forgiveness.

On April 23, 2020, The Guidance Center of Westchester, Inc. received loan proceeds in the amount of approximately \$2,265,000 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, & Economic Security Act (CARES Act). This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Organization's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the Bank in accordance with the requirements of the PPP program.

Access applied for forgiveness of the loan and received approval of full forgiveness in December of 2021. The total balance of the loan has been recognized as revenue and is included in contracts and grants on the accompanying consolidated statement of activities.

The Guidance Center of Westchester applied for forgiveness of the loan and received approval of full forgiveness in April of 2021. The total balance of the loan has been recognized as revenue and is included in contracts and grants on the accompanying consolidated statement of activities.

Management has determined this treatment appears reasonable as of the date the financial statements were issued, however, this could be subject to future review by the funding source.

### **Provider Relief Fund**

In 2020 and 2021, Access received grants from the US Department of Health and Human Services (HHS) Provider Relief Fund. Per HHS guidance, these grants must be fully utilized for COVID related expenses or lost revenues by a certain date depending on when the funds are received or they may be subject to recoupment. The unearned grant revenue is included in due to government agencies on the accompanying consolidated statement of financial position.

## **21. ACQUISITIONS**

### **The Guidance Center of Westchester, Inc. (TGCW)**

On July 1, 2021, the Organization acquired TGCW. TGCW is a 501(c)3 non-profit organization that provides behavioral health, housing, and early childhood services primarily in southern Westchester County, headquartered in Mount Vernon. The Organization's program services include Article 31, 32, and methadone clinics, care management, PROS, ACT, CCBHC, CMHC, supported housing, homeless outreach, AccesVR, other employment programs, and early childhood programs. Management estimates the total annual revenue anticipated from this acquisition is approximately \$20,000,000 to \$23,000,000.

## **21. ACQUISITIONS (Continued)**

### **The Guidance Center of Westchester, Inc. (TGCW) (Continued)**

The purpose of this acquisition is to expand service delivery into Westchester County to create scale in behavioral health services and open up additional development efforts. The services provided by TGCW are complimentary to the programs at the Organization and will also add early childhood services. Control was obtained through sole corporate membership. Three of the previous board members of the TGCW board serve on the Organization's Board of Directors. In addition, three of the previous TCGW board members sit on the Access Foundation board. No consideration was given for this acquisition. Six months of activity is included in the accompanying consolidated statement of activities based on the acquisition date above.

### **Meaningful NY Initiatives for People with Disabilities (MNY)**

On December 1, 2021, the Organization acquired MNY. MNY is a 501(c)3 non-profit organization that provides two core services; OPWDD self-direction and a home/commercial cleaning business (Cleaning with Meaning) that supports employment for people with disabilities, headquartered in Brooklyn. Management estimates the total annual revenue anticipated from this acquisition is approximately \$10,000,000 to \$11,000,000.

The purpose of this acquisition is to expand the Organization's presence in OPWDD self-direction programs and enhance offerings throughout the New York metro region and Long Island. Control was obtained through sole corporate membership. Total consideration of \$710,000 was paid to NYIN (the former sole corporate member of MNY) for this acquisition. In addition, there are two contingent payments of \$125,000 each that would be paid to NYIN at a later time if specific milestones are achieved. One month of activity is included in the accompanying consolidated statement of activities based on the acquisition date above.

The most significant advantage to these acquisitions will be a reduction in administrative costs to all of these entities which will be fully realized in 2023 and beyond. This will create additional opportunities for the Organization in future years.

## **22. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 31, 2022, which is the date the consolidated financial statements were available to be issued.

On January 1, 2022, the Organization acquired New York Families for Autistic Children (NYFAC). NYFAC is a 501(c)3 non-profit organization that provides OPWDD funded services primarily in the New York metro region, headquartered in Howard Beach, Queens. The Organization's program services include community habilitation, respite, day habilitation, and family support services. Approvals from OPWDD are pending for both a supported employment and community prevocational program. Management estimates the total annual revenue anticipated from this acquisition is approximately \$2,000,000 to \$3,000,000.

The purpose of this acquisition is to expand the Organization's presence in the New York metro region by adding OPWDD services as well as a physical location. Control was obtained through sole corporate membership. Two of the previous board members of the NYFAC board will serve on the Organization's Board of Directors. No consideration was given for this acquisition.

**ACCESS: SUPPORTS FOR LIVING, INC. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identification Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Health and Human Services</u>			
Block Grants for Community Mental Health Services	93.958	NA	\$ 77,633
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	NA	1,941,169
COVID-19 HRSA Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461	NA	33,720
Opioid STR	93.788	NA	90,316
Research Foundation for Mental Hygiene, Inc.			
COVID-19 Mental Health Disaster Assistance and Emergency Mental Health	93.982	NA	<u>1,184,214</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>3,327,052</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 3,327,052</u></b>

## **ACCESS: SUPPORTS FOR LIVING, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021**

---

#### **1. GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of Access: Supports for Living, Inc. (Organization) under programs of the federal government for the year ended December 31, 2021. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### **2. BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting used by the Organization to report to the federal government. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **3. SUB-RECIPIENTS**

Of the federal expenditures presented in the schedule of federal awards, the Organization provided no federal awards to sub-recipients.

#### **4. NON-CASH ASSISTANCE**

The Organization did not receive any non-cash assistance that should be reported in the accompanying schedule of expenditures of federal awards as of December 31, 2021.

The Organization did not receive any donated personal protective equipment for the year ended December 31, 2021.

#### **5. DE MINIMIS COST RATE**

The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 31, 2022

To the Board of Directors of  
Access: Supports for Living, Inc. and Subsidiaries:

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 consolidated financial statements of Access: Supports for Living, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 31, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

www.bonadio.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(Continued)

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

September 28, 2022

To the Board of Directors of  
Access: Supports for Living, Inc.:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Access: Supports for Living, Inc.'s (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2021.

***Basis for our Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

www.bonadio.com

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on the compliance of the Organization's compliance with the requirements if each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 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.

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**  
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of Access: Supports for Living, Inc. and Subsidiaries as of and for the year ended December 31, 2021, and have issued our report thereon dated May 31, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards (Access: Supports for Living, Inc. only) is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**ACCESS: SUPPORTS FOR LIVING, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**SECTION 1 – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

Identification of major programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.829	Section 223 Demonstration Programs to Improve Community Mental Health Services COVID-19 Mental Health Disaster Assistance and Emergency Mental Health
93.982	

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**ACCESS: SUPPORTS FOR LIVING, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**SECTION 2 – FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings for the year ended December 31, 2021.

**SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no federal award findings or questioned costs for the year ended December 31, 2021.