

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

**Consolidated Financial Statements as of  
December 31, 2023  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

May 23, 2024

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, 2023, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Access: Supports for Living, Inc. and Subsidiaries, as of December 31, 2023, and the changes in their 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 the 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.

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## INDEPENDENT AUDITOR'S REPORT

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### **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 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.

### **Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements.

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## **INDEPENDENT AUDITOR'S REPORT**

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### **Supplemental Information (Continued)**

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 23, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Access: Supports for Living, Inc. and Subsidiaries' 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, 2023****ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents	\$ 20,238,335
Investments	7,650,686
Accounts receivable	32,162,187
Due from related organizations	548,567
Prepaid expenses and other assets	1,320,540
Inventories	1,312,694
Security deposits	715,039
Investments held for retirement plans	3,225,481
Loan and accrued interest receivable	<u>4,860,853</u>

Total current assets 72,034,382

## PROPERTY AND EQUIPMENT, NET

21,163,925

## OTHER ASSETS:

Contribution receivable	381,507
Consumer funds	456,354
Interest in Access: Supports for Living Foundation, Inc.	3,470,000
Loans receivable from Three Cities Management LLC	330
Right of use asset - operating lease	8,619,419
Right of use asset - finance lease	2,662,494
Goodwill	250,000
Investment in Three Cities Management LLC	<u>103,985</u>

Total other assets 15,944,089

Total assets \$ 109,142,396

**LIABILITIES AND NET ASSETS**

## CURRENT LIABILITIES:

Current portion of long-term debt	\$ 857,201
Accounts payable and accrued expenses	3,847,434
Accrued payroll and related liabilities	6,585,329
Accrued compensated absences payable	1,132,023
Operating lease liability, current	1,579,228
Finance lease liability, current	928,270
Due to related organizations	73,142
Due to government agencies	16,228,828
Deferred compensation payable	<u>3,129,235</u>

Total current liabilities 34,360,690

## NONCURRENT LIABILITIES:

Other long-term liabilities	141,420
Operating lease liability, net of current portion	7,221,215
Finance lease liability, net of current portion	1,769,856
Long-term debt, net of current portion	3,156,286
Consumer funds	<u>456,354</u>

Total noncurrent liabilities 12,745,131

Total liabilities 47,105,821

## NET ASSETS:

Without donor restrictions -	
Undesignated	55,235,068
Board designated	2,950,000
Total net assets without donor restrictions	58,185,068
With donor restrictions	<u>3,851,507</u>

Total net assets 62,036,575

Total liabilities and net assets \$ 109,142,396

The accompanying notes are an integral part of these statements.

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

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUES:</b>			
Fees from services	\$ 92,035,872	\$ -	\$ 92,035,872
Contracts and grants	38,728,011	-	38,728,011
Subcontract and industrial operations	17,481,352	-	17,481,352
Interest	514,139	-	514,139
Miscellaneous	14,457	-	14,457
	<u>148,773,831</u>	<u>-</u>	<u>148,773,831</u>
<b>OPERATING EXPENSES:</b>			
Program services	135,389,495	-	135,389,495
Management and general	13,569,525	-	13,569,525
Fundraising	242	-	242
	<u>148,959,262</u>	<u>-</u>	<u>148,959,262</u>
<b>INCOME FROM OPERATIONS</b>	<u>(185,431)</u>	<u>-</u>	<u>(185,431)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Investment income, net	660,641	-	660,641
Contributions	101,838	-	101,838
Affordable housing grant	45,602	-	45,602
Other income	632,165	-	632,165
Gain on sale of property and equipment	163,512	-	163,512
Net assets released from restriction	87,991	(87,991)	-
	<u>1,691,749</u>	<u>(87,991)</u>	<u>1,603,758</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	1,506,318	(87,991)	1,418,327
<b>CHANGE IN EQUITY INTEREST IN ACCESS: SUPPORTS FOR LIVING FOUNDATION, INC.</b>	-	(101,571)	(101,571)
<b>CHANGE IN INVESTMENT IN THREE CITIES MANAGEMENT LLC</b>	<u>(268,921)</u>	<u>-</u>	<u>(268,921)</u>
<b>CHANGE IN NET ASSETS</b>	1,237,397	(189,562)	1,047,835
<b>NET ASSETS - beginning of year</b>	<u>56,947,671</u>	<u>4,041,069</u>	<u>60,988,740</u>
<b>NET ASSETS - end of year</b>	<u>\$ 58,185,068</u>	<u>\$ 3,851,507</u>	<u>\$ 62,036,575</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, 2023

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 75,980,139	\$ 6,104,645	\$ -	\$ 82,084,784
Other employee benefits	9,347,156	1,485,819	135	10,833,110
Occupancy	15,756,943	710,067	-	16,467,010
Payroll taxes	8,228,467	845,466	107	9,074,040
Other expenses	3,928,500	20,675	-	3,949,175
Disabled wages	4,503,167	2,048	-	4,505,215
Office expenses	8,906,010	1,161,656	-	10,067,666
Depreciation	2,610,574	391,009	-	3,001,583
Information technology	1,960,793	1,103,663	-	3,064,456
Travel	1,671,255	167,096	-	1,838,351
Insurance	1,993,960	856,512	-	2,850,472
Interest	186,327	63,358	-	249,685
Conferences, meetings	217,904	121,362	-	339,266
Payments to affiliates	21,129	103,870	-	124,999
Advertising and promotion	22,863	88,160	-	111,023
Professional fees	54,308	344,119	-	398,427
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 135,389,495</u>	<u>\$ 13,569,525</u>	<u>\$ 242</u>	<u>\$ 148,959,262</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, 2023**

CASH FLOW FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 1,047,835
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Depreciation and amortization	3,001,583
Goodwill impairment	80,000
Gain on sale of property and equipment	(163,512)
Unrealized and realized loss on investments	(648,286)
Change in equity interest in Access: Supports for Living Foundation Inc.	101,571
Loss on investment in Three Cities Management LLC	268,846
Non-cash lease expense	92,450
Changes in:	
Accounts receivable - net	(2,511,237)
Due from related organizations	511,277
Prepaid expenses and other assets	867,672
Inventories	362,001
Security deposits	642
Loan and accrued interest receivable	(45,602)
Contribution receivable	87,991
Accounts payable and accrued expenses	698,264
Accrued payroll and related liabilities	(2,631,568)
Accrued compensated absences payable	(97,136)
Due to related organizations	(8,450)
Due to government agencies	7,054,534
Deferred compensation payable	459,061
Net cash flow from operating activities	<u>8,527,936</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Business acquisition costs MNY (Goodwill)	(250,000)
Loan repayments from Three Cities Management LLC	342,975
Proceeds from sales of investments	18,051
Purchase of investments	(633,877)
Proceeds from sales of property and equipment	227,495
Purchase of property and equipment	<u>(1,430,459)</u>
Net cash flow from investing activities	<u>(1,725,815)</u>
CASH FLOW FROM FINANCING ACTIVITIES:	
Principal payments on long-term debt	(812,750)
Repayment of finance lease liabilities	<u>(861,448)</u>
Net cash flow from financing activities	<u>(1,674,198)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	5,127,923
CASH AND CASH EQUIVALENTS - beginning of year	<u>15,110,412</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 20,238,335</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for interest	\$ 229,744
Fixed asset additions financed in accounts payable	<u>\$ 33,156</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, 2023

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### 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, Meaningful NY Initiatives for People with Disabilities, Inc. (Meaningful NY), and New York Families for Autistic Children, Inc. (NYFAC). 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.

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. 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. 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 the sole member of New York Families for Autistic Children Inc. which was acquired as of January 1, 2022. New York Families for Autistic Children Inc. was incorporated as a not-for-profit organization for the purpose of raising funds with autism and other intellectual developmental disabilities, and their families.

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, in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Principles of Consolidation**

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

### **Recently Adopted Accounting Guidance**

ASC Topic 326 Financial Instruments – Credit Losses requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. The estimated credit loss is required to be based on historical information, current conditions, and forecasts that could impact the collectability of the amounts. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates 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 except for a private equity fund which is held at net asset 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.

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

### **Accounts Receivable and Allowance for Credit Losses**

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.

The Organization recognizes an expected allowance for credit losses that is updated to reflect any changes in credit risk since the receivable was initially recorded. The estimate is calculated on a pooled basis where similar risk characteristics exist, and receivables evaluated individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible.

The estimated allowance for credit losses is based on historical, current, and expected future conditions. The historical component is derived from a review of the Organization's historical losses based on the aging of receivables. However, the current and expected future economic conditions could have deteriorated as compared with the economic conditions included in the historical information. As a result, the allowance for credit losses would have been increased to adjust for the impact of current and expected future conditions on historical losses.

Trade receivables past due more than 120 days are considered delinquent. Delinquent receivables are generally written off based on individual credit evaluation and specific circumstances of the individual or third-party payor.

The accounts receivable balance as of January 1, 2023 was \$29,650,950.

### **Loans Receivable**

Access records loans receivable based on signed loan agreements. Credit loss 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, 2023, 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.

### **Goodwill**

During 2023, the Organization paid \$250,000 to the former sole corporate member of Meaningful NY which was part of the original agreement when this entity was purchased by Access. This goodwill will be amortized over a ten-year period. There is no impairment loss recognized for 2023.

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

### **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.

### **Leases**

At inception, it is determined if an agreement is a lease. Leases are recorded on the Organizations' statement of financial position under Right-of-use (ROU) assets and lease liabilities. ROU assets represent the Organizations' right to use an underlying asset for the lease term and lease liabilities represent the Organizations' obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred. As most of these leases do not provide an implicit interest rate, the Organization uses an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is a lender quoted collateralized borrowing rate over a similar term as the leased asset and in an amount equal to the payments of the leased asset in a similar economic environment. The ROU asset also includes any lease pre-payments made and excludes lease incentives. The terms of the lease may include options to extend or terminate the lease when it is reasonably certain that option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease agreements with lease and non-lease components are not accounted for separately.

### **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. Federal and New York State unrelated business income tax for the year ended December 31, 2023 are estimated as \$0.

### **Due to Government Agencies**

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

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

### **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 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. Price is set based on established contracts with 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. Residential services are recognized at a point in time based on a unilateral right to terminate these contracts.

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 receivables 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, 2023, the implicit price concessions were approximately \$1,900,000.

### 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., Meaningful New York, and New York Families for Autistic Children, Inc. 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 entities that are not private foundations.

## 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	\$ 20,238,335
Investments	7,650,686
Accounts receivable	32,162,187
Loan and accrued interest receivable	4,860,853
Due from related organizations	<u>548,567</u>
Total financial assets	65,460,628
Less: those unavailable for general expenditure within one year	
Contractual or donor restricted:	
Board designated net assets	(2,950,000)
Net assets with donor restrictions	<u>(3,851,507)</u>
Total financial assets available to meet cash needs	
for general expenditures within one year	<u>\$ 58,659,121</u>

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.

### 3. LIQUIDITY (CONTINUED)

Due to this factor, Access has a line-of-credit available (see note 6), 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. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2023:

Medicaid/Medicare/Insurances	\$ 15,769,660
Due from NYS and local governments	9,954,377
Sales contracts	6,026,555
Private	<u>411,595</u>
	<u>\$ 32,162,187</u>

Given historically low write-offs due to credit issues, the Organization has not recorded an allowance for credit losses as of December 31, 2023.

### 5. INVESTMENTS

Investments consisted of the following at December 31, 2023:

	<u>2023</u>
Equities	\$ 10,406
Mutual funds/ETFs (US)	2,439,310
International mutual funds/ETFs	1,340,753
Corporate bonds	2,061,662
Fixed income funds	933,537
International bonds	403,527
REIT funds	108,185
Commodities funds	74,876
Private equity fund (net asset value)	132,572
Cash equivalents	<u>145,858</u>
	<u>\$ 7,650,686</u>

The private equity fund which is valued at net asset value has an unfunded capital commitment of approximately \$100,000 as of December 31, 2023.

## 6. 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 186 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, 2023.

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, 2023.

The Guidance Center of Westchester has a revolving \$1,000,000 line of credit from TD Bank with interest at the prime rate. The line of credit expires on August 31, 2024 and is secured by the Organization's accounts receivable. There was no balance outstanding on the line of credit as of December 31, 2023.

## 7. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at December 31, 2023:

	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
Mutual funds/ETFs (US)	2,439,310	-	-	2,439,310
International mutual funds/ETFs	1,340,753	-	-	1,340,753
Corporate bonds	-	2,061,662	-	2,061,662
Fixed income funds	933,537	-	-	933,537
International bonds	-	403,527	-	403,527
REIT funds	108,185	-	-	108,185
Commodities funds	74,876	-	-	74,876
	<u>\$ 4,907,067</u>	<u>\$ 2,465,189</u>	<u>\$ -</u>	<u>\$ 7,372,256</u>
Private equity fund (net asset value)				132,572
Cash equivalents				<u>145,858</u>
				<u>\$ 7,650,686</u>

There were no changes in valuation methods during 2023.

## 7. FAIR VALUE MEASUREMENTS (Continued)

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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed annuity	\$ -	\$ 386,032	\$ -	\$ 386,032
Mutual funds	<u>2,839,449</u>	<u>-</u>	<u>-</u>	<u>2,839,449</u>
	<u>\$ 2,839,449</u>	<u>\$ 386,032</u>	<u>\$ -</u>	<u>\$ 3,225,481</u>

## 8. CONTRIBUTION RECEIVABLE

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:

2024	\$ 100,000
2025	100,000
2026	100,000
2027	<u>100,000</u>
	400,000
Discount to net present value	<u>(18,493)</u>
	<u>\$ 381,507</u>

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

## 9. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

Land	\$ 3,676,421
Buildings and improvements	42,337,984
Leasehold improvements	477,791
Furniture and equipment	4,787,719
Transportation equipment	7,102,227
Construction in progress	<u>331,966</u>
	58,714,108
Less: Accumulated depreciation	<u>(37,550,183)</u>
	<u>\$21,163,925</u>

Depreciation and amortization expense for all purchased and leased assets was \$3,001,583 for the year ending December 31, 2023.

## 10. 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, 2023. 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.

### **Contingent Contract**

In November 2023, the Organization signed a contract with an unrelated non-profit organization to purchase a property for \$750,000. As of the date of these financial statements, this purchase has not been finalized.

## 11. LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2023:

	<u>2023</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.	\$ 500,000
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.	100,142
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.	302,792
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.	180,992
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.	198,294
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.	23,934
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.	11,962

## 11. LONG-TERM DEBT (Continued)

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. 193,387

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. 288,852

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. 320,491

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 Wallkill, New York. 193,978

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. 261,731

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 327,065

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. 313,526

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. 271,392

## 11. LONG-TERM DEBT (Continued)

Loan payable with monthly payments of \$1,359 carrying interest at 3.125% through 2028. 24,949

Economic Injury Disaster Loan (EIDL) from the U.S. Small Business Administration in the amount of \$500,000. Payments will commence two years after the date of the loan which will be February 2023. The payment amount will be \$2,215 with interest at 2.75% and maturity during 2052. 500,000

Total \$ 4,013,487

Future minimum payments are as follows:

2024	\$ 857,201
2025	652,366
2026	672,864
2027	599,495
2028	352,080
Thereafter	<u>879,481</u>
	<u>\$ 4,013,487</u>

Interest expense was \$229,744 for the year ending December 31, 2023.

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, 2023.

## 12. 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. Pension expense for the year ended December 31, 2023 was \$1,140,990.

Access also has a 457(b) plan for certain employees. As of December 31, 2023 the liability was \$3,046,781. Contributions to this plan for the year ended December 31, 2023 were \$207,326.

During 2005, Access established a separate 457(f) plan for select key management employees. Vesting is contingent on years of service, age or death. \$11,604 was contributed for the plan year ended December 31, 2023. As of December 31, 2023 the liability was \$82,454.

### 13. LEASES

The Organization leases certain buildings, office space, vehicles, and copier equipment. There are ten property operating leases which are long-term with expiration dates through 2032. There are six vehicle operating leases with expiration dates through 2025. There are several vehicle finance leases with expiration dates through 2028. There are also multiple copier leases which are categorized as finance leases with expiration dates through 2025. There are no options to extend leases included in the calculations of ROU assets and liabilities as of the years ended December 31, 2023.

The components of total lease cost for the year ended December 31 are as follows:

Operating lease cost	\$ 1,855,493
Finance lease cost:	
Amortization of right-of-use assets	847,158
Interest on lease liabilities	165,718
Variable lease cost	81,896
Short-term lease cost	<u>10,124,874</u>
	<u>\$ 13,075,139</u>

Supplemental cash flow information related to leases for the years ended December 31 are as follows:

Operating cash flows from operating leases	\$ 1,858,454
Financing cash flows from finance leases	\$ 842,114

Right-of-use assets obtained in exchange for lease obligations:

Operating leases	\$ 438,271
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Other information related to leases as of December 31 are as follows:

Weighted average remaining lease term:

Operating leases	4.1 years
Finance leases	3.7 years

Weighted average discount rate:

Operating leases	5.41%
Finance leases	6.79%

### 13. LEASES (Continued)

Maturities of lease liabilities as of December 31 were as follows:

	<u>Operating</u>	<u>Finance</u>
2024	\$ 1,579,228	\$ 937,237
2025	1,470,339	770,477
2026	1,449,153	676,232
2027	1,368,802	568,940
2028	1,231,691	83,709
Thereafter	<u>3,633,606</u>	<u>-</u>
Total lease payments	10,732,819	3,036,595
Less: interest	<u>(1,932,376)</u>	<u>(338,469)</u>
Total present value of lease liabilities	8,800,443	2,698,126
Less: current portion	<u>(1,579,228)</u>	<u>(928,270)</u>
Long-term portion of lease liabilities	<u>\$ 7,221,215</u>	<u>\$ 1,769,856</u>

### 14. 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.

### 15. RELATED PARTY TRANSACTIONS

Access provides management and administrative services and leased employees to Envision and the Foundation. Amounts for the years ended December 31, 2023 are as follows:

	<u>2023</u>		
	<u>Management and Administrative</u>	<u>Leased Employees</u>	<u>Total</u>
Envision	\$ -	\$ 27,717	\$ 27,717
The Foundation	<u>-</u>	<u>549,870</u>	<u>549,870</u>
	<u>\$ -</u>	<u>\$ 577,587</u>	<u>\$ 577,587</u>

The balance due from (to) Access as of December 31, 2023 was:

	<u>2023</u>
Envision	\$ -
The Foundation	<u>475,425</u>
	<u>\$ 475,425</u>

**15. RELATED PARTY TRANSACTIONS (Continued)**

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.

**16. WORKERS' COMPENSATION INSURANCE**

Access was previously 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, 2023 there is no liability due.

**17. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2023 are as follows:

Funding for Access programs	
from the Foundation	\$ 3,470,000
Future periods	<u>381,507</u>
Total	<u>\$ 3,851,507</u>

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

On February 29, 2016, Access entered into a revolving loan agreement with Three Cities. Interest is charged at LIBOR plus 2%. The loan is secured by the assets of Three Cities. As of December 31, 2023 the loan receivable balance was paid in full from Three Cities leaving a \$330 balance in interest. This revolving loan agreement is no longer effective as of December 31, 2023.

**19. 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 \$1,005,831 at December 31, 2023, 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 \$150,000.

## **20. 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, 2023 the loan receivable balance was \$4,278,333 which includes accrued interest income totaling \$278,333. For this loan receivable, the current and expected future economic conditions are not expected to change significantly as compared with the economic conditions included in the historical information. Given historically low write-offs as well as the collateral associated with this loan, there is no allowance for credit losses relating to this loan as of December 31, 2023.

## **21. OPWDD WORKFORCE STABILIZATION INITIATIVES FUNDING**

In 2023, approximately \$855,000 was recognized as eFMAP revenue relating to COVID service and vaccine incentives as well as phase II funds for retention and longevity bonuses.

## **22. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 23, 2024, which is the date the consolidated financial statements were available to be issued.

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
DECEMBER 31, 2023**

	Access: Supports for Living, Inc.	Housing Development Fund Companies*	The Guidance Center of Westchester	Meaningful NY Initiatives for People with Disabilities, Inc.	New York Families for Autistic Children	Intercompany Eliminations	Total
<b>ASSETS</b>							
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	\$ 14,678,019	\$ -	\$ 2,072,840	\$ 1,923,194	\$ 1,564,282	\$ -	\$ 20,238,335
Investments	7,574,606	-	3,710	-	72,370	-	7,650,686
Accounts receivable	21,862,612	-	5,637,195	4,026,492	635,888	-	32,162,187
Due from related organizations	2,560,980	-	154,914	-	321,129	(2,488,456)	548,567
Prepaid expenses and other assets	1,159,472	-	100,379	29,190	31,499	-	1,320,540
Inventories	1,312,694	-	-	-	-	-	1,312,694
Security deposits	508,026	-	190,513	16,500	-	-	715,039
Investments held for retirement plans	3,225,481	-	-	-	-	-	3,225,481
Loan and accrued interest receivable	4,860,853	-	-	-	-	-	4,860,853
Total current assets	57,742,743	-	8,159,551	5,995,376	2,625,168	(2,488,456)	72,034,382
PROPERTY AND EQUIPMENT, NET	15,009,106	226,491	1,084,214	1,576	4,842,538	-	21,163,925
<b>OTHER ASSETS:</b>							
Contribution receivable	381,507	-	-	-	-	-	381,507
Consumer funds	456,354	-	-	-	-	-	456,354
Equity interest in Access: Supports for Living Foundation, Inc.	3,470,000	-	-	-	-	-	3,470,000
Loans receivable from Three Cities Management LLC	330	-	-	-	-	-	330
Right of use asset - operating lease	1,560,177	-	7,059,242	-	-	-	8,619,419
Right of use asset - finance lease	2,422,679	-	78,766	-	161,049	-	2,662,494
Goodwill	960,000	-	-	-	-	(710,000)	250,000
Investment in Three Cities Management LLC	103,985	-	-	-	-	-	103,985
Total other assets	9,355,032	-	7,138,008	-	161,049	(710,000)	15,944,089
Total assets	\$ 82,106,881	\$ 226,491	\$ 16,381,773	\$ 5,996,952	\$ 7,628,755	\$ (3,198,456)	\$ 109,142,396
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES:</b>							
Current portion of long-term debt	\$ 771,515	\$ -	\$ 43,502	\$ -	\$ 42,184	\$ -	\$ 857,201
Accounts payable and accrued expenses	3,261,858	452	368,102	144,189	72,833	-	3,847,434
Accrued payroll and related liabilities	4,456,601	-	1,110,207	934,870	83,651	-	6,585,329
Accrued compensated absences payable	1,011,534	-	120,489	-	-	-	1,132,023
Operating lease liability, current	298,242	-	1,280,986	-	-	-	1,579,228
Finance lease liability, current	867,681	-	20,441	-	40,148	-	928,270
Due to related organizations	435,333	442,876	1,093,896	29,556	559,937	(2,488,456)	73,142
Due to government agencies	11,091,118	-	2,685,460	2,222,799	229,451	-	16,228,828
Deferred compensation payable	3,129,235	-	-	-	-	-	3,129,235
Total current liabilities	25,323,117	443,328	6,723,083	3,331,414	1,028,204	(2,488,456)	34,360,690
<b>NONCURRENT LIABILITIES:</b>							
Other long-term liabilities	-	-	141,420	-	-	-	141,420
Operating lease liability, net of current portion	1,295,357	-	5,925,858	-	-	-	7,221,215
Finance lease liability, net of current portion	1,591,860	-	57,372	-	120,624	-	1,769,856
Long-term debt, net of current portion	2,445,632	-	227,889	-	482,765	-	3,156,286
Consumer funds	456,354	-	-	-	-	-	456,354
Total noncurrent liabilities	5,789,203	-	6,352,539	-	603,389	-	12,745,131
Total liabilities	31,112,320	443,328	13,075,622	3,331,414	1,631,593	(2,488,456)	47,105,821
<b>NET ASSETS:</b>							
Without donor restrictions -							
Undesignated	44,193,054	(216,837)	3,306,151	2,665,538	5,997,162	(710,000)	55,235,068
Board designated	2,950,000	-	-	-	-	-	2,950,000
Total net assets without donor restrictions	47,143,054	(216,837)	3,306,151	2,665,538	5,997,162	(710,000)	58,185,068
With donor restrictions	3,851,507	-	-	-	-	-	3,851,507
Total net assets	50,994,561	(216,837)	3,306,151	2,665,538	5,997,162	(710,000)	62,036,575
Total liabilities and net assets	\$ 82,106,881	\$ 226,491	\$ 16,381,773	\$ 5,996,952	\$ 7,628,755	\$ (3,198,456)	\$ 109,142,396

\*This column includes the accounts of Sunrise, Oak Ridge, Golden Ridge, Temple Hill, Temple Hill II, Bella Vista II, Deerfield, Golden Ridge II, Golden Ridge IV, Isabella, and Mayburgh LLC.

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

Schedule II

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Access: Supports for Living, Inc.	Housing Development Fund Companies*	The Guidance Center of Westchester	Meaningful NY Initiatives for People with Disabilities, Inc.	New York Families for Autistic Children	Intercompany Eliminations	Total
<b>OPERATING REVENUES:</b>							
Fees from services	\$ 66,413,259	\$ -	\$ 6,869,862	\$ 15,445,323	\$ 3,307,428	\$ -	\$ 92,035,872
Contracts and grants	23,828,415	-	14,765,217	50,000	84,379	-	38,728,011
Subcontract and industrial operations	16,176,180	-	-	1,305,172	-	-	17,481,352
Management fees	3,038,125	-	104,873	-	-	(3,142,998)	-
Interest	489,712	-	24,427	-	-	-	514,139
Miscellaneous	14,457	-	-	-	-	-	14,457
Total operating revenues	<u>109,960,148</u>	<u>-</u>	<u>21,764,379</u>	<u>16,800,495</u>	<u>3,391,807</u>	<u>(3,142,998)</u>	<u>148,773,831</u>
<b>OPERATING EXPENSES:</b>							
Program services	97,047,651	-	20,553,236	15,051,887	2,736,721	-	135,389,495
Management and general	13,142,766	21,513	2,088,690	1,188,165	271,389	(3,142,998)	13,569,525
Fundraising	242	-	-	-	-	-	242
Total operating expenses	<u>110,190,659</u>	<u>21,513</u>	<u>22,641,926</u>	<u>16,240,052</u>	<u>3,008,110</u>	<u>(3,142,998)</u>	<u>148,959,262</u>
INCOME FROM OPERATIONS	<u>(230,511)</u>	<u>(21,513)</u>	<u>(877,547)</u>	<u>560,443</u>	<u>383,697</u>	<u>-</u>	<u>(185,431)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>							
Investment income, net	648,286	-	-	-	12,355	-	660,641
Contributions	57,254	-	15,686	-	28,898	-	101,838
Affordable housing grant	45,602	-	-	-	-	-	45,602
Other income	-	-	632,165	-	-	-	632,165
Gain on sale of property and equipment	163,512	-	-	-	-	-	163,512
Total non-operating revenue (expense), net	<u>914,654</u>	<u>-</u>	<u>647,851</u>	<u>-</u>	<u>41,253</u>	<u>-</u>	<u>1,603,758</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	684,143	(21,513)	(229,696)	560,443	424,950	-	1,418,327
CHANGE IN EQUITY INTEREST IN ACCESS: SUPPORTS FOR LIVING FOUNDATION, INC.	(101,571)	-	-	-	-	-	(101,571)
CHANGE IN INVESTMENT IN THREE CITIES MANAGEMENT LLC	(268,921)	-	-	-	-	-	(268,921)
CHANGE IN NET ASSETS	313,651	(21,513)	(229,696)	560,443	424,950	-	1,047,835
NET ASSETS - beginning of year	<u>50,680,910</u>	<u>(195,324)</u>	<u>3,535,847</u>	<u>2,105,095</u>	<u>5,572,212</u>	<u>(710,000)</u>	<u>60,988,740</u>
NET ASSETS - end of year	<u>\$ 50,994,561</u>	<u>\$ (216,837)</u>	<u>\$ 3,306,151</u>	<u>\$ 2,665,538</u>	<u>\$ 5,997,162</u>	<u>\$ (710,000)</u>	<u>\$ 62,036,575</u>

\*This column includes the accounts of Sunrise, Oak Ridge, Golden Ridge, Temple Hill, Temple Hill II, Bella Vista II, Deerfield, Golden Ridge II, Golden Ridge IV, Isabella, and Mayburgh LLC.

The accompanying notes are an integral part of these schedules.

**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 23, 2024

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, 2023, 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 23, 2024.

**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.

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(Continued)

**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 Internal Control over Financial Reporting (Continued)**

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 were not identified. We identified certain deficiencies in internal control that we consider to be significant deficiencies. These deficiencies are reported as finding number 2023-001 and 2023-002.

**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*.

**Additional Information**

The Organization's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

September 25, 2024

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

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

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

We have audited Access: Supports for Living, Inc. and Subsidiaries (the 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, 2023. 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, 2023.

***Basis for 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 to 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.

(Continued)

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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 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 with the compliance 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 judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of 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 judgment 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 with the 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 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.

(Continued)

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

(Continued)

**Report on Internal Control over Compliance (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 the Organization as of and for the year ended December 31, 2023 and have issued our report thereon dated May 23, 2024. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through NYS Department of Health Riverview Center Child and Adult Care Food Program	10.558	3527	\$ <u>93,934</u>
<b>Total U.S. Department of Agriculture</b>			<u>93,934</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through City of Mount Vernon COVID-19 Emergency Solutions Grants Program	14.231	E-20-MW-36-0102	<u>131,025</u>
Passed through Westchester County DCMH Continuum of Care Program	14.267	NY0488L2T042215	608,298
Passed through City of Mount Vernon Continuum of Care Program	14.267	NY0627L2T042214	397,164
Passed through Westchester County Department of Social Services Continuum of Care Program	14.267	NY0988L2T042208	<u>744,087</u>
			<u>1,749,549</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,880,574</u>
<u>U.S. Department of Labor</u>			
Passed through Westchester Putnam Workforce Investment Board WIOA Cluster WIOA Youth Activities	17.259	DSS5025-21	<u>176,073</u>
Total WIOA Cluster			<u>176,073</u>
<b>Total U.S. Department of Labor</b>			<u>176,073</u>
<u>U.S. Department of Education</u>			
Special Education Cluster (IDEA) Passed through Mount Vernon City School District Special Education - Grants to States	84.027	611-221585	4,802
Special Education - Grants to States	84.027	619-221536	24,066
Passed through Rye Neck Union Free School District Special Education - Grants to States	84.027	611 2022-2023	2,425
Passed through Peekskill School District Special Education - Grants to States	84.027	611 2022-2023	20,697
Passed through Mamaroneck Union Free School District Special Education - Grants to States	84.027	611 2022-2023	<u>12,879</u>
			<u>64,869</u>
Total Special Education Cluster (IDEA)			<u>64,869</u>
<b>Total U.S. Department of Education</b>			<u>64,869</u>

The accompanying notes are an integral part of this schedule.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>U.S. Department of Health and Human Services</u>				
Passed through NYS OMH				
Advanced Education Nursing Traineeships	93.358	CMH2022015X		<u>203,241</u>
Temporary Assistance for Needy Families (TANF) State Programs	93.558	NA		<u>626,271</u>
Passed through NYS OCFS				
Child Care and Development Block Grant	93.575	A-10295		<u>107,304</u>
Total CCDF Cluster				<u>107,304</u>
Head Start Cluster				
Passed through Family Services of Westchester				
Head Start	93.600	02CH011271-02-03		<u>387,917</u>
Total Head Start Cluster				<u>387,917</u>
Passed through SAMHSA				
Certified Community Behavioral Health Clinic Expansion Grants	93.696	1H79SM086846-01		957,819
Certified Community Behavioral Health Clinic Expansion Grants	93.696	1H79SM086891-01		<u>1,299,934</u>
				<u>2,257,753</u>
Passed through NYS OASAS				
Opioid STR	93.788	NA		<u>77,525</u>
Passed through SAMHSA				
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	1H79SM083305-01		1,014,686
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	1H79SM083070-01		<u>52,651</u>
				<u>1,067,337</u>
Passed through SAMHSA				
COVID-19 Block Grants for Community Mental Health Services	93.958	H79SM085798		420,678
Block Grants for Community Mental Health Services	93.958	6H79SM085480-01M004		1,035,081
Passed through Orange County				
Block Grants for Community Mental Health Services	93.958	C22968GG		218,684
Passed through Ulster County				
Block Grants for Community Mental Health Services	93.958	T23429GG		272,660
Passed through OMH				
	93.958	T22995GG		
Block Grants for Community Mental Health Services		&1B09SM085374-01 & 1B09SM083990-01.		73,622
Block Grants for Community Mental Health Services	93.958	B09SM083990/PO-P022106		25,000
Block Grants for Community Mental Health Services	93.958	B09SM083990 & 1B09SM083990/PO-P022444		25,000
Block Grants for Community Mental Health Services	93.958	1B09SM083990		<u>119,775</u>
				<u>2,190,500</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	CFA0145TSU		<u>47,980</u>
COVID-19 Mental Health Disaster Assistance and Emergency Mental Health	93.982	NA		<u>109,591</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>7,075,419</u>
FEMA Hand Sanitizer Disposal	xx.xxx	NA		<u>178,306</u>
				<b>\$ 9,469,175</b>

The accompanying notes are an integral part of this schedule.

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

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023**

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#### **1. GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of Access: Supports for Living, Inc. and Subsidiaries (Organization) under programs of the federal government for the year ended December 31, 2023. 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, 2023.

#### **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.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**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>
14.267 93.696	Continuum of Care Program Certified Community Behavioral Health Clinic Expansion Grants

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

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

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) DECEMBER 31, 2023**

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#### **FINANCIAL STATEMENT AUDIT FINDINGS (Significant Deficiencies)**

##### **Finding 2023-001**

Condition - At the beginning of the audit process, we communicated to management our plan for fieldwork during the month of March for each entity to ensure we had enough time to complete the audit as scheduled. As of mid-April, there were still open items that the team continues to work on for both our audit documentation as well as the financial statement preparation. Based on the late delivery of reconciliation schedules, it's also noted that the reconciliations are not being completed in a timely manner.

Criteria – Reconciliations should be performed timely and provided based upon agreed audit schedule.

Cause - The delay is due to the significant growth that the Organization has had over the past three years, implementing the other entities into new systems, and turnover within the finance department. In addition, there were individuals who were out on leave in the finance department during this time.

Effect – Inefficiencies in the process for the audit team and Organization's finance team as well as a delay in the work being performed.

Recommendation - We recommend that the Organization continue to invest in higher level support for the CFO which would include recruiting for a more highly skilled senior staff and filling critical vacancies. In future audits, reconciliations and audit requests should be provided timely to ensure that the audit can be performed as scheduled and in order to meet reporting and cost report due dates. It is integral to the audit process that the more complex and significant audit areas (revenue, accounts receivable, leases, single audits) are provided early in the process to ensure that there is adequate time to work through these areas.

Management's Response - Management agrees with this comment specifically as it relates to AR Behavioral Health. It's important to note Access has made significant improvements from the prior year; several new Accountants are currently in training to learn the accounting systems across all entities. We have identified 8 staff that are in leadership development to take on higher level work, and a Controller was hired in March of 2024 to assist the CFO.

In addition, Access encountered issues with TGCW. This was specifically due to their Director of Finance who went out on FMLA earlier than expected; this left their audit and CFR work to the Access finance team with the help of TGCW billing team who have limited accounting experience. Access will work with TGCW over the next year to enhance the depth of accounting knowledge and look to hire more experienced accounting staff.

(Continued)

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

### SCHEDULE OF FINDINGS AND RESPONSES (Continued) DECEMBER 31, 2023

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#### Finding 2023-002

Condition - During our presentation of the 2022 financial statements and at the beginning of the 2023 audit process, we emphasized the importance of the implementation of a new accounting standard (ASC Topic 326 Financial Instruments – Credit Losses). As of mid-April, management had not provided us with the necessary information to complete testing and complete financial statement disclosures relating to this new standard. We also still noted issues when it comes to the Net Smart Billing System. For several years, reporting functions from this system continue to be an issue and the data is very difficult to utilize directly from the system. This has resulted in significant credit balances in the accounts receivable general ledger balances. Due to this issue with the subsidiary ledger, cash receipts are not getting properly posted to the correct general ledger account and accurate aging reports are unable to be created. Without accurate aging reports, it's difficult to determine which accounts receivable balances are long outstanding and what amounts may need to be written off.

Criteria – Subsidiary ledgers should be reconciled to general ledger balances. New accounting standards should be implemented timely in order to provide accurate financial reporting.

Cause - The delay is due to the significant growth that the Organization has had over the past three years, implementing the other entities into new systems, and turnover within the finance department. In addition, there were individuals who were out on leave in the finance department during this time.

Effect – Accurate reporting between the general ledger and subsidiary ledger may not exist. Additional clean up may be required to correct the net realizable value of these balances.

Recommendation - We noted in our prior year management letter that a thorough review should be performed to determine if a new billing system should be acquired or this can be addressed in the next fiscal year. This issue has not been addressed and the significant credit balances in the accounts receivable account balances are continuing to grow. We also recommend timely reconciliation and analysis of old outstanding accounts receivables to ensure the proper allowance is booked and uncollectible accounts are being properly written off.

Management's Response - CECL is a new accounting standard and the Revenue Cycle Finance team is working on gathering the information. The scope of this accounting standard is to assess risk within financial institutions and is being applied to trade receivables as well. Access' risk in regards to receivables are not volatile in government contractual obligations as they are essentially guaranteed by New York state or the Federal Government.

We are reorganizing, and the Revenue Cycle team has been instructed to clear the accounts receivable credit balances.

#### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs for the year ended December 31, 2023.

**ACCESS SUPPORTS FOR LIVING, INC.  
15 FORTUNE ROAD WEST  
MIDDLETOWN, NY 10941**

**Corrective Action Plan**

Access: Supports for Living, Inc. and Subsidiaries respectfully submits the following corrective action plan for the year ended December 31, 2023.

Name and address of independent public accounting firm:

Bonadio & Co, LLP  
6 Wembley Court  
Albany, New York 12205

Audit Period: January 1, 2023 through December 31, 2023

The significant deficiencies from the December 31, 2023 schedule of findings and questioned costs are discussed below. It is numbered consistently with the number assigned in the schedule.

**Financial Statement Audit Findings**

**Name of Contact Person:** Maude Rosado, Chief Financial Officer  
**Anticipated Completion Date:** December 31, 2024

**2023-001 – Significant Deficiency  
Corrective Action Plan:**

Condition - At the beginning of the audit process, we communicated to management our plan for fieldwork during the month of March for each entity to ensure we had enough time to complete the audit as scheduled. As of mid-April, there were still open items that the team continues to work on for both our audit documentation as well as the financial statement preparation. Based on the late delivery of reconciliation schedules, it's also noted that the reconciliations are not being completed in a timely manner.

Recommendation - We recommend that the Organization continue to invest in higher level support for the CFO which would include recruiting for a more highly skilled senior staff and filling critical vacancies. In future audits, reconciliations and audit requests should be provided timely to ensure that the audit can be performed as scheduled and in order to meet reporting and cost report due dates. It is integral to the audit process that the more complex and significant audit areas (revenue, accounts receivable, leases, single audits) are provided early in the process to ensure that there is adequate time to work through these areas.

Current Status: Management has hired and trained several new staff across all entities. They also have staff in leadership development and hired a new Controller in 2024. Management will continue to work with existing staff and hire more experienced accounting staff.

**2023-002 – Significant Deficiency**  
**Corrective Action Plan:**

Condition - During our presentation of the 2022 financial statements and at the beginning of the 2023 audit process, we emphasized the importance of the implementation of a new accounting standard (ASC Topic 326 Financial Instruments – Credit Losses). As of mid-April, management had not provided us with the necessary information to complete testing and complete financial statement disclosures relating to this new standard. We also still noted issues when it comes to the Net Smart Billing System. For several years, reporting functions from this system continue to be an issue and the data is very difficult to utilize directly from the system. This has resulted in significant credit balances in the accounts receivable general ledger balances. Due to this issue with the subsidiary ledger, cash receipts are not getting properly posted to the correct general ledger account and accurate aging reports are unable to be created. Without accurate aging reports, it's difficult to determine which accounts receivable balances are long outstanding and what amounts may need to be written off.

Recommendation - We noted in our prior year management letter that a thorough review should be performed to determine if a new billing system should be acquired or this can be addressed in the next fiscal year. This issue has not been addressed and the significant credit balances in the accounts receivable account balances are continuing to grow. We also recommend timely reconciliation and analysis of old outstanding accounts receivables to ensure the proper allowance is booked and uncollectible accounts are being properly written off.

Current Status: Management has hired and trained several new staff across all entities. They are working with the finance team to gather information for the new accounting standard as well as clearing out the accounts receivable credit balances.

If there are questions regarding this plan, please call Ms. Maude Rosado at (845) 692-4454 ext. 7040.

**ACCESS: SUPPORTS FOR LIVING, INC.  
15 FORTUNE ROAD WEST  
MIDDLETOWN, NY 10941**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

Finding 2022-001 Condition - During audit procedures, it was noted that several financial reporting areas had not been properly reconciled in a timely manner. This resulted in management providing several adjustments to ensure that the financial reporting was fairly stated with generally accepted accounting principles in the United States.

Recommendation – See recommendation in finding 2023-001.

Current Status – See condition in finding 2023-001.