

# **ACCESS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**



**Certified Public Accountants, LLP**  
audit | tax | advisory | wealth management | cfo

**ACCESS**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
ACCESS  
3630 Aviation Way  
Medford, OR 97504

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of ACCESS and its subsidiaries (an Oregon nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (hereunder referred to as the financial statements).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ACCESS as of June 30, 2020, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Supplementary and Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental functional expense descriptions are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The functional expense descriptions and the Schedule of Expenditures of Federal Awards have 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 functional expense descriptions and the Schedule of Expenditures of Federal Awards are 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 March 2, 2021, on our consideration of ACCESS' 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 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' internal control over financial reporting and compliance.



Mark E. Damon CPA, Managing Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
March 2, 2021

**CONSOLIDATED FINANCIAL STATEMENTS**

**ACCESS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

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**ASSETS:**

**Current Assets:**

Cash and cash equivalents	\$ 3,146,309
Investments	143,726
Accounts receivable	78,435
Grants and contracts receivable	1,057,924
Inventory	241,218
Prepays	29,023
Assets held for sale	<u>2,240,497</u>

**Total Current Assets** 6,937,132

**Property and Equipment:**

Land	2,163,322
Buildings and improvements	7,625,675
Equipment and furnishings	728,136
Vehicles	620,057
Accumulated depreciation	<u>(3,715,965)</u>

**Property and Equipment, net** 7,421,225

**Other Assets:**

Beneficial interests	357,660
Notes receivable, net of present value	1,280,896
Accrued interest receivable	14,478
Restricted deposits and funded reserves	<u>18,640</u>

**Total Other Assets** 1,671,674

**TOTAL ASSETS** \$ 16,030,031

**ACCESS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**  
**June 30, 2020**

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**LIABILITIES AND NET ASSETS:**

**Current Liabilities:**

Accounts payable	\$ 467,226
Accrued payroll liabilities	219,264
Other current liabilities	34,935
Custodial fund	35,946
Accrued interest payable	42
Unearned revenue	3,502
Liabilities held for sale	2,454,795
Current portion of notes payable	<u>931,955</u>

**Total Current Liabilities** 4,147,665

**Long-Term Liabilities:**

Notes payable, net of current portion	<u>913,333</u>
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**Total Long-Term Liabilities** 913,333

**TOTAL LIABILITIES** 5,060,998

**Net Assets:**

Without Donor Restrictions:

Operating	7,359,437
ACCESS Development Corporation	<u>1,546,357</u>

**Total Net Assets Without Donor Restrictions** 8,905,794

With Donor Restrictions:

Time and/or purpose	1,705,579
In perpetuity	<u>357,660</u>

**Total Net Assets With Donor Restrictions** 2,063,239

**TOTAL NET ASSETS** 10,969,033

**TOTAL LIABILITIES AND NET ASSETS** \$16,030,031

**ACCESS**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL NET ASSETS</u>
<b>Public Support and Revenue:</b>			
Public Support:			
Contributions	\$ 749,745	\$ 854,352	\$ 1,604,097
Non-cash contributions	5,105,344	-	5,105,344
Fundraising	346,710	-	346,710
Grants:			
Federal and state	10,198,024	-	10,198,024
USDA-federal food commodities (non-cash)	1,387,571	-	1,387,571
City and county	101,944	-	101,944
Private	742,820	458,743	1,201,563
<b>Total Public Support</b>	<u>18,632,158</u>	<u>1,313,095</u>	<u>19,945,253</u>
Revenue:			
Program income	169,117	-	169,117
Rental income	392,027	-	392,027
Interest income	28,557	-	28,557
Change in beneficial interests	-	(2,749)	(2,749)
Miscellaneous	95,742	-	95,742
<b>Total Revenue</b>	<u>685,443</u>	<u>(2,749)</u>	<u>682,694</u>
Net Assets Released From Restrictions	<u>184,587</u>	<u>(184,587)</u>	<u>-</u>
<b>Total Public Support and Revenue</b>	<u>19,502,188</u>	<u>1,125,759</u>	<u>20,627,947</u>
<b>Expenses:</b>			
Program service	17,241,631	-	17,241,631
Management and general	1,290,896	-	1,290,896
Fundraising	460,844	-	460,844
<b>Total Expenses</b>	<u>18,993,371</u>	<u>-</u>	<u>18,993,371</u>
<b>Other Revenue and Expenses:</b>			
Change in present value discount on notes receivable	37,555	-	37,555
<b>Total Other Revenue and Expenses</b>	<u>37,555</u>	<u>-</u>	<u>37,555</u>
<b>CHANGE IN NET ASSETS</b>	546,372	1,125,759	1,672,131
<b>NET LOSS ON DISCONTINUED OPERATIONS</b>	(137,636)	-	(137,636)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>8,497,058</u>	<u>937,480</u>	<u>9,434,538</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 8,905,794</u>	<u>\$ 2,063,239</u>	<u>\$ 10,969,033</u>



**ACCESS**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2020**

Functional Expenses:	Support Services				Program Services								TOTAL
	Management, General and Administration		Fundraising	Total Support Services	Community Service Block Grant	Housing Development Programs	Energy and Weatherization Programs	Nutrition Programs	Support Services	Olsrud Family Nutrition Center	Consolidation Eliminations	Total Program Services	
	ACCESS	ACCESS Development Corporation											
Personnel and benefits	\$ 698,659	\$ -	\$ 283,773	\$ 982,432	\$ 117,198	\$ 436,153	\$ 514,028	\$ 587,716	\$ 1,528,244	\$ 17,451	\$ (74,220)	\$ 3,126,570	\$ 4,109,002
Contracted services	115,341	2,500	-	117,841	-	178	1,118,482	23,518	1,795,871	-	(178)	2,937,871	3,055,712
Energy assistance	-	-	-	-	-	-	2,228,983	-	-	38,128	-	-	2,267,111
Shelter assistance	-	-	-	-	-	-	-	-	1,125,771	-	-	1,125,771	1,125,771
Emergency assistance	-	-	-	-	-	-	-	-	324,106	-	-	324,106	324,106
Food assistance	-	-	-	-	-	-	-	210,927	-	-	-	210,927	210,927
Food contributions distributed	-	-	-	-	-	-	-	6,042,380	-	-	-	6,042,380	6,042,380
Non-cash equipment, goods and services	-	-	73,628	73,628	-	-	-	-	189,968	-	-	189,968	263,596
Weatherization and maintenance materials	3,874	-	-	3,874	-	5,383	1,130	-	46	927	(2,783)	4,703	8,577
Rent, utilities and security	52,875	-	13,065	65,940	7,942	154,579	17,400	54,738	73,008	65,335	(150,150)	222,852	288,792
Building and equipment maintenance	64,707	-	3,878	68,585	15,291	137,383	5,156	17,999	12,362	25,947	(15,632)	198,506	267,091
Insurance	12,003	-	530	12,533	-	20,604	1,184	6,427	3,102	2,447	(9,459)	24,305	36,838
Vehicle gas and oil	2,870	-	-	2,870	-	4,388	1,910	14,237	5,664	-	-	26,199	29,069
Vehicle insurance and maintenance	8,275	-	-	8,275	713	783	7,929	22,174	25,944	-	-	57,543	65,818
Travel and training	4,615	-	-	4,615	-	15,556	3,622	4,095	21,817	-	-	45,090	49,705
Office and computer	68,317	-	58,287	126,604	16,960	7,284	21,785	9,976	82,611	724	(116)	139,224	265,828
Telephone	6,655	-	1,747	8,402	868	5,502	8,545	6,504	22,472	1,708	-	45,599	54,001
Taxes, licenses and fees	25,720	49	6,902	32,671	-	3,728	231	1,043	1,457	4,198	(409)	10,248	42,919
Advertising and promotion	13,442	-	12,177	25,619	1,127	-	1,001	5,195	12,826	64	-	20,213	45,832
Professional fees	73,932	-	5,645	79,577	2,514	1,964	5,456	-	2,700	1,813	-	14,447	94,024
Miscellaneous	11,365	-	1,212	12,577	200	4,947	-	841	4,403	-	-	10,391	22,968
Depreciation	16,410	58,633	-	75,043	-	103,982	9,559	25,694	-	36,046	-	175,281	250,324
Interest expense	-	50,654	-	50,654	-	22,153	-	-	-	173	-	22,326	72,980
<b>Total Functional Expenses</b>	<b>\$ 1,179,060</b>	<b>\$ 111,836</b>	<b>\$ 460,844</b>	<b>\$ 1,751,740</b>	<b>\$ 162,813</b>	<b>\$ 924,567</b>	<b>\$ 3,946,401</b>	<b>\$ 7,033,464</b>	<b>\$ 5,270,500</b>	<b>\$ 156,833</b>	<b>\$ (252,947)</b>	<b>\$ 17,241,631</b>	<b>\$ 18,993,371</b>

See accompanying notes to the consolidated financial statements

**ACCESS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2020

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<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 1,534,495
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	250,324
Amortization of deferred financing costs	472
Unrealized (gain) loss on investments	(1,087)
Unrealized (gain) loss on beneficial interests	2,749
Change in present value discount on notes receivable	(37,555)
(Increase) decrease in:	
Accounts receivable	(47,260)
Grants and contracts receivable	(100,721)
Accrued interest receivable	(12,959)
Inventory	(186,756)
Prepays	58,795
Assets held for sale	(2,240,497)
Restricted deposit and funded reserves	(6,021)
Increase (decrease) in:	
Accounts payable	130,627
Accrued payroll liabilities	16,256
Other current liabilities	(12,702)
Custodial fund	(2,818)
Unearned revenue	(81,720)
Liabilities held for sale	2,454,795
	<u>1,718,417</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of property and equipment	(635,312)
Purchase of property and equipment (discontinued operations)	(46,774)
	<u>(682,086)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Proceeds from notes payable	620,013
Principal payments on notes payable	(65,675)
Principal payments on notes payable (discontinued operations)	(52,739)
	<u>501,599</u>
<b>Net Cash Provided (Used) by Financing Activities</b>	
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,537,930
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,608,379</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 3,146,309</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:</b>	
Cash paid during the year for interest	<u>\$ 72,508</u>

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations:**

ACCESS (the Organization) was formed in 1976 as a non-profit corporation to develop and administer programs and services designed to assist low-income residents and senior citizens in Southern Oregon communities in Jackson and Josephine Counties. The Organization provides these services through the following programs: Nutrition, Energy Assistance and Weatherization, Community Services Block Grant (CSBG) Programs (Medical Equipment Loan Program, Information and Referral, Community Planning, and Program Support), Housing Development, and Support Services.

Federal and State grant funds managed by Oregon Housing and Community Services, Oregon Food Bank, U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development are the primary sources of funding for the social service programs of the Organization. Contributions, program income, and other grants provide additional support. Grants require periodic reporting, restrict the use of grant funding to provision of specified services, and may require matching revenue from other sources.

**Principles of Consolidation:**

The consolidated financial statements (the financial statements) include the accounts of ACCESS Development Corporation (ADC), a 100 percent owned affiliate of the Organization. ADC was created March 2, 1994, and is organized as a Title Holding Corporation under Internal Revenue Code Section 501(c)(2). ADC owns and manages the buildings of the Organization which it uses for office space, program administration, commercial kitchens, and warehouse storage. ADC is governed by a board of directors consisting of the chair, vice-chair, and secretary/treasurer of the Organization's Board of Directors. Net income of ADC is distributed annually to the Organization and all material inter-company transactions have been eliminated in these financial statements.

The financial statements include the accounts of Barnett Townhomes Limited Partnership (The Partnership) organized under the laws of the State of Oregon. ACCESS is the Managing General Partner in the Partnership with a 1% ownership interest. ACCESS Barnett LLC is the Limited Partner in the Partnership with a 99% ownership interest (wholly owned by the Organization). The Partnership began operating under Section 207 pursuant to Section 223(f) of the National Housing Act, with mortgage insurance provided by the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD) on April 1, 2013. The Partnership has entered into a Management Agreement with the Housing Authority of Jackson County (HAJC), to manage the day-to-day operations of the property located at 1852 E. Barnett Rd., Medford, Oregon 97504, also known as Barnett Townhomes. In turn, the HAJC has entered into a Services Contract with ACCESS to administer and carry out the landscape, maintenance and cash handling responsibilities for the property.

On August 8, 2019, the Partnership entered into a sale agreement to sell substantially all of the assets and liabilities of the Partnership. As a result, the Organization has accounted for this pending sale utilizing provisions of Accounting Standards Codification (ASC) 205-20, *Presentation of Financial Statements - Discontinued Operations* (see Note 17).

**Basis of Accounting:**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation:**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

- Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's beneficial interest in a perpetual charitable trust held by a bank as trustee and another beneficial interest held by the Oregon Community Foundation, both of which are to be maintained in perpetuity, are classified in net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**Use of Estimates:**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

**Cash and Cash Equivalents:**

For the purposes of the Consolidated Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless held by an investment advisor or the amounts are held for meeting regulatory restrictions or reserves.

**Investments:**

Investments at June 30, 2020 consist entirely of certificates of deposit.

**Accounts Receivable:**

The Organization extends unsecured credit to its tenants in the ordinary course of business but mitigates the associated risk by actively pursuing past due accounts. Accounts receivable are considered past due if not collected within 90 days. At June 30, 2020 all receivables are current. An allowance for doubtful accounts has not been established since management is of the opinion that all accounts receivable at year-end are fully collectible.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Grants and Contracts Receivable:**

Grants and contracts receivable represent amounts that have been billed under agency contracts but not collected as of the date of the financial statements. All grants and contracts receivable represent amounts owed by state and local government agencies. Grants and contracts receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Inventory:**

Donated food and USDA commodities are recorded directly in the financial statements as non-cash contributions received and as non-cash expenditures within the nutrition program. Food inventory is counted monthly. Non-cash contributions of food commodities flow through the Organization directly to distribution centers and recipients.

**Property and Equipment:**

The Organization records acquisitions of property and equipment at cost. Maintenance, repairs and minor renewals are charged to expense as incurred. It is the policy of the Organization to capitalize all property, plant and equipment whose value exceeds \$5,000 and whose expected life exceeds one year. Depreciation has been provided using the straight-line method over the estimated useful lives of the rated assets ranging from 3 to 50 years.

**Valuation of Long-Lived Assets:**

The Organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the property, including any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There were no impairment losses recognized in fiscal year 2020.

**Beneficial Interests:**

The Organization is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on trust assets in perpetuity. The fair value of the beneficial interest in a trust is recognized as an asset and as a contribution with donor restrictions at the date the trust was established. The Organization's estimate of fair value at each reporting date is based on fair value information about the trust's assets received from trustees. Trust assets consist of, but are not limited to, cash and cash equivalents, corporate and government bonds, mutual funds, and equity securities. These assets are not subject to control or direction by the Organization. Distributions of income from the trust are reported as investment income. Gains and losses, which are not distributed by the trusts, are reflected as the unrealized change in beneficial interests in the Consolidated Statement of Activities.

**Deferred Financing Costs:**

Costs incurred in connection with financing activities are deferred and amortized using the effective interest method over the terms of the related debt agreements. Amortization of these costs is included as a component of interest expense in the accompanying financial statements.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Unearned Revenue:**

The Organization is the recipient of grants that require expenditure for specified activities before the Organization is reimbursed by the grantor for the costs incurred. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as unearned revenue.

**Revenue Recognition:**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

**Revenue with and without Donor Restrictions:**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

**Donated Materials and Services:**

Donations of food and grocery products by the food industry, other businesses, community organizations and individuals are recorded as support at their estimated wholesale fair value stated at \$1.25 per pound at June 30, 2020. To arrive at the estimated wholesale fair value per pound, ACCESS uses the approximate average value based on an independent accountant's report to Feeding America (national domestic hunger-relief charity).

Additionally, the Organization also receives USDA commodities for the Commodity Supplemental Food Program (CSFP) and the Emergency Food Assistance Program (TEFAP). Estimated price per pound for fiscal year 2020 was \$0.84 and \$0.88 for the CSFP and TEFAP programs, respectively.

Approximately 5.3 million pounds of donated food were received from the above referenced sources during the year ended June 30, 2020.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated their time in various ACCESS programs and special events, but are not recorded because they do not meet the recognition criteria.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Expenses:**

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities. The Consolidated Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other expense, which are allocated on the basis of estimates of time and effort.

**Tax Status:**

The Organization is a non-profit entity exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state incomes taxes on related activities. No tax provision has been made in the accompanying Consolidated Statement of Activities. The Organization recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Organization recognizes interest and penalties related to income tax matters in operating expenses.

ADC is exempt from income tax under Section 501(c)(2) of the U.S. Internal Revenue Code. Therefore, no provision for income taxes is necessary.

The Partnership files a partnership return for federal and state income tax purposes. Consequently, income taxes are not payable by the Partnership. The partners include their share of profits and losses in their respective income tax returns.

At June 30,2020, there were no uncertain tax positions.

**Deposits in Excess of Insured Limits:**

The Federal Deposit Insurance Corporation (FDIC) insures account balances at each insured institution. The Organization frequently maintains cash balances greater than the FDIC insurance. At June 30, 2020, the amount that exceeded FDIC coverage was approximately \$2,580,000.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following at June 30, 2020:

Petty cash	\$ 160
Cash in checking accounts:	
General	2,827,593
Client trust-security deposits	14,782
Barnett Townhomes Limited Partnership	18,004
Access Development Corporation	<u>285,770</u>
Total cash and cash equivalents	<u>\$ 3,146,309</u>

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 3: AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets that are available to meet cash needs for general expenditures at June 30, 2020:

Financial assets:	
Cash and cash equivalents	\$ 3,146,309
Investments	143,726
Accounts receivable	78,435
Grants and contracts receivable	1,057,924
Restricted deposits and funded reserves	18,640
Beneficial interests	<u>357,660</u>
Total financial assets	<u>4,802,694</u>
Less amounts not available to be used within one year	
Restricted deposits and funded reserves	(18,640)
Beneficial interests	<u>(357,660)</u>
Financial assets not available to be used within one year	<u>(376,300)</u>
Unused line of credit	<u>250,000</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 4,676,394</u></u>

**NOTE 4: INVESTMENTS**

Investments consist of the following at June 30, 2020:

17-month CD matures November 7, 2021, interest 0.25%	<u>\$ 143,726</u>
Total investments - certificates of deposit	<u><u>\$ 143,726</u></u>

**NOTE 5: BENEFICIAL INTERESTS**

**OCF:**

On February 25, 2004, the Organization elected to participate in the Oregon Community Foundation (OCF). The Organization transferred assets to OCF which is holding them as an endowed component fund (Fund) for the benefit of the Organization. The Organization has granted OCF variance power which gives OCF's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to OCF's investment and spending policies which currently result in a distribution to the Organization of a certain percent of the average quarterly value over time. The fair value of the funds held by OCF at June 30, 2020 was \$246,245.

**Perpetual Trust:**

The Organization is the partial beneficiary of a perpetual trust whereby the Organization receives the income or a designated portion of the income into perpetuity. Income earned on trust assets is distributed to the Organization as provided in the agreements and was \$4,507 during the year ended June 30 2020. The perpetual trust is valued annually at December 31. There were no significant changes in value of the perpetual trust at the Organization's fiscal year end. At June 30, 2020 the estimated fair value of the perpetual trust was \$111,415.



**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 6: NOTES RECEIVABLE**

During the fiscal year ended June 30, 2008, the Organization became a general partner with a 0.005% ownership in a 52-unit low-income housing project called Conifer Gardens Limited Partnership. During that fiscal year, the Organization made three loans to Conifer Gardens Limited Partnership for a total of \$1,359,443. Two of the notes receivable (\$723,043 note and \$386,400 note) have a rate of 1.00% interest per annum and the third note receivable (\$250,000) has a 0.00% interest rate. The \$250,000 and \$386,400 notes receivable have a maturity date of December 31, 2047 and the \$723,043 note receivable has a maturity date of December 31, 2057. Principal and interest on all three notes are due upon maturity. The notes receivable are secured by a second deed of trust on the real property. The notes receivable are adjusted to present value using the borrowing rate of the Organization which is 3.75% less the interest rate of the notes receivable.

In fiscal year 2023, ACCESS has a purchase option agreement and right of first refusal on the Conifer Gardens property. At this event the notes will either be refinanced or ACCESS will obtain ownership of the Conifer Gardens property and the notes receivable will become an intercompany receivable.

Notes receivable at June 30, 2020:

Notes receivable	\$ 1,359,443
Present value adjustment	<u>(78,547)</u>
Notes receivable, net of present value	<u>\$ 1,280,896</u>

**NOTE 7: RESTRICTED DEPOSITS AND FUNDED RESERVES**

ACCESS holds separate accounts that represent amounts held for managed properties. Total restricted deposits reflected on the consolidated financial statements at June 30, 2020:

Managed properties:	
Operating account	13,774
Tenant security deposit account	<u>4,866</u>
Total restricted deposits	<u>\$ 18,640</u>

**NOTE 8: LINE OF CREDIT**

ACCESS has a line of credit with Banner Bank in the amount of \$250,000. The line of credit agreement originated from prior years and expires July 15, 2020. The interest rate is subject to change from time to time and is based on the U.S. Prime Rate plus 0.50%, resulting in an initial rate of 5.50%. At June 30, 2020, there were no amounts outstanding on the line of credit.

On July 6, 2020, ACCESS extended its line of credit agreement to July 15, 2023. The line of credit carries a variable interest rate and is based on the U.S. Prime Rate (2.00 percentage points over the U.S. Prime Rate reduced by 1.00% preferred rate). The initial rate on the line of credit is 4.25%.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 9: LONG-TERM DEBT**

The Organization's long-term debt consists of the following at June 30, 2020:

ADC:	
Banner Bank 2008 loan, net	\$ 734,893
The Partnership:	
Walker & Dunlop HUD loan, net (discontinued operations)	2,394,485
The Organization:	
Banner Bank 2019 Paycheck Protection Program loan	620,013
Banner Bank 2004 loan	53,497
Banner Bank 2005 loan	69,616
Banner Bank 2002 loan	67,644
US Bank 2018 loan	37,739
People's Bank 2016 loan	195,142
People's Bank 2016 loan #2	<u>66,744</u>
Total consolidated long-term debt	<u>4,239,773</u>
Less: long-term debt associated with discontinued operations	<u>(2,394,485)</u>
Total consolidated long-term debt less debt associated with discontinued operations	<u>\$ 1,845,288</u>

**ADC:**

On October 17, 2008, ADC entered into a note payable to Banner Bank in the original amount of \$1,057,000. The note is secured by land and buildings and matures on October 17, 2033. The interest rate is subject to change from time to time based on changes in the Weekly Average Five Year Constant Maturity Treasury rate (0.74% at the time of the loan) plus 3.50 percentage points. The interest rate change will not occur more often than each five years. The interest rate was 6.53% per annum at June 30, 2020. Current monthly payments of principal and interest are \$6,958.

ADC incurred \$10,115 in debt issuance costs, which are amortized using the effective interest method. ADC amortized \$472 of debt issuance costs during 2020 and unamortized costs of \$3,378 are outstanding at June 30, 2020. Total debt outstanding at June 30, 2020 was \$734,893 (\$738,271 gross debt net of issuance costs of \$3,378).

The loan agreement contains a subjective acceleration clause, which gives the Bank the right to accelerate repayment upon the Bank's determination of a material adverse change in the ADC's financial position. Management has evaluated the likelihood of the Bank exercising the clause to be remote. As a result, the amounts owed are classified based upon the stated payment schedule.

Interest charged to expense for the year ended June 30, 2020 totaled \$50,654.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 9: LONG-TERM DEBT (Continued)**

**The Partnership:**

On April 1, 2013, The Partnership entered into a note payable to Walker & Dunlop, LLC in the original amount of \$2,813,900. The note is secured by land, buildings and improvements and matures on April 1, 2048. The terms of the note require 420 monthly payments of \$11,386, including interest computed at 3.35% per annum.

The Partnership incurred \$119,413 in debt issuance costs, which are amortized using the effective interest method. The Partnership amortized \$5,090 of debt issuance costs during 2020 and unamortized costs of \$81,218 are outstanding at June 30, 2020. Total debt outstanding at June 30, 2020 was \$2,394,485 (\$2,475,703 gross debt net of issuance costs of \$81,218).

The Partnership's debt is included in liabilities held for sale at the June 30, 2020 year end (*Note 17*).

Interest charged to expense for the year ended June 30, 2020 totaled \$88,841.

**The Organization:**

On December 3, 2004, the Organization entered into a note payable to Banner Bank in the original amount of \$64,384. On April 14, 2015, a change in terms occurred where the commitment amount was increased to \$72,683 and the interest rate and floor rate was revised from 4.06% per annum to 4.94%. The note is secured by land and improvements. The interest rate is subject to change from time to time based on changes in the Weekly Average Five Year Constant Maturity Treasury rate (1.36% at the time of the change in terms) plus 3.50 percentage points. The interest rate change will not occur more often than each five years. The interest rate was 4.94% per annum at June 30, 2020. Current monthly payments of principal and interest are \$575. The note requires a final payment of \$30,998 on April 15, 2025.

On October 17, 2005, the Organization entered into a note payable to Banner Bank in the original amount of \$150,000. The terms of the note, as modified in the Change of Terms Agreement dated June 22, 2006, require 52 monthly payments of \$907, including interest computed at 5.99% per annum. The note is secured by land and improvements. The interest rate is subject to change from time to time based on changes in the Weekly Average Five Year Constant Maturity Treasury rate (4.24% at the time of the modification) plus 2.06 percentage points. The interest rate change will not occur more often than each five years. The interest rate was 3.43% per annum at June 30, 2020. Current monthly payments of principal and interest are \$473. The note requires a final payment of \$57,823 on October 17, 2025.

On June 14, 2002, the Organization entered into a note payable to Banner Bank in the original amount of \$110,000. On January 2, 2013, a change in terms occurred where the initial interest rate and floor rate was revised from 7.00% to 4.00% for 53 monthly principal and interest payments of \$585. The note is secured by land and improvements. The interest rate is subject to change from time to time based on changes in the Weekly Average Five Year Constant Maturity Treasury rate (0.74% at the time of the change in terms) plus 3.50 percentage points. The interest rate change will not occur more often than each five years. The interest rate was 5.25% per annum at June 30, 2020. Current monthly payments of principal and interest are \$637. The matures on June 10, 2032.

On October 2, 2013, the Organization entered into a note payable to US Bank in the original amount of \$50,000. The terms of the note, as modified in the Amendment to Note dated October 29, 2018, require 60 monthly payments of \$334, including interest computed at 5.56% per annum. The note is secured by land and improvements. The note requires a final payment of \$31,063 on October 1, 2023.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 9: LONG-TERM DEBT (Continued)**

On January 22, 2016, the Organization entered into a note payable to People's Bank of Commerce in the amount of \$255,238. The note was re-negotiated with the bank and assumed by the Organization after previously being held by the Ashland Community Land Trust of Oregon (ACLT). The ACLT, as part of its dissolution, donated property located on Bridge St, Ashland to the Organization. The note is secured by land and improvements. The terms of the note require 61 monthly payments of \$1,893 including interest computed at 4.00% per annum. A final payment of \$186,012 is due March 22, 2021.

On January 28, 2016, the Organization entered into a note payable to People's Bank of Commerce in the amount of \$86,644. The note was re-negotiated with the bank and assumed by the Organization after previously being held by the ACLT. The ACLT, as part of its dissolution, donated property located on Garfield St, Ashland to the Organization. The note is secured by land and improvements. The terms of the note require 64 monthly payments of \$634 including interest computed at 4.00% per annum. A final payment of \$62,397 is due June 9, 2021.

On April 15, 2020, the Organization entered into a promissory note to Banner Bank under the Paycheck Protection Program. The original amount of the note was \$620,013 and carries a fixed interest rate of 1.00% per annum. Monthly payments of \$34,893 begin six months from the date of the note and continue monthly thereafter through the earlier of 18 months or until the note is paid in full. The entire amount of the note has been classified as due in one year as the Organization expects the note to be forgiven during fiscal year 2021. The repayment on the note and any forgiveness is subject to the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

Each of the loan agreements with Banner Bank, US Bank, and People's Bank of Commerce contain a subjective acceleration clause, which gives the Bank the right to accelerate repayment upon the Bank's determination of a material adverse change in the Organization's financial position. Management has evaluated the likelihood of the Bank exercising the clause to be remote. As a result, the amounts owed are classified based upon the stated payment schedule.

The Organization charged \$22,326 for the above notes payable in interest to expense for the year ended June 30, 2020.

Maturities of long-term debt were as follows at June 30, 2020 (including debt associated with discontinued operations):

	Principal	Deferred Financing Costs	Total
2021	\$ 986,935	\$ (5,428)	\$ 981,507
2022	109,975	(5,289)	104,686
2023	115,171	(5,145)	110,026
2024	149,800	(4,996)	144,804
2025	153,209	(4,841)	148,368
Thereafter	2,809,279	(58,897)	2,750,382
	<u>\$ 4,324,369</u>	<u>\$ (84,596)</u>	<u>\$ 4,239,773</u>

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 10: LEASE COMMITMENTS**

ACCESS has entered into several non-cancellable operating leases. Operating lease expenditures for the year ended June 30, 2020 amounted to \$11,916.

Future minimum rental payments required under the remaining non-cancellable lease terms are as follows:

Year ended June 30,	2021	\$ 11,916
	2022	<u>2,536</u>
		<u>\$ 14,452</u>

Additionally, ACCESS leases office and warehouse facilities from ADC, an affiliated corporation which has been consolidated in these financial statements. The lease is from July 1, 2017 and ends June 30, 2022. Leased space includes the main office facility and warehouse of the Organization, the Olsrud Family Nutrition Center and a warehouse building on Lear Way in Medford, Oregon. Rent expense totaled \$150,150 for fiscal year ending June 30, 2020. The transactions are eliminated in the consolidated financial statements.

**NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2020:

Net assets with time/purpose restrictions:	
Housing	\$ 212,951
Nutrition	832,503
Support services	<u>660,125</u>
Total time/purpose restricted net assets	<u>1,705,579</u>
Net assets to be held in perpetuity:	
Beneficial interests	<u>357,660</u>
Total net assets to be held in perpetuity	<u>357,660</u>
Total net assets with donor restrictions	<u><u>\$ 2,063,239</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restriction purpose or by the passage of time or other events specified by the donors for the year ended June 30, 2020:

Housing	\$ 55,494
Nutrition	56,354
Support services	<u>72,739</u>
Total net assets released from restrictions	<u><u>\$ 184,587</u></u>

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

**NOTE 12: CONCENTRATIONS OF SUPPORT AND REVENUE**

At June 30, 2020, the Organization received approximately 61 percent of its total public support and revenue from Federal and State agencies. Additionally, 35 percent of total public support and revenue passed through Oregon Housing and Community Services during the year ended June 30, 2020.

**NOTE 13: RETIREMENT PLAN**

The Organization maintains a retirement plan qualified under Section 403(b) of the Internal Revenue Code. The Plan covers employees who have completed one year of service with the Organization. For employees that were participants of the plan as of June 30, 2009, the Organization contributes amounts ranging from two percent to twelve percent of qualified compensation for the benefit of qualified employees based on years of service and employee elective contributions to the plan. Employees that became participants in the plan after June 30, 2009 receive contributions from the Organization that match up to five percent of their qualified compensation. For the year ended June 30, 2020, employer contributions to the plan were \$63,040.

**NOTE 14: NON-CASH CONTRIBUTIONS**

Non-cash contributions consisted of the following for year ended June 30, 2020:

	Property and Equipment, Goods and Services	Food Distributed	Total
Non-cash contributions by program			
General agency	\$ 840	\$ -	\$ 840
Support services	47,439	-	47,439
Nutrition	36,993	4,804,604	4,841,597
Medical supplies and materials	142,529	-	142,529
Resource development	72,939	-	72,939
Total non-cash contributions	300,740	4,804,604	5,105,344
Non-cash grants consisting of USDA commodities	-	1,387,571	1,387,571
Total non-cash revenues	\$ 300,740	\$ 6,192,175	\$ 6,492,915

**NOTE 15: FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 15: FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments (certificates of deposit)	\$ -	\$ 143,726	\$ -	\$ 143,726
Beneficial interest in perpetual trust	-	-	111,415	111,415
Beneficial interest in assets held by OCF	-	-	246,245	246,245
Total assets at fair value	<u>\$ -</u>	<u>\$ 143,726</u>	<u>\$ 357,660</u>	<u>\$ 501,386</u>

The beneficial interest in assets held by the Oregon Community Foundation (OCF) has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair value of certain investments of the Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Due to the perpetual existence of the assets held by OCF, the interest is categorized as a Level 3 financial instrument.

The beneficial interest in perpetual trust is estimated at fair value based on the Organization's percent of the underlying assets held in the trust. Due to the perpetual existence of the trust, the interest is categorized as a Level 3 financial instrument.

The carrying values of cash and cash equivalents, grants and contracts receivable, notes receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of such instruments.

The carrying value of the long-term debt approximates its fair value due to the variable interest pay rate of such instrument.

**NOTE 16: ACCESS AGREEMENTS WITH EXEMPT ORGANIZATIONS**

Southern Oregon Lions Sight and Hearing Center (SOLS) - The Organization entered into commercial lease agreements with SOLS in connection with two low-income housing projects (Holly Court and Lions Cottage). Terms of the agreements require that the Organization pay a monthly sum of \$108 for each housing project to SOLS. The Organization then rents the units to low-income senior or disabled individuals and manages the projects. The Organization's financial statements do not include the operations of the projects. The agreements automatically renew each year.

The cash for SOLS is included in the Organization's bank accounts with an offsetting entry to custodial fund on the Consolidated Statements of Financial Position. At June 30, 2020, the balance was \$35,946.

Jackson County Health & Human Services (the County) - The Organization entered into several agreements with the County to provide housing to mental health clients using the Organization's residences located at 29 Summit, 717 and 723 Ross Lane, and 2622 Wyatt Drive in Medford. The County provides services to the clients and pays the Organization an agreed upon monthly or annual rent. The agreements automatically renew each year.

**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 17: DISCONTINUED OPERATIONS**

On August 8, 2019, Barnett Townhomes (the Partnership) entered into a Sale Agreement (the Agreement) with the Housing Authority of Jackson County (the Authority) to sell the Barnett Townhomes property, plant and equipment (the Property) for \$5,500,000. The Agreement was subsequently amended to a price of \$5,000,000 for the Property. The sale closed and funded on September 1, 2020.

Subsequent to the sale of the property, ACCESS had no continuing involvement with the Partnership.

**Reconciliation of the Carrying Amounts of Major Classes of Assets and Liabilities  
of the Discontinued Operations to Total Assets and Liabilities Classified as Held for Sale**

**Carrying amounts of major classes of assets included as part  
of discontinued operations:**

Property and Equipment, net	\$ 1,775,498
Restricted deposits and funded reserves	<u>464,999</u>

<b>Total assets classified as held for sale in the statement of financial position</b>	<b><u>\$ 2,240,497</u></b>
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**Carrying amounts of major classes of liabilities included as part  
of discontinued operations:**

Other current liabilities	\$ 53,399
Accrued interest payable	6,911
Notes payable	<u>2,394,485</u>

<b>Total liabilities classified as held for sale in the statement of financial position</b>	<b><u>\$ 2,454,795</u></b>
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**Reconciliation of the Major Classes of Line Items Constituting Loss  
of Discontinued Operations that is Presented in the Consolidated Statement of Activities**

**Major classes of line items constituting loss  
of discontinued operations:**

Rental income	\$ 648,737
Investment income	307
Miscellaneous	17,099
Program services	<u>(803,779)</u>

<b>Total loss on discontinued operations that is presented in the statement of activities</b>	<b><u>\$ (137,636)</u></b>
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**ACCESS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2020**

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**NOTE 18: SUBSEQUENT EVENTS**

Management of the Organization has evaluated events and transactions occurring after June 30, 2020 through March 2, 2021, the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

On August 8, 2019, Barnett Townhomes (the Partnership) entered into a Sale Agreement (the Agreement) with the Housing Authority of Jackson County (the Authority) to sell the Barnett Townhomes property, plant and equipment (the Property) for \$5,500,000. The Agreement was subsequently amended to a price of \$5,000,000 for the Property. The sale closed and funded on September 1, 2020.

As part of the transaction, the Partnership sold property, plant, and equipment that had a net book value of approximately \$1,750,000. In addition, as part of the transaction, the Partnership agreed to transfer a \$347,800 reserve for replacement balance that existed on July 17, 2019 (per the Agreement) to the Authority. Finally, as part of the transaction, the Partnership transferred all tenant security deposits, and lease agreements (assignment and assumption) to the Authority. Per the Agreement, the Project split closing costs which approximated \$11,500.

In order to sell the Property, the Partnership was required to settle its \$2,466,741 mortgage obligation. As part of that settlement, the Partnership incurred prepayment penalties and fees of approximately \$74,500 which were included in the sale gain (loss) calculation. Finally, the Partnership wrote off approximately \$81,000 in deferred financing fees as part of the settlement. The estimated net gain associated with the sale was approximately \$2,735,200.

**SUPPLEMENTARY INFORMATION**

**ACCESS**  
**FUNCTIONAL EXPENSE DESCRIPTIONS**  
**Year Ended June 30, 2020**

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Functional expenses are grouped together on these financial statements into three expense categories including, but not limited to, the following expenses:

**MANAGEMENT, GENERAL AND ADMINISTRATION:**

**ACCESS AGENCY:**

Accounts for the general activity of ACCESS that are not presented in the other programs including land, building, and equipment owned by ACCESS.

**ACCESS DEVELOPMENT CORPORATION:**

Accounts for the activity of ACCESS Development Corporation, the entity of which owns the land and building that houses ACCESS.

**FUNDRAISING:**

**RESOURCE DEVELOPMENT:**

Fundraising activities and donations for ACCESS to fund general operating and restricted programs.

**PROGRAM SERVICES:**

**COMMUNITY SERVICES BLOCK GRANT (CSBG):**

Medical Equipment Loan Program - Provides medical equipment on loan to senior citizens or disabled persons. There is no charge for the use of this equipment and, it may be used as long as there is a need for it. Hospital beds, walkers, crutches, and wheelchairs are examples of equipment available.

Information and Referral - Provides information via the telephone to persons seeking assistance. Current information regarding programs offered by ACCESS is provided. Information regarding programs offered by other human services agencies in Jackson County is also available.

Community Planning - Provides for assessment of community wide needs in order to provide more effective services and programs. Coordinates Jackson County's Continuum of Care.

Program Support - Provides additional funding to support administrative and program costs of other programs.

**HOUSING DEPARTMENT PROGRAMS:**

Development - Acquisition and new construction of affordable housing for low-income individuals, families, seniors and people with disabilities.

Property/Asset Management - ACCESS has an ownership interest in 179 units of affordable rental housing, located in Jackson County. Of this, 134 units are managed by 2 third-party management companies while the remaining 45 units are self-managed. In addition to the self-managed units, ACCESS manages another 12 units of housing owned by the Southern Oregon Lion's Sight & Hearing Center.

**ACCESS**  
**FUNCTIONAL EXPENSE DESCRIPTIONS**  
**Year Ended June 30, 2020**

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**HOUSING DEPARTMENT PROGRAMS (Continued):**

Housing Counseling - Provides pre-purchase counseling to participants enrolled in the following programs: Realizing the American Dream (RAD), E-Home America, and a variety of down-payment assistance programs.

Realizing the American Dream (RAD) – Provides pre-purchase educational program delivered in a classroom setting. Classes are offered in both Jackson and Josephine Counties.

E-Home America – Provides an approved online pre-purchase educational course that allows the participant an opportunity to complete the education at their own pace and convenience.

DreamSavers - Individual development account (IDA) program that encourages participants to build assets and financial independence through a matched savings program. Participants can save for higher education, home purchase, or to start or expand a small business, home repair and for adaptive technology supports that increase the participant's employability.

Down Payment Assistance Programs (DPAP) - Financial support to assist low-income, first-time home purchasers in covering a portion of the needed down payment and closing cost expenses.

**ENERGY AND WEATHERIZATION PROGRAMS:**

Federal Department of Energy (DOE), Low Income Home Energy Assistance Program (LIHEAP), Bonneville Power Administration (BPA), Avista Weatherization and Energy Conservation Helping Oregonians (ECHO) are all weatherization programs. These programs assist low-income seniors, people with disabilities and households with energy efficient improvements needed on their home, which can help to conserve energy and reduce energy bills.

LIHEAP - Provides energy assistance to low-income Jackson County residents with preference given to seniors and disabled individuals.

Oregon Energy Assistance - Provides assistance to eligible low-income households to offset the costs of home energy for Pacific Power and Light customers only. Priority is given to households whose services have been disconnected but not required.

Low-Income Ratepayer Assistance Program - Provides assistance to eligible low-income households to offset the costs of home energy for Avista customers only. Priority is given to households who have been disconnected.

Oregon Energy Fund – Provides energy assistance to low-income Jackson County residents. Priority is given to households whose services have been disconnected.

**NUTRITION PROGRAMS:**

Food Share - Provides emergency and supplemental food to the hungry in Jackson County. Food Share supplies twenty-one food pantries, over 25 supplemental food programs and residential feeding sites (i.e. Salvation Army and Dunn House) with food donated through local community donations, Oregon Food Bank, and USDA.

Fresh Alliance - Fresh Alliance recovers milk, produce, dairy and frozen meat from area grocery stores on or before the product pull date. This product is transported in a refrigerated truck, sorted, re-boxed and distributed to people in need across Jackson County.

**ACCESS**  
**FUNCTIONAL EXPENSE DESCRIPTIONS**  
**Year Ended June 30, 2020**

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*NUTRITION PROGRAMS (Continued):*

Commodity Supplemental Food Program (CSFP) - A federal commodity program targeting income qualifying seniors over the age of 60. Commodity food boxes are provided monthly to qualifying clients.

ACCESS Food Share Gardens - Six large community gardens, run by volunteers growing healthy produce for ACCESS food pantries and agencies.

Plant-a-Row - Local gardeners grow extra rows of healthy produce and donate to ACCESS food pantries and agencies.

Cooking Skills Education Program - Inspires and educates community members to eat more fresh, local fruits, vegetables and whole foods through cooking classes and food demonstrations taught by a group of trained volunteers.

Healthy Mobile Food Pantry - Collaborative project with local health centers using the ACCESS mobile food pantry truck to provide food and nutritional services to low-income individuals and families suffering from diet-related chronic disease.

Community Food Systems - Coordination and support for programs that encourage low-income community members to access fresh, local, healthy food such as Double Up Food Bucks (matches SNAP benefits at farmer's markets) and Screen and Intervene (screens patients for hunger and connects them to food resources).

*SUPPORT SERVICES PROGRAMS:*

ACCESS is a partner with the Oregon Department of Human Services, Employment Division, Jackson County Health Department, On-Track, and area schools at various service integration sites in Jackson County.

HOME Tenant Based Assistance Program (HTBA) - Provides up to two years rental subsidy depending upon housing need identified in partnership with the Housing Authority of Jackson County. The maximum amount of HOME funds that may be paid for a security deposit is no greater than the equivalent of two months' rent for the unit.

The Low-Income Rental Housing Fund Program (LIRHF) - Provides short-term and medium-term rental assistance to very low-income tenants who are unstably housed and at risk of homelessness. Funds are available for the following program components: homelessness prevention; rapid re-housing; and data collection.

State Homeless Assistance Program (SHAP) - Offers state funds to help meet the emergency needs of homeless Oregonians by providing operational support for emergency shelters and supportive services to shelter residents.

Elderly Rental Assistance Program (ERA) - Assists very low-income seniors, at least 58 years old, who are homeless or are unstably housed and at risk of becoming homeless. We can help with transitional housing, supportive in-home services, and case management.

Emergency Housing Assistance Program (EHA) – Provides assistance to low or very low-income persons who are homeless, are unstably housed, or at risk of becoming homeless and can pay for street outreach, emergency and transitional shelter/housing, shelter and transitional housing facility acquisition.

**ACCESS**  
**FUNCTIONAL EXPENSE DESCRIPTIONS**  
**Year Ended June 30, 2020**

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SUPPORT SERVICES PROGRAMS (Continued):

Housing Stabilization Program (HSP) - Provides temporary financial assistance and support services to stabilize housing for low-income eligible families who are homeless or unstably housed and at risk of losing their housing. The program provides short term benefits for families who are in a specific no-recurring crisis situation. A household can use HSP assistance for a maximum of four months.

Emergency Solutions Grant Program (ESGP) - Provides federal funds to assist individuals and families to quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. ESG funds are available for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System; as well as administrative activities.

Support Services for Veteran Families (SSVF) - The SSVF program assists Veterans who are homeless or at-risk of homelessness to end their housing crisis and stabilize in housing. There are two primary forms of assistance: Homelessness Prevention and Rapid Re-housing

Navigator Program: Senior & Disabled - Provides assessments for seniors or persons with disabilities to help them navigate through resources for important issues they face on a day-to-day basis including remaining independent in their homes. Companions provide a friendly visit to homebound-seniors who may want that extra connection.

OLSRUD FAMILY NUTRITION CENTER:

Operation of a community nutrition center used to provide a meeting facility with catering options to other agencies in the community.

**ADDITIONAL REPORTS AND SCHEDULES REQUIRED BY**  
**UNIFORM GUIDANCE**



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**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**

To the Board of Directors  
ACCESS  
3630 Aviation Way  
Medford, OR 97504

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 (the Organization), which comprise the consolidated statement of financial position as of June 30, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 2, 2021.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose 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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mark E. Damon CPA, Managing Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
March 2, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors  
ACCESS  
3630 Aviation Way  
Medford, OR 97504

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

We have audited ACCESS' (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 program for the year ended June 30, 2020. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, ACCESS 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 program for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

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

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

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

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



Mark E. Damon CPA, Managing Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
March 2, 2021

# ACCESS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant/Contract Number	Passed Through to Sub-recipients	Federal Expenditures
<b>U. S. Department of Agriculture:</b>				
Direct Program:				
Community Food Projects	10.225	GRANT12044140	\$ -	\$ 93,273
Total CFDA 10.225			-	93,273
Passed through Oregon Housing and Community Services:				
Commodity Supplemental Food Program (Administrative Costs) CSFP	10.565	150326	-	20,265
Commodity Supplemental Food Program (Food Commodities) CSFP	10.565	150326	-	96,262
Passed Through Oregon Food Bank:				
Emergency Food Assistance Program (Administrative Costs) TEFAP	10.568	150326	-	81,610
Emergency Food Assistance Program (Food Commodities)TEFAP	10.569	150326	-	1,291,309
Total Food Distribution Cluster			-	1,489,446
<b>Total U. S. Department of Agriculture</b>			<b>\$ -</b>	<b>\$ 1,582,719</b>
<b>U. S. Department of Housing and Urban Development:</b>				
Direct Program:				
Supportive Housing Program	14.235	OR0050L0E021811	\$ -	\$ 11,863
Total CFDA 14.235			-	11,863
Continuum of Care Program	14.267	OR0257L0E01800, OR0258L0E01800, and OR0242L0E021700	-	34,594
Total CFDA 14.267			-	34,594
Passed through Rural Community Assistance Corporation:				
Housing Counseling Assistance Program	14.169	HC19-A258	-	30,802
Total CFDA 14.169			-	30,802
Passed through Oregon Housing and Community Services:				
Emergency Solutions Grant Program	14.231	E19-DC-41-0001 and E18-DC-41-0001	-	160,152
Total CFDA 14.231			-	160,152
Home Investment Partnerships Program	14.239	M-17-SG-41-0100 and M-18-SG-41-0100	-	196,359
Total CFDA 14.239			-	196,359
<b>Total U. S. Department of Housing and Urban Development</b>			<b>\$ -</b>	<b>\$ 433,770</b>
<b>U. S. Department of the Treasury</b>				
Passed through Oregon Housing and Community Services:				
Coronavirus Relief Fund	21.019		\$ -	\$ 11,597
Total CFDA 21.019			-	11,597
<b>Total U. S. Department of the Treasury</b>			<b>\$ -</b>	<b>\$ 11,597</b>
<b>U. S. Department of Veterans Affairs:</b>				
Direct Programs:				
VA Supportive Services for Veteran Families Program	64.033	19-OR-128-CA and 19-OR-128	\$ 1,068,813	\$ 2,703,025
Total CFDA 64.033			1,068,813	2,703,025
<b>Total U. S. Department of Veterans Affairs</b>			<b>\$ 1,068,813</b>	<b>\$ 2,703,025</b>
<b>U. S. Department of Energy:</b>				
Passed Through Oregon Housing and Community Services:				
Weatherization Assistance For Low-Income Persons (DOE)	81.042	DE-EE0007945	\$ -	\$ 145,789
Total CFDA 81.042			-	145,789
Passed Through Oregon Housing and Community Services:				
Weatherization Assistance For Low-Income Persons (BPA Funds)	81.XXX	77347 and 83358	-	39,920
Total CFDA 81.XXX			-	39,920
<b>Total U. S. Department of Energy</b>			<b>\$ -</b>	<b>\$ 185,709</b>
<b>U. S. Department of Health and Human Services:</b>				
Passed Through Oregon Housing and Community Services:				
Temporary Assistance for Needy Families (TANF)	93.558	2001ORTANF	\$ -	\$ 118,428
Community Services Block Grant	93.569	G-1901ORCOSR, G-G2001ORCOSR and 2001ORCSI	-	398,179
Total 477 Cluster			-	516,607
Low-Income Home Energy Assistance	93.568	2001ORLIEA, 2001ORE5C3 and G-1901ORLIEA	-	1,638,346
Total CFDA 93.568			-	1,638,346
<b>Total U. S. Department of Health and Human Services</b>			<b>\$ -</b>	<b>\$ 2,154,953</b>
<b>Federal Emergency Management Agency:</b>				
Direct Programs:				
Emergency Food & Shelter Program National Board Program	97.024	711800-006-36, CARES-711800	\$ -	\$ 48,636
Total CFDA 97.024			-	48,636
<b>Total U. S. Federal Emergency Management Agency</b>			<b>\$ -</b>	<b>\$ 48,636</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,068,813</b>	<b>\$ 7,120,409</b>

**ACCESS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

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**NOTE A – BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of ACCESS (the Organization) under programs of the federal government for the year ended June 30, 2020. 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 position, or cash flows of the Organization.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

**NOTE C – INDIRECT COST RATE:**

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

**NOTE D – FOOD DISTRIBUTION:**

Non-monetary assistance is reported on the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2020, the Organization received food commodities totaling \$1,387,571.

**ACCESS**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2020**

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

**Financial Statements**

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of ACCESS were prepared in accordance with GAAP.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of ACCESS, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**Federal Awards**

4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.
5. The Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance for the major federal award programs for ACCESS expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance reported on this schedule.
7. The program tested as a major program was:  

<u>U.S. Department of Agriculture</u>	
Food Distribution Cluster	CFDAs #10.565, #10.568, #10.569
8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. ACCESS qualified as a low-risk auditee under the criteria specified in Uniform Guidance.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None