



Access Alaska, Inc.

Financial Statements, Supplementary
Information, and Single Audit Reports
Years Ended June 30, 2017 and 2016

Access Alaska, Inc.

Financial Statements, Supplementary Information,
and Single Audit Reports
Years Ended June 30, 2017 and 2016

Access Alaska, Inc.

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Access Alaska, Inc.

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Independent Auditor's Report

Board of Directors
Access Alaska, Inc.
Anchorage, Alaska

We have audited the accompanying financial statements of Access Alaska, Inc. (the Entity), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Access Alaska, Inc., as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, including the Schedule of Program Expenses, Schedule of State Financial Assistance and Schedule of Expenses - State of Alaska, Department of Health and Social Service Programs - Budget to Actual is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, respectively, is presented for purposes of additional analysis and is also 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 information is fairly stated, in all material respects, in relation to the 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 April 16, 2018 on our consideration of Access Alaska, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Access Alaska, Inc.'s internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
April 16, 2018

Financial Statements

Access Alaska, Inc.
Statements of Financial Position

<i>June 30,</i>	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,916	\$ 37,619
Temporarily restricted cash and cash equivalents	1,285	1,285
Accounts receivable	136,246	96,000
Medicaid receivable	1,025,028	1,076,795
Workers comp receivable	-	745
Due from granting agencies	125,394	195,000
Prepaid expenses and deposits	28,278	28,540
Total Current Assets	1,320,147	1,435,984
Noncurrent Assets		
Investments	2,619,773	2,366,939
Property and equipment, net	3,544,843	3,745,632
Total Noncurrent Assets	6,164,616	6,112,571
Total Assets	\$ 7,484,763	\$ 7,548,555
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 44,325	\$ 36,360
Line of credit	1,030,000	758,000
Note payable - current portion	52,293	51,263
Accrued payroll and related taxes	494,667	482,416
Deferred revenue	1,065,123	1,123,629
Total Current Liabilities	2,686,408	2,451,668
Note payable - net of current portion	248,636	300,929
Total Liabilities	\$ 2,935,044	\$ 2,752,597
Net Assets		
Unrestricted:		
Invested in property and equipment, net of related debt	3,243,914	3,393,440
Undesignated	1,185,039	1,281,752
Temporarily restricted	1,285	1,285
Permanently restricted	119,481	119,481
Total Net Assets	4,549,719	4,795,958
Total Liabilities and Net Assets	\$ 7,484,763	\$ 7,548,555

See accompanying notes to financial statements.

Access Alaska, Inc.
Statements of Activities

<i>Years Ended June 30,</i>	2017	2016
Changes in Unrestricted Net Assets from Operating Activities		
Public support (see note 8):		
Individuals	\$ 22,520	\$ 20,148
Foundations	54,654	56,015
Government	1,808,393	2,094,611
Total public support	1,885,567	2,170,774
Revenue - fees for services	6,895,634	6,835,955
Total support and revenue	8,781,201	9,006,729
Expenses:		
Consumer services	4,891,794	5,384,340
Personnel	3,245,328	3,208,644
Occupancy	522,721	509,467
Program administrative	290,368	316,151
Depreciation	200,789	200,789
Administrative	95,457	96,934
Marketing and advertising	3,591	1,214
Total expense	9,250,048	9,717,539
Changes in Unrestricted Net Assets from Operating Activities	(468,847)	(710,810)
Changes in Unrestricted Net Assets from Nonoperating Activities		
Investment gain (loss)	222,608	(30,896)
Change in Unrestricted Net Assets from Nonoperating Activities	222,608	(30,896)
Changes in unrestricted net assets	(246,239)	(741,706)
Changes in temporarily restricted net assets	-	-
Change in net assets	(246,239)	(741,706)
Net Assets, beginning of year	4,795,958	5,537,664
Net Assets, end of year	\$ 4,549,719	\$ 4,795,958

See accompanying notes to financial statements.

Access Alaska, Inc.
Statements of Cash Flows

<i>Years Ended June 30,</i>	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ (246,239)	\$ (741,706)
Adjustments to reconcile change in net assets to net cash for operating activities:		
Depreciation	200,789	200,789
Realized/unrealized (gain) loss on investments, net	(222,608)	30,896
Changes in operating assets and liabilities:		
Accounts receivable	(40,246)	(50,164)
Medicaid receivable	51,767	(135,528)
Workers comp receivable	745	38,400
Due from granting agencies	69,606	21,371
Prepaid expenses and deposits	262	4,993
Accounts payable	7,965	(587)
Accrued payroll and related taxes	12,251	(111,482)
Deferred revenue	(58,506)	42,164
Net cash for by operating activities	(224,214)	(700,854)
Cash Flows from Investing Activities		
Purchase of investments	(30,226)	(29,975)
Net cash for investing activities	(30,226)	(29,975)
Cash Flows from Financing Activities		
Principal payments on note payable	(51,263)	(50,253)
Borrowings (payments) on line of credit	272,000	748,000
Net cash for financing activities	220,737	697,747
Net decrease in cash and cash equivalents	(33,703)	(33,082)
Cash and Cash Equivalents, beginning of year	38,904	71,986
Cash and Cash Equivalents, end of year	\$ 5,201	\$ 38,904
Supplementary Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 3,916	\$ 37,619
Temporarily restricted cash and cash equivalents	1,285	1,285
Total Cash and Cash Equivalents	\$ 5,201	\$ 38,904
Supplemental Cash Flow Disclosure		
Cash paid for interest	\$ 6,789	\$ 20,365

See accompanying notes to financial statements.

Access Alaska, Inc.
Statements of Functional Expenses

<i>Years Ended June 30,</i>	2017			2016		
	Program	Management and General	Total	Program	Management and General	Total
Personnel services	\$ 2,015,629	\$ 1,229,699	\$ 3,245,328	\$ 2,110,959	\$ 1,097,685	\$ 3,208,644
Consumer services	4,891,794	-	4,891,794	5,384,340	-	5,384,340
Occupancy	382,933	139,788	522,721	373,186	136,281	509,467
Administrative	290,368	95,457	385,825	316,151	96,934	413,085
Marketing and advertising	3,591	-	3,591	1,214	-	1,214
Expenses before depreciation	7,584,315	1,464,944	9,049,259	8,185,850	1,330,900	9,516,750
Depreciation	200,789	-	200,789	200,789	-	200,789
Total Expenses	\$ 7,785,104	\$ 1,464,944	\$ 9,250,048	\$ 8,386,639	\$ 1,330,900	\$ 9,717,539

See accompanying notes to the financial statements.

Access Alaska, Inc.

Notes to Financial Statements June 30, 2017 and 2016

1. Summary of Significant Accounting Policies

Organization

Access Alaska, Inc., based in Anchorage and Fairbanks, Alaska, is a nonprofit corporation organized to serve disabled individuals. Access Alaska, Inc. was formed on February 1, 1983 as a result of a merger of Independent Options Now, Inc. and Independent Quality Living Center, Inc., two nonprofit organizations which had previously been operated to perform similar services.

Basis of Accounting

The financial statements of Access Alaska, Inc. have been prepared on the accrual basis of accounting and reflect all significant receivables, payables and other liabilities. Accordingly revenues are recognized when earned and expenses are recognized when incurred. The financial statements and notes are the representations of Access Alaska, Inc.'s management, which is responsible for their integrity and objectivity. These accounting principles conform to accounting principles generally accepted in the United States of America.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) Topic 958-205, *Not-For-Profit Entities - Presentation of Financial Statements*. Under ASC Topic 958-250, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Program Activities

Access Alaska, Inc.'s programs promote a society in which persons with disabilities can live and work in the community of their choice. As a community-based independent living provider, Access Alaska, Inc. addresses independent living needs of individuals with disabilities by providing a broad range of independent living services.

Program objectives underscore the intent of Title VII of the Rehabilitation Act Amendments of 1992 by promoting consumer control and the full inclusion of individuals with disabilities in all aspects of community life. Access Alaska, Inc.'s program objectives follow the State Plan for Independent Living (SPIL) as established by the Alaska State Independent Living Council (SILC). The relative importance of each of these issues varies by region of the state. The issues are housing, transportation, services for persons with sensory disabilities, personal assistance services, employment, recreation, and public awareness.

Expense Allocation

In day-to-day operations, expenses were charged to programs as either identifiable direct program costs or as systematic allocations of overhead costs. The remaining expenses not allocated as overhead and not incurred for a specific program were considered management and general expenses, indirectly providing for the overall support and direction of the organization.

Access Alaska, Inc.

Notes to Financial Statements

Cash and Cash Equivalents

For purposes of the statement of cash flows, Access Alaska, Inc. considers the balances in all checking and business investment (sweep) accounts to be cash and cash equivalents.

Income Tax Status

Access Alaska, Inc. is exempt from income taxes as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and applicable income tax regulations of the State of Alaska, except for net income from unrelated business, of which Access Alaska, Inc. has none. Access Alaska, Inc. applies the provisions of Topic 740 of the FASB Accounting Standards Codification relating to accounting for uncertainty in income taxes. Access Alaska, Inc. annually reviews its tax positions taken in accordance with the recognition standards. Access Alaska, Inc. believes that it has no uncertain tax positions which would require disclosure or adjustment in these financial statements.

Property and Equipment

Property and equipment, which consists primarily of office equipment and a building, are carried at cost. Items with an original cost of \$5,000 or more are generally capitalized and depreciated rather than expensed in the year of purchase. Capitalization is dependent upon whether or not the asset has future utility to, and ownership is in fact retained by, Access Alaska, Inc. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Access Alaska, Inc. is subject to federal requirements which stipulate that title to equipment purchased with federal funds vests in the recipient subject to certain restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues in the period in which the promise is made, and as assets, decreases in liabilities, or expenses depending upon the form of the benefits to be received.

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. Actual results could differ from those estimates.

Revenue Recognition

Unrestricted contributions are recognized as revenue when received. Federal and state grant funds, the receipt of which is contingent upon meeting specified conditions, are recognized as revenue to the extent that the conditions upon which they depend are substantially met. Any such funds received but unexpended as of the balance sheet date are reported as deferred revenue.

Access Alaska, Inc. has elected to report support, including amounts received for the purchase of long-lived assets, which is restricted by the donor as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received.

Access Alaska, Inc.

Notes to Financial Statements

Donor Imposed Restrictions

Access Alaska, Inc. received certain contributions from the public and from private organizations. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Comparability

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications did not affect net assets.

Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosure*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Included in investment related line items in the financial statements are certain financial instruments carried at fair value. 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, that is, other than in a forced liquidation or distress sale.

Access Alaska, Inc.'s financial assets carried at fair value have been classified based on a hierarchy defined by ASC 820. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- *Level 1* - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* - Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- *Level 3* - Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Access Alaska, Inc.

Notes to Financial Statements

Fair values are measured using the market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. These valuation techniques involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

Subsequent Events

Access Alaska, Inc. has evaluated subsequent events through April 16, 2018, the date on which the financial statements were available to be issued.

2. Cash and Cash Equivalents

Included in cash and cash equivalents are several accounts held with financial institutions and petty cash. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017 and 2016, Access Alaska, Inc. had no uninsured deposits.

3. Investments

In accordance with *Accounting Standards Codification* (ASC) 820, Access Alaska, Inc. has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. This hierarchy gives the highest priority to quoted prices, or observable inputs, in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs that are not corroborated by market data (Level 3). Investments are categorized based on inputs to the valuation technique as follows for the years ended June 30, 2017 and 2016.

<i>June 30, 2017</i>	Level 1	Level 2	Level 3	Total
Money market	\$ 238,334	\$ -	\$ -	\$ 238,334
Mutual funds	2,381,439	-	-	2,381,439
	\$ 2,619,773	\$ -	\$ -	\$ 2,619,773
<i>June 30, 2016</i>	Level 1	Level 2	Level 3	Total
Money market	\$ 164,777	\$ -	\$ -	\$ 164,777
Mutual funds	2,202,162	-	-	2,202,162
	\$ 2,366,939	\$ -	\$ -	\$ 2,366,939

Access Alaska, Inc.

Notes to Financial Statements

Investment loss consists of the following as of:

<i>June 30,</i>	2017	2016
Net unrealized losses on securities	\$ 179,274	\$ (83,593)
Interest and dividends income	25,757	39,276
Net realized gain on securities	24,401	29,760
Fees	(17,337)	(16,339)
	\$ 212,095	\$ (30,896)

4. Property and Equipment

The following is a summary of major classifications of property and equipment at June 30:

	2017	2016
Building	\$ 3,936,252	\$ 3,936,252
Leasehold improvements	784,810	784,810
Office furniture and equipment	539,575	539,575
Vehicles	23,978	23,978
	5,284,615	5,284,615
Less - accumulated depreciation	(1,739,762)	(1,538,983)
Total	\$ 3,544,843	\$ 3,745,632

5. Line of Credit

Access Alaska, Inc. has a line of credit with First National Bank of Alaska. Interest is variable, calculated on an index of the prime rate (4% per annum at June 30, 2017) secured by a Trust Account with a fair value of \$2,459,989 held with First National Bank of Alaska in the name of Access Alaska, Inc. The total available under this line of credit is \$1,500,000. At June 30, 2017 and 2016, Access Alaska, Inc. had an outstanding balance of \$1,030,000 and \$758,000, respectively.

6. Deferred Revenue

Amounts received from grantors which had not been expended as of fiscal years ended June 30, 2017 and 2016 were as follows:

	2017	2016
State of Alaska Department of Health and Social Services	\$ 1,011,522	\$ 990,698
Other	53,601	132,931
Total	\$ 1,065,123	\$ 1,123,629

Access Alaska, Inc.

Notes to Financial Statements

7. Note Payable

	2017	2016
Note payable to a foundation, principal and interest at 2.00%, due in semiannual payments of \$29,026, unsecured, matures September 1, 2022	\$ 300,929	\$ 352,192
Less current portion	(52,293)	(51,263)
Note Payable, net of current portion	\$ 248,636	\$ 300,929

Scheduled principal payments on note payable are as follows:

2018	52,293
2019	53,344
2020	54,417
2021	55,510
2022	56,626
Thereafter	28,739
	\$ 300,929

8. Unrestricted and Temporarily Restricted Gifts, Grants and Support

Gifts, grants and support were provided to Access Alaska, Inc. for operations in fiscal year 2017 as follows:

Permanently Restricted Gifts, Grants and Support				
<i>Type of Donor</i>	Balance at June 30, 2016	Received in 2017	Released to Unrestricted in 2017	Balance at June 30, 2017
Individuals	\$ 119,481	\$ -	\$ -	\$ 119,481

Temporarily Restricted Gifts, Grants and Support				
<i>Type of Donor</i>	Balance at June 30, 2016	Received in 2017	Released to Unrestricted in 2017	Balance at June 30, 2017
Foundations	\$ 1,285	\$ -	\$ -	\$ 1,285

Access Alaska, Inc.

Notes to Financial Statements

These assets are temporarily restricted due to donor purpose restrictions.

Unrestricted Gifts, Grants and Support					
<i>Type of Donor</i>	Temporarily Restricted Released in 2017	Unrestricted Received in 2017	Total Unrestricted		
Individuals	\$ -	\$ 22,520	\$ 22,520		
Foundations	-	54,654	54,654		
Government	-	1,808,393	1,808,393		
Total	\$ -	\$ 1,885,567	\$ 1,885,567		

Gifts, grants and support were provided to Access Alaska, Inc. for operations in fiscal year 2016 as follows:

Permanently Restricted Gifts, Grants and Support						
<i>Type of Donor</i>	Balance at June 30, 2015	Received in 2016	Released to Unrestricted in 2016	Balance at June 30, 2016		
Individuals	\$ 119,481	\$ -	\$ -	\$ 119,481		

Temporarily Restricted Gifts, Grants and Support						
<i>Type of Donor</i>	Balance at June 30, 2015	Received in 2016	Released to Unrestricted in 2016	Balance at June 30, 2016		
Foundations	\$ 1,285	\$ -	\$ -	\$ 1,285		

These assets are temporarily restricted due to donor purpose restrictions.

Unrestricted Gifts, Grants and Support					
<i>Type of Donor</i>	Temporarily Restricted Released in 2016	Unrestricted Received in 2016	Total Unrestricted		
Individuals	\$ -	\$ 20,148	\$ 20,148		
Foundations	-	56,015	56,015		
Government	-	2,094,611	2,094,611		
Total	\$ -	\$ 2,170,774	\$ 2,170,774		

Access Alaska, Inc.

Notes to Financial Statements

9. Operating Leases

Access Alaska, Inc. leases building space and office equipment under operating lease agreements. The following is a schedule by years of the estimated future minimum rental payments required under the leases as of June 30, 2017:

Fiscal Years

2018	\$	263,031
2019		263,155
2020		253,590
2021		35,604
2022		-
Total		\$ 815,380

10. Related Party Transactions

Federal regulation requires Access Alaska, Inc. to be a consumer-run organization. As a result, a number of Access Alaska, Inc.'s employees received benefits under the programs Access Alaska, Inc. administers.

11. Contingencies

Access Alaska, Inc. relied upon the Consumer Directed Personal Care Attendants Program for approximately 79% of its funding in 2017 and 2016. The program is funded by Medicaid and has undergone change in recent years. Increasing competition from other agencies for these consumers and changing program requirements puts Access Alaska, Inc. at risk for future periods that these funds may be significantly reduced.

Grants received from state and federal agencies are subject to audit by governmental entities or their representatives. Accordingly, adjustments of amounts received under grants and contracts could result if the grants or contracts are audited by such agencies and any expenses are disallowed.

12. Retirement Plan

Access Alaska, Inc. participates in a 403(b) tax deferred annuity plan that is available to each employee who works 20 or more hours each week. Each employee shall be eligible to participate in the Plan immediately upon becoming employed at Access Alaska, Inc. Each participant may elect to have a portion of their salary deferred each pay period. An employee may not participate unless an election is made to contribute at least \$200 annually.

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Supplementary Information

Access Alaska, Inc.
Schedule of Program Expenses

Year Ended June 30, 2017	Anchorage Independent Living	Traumatic Acquired Brain Injury	CDPCS Medicaid	AMHTA Micro Enterprise	Fairbanks Independent Living	Community Development Disability Program	Centers for Independent Living	Interpreter Referral Line	Comprehensive Behavioral Health Treatment	Morningside Hospital History Project	Mental Health Essential Program Equipment	ADA Coordination	Anchorage Care Coordination
Personnel Services and Related													
Salaries and wages	\$ 354,009	\$ 212,934	\$ 1,222,166	\$ 10,238	\$ 167,525	\$ 100,800	\$ 305,425	\$ 17,099	\$ -	\$ -	\$ -	\$ 22,069	\$ -
Benefits and taxes	64,276	35,482	245,845	-	36,891	18,732	70,941	3,734	-	-	-	3,515	-
Total Personnel Services	418,285	248,416	1,468,011	10,238	204,416	119,532	376,366	20,833	-	-	-	25,584	-
Consumer Services													
Housing modifications and adaptive technology	-	-	-	-	-	-	-	44	-	-	-	-	-
Recruitment	198	147	1,203	-	71	40	177	3	-	-	-	1	-
Consumer related expenses	-	-	4,678,643	85,209	-	-	-	-	-	41,844	-	-	10,488
Total Consumer Services	198	147	4,679,846	85,209	71	40	177	47	-	41,844	-	1	10,488
Marketing and Advertising	-	-	3,049	-	1	-	(4)	75	-	-	-	-	-
Program Administrative													
Travel	10,127	6,196	6,869	-	8,203	3,797	10,307	223	-	-	-	(44)	-
Telephone	4,544	1,900	17,143	-	712	1,025	2,586	78	-	-	-	10	-
Consulting	1,755	438	11,335	-	1,382	2,660	-	56	160	6,277	-	2	-
Audit fees	1,541	424	36,449	-	998	484	462	68	-	-	-	2	-
Office supplies	3,223	1,413	11,924	-	939	741	2,594	79	-	-	-	(1)	-
General insurance	6,306	2,978	34,636	-	3,363	1,034	7,559	364	-	-	-	8	-
Staff training	406	515	3,992	-	259	64	-	28	-	-	-	2	-
Board of Directors training	-	-	(1)	-	-	-	-	-	-	-	-	1	-
Postage	682	317	3,573	-	311	218	808	29	-	-	-	(1)	-
Dues and subscriptions	1,619	699	5,321	-	484	587	1,124	46	-	-	-	2	-
Miscellaneous	1,299	919	11,440	-	740	306	1,329	76	-	-	-	1	-
Total Administrative	31,502	15,799	142,681	-	17,391	10,916	26,769	1,047	160	6,277	-	(18)	-
Occupancy													
Rent and utilities	28,521	17,822	209,328	-	32,450	14,955	40,105	3,447	-	-	-	101	-
Equipment lease payments	3,191	1,363	22,131	-	1,455	743	2,684	168	-	-	-	7	-
Equipment repairs and maintenance	9,357	5,285	56,832	-	6,637	3,499	11,253	698	-	-	-	27	-
Furniture and equipment purchases	1,455	663	10,862	-	396	313	1,895	36	-	-	19,283	-	-
Total Occupancy	42,524	25,133	299,153	-	40,938	19,510	55,937	4,349	-	-	19,283	135	-
Total Expenses Before Depreciation and Allocation of Management and General Expenses and Transfers for Capitalized Equipment	\$ 492,509	\$ 289,495	\$ 6,592,740	\$ 95,447	\$ 262,817	\$ 149,998	\$ 459,245	\$ 26,351	\$ 160	\$ 48,121	\$ 19,283	\$ 25,702	\$ 10,488

Access Alaska, Inc.
Schedule of Program Expenses, continued

Year Ended June 30, 2017	Medicare Counseling and Outreach	Older Blind	Mat-Su Borough Community Match	Statewide Independent Living Council	Compass Alaska	AMHTA Mini- Grants	AMHTA Disability Obstacle Course	Other Programs*	Total	Allocation of Management & General and Transfers for Capitalized Equipment	Totals	
											2017 Program Expenses	2016 Program Expenses
Personnel Services and Related												
Salaries and wages	\$ 23,722	\$ 54,550	\$ 1,339	\$ 192,303	\$ 23,239	\$ -	\$ -	\$ 16,218	\$ 2,723,636	\$ (1,023,130)	\$ 1,700,506	\$ 1,779,058
Benefits and taxes	(1,250)	2,158	-	32,785	5,163	-	-	3,420	521,692	(206,569)	315,123	331,901
Total Personnel Services	22,472	56,708	1,339	225,088	28,402	-	-	19,638	3,245,328	(1,229,699)	2,015,629	2,110,959
Consumer Services												
Housing modifications and adaptive technology	-	55	-	-	-	-	-	-	99	-	99	152,482
Recruitment	3	1	-	29	7	-	-	6	1,886	-	1,886	4,517
Consumer related expenses	-	-	28,571	9,091	-	29,859	-	6,104	4,889,809	-	4,889,809	5,227,341
Total Consumer Services	3	56	28,571	9,120	7	29,859	-	6,110	4,891,794	-	4,891,794	5,384,340
Marketing and Advertising	-	1	-	194	24	-	-	251	3,591	-	3,591	1,214
Program Administrative												
Travel	753	112	-	11,973	78	-	-	2,622	61,216	(8,622)	52,594	84,668
Telephone	109	13	-	424	96	-	-	59	28,699	(7,677)	21,022	32,729
Consulting	405	8	90	179	(11)	40	-	20,087	44,863	(12,001)	32,862	34,853
Audit fees	155	4	-	1,184	132	-	-	21	41,924	(11,215)	30,709	25,968
Office supplies	145	(24)	-	768	271	-	818	2,478	25,368	(6,786)	18,582	29,554
General insurance	370	78	-	815	309	-	-	93	57,913	(15,492)	42,421	46,040
Staff training	47	-	-	777	164	-	-	17	6,271	(1,678)	4,593	4,206
Board of Directors training	-	-	-	(2)	-	-	-	2	-	-	-	3,569
Postage	58	5	-	2,488	51	-	-	1	8,540	(2,285)	6,255	7,292
Dues and subscriptions	91	2	-	209	58	-	-	286	10,528	(2,816)	7,712	7,604
Miscellaneous	(8)	38	-	2,249	206	-	-	81,908	100,503	(26,885)	73,618	39,668
Total Administrative	2,125	236	90	21,064	1,354	40	818	107,574	385,825	(95,457)	290,368	316,151
Occupancy												
Rent and utilities	4,079	708	-	5,150	1,806	-	-	704	359,176	(96,080)	263,096	269,278
Equipment lease payments	130	36	-	464	126	-	-	61	32,559	(13,868)	18,691	24,324
Equipment repairs and maintenance	652	156	-	12	466	-	-	549	95,423	(25,558)	69,865	65,927
Furniture and equipment purchases	37	14	-	568	31	-	-	10	35,563	(4,282)	31,281	13,657
Total Occupancy	4,898	914	-	6,194	2,429	-	-	1,324	522,721	(139,788)	382,933	373,186
Total Expenses Before Depreciation and Allocation of Management and General Expenses and Transfers for Capitalized Equipment												
	\$ 29,498	\$ 57,915	\$ 30,000	\$ 261,660	\$ 32,216	\$ 29,899	\$ 818	\$ 134,897	\$ 9,049,259	\$ (1,464,944)	\$ 7,584,315	\$ 8,185,850

Access Alaska, Inc.

Schedule of State Financial Assistance

Year Ended June 30, 2017

Grant Program/Title	Grant Award Number	Grant Award Amount	Accrued or (Deferred) Revenue at July 1, 2016	State Expenses	Cash Received	Accrued or (Deferred) Revenue at June 30, 2017
Department of Labor and Workforce Development						
Independent Living State Grants (state share) *	IC 16.02	\$ 589,767	\$ 88,232	\$ 580,236	\$ 613,089	\$ 55,379
Older Blind (state share)	OB 17.08	6,091	508	6,091	6,091	508
Total Department of Labor and Workforce Development			88,740	586,327	619,180	55,887
Alaska Mental Health Trust Authority						
Employment: Access Alaska DVR PETS Project (FY15)	6603	10,000	2,000	-	2,000	-
Engagement Improvements	7765	10,000	-	-	8,000	(8,000)
Small Project: Disability Obstacle Course (FY16)	7166	9,000	982	818	1,800	-
Mini-Grants for Alaska Mental Health Trust Beneficiaries	N/A	31,388	4,889	29,899	28,886	5,902
Total Alaska Mental Health Trust Authority			7,871	30,717	40,686	(2,098)
Department of Health and Social Services						
Community Development Disability Program *	607-303-1701	150,000	7,500	150,000	150,000	7,500
Traumatic and Acquired Brain Injury *	607-315-1706	289,495	14,474	289,495	289,495	14,474
Medicare Counseling and Outreach (state share)	607-299-1709	12,047	231	12,047	11,721	557
Home Accessibility Improvements 2014	65C-14-208	400,000	35,316	-	35,316	-
Mental Health Essential Program Equipment	C05-548-17017	6,375	-	6,375	-	6,375
Mental Health Essential Program Equipment	C05-548-17023	12,907	-	12,907	-	12,907
Comprehensive Behavioral Health Treatment & Recovery	602-208-1702	100	-	100	100	-
Total Department of Health and Social Services			57,521	470,924	486,632	41,813
Department of Transportation & Public Facilities						
Alaska Community Transit Reimbursable Grant	2573-17-0200	307	-	265	-	265
Total Department of Transportation & Public Facilities			-	265	-	265
Total State Financial Assistance			\$ 154,132	\$ 1,088,233	\$ 1,146,498	\$ 95,867

* - Indicates Major Program

Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Access Alaska, Inc. under programs of the state government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. Because the Schedule presents only a selected portion of the operations of Access Alaska, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Access Alaska, Inc.

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

Access Alaska, Inc.
Department of Health and Social Services
Community Development Disability Program
Grant #607-303-1701
Schedule of Expenses - Budget and Actual

<i>Year Ended June 30, 2017</i>	Budget	Actual	Variance Positive (Negative)
Expenses			
Personnel services	\$ 119,830	\$ 119,532	\$ 298
Travel	3,797	3,797	-
Facility expense	15,980	14,955	1,025
Supplies	1,526	741	785
Equipment	4,555	4,555	-
Other	4,312	6,420	(2,108)
Total Expenses	\$ 150,000	\$ 150,000	\$ -

Access Alaska, Inc.
Department of Health and Social Services
Traumatic and Acquired Brain Injury Case Management
Grant #607-315-1706
Schedule of Expenses - Budget and Actual

<i>Year Ended June 30, 2017</i>	Budget	Actual	Variance Positive (Negative)
Expenses			
Personnel services	\$ 249,282	\$ 248,416	\$ 866
Travel	6,196	6,196	-
Facility expense	19,722	17,822	1,900
Supplies	2,386	1,413	973
Equipment	7,311	7,311	-
Other	4,598	8,337	(3,739)
Total Expenses	\$ 289,495	\$ 289,495	\$ -

Access Alaska, Inc.

**Department of Health and Social Services
Medicare Counseling and Outreach Program
Grant #607-299-1709
Schedule of Expenses - Budget and Actual**

<i>Year Ended June 30, 2017</i>	Budget	Actual	Variance Positive (Negative)
Expenses			
Personnel services	\$ 9,177	\$ 9,177	\$ -
Travel	308	308	-
Facility expense	1,666	1,666	-
Supplies	60	60	-
Equipment	334	334	-
Other	501	501	-
Total Expenses	\$ 12,046	\$ 12,046	\$ -

Access Alaska, Inc.

**Department of Health and Social Services
Mental Health Essential Program Equipment
Grant #C05-548-17017**

Schedule of Expenses - Budget and Actual

<i>Year Ended June 30, 2017</i>	Budget	Actual	Variance Positive (Negative)
Expenses			
Equipment	\$ 6,375	\$ 6,375	-

Access Alaska, Inc.

**Department of Health and Social Services
Mental Health Essential Program Equipment
Grant #C05-548-17023
Schedule of Expenses - Budget and Actual**

<i>Year Ended June 30, 2017</i>	Budget	Actual	Variance Positive (Negative)
Expenses			
Equipment	\$ 12,907	\$ 12,907	-

Access Alaska, Inc.
Department of Health and Social Services
Comprehensive Behavioral Health Treatment and Recovery
Grant #602-208-1702
Schedule of Expenses - Budget and Actual

<i>Year Ended June 30, 2017</i>	Budget	Actual	Variance Positive (Negative)
Expenses			
Travel	\$ 100	\$ 100	\$ -

Single Audit Section



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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 Alaska, Inc.
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Access Alaska, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Access Alaska, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Access Alaska, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Access Alaska, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
April 16, 2018



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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

To the Board of Directors
Access Alaska, Inc.
Anchorage, Alaska

Report on Compliance for Each Major State Program

We have audited Access Alaska, Inc.'s (the Entity) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Access Alaska, Inc.'s major state programs for the year ended June 30, 2017. Access Alaska, Inc.'s major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Access Alaska, Inc.'s major state 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state program occurred. An audit includes examining, on a test basis, evidence about Access Alaska, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Access Alaska, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Access Alaska, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of Access Alaska, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Access Alaska, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Access Alaska, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state 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 state 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
April 16, 2018

Access Alaska, Inc.

Schedule of Finding and Questioned Costs Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

State Financial Assistance

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> (none reported)
Type of auditor's report issued on compliance for major programs:	Unmodified	
Dollar threshold used to distinguish a state major program:		\$ 75,000

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.

Access Alaska, Inc.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017**

Financial Statement

There were no prior year audit findings.

State

There were no prior year audit findings.

Access Alaska, Inc.
Corrective Action Plan
Year Ended June 30, 2017

There are no current year findings; therefore no corrective action plan is required.