



access

**Access Services
(A Nonprofit Benefit Corporation)
Audited Financial Report on the**

**Schedules of Revenues and Expenditures and
Deferred Revenues and Support**

As of and For the Year Ended June 30, 2016

under MOU No. P000ASI20

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FINANCIAL SECTION

Report of Independent Auditors

To the Board of Directors of Access Services and the Los Angeles County Metropolitan Transportation Authority

Report on the Schedules of Revenues and Expenditures and Deferred Revenues and Support

We have audited the accompanying Schedule of Revenues and Expenditures for the year ended June 30, 2016 and Schedule of Deferred Revenues and Support as of June 30, 2016 as defined by the Proposition C Discretionary Incentive Program Guidelines and the Memorandum of Understanding (MOU No. P000ASI20) dated July 2, 2015 between Access Services as grantee, and the Los Angeles County Metropolitan Transportation Authority (LACMTA), as grantor and the related notes to the Schedules of Revenues and Expenditures and Deferred Revenues and Support (Schedules).

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these Schedules 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 the Schedules that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Schedules 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 Schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedules, 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 Schedules 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 Schedules.



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

Opinion

In our opinion, the Schedules of Revenues and Expenditures for the year ended June 30, 2016 and the Schedule of Deferred Revenues and Support as of June 30, 2016 referred to above present fairly, in all material respects, the revenues and expenditures and deferred revenues and support of Access Services under MOU No. P000ASI20 for the year ended June 30, 2016 and as of June 30, 2016, respectively, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 2, the Schedules of Revenues and Expenditures and Deferred Revenues and Support present only the revenues, expenditures and deferred revenues and support of Access Services under MOU No. P000ASI20, and do not purport to, and do not present fairly the financial position of Access Services as of June 30, 2016 and the changes in its financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Schedules of Revenues and Expenditures and Deferred Revenues and Support. The Schedule of Capital Assets is presented for purposes of additional analysis and has not been subjected to the auditing procedures applied in the audit of the Schedule of Revenues and Expenditures and Deferred Revenues and Support. Accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2017 on our consideration of Access Services internal control over financial reporting which includes the Schedules of Revenues and Expenditures and Deferred Revenues and Support 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 of the Schedules of Revenues and Expenditures and Deferred Revenues and Support and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting of the Schedules of Revenues and Expenditures and Deferred Revenues and Support or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Vasquez & Company LLP".

Los Angeles, California
May 18, 2017

Access Services
MOU No. P000ASI20
Schedule of Revenues and Expenditures
For the year ended June 30, 2016

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Total</u>
Revenues			
Revenues - Funding Source			
Operating	\$ 62,000,000	\$ 68,385,661	\$ 130,385,661
Passenger fares	-	9,640,950	9,640,950
MTA shuttle reimbursement	-	8,842	8,842
MTA Tether Strap reimbursement	-	2,035	2,035
Miscellaneous income	-	91,724	91,724
Gain on sale of capital assets	7,930	151,082	159,012
Total Revenues	<u>62,007,930</u>	<u>78,280,294</u>	<u>140,288,224</u>
Expenditures			
Paratransit Operations - Direct Cost			
Purchased transportation services - regular trips			
Global Paratransit	19,949,219	14,337,974	34,287,193
San Gabriel Transit	17,242,390	11,293,921	28,536,311
MV Transportation	11,498,685	8,081,832	19,580,517
California Transit	10,346,963	7,305,935	17,652,898
Diversified Transit	2,383,073	1,676,929	4,060,002
Santa Clarita Transit	579,670	417,489	997,159
Free Fare	-	3,718,214	3,718,214
Back - Up	-	279,463	279,463
EPG	-	87,324	87,324
Token	-	11,598	11,598
Total Purchased Transportation Services - Regular Trips	<u>62,000,000</u>	<u>47,210,679</u>	<u>109,210,679</u>
Purchased Transportation Services - Adults With Children	-	139,675	139,675
Purchased Transportation Services - Access to Work	-	240,467	240,467
Purchased Transportation Services - Out of Service Area	-	335,379	335,379
Communications - Telephone/Data Transmission	-	1,916,143	1,916,143
Phone and Computer System Maintenance /License and Consulting	-	1,209,891	1,209,891
Salaries and Related Benefits - Customer Service and Complaints	-	1,398,911	1,398,911
Shuttle Service - MTA Elevator Maintenance	-	8,585	8,585
Contracted Call Center	-	1,096,933	1,096,933
OMC Weekend and Holiday Services	-	87,856	87,856
Vehicle Cost - Direct	-	13,745	13,745
Community Events and Materials	-	12,957	12,957
Office Rent	-	131,940	131,940
Insurance - Commercial	-	6,241,997	6,241,997
Travel and Conference	-	1,350	1,350
Other Professional Expense	-	20,630	20,630
integrate Access Services to 511 (LA SAFE)	-	5,767	5,767
Office Supplies	-	5,673	5,673
Security Contract - METRO/LASD	-	200,000	200,000
Total Paratransit Operations Direct Cost	<u>62,000,000</u>	<u>60,278,578</u>	<u>122,278,578</u>

See notes to Schedules of Revenues and Expenditures and Deferred Revenues and Support.

Access Services
MOU No. P000ASI20
Schedule of Revenues and Expenditures (Continued)
For the year ended June 30, 2016

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Total</u>
Paratransit Operations - Indirect Cost			
Salaries and Related Benefit - Operations	\$ -	\$ 1,820,758	\$ 1,820,758
Communications - Telephone and Data Transmission	-	60,854	60,854
Other Professional Expense	-	510	510
Vehicle Costs - Indirect	-	101,281	101,281
Customer Satisfaction/Free Fare Phone Survey	-	300	300
Metro Studio Design/Marketing Services	-	12,288	12,288
Office Rent	-	117,528	117,528
Insurance - Commercial	-	27,242	27,242
Travel and Conference	-	18,300	18,300
Office Supplies	-	5,940	5,940
Community Events and Materials	-	132,001	132,001
Publications/Printed Materials - Riders Communication	-	100,212	100,212
Postage/Mailing	-	40,641	40,641
Professional Memberships	-	2,106	2,106
Total Paratransit Operations - Indirect Cost	<u>-</u>	<u>2,439,961</u>	<u>2,439,961</u>
Eligibility Determination Expenses			
Purchased Transportation Services - Certification Trips	-	1,829,178	1,829,178
Salaries and Related Benefits - Certification and Appeals	-	403,335	403,335
Eligibility and Appeal Contracts	-	5,442,540	5,442,540
Transportation Cost - Tethering Trips	-	2,041	2,041
Travel Training	-	525,766	525,766
Tether Strap Project	-	96,922	96,922
Metro Studio Design / Marketing Services	-	9,659	9,659
Other Professional Expense	-	54,322	54,322
Communications - Telephone / Data Transmission	-	164,753	164,753
Office Rent	-	66,492	66,492
Insurance - Commercial	-	70,651	70,651
Business Meetings and Meals	-	121	121
Travel and Conference	-	2,374	2,374
Office Supplies	-	4,518	4,518
Publications / Printed Materials	-	396,190	396,190
Postage / Mailing / Courier	-	164,506	164,506
Professional Membership	-	263	263
Total Eligibility Determination Expenses	<u>-</u>	<u>9,233,631</u>	<u>9,233,631</u>
CTSA Function - Education and Training Expenses			
Salaries and Related Benefits - CTSA	-	222,509	222,509
Scholarship Programs	-	7,980	7,980
Scholarship Programs - Education and Training Seminars	-	636	636
Metro Studio Design / Marketing Services	-	497	497
Communications - Telephone	-	4,450	4,450
Office Rent	-	12,372	12,372
Insurance - Commercial	-	543	543
Travel and Conference	-	1,718	1,718
Office Supplies	-	1,453	1,453
Community Events and Materials	-	1,232	1,232
Postage/Mailing	-	5,095	5,095
Professional Memberships	-	264	264
Total CTSA Function - Education and Training Expenses	<u>-</u>	<u>258,749</u>	<u>258,749</u>

See notes to Schedules of Revenues and Expenditures and Deferred Revenues and Support.

Access Services
MOU No. P000ASI20
Schedule of Revenues and Expenditures (Continued)
For the year ended June 30, 2016

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Total</u>
CTSA Function - Access Ride Information Expenses			
Salaries and Related Benefits - Ride Information	\$ -	\$ 220,043	\$ 220,043
Communications - Telephone	-	18,653	18,653
Phone and Computer System Maintenance/license and Consulting	-	1,800	1,800
Office Rent	-	24,240	24,240
Office Supplies	-	1,062	1,062
Postage/Mailing	-	1,019	1,019
Professional Membership	-	263	263
Total CTSA Function - Access Ride information Expenses	<u>-</u>	<u>267,080</u>	<u>267,080</u>
Administrative Expenses			
Salaries and Related Benefits	-	4,451,201	4,451,201
Metro Studio Design/Marketing Services	-	3,477	3,477
Communications - Telephone and Data Transmission	-	57,162	57,162
Office Rent	-	255,991	255,991
Insurance - Commercial	-	160,895	160,895
Office Supplies	-	22,618	22,618
Other Professional Services	-	878,951	878,951
Public Notice Advertising Expenses	-	28,789	28,789
Equipment and Other Rental	-	2,170	2,170
Repairs and Maintenance	-	49,197	49,197
Postage/Mailing/Messenger	-	57,647	57,647
Publications/Printed Materials /Copying	-	11,487	11,487
Network Support/Supplies	-	216,158	216,158
Subscription/References	-	2,695	2,695
Professional Memberships	-	5,118	5,118
Board and Advisory Committee Compensation	-	42,840	42,840
Business Meetings and Meals	-	17,869	17,869
Travel and Conference	-	114,927	114,927
Mileage and Parking	-	9,341	9,341
Other Expenses - Bank Charges, Tax Filing Fees, Etc.	-	8,633	8,633
Total Administrative Expenses	<u>-</u>	<u>6,397,166</u>	<u>6,397,166</u>
Total Expenses Before Depreciation	62,000,000	78,875,165	140,875,165
Depreciation Expense	450,705	5,695,812	6,146,517
Total Expenses After Depreciation	62,450,705	84,570,977	147,021,682
Deficiency of revenues over expenditures	\$ (442,775)	\$ (6,290,683)	\$ (6,733,458)

See notes to Schedules of Revenues and Expenditures and Deferred Revenues and Support.

Access Services
MOU No. P000ASI20
Schedule of Deferred Revenues and Support
June 30, 2016

Deferred support	
Proposition C advance funds	\$ <u>18,786,393</u>
Deferred revenue - coupon sales	\$ <u>309,069</u>

See notes to Schedules of Revenues and Expenditures and Deferred Revenues and Support.

Access Services
MOU No. P000ASI20
Supplementary Information
Schedule of Capital Assets
June 30, 2016

Date Acquired	Description	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
2008	Chevy Uplander (2)	\$ 83,863	\$ -	\$ -	\$ 83,863
2008	Chevy Impala (2)	33,912	-	-	33,912
2008	Chevy Silverado	20,878	-	-	20,878
2008	Chevy Uplander (6)	238,295	-	238,295	-
2008	Ford Transporter (9)	403,248	-	403,248	-
2008	Ford Starcraft (3)	146,511	-	146,511	-
2009	Chevy Uplander	41,895	-	-	41,895
2009	Chevy Malibu (4)	72,588	-	72,588	-
2009	Chevy Uplander ((19)	753,292	-	-	753,292
2010	Dodge Caravan (8)	335,896	-	335,896	-
2010	Chevy Uplander (14)	558,630	-	-	558,630
2011	Chevy Malibu	18,307	-	-	18,307
2011	Dodge Caravan (47)	1,984,265	-	126,697	1,857,568
2011	Ford Starcraft	71,302	-	-	71,302
2012	Chevy Malibu (6)	110,814	-	-	110,814
2012	Dodge Caravan (73)	3,036,161	-	42,432	2,993,729
2012	Ford Aerolite (7)	429,072	-	-	429,072
2012	Ford Aerotech 220 (10)	724,965	-	-	724,965
2012	Ford Aerotech 240 (2)	155,732	-	-	155,732
2012	Ford Fusion Hybrid	35,491	-	-	35,491
2012	VPG MV1 (5)	280,180	-	-	280,180
2013	10 Smartdrive Units & Installation - GPI	4,250	-	-	4,250
2013	3 Smartdrive Units & Set Up	1,523	-	-	1,523
2013	Dodge Caravan	42,144	-	-	42,144
2013	Mnc/Shared Ride Modules	22,300	-	-	22,300
2013	Stratagen Ph 1 - Cr#14	36,000	-	-	36,000
2013	VPG MV1 (12)	668,086	-	-	668,086
2014	(1) Smartdrive; Controller; Primary & Dr Cam - CTI	1,054	-	-	1,054
2014	(1) Smartdrive; Controller; Primary & Dr Cam - DT	1,054	-	-	1,054
2014	(1) Smartdrive; Controller; Primary & Dr Cam - GPI	1,054	-	-	1,054
2014	(1) Smartdrive; Controller; Primary & Dr Cam - SGT	1,054	-	-	1,054
2014	(10) Gsp-1700 Satellite Phone	4,795	-	-	4,795
2014	(2) Controller; (2) Primary & (2) Driver Camera - MV	1,289	-	-	1,289
2014	(2) Graphics Card & (4) Compaq 19" LCD	1,163	-	-	1,163
2014	(2) Monitors; (2) Desktop & (2) Laserjet	2,545	-	-	2,545
2014	13 Smartdrive Units & Set Up Fee - MV	6,633	-	-	6,633
2014	4 Smartdrive Units -CTI	1,514	-	-	1,514
2014	13 Smartdrive Units -DT	5,295	-	-	5,295
2014	1 VPG Diagnostic Kit For MV1 Vehicles	1,183	-	-	1,183
2014	20 Smartdrive Units - GPI	8,983	-	-	8,983
2014	11 Smartdrive Units For MV1 Vehicles	5,584	-	-	5,584
2014	180 Smartdrive Units	125,390	-	-	125,390
2014	3 Smartdrive Unit & Set Up Fee - DTI	1,523	-	-	1,523
2014	12 Smartdrive Units - SGT	6,091	-	-	6,091
2014	AED With Extra Battery & Cabinet	2,628	-	-	2,628
2014	Apple Ipad Air	7,707	-	-	7,707
2014	Axiom SFP+Transceiver Module - Axiom	3,090	-	-	3,090
2014	Cisco Catalyst 3750X-48T S Layer 3 Switch	12,310	-	-	12,310
2014	Cisco Network Module-Catalyst 3K-X 10	2,808	-	-	2,808
2014	Cisco Smartnet-1 Yr Ext Svc Us	2,538	-	-	2,538
2014	Dodge Caravan (115)	5,080,861	-	-	5,080,861
2014	Elite Desk G1 Desktop	2,948	-	-	2,948
2014	Ford Aerotech 220 (10)	762,868	-	-	762,868
2014	Good For Enterprise (Cal) & GI Server Perpetual Bundle	3,885	-	-	3,885
2014	HP Desktop	1,487	-	-	1,487
2014	HP Laptop (R. Streiff)	1,901	-	-	1,901
2014	May/14: Cisco Router And Cisco Hw Switch	7,107	-	-	7,107
2014	Misc Licenses For Windows/Citrix/HP Implementation	21,416	-	-	21,416
2014	New Call Accounting IP Buffer	1,495	-	-	1,495
2014	VPG MV1 (24)	1,255,245	-	-	1,255,245

See report of independent auditors.

Access Services
MOU No. P000ASI20
Supplementary Information
Schedule of Capital Assets (Continued)
June 30, 2016

<u>Date</u> <u>Acquired</u>	<u>Description</u>	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
2015	(1) Ergonomic Task Chair	208	-	-	208
2015	(1) Lenovo Thinkpad & (1) Memory	943	-	-	943
2015	(1) Smartdrive Recorder	486	-	-	486
2015	(1) Smartdrive Recorder for CTI	478	-	-	478
2015	(1) Smartdrive Recorder for DT	478	-	-	478
2015	(1) Smartdrive Recorder for DT	478	-	-	478
2015	(1) Smartdrive Recorder for GPI	478	-	-	478
2015	(1) Smartdrive Recorder for GPI	478	-	-	478
2015	(1) Smartdrive Recorder for GPI	478	-	-	478
2015	(1) Smartdrive Recorder for GPI	478	-	-	478
2015	(1) Smartdrive Recorder for GPI	478	-	-	478
2015	(1) Smartdrive Recorder for SGT	478	-	-	478
2015	(1) Smartdrive Recorder for SGT	478	-	-	478
2015	(1) Smartdriver	271	-	-	271
2015	(1) Virtual Desktop Implementation	23,310	-	-	23,310
2015	(13) Smartdrive Camera for GPI	6,218	-	-	6,218
2015	(13) Smartdrive Units for SGT	6,218	-	-	6,218
2015	(14) Smartdrive Recorder for GPI	7,107	-	-	7,107
2015	(2) Desk; (4) Folding Table; (2) File Cabinet	505	-	-	505
2015	(2) Desks & (4) Folding Table	1,289	-	-	1,289
2015	(2) Desks & (4) Folding Table	213	-	-	213
2015	(2) Smartdrive Re-Cert Camera for SGT	315	-	-	315
2015	(2) Smartdrive Recorder for CTI	957	-	-	957
2015	(2) Smartdrive Recorder for DT	957	-	-	957
2015	(2) Smartdrive Recorder for GPI	957	-	-	957
2015	(2) Smartdrive Recorder for SGT	1,015	-	-	1,015
2015	(2) Smartdrive Recorder for SGT	957	-	-	957
2015	(2) Smartdrive Units for CTI	957	-	-	957
2015	(2) Smartdrive Units for Sgt	957	-	-	957
2015	(3) Microsoft Surface Pro 3 Tablet	2,805	-	-	2,805
2015	(3) Smartdrive Camera for DTI	1,525	-	-	1,525
2015	(3) Smartdrive Camera for GPI	1,435	-	-	1,435
2015	(3) Smartdrive Camera for GPI	1,435	-	-	1,435
2015	(3) Smartdrive Recorder for GPI	957	-	-	957
2015	(3) Smartdrive Recorder for GPI	1,435	-	-	1,435
2015	(3) Smartdrive Units for GPI	1,435	-	-	1,435
2015	(4) Smartdrive Units for GPI	1,913	-	-	1,913
2015	(5) Ergonomic Task Chair	1,224	-	-	1,224
2015	(5) Smartdrive Units for Staff Vehicles	3,665	-	-	3,665
2015	(5) Smartdriver Camera for GPI	2,391	-	-	2,391
2015	(6) Vsphere Ent 5.0 License	14,008	-	-	14,008
2015	(7) Smartdrive Recorder for SGT	3,553	-	-	3,553
2015	(8) Smartdrive Camera for SGT & MVT	4,081	-	-	4,081
2015	(8) Smartdrive Units for GPI	3,826	-	-	3,826
2015	1 Lot Of HP Servers & Storage Arrays	100,435	-	-	100,435
2015	1 Lot Of HP Servers & Storage Arrays System	236,486	-	-	236,486
2015	(1) Smartdrive Unit - SGT	414	-	-	414
2015	(13) Smartdrive Unit & Set Up Fee - GPI	6,599	-	-	6,599
2015	2016 Ford Fusion Hybrid	43,238	-	-	43,238
2015	(5) Smartdrive Unit & Set Up Fee - GPI	2,391	-	-	2,391
2015	Adobe Echosign Electronic Signature	2,700	-	-	2,700
2015	Apc Smart - UPS	1,825	-	-	1,825
2015	Apple Ipad Air	1,778	-	-	1,778
2015	Aug/14 Labor Costs for VD1 Project	7,640	-	-	7,640
2015	Automate Pro Software License	1,650	-	-	1,650
2015	Cisco Smartnet, Power Supply, Modem	30,928	-	-	30,928
2015	Computer Hardware for Implementation	44,857	-	-	44,857
2015	Dell Wyse D10D Thin Client	371	-	-	371
2015	(3) Dell Wyse Thin Client	7,397	-	-	7,397
2015	(147) Dodge Caravan	6,599,245	-	90,493	6,508,752

See report of independent auditors.

Access Services
MOU No. P000ASI20
Supplementary Information
Schedule of Capital Assets (Continued)
June 30, 2016

<u>Date</u> <u>Acquired</u>	<u>Description</u>	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
2015	(33) Ford Aerolite	2,184,600	-	-	2,184,600
2015	(12) Ford Aerotech 220	915,813	-	-	915,813
2015	Ford Aerotech 221	78,089	-	-	78,089
2015	Ford Aerotech 222	78,089	-	-	78,089
2015	(2) Ford Aerotech 223	156,178	-	-	156,178
2015	(2) Ford Aerotech 240	169,582	-	-	169,582
2015	(3) Honda Civic	86,958	-	-	86,958
2015	HP Desktop, Ddr 3 Memory, Monitors	2,424	-	-	2,424
2015	HP Proliant D1380 Server	2,391	-	-	2,391
2015	HP Servers & Storage Arrays System	92,569	-	-	92,569
2015	Lenovo DDR Memory & HP Pavilion Monitor	742	-	-	742
2015	Lenovo Laptop	846	-	-	846
2015	Lenovo Thinkpad	2,568	-	-	2,568
2015	Oracle ERP Migration/Implementation	100,000	64,807	-	164,807
2015	Security System	5,050	-	-	5,050
2015	Sept/14 Labor Costs for Vd1 Project	5,396	-	-	5,396
2015	Sonic Dell Sra 4600	1,410	-	-	1,410
2015	Sonic Dell Sra 4600 Add 25U (License)	1,931	-	-	1,931
2015	(13) VPG MV1	799,874	-	-	799,874
2015	Websense Enterprise	7,013	-	-	7,013
2015	Wifi Infrastructure Equipment	3,481	-	-	3,481
2015	Windows Implementation	73,900	-	-	73,900
2015	(2) Wyse Thin Client	8,842	-	-	8,842
2016	(1) APC Netshelter and (1) APC Aircooling System	-	4,859	-	4,859
2016	(1) Ramp - ASI	-	1,194	-	1,194
2016	(3) Smartdrive Installation for DT	-	1,435	-	1,435
2016	(1) Smartdrive Installation for Staff Vehicle	-	195	-	195
2016	(1) Smartdrive Recorder & Set Up Fee for MV	-	515	-	515
2016	(1) Smartdrive Recorder for GPI	-	478	-	478
2016	(1) Smartdrive Recorder for Staff Vehicle	-	561	-	561
2016	(10) Smartdrive Recorder & Set Up Fee for SGT	-	4,783	-	4,783
2016	(10) Smartdrive Recorder for GPI	-	4,783	-	4,783
2016	(11) Smartdrive Installation for CTI	-	5,261	-	5,261
2016	(2) Kenwood Digital Radio, Battery, Charger and Antenna	-	1,803	-	1,803
2016	(2) Smartdrive Recorder & Sr Cont for DT	-	957	-	957
2016	(3) Smartdrive Recorder for GPI	-	1,435	-	1,435
2016	(4) Smartdrive Recorder & Set Up Fee for MV	-	2,030	-	2,030
2016	(4) Smartdrive Recorder for GPI	-	1,913	-	1,913
2016	(4) UPS Tower; (3) UPS Battery & (4) Remote Management Adapter	-	21,506	-	21,506
2016	(6) 48-Ports Ethernet Switch & (6) Hot-Swappable Stacking Module	-	22,239	-	22,239
2016	(6) Smartdrive Recorder for CTI	-	2,870	-	2,870
2016	(66) Desktops and (28) Monitors	-	55,637	-	55,637
2016	(14) Smartdrive Recorder for SGT	-	6,696	-	6,696
2016	(6) Smartdrive Recorder for MV-ATW	-	3,059	-	3,059
2016	(20) Smartdrive Recorder for SGT	-	10,148	-	10,148
2016	(22) Smartdrive Recorder for GPI	-	11,162	-	11,162
2016	(1) Smartdrive Recorder for CTI-ATW	-	507	-	507
2016	(8) Vehicles Toll Road Vehicle Equipment Installation - SGT	-	27,989	-	27,989
2016	(8) Vehicles Toll Road Vehicle Equipment Installation - GPI	-	27,989	-	27,989
2016	(4) NRE Deposits	-	87,400	-	87,400
2016	2014 VPG MV1	-	61,986	-	61,986
2016	27" LCD Monitor	-	2,382	-	2,382
2016	Information Technologies	-	12,937	-	12,937
2016	Accessia New Rider 360 Desktop Portal Development	-	16,985	-	16,985
2016	Cisco Smartnet	-	2,529	-	2,529
2016	Creative Wireless, Inc - Misc Network Equipments	-	36,643	-	36,643
2016	(1) Dell Latitude Laptop	-	915	-	915
2016	Double Sided Cut Sheet Braille Embosser	-	5,518	-	5,518
2016	Geocrb/Amazon - 02/29/16: Hp Laser Printer	-	329	-	329
2016	Geocrb/Amazon - 03/02/16: Hp Laser Printer	-	252	-	252

See report of independent auditors.

Access Services
MOU No. P000ASI20
Supplementary Information
Schedule of Capital Assets (Continued)
June 30, 2016

<u>Date</u> <u>Acquired</u>	<u>Description</u>	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
2016	HP Pro Desk 400 SRP Kmat	-	2,119	-	2,119
2016	HP Proliant M350 Server	-	2,847	-	2,847
2016	MacPro Desktop	-	4,778	-	4,778
2016	Microsoft Surface Pro 3 and Misc Accessories	-	1,080	-	1,080
2016	MS Surface Pro & Cover	-	2,287	-	2,287
2016	New Rider 360 Desktop Portal & Accessla New Rider 360 Desktop Portal Development	-	16,735	-	16,735
2016	Portable Air Conditioner	-	2,529	-	2,529
2016	Rider Mobile Portal Application Development	-	14,990	-	14,990
2016	Ruckus Wireless Zoneflex Wireless Access Point	-	3,836	-	3,836
2016	Shredder	-	2,665	-	2,665
2016	Surface Pro	-	812	-	812
2016	Tableau Software License	-	12,798	-	12,798
		<u>\$ 29,626,106</u>	<u>\$ 582,163</u>	<u>\$ 1,456,160</u>	<u>\$ 28,752,109</u>

See report of independent auditors.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Access Services was incorporated in the State of California as a nonprofit 501 (c)(3) public benefit corporation on March 31, 1994. Access Services is the designated Los Angeles County Consolidated Transportation Agency (CTSA) pursuant to Government Code §159759(a) and public entity pursuant to Government Code §15975(t). Access Services administers the Los Angeles County Coordinated Paratransit Plan on behalf of the Los Angeles (LA) County's 44 public fixed route operators (i.e., bus and rail). Access Services facilitates the provision of complementary American Disability Act (ADA) paratransit services to certain persons with disabilities as required by 42 U.S.C. §12143 under the name "Access Paratransit". Paratransit is an alternative mode of flexible passenger transportation that does not follow fixed routes or schedules. Access Paratransit system provides approximately 3.1 million trips per year to more than 163,000 qualified disabled riders in a service area of over 1,950 square miles.

Access Services is governed by a Board of Directors composed of the nine members of the LA County Board of Supervisors, the City Selection Committee's Corridor Transportation Representatives, the Mayor of the City of Los Angeles, the LA County municipal fixed-route operators, the LA County local fixed-route operators, the LA County Commission on Disabilities, the Coalition of LA County Independent Living, the LA County Metropolitan Transportation Authority (LACMTA), and an alternating appointment by the municipal and local fixed-route operators.

Accounting and Reporting

Proposition C funds represent 20% of the ½ cent Proposition C sales taxes which are distributed to the jurisdictions within LA County based on population and must be used exclusively for transportation related programs and projects. Regional Surface Transportation Program (RSTP) Funds were provided through Federal Section 5310 Program. The operations of the Proposition C Discretionary Incentive Grant and Federal Section 5310 Grant are not accounted for in a separate set of self-balancing accounts. Accordingly, expenditures reported in the accompanying Schedule of Revenues and Expenditures under MOU No. P000ASI20 are allocated to funding source per management discretion and usage.

Basis of Accounting

Revenues and expenditures are accounted for using the accrual basis of accounting. Revenues from grants are recognized when expenditures are incurred. Expenditures are generally recognized when the related liabilities are incurred.

Use of Estimates

The preparation of the Schedules in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditure during the relevant period. Actual results could differ from the estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Access Services primarily receives revenue from FTA Section 5310 grants, Proposition C discretionary incentive funds through LACMTA, and passenger fares for the paratransit services provided. Revenues are deemed to be earned when allowable expenses are incurred or recognized by Access Services. Revenues received for expenditures related to capital acquisitions are recognized as the related capital expenditures are incurred and for prepaid expenses as the related amounts are paid. Passenger revenues are recognized as services are provided to passengers.

Expenses

Salaries, benefits, and other related expenses are categorized to paratransit operations, eligibility determination, CTSA function and ride information, and management and general, primarily based on personnel job function. Other indirect costs are allocated based on either the number of employees located within a department, estimated asset usage, or the nature of services provided.

NOTE 2 MEMORANDUM OF UNDERSTANDING

On July 2, 2015, Access Services (grantee) and the Los Angeles County Metropolitan Transportation Authority (LACMTA) (grantor) entered into a Memorandum of Understanding (MOU No. P000ASI20), which is effective through June 30, 2016, for the purpose of providing funding to Access Services during the fiscal year 2015/2016 for the provision of ADA mandated complementary paratransit service on behalf of member agencies, to provide shuttles or deviated route service and to carry out Access Services' role as the CTSA for Los Angeles County as required under §15950 of the California Government Code.

LACMTA shall make available to Access Services an amount not to exceed \$144,077,993 which consists of the following:

Federal Section 5310 program	\$ 62,000,000
Proposition C 40% Discretionary - operating	80,834,993
Proposition C 40% Discretionary - capital	<u>1,243,000</u>
	<u>\$ 144,077,993</u>

LACMTA has authorized RSTP funds for Access Services in the amount of \$62,000,000 for FY2015-2016. These funds have been flexed into Federal Section 5310 Program - Enhanced Mobility of Seniors and Individuals with Disabilities for grant (CA-65-Y011), which was approved by the Federal Transit Administration (FTA) on June 1, 2015.

Notes to Schedules of Revenues and Expenditures and Deferred Revenues and Support
Year ended June 30, 2016

NOTE 2 MEMORANDUM OF UNDERSTANDING (CONTINUED)

LACMTA also authorized the Proposition C 40% Discretionary Incentive funding totaling \$80,834,993 for Operating funds payable in ten (10) equal monthly installments of \$8,083,499 beginning in July 2015, payable within 20 days following receipt of a disbursement request.

In accordance with MOU No. P000ASI20, the Grantee must abide by the restrictions for the use of the funds as enumerated under Section 4 of the agreement.

NOTE 3 SCHEDULES OF REVENUES AND EXPENDITURES AND DEFERRED REVENUES AND SUPPORT

The Schedules are intended to reflect the revenues and expenditures and deferred revenues and support of FTA Section 5310 Program and Proposition C Discretionary Incentive funds only under MOU No. P000ASI20. Accordingly, the Schedules do not purport to, and does not present fairly the financial position of Access Services and changes in financial position thereof as of and for the year ended June 30, 2016 in conformity with generally accepted accounting principles in the United States of America.

NOTE 4 SINGLE YEAR PRESENTATION

The Schedule of Revenues and Expenditures of Access Services under Proposition C Discretionary Incentive Program Guidelines and Memorandum of Understanding (MOU No. P000ASI19) was only presented for the year ended June 30, 2016. The Schedule Revenues and Expenditures for the year ended June 30, 2015 was audited by other auditors and did not present comparative information due to change in accounting principle adopted by Access Services as of and for the year ended June 30, 2016.

NOTE 5 SUBSEQUENT EVENTS

Access Services has evaluated events or transactions that occurred subsequent to June 30, 2016 through May 18, 2017, the date the accompanying financial Schedules were available to be issued, for potential recognition or disclosure in the Schedules of Revenues and Expenditures and Deferred Revenues and Support and determined no subsequent matters require disclosure or adjustment to the accompanying Schedules.

**Report of Independent Auditors 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 of Access Services and the
Los Angeles County Metropolitan Transportation Authority**

We have audited, 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, the accompanying Schedules of Revenues and Expenditures and Deferred Revenues and Support (Schedules) as defined by the Proposition C Discretionary Incentive Program Guidelines and Memorandum of Understanding (MOU No. P000ASI20) dated July 2, 2015 between Access Services, as grantee, and the Los Angeles County Metropolitan Transportation Authority, as grantor for the year ended June 30, 2016, and have issued our report thereon dated May 18, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules, we considered Access Services' 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 accompanying Schedules of Revenues and Expenditures and Deferred Revenues and Support, but not for the purpose of expressing an opinion on the effectiveness of Access Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Access Services' 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 over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control over financial reporting, as described in the accompanying Schedules of Findings and Questioned Costs as Findings #2016-001 – 2016-004, that we consider to be significant deficiencies.



Access Services' responses to the internal control over financial reporting findings identified in our audit are described in the accompanying Schedules of Findings on Internal Controls over Financial Reporting. Access Services' responses were not subjected to the auditing procedures applied in the audit of the Schedules, and accordingly, we express no opinion on the responses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Access Services' 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 intended solely to describe the scope of our testing of internal control over the Schedules and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over the Schedules or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over the Schedules and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vaqueria & Company LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
May 18, 2017

SCHEDULE OF FINDINGS ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

Access Services
MOU No. P000ASI20

Schedule of Findings on Internal Controls over Financial Reporting
Year ended June 30, 2016

Internal Control Finding #2016-001

Criteria	Section 7.2 of the MOU states that: Access shall use funds solely for the Project eligible operating capital assistance and shall not substitute for any other funds or services not specified in the agreement. To ensure that all expenses included under Proposition C expenditures are recorded in accordance with the MOU, the funding source should be identified for each recorded expense when incurred.
Condition	For the year ended June 30, 2016, expenses associated with FTA Section 5310 Program, Section 5317 Program, and JARC Funds were tracked manually, and all other expenditures by default were considered Proposition C Discretionary 40% fund expenditures.
Cause	Access Services used Peachtree accounting system through December 2015, which did not have the capability to allocate and track expenditures to a specific funding source.
Effect	Access Services maintains a single fund in the general ledger and therefore expenses are intermingled and manually allocated to funding sources for reporting purposes. Absence of a process and system to track expenditures to specific funding sources and the manual process of allocating expenditures is subject to human error and can be an internal control weakness that could result in undetected misstatement in the financial reports.
Recommendation	We recommend for Access Services to adopt fund-based accounting, and record revenues and expenses by funding source.
Management's Response	Access Services has always accounted for and allocated its respective expenses for each of its grants. As of July 2016 Access has implemented a new accounting package – Oracle Fusion ERP - which enables Access to more efficiently allocate revenues and expenditures by fund source.

Access Services
MOU No. P000ASI20

Schedule of Findings on Internal Controls over Financial Reporting (Continued)
Year ended June 30, 2016

Internal Control Finding #2016-002

Criteria	Generally Accepted Accounting Principles require that revenues are recognized in the period earned and expenses be recognized in the period incurred.
Condition	<p>Access Services has historically recognized LACMTA funding spent on capital assets and other assets (i.e. prepayments) as deferred support (liability) in order for its revenues and expenses to be recognized in the same period. Accordingly, deferred support is recognized as revenue once related amounts of depreciation and other expenses are recorded. As of June 30, 2016, prior to Vasquez & Co.'s proposed audit adjustment, deferred support included undepreciated (net book value of) capital assets, prepayments and other items which are reported in the balance sheet at \$18,939,425.</p> <p>Moreover, prior to Vasquez & Co.'s proposed audit adjustment, revenues reported during the year ended June 30, 2016 included revenues recognized for reported depreciation of \$450,705 and \$4,954,635 for Federal 5310 and Proposition C, respectively.</p>
Cause	Access Services' accounting and reporting policy is to recognize revenues and expenses in the same period.
Effect	Deferred support includes LACMTA funding already spent on assets, net of incurred liabilities, and is therefore not reported in accordance with generally accepted accounting principles. Reported revenue in the year under audit is overstated by the same amount of depreciation expense recognized during the year.
Recommendation	<p>Accounting Standards Codification (ASC) 958-605-55 provides guidance to distinguish contributions from grants or exchange transactions. The guidance provides that revenue should be recognized only when allowable expenditures are incurred. Expenditures include operating expenses, capital asset transactions and other payments.</p> <p>We recommend for Access Services to evaluate its current accounting and reporting policy for grants and contributions, and deferred revenues and support, to ensure compliance with generally accepted accounting principles.</p>

Access Services
MOU No. P000ASI20

Schedule of Findings on Internal Controls over Financial Reporting (Continued)
Year ended June 30, 2016

Internal Control Finding #2016-002 (Continued)

Management's Response	Access management will review accounting and reporting policies for grants and contributions, deferred revenues and support, to ensure compliance with GAAP.
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Access Services
MOU No. P000ASI20

Schedule of Findings on Internal Controls over Financial Reporting (Continued)

Year ended June 30, 2016

Internal Control Finding #2016-003

Criteria	Generally Accepted Accounting Principles require that expenses are recognized in when incurred.
Condition	Access Services recognized a capital asset purchase made during FY 2015 in FY 2016.
Cause	Access Services implemented Oracle accounting system during FY 2016. As part of the implementation, it purchased software in June 2015, but was only recorded as a purchase in FY 2016, in order to meet budgetary limits and criteria.
Effect	Capital assets are understated in FY 2015 by \$34,283.
Recommendation	We recommend that Access Services recognize purchases in the period of occurrence to be in accordance with the generally accepted accounting principles.
Management's Response	Access management will review reporting on capital asset purchases to ensure compliance with GAAP.

Access Services
MOU No. P000ASI20

Schedule of Findings on Internal Controls over Financial Reporting (Continued)
Year ended June 30, 2016

Internal Control Finding #2016-004

Criteria	Generally Accepted Accounting Principles require that revenues be recognized in the period earned and expenses be recognized in the period incurred.
Condition	Access Services was billed for liability insurance for the policy period June 2016 - June 2017 by its vendor in June 2016. Access Services recorded the transaction as a debit to prepaid expense and a credit to accounts payable as of June 30, 2016, though the expense was paid in July 2016. In addition, a credit was made to deferred support account (liability) for the same amount as committed expenditures. This treatment is not in accordance with GAAP.
Cause	Access Services has historically recognized non-cash assets and liabilities in a manner that allows revenues and expenses to be recognized in the same period.
Effect	Liabilities and prepaid expenses were overstated by \$3.4 million in FY 2016. Deferred support were also overstated by \$3.4 million.
Recommendation	We recommend Access Services to evaluate its current accounting and reporting policy to ensure compliance with generally accepted accounting principles.
Management's Response	Access management will review accounting and reporting policies for deferred revenues and support to ensure compliance with GAAP.

COMPLIANCE SECTION

Report of Independent Auditors on Compliance

**To the Board of Directors of Access Services and the
Los Angeles County Metropolitan Transportation Authority**

Report on Compliance

We have audited the compliance of Access Services with the Proposition C Discretionary Incentive Program Guidelines and Memorandum of Understanding (MOU No. P000ASI20) dated July 2, 2015 (collectively, the Guidelines) for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for Access Services' compliance with the Guidelines.

Auditors' Responsibility

Our responsibility is to express an opinion on Access Services' compliance with the Guidelines based on our audit. 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 Guidelines referred to in the preceding paragraph. Those standards and the Guidelines 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 the Proposition C Discretionary Incentive program occurred. An audit includes examining, on a test basis, evidence about Access Services' 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 with the Guidelines. However, our audit does not provide a legal determination of Access Services' compliance with the Guidelines.

Opinion

In our opinion, Access Services complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2016.



Report on Internal Control over Compliance

Management of Access Services is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Access Services' internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Access Services' 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the requirements, such that there is a reasonable possibility that material noncompliance 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 the requirements 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 or significant deficiencies 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 Guidelines. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vaqueria & Company LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
May 18, 2017

Access Services
MOU No. P000ASI20
Compliance Matrix
Year ended June 30, 2016

Compliance Requirement		In Compliance			Questioned Costs	If no, provided details and management response
		Yes	No	N/A		
A. Memorandum of Understanding (MOU)						
1.	Operate as an integrated countywide ADA complementary paratransit system on behalf of the Los Angeles County fixed route transit operators as required by the U.S. Code of Federal Regulations 49 CFR Part 37, Subpart F.	X				
2.	Operate shuttle services as projects for ADA and non-ADA eligible riders when such services can be provided at a lower cost than ADA complementary paratransit or fixed route transit services.	X				
3.	Prepare and submit the Annual Plan Update of the Los Angeles County Coordinated Paratransit Plan to the U.S. Department of Transportation as required on behalf of Access Services' member agencies, if required.	X				
4.	Provide emergency back-up transportation to individuals with disabilities as required.	X				
5.	Provide temporary shuttle services in cases where LACMTA has accessible pathways and elevator repairs underway at rail and bus stations, in accordance with MOU guidelines.	X				
6.	Submit demand and expense projections to LACMTA through a Five Year Strategic and Short Term Business Plan, including annual updates; at the time of submittal of a preliminary budget as referenced in the MOU.	X				
7.	Comply with the requirements of the Social Service Transportation Improvement Act, California Governmental Code §15950, et seq., and to carry out Access Services' role as the Consolidated Transportation Service Agency (CTSA) for Los Angeles County.	X				

Access Services
MOU No. P000ASI20
Compliance Matrix
Year ended June 30, 2016

Compliance Requirement		In Compliance			Questioned Costs	If no, provided details and management response
		Yes	No	N/A		
A. Memorandum of Understanding (MOU) (Continued)						
8.	Provide LACMTA Security reimbursement for the Security Services in an amount not to exceed \$200,000 performed on behalf of Access Services.	X				
9.	Provide oversight and management of LACMTA's Safety Strap Program, to include scheduling appointments, transporting noneligible Los Angeles County paratransit rider to and from Access Services' Eligibility Center for wheelchair safety marking, and having eligibility center staff attend Los Angeles County disability events for wheelchair safety marking (collectively, the "Safety Strap Services").	X				
10.	Utilize the funds in accordance with all applicable federal, state and local statutes and regulations, including but not limited to the Proposition C Guidelines, FTA Section 5310 Program Guidelines, FTA Master Agreement, FTA Circular 5010.1 D, FTA Circular 4220.1 F, and in accordance with the LACMTA Board of Directors' actions at their May 28, 2015 meeting.	X				
11.	Funds are not used to substitute for any other funds, service, or project not specified in the MOU.	X				
12.	Administrative costs, as defined in the MOU, do not exceed ten percent (10%) of the total Operating and Capital expense for ADA Paratransit Operations and the CTSA activities.	X				

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

There were no compliance findings noted.

EXIT CONFERENCE

An exit conference was held on March 29, 2017 with Access Services' representatives. Those in attendance were:

Vasquez & Company representatives:
Roger Martinez – Partner
Marialyn Salvador – Audit Manager

Access Services representatives:
Hector Rodriguez – Deputy Executive Director - Finance and Administration
Bruce Frink – Senior Manager of Finance
Rene Arrieta – Accountant

Matters discussed:

Results of the audit disclosed internal control over financial reporting issues.

A copy of this report was forwarded to the following Access Services representatives for comments prior to the issuance of the final report.

Hector Rodriguez – Deputy Executive Director - Finance and Administration
Bruce Frink – Senior Manager of Finance



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801 South Grand Avenue, Suite 400 • Los Angeles, California 90017-4646 • Ph. (213) 873-1700 • Fax (213) 873-1777