

International Institute of Los Angeles

**Report on the Low Income Fare is Easy (LIFE) Program
by International Institute of Los Angeles under
its Contract No. PS60564000B
with the Los Angeles County Metropolitan Transportation Authority**

**As of and for the Years Ended June 30, 2024 and 2023
with Independent Auditor's Report**



Simpson & Simpson, LLP
Certified Public Accountants

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
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FINANCIAL SECTION



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FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report

To International Institute of Los Angeles and the
Los Angeles County Metropolitan Transportation Authority

Opinion

We have audited the accompanying financial statements of the **Low Income Fare is Easy (LIFE) Program (the Program) prepared by International Institute of Los Angeles (IILA)**, a not-for-profit organization, funded by the Los Angeles County Metropolitan Transportation Authority (Metro), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Low Income Fare is Easy (LIFE) Program prepared by International Institute of Los Angeles, as of June 30, 2024 and 2023, 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3, the financial statements present only the Low Income Fare is Easy (LIFE) Program, and do not purport to, and do not, present fairly IILA's financial position as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



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Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IILA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information identified in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary 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 January 31, 2025 on our consideration of IILA’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 the effectiveness of IILA’s 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 IILA’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Simpson & Simpson".

January 31, 2025
Los Angeles, California

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Statements of Financial Position**

		June 30	
		2024	2023
ASSETS			
Cash	\$	137,957	\$ 96,713
Due from Metro		257,332	157,983
Prepaid expenses		6,371	-
Total assets	\$	401,660	\$ 254,696
 LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$	63,809	\$ 56,301
Due to IILA (Note 4)		342,810	213,819
Accrued payroll and vacation		37,773	27,308
Total liabilities		444,392	297,428
Net assets		(42,732)	(42,732)
Total liabilities and net assets	\$	401,660	\$ 254,696

The accompanying notes are an integral part of the financial statements

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Statements of Activities**

	Years Ended June 30	
	2024	2023
REVENUES		
Grant revenue	\$ 1,113,199	\$ 733,378
Contribution from IILA	15,107	19,333
Total revenues	1,128,306	752,711
EXPENSES		
Program expenses		
Taxi vouchers	341,186	240,605
Coupon printing	15,045	11,488
Total program expenses	356,231	252,093
Administrative expenses		
Salaries and wages	509,655	323,608
Employee benefits	130,743	81,568
Management and general allocation	71,923	47,624
Telephone and utilities	9,554	7,379
Supplies	5,507	5,703
Insurance	3,399	1,487
Repairs and maintenance	672	1,592
Leased equipment	2,420	10,249
Staff mileage	13,973	4,330
Staff training	274	-
Contract services	292	-
Postage	6,993	4,055
Computer maintenance	5,506	3,288
Audit	506	531
Taxes and Licenses	12	-
Rent	10,646	9,204
Total administrative expenses	772,075	500,618
Total expenses	1,128,306	752,711
Change in net assets	-	-
Net assets at beginning of year	(42,732)	(42,732)
Net assets at end of year	\$ (42,732)	\$ (42,732)

The accompanying notes are an integral part of the financial statements

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Statements of Cash Flows**

	Years ended June 30	
	2024	2023
Cash from operating activities		
Change in net assets	\$ -	\$ -
Adjustment to reconcile change in net asset to net cash provided by (used in) operating activities:		
Change in operating assets and liabilities		
Due from Metro	(99,349)	87,605
Prepaid expenses	(6,371)	-
Accounts payable and accrued expenses	7,508	(98,168)
Accrued payroll and vacation	12,976	12,976
Net cash provided (used in) by operating activities	(87,747)	2,413
 Cash from financing activities		
Due from IILA	128,991	38,300
Net cash provided (used in) financing activities	128,991	38,300
 Change in cash	 41,244	 40,713
 Cash		
Beginning of year	96,713	56,000
End of year	\$ 137,957	\$ 96,713

The accompanying notes are an integral part of the financial statements

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023**

NOTE 1 – BACKGROUND

The Low Income Fare is Easy (LIFE) Program was approved by Metro’s Board of Directors in May 2017 to provide transportation assistance to low-income and transit dependent riders of Los Angeles County. LIFE is the integration of the Rider Relief Transportation Program (RRTP) and the Immediate Needs Transportation Program (INTP). Metro oversees two agencies: the International Institute of Los Angeles (IILA) and FAME Assistance Corporation (FAC) to administer the LIFE program.

IILA and FAC make the service available throughout the Los Angeles County through a wide range of not-for-profit and government agencies in the LIFE network that distribute LIFE transportation subsidies, to their respective clients who meet certain eligibility requirements.

LIFE transportation subsidies are in the form of a discount towards the purchase of a pass and 20 regional rides that are loaded to the participant’s TAP card, 4-Ride paper, taxi coupons and variable value vouchers (VVs).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

IILA’s accounts are maintained using the accrual basis of accounting for financial reporting purposes, which recognize income in the period earned and expenses when incurred, regardless of the timing of payments.

Revenue Recognition

Revenue is recognized on an accrual basis as earned according to the provisions of its contract with Metro. Under the contract, Metro will reimburse IILA for all costs incurred by IILA in the performance of the program up to a certain amount annually approved by Metro (see Note 5).

NOTE 3 – REPORTING ENTITY

The financial statements present only the Low Income Fare is Easy (LIFE) program, and do not purport to, and do not, present fairly IILA’s financial position as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

NOTE 4 – DUE TO IILA

IILA’s General Fund provides financial support for the operating expenses of the LIFE program. On a monthly basis, IILA issues invoice to Metro, seeking reimbursement for the expenses incurred during the operating of the LIFE program. At June 30, 2024 and 2023, the amounts due to IILA were \$342,810 and \$213,819, respectively.

International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023
(Continued)

NOTE 5 – ALLOCATION FOR THE YEAR

Per the Contract (PS60564000B) effective January 1, 2020, Metro will reimburse IILA for administrative cost in the performance of services in accordance with the contract. In addition, Metro will reimburse IILA for the cost of printing vouchers and appropriate/eligible payments that IILA makes to taxi companies as part of the Taxi Subsidy Program.

Expenses presented in the Statement of Activities and Changes of Net Assets represent expenses billed for reimbursements to Metro of costs incurred by IILA on the LIFE.

NOTE 6 – LIFE COMPLIANCE REQUIREMENTS

LIFE is governed by the provisions of the Contract between Metro and IILA, and the LIFE Operating Guidelines (collectively, the Guidelines). The Guidelines require, among other requirements, that transportation subsidies be distributed to Los Angeles County residents living below the poverty level and who will use the subsidy for trips pertaining to job searches, medical needs and other purposes deemed appropriate under the Guidelines.

NOTE 7 – MANAGEMENT AND GENERAL ALLOCATION

Management and general costs are allocated to programs based on direct costs for the programs excluding subcontractor costs and other pass-through costs.

NOTE 8 – SUBSEQUENT EVENTS

IILA has evaluated events or transactions that occurred subsequent to June 30, 2024 through January 31, 2025, the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the financial statements.

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Supplementary Information
Schedule of Taxi Companies with Payment Data
Years ended June 30, 2024**

Taxi Companies	Taxi Coupons	Variable Value Vouchers	Total
Administrative Services Co-op.	\$ 3,825	\$ 54,908	\$ 58,733
Bell Cab Company	5,507	3,222	8,729
Independent Taxi Owner's Assoc.	142	20,316	20,458
L.A. City Cab, LLC dba City Cab	10,549	242,308	252,857
United Independent Taxi Drivers	33	376	409
Total	\$ 20,056	\$ 321,130	\$ 341,186

Note:

This schedule presents the amounts of redeemed vouchers billed by taxi companies to IILA based on the actual vouchers redeemed by LIFE participants.

See accompanying independent auditor's report

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Supplementary Information
Schedule of Outstanding Payables to Taxi Companies
Years ended June 30, 2024**

Taxi Companies	0-30 Days	31-60 Days	61-90 Days	Total
Administrative Services Co-op.	\$ 9,422	\$ -	\$ -	\$ 9,422
Bell Cab Company	2,477	-	-	2,477
Independent Taxi Owner's Assoc.	4,063	-	-	4,063
L.A. City Cab, LLC dba City Cab	<u>47,847</u>	<u>-</u>	<u>-</u>	<u>47,847</u>
Total	\$ <u>63,809</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>63,809</u>

See accompanying independent auditor's report



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
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MELBA W. SIMPSON, CPA

**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 International Institute of Los Angeles and the
Los Angeles County Metropolitan Transportation Authority

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 the **Low Income Fare is Easy (LIFE) Program (the Program)** prepared by the **International Institute of Los Angeles (IILA)**, a not-for-profit organization, funded by the Los Angeles County Metropolitan Transportation Authority (Metro), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered IILA’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 IILA’s internal control. Accordingly, we do not express an opinion on the effectiveness of IILA’s internal control.

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

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





Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program’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 results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California

January 31, 2025

COMPLIANCE SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report on Compliance and on Internal Control over Compliance Required by the Guidelines

To International Institute of Los Angeles and the
Los Angeles County Metropolitan Transportation Authority

Report on Compliance

Opinion

We have audited the compliance of the **International Institute of Los Angeles (IILA)** with the Contract No. PS60564000B and the Low Income Fare is Easy (LIFE) Operating Guidelines (collectively, the Guidelines) for the year ended June 30, 2024.

In our opinion, IILA complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the Guidelines. Our responsibilities under those standards and the Guidelines are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of IILA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for Low Income Fare is Easy (LIFE) Program. Our audit does not provide a legal determination of the IILA's compliance with the compliance requirements referred to above.



Responsibility of Management for Compliance

Management is responsible for the IILA's compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or program agreements applicable to the IILA's Low Income Fare is Easy (LIFE) Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on IILA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about IILA's compliance with the requirements of Low Income Fare is Easy (LIFE) Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the IILA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the IILA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the IILA's internal control over compliance. Accordingly, no such opinion is expressed.

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



Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the Guidelines on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with the Guidelines 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 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 Auditors Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
January 31, 2025

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Schedule of Findings and Recommendations
Year ended June 30, 2024**

No findings were noted.

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Schedule of Prior Year Findings and Recommendations
Year ended June 30, 2023**

Finding 2023-001 – Distributing agency did not maintain user logs for a minimum of three (3) years prior to the current program year

Criteria or Specific Requirement

According to Low Income Fare is Easy (LIFE) Operating Guidelines, section Procedures for Partner Agencies – Program Requirements, subsection Record Keeping states:

*“To control and track usage, each agency is required to record taxi coupon/VVV and 4-Regional Ride Ticket disbursements in the User Log that accompanies every set of taxi coupons/VVVs/4-Regional Ride Tickets. Patron’s information is entered in the User Log which is accompanied by each pack of taxi coupons/VVVs/4-Regional Ride Tickets. This information includes patron’s name, address and phone number. In order to track and account for every taxi coupon/VVV, every line of the log is to be completed. “Void” is to be written when appropriate, and voided taxi coupons/VVVs retained to be returned to their Administrator. Ditto marks on the form are acceptable only for those patrons who receive more than one taxi coupon/VVV at a time. **Agency will retain on file all programs records and user logs for a minimum of three years prior to the current program year.**”*

Condition

During our audit at Eastmont Community Center, a participating distributing agency, we noted that the agency did not meet the required standards for record-keeping as stipulated by the LIFE Operating Guidelines. Specifically, coupon logs for fiscal year 2021 were absent from their records.

Cause

The Eastmont Community Center represented that the disruption caused by the Covid-19 pandemic in 2020 led to significant operational challenges, including extensive facility renovations. During this time, numerous documents were inadvertently destroyed, including the loss of coupon logs for the fiscal year 2021.

Effect

The distributing agency did not comply with the LIFE Operating Guidelines’ record-keeping requirements.

Recommendation

We recommend that IILA send out a reminder to all distributing agencies, empathizing the necessity of strict adherence to the record-keeping and program requirements outlined in the LIFE Operating Guidelines.

View of Responsible Officials and Planned Corrective Action

IILA has been hosting monthly training sessions for both new and current partner agencies since the inception of the contract. One of the topics discussed during these trainings is the necessity for agencies to keep records for a minimum of three years. Agencies are also reminded them to keep detailed records for the previous three years when they pick up materials on a quarterly basis. The staff at Eastmont Community Center had received training on this policy.

International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Schedule of Prior Year Findings and Recommendations
Year ended June 30, 2023
(Continued)

Finding 2023-001 – Distributing agency did not maintain user logs for a minimum of three (3) years prior to the current program year (Continued)

View of Responsible Officials and Planned Corrective Action

To prevent future occurrences of non-compliance, IILA will reinforce the importance of adhering to operational guidelines during partner training sessions. Effective immediately, IILA will conduct random monitoring on-site and virtual visits each month to ensure that partner agencies maintain the required record-keeping standards.

Status

Implemented. IILA presented that Eastmont Community Center attended the LIFE program training on March 3, 2024, which occurred after the issuance of the prior year audit report on January 31, 2024.

Finding 2023-002 – Unauthorized Taxicab Company

Criteria or Specific Requirement

According to Low Income Fare is Easy (LIFE) Operating Guidelines, section Criteria for Participating Taxi Companies states:

“The taxi company must:

- *Be franchised/authorized to operate (pick up patrons) by appropriate authorities and local jurisdictions.*
- ***Operate under a signed written agreement with FAC/IILA.***
- *Be committed to following all programs and reporting requirements.*
- ***Provide proof of general liability (\$1M) and automobile (\$300K).***
- *Provide proof of insurance for all vehicles that will be used by the program patrons.*
- ***Provide copies of valid business license upon renewal.***
- *Provide additionally insured endorsement form.*

*Taxi companies that meet all selection criteria are eligible to join the program. This document details what is required of each participating taxi company to ensure continued participation in the program. **Any violation or omission of these requirements will preclude a taxi company from further participation in the program.**”*

Additionally, according to LIFE Operating Guidelines, section Program Requirements for Taxi Companies, subsection Agreement states:

“Every taxi company participating in the program must sign a written agreement with FAC/IILA. FAC/IILA retains the right to cancel any agreement with any taxi provider for any reason deemed appropriate by FAC/IILA. Once a taxi company is certified for the program, its name and phone number are added to the roster of authorized participating taxi companies. Only authorized taxi companies will be reimbursed for services rendered.”

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Schedule of Prior Year Findings and Recommendations
Year ended June 30, 2023
(Continued)**

Finding 2023-002 – Unauthorized Taxicab Company (Continued)

Condition

During our review of taxicab billing procedures, we noted that one (1) out of the five (5) taxicab companies, California Cab Company did not provide IILA the latest insurance documents, business license, and the agreement duly signed for fiscal year 2023.

Cause

IILA represented the failure to obtain the latest insurance documents, business license, and signed agreement for fiscal year 2023 was due to the taxicab company's refusal to provide these documents.

Effect

Missing insurance documents, business license, and signed agreement for fiscal year 2023 could result in the taxicab company not being authorized to participate in the LIFE program.

Recommendation

We recommend that IILA obtain the required documents as stated in the LIFE Operating Guidelines, particularly the section on Criteria for Participating Taxi Companies, by ensuring the receipt of all necessary documentation before commencement of the fiscal year. Additionally, we recommend IILA proactively issue reminders to taxicab companies about their obligation under the LIFE Operating Guidelines to prevent future documentation lapses.

View of Responsible Officials and Planned Corrective Action

As of January 2023, California Cab Company ceased its participation in the LIFE Limited program; all partner agencies were notified at that time.

With regards to the current cab companies, IILA has obtained all required documentation for fiscal year 2024. For those documents which will expire before June 30, 2024, IILA has already requested the cab companies to submit those documents as soon as possible. If documents are not received by the expiration date, IILA will send an email to the cab company confirming they will no longer be permitted to participate in the LIFE Limited program. All partner agencies will be notified by email that the cab company is no longer participating in the LIFE Limited program.

Status

Implemented. During our review of taxicab billing procedures, we noted that California Cab Company is no longer listed as an authorized taxicab company in the LIFE Limited program.

EXIT CONFERENCE

**International Institute of Los Angeles
Low Income Fare is Easy (LIFE) Program
Exit Conference
Year ended June 30, 2024**

An exit conference was held on February 3, 2025 with IILA representatives. Those in attendance were:

Simpson & Simpson LLP representative:

Mark Frishwasser, Audit Supervisor

IILA representatives:

Fritzie Liwanag-Cruz, Director of Accounting

Erika Lopez, Director of Supportive Services

Matters discussed:

Results of the audit disclosed no issues of noncompliance with the Guidelines.

A copy of this report was forwarded to the following IILA representatives for their comments prior to the issuance of the final report:

Fritzie Liwanag-Cruz, Director of Accounting

Erika Lopez, Director of Supportive Services