

The word "access" is written in a white, lowercase, sans-serif font, centered within a dark teal rectangular background that has a slight gradient from top to bottom.

**Access Services
(A Nonprofit Benefit Corporation)**

**Balance Sheets, Schedules of Revenues and Expenditures
and Advanced Funds and Deferred Revenues – Proposition C
under MOU No. P000ASI27 and P000ASI26
As of and for the Years Ended June 30, 2023 and 2022**

With Independent Auditor's Report



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FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Audit of the Balance Sheets and the Schedules

Opinion

We have audited the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C of Access Services as of and for the years ended June 30, 2023 and 2022 (the Balance Sheets and the Schedules) as defined by the Proposition C Discretionary Program Guidelines, Measure M 2% Program Guidelines and the Memorandum of Understanding (MOU Nos. P000ASI27 and P000ASI26) dated June 15, 2022 and June 16, 2021, respectively, between Access Services as grantee, and the Los Angeles County Metropolitan Transportation Authority (Metro), as grantor and the related notes to the Balance Sheets and the Schedules.

In our opinion, the accompanying Balance Sheets and Schedules referred to above present fairly, in all material respects, the financial position, the revenues and expenditures and advanced funds and deferred revenues of Access Services related to funds received from Metro under MOU Nos. P000ASI27 and P000ASI26 as of and for the years ended June 30, 2023 and 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Balance Sheets and the Schedules section of our report. We are required to be independent of Access Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Emphasis of Matter

As discussed in Note 2, the Balance Sheets and the Schedules of Revenues and Expenditures and Advanced Funds and Deferred Revenues – Proposition C present only the financial position, revenues, expenditures and advanced funds and deferred revenues of Access Services related to funds received from Metro under MOU No. P000ASI27 and P000ASI26 and do not purport to, and do not present fairly the financial position of Access Services as of June 30, 2023 and 2022 and the changes in its financial position thereof for the years 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.

Responsibilities of Management for the Balance Sheets and the Schedules

Management is responsible for the preparation and fair presentation of the Balance Sheets and the Schedules in accordance with accounting principles generally accepted in the United States of America and MOU Nos. P000ASI27 and P000ASI26; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Balance Sheets and the Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Balance Sheets and the Schedules

Our objectives are to obtain reasonable assurance about whether the Balance Sheets and the Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Balance Sheets and the Schedules.

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 Balance Sheets and the Schedules, 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 Balance Sheets and the Schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Access Services' 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 Balance Sheets and the Schedules.



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 audits were conducted for the purpose of forming an opinion on the Balance Sheets and the Schedules. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the Balance Sheets and the Schedules. 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 Balance Sheets and the Schedules. The information has been subjected to the auditing procedures applied in the audit of the Balance Sheets and the Schedules and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Balance Sheets and the Schedules, 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 Balance Sheets and the Schedules as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024 on our consideration of Access Services' internal control over financial reporting which includes preparation of the Balance Sheets and the Schedules and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Access Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Access Services' internal control over financial reporting and compliance.

**Glendale, California
June 21, 2024**

Access Services
MOU No. P000ASI27
Balance Sheet
June 30, 2023

	<u>Federal 5310</u>	<u>Federal 5307</u>	<u>Proposition C</u>	<u>Proposition C Building Fund</u>	<u>Measure M</u>	<u>Total</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ 11,439,082	\$ -	\$ -	\$ 11,439,082
Short-term investments	-	-	29,272,040	15,069	2,319	29,289,428
Grants receivable	8,939,827	3,506,260	-	-	-	12,446,087
Accounts receivable	-	-	132,245	-	-	132,245
Prepaid expenses and other assets	-	-	10,676,033	-	-	10,676,033
Due from Federal 5307	-	-	180,796	-	-	180,796
Due from Federal 5310	-	-	189,605	-	-	189,605
Total current assets	<u>8,939,827</u>	<u>3,506,260</u>	<u>51,889,801</u>	<u>15,069</u>	<u>2,319</u>	<u>64,353,276</u>
Noncurrent assets						
Property and equipment, net	3,410,699	-	2,019,071	114,094	-	5,543,864
Restricted cash equivalents for self-insured retention	-	-	6,404,767	-	-	6,404,767
Restricted cash equivalents for unfunded pension liability	-	-	5,914,744	-	-	5,914,744
Restricted cash equivalents for accrued vacation liability	-	-	1,259,682	-	-	1,259,682
Restricted cash equivalents for building fund	-	-	-	4,885,906	-	4,885,906
Right-of-use assets	-	-	5,740,470	-	-	5,740,470
Deposit	-	-	40,830	-	-	40,830
Total noncurrent assets	<u>3,410,699</u>	<u>-</u>	<u>21,379,564</u>	<u>5,000,000</u>	<u>-</u>	<u>29,790,263</u>
Total assets	<u>\$ 12,350,526</u>	<u>\$ 3,506,260</u>	<u>\$ 73,269,365</u>	<u>\$ 5,015,069</u>	<u>\$ 2,319</u>	<u>\$ 94,143,539</u>
LIABILITIES AND NET ASSETS						
Current liabilities						
Accounts payable	\$ 809,174	\$ -	\$ 2,238,717	\$ 15,069	\$ -	\$ 3,062,960
Contractors payable	55,796	347,141	20,437,702	-	2,319	20,842,958
Accrued expenses	-	-	12,198,777	-	-	12,198,777
Due to Proposition C	189,605	180,796	-	-	-	370,401
Unfunded defined benefit plan liability	-	-	5,914,744	-	-	5,914,744
Self insurance accruals	-	-	6,404,767	-	-	6,404,767
Deferred support / advanced funds	7,920,122	2,978,323	12,428,741	4,885,906	-	28,213,092
Deferred revenue	-	-	556,696	-	-	556,696
Lease liabilities, current portion	-	-	768,900	-	-	768,900
Total current liabilities	<u>8,974,697</u>	<u>3,506,260</u>	<u>60,949,044</u>	<u>4,900,975</u>	<u>2,319</u>	<u>78,333,295</u>
Non-current liabilities						
Lease liabilities, non-current portion	-	-	5,123,552	-	-	5,123,552
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>5,123,552</u>	<u>-</u>	<u>-</u>	<u>5,123,552</u>
Net assets						
With donor restrictions	3,375,829	-	7,196,769	114,094	-	10,686,692
Total net assets	<u>3,375,829</u>	<u>-</u>	<u>7,196,769</u>	<u>114,094</u>	<u>-</u>	<u>10,686,692</u>
Total liabilities and net assets	<u>\$ 12,350,526</u>	<u>\$ 3,506,260</u>	<u>\$ 73,269,365</u>	<u>\$ 5,015,069</u>	<u>\$ 2,319</u>	<u>\$ 94,143,539</u>

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI26
Balance Sheet
June 30, 2022

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Measure M</u>	<u>Total</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 5,225,738	\$ -	\$ 5,225,738
Short-term investments	-	27,278,583	-	27,278,583
Grants receivable	11,059,822	-	-	11,059,822
Accounts receivable	-	55,614	-	55,614
Prepaid expenses and other assets	-	8,035,838	-	8,035,838
Due from Federal 5310	-	460,012	-	460,012
Total current assets	<u>11,059,822</u>	<u>41,055,785</u>	<u>-</u>	<u>52,115,607</u>
Noncurrent assets				
Property and equipment, net	3,611,386	3,365,168	-	6,976,554
Restricted cash equivalents for self-insured retention	-	5,480,705	-	5,480,705
Restricted cash equivalents for unfunded pension liability	-	2,125,591	-	2,125,591
Restricted cash equivalents for accrued vacation liability	-	1,034,355	-	1,034,355
Restricted cash equivalents - others	-	5,000,000	-	5,000,000
Deposits	-	40,830	-	40,830
Total noncurrent assets	<u>3,611,386</u>	<u>17,046,649</u>	<u>-</u>	<u>20,658,035</u>
Total assets	<u>\$ 14,671,208</u>	<u>\$ 58,102,434</u>	<u>\$ -</u>	<u>\$ 72,773,642</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 1,014,289	\$ 2,027,912	\$ -	\$ 3,042,201
Contractors payable	-	19,350,283	-	19,350,283
Accrued expenses	-	11,629,381	-	11,629,381
Due to Proposition C	460,012	-	-	460,012
Unfunded defined benefit plan liability	-	2,125,591	-	2,125,591
Self insurance accruals	-	5,480,705	-	5,480,705
Deferred support / advanced funds	9,593,729	11,469,872	-	21,063,601
Deferred revenue	-	175,763	-	175,763
Deferred rent	-	175,284	-	175,284
Total current liabilities	<u>11,068,030</u>	<u>52,434,791</u>	<u>-</u>	<u>63,502,821</u>
Net assets				
With donor restrictions	3,603,178	5,667,643	-	9,270,821
Total net assets	<u>3,603,178</u>	<u>5,667,643</u>	<u>-</u>	<u>9,270,821</u>
Total liabilities and net assets	<u>\$ 14,671,208</u>	<u>\$ 58,102,434</u>	<u>\$ -</u>	<u>\$ 72,773,642</u>

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI27
Schedule of Revenues and Expenditures
Year ended June 30, 2023

	<u>Federal 5310</u>	<u>Federal 5307</u>	<u>Proposition C</u>	<u>Proposition C Building Fund</u>	<u>Measure M</u>	<u>Total</u>
Revenues						
Revenues - Funding Source						
Operating	\$ 73,518,830	\$ 1,830,396	\$ 117,433,097	\$ -	\$ 15,500,000	\$ 208,282,323
Capital	1,715,977	-	459,055	114,094	-	2,289,126
Passenger fares	19,078	-	8,225,653	-	-	8,244,731
Interest income	-	-	2,136,964	-	-	2,136,964
Unrealized gain	-	-	536,630	-	-	536,630
Reimbursement from Federal 5307 grant	-	-	191,281	-	-	191,281
Miscellaneous income	-	-	33,546	-	-	33,546
Gain on sale of assets	-	-	154,211	-	-	154,211
Total Revenues	<u>75,253,885</u>	<u>1,830,396</u>	<u>129,170,437</u>	<u>114,094</u>	<u>15,500,000</u>	<u>221,868,812</u>
Expenditures						
Paratransit Operations - Direct Cost						
Business meetings and meals	-	-	549	-	-	549
Communications	-	-	175,533	-	-	175,533
Contracted customer service	-	-	2,628,127	-	-	2,628,127
Insurance	-	-	7,635,832	-	-	7,635,832
Office supplies	-	-	5,155	-	-	5,155
Other expense	-	-	2,088	-	-	2,088
Office rent	-	-	42,000	-	-	42,000
Other related employee expense	-	-	2,331	-	-	2,331
Professional services	-	-	188,973	-	-	188,973
Promotions / events	-	-	80,344	-	-	80,344
Purchased transportation	72,769,570	1,830,396	86,983,912	-	15,369,350	176,953,228
Salaries and related expense	-	-	932,041	-	-	932,041
Security	-	-	200,000	-	-	200,000
Telecom maintenance	-	-	598,543	-	-	598,543
Temporary personnel	-	-	9,731	-	-	9,731
Travel and conference	-	-	553	-	-	553
Total Paratransit Operations Direct Cost	<u>72,769,570</u>	<u>1,830,396</u>	<u>99,485,712</u>	<u>-</u>	<u>15,369,350</u>	<u>189,455,028</u>
Paratransit Operations - Indirect Cost						
Business meetings and meals	-	-	605	-	-	605
Communications	-	-	169,077	-	-	169,077
Insurance	-	-	41,578	-	-	41,578
Office rent	-	-	152,113	-	-	152,113
Office supplies	-	-	9,508	-	-	9,508
Other expense	-	-	48,170	-	-	48,170
Other related employee expense	-	-	396	-	-	396
Postage / mailing	-	-	8,956	-	-	8,956
Printed materials	-	-	182,563	-	-	182,563
Promotions / events	-	-	139,348	-	-	139,348
Repair and maintenance	-	-	56	-	-	56
Salaries and related expense	-	-	2,438,370	-	-	2,438,370
Travel and conference	-	-	7,102	-	-	7,102
Vehicle costs	-	-	133,189	-	-	133,189
Total Paratransit Operations - Indirect Cost	<u>-</u>	<u>-</u>	<u>3,331,031</u>	<u>-</u>	<u>-</u>	<u>3,331,031</u>

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI27
Schedule of Revenues and Expenditures (Continued)
Year ended June 30, 2023

	<u>Federal 5310</u>	<u>Federal 5307</u>	<u>Proposition C</u>	<u>Proposition C Building Fund</u>	<u>Measure M</u>	<u>Total</u>
Eligibility Determination Expenses						
Communications	\$ -	\$ -	\$ 169,905	\$ -	\$ -	\$ 169,905
Eligibility and appeals	-	-	5,342,790	-	-	5,342,790
Insurance	-	-	91,861	-	-	91,861
Telecom maintenance	-	-	3,257	-	-	3,257
Office rent	-	-	502,559	-	-	502,559
Office supplies	-	-	6,743	-	-	6,743
Other expense	-	-	2,638	-	-	2,638
Postage / mailing	-	-	248,574	-	-	248,574
Printed materials	-	-	526,966	-	-	526,966
Promotions / events	-	-	43,056	-	-	43,056
Purchased transportation	753,340	-	749,422	-	130,650	1,633,412
Repair and maintenance	-	-	45,910	-	-	45,910
Salaries and related expense	-	-	407,307	-	-	407,307
Tether pilot program	-	-	75,508	-	-	75,508
Travel and conference	-	-	1,136	-	-	1,136
Travel training	-	-	1,019,775	-	-	1,019,775
Total Eligibility Determination Expenses	753,340	-	9,237,407	-	130,650	10,121,397
CTSA Function - Access Ride Information Expenses						
Business meetings and meals	-	-	107	-	-	107
Communications	-	-	21,784	-	-	21,784
Insurance	-	-	832	-	-	832
Office supplies	-	-	2,644	-	-	2,644
Office rent	-	-	16,901	-	-	16,901
Other expense	-	-	36,002	-	-	36,002
Other related employee expense	-	-	1,860	-	-	1,860
Postage / mailing	-	-	2,035	-	-	2,035
Promotions / events	-	-	6,444	-	-	6,444
Salaries and related expense	-	-	301,371	-	-	301,371
Travel and conference	-	-	686	-	-	686
Telecom maintenance	-	-	347	-	-	347
Total CTSA Function - Access Ride Information Expenses	-	-	391,013	-	-	391,013
Administrative Expenses						
Board compensation	-	-	21,759	-	-	21,759
Business meetings and meals	-	-	11,618	-	-	11,618
Communications	-	-	280,950	-	-	280,950
Insurance	-	-	305,608	-	-	305,608
Office rent	-	-	348,595	-	-	348,595
Office supplies	-	-	28,084	-	-	28,084
Other expense	-	-	74,537	-	-	74,537
Other related employee expense	-	-	68,760	-	-	68,760
Postage	-	-	18,940	-	-	18,940
Printed materials	-	-	11,708	-	-	11,708
Professional services	15,000	-	1,017,103	-	-	1,032,103
Promotions / events	-	-	46,023	-	-	46,023
Repair and maintenance	-	-	7,683	-	-	7,683
Salaries and related expense	-	-	9,693,053	-	-	9,693,053
Telecom maintenance	-	-	1,392,999	-	-	1,392,999
Temporary personnel	-	-	6,336	-	-	6,336

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedule of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI27
Schedule of Revenues and Expenditures (Continued)
Year ended June 30, 2023

	<u>Federal 5310</u>	<u>Federal 5307</u>	<u>Proposition C</u>	<u>Proposition C Building Fund</u>	<u>Measure M</u>	<u>Total</u>
Administrative Expenses (Continued)						
Travel and conference	\$ -	\$ -	\$ 104,386	\$ -	\$ -	\$ 104,386
Vehicle costs	-	-	5,938	-	-	5,938
Total Administrative Expenses	15,000	-	13,444,080	-	-	13,459,080
Total Operating Expenditures Before Depreciation and Amortization	73,537,910	1,830,396	125,889,243	-	15,500,000	216,757,549
Depreciation and amortization expense	1,943,324	-	1,752,068	-	-	3,695,392
Total Expenditures	75,481,234	1,830,396	127,641,311	-	15,500,000	220,452,941
Excess (Deficiency) of						
Revenues over Expenditures	\$ (227,349)	\$ -	\$ 1,529,126	\$ 114,094	\$ -	\$ 1,415,871

*See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules
of Advanced Funds and Deferred Revenues – Proposition C Fund*

Access Services
MOU No. P000ASI26
Schedule of Revenues and Expenditures
Year ended June 30, 2022

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Measure M</u>	<u>Total</u>
Revenues				
Revenues - Funding Source				
Operating	\$ 71,682,299	\$ 80,335,541	\$ 12,750,000	\$ 164,767,840
Capital	1,355,276	294,367	-	1,649,643
Passenger fares	1,550	6,769,696	-	6,771,246
Interest income	-	20,060	-	20,060
Unrealized gain	-	27,986	-	27,986
Miscellaneous income	-	62,060	-	62,060
Loss on sale of property and equipment	-	(6,151)	-	(6,151)
Total Revenues	<u>73,039,125</u>	<u>87,503,559</u>	<u>12,750,000</u>	<u>173,292,684</u>
Expenditures				
Paratransit Operations - Direct Cost				
Business meetings and meals	-	65	-	65
Communications	-	218,694	-	218,694
Contracted customer service	-	2,098,452	-	2,098,452
Insurance	-	10,673,677	-	10,673,677
Office supplies	-	3,351	-	3,351
Other expense	-	3,066	-	3,066
Office rent	-	42,000	-	42,000
Other related employee expense	-	658	-	658
Printed materials	-	11,866	-	11,866
Professional services	-	188,965	-	188,965
Promotions / events	-	30,859	-	30,859
Purchased transportation	70,739,650	54,635,919	12,685,849	138,061,418
Salaries and related expense	-	819,378	-	819,378
Security	-	200,000	-	200,000
Telecom maintenance	-	655,110	-	655,110
Travel and conference	-	427	-	427
Vehicle costs	-	349,329	-	349,329
Total Paratransit Operations Direct Cost	<u>70,739,650</u>	<u>69,931,816</u>	<u>12,685,849</u>	<u>153,357,315</u>
Paratransit Operations - Indirect Cost				
Business meetings and meals	-	592	-	592
Communications	-	154,659	-	154,659
Insurance	-	43,596	-	43,596
Office rent	-	152,113	-	152,113
Office supplies	-	8,887	-	8,887
Other expense	-	32,712	-	32,712
Other related employee expense	-	5,156	-	5,156
Postage / mailing	-	8,123	-	8,123
Printed materials	-	72,604	-	72,604
Professional services	-	13,800	-	13,800
Promotions / events	-	340,907	-	340,907
Repair and maintenance	-	236	-	236
Salaries and related expense	-	2,059,620	-	2,059,620
Telecom maintenance	-	6,000	-	6,000
Travel and conference	-	3,820	-	3,820
Vehicle costs	-	85,951	-	85,951
Total Paratransit Operations - Indirect Cost	<u>-</u>	<u>2,988,776</u>	<u>-</u>	<u>2,988,776</u>

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI26
Schedule of Revenues and Expenditures (Continued)
Year ended June 30, 2022

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Measure M</u>	<u>Total</u>
Eligibility Determination Expenses				
Communications	\$ -	\$ 127,516	\$ -	\$ 127,516
Eligibility and appeals	-	4,214,340	-	4,214,340
Insurance	-	85,152	-	85,152
Office rent	-	498,860	-	498,860
Office supplies	-	3,704	-	3,704
Other expense	-	675	-	675
Postage / mailing	-	258,502	-	258,502
Printed materials	-	422,122	-	422,122
Promotions / events	-	35,234	-	35,234
Purchased transportation	629,199	401,327	64,151	1,094,677
Repair and maintenance	-	25,944	-	25,944
Salaries and related expense	-	436,386	-	436,386
Telecom maintenance	-	2,100	-	2,100
Travel training	-	665,695	-	665,695
Total Eligibility Determination Expenses	<u>629,199</u>	<u>7,177,557</u>	<u>64,151</u>	<u>7,870,907</u>
CTSA Function - Access Ride Information Expenses				
Communications	-	20,332	-	20,332
Insurance	-	872	-	872
Office supplies	-	1,426	-	1,426
Other expense	-	25,327	-	25,327
Postage / mailing	-	2,007	-	2,007
Printed materials	-	343	-	343
Professional services	-	16,901	-	16,901
Promotions / events	-	3,819	-	3,819
Salaries and related expense	-	507,755	-	507,755
Telecom maintenance	-	64	-	64
Total CTSA Function - Access Ride Information Expenses	<u>-</u>	<u>578,846</u>	<u>-</u>	<u>578,846</u>
Administrative Expenses				
Board compensation	-	9,849	-	9,849
Business meetings and meals	-	11,995	-	11,995
Communications	-	223,309	-	223,309
Insurance	-	287,027	-	287,027
Office rent	-	344,966	-	344,966
Office supplies	-	16,462	-	16,462
Other expense	-	47,976	-	47,976
Other related employee expense	-	57,426	-	57,426
Postage	-	20,284	-	20,284
Printed materials	-	8,227	-	8,227
Professional services	315,000	1,072,269	-	1,387,269
Promotions / events	-	22,091	-	22,091
Repair and maintenance	-	32,021	-	32,021
Salaries and related expense	-	2,744,523	-	2,744,523
Telecom maintenance	-	1,091,063	-	1,091,063
Temporary personnel	-	13,838	-	13,838

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI26
Schedule of Revenues and Expenditures (Continued)
Year ended June 30, 2022

	<u>Federal 5310</u>	<u>Proposition C</u>	<u>Measure M</u>	<u>Total</u>
Administrative Expenses (Continued)				
Travel and conference	\$ -	\$ 60,563	\$ -	\$ 60,563
Vehicle costs	-	15,986	-	15,986
Total Administrative Expenses	<u>315,000</u>	<u>6,079,875</u>	<u>-</u>	<u>6,394,875</u>
Total Operating Expenditures Before Depreciation and Amortization	71,683,849	86,756,870	12,750,000	171,190,719
Depreciation and amortization expense	<u>2,561,633</u>	<u>2,063,442</u>	<u>-</u>	<u>4,625,075</u>
Total Expenditures	<u>74,245,482</u>	<u>88,820,312</u>	<u>12,750,000</u>	<u>175,815,794</u>
Deficiency of Revenues over Expenditures	<u>\$ (1,206,357)</u>	<u>\$ (1,316,753)</u>	<u>\$ -</u>	<u>\$ (2,523,110)</u>

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI27

Schedule of Advanced Funds and Deferred Revenues – Proposition C
June 30, 2023

Proposition C advance funds, as of June 30, 2022	\$	11,469,872 ^a
Additions:		
Proposition C advance funds		123,851,020
Less:		
Fixed asset purchases	\$ <u>(459,055)</u>	(459,055)
Operating expenses less offsetting revenues:		
Paratransit operations - direct cost	(99,485,712)	
Paratransit operations - indirect cost	(3,331,031)	
Eligibility determination expenses	(9,237,407)	
Building and construction fund	(5,000,000) *	
Ctsa function - access ride information expenses	(391,013)	
Administrative expenses	(13,444,080)	
Increase in prepayments on purchases	(2,824,595)	
Passenger fares	8,225,653	
Mta shuttle service reimbursement	2,457	
Miscellaneous income	33,546	
Unrealized gain	536,630	
Interest income	2,136,964	
Gain on sale of capital assets	<u>154,211</u>	
		<u>(122,624,377)</u>
Proposition C advance funds, as of June 30, 2023	\$	<u>12,237,460</u> ⁽¹⁾
Deferred revenue - coupon sales, as of June 30, 2022	\$	175,763
Additions:		
Passenger purchases		2,519,274
Less:		
Coupon usage		<u>(2,138,341)</u>
Deferred revenue - coupon sales, as of June 30, 2023	\$	<u>556,696</u>

⁽¹⁾ Refer to page 15 for the encumbrance and reservation of these unspent Proposition C Funds.

^a Proposition C advanced funds of \$11,469,872 as of June 30, 2022, includes the \$5 million that was set aside by Access Services for a facility and construction project. This amount was transferred from Proposition C 40% operating funds to Fund 07- Proposition C Building Fund. In accordance with the MOU.P000ASI27 Section 4.3, Access Services submitted a written request on May 22, 2024 to encumber the amount of \$5 million Proposition C 40% operating funds for capital purposes. LACMTA Office of Management & Budget granted a retroactive approval for the request.

See Notes to the Balance Sheets, the Schedules of Revenues and Expenditures, and the Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund

Access Services
MOU No. P000ASI26

Schedule of Advanced Funds and Deferred Revenue – Proposition C
June 30, 2022

Proposition C advance funds, as of June 30, 2021		\$ 4,632,566
Additions:		
Proposition C advance funds		87,467,213
Less:		
Fixed asset purchases	\$ <u>(294,367)</u>	(294,367)
Operating expenses less offsetting revenues:		
Paratransit operations - direct cost	(69,931,816)	
Paratransit operations - indirect cost	(2,988,776)	
Eligibility determination expenses	(7,177,557)	
Ctsa function - access ride information expenses	(578,846)	
Administrative expenses	(6,079,875)	
Increase in prepayments on purchases	(453,827)	
Passenger fares	6,769,696	
Mta shuttle service reimbursement	1,506	
Miscellaneous income	90,046	
Loss on sale of property and equipment	(6,151)	
Interest income	<u>20,060</u>	
		<u>(80,335,540)</u>
Proposition C advance funds, as of June 30, 2022		\$ <u>11,469,872</u> ⁽¹⁾
Deferred revenue - coupon sales, as of June 30, 2021		\$ 113,844
Additions:		
Passenger purchases		736,454
Less:		
Coupon usage		<u>(674,535)</u>
Deferred revenue - coupon sales, as of June 30, 2022		\$ <u>175,763</u>

(1) Refer to page 15 for the encumbrance and reservation of these unspent Proposition C Funds.

Access Services
MOU No. P000ASI27
Supplementary Information
Advanced Funds Rollforward Schedule – Proposition C Operating and Capital Grants
June 30, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning balance	\$ 14,617,490	\$ 18,957,284	\$ 18,561,992	\$ 18,786,393	\$ 8,139,953	\$ 16,869,690	\$ 7,163,748	\$ 6,283,055	\$ 4,632,566	\$ 11,469,872
Operating										
Inflow	65,172,267	61,939,834	82,077,993	71,147,360	87,700,000	61,163,245	81,472,348	80,748,910	87,467,213	123,851,020
Outflow, net of program income	(53,436,074)	(56,917,379)	(65,490,079)	(79,746,000)	(77,920,958)	(70,074,939)	(79,777,617)	(79,905,406)	(80,335,540)	(122,433,096)
	<u>11,736,193</u>	<u>5,022,455</u>	<u>16,587,914</u>	<u>(8,598,640)</u>	<u>9,779,042</u>	<u>(8,911,694)</u>	<u>1,694,731</u>	<u>843,504</u>	<u>7,131,673</u>	<u>1,417,924</u>
Capital										
Inflow	-	6,573,638	-	-	-	-	-	-	-	-
Outflow										
FY 2013 Capital grant usage	(3,917,890)	-	-	-	-	-	-	-	-	-
FY 2014 Capital grant usage	(3,478,509)	(5,417,747)	-	-	-	-	-	-	-	-
FY 2015 Capital grant usage	-	(6,573,638)	(49,333)	-	-	-	-	-	-	-
FY 2016 Capital grant usage	-	-	(468,734)	-	-	-	-	-	-	-
FY 2017 Capital grant usage	-	-	-	(2,047,800)	-	-	-	-	-	-
FY 2018 Capital grant usage	-	-	-	-	(1,049,305)	-	-	-	-	-
FY 2019 Capital grant usage	-	-	-	-	-	(794,248)	-	-	-	-
FY 2020 Capital grant usage	-	-	-	-	-	-	(2,575,424)	-	-	-
FY 2021 Capital grant usage	-	-	(15,845,446)	-	-	-	-	(2,493,993)	-	-
FY 2022 Capital grant usage	-	-	-	-	-	-	-	-	(294,367)	-
FY 2023 Capital grant usage	-	-	-	-	-	-	-	-	-	(459,055)
	<u>(7,396,399)</u>	<u>(5,417,747)</u>	<u>(16,363,513)</u>	<u>(2,047,800)</u>	<u>(1,049,305)</u>	<u>(794,248)</u>	<u>(2,575,424)</u>	<u>(2,493,993)</u>	<u>(294,367)</u>	<u>(459,055)</u>
Net carryover	<u>4,339,794</u>	<u>(395,292)</u>	<u>224,401</u>	<u>(10,646,440)</u>	<u>8,729,737</u>	<u>(9,705,942)</u>	<u>(880,693)</u>	<u>(1,650,489)</u>	<u>6,837,306</u>	<u>958,869</u>
Ending balance	\$ 18,957,284	\$ 18,561,992	\$ 18,786,393	\$ 8,139,953	\$ 16,869,690	\$ 7,163,748	\$ 6,283,055	\$ 4,632,566	\$ 11,469,872	\$ 12,428,741

See Independent Auditor's Report

Access Services
MOU No. P000ASI27
Supplementary Information
Advanced Funds Rollforward Schedule – Proposition C Operating and Capital Grants
(Continued)
June 30, 2023

Details of advanced funds as of June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Encumbered funds related to:		
Open purchase orders - FY 2017	\$ -	\$ 288,260
Open purchase orders - FY 2018	-	15,338
Open purchase orders - FY 2019	-	172,729
Open purchase orders - FY 2020	-	26,153
Open purchase orders - FY 2021	118,963	190,494
Open purchase orders - FY 2022	796,408	802,296
Open purchase orders - FY 2023	341,371	-
Reserved funds related to:		
Budgeted capital projects	14,660,358	1,735,940
Gas price adjustments	328,138	-
Expenses not accrued	49,911	247,989
Start-up costs of budgeted capital projects	-	512,733
Available/(Deficit) funds	<u>(3,866,408)</u>	<u>7,477,940</u>
	<u>\$ 12,428,741</u>	<u>\$ 11,469,872</u>

See Independent Auditor's Report

Access Services
MOU No. P000ASI27
Supplementary Information
Schedule of Capital Assets – Proposition C
June 30, 2023

Date Acquired	Description	Balance July 1, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023
1998	Modular Furniture - Reception Area	\$ 9,379	\$ -	\$ -	\$ -	9,379
2005	Metal Shelves (8)	1,452	-	-	-	1,452
2005	Refurbished Steelcase 9000 Workstation	48,428	-	-	-	48,428
2008	(1) Chevy Silverado	20,878	-	-	-	20,878
2010	MCM Systems-Security System	25,814	-	-	-	25,814
2011	(1) Chevy Malibu	18,307	-	-	-	18,307
2011	(2) Staff Vehicles - 2012 Dodge Caravan	48,208	-	-	-	48,208
2012	(7) Ford Aerolite (4 disposed)	245,185	-	(61,296)	-	183,889
2012	(8) Ford Aerotech 220 (3 disposed)	372,281	-	-	-	372,281
2012	(1) Ford Fusion Hybrid	35,491	-	-	-	35,491
2012	(1) VPG MV1	56,035	-	-	-	56,035
2013	(12) VPG MV1 (4 disposed)	496,871	-	-	-	496,871
2013	(1) Staff Vehicle 2012 CNG Deluxe Powered MV-Tustin Buick GMC	46,625	-	-	-	46,625
2014	AED With Extra Battery & Cabinet	2,628	-	-	-	2,628
2014	(81) Dodge Caravan (69 disposed)	532,798	-	-	-	532,798
2014	(6) Ford Aerotech 220 (6 disposed)	78,362	-	(78,362)	-	-
2014	(24) VPG MV1 (3 disposed)	1,134,053	-	(1,377)	-	1,132,676
2015	(1) Ergonomic Task Chair	208	-	(208)	-	-
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 SGT	478	-	-	-	478
2015	(1) Smartdrive Recorder for SGT	478	-	-	-	478
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 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) 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) Smartdrive Unit - SGT	414	-	-	-	414
2015	(13) Smartdrive Unit & Set Up Fee - GPI	6,599	-	-	-	6,599

See Independent Auditor's Report

Access Services
MOU No. P000ASI27
Supplementary Information
Schedule of Capital Assets – Proposition C (Continued)
June 30, 2023

Date Acquired	Description	Balance July 1, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023
2015	(1) 2016 Ford Fusion Hybrid	\$ 43,238	\$ -	\$ -	\$ -	43,238
2015	(5) Smartdrive Unit & Set Up Fee - GPI	2,391	-	-	-	2,391
2015	Apc Smart - UPS	1,825	-	-	-	1,825
2015	Apple Ipad Air	1,778	-	(1,778)	-	-
2015	Automate Pro Software License	1,650	-	-	-	1,650
2015	(144) Dodge Caravan (16 disposed)	5,864,401	-	(74,320)	-	5,790,081
2015	(32) Ford Aerolite (1 disposed)	2,053,815	-	-	-	2,053,815
2015	(12) Ford Aerotech 220 (4 disposed)	759,635	-	(68,216)	-	691,419
2015	(1) Ford Aerotech 221	78,089	-	(78,089)	-	-
2015	(1) Ford Aerotech 222	78,089	-	(78,089)	-	-
2015	(2) Ford Aerotech 223	156,178	-	-	-	156,178
2015	(1) Ford Aerotech 240	84,791	-	-	-	84,791
2015	(3) Honda Civic	86,958	-	-	-	86,958
2015	Oracle ERP Migration/Implementation	164,807	-	-	-	164,807
2015	Security System	5,050	-	-	-	5,050
2015	(13) VPG MV1	799,874	-	-	-	799,874
2015	Wifi Infrastructure Equipment	3,481	-	-	-	3,481
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	(6) SmartDrive 64GB extended storage for staff vehicles	444	-	-	-	444
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	(6) Smartdrive Recorder for CTI	2,870	-	-	-	2,870
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	(3) Staff Vehicles 2016 El Dorado Amerivan - Creative Bus Sales	117,736	-	-	-	117,736
2016	(1) Staff vehicle 2014 VPG MV1	61,986	-	-	-	61,986
2016	27" LCD Monitor	2,382	-	(2,382)	-	-
2016	Accessla New Rider 360 Desktop Portal Development	900	-	-	-	900
2016	Double Sided Cut Sheet Braille Embosser	5,518	-	-	-	5,518
2016	Gecrb/Amazon - 02/29/16: Hp Laser Printer	329	-	(329)	-	-
2016	Gecrb/Amazon - 03/02/16: Hp Laser Printer	252	-	(252)	-	-
2016	Portable Air Conditioner	2,529	-	-	-	2,529
2016	Rider Mobile Portal Application Development	14,990	-	-	-	14,990
2016	Shredder	2,665	-	(2,665)	-	-
2016	Tableau Software License	12,798	-	-	-	12,798
2017	(7) Desktop Computer	9,889	-	(9,889)	-	-
2017	(2) HP Laserjet	2,587	-	(2,587)	-	-
2017	(2) Sharp MX-M565N Workgroup Copier	18,331	-	-	-	18,331
2017	(1) 65" Television	1,100	-	-	-	1,100
2017	(7) Laptop	6,696	-	(6,696)	-	-
2017	(1) Audio and Video Equipment	1,826	-	-	-	1,826
2017	(1) Came-TV Boltzen Fresnet Light	603	-	-	-	603

See Independent Auditor's Report

Access Services
MOU No. P000ASI27
Supplementary Information
Schedule of Capital Assets – Proposition C (Continued)
June 30, 2023

Date Acquired	Description	Balance July 1, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023
2017	(1) Data Center Installation	\$ 15,975	\$ -	\$ -	\$ -	15,975
2017	(1) Closed Circuit Television	3,000	-	-	-	3,000
2017	(1) Microsoft Surface Pro 4	1,564	-	(1,564)	-	-
2017	(1) HP ML/DL Proliant ML 370 G6 Rackmount Server	986	-	-	-	986
2017	(1) Cisco Router	4,589	-	(4,589)	-	-
2017	(1) Epson Printer	754	-	(754)	-	-
2017	Structured Cabling Services	1,102,901	-	(283,844)	-	819,057
2017	(1) File Cabinet	4,701	-	-	-	4,701
2017	(1) Wheresmyride Application	2,925	-	-	-	2,925
2017	(1) Info Pass Server Software	12,819	-	-	187,474	200,293
2017	(1) CollectiveFleet 6.2 Software	24,999	-	-	-	24,999
2017	(10) Tableau Software	8,000	-	-	-	8,000
2017	(2) 2016 Chevrolet Impala	43,568	-	-	-	43,568
2017	(610) Smart Drive Dashboard Camera and Accessories (disposed 22 in FY 19-20)	286,966	-	-	-	286,966
2017	(3) 2016 Class B StarCraft AllStar Cutaway 22	54,105	-	(54,105)	-	-
2017	(2) 2016 Class C StarCraft AllStar Cutaway 25	47,755	-	-	-	47,755
2017	(1) 2016 Class C StarCraft AllStar Cutaway 25	41,357	-	-	-	41,357
2017	(7) 2016 El Dorado Amerivan White (4 disposed)	168,365	-	(10,426)	-	157,939
2018	Office Equipment	12,537	-	(12,537)	-	-
2018	Office Furniture	13,484	-	(13,484)	-	-
2018	Telecom Equipment	39,880	-	-	-	39,880
2018	Computer Equipment	72,515	-	(72,515)	-	-
2018	Computer Software	209,807	-	-	-	209,807
2018	(1) 2017 Lone Star Promaster	75,081	-	-	-	75,081
2018	(1) 2018 Class C Starcraft Allstar Cutaway	92,583	-	-	-	92,583
2018	SR3 Controller with Mount for MVT (5)	4,823	-	-	-	4,823
2018	NVR Camera Kit and installation Cost (2)	4,314	-	-	-	4,314
2018	Leasehold Improvements- Commerce	428,079	-	-	-	428,079
2018	Leasehold Improvements- El Monte	1,911	-	-	-	1,911
2018	(4) 2018 Class B Starcraft Allstar Cutaway	74,402	-	-	-	74,402
2019	Office Equipment	22,444	-	-	-	22,444
2019	Office Furniture	42,426	-	-	-	42,426
2019	Telecom Equipment	137,455	-	-	-	137,455
2019	Computer Equipment	33,579	-	(33,579)	-	-
2019	Computer Software	260,808	-	-	-	260,808
2019	(1) 2017 El Dorado Amerivan (Prop C)	52,827	-	-	-	52,827
2019	(96) 2018 El Dorado Amerivan	206,192	-	(46,799)	-	159,393
2019	46 SR3 64GB Extended Storage for SGT (Prop C) (Disposed 28 in FY 19-20)	2,565	-	-	-	2,565
2019	2 SR3 Controller with Mount for GPI (Prop C)	554	-	-	-	554
2019	7 SR3 Driver Camera Bundle Controller & installation for ASI vehicle (Prop C)	4,492	-	-	-	4,492
2019	2 SR3 On Board Vehicle Camera/Recording System for SGT (Prop C)	1,684	-	-	-	1,684
2019	3 SR3 Primary Camera Bundle for ASI (Prop C)	695	-	-	-	695
2019	2 SR3 Primary Camera Bundle for SGT (Prop C)	295	-	-	-	295
2019	1 Vehicle Equipments - Camera & Hardware Installation (Prop C)	5,889	-	-	-	5,889
2019	Leasehold Improvements- Commerce (Prop C)	16,900	-	-	-	16,900
2019	1 Macbook Pro Laptop Computer	3,373	-	(3,373)	-	-
2019	1 Apple Ipad	1,328	-	(1,328)	-	-
2019	1 Ricoh Theta Z1 360 Degree Camera	1,078	-	-	-	1,078
2019	1 Dell - Latitude 5500 BTX Base Laptop	1,894	-	(1,894)	-	-
2019	5 Microsoft Surface Pro 7 - 12.3" Touchscreen Laptop	9,923	-	(9,923)	-	-
2019	ASI Online Eligibility Scheduler Solution (Phase 3-Final Functional Design Doc)	18,000	-	-	-	18,000
2019	Access Online Eligibility Scheduler Solution (Phase 3 Implementation)	18,000	-	-	-	18,000
2019	Access Online Eligibility Scheduler Solution (Phase 3 Implementation)	18,000	-	-	-	18,000
2019	1 Access Online Eligibility Scheduler Solution (Phase 3 Implementation)	19,125	-	-	-	19,125
2019	1 New hosted IVR Application implementation	10,000	-	-	-	10,000
2019	1 Website Redesign and Maintenance	37,153	-	-	-	37,153
2019	1 Plastic Recyclable 6' Bench with Back, Color; Cedar Model # H-2888C	3,213	-	-	-	3,213
2019	1 Reconfiguration of Furniture at Commerce Eligibility Center	11,625	-	-	-	11,625
2019	(5) 2019 Class B Starcraft Allstar Cutaway (2 disposed)	3,531	-	-	-	3,531

See Independent Auditor's Report

Access Services
MOU No. P000ASI27
Supplementary Information
Schedule of Capital Assets – Proposition C (Continued)
June 30, 2023

Date Acquired	Description	Balance July 1, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023
2019	(2) 2019 Class B Starcraft Allstar Cutaway	\$ 36,370	\$ -	\$ -	\$ -	36,370
2019	(3) 2019 Class C Starcraft Allstar Cutaway	205,289	-	-	-	205,289
2019	(1) 2020 Class A Starcraft Allstar Cutaway	16,802	-	-	-	16,802
2019	(33) 2019 Class D El Dorado Amerivans	14,610	-	-	-	14,610
2020	1 Cybersecurity Hardening Project - Hardware/Equipment	14,902	-	-	-	14,902
2020	1 HP Laser Jet Enterprise Printer	1,760	-	-	-	1,760
2020	1 Rider360 Expiry Solution Software	10,000	-	-	-	10,000
2020	1 Cybersecurity Hardening Project - Software	64,406	-	-	-	64,406
2020	(52) 2019 Class D El Dorado Amerivans	21,728	-	-	-	21,728
2020	(15) 2019 Lone Star Promaster	661,506	-	(47,814)	-	613,692
2020	(40) 2019 Dodge Braun Caravan (2 disposed of in FY22-23)	419,308	-	(20,879)	-	398,429
2020	Rider360 Version 2.0 Project	1,699,040	-	-	-	1,699,040
2020	Voice Over Internet Protocol (VoIP) Services	97,025	-	-	-	97,025
2020	Where's My Ride Software and Services	217,695	-	-	-	217,695
2020	Data Center Refresh Project - Hardware	460,087	-	-	-	460,087
2020	Data Center Refresh Project - Software	203,496	-	-	-	203,496
2020	(2) Meridian Temperature Verification Kiosk without LED Stri	5,475	-	-	-	5,475
2020	(20) Lenovo Thinkpad T480 Laptop	20,130	-	(20,130)	-	-
2020	(3) Microsoft Surface Pros Laptop	5,662	-	(5,662)	-	-
2020	(2) New Trapeze Software - INFO-Server-PASS API License	106,345	-	-	-	106,345
2020	(5) 2019 Lone Star Promaster	622,129	-	-	-	622,129
2020	(11) 2019 Dodge Braun Caravan	114,826	-	-	-	114,826
2021	Meraki MDM Solution	12,214	-	-	-	12,214
2021	Socal Plastics Pro, LLC - Workstation Acrylic Barriers for Commerce Eligibility Center	41,576	-	-	-	41,576
2021	8 Lenovo Laptops	12,704	-	(12,704)	-	-
2021	3 Microsoft Surface Pro 7+	5,490	-	(5,490)	-	-
2021	Microsoft Surface Laptop	3,415	-	(3,415)	-	-
2021	Voice Over Internet Protocol (VoIP) Services (Old Agreement # 109)	1,998	-	-	-	1,998
2021	Design & Development of rider 360 V.2 - Suspension Letters	78,608	-	-	-	78,608
2021	Design & Development of rider 360 V.2: Suspension Letters	21,392	-	-	-	21,392
2021	SharePoint Migration Services	8,858	-	-	-	8,858
2022	Apple MacBook Pro Laptop	6,727	-	-	-	6,727
2022	T-mobile Apple Ipad Pro	1,508	-	1,508	-	1,508
2022	Apple 12.9 Inch Ipad Pro with Wi-Fi 256 GB	1,338	-	-	-	1,338
2022	Rider360 Version 2.0 Solution Development for Timely Load Annotations	22,500	-	-	-	22,500
2022	(4) Starcraft Cutaway Class B	64,729	-	-	-	64,729
2023	TNC Pilot Project CIP	-	10,488	-	-	10,488
2022	Microsoft Surface Pro 8-13" 512 GB	-	45,572	-	-	45,572
2022	Dell XPS Laptop (9720)	-	22,352	-	-	22,352
2022	Surface Pro 8	-	1,728	-	-	1,728
2022	Dell XPS Laptop 17 Quote	-	12,521	-	-	12,521
2022	10 Lenovo ThinkPad E15 Gen 4 - 15.6"	-	11,782	-	-	11,782
2022	2 Surface Laptop Studio for BusinessCPU	-	5,926	-	-	5,926
2022	Lenovo ThinkPad E15 Gen 4-15.6"	-	12,279	-	-	12,279
2022	Lenovo ThinkPad E15 Gen 4-15.6"	-	21,208	-	-	21,208
2022	24 inch IMac with 4.5K Retina Display	-	2,787	-	-	2,787
2023	Lenovo Thinkpad E15 Gen 4-15.6"	-	10,549	-	-	10,549
2023	Precision 5820 Tower	-	4,877	-	-	4,877
2022	JAWS Professional License	-	1,605	-	-	1,605
2023	HVAC Quarterly Preventive Maintenance & Replacement	-	14,918	-	-	14,918
2022	Logitech Rally Plus Video Conference Equipment	-	2,800	-	-	2,800
2023	Broncolor Siros 800 S Pro 3-Light Kit Video Equipment	-	6,302	-	-	6,302
2022	Voice Over Internet Protocol (VoIP) Services	-	5,909	-	-	5,909
2023	Office Supplies Sourcewell Contract #012320-SCC	-	2,819	-	-	2,819
2023	(1) RAM ProMaster	-	85,692	-	-	85,692
2023	(1) RAM ProMaster 159	-	88,471	-	-	88,471
2023	(1) RAM ProMaster 159	-	88,470	-	-	88,470
		\$ 23,017,351	\$ 459,055	\$ (1,134,567)	\$ 187,474	\$ 22,529,313

See Independent Auditor's Report

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 46 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 2.8 million trips per year to more than 108,000 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 (Metro), and an alternating appointment by the municipal and local fixed-route operators.

Accounting and Reporting

Proposition C funds represent 40% of the ½ cent Proposition C sales taxes which must be used exclusively for transportation related programs and projects. Measure M funds represent 2% of the county-wide ½ cent Measure M sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes. Surface Transportation Block Grant (STBG) Funds were provided through Federal Section 5310 Program. The operations of the Proposition C Discretionary Grant, Measure M 2% Grant, and Federal Section 5310 Grant are accounted for in a separate set of self-balancing accounts that accounts for its revenues and expenditures.

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 Balance Sheet and the Schedules in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the relevant period. Actual results could differ from the estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents primarily consist of cash in bank checking accounts and money market funds with initial maturities of 90 days or less. Cash and cash equivalents consists of cash on hand, and cash restricted for the purpose of funding the self-insured retention, unfunded pension liability, and accrued vacation liability.

Property and Equipment

Property and equipment is stated at cost. Major improvements and betterments to existing property and equipment are capitalized and the cost for maintenance and repairs which do not extend the useful life of the applicable assets are charged to expense when incurred. Upon disposition, the cost and accumulated depreciation of disposed assets are removed from the accounts and any resulting gains or losses are included in the Schedules of Revenues and Expenditures.

Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Vehicles and equipment	4 years
Office furniture and equipment	3 years
Software	3 years
Leasehold improvements	5 years

Property and equipment purchased with Federal Transit Administration (FTA) project property funds are subject to federal regulations whereby any disposition of project property before the end of its useful life requires prior FTA approval. If project property is removed from service before the end of its useful life, Access Services is subject to a return of funds to the FTA of the amount of the undepreciated net asset value of the subject property.

After the service life of project property occurs, rolling stock and equipment with a current market value exceeding \$5,000 per unit, or unused supplies with a total aggregate fair market value of more than \$5,000, may be retained or sold by Access Services. In the event Access Services disposes of property and equipment purchased with federal funds, any proceeds in excess of \$5,000 must be used to reduce the gross project costs of another federally funded capital transit project. For rolling stock and equipment with a current market value of \$5,000 or less, or unused supplies with a total aggregate fair market value of \$5,000 or less, the asset may be retained, sold or otherwise disposed of with no obligation to reimburse the FTA.

Access Services reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of its property and equipment may not be recoverable. An impairment loss is recognized when the assets carrying value exceeds both the assets estimated undiscounted future cash flows and the assets estimated fair value. Measurement of the impairment loss is then based on the estimated fair value of the assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Considerable judgment is required to project such future cash flows and, if required, to estimate the fair value of the property and equipment and the resulting amount of the impairment. No impairment charges were recorded for property and equipment during the years ended June 30, 2023 and 2022.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at their fair values in the Balance Sheets. Unrealized gains and losses are included in the Schedule of Revenues and Expenditures.

Revenue Recognition and Grants

Access Services primarily receives revenue from FTA Section 5310, FTA Section 5307, Measure M and Proposition C Discretionary fund grants through Metro, and passenger fares for the paratransit services provided. Revenues are deemed to be earned when allowable expenses are incurred or recognized by Access Services. 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.

Proposition C Advanced Funds

Proposition C Advanced Funds represent unspent Proposition C monies as of June 30, 2023 and 2022.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 842, *Leases* and operating leases, with classification affecting the pattern of expense recognition in the Schedules of Revenue and Expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Access Services adopted Topic 842 on July 1, 2022 using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Access Services has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Access Services' historical accounting treatment under ASC Topic 840, *Leases*.

Access Services determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Access Services obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. Access Services also considers whether its service arrangements include the right to control the use of an asset.

Access Services did not elect to adopt the "hindsight" practical expedient, and therefore measured the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

ROU asset and lease liability is measured based on the present value of future lease payments over the lease term at July 1, 2022 for existing leases upon the adoption of Topic 842. The ROU asset also includes any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, Access Services made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the remaining term for leases existing upon the adoption of Topic 842.

Adoption of Topic 842 resulted in the recording of ROU assets and lease liabilities related to Access Services' operating leases of \$6,472,691 and \$6,634,965, respectively, at July 1, 2022. The adoption of the new lease standard did not result in a cumulative effect adjustment to the opening balance of net assets.

NOTE 2 ANNUAL FINANCIAL STATEMENTS

The Balance Sheets and the Schedules are intended to reflect only the financial position and results of operations of the Proposition C Discretionary, Measure M 2% and Federal 5310 Program, and do not purport to, and do not present fairly the Access Services' financial position as of June 30, 2023 and 2022, and the changes in its financial position for the years then ended in accordance with U.S. GAAP.

Access Services
MOU Nos. P000AS127 and P000AS126

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund
Years ended June 30, 2023 and 2022**

NOTE 3 MEMORANDUM OF UNDERSTANDING

Access Services (grantee) and Metro (grantor) entered into a Memorandum of Understanding each year as follows, for the purpose of providing funding to Access Services during the fiscal years 2022/23 and 2021/22 for the provision of The Americans with Disabilities Act (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 LA County as required under 15950 of the California Government Code:

<u>MOU No.</u>	<u>MOU Date</u>	<u>Effective Date Through</u>
P000AS127	June 15, 2022	June 30, 2023
P000AS126	June 16, 2021	June 30, 2022

Metro made available to Access Services the following amounts for fiscal years ended June 30:

	2023	2022
Federal Section 5310 program	\$ 73,000,000	\$ 71,300,000
Federal Section 5307 program	840,000	-
Proposition C 40% Discretionary - operating and capital	123,851,021	87,467,213
Measure M 2%	15,500,000	12,750,000
	\$ 213,191,021	\$ 171,517,213

Metro has authorized federal Surface Transportation Block Grant funds for Access Services in the amount of \$73,000,000 for FY2022/23. These funds have been flexed into Federal Section 5310 Program – Enhanced Mobility of Seniors and Individuals with Disabilities grant (Federal Award Identification Number (FAIN) 5830-2022-1), which was approved by the FTA on June 15, 2022.

Metro also authorized federal Surface Transportation Block Grant funds for Access Services in the amount of \$840,000 for FY2022/23. These funds have been flexed into Federal Section 5307 Program – Urbanized Area Additional Assistance grant (FAIN 5830-2023-045), which was approved by the FTA on May 17, 2023.

Metro also authorized the Proposition C 40% and Measure M 2% funding of \$123,851,021 and \$15,500,000, respectively, totaling \$139,351,021 for operating and capital funds. The Proposition C 40% funding includes \$14,300,000 in reserve not yet drawn by Access Services as of June 30, 2023.

Metro disbursed Measure M 2% funding totaling \$15,500,000 and Proposition C 40% funding and/or other local funds that include Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) equivalent local funds totaling \$123,851,021 for operating and capital expenses for a total amount not to exceed \$139,351,021 payable in ten (10) equal monthly installments of \$13,935,102 beginning July 1, 2022, payable on the 1st of each month following receipt of a disbursement request and subject to the conditions set forth below:

Access Services
MOU Nos. P000ASI27 and P000ASI26

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund**
Years ended June 30, 2023 and 2022

NOTE 3 MEMORANDUM OF UNDERSTANDING (CONTINUED)

- Proposition C 40% funds in the amount of \$14,300,000 being held by Metro in reserve for trips in excess of the budgeted amount if needed. Access will provide Metro with a 60 days' notice to draw down the reserve funds. Reserve funds may be disbursed upon written request to Metro from Access Services by April 3, 2023 and must be accompanied by written justification.
- Carryover in the amount of \$2,387,803 from Proposition C 40% shall be carried over from FY 2020/21 into FY 2022/23 for operating expenses as approved by the Metro Board.
- Any unused FY 2020/21 Proposition C 40% or Measure M 2% operating and capital funds not expended and/or encumbered as a result of the audit may be carried forward into the next fiscal year upon written request and approval from Metro.

In accordance with MOU Nos. P000ASI27 and P000ASI26, the Grantee must abide by the restrictions for the use of the funds as enumerated under Article 4 of the agreements.

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of June 30, 2023 and 2022, Access Services' financial assets available for general expenditures consist of the following:

	2023	2022
Cash and cash equivalents	\$ 11,439,082	\$ 5,225,738
Grants receivable	12,446,087	11,059,822
Accounts receivable	132,245	55,614
Short-term investments	29,289,428	27,278,583
Total financial assets	53,306,842	43,619,757
Less amounts unavailable for general expenditures		
in one year due to:		
Receivable to be collected when expenses are incurred	3,035,694	15,000
Receivable to be collected when vehicles are purchased	7,862,751	9,578,729
Financial assets available to meet general expenditures over the next twelve months	\$ 42,408,397	\$ 34,026,028

Access Services
MOU Nos. P000ASI27 and P000ASI26

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund**
Years ended June 30, 2023 and 2022

NOTE 5 GRANTS RECEIVABLE

Grants receivable of Federal 5310 consisted of the following as of June 30:

	2023	2022
Section 5310 Capital Grant	\$ 8,784,660	\$ 10,934,004
Section 5307 Urbanized Area Additional Assistance Grant	3,506,260	-
Section 5310 Accessible Traveler Mobile App (ATMA) Pilot Project	155,167	125,818
	\$ 12,446,087	\$ 11,059,822

Access Services has not recorded an allowance for uncollectible grants or accounts receivable since management believes that it is probable that all receivables will be collected.

NOTE 6 PROPERTY AND EQUIPMENT, NET

At June 30, property and equipment consists of the following:

	2023			
	Federal 5310	Proposition C	Proposition C Building Fund	Total
Vehicle and equipment	\$ 19,639,270	\$ 16,344,773	\$ -	\$ 35,984,043
Software	-	3,308,177	-	3,308,177
Leasehold improvements	-	1,658,116	-	1,658,116
Office furniture and equipment	-	1,207,758	-	1,207,758
	19,639,270	22,518,824	-	42,158,094
Less accumulated depreciation and amortization	(16,228,571)	(20,510,242)	-	(36,738,813)
	3,410,699	2,008,582	-	5,419,281
Construction in progress	-	10,489	114,094	124,583
	\$ 3,410,699	\$ 2,019,071	\$ 114,094	\$ 5,543,864

Access Services
MOU Nos. P000ASI27 and P000ASI26

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund**
Years ended June 30, 2023 and 2022

NOTE 6 PROPERTY AND EQUIPMENT, NET (CONTINUED)

	2022		
	Federal 5310	Proposition C	Total
Vehicle and equipment	\$ 18,605,707	\$ 16,880,924	\$ 35,486,631
Software	-	3,085,605	3,085,605
Leasehold improvements	-	1,643,198	1,643,198
Office furniture and equipment	-	1,189,928	1,189,928
	18,605,707	22,799,655	41,405,362
Less accumulated depreciation and amortization	(14,994,321)	(19,652,183)	(34,646,504)
	3,611,386	3,147,472	6,758,858
Construction in progress	-	217,696	217,696
	\$ 3,611,386	\$ 3,365,168	\$ 6,976,554

Depreciation and amortization expense for the year ended June 30, 2023 was \$1,943,324 and \$1,752,068 for Federal 5310 and Proposition C, respectively.

Depreciation and amortization expense for the year ended June 30, 2022 was \$2,561,633 and \$2,063,442 for Federal 5310 and Proposition C, respectively.

NOTE 7 DEFERRED SUPPORT / ADVANCED FUNDS

Deferred support / advanced funds consisted of the following as of June 30:

	2023	2022
Metro Funding	\$ 17,314,647	\$ 11,469,872
Section 5310 Capital Grant	7,920,122	9,578,729
Section 5307 Urbanized Area Additional Assistance Grant	2,978,323	-
Section 5310 Accessible Traveler Mobile App (ATMA) Pilot Project	-	15,000
	\$ 28,213,092	\$ 21,063,601

NOTE 8 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Access Services has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. This framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Access Services' investments are recorded at fair value and consisted of Level 1 US Treasury debt securities.

Access Services
MOU Nos. P000ASI27 and P000ASI26

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund**
Years ended June 30, 2023 and 2022

NOTE 9 LEASES

Access Services leases noncancelable office spaces under operating lease agreements that expire on various dates through December 31, 2027. Some leases include options to renew, generally at Access Services' discretion with renewal terms that can extend the lease term up to 15 years. In addition, certain leases contain termination options, where the rights to terminate are held by either Access Services, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that Access Services will exercise that option. Access Services' operating leases generally do not contain any material restrictive covenants or residual value guarantees.

In FY2022/23, Access Services adopted Topic 842 which resulted in the recognition of ROU assets and lease liabilities related to the Access Services' operating leases. The right-of-use asset and lease liability as of June 30, 2023, amounted to \$5,740,470 and \$5,892,452, respectively.

Operating lease cost is recognized on a straight-line basis over the lease term. Total rent expense was \$1,025,152 and was reported as part of the office rent in the schedule of revenue and expenditures for the year ended June 30, 2023.

For the year ended June 30, 2023, Access Services paid \$892,851 which is included in the measurement of the lease liability.

The weighted average remaining lease term for the Access Services' operating leases is 7.56 years. Access Services used a weighted average discount rate of 2.39% to calculate the present value of future lease payments.

Maturities of the lease liabilities under the operating leases at June 30, 2023 are as follows:

Year ending June 30,	Amount
2024	\$ 901,634
2025	902,300
2026	905,220
2027	914,388
2028	734,925
Thereafter	2,100,000
Total undiscounted lease payments	6,458,467
Less effects of discounting	(566,015)
Total lease liabilities	\$ 5,892,452

Access Services
MOU Nos. P000ASI27 and P000ASI26

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund
Years ended June 30, 2023 and 2022**

NOTE 9 LEASES (CONTINUED)

2022 lease disclosure under the old standards

Access Services recorded \$1,054,841 in rent expense for the lease arrangement for the year ended June 30, 2022.

The aggregate future minimum rental payments as determined under Topic 840 for these operating leases are as follows:

Year ending June 30,	Amount
2023	\$ 893,582
2024	902,354
2025	898,279
2026	905,984
2027	915,174
Thereafter	434,925
Total	4,950,298

NOTE 10 DEFINED BENEFIT PLAN

Access Services established a 403(b)(7) tax sheltered annuity (TSA) plan in January 1995 under which employees may, by elective deferral under a salary reduction agreement, contribute to the plan. Contributions are applied to group or individual annuity contracts, or to custodial accounts holding regulated investment stock that meet the requirements of Section 403(b) of the Code. Contributions and investments are determined by the employees. During the years ended June 30, 2023 and 2022, there were no employer contributions to the Plan.

Access Services entered into an agreement on April 10, 2000, with the California Public Employees Retirement System (CalPERS), replacing the employee's Social Security Administration program. Access Services requires mandatory employee participation in the CalPERS defined contribution program. For legacy members, the CalPERS program requires a 7.0% contribution of employees' gross wages, which is currently being contributed by Access Services.

Access Services also contributes towards the employee account based on a CalPERS actuarial process, which was 8.630% and 8.650% of employees' gross wages for the years ended June 30, 2023 and 2022, respectively.

Effective January 1, 2013, new employees are required to contribute 6.25% of their gross wages to the CalPERS Plan. Accordingly, an employer must recognize annual pension expenditures/costs (APC) equal to its contractually required contributions to the plan. Pension liabilities and assets result from the difference between contributions required and contributions made.

Access Services
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**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund**
Years ended June 30, 2023 and 2022

NOTE 10 DEFINED BENEFIT PLAN (CONTINUED)

Access Services utilizes the most recent actuarial information available at the time it prepares and issues its financial statements. As of June 30, 2023 and 2022, the most current available actuarial financial information from CalPERS was as of June 30, 2022 and 2021, respectively.

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below as of June 30, 2022 and 2021 (the most up to date information currently available):

Valuation Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:		
Discount rate	6.90%	7.15%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Inflation	2.30%	2.50%
Mortality rate table	Derived using CalPERS' membership data for all Funds	Derived using CalPERS' membership data for all Funds
Post- retirement benefit increase	Contract COLA up to 2.30% until purchasing Power Protection Allowance Floor on purchasing power applies	Contract COLA up to 2.50% until purchasing Power Protection Allowance Floor on purchasing power applies

Below is the trend information for employees hired prior to January 1, 2013:

	<u>2023</u>	<u>2022</u>
Entry age normal accrued liability	\$ 24,657,372	\$ 22,444,547
Market value of plan assets	19,193,958	20,253,176
Unfunded defined benefit plan liability	5,463,414	2,191,371
Annual covered payroll	3,165,463	3,033,250
Funded ratio	77.80%	90.20%

Below is the trend information for employees hired after January 1, 2013:

	<u>2023</u>	<u>2022</u>
Entry age normal accrued liability	\$ 3,328,052	\$ 2,680,578
Market value of plan assets	2,876,722	2,746,358
Unfunded defined benefit plan liability	451,330	(65,780)
Annual covered payroll	2,628,428	2,488,403
Funded ratio	86.40%	102.50%

Access Services
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**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund**
Years ended June 30, 2023 and 2022

NOTE 10 DEFINED BENEFIT PLAN (CONTINUED)

The effect of any potential increase or decrease in unfunded defined benefit plan liability is not included in the budget request allotment from Metro. Access Services recorded the following defined benefit plan expense for the years ended June 30:

	2023	2022
Contributions made during the year	\$ 1,128,924	\$ 999,615
Increase (decrease) in unfunded defined benefit plan liability	<u>3,789,153</u>	<u>(2,334,891)</u>
	<u>\$ 4,918,077</u>	<u>\$ (1,335,276)</u>

NOTE 11 START-UP COSTS OF BUDGETED CAPITAL PROJECTS

Start-up costs of budgeted capital projects comprised of the following as of June 30:

	2023	2022
Remaining startup cost for MV Transportation	\$ -	\$ 312,485
Remaining startup cost for MTM Transit	-	192,204
Remaining startup cost for SGTS Inc.	-	4,294
Accessible Traveler Mobile App grant	-	3,750
	<u>\$ -</u>	<u>\$ 512,733</u>

NOTE 12 FEDERAL SECTION 5307 PROGRAM – URBANIZED AREA ADDITIONAL ASSISTANCE GRANT

On May 17, 2023, Access Services entered into a funding agreement amounting to \$5,000,000 with FTA for the repairs and maintenance of vehicles over 250,000 miles to extend the useful life of its vehicle fleet as well the installation of parts. The funding agreement covers the period from January 20, 2020, through July 1, 2026. The funds were released to Access Services on a reimbursement basis in accordance with invoices submitted in support of the expenditure report submitted to FTA.

Access Services recognized revenue amounting to \$2,021,677. Of this amount, \$191,281 was a reimbursement to the Proposition C fund for eligible expenditures incurred during the fiscal year 2021/2022.

Access Services
MOU Nos. P000ASI27 and P000ASI26

**Notes to the Balance Sheets, the Schedules of Revenues and Expenditures and the
Schedules of Advanced Funds and Deferred Revenues – Proposition C Fund
Years ended June 30, 2023 and 2022**

NOTE 13 PROPOSITION C BUILDING FUND

On May 22, 2024, Access Services submitted a written request to encumber the amount of \$5 million Proposition C 40% operating funds for the purchase of an operational facility for the Southern region. LACMTA Office of Management & Budget granted a retroactive approval for the request. As of June 30, 2023, this amount is presented under the Proposition C Building fund in the Balance Sheet.

NOTE 14 SUBSEQUENT EVENTS

Other than the events discussed in Note 13 above, no events have occurred subsequent to the balance sheet date through June 21, 2024, the date the financial statements were available to be issued, that require adjustment to, or disclosures in, the financial statements.



**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 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 Balance Sheet and the Schedules of Revenues and Expenditures and Advanced Funds and Deferred Revenue – Proposition C (the Balance Sheet and the Schedules) as defined by the Proposition C Discretionary Program Guidelines and Memorandum of Understanding (MOU No. P000ASI27) dated June 16, 2022 between Access Services, as grantee, and the Los Angeles County Metropolitan Transportation Authority, as grantor as of and for the year ended June 30, 2023, and have issued our report thereon dated June 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Balance Sheet and the Schedules, we considered Access Services' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Balance Sheet and the Schedules, 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. 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 or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Access Services' Balance Sheet and the Schedules 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 Balance Sheet and the Schedules. 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 over the Balance Sheet and Schedules and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over the Balance Sheet and 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 Balance Sheet and the Schedules and compliance. Accordingly, this communication is not suitable for any other purpose.

**Glendale, California
June 21, 2024**

COMPLIANCE SECTION



Independent Auditor's Report on Compliance

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

Report on Compliance

Opinion

We have audited the compliance of Access Services with the Proposition C Discretionary Program Guidelines, Measure M 2% Program Guidelines and Memorandum of Understanding (MOU No. P000ASI27) dated June 16, 2022 (collectively, the Guidelines) for the year ended June 30, 2023.

In our opinion, Access Services complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2023.

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 Access Services 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 with the Guidelines. Our audit does not provide a legal determination of Access Services' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for Access Services' compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the compliance requirements of the Guidelines referred to above.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Access Services' 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 the Access Services' compliance with the requirements of the Guidelines 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 Access Services' 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 Access Services' 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 Access Services' 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 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 with the Guidelines 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been 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.

Glendale, California
June 21, 2024

**Access Services
MOU No. P000ASI27
Compliance Matrix
Year ended June 30, 2023**

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 Metro 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 Metro 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. P000ASI27
Compliance Matrix
Year ended June 30, 2023**

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 Metro 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 Metro'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 Metro Board of Directors' actions at their June 28, 2018 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				

Access Services
MOU No. P000ASI27
Compliance Matrix
Year ended June 30, 2023

Compliance Requirement	In Compliance			Questioned Costs	If no, provided details and management response
	Yes	No	N/A		
B. Memorandum of Understanding (MOU) (Continued)					
13.	Establish and maintain proper accounting procedures, cash management records, and documents in accordance with Office of Management and Budgets Circular OMB-122, Audits of States, Local Governments, and Non-Profit Organizations as applied to governmental agencies.	X			
14.	Prepare a schedule of deferred expenditures of the funding provided in the FY 2021-2022 funding agreement.	X			
15.	Comply with all National Transit Database (NTD) and FTA Section 5310 requirements. A copy of the NTD Audit provided to Metro.	X			
16.	Comply with and provide a Transit Operators Financial Transactions Report (FTR) in accordance with Public Utility Code Section 99243 to be submitted to the State Controller's Office. Provide copies of all submitted documentation to Metro by no later than January 14th.	X			
17.	Obtain the services of an independent auditor to conduct a financial statement audit of the Project each year in conformance with the provisions of the OMB Uniform Guidance.	X			
18.	Submit a preliminary budget with information Metro requires to program funds for the following fiscal year by February 1, 2023, for the FY 2023-24 funding request.	X			

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Access Services
MOU No. P000ASI27
Schedule of Findings and Questioned Costs
Year ended June 30, 2023**

There were no findings noted.

EXIT CONFERENCE

An exit conference was held on June 17, 2024 with Access Services' representatives. Those in attendance were:

Vasquez & Company representatives:

Cristy Canieda – Audit Partner
Marialyn Labastilla – Audit Director
Erica Ong – Audit Manager

Access Services representatives:

Hector Rodriguez – Deputy Executive Director
Bruce Frink – Senior Manager, Finance, Planning and Analysis
Rene Arrieta – Controller

Metro representatives:

Kimberly Houston – Deputy Chief Auditor
Lauren Choi – Senior Director, Audit
Giovanna Gogreve – Director, Budget
Fayma Ishaq – Senior Manager, Budget

Matters discussed:

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

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
Bruce Frink – Senior Manager, Finance, Planning and Analysis
Rene Arrieta – Controller



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