

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2022 and 2021

DRAFT

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Access Services
El Monte, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Access Services (a California nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Access Services as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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 Financial Statements 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Access Services' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Access Services' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

San Jose, California
ReportDate

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,277,100	\$ 20,140,243
Short-term investments at fair value	26,295,776	-
Grants receivable	11,751,969	3,255,995
Due from LACMTA	2,312,802	2,313,950
Accounts receivable	55,614	56,707
Prepaid expenses and other assets	8,035,838	7,578,898
Total current assets	53,729,099	33,345,793
Property and equipment, net	8,491,540	12,298,044
Other assets:		
Restricted cash equivalents for self-insured retention	5,480,705	4,994,495
Restricted cash equivalents for unfunded pension liability	2,125,591	4,460,482
Restricted cash equivalents for accrued vacation liability	1,034,354	1,064,469
Restricted cash equivalents for facilities development expenditures	7,437,380	-
Deposits	40,830	39,129
Total other assets	16,118,860	10,558,575
Total assets	\$ 78,339,499	\$ 56,202,412
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 3,042,204	\$ 1,465,401
Contractors payable	19,447,540	11,921,190
Accrued expenses	11,629,381	8,791,064
Unfunded defined benefit plan liability	2,125,591	4,460,482
Self insurance accruals	5,480,705	4,994,495
Deferred support	22,385,656	9,485,344
Deferred revenue	175,763	113,844
Deferred rent	175,284	180,138
Total current liabilities	64,462,124	41,411,958
Commitments and contingencies		
Net assets:		
Without donor restrictions		
Board designated - for facility development expenditures	2,437,380	-
Undesignated	11,439,995	14,790,454
Total without donor restrictions	13,877,375	14,790,454
Total net assets	13,877,375	14,790,454
Total liabilities and net assets	\$ 78,339,499	\$ 56,202,412

ACCESS SERVICES
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STATEMENTS OF ACTIVITIES

For the years ended June 30, 2022 and 2021

	2022	2021
Without donor restrictions		
Revenue and support:		
Los Angeles County MTA funds	\$ 93,379,907	\$ 93,895,827
Section 5310 funds	72,722,575	69,568,273
Passenger revenues	6,797,934	5,234,468
Meal delivery funds	1,590,684	-
Medical funds	846,696	-
Section 5317 funds	458,145	352,738
Accessible Traveler Mobile App funds	315,000	-
Other revenue	113,700	78,177
Contributions of nonfinancial assets	74,250	-
Section 5312 funds	42,000	78,000
Investment return, net	27,986	-
Interest income	20,060	4,192
Section 5316 funds	-	459,305
Gain (loss) on disposal of assets	(6,151)	271,049
	176,382,786	169,942,029
Operating expenses:		
Program services:		
Paratransit operations	157,361,338	148,815,344
Eligibility determination	8,199,067	7,364,009
CTSA function	578,786	539,313
	166,139,191	156,718,666
Supporting services:		
Management and general	11,156,674	15,602,266
	177,295,865	172,320,932
Changes in net assets	(913,079)	(2,378,903)
Net assets, beginning of year	14,790,454	17,169,357
Net assets, end of year	\$ 13,877,375	\$ 14,790,454

ACCESS SERVICES
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STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended June 30, 2022 and 2021

	2022						2021					
	Program Services			Total Program Services	Supporting Services		Program Services			Total Program Services	Supporting Services	
	Paratransit Operations	Eligibility Determination	CTSA Function		Management and General	Total Expenses	Paratransit Operations	Eligibility Determination	CTSA Function		Management and General	Total Expenses
Purchased transportation services (net of lease and liquidated damages)	\$ 138,596,391	\$ 1,094,677	\$ -	\$ 139,691,068	\$ -	\$ 139,691,068	\$ 130,441,358	\$ 885,517	\$ -	\$ 131,326,875	\$ -	\$ 131,326,875
Insurance and claims	6,817,273	85,151	872	6,903,296	4,186,956	11,090,252	6,586,691	78,136	857	6,665,684	7,216,922	13,882,606
Salaries and related benefits	2,878,999	436,385	507,756	3,823,140	5,079,416	8,902,556	2,701,308	422,938	468,645	3,592,891	4,915,268	8,508,159
Eligibility determination	-	4,214,341	-	4,214,341	-	4,214,341	-	4,060,768	-	4,060,768	-	4,060,768
Contracted customer services	2,098,452	-	-	2,098,452	-	2,098,452	1,839,790	-	-	1,839,790	-	1,839,790
Network and telecom maintenance	656,311	6,900	64	663,275	1,091,060	1,754,335	718,878	5,368	600	724,846	618,134	1,342,980
Professional services	594,748	-	-	594,748	1,124,840	1,719,588	129,674	763	-	130,437	1,130,463	1,260,900
Office and equipment rent	194,113	498,860	16,901	709,874	344,967	1,054,841	194,113	455,065	16,901	666,079	344,157	1,010,236
Communications	373,354	127,516	20,332	521,202	223,308	744,510	695,582	113,889	9,710	819,181	112,998	932,179
Travel training	-	665,695	-	665,695	-	665,695	-	578,911	-	578,911	-	578,911
Printed materials	82,129	422,122	343	504,594	10,569	515,163	58,311	256,584	1,354	316,249	1,522	317,771
Vehicle costs	435,765	-	-	435,765	15,503	451,268	221,671	-	-	221,671	7,492	229,163
Security	200,000	-	-	200,000	-	200,000	200,000	-	-	200,000	-	200,000
Promotions/events	371,889	35,234	3,819	410,942	21,968	432,910	133,644	26,501	6,427	166,572	20,029	186,601
Postage/ mailing	8,123	258,502	2,008	268,633	20,284	288,917	7,019	158,616	1,626	167,261	16,578	183,839
Other expenses	15,399	675	25,265	41,339	26,916	68,255	18,383	498	29,707	48,588	43,316	91,904
Office supplies	11,430	3,704	1,426	16,560	17,259	33,819	40,157	840	1,714	42,711	11,577	54,288
Other related employee expense	5,814	-	-	5,814	57,426	63,240	-	-	1,727	1,727	50,336	52,063
Passenger survey/ride check program	20,750	-	-	20,750	20,750	41,500	-	-	-	-	49,500	49,500
Temporary personnel	-	-	-	-	13,838	13,838	-	-	-	-	26,250	26,250
Board and advisory committee compensation	-	-	-	-	9,849	9,849	-	-	-	-	9,275	9,275
Business meetings and meals	592	-	-	592	12,059	12,651	-	-	45	45	7,773	7,818
Repairs and maintenance	-	25,943	-	25,943	32,256	58,199	-	3,450	-	3,450	3,371	6,821
Travel and conference	4,247	-	-	4,247	60,563	64,810	-	-	-	-	(504)	(504)
Total expenditures before certain noncash charges	153,365,779	7,875,705	578,786	161,820,270	12,369,787	174,190,057	143,986,579	7,047,844	539,313	151,573,736	14,584,457	166,158,193
Increase (decrease) in unfunded defined benefit plan liability	-	-	-	-	(2,334,891)	(2,334,891)	-	-	-	-	605,344	605,344
Depreciation	3,995,559	323,362	-	4,318,921	1,121,778	5,440,699	4,828,765	316,165	-	5,144,930	412,465	5,557,395
Total expenses	\$ 157,361,338	\$ 8,199,067	\$ 578,786	\$ 166,139,191	\$ 11,156,674	\$ 177,295,865	\$ 148,815,344	\$ 7,364,009	\$ 539,313	\$ 156,718,666	\$ 15,602,266	\$ 172,320,932

The accompanying notes are an integral part of these financial statements.

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STATEMENTS OF CASH FLOWS

For the years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (913,079)	\$ (2,378,903)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Gain) loss on disposal of assets	6,151	(271,049)
Depreciation and amortization	5,440,699	5,557,395
Realized/unrealized gain on investments	(27,986)	-
Restricted cash equivalents for self-insured retention	(486,210)	(629,631)
Restricted cash equivalents for unfunded pension liability	2,334,891	(605,344)
Restricted cash equivalents for accrued vacation liability	30,115	(377,446)
Restricted cash equivalents for facilities development expenditures	7,437,380	
(Increase) decrease in operating assets:		
Grants receivable	(8,495,974)	(2,864,062)
Due from LACMTA	1,148	3,579,208
Accounts receivable	1,093	88,519
Prepaid expenses and other assets	(456,940)	(228,258)
Deposits	(1,701)	-
Increase (decrease) in operating liabilities:		
Accounts payable	1,576,803	(3,847,123)
Contractors payable	7,526,350	1,376,651
Accrued expenses	2,838,317	7,067,157
Unfunded defined benefit plan liability	(2,334,891)	605,344
Self insurance accruals	486,210	629,631
Deferred support	12,900,312	541,771
Deferred revenue	61,919	(160,637)
Deferred rent	(4,854)	3,062
Net cash provided by operating activities	27,919,753	8,086,285
Cash flows from investing activities:		
Proceeds from sales of investments	104,844,676	-
Purchases of investments	(131,112,466)	-
Proceeds from sale of equipment	9,300	362,141
Acquisition of property and equipment	(1,649,646)	(2,953,300)
Net cash used in investing activities	(27,908,136)	(2,591,159)
Cash flows from financing activities:		
Collections of supports restricted for purposes:		
Restricted cash equivalents for self-insured retention	486,210	629,631
Restricted cash equivalents for unfunded pension liability	(2,334,891)	605,344
Restricted cash equivalents for facilities development expenditures	(7,437,380)	-
Restricted cash equivalents for accrued vacation liability	(30,115)	377,446
Net cash (used in) provided by financing activities	(9,316,176)	1,612,421
Net (decrease) increase in cash and cash equivalents	(9,304,559)	7,107,547
Cash, cash equivalents, and restricted cash, beginning of year	30,659,689	23,552,142
Cash, cash equivalents, and restricted cash, end of year	\$ 21,355,130	\$ 30,659,689
Statement of financial position captions:		
Cash and cash equivalents	\$ 5,277,100	\$ 20,140,243
Restricted cash equivalents for self-insured retention	5,480,705	4,994,495
Restricted cash equivalents for unfunded pension liability	2,125,591	4,460,482
Restricted cash equivalents for facilities development expenditures	7,437,380	-
Restricted cash equivalents for accrued vacation liability	1,034,354	1,064,469
	\$ 21,355,130	\$ 30,659,689

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

1. Organization and Purpose

Access Services (the “Organization”) was incorporated in the State of California as a nonprofit public benefit corporation on March 31, 1994. Access Services is designated as Los Angeles County’s Consolidated Transportation Services Agency (“CTSA”) and administers the Los Angeles County Coordinated Paratransit Plan (the “Plan”) on behalf of the County’s 46 public fixed route operators (i.e., bus and rail). Pursuant to the Plan, Access Services facilitates the provision of complementary American Disabilities 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. Typically, vans or minibuses are used to provide paratransit service, but also shared taxis and jitneys are important providers as a form of transportation. Complementary ADA paratransit is a federally mandated civil right for persons with disabilities who cannot ride the accessible public fixed route buses and trains.

As required by applicable regulations, Access Paratransit service is available for any qualified ADA paratransit eligible individual for any purpose and to or from any location within $\frac{3}{4}$ of a mile of any fixed route bus operated by the Los Angeles County public fixed route bus operators and within $\frac{3}{4}$ of a mile around Metro rail stations during the hours that the systems are operational. The service area is divided into regions and extends into portions of the surrounding counties of San Bernardino, Orange, and Ventura that are served by Los Angeles County fixed route bus lines.

Access Paratransit operates seven days a week, 24 hours of the day in most areas of Los Angeles County. It is a shared ride service that is curb-to-curb utilizing a fleet of small buses, mini-vans and taxis. Fares are distance-based and currently range from \$2.75 to \$3.50 for each one-way trip. Personal Care Assistants may ride with the qualified rider free of charge. Different fares may be charged in the Antelope Valley and Santa Clarita Valley service areas and during late-night service hours.

Access Services facilitates Access Paratransit service by entering into and administering federally funded regional contracts with independent private transit providers, which in turn provide the reservation and transportation services in conformity with the Plan, applicable law, and the contract. Access Services also leases vehicles to the regional providers at \$1 per month to help facilitate the provision of service under the contracts. In total, the Access Paratransit system provides more than 1.7 million trips per year to more than 125,000 qualified disabled riders in a service area of over 1,950 square miles. Access Services receives its funding for these services from Proposition C sales tax, Federal 5310 grants, and fare box revenue.

In its function as the CTSA, Access Services acts as a state-mandated facilitator charged with the development and implementation of regional coordination of social service transportation to seniors, persons with disabilities, the young, and the low-income disadvantaged.

Access Services is governed by a nine-member board of directors with one appointment by each of: (i) the Los Angeles County Board of Supervisors, (ii) the City Selection Committee’s Corridor Transportation Representatives, (iii) the Mayor of the City of Los Angeles, (iv) the Los Angeles County municipal fixed-route operators, (v) the Los Angeles County local fixed-route operators, (vi) the Los Angeles County Commission on Disabilities, (vii) the Coalition of Los Angeles County Independent Living Centers, (viii) the Los Angeles County Metropolitan Transportation Authority (“LACMTA”), and (ix) an alternating appointment by the municipal and local fixed-route operators.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Summary of Significant Accounting Policies

Accounting Principles

Access Services' financial statements are prepared in conformity with generally accepted accounting principles of the United States of America ("U.S. GAAP"), using the accrual basis of accounting,

Financial Statement Presentation

The Organization's net assets, revenues, gains, expenses and losses are classified as with donor restrictions and without donor restrictions, as follows:

Net assets without donor restrictions: Net assets available for use at the discretion of the Board of Directors (the "Board") and/or management for general operations and not subject to donor restrictions.

Board designated net assets: In April 2022, the Organization established a board designated operating reserve policy for the purpose of a future investment into a construction and development fund that would allow the Organization to potentially own the facilities that the Organization's contractors operate out of for both economic and operational reasons.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been accomplished, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their uses are restricted by explicit donor stipulation or by law.

Donor restricted revenues for which the restrictions expire during the same fiscal year in which the revenues are made are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions. When a donor restriction expires, that is, when a stipulated time restriction end, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Estimates Inherent in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions, and such differences could be material to the financial statements.

Fair Value of Financial Instruments

The Organization's financial instruments, including cash and cash equivalents, grants and accounts receivable, accounts payable and other liabilities are carried at cost, which approximates their fair values because of the short-term maturity of these instruments and the relative stability of interest rates.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Revenue from Contracts with Customers

Access Services revenue is recognized to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The adoption of ASC Topic 606 did not result in any significant changes in the way the Organization recognizes revenue.

Contributed Nonfinancial Assets

Access Services adopted ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Pursuant to this ASU 2020-07, contributed nonfinancial assets are presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Access Services is required to disclose (a) A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets and (b) For each category of contributed nonfinancial assets recognized provides: (i) Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, Access Services will disclose a description of the programs or other activities in which those assets were used; (ii) Access Services' policy about monetizing rather than utilizing contributed non-financial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) a description of the valuation techniques and inputs used to arrive at a fair value measure; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure.

Revenue Recognition and Grants

The Organization adopted the guidance in, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Access Services determines whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer asset. If a contribution is deemed conditional, revenue is deferred until the barrier is overcome.

Once a contribution has been deemed unconditional, Access Services considers whether the contribution is restricted on the basis of the current definition of the term donor-imposed restriction, which includes a consideration of how broad or narrow the purpose of the agreement is, and whether the resources are available for use only after a specified date.

Access Services primarily receives revenue from Federal Section 5310 grants, Proposition C discretionary funds, Los Angeles County Measure M funds, and other grants through LACMTA, and passenger fares for paratransit services provided. Revenues are deemed to be earned when allowable expenses are incurred or recognized by Access Services. Revenue received for the acquisition of capital assets (i.e. equipment) is recognized when the assets are acquired.

Amounts received but not earned as of June 30, 2022 and 2021 are included in the accompanying statement of financial position as deferred support. Access Services and LACMTA entered into a Funding Agreement for the year ended June 30, 2022, which provided Access Services with Proposition C funds of \$87,467,213, Measure M funds of \$12,750,000 and a reserve of \$20,000,000. LACMTA funding is subject to audit and retroactive adjustment by outside third parties; however, in the opinion of management, Access Services has provided adequate reserves for any such circumstances (see Note 8).

ACCESS SERVICES
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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Revenue Recognition and Grants, continued

Federal Section 5310 grant funds are recognized for financial reporting purposes as expenditures are made or liabilities are incurred in fulfilling the purpose of the grant award. Funds granted for paratransit provider services are recorded as revenue without donor restrictions, and funds designated for vehicle acquisitions are included in the accompanying statement of financial position as deferred support.

During the years ended June 30, 2022 and 2021, Access Services was awarded a Federal Transit Administration (“FTA”) Section 5310 Surface Transportation Program (“STPL-R”) grant of \$71,300,000 and \$69,500,000, respectively, to provide contract services for paratransit eligibility determination and transportation provision functions throughout the County of Los Angeles. As of June 30, 2022 and 2021, Access Services had received and recognized as revenue all the funds available under these grants for paratransit provider services.

In addition, Access Services has been awarded the following grants:

	<u>Grant Amounts</u>
On July 29, 2014, Access Services was awarded an FTA Section 5317 New Freedom grant for Service Area Expansion. The project’s scope of work consists of operating assistance to provide new paratransit service beyond what is required by ADA to/from origins/destinations outside Access Service’s area but within regions of Los Angeles County that are part of the Los Angeles-Long Beach-Anaheim area.	\$ 740,500
On January 1, 2017, Access Services was awarded an FTA Section 5317 New Freedom Service Area Expansion pass through grant from LACMTA to provide new paratransit service beyond what is required by the ADA to/from origins/destinations outside the Agency’s service area from/to the Lancaster-Palmdale Urbanized Area.	\$ 218,000
On July 27, 2017, Access Services was awarded an FTA Section 5316 Job Access and Reserve Commute Program pass through grant from LACMTA to purchase vehicles for replacement to expand and continue Access Services’ Access to Work program, which provides paratransit services for seniors and persons with disabilities throughout Los Angeles County.	\$ 2,313,033
On July 27, 2017, Access Services was awarded an FTA Section 5317 New Freedom Program pass through grant from LACMTA for operating assistance and vehicles replacement to expand and continue Access Services’ Access to Work program, which provides paratransit services for seniors and persons with disabilities throughout Los Angeles County.	\$ 2,262,567
On December 1, 2019, Access Services was awarded an FTA Section 5312 Transit Bus Automation Strategic Partnerships grant for accessible autonomous paratransit vehicle development, paratransit autonomous vehicle operations, and autonomous paratransit vehicle curbside operations.	\$ 120,000
On September 14, 2020, Access Services was awarded an FTA Section 5310 ADA Complementary Paratransit vehicle replacement grant to purchase replacement vehicles. As of June 30, 2022, Access purchased and received 11 eligible vehicles and had 117 eligible vehicle purchases made in advance of funding.	\$ 10,934,004

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Revenue Recognition and Grants, continued

	Grant Amounts
On February 9, 2021, Access Services was awarded an FTA Section 5310 Enhanced Mobility Pilot Program Accessible Traveler Mobile App (“ATMA”) Pilot Program grant to test, integrate, and deploy the new application to Access Service’s Where’s My Ride mobile app.	\$ 330,000
On September 5, 2021, Access Services was awarded an FTA 5310 Formula Program at 100% Federal Share - Access Services 5310 - Transfer Trip Program grant to increase mobility options for seniors and persons with disabilities in the Lancaster-Palmdale and Santa Clarita.	\$ 67,299
On November 17, 2021, Access Services was awarded an Emergency Grocery/Meal Delivery Service grant from City of Los Angeles to provide groceries/meals for Access to pick up and deliver to community residents.	\$ 1,590,684
On May 25, 2018, Access Services was awarded County-Based Medi-Cal Program grant to improve the availability and accessibility of Medi-Cal services to Medi-Cal eligible and potentially eligible individuals, and their families.	\$ 4,000,000

As a public benefit corporation, cash funds held at Wells Fargo and City National Bank are 100 percent collateralized in compliance with the requirements of the California Government Code.

Access Services received approximately 41% of its total funding for the years ended June 30, 2022 and 2021, from the FTA, and the receivable from the FTA accounted for 96% and 98% of total grants receivable as of June 30, 2022 and 2021, respectively. Any material reduction in the contract amounts granted would have a material adverse effect on the Organization’s business, results of operations, and financial condition. Management anticipates that each program will continue to be renewed in the foreseeable future. As of June 30, 2022 and 2021, \$11,261,240 and \$3,255,995, respectively, was due from FTA.

Access Services receives funding from LACMTA acting in its role as a Regional Transportation Planning Authority through an annual Memorandum of Understanding (“MOU”). During the years ended June 30, 2022 and 2021, this funding represented approximately 53% and 55%, respectively, of Access Services’ total funding received for the years then ended. As of June 30, 2022 and 2021, \$2,312,802 and \$2,313,950, respectively, was due from LACMTA.

Access Services entered into long-term contracts (three to five years plus option years) with its transportation services vendors. Access Services has six such agreements in place with vendors who have been vetted through a rigorous RFP process ensuring each vendor has the financial and operational stability and strength to provide transportation services. These six vendors comprise 99% of the expense associated with transportation services, and 79% of the overall expenses of the Organization.

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Functional Allocation of Expenses

The costs of providing the various program services and other activities of the Organization are shown on the statement of functional expenses. Expenses that can be identified with a specific activity are allocated directly according to their functional benefit. 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.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code, whereby only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code, is subject to federal income tax.

Access Services accounts for uncertain tax positions, if any, by recording a liability for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in its tax returns. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained by the appropriate taxing authorities.

The Organization does not believe that its financial statements include any uncertain tax positions and accordingly, has not recorded a liability for unrecognized taxes in the accompanying financial statements.

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. For the purposes of the cash flow statement, 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.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets and are reported as an increase and decrease in net assets without donor restrictions. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or use) in the reporting period in which the income and gains are recognized.

Property and Equipment, Net

Property and equipment that is purchased 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 statement of activities.

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Property and Equipment, Net, continued

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 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, the Organization 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.

The Organization 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. 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, 2022 and 2021.

Recent Accounting Pronouncements

The FASB issued ASU 2016-02, *Leases (Topic 842)*, which replaces existing lease accounting guidance. The new guidance is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for all leases with the terms exceeding twelve months. The standard requires applying modified retrospective approach at the beginning of the earliest period presented with optional practical expedients. There will be an increase in assets and liabilities on the balance sheets of Access Services as a result of adoption to this standard due to recording of right-of-use assets and corresponding lease liabilities. The amount of that increase will depend on the lease portfolio at the time of the adoption. Access Services does not expect the adoption to have a material impact on net assets. ASU 2020-05, *Leases (Topic 842)*, issued on June 30, 2020 extended the effective date for this standard to fiscal year ending June 30, 2023.

3. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed purpose restrictions within one year of the balance sheet date.

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

3. Liquidity and Availability of Financial Assets, continued

As of June 30, 2022 and 2021, the Organization had \$43,255,881 and \$25,766,895, respectively, of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization reviews its funding levels on an on-going basis to ensure they are adequate to meet its obligations. Occasionally, the Board designates a portion of any excess cash which are held in short-term investments accounts toward future facilities development expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet dates, are comprised of the following as of June 30:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	\$ 5,277,100	\$ 20,140,243
Short-term investments	26,295,776	-
Grants receivable	11,751,969	3,255,995
Due from LCMTA	2,312,802	2,313,950
Accounts receivable	55,614	56,707
Total financial assets available within one year	45,693,261	25,766,895
Less: amounts unavailable for general expenditures in one year, due to:		
Designated by Board	(2,437,380)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 43,255,881	\$ 25,766,895

4. Grants Receivable

Grants receivable consisted of the following as of June 30:

	2022	2021
Section 5310 capital grant	\$ 10,934,004	\$ 2,626,327
Section 5312 Transit Bus Automation Strategic Partnerships	42,000	66,000
Section 5310 Accessible Traveler Mobile App (ATMA)		
Pilot Project	125,818	330,000
Service expansion grant	159,418	159,418
Medical	490,729	-
Other	-	74,250
Total	\$ 11,751,969	\$ 3,255,995

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

ACCESS SERVICES
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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

5. Accounts Receivable and Deferred Revenue

Accounts receivable generally consists of the sales of rider coupons by cities or transportation agencies not yet remitted to the Organization. Additionally, the Organization has recorded deferred revenue of \$175,763 and \$113,844 related to coupons sold but not utilized as of June 30, 2022 and 2021, respectively.

6. Property and Equipment, Net

Property and equipment, net consisted of vehicles, office furniture and equipment, software, construction in progress, and leasehold improvements as follows as of June 30:

	2022	2021
Vehicles and equipment	\$ 43,382,546	\$ 42,063,683
Software	3,085,622	4,185,753
Leasehold improvements	1,643,198	1,643,198
Construction in progress	217,695	152,595
Office furniture and equipment	1,189,929	1,192,494
Total property and equipment	49,518,990	49,237,723
Less: accumulated depreciation	(41,027,450)	(36,939,679)
Property and equipment, net	\$ 8,491,540	\$ 12,298,044

Depreciation expense was \$5,440,699 and \$5,557,395 for the years ended June 30, 2022 and 2021, respectively.

7. Investments and Fair Value Measurements

The Organization adheres to ASC 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The Organization also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 include listed equities, bond instruments, and mutual funds held in the name of the Organization.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

7. Investments and Fair Value Measurements, continued

Level 3 – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

The inputs and methodology used for valuing the Organization’s financial assets and liabilities are not indicators of the risks associated with those instruments.

Investments recorded at fair value, consist of the following as of June 30, 2022:

	June 30, 2022			Total
	Level 1	Level 2	Level 3	
US Treasury debt securities	\$ 26,295,776	\$ -	\$ -	\$ 26,295,776
Total investments	\$ 26,295,776	\$ -	\$ -	\$ 26,295,776

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the table above:

Level 1: Fair value measurements – investments in debt securities: The fair value of the Organization’s investments in marketable debt securities is based on quoted market prices.

8. Deferred Support

Deferred support consisted of the following as of June 30:

	2022	2021
LACMTA funding	\$ 6,469,872	\$ 4,632,566
5310 capital grant	9,578,728	2,626,327
5310 ATMA grant	15,000	330,000
5312 Transit Bus Automation Strategic Partnerships	-	42,000
Access to work FTA JARC grant	809,853	809,853
Service expansion/Adult Tether Strap grant	512,203	970,348
Facilities development fund	5,000,000	-
Other	-	74,250
Total	\$ 22,385,656	\$ 9,485,344

Deferred support amounts are committed for future acquisition of vehicles, capital expenditures, and current period and near-term operating expenditures.

ACCESS SERVICES
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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

8. Deferred Support, continued

Access Services receives funds from LACMTA for the support of operations, acquisition of vehicles, and other capital expenditures. These funds are initially recorded as deferred support and reported as a liability on the statement of financial position. Deferred support amounts are reduced based on the recognition of revenue, the timing of which may be different than the expenditures for operations, and the acquisition of vehicles and capital improvements (see also Note 2).

All other deferred support consists of grants and in-kind contributions in which funds have been received but for which Access Services recognizes revenue when the respective expenses are incurred.

9. Retirement 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, 2022 and 2021, 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 8.650% and 8.794% of employees’ gross wages for the years ended June 30, 2022 and 2021, respectively.

Effective January 1, 2013, new employees are required to contribute 6.25% of their gross wages to the CalPERS Plan.

An employer should 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.

The Organization utilizes the most recent actuarial information available at the time it prepares and issues its financial statements. As of June 30, 2022 and 2021, the most current available actuarial financial information from CalPERS was as of June 30, 2021 and 2020, respectively.

ACCESS SERVICES
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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

9. Retirement Plan, continued

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below as of June 30, 2021 and 2020 (the most up to date information currently available):

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount rate	7.15%
Salary increases	Varies by Entry Age and Service
Inflation	2.50%
Mortality rate table	Derived using CalPERS' membership data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.50% until purchasing power
Increase	Protection allowance floor on purchasing power applies

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

9. Retirement Plan, continued

Required Supplementary Information

Trend Information

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

	2022	2021
Entry age normal accrued liability	\$ 22,444,547	\$ 20,344,036
Market value of plan assets	\$ 20,253,176	\$ 16,109,466
Unfunded defined benefit plan liability	\$ 2,191,371	\$ 4,234,570
Funded ratio	90.2%	79.2%
Annual covered payroll	\$ 3,033,250	\$ 2,960,305

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

	2022	2021
Entry age normal accrued liability	\$ 2,680,578	\$ 1,958,731
Market value of plan assets	\$ 2,746,358	\$ 1,732,819
Unfunded defined benefit plan liability	\$ (65,780)	\$ 225,912
Funded ratio	102.5%	88.5%
Annual covered payroll	\$ 2,488,403	\$ 2,489,193

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

	2022	2021
Contributions made during the year	\$ 999,615	\$ 909,400
Increase (decrease) in unfunded defined benefit plan liability	(2,334,891)	605,344
Total	\$ (1,335,276)	\$ 1,514,744

10. Contributed Nonfinancial Assets

For the years ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Services	\$ 74,250
	\$ 74,250

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

10. Contributed Nonfinancial Assets, continued

Access Services recognized contributed nonfinancial assets within revenue, including services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed services was utilized for system development. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

11. Commitments and Contingencies

Litigation

The Organization is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully adjudicated. The Organization has accrued a loss contingency reserve for these matters, using management's best estimate and judgment, in the amount \$10 million, which is included in accrued expenses in the financial statements. The outcome of litigation is inherently uncertain. If one or more legal matters are resolved against the Organization in a reporting period for amounts in excess of management's expectations, the Organization's financial condition and operating results for that reporting period could be materially adversely affected. Although it is not possible to predict the outcome of these matters, in the opinion of management, there was not at least a reasonable possibility the Organization may have incurred a material loss, or a material loss in excess of a recorded accrual, with respect to loss contingencies for asserted legal and other claims.

Self-Insurance

The Organization maintains a self-insurance program covering portions of vehicle and general liability insurance claims. Access Services bears the risk of loss for each individual claim up to \$100,000 per incident with an aggregate annual maximum of \$3.0 million. The amount in excess of the self-insured levels is fully insured by third-party insurers to coverage levels that the Organization considers adequate.

The Organization's self-insurance program is administered by a third party.

A summary of the Organization's self-insured liability follows as of June 30:

	2022	2021
Balance at beginning of year	\$ 4,994,495	\$ 4,364,864
Charged to operating costs	1,582,809	1,790,639
Payments for claims	(1,096,599)	(1,161,008)
Balance at end of year	\$ 5,480,705	\$ 4,994,495

Operating Leases

Access Services leases a facility under a five-year non-cancellable operating lease agreement with LACMTA at \$50,000 per month, expiring on January 1, 2027. Rent expense for both years ended June 30, 2022 and 2021 under this operating lease was \$612,149, including common area maintenance and other charges.

Access Services leases a facility in the City of Commerce under a non-cancellable operating lease agreement which expires on November 30, 2027. Rent expense for the years ended June 30, 2022 and 2021 under this operating lease was \$429,165 and \$398,087, respectively, including common area maintenance and other charges.

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

11. Commitments and Contingencies, continued

Operating Leases, continued

Access Services leases a facility with Palmdale Medical Center under a non-cancellable operating lease agreement which expires on January 10, 2025. Rent expense for the years ended June 30, 2022 under this operating lease was \$13,527, including common area maintenance and other charges.

Total rent expense, including deferred rent incurred, was \$1,054,841 and \$1,010,236 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under the Organization's non-cancelable operating lease are as follows:

	Amount
For the years ending June 30:	
2023	\$ 893,956
2024	894,380
2025	897,081
2026	905,984
2027	915,174
Thereafter	96,081
	\$ 4,602,655

12. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure through **ReportDate** the date which these financial statements were available to be issued. Management determined there were no material subsequent events that required recognition or disclosure.

SUPPLEMENTARY INFORMATION
IN COMPLIANCE WITH UNIFORM GUIDANCE
For the Year Ended June 30, 2022

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ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

Federal grantor program title	Federal CFDA Number	Grant Number	Effective Date	Program or Award Amount	Expenditures
U.S. Department of Transportation					
Surface Transportation Program Local Regional Section 5310 Grant Elderly and Individuals with Disabilities	20.513	CA-2021-166-00	July 1, 2021	\$ 71,300,000	\$ 71,300,000 *
ADA Complementary Paratransit Vehicle Replacement Section 5310 Grant Enhanced Mobility of Seniors and Individuals with Disabilities Program	20.513	CA-2020-284-00	September 14, 2020	10,934,004	1,355,276 *
Service Area Expansion Section 5317 - New Freedom	20.521	CA-57-X104-00	July 29, 2014	740,500	46,168 *
Section 5310 Grant Transfer Trip Program Enhanced Mobility of Seniors and Individuals with Disabilities into the Los Angeles Basin area in the Lancaster-Palmdale and Santa Clarita areas	20.513	CA-2021-235-00	September 5, 2021	67,299	67,299 *
Section 5310 - Enhanced Mobility Pilot Program Accessible Traveler Mobile App (ATMA) Pilot Project	20.513	CA-2021-015-00	February 9, 2021	330,000	315,000 *
Pass-through grantor program title					
U.S. Department of Transportation					
Pass through from Los Angeles County Metropolitan Transportation Authority - Service Area Expansion Section 5317 - New Freedom Funds	20.521	CA-57-X100-01	January 1, 2017	218,000	16,368 *
Pass through from Los Angeles County Metropolitan Transportation Authority - Job Access and Reserve Commute Program Section 5316 Funds	20.516	CA-37-X100	July 27, 2017	2,313,033	- *
Pass through from Los Angeles County Metropolitan Transportation Authority - New Freedom Program Section 5317 Funds	20.521	CA-57-X100	July 27, 2017	2,262,567	395,609 *
Pass through from County of Los Angeles County-Based Medi-Cal Administrative Activities (CMAA)	93.778	PH-003493	May 25, 2018	4,000,000	846,696
Pass through from The University of South Florida Board of Trustees Transit Bus Automation Strategic Partnerships	20.514	FL-2018-123-00	December 1, 2019	120,000	42,000
Total				<u>\$ 92,285,403</u>	<u>\$ 74,384,416</u>

* These grants are identified as part of the Transit Services Program Cluster.

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Access Services under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Access Services, it is not intended to and does not present the financial position, changes in net assets or cash flows of Access Services.

2. Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Access Services has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2022

Section I: Summary of Audit Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of independent auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weaknesses identified? | No |
| • Significant deficiencies identified? | None reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| • Material weaknesses identified? | No |
| • Significant deficiencies identified? | None reported |
| 5. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 6. Audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 7. Identification of major programs: | |

CFDS Number	Name of Federal Program
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities - Section 5310 Grant – Transit Services Programs Cluster
20.516	Access to Work – JARC Program – Transit Services Programs Cluster
20.521	New Freedom Program – Transit Services Programs Cluster

- | | |
|---|-------------|
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$2,231,532 |
| 9. Auditee qualified as a low risk auditee? | Yes |

ACCESS SERVICES
(A California Nonprofit Public Benefit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2022

Section II: Financial Statement Findings

No matters were reported.

Section III: Federal Award Findings and Questioned Costs

No matters were reported.

Section IV: Status of Prior Year Findings

No matters were reported.

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