

ACCESS SERVICES

(A NONPROFIT PUBLIC BENEFIT CORPORATION)

AUDITED FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION
AND REPORTS IN COMPLIANCE WITH OMB CIRCULAR A-133
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Access Services
El Monte, California

Report on the Financial Statements

We have audited the accompanying financial statements of Access Services (a nonprofit public benefit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT *(continued)*

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Access Services as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in the supplemental schedules has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated March 28, 2016, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Access Services' internal control over financial reporting and compliance.

Rossi LLP

March 28, 2016
Long Beach, California

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION

As of June 30,	2015
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 12,195,886
Grants receivable	9,049,988
Due from LACMTA	53,093
Accounts receivable	143,124
Prepaid expenses and other assets	7,806,154
Total current assets	29,248,245
Property and equipment, net	17,200,181
Total assets	\$ 46,448,426
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ 43,427
Contractors payable	5,697,396
Accrued expenses	8,370,386
Unfunded defined benefit plan liability	1,718,331
Self insurance accruals	3,449,695
Deferred support	27,403,073
Deferred revenue	266,140
Total current liabilities	46,948,448
Commitments and contingencies	
Net assets:	
Unrestricted	(1,718,332)
Temporarily restricted	1,218,310
Total net assets	(500,022)
Total liabilities and net assets	\$ 46,448,426

The accompanying notes are an integral part of these financial statements

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF ACTIVITIES

	2015		
	Unrestricted	Temporarily restricted	Total
For the year ended June 30,			
Revenue and support:			
Los Angeles County MTA funds	\$ 68,911,317	\$ -	\$ 68,911,317
Section 5310 funds	61,112,885	-	61,112,885
Passenger revenues	9,019,892	-	9,019,892
Section 5316 funds	127,170	625,440	752,610
Gain on disposal of assets	574,743	-	574,743
Toll credit	66,450	-	66,450
Other revenue	96,795	-	96,795
Section 5317 funds	189,615	-	189,615
Interest income	2,298	-	2,298
Net assets released from restrictions	1,034,584	(1,034,584)	-
Total revenue and support	141,135,749	(409,144)	140,726,605
Operating expenses:			
Purchased transportation services (net of lease and penalties)	107,073,493	-	107,073,493
Salaries and related expenses	7,475,390	-	7,475,390
Insurance and claims	5,527,632	-	5,527,632
Eligibility determination	5,187,140	-	5,187,140
Communications - telephone/data transmissions	2,087,508	-	2,087,508
Phone and computer system maintenance/consulting	1,228,660	-	1,228,660
Professional services	869,038	-	869,038
Contracted customer services	876,355	-	876,355
Rent - office and equipment	608,466	-	608,466
Publications/printed materials/copying	600,931	-	600,931
Travel training	573,221	-	573,221
Postage/mailing/messenger	335,895	-	335,895
Promotions/events	270,363	-	270,363
Vehicle operating cost and registration	258,851	-	258,851
Network support/supplies	233,718	-	233,718
Security	200,000	-	200,000
Tether pilot program	185,282	-	185,282
Travel and conference	118,224	-	118,224
Other related employee expense	85,680	-	85,680
Office supplies	55,795	-	55,795
Repairs and maintenance	53,358	-	53,358
Training program/materials	43,349	-	43,349
Other expenses	39,515	-	39,515
Temporary personnel	33,341	-	33,341
Board and Advisory Committee compensation	32,740	-	32,740
Passenger survey/ride check program	28,508	-	28,508
Business meetings and meals	18,988	-	18,988
Professional memberships/subscriptions/references	8,621	-	8,621
Scholarship programs	6,885	-	6,885
Total expenses before certain noncash charges	134,116,947	-	134,116,947
Decrease in unfunded defined benefit plan	(322,506)	-	(322,506)
Depreciation	7,018,803	-	7,018,803
Total expenses	140,813,244	-	140,813,244
Change in net assets	322,505	(409,144)	(86,639)
Net assets, beginning of year	(2,040,837)	1,627,454	(413,383)
Net assets, end of year	\$ (1,718,332)	\$ 1,218,310	\$ (500,022)

The accompanying notes are an integral part of these financial statements

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF CASH FLOWS

<i>For the year ended June 30,</i>	2015
Cash flows from operating activities:	
Change in net assets	\$ (86,639)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Non-cash items included in change in net assets:	
Gain on disposal of assets	(574,743)
Depreciation and amortization	7,018,803
(Increase) decrease in operating assets:	
Grants receivable	108,936
Due from LACMTA	5,415,774
Accounts receivable	(17,107)
Prepaid expenses and other assets	(4,359,519)
Increase (decrease) in operating liabilities:	
Accounts payable	(2,397,491)
Contractors payable	(2,916,872)
Accrued expenses	6,189,466
Unfunded defined benefit plan liability	(322,506)
Self insurance accruals	539,122
Deferred support	(597,017)
Deferred revenue	43,919
Net cash provided by operating activities	8,044,126
Cash flows from investing activities:	
Proceeds from sale of equipment	628,417
Acquisition of property and equipment	(12,504,271)
Net cash used in investing activities	(11,875,854)
Net decrease in cash and cash equivalents	(3,831,728)
Cash and cash equivalents, beginning of year	16,027,614
Cash and cash equivalents, end of year	\$ 12,195,886

The accompanying notes are an integral part of these financial statements

For the year ended June 30, 2015

NOTE 1

ORGANIZATION AND PURPOSE

Access Services (the "Organization") 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 Services Agency ("CTSA") pursuant to Gov. Code §15975(a) and public entity pursuant to Gov. Code §15975(b). The Organization administers the Los Angeles County Coordinated Paratransit Plan ("Plan") on behalf of the County's 44 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 mini-buses 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 public fixed route buses and trains. Access Services also provides certain limited services which exceed the minimum required by the ADA.

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 and utilizes 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. Different fares may be charged in the Antelope Valley and Santa Clarita Valley services areas, and during late-night service.

Access Services facilitates Access Paratransit service by entering into and administering federally funded regional contracts with independent private transit providers, which in turn, supplies the reservation taking and transportation service in conformance 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 approximately 3.1 million trips per year to more than 163,000 qualified disabled riders in a service area of over 1,950 square miles. Access Services 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

For the year ended June 30, 2015

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, and (ix) an alternating appointment by the municipal and local fixed-route operators.

NOTE 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, using the accrual basis of accounting, and follow the guidelines in the American Institute of Certified Public Accountants' ("AICPA's") Audit and Accounting Guide, "Audits of Certain Nonprofit Organizations."

In preparing these financial statements, we evaluated the period from July 1, 2015 through March 28, 2016, the date the financial statements were available for issuance for material subsequent events requiring recognition or disclosure in the accompanying financial statements.

Financial statement presentation:

The Organization follows the provisions of the AICPA's Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*. Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed

restrictions. Accordingly, the net assets of Access Services and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that do not have donor restrictions or the donor-imposed restrictions have expired due to the Organization's fulfillment of the restrictions and/or by the passage of time.

Temporarily restricted net assets - Net assets that contain donor-imposed restrictions that permit the Organization to use or expend the donated net assets as specified, whose restrictions are satisfied either by the passage of time and/or by actions of the Organization.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the Organization maintains them permanently. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2015.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their uses are restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

For the year ended June 30, 2015

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 those estimates.

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.

Revenue recognition:

Access Services primarily receives revenue from Federal Section 5310 grants, Proposition C discretionary funds through the Los Angeles County Metropolitan Transportation Authority ("LACMTA") acting in its capacity as the Regional Transportation Authority, and passenger fares for the paratransit services provided. Revenues are deemed to be earned when allowable expenses are incurred or recognized by Access Services. Revenues received for expenditures related to prepayments and capital acquisitions (i.e., equipment) are recognized as the related amounts are amortized. Passenger revenues are recognized as services are provided to passengers.

Amounts received but not earned as of June 30, 2015 are included in the accompanying

statement of financial position as deferred support. Unexpended Proposition C sales tax discretionary funds are required to be refunded to LACMTA under a Memorandum of Understanding unless such funds are committed for specific future purposes. As of June 30, 2015, unexpended funds were primarily committed for future operations, purchase of vehicles, and capital assets. LACMTA funding is subject to audit and retroactive adjustment by outside third parties; however, in the opinion of management, Access Services has provided for adequate reserves for such an event.

Federal Section 5310 grant funds are recognized for financial reporting purposes in the year the funds are granted to Access Services and recorded as a receivable. Funds granted for paratransit provider services are recorded as unrestricted revenue and funds designated for vehicle acquisitions are recorded as temporarily restricted revenue. The Federal Section 5310 grant funds designated for vehicles and equipment are released from restriction and are recognized as unrestricted income over the useful life of the vehicle and equipment. During the fiscal year ended June 30, 2015, Access Services was awarded a Federal Transit Administration ("FTA") Section 5310 Surface Transportation Program ("STPL-R") grant in the amount of \$60,600,000. The grant was for funds to obtain contract services to execute paratransit eligibility determination and transportation provision functions throughout the County of Los Angeles. As of June 30, 2015, Access Services had received all of the funds available under this grant.

Access Services was awarded a CMAQ grant of \$424,000 for the regional integration of paratransit resources that will allow local dial-a-ride agencies to transmit their unused paratransit vehicle capacity into Access Services' Uniform Scheduling System. At June 30, 2015, Access Services had incurred

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For the year ended June 30, 2015

\$69,792 of expenses related to the project of which \$0 was incurred during the fiscal year ended June 30, 2015. At June 30, 2015, Access Services has a receivable balance of \$354,208 under this grant.

Access Services has been awarded an FTA Section 5317 New Freedom grant of \$1,405,980 for three projects: (1) Transportation Services for Adults with Children Program – this program is designed to provide transportation assistance for the agency clients who live in the San Fernando Valley region of Los Angeles County to allow them to engage in childcare related activities; (2) Tether Strap and Marking Program – this is for the procurement of tether straps and tape to be installed on wheelchairs, as part of the Tether Strap and Marking Program in Los Angeles County; and (3) Access to Work Program – this is operating assistance to implement a three-year Access to Work Program to provide the agency clients with transportation to work and work related activities in Los Angeles County. Access Services has incurred \$665,567 of expenses of which \$189,615 was incurred during the fiscal year ended June 30, 2015. At June 30, 2015, Access Services had a receivable balance of \$772,119 under this grant.

Access Services has been awarded by the State of California Department of Transportation a federal pass through grant for the acquisition of thirteen (13) minivans for as much as \$598,000. Access Services incurred \$579,335 in the acquisition of the vehicles during the year ended June 30, 2015. This grant has been closed at June 30, 2015.

Access Services originally was awarded an FTA Section 5316 Job Access – Reverse Commute (“JARC”) grant of \$2,943,671 to implement the Access to Work Program. The funds were to be used for (1) the purchase of vehicles for \$1,884,000 and (2) operating costs for \$1,059,671. During the year ended June 30,

2014, Access Services entered into an amendment to this grant which increased the grant amount by \$7,450,092 to \$10,393,763. The additional funds are to be used for (1) the purchase of vehicles of \$3,832,500 and (2) operating costs of \$3,617,592. Access Services has incurred \$3,387,803 of expenses under the original and amended grant, of which \$752,610 was incurred during the fiscal year ended June 30, 2015. At June 30, 2015, Access Services had a grant receivable balance of \$7,183,161.

On July 29, 2014, Access Services has been awarded an FTA Section 5317 New Freedom grant for Service Area Expansion in the amount of \$740,500. 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 area within regions of Los Angeles County that are part of the Los Angeles-Long Beach-Anaheim area. At June 30, 2015, Access has not incurred any expenses related to this grant.

Concentration of credit and business risk:

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

Access Services received approximately 44% of its total funding for the year ended June 30, 2015 from the FTA, and the receivable from the FTA accounted for 100% of total grants receivable at year end. 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.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2015

Access Services receives funding from LACMTA acting in its role as a Regional Transportation Planning Authority through an annual memorandum of understanding. During the year ended June 30, 2015, this funding represented approximately 49% of Access Services' total funding received for the fiscal year then ended. As of year-end, \$53,093 was due from LACMTA.

Income taxes:

The Organization is exempt from federal and California 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. The Organization does not believe that during the fiscal year ended June 30, 2015 that it had any unrelated business income and accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization follows the provisions of FASB ASC 740-10, *Income Taxes* and subsections. Accordingly, 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 recognized any liability for unrecognized tax benefits 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.

Property and equipment:

Property and equipment that is purchased is stated at cost. Major improvements and betterments to existing property and equipment are capitalized as incurred. Cost for maintenance and repairs which do not extend the useful life of the applicable assets are charged to expense as 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.

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 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

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For the year ended June 30, 2015

retained or sold by Access Services. In the event Access Services disposes of property and equipment purchased with federal funds, the 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 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 year ended June 30, 2015.

NOTE 3

GRANTS RECEIVABLE

Grants receivable consist of:

<i>As of June 30,</i>	2015
CMAQ grant	\$ 354,208
Service expansion grant	740,500
Adults/Tether Strap grant	772,119
Access to work grant	7,183,161
Total	\$ 9,049,988

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.

NOTE 4

ACCOUNTS RECEIVABLE AND DEFERRED REVENUE

Accounts receivable generally consist 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 \$266,139 related to coupons sold, but not utilized as of June 30, 2015.

NOTE 5

PROPERTY AND EQUIPMENT

Property and equipment consists of vehicles, office furniture and equipment, software and leasehold improvements as follows:

<i>As of June 30,</i>	2015
Vehicles and equipment	\$ 33,911,180
Office furniture and equipment	2,842,444
Software	2,451,884
Leasehold improvements	162,015
Total property and equipment	39,367,523
Less: accumulated depreciation	(22,167,342)
Property and equipment, net	\$ 17,200,181

Depreciation expense for the year ended June 30, 2015 was \$7,018,803.

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NOTE 6

DEFERRED SUPPORT

Deferred support as of June 30, 2015, consists of the following:

<i>As of June 30,</i>	2015
LACMTA funding	\$ 18,561,992
CMAQ grant	354,208
Service expansion grant	740,500
Adult/Tether Strap grant	756,774
Access to work FTA JARC grant	6,989,599
Total	\$ 27,403,073

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

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, 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.

All other deferred support consists of grants in which funds have not yet been received. Access Services recognizes revenue related to these grants when the respective expenses are incurred.

NOTE 7

FUNCTIONAL 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.

Expenses for the fiscal year ended June 30, 2015 are functionally allocated as follows:

<i>For the year ended June 30,</i>	2015
Program services:	
Paratransit operations	\$ 124,783,846
Eligibility determination	9,387,232
CTSA function and ride information	522,503
Total program services	134,693,581
Management and general	6,119,663
Total	\$ 140,813,244

NOTE 8

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 fiscal year ended June 30, 2015, 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, CalPERS program requires a 7.0% contribution of employees' gross wages, of which Access Services employees contribute 0% of their gross wages, and 7.0% of gross wages is being contributed by Access Services.

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Access Services also contributes towards the employee account based on a CalPERS actuarial process, which was 10.385% of employees' gross wages for the year ended June 30, 2015.

Effective January 1, 2013, for new employees, both the Organization and the new employee are required to contribute 6.25% of gross wages.

Under Governmental Accounting Standards Board ("GASB") which was amended by GASB 68 –*Accounting and Financial Reporting for Pensions*, an employer should recognize annual pension expenditures/cost ("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. At June 30, 2015, the most current available actuarial information from CalPERS was June 30, 2014. Accordingly, a summary of principal assumptions and methods used to determine the contractually required contributions is shown below as of June 30, 2014:

Valuation Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Salary increases	Varies by Entry Age and Service
Inflation	2.75%
Investment rate of return	7.5% net of pension plan investment and administrative expenses; includes inflation
Mortality rate table	Derived using CalPERS' membership data for all Funds
Post-retirement benefit	Contract COLA up to 2.75% until purchasing power Protection allowance floor on purchasing power applies, 2.75% thereafter
Increase	

Required Supplementary Information

TREND INFORMATION

	2015	2014
Entry Age Normal Accrued Liability	\$ 11,490,525	\$ 10,083,502
Market Value of Plan Assets	9,772,194	8,042,665
Unfunded Defined Benefit Plan Liability	1,718,331	2,040,837
Funded Ratio	85.0%	79.8%
Annual Covered Payroll	\$ 3,843,563	\$ 3,980,572

The effect of any potential increase in unfunded defined benefit plan liability is not included in the budget request allotment from LACMTA.

Access recorded the following defined benefit plan expense for the year ended June 30, 2015:

<i>For the year ended June 30,</i>	2015
Contributions made during the year	\$ 749,193
Decrease in unfunded defined benefit plan liability	(322,506)
Total	\$ 426,687

NOTE 9

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2015 consist of the following:

<i>As of June 30,</i>	2015
Restricted by purpose	
Section 16 -Vehicle Grant	\$ 885,617
Access to Work Grant	308,328
New Freedom Vehicle Grant	24,365
	\$ 1,218,310

For the year ended June 30, 2015

NOTE 10

COMMITMENTS AND CONTINGENCIES

Litigation:

In the normal course of operations the Organization may be a party to various legal claims, actions and complaints, and Access Services maintains accruals for such costs that are expected to be incurred. Although it is not possible to predict the outcome of these matters, management believes that they will not, individually or in the aggregate, have a material impact on Access Services' financial statements.

Possible contingency:

Access Services is subject to periodic review by the FTA. In a Grantee Management Review of Access Services for the fiscal year ended June 30, 2013, two findings of significance were made:

(1) The FTA found lack of compliance with the DOT's 2005 "Origin to Destination" guidance (requiring under some circumstances, door to door service) despite the FTA approved Los Angeles County Coordinated Paratransit Plan calling for curb-to-curb service under which plan paratransit services have been provided in the region since 1992. The estimated operating cost increase due to full implementation of the guidance ranged between \$8 to \$39 million over the next four years. The methods by which regional funding for such increased costs would be provided is one of the issues that was to be determined.

Access Services and the FTA have reached an agreement related to this issue. Access Services has submitted a corrective action plan that the Office of Civil Rights has found

sufficient to address this finding. This issue has now been resolved.

(2) Under applicable DOT ADA regulations, Access Services may not charge a fare more than twice the applicable fixed route fare for the trip. Because there are 44 public fixed route operators as members of the Coordinated Plan administered by Access Services and many have different fare structures and overlapping fixed routes, Access has for many years used a sampling methodology and a simplified two tier rate structure that is distance based and easy for riders to understand. This structure has become very popular with Access riders. However the FTA issued a finding that in certain instances this methodology violates the twice the applicable fixed route fare limitation. The Access Board had approved the implementation of a "dynamic fare" system that will check each paratransit trip request against its fixed-route equivalent to determine what the maximum allowable paratransit fare can be for each Access trip.

Access Services had provided the FTA an action plan to implement a new fare system that is compliant with the ADA. On June 10, 2015, Access Services requested and received from the FTA an extension of time to January 1, 2016 to implement the new fare system.

On December 3, 2015, the U.S. House of Representatives approved the Fixing America's Surface Transportation ("FAST") Act. The FAST Act is a fully paid-for reauthorization of federal highway, transit, highway safety, motor carrier safety, hazardous materials, and passenger rail programs.

The Act provides that any paratransit system currently coordinating complementary paratransit service for more than 40 fixed

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2015

route agencies shall be permitted to continue using an existing tiered, distance-based coordinated paratransit fare system, if the fare for the existing tiered, distance-based coordinated paratransit fare system is not increased by a greater percentage than any increase to the fixed route fare for the largest transit agency in the complementary paratransit service area.

As such, the implementation of a new dynamic fare system will not occur. This Act permanently allows Access Services to keep its coordinated fare system.

Self insurance:

On June 21, 2009, the Organization implemented 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 \$50,000 per incident with an aggregate annual maximum of \$1.7 million. Effective June 21, 2015, the risk of loss for each individual claim was increased to \$100,000 per incident with an aggregate annual maximum increased to \$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 is as follows:

<i>As of June 30,</i>	<i>2015</i>
Balance at beginning of year	\$ 2,910,573
Charged to operating costs	1,602,250
Payments for claims	(1,063,128)
Balance at end of year	\$ 3,449,695

Operating lease:

Access Services leases its facility under a five year operating lease agreement with LACMTA at \$50,000 per month, expiring on December 31, 2016. Rent expense for the year ended June 30, 2015 under this operating lease was \$600,000, including common area maintenance charges.

Future minimum annual rental payments under this operating lease, which does not include additional charges for operating expenses, are \$600,000 for the year ended June 30, 2016 and \$300,000 for the year ended June 30, 2017.

SUPPLEMENTAL INFORMATION FOR
STATEMENT OF ACTIVITIES AND
STATEMENT OF FUNCTIONAL EXPENSES

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
SUPPLEMENTAL SCHEDULE OF EXPENSES

For the year ended June 30,

2015

Paratransit operations expenses:

Purchased transportation services (net of lease and penalties)	\$ 105,055,227
Insurance and claims	5,311,809
Salaries and related expenses	2,856,040
Communications - telephone/data transmissions	1,890,880
Phone and computer system maintenance/consulting	1,226,860
Contracted customer services	876,355
Rent - office and equipment	268,860
Vehicle operating cost and registration	258,851
Security	200,000
Promotions/events	182,729
Publications/printed materials/copying	102,021
Postage/mailing/messenger	53,915
Passenger survey/ride check program	28,508
Travel and conference	25,665
Temporary personnel	20,886
Professional services	18,164
Office supplies	14,783
Professional memberships/subscriptions/references	1,984
Other expenses	869
Depreciation	6,389,440

Total paratransit operations expenses

\$ 124,783,846

The accompanying notes are an integral part of these financial statements

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
SUPPLEMENTAL SCHEDULE OF EXPENSES

<i>For the year ended June 30,</i>	2015
Other activities	
Eligibility determination expenses:	
Eligibility determination	\$ 5,187,140
Purchased transportation services (net of lease and penalties)	2,018,266
Travel training	573,221
Publications/printed materials/copying	486,408
Salaries and related expenses	414,048
Postage/mailing/messenger	198,879
Tether pilot program	185,282
Communications - telephone/data transmissions	118,435
Insurance and claims	62,553
Rent - office and equipment	56,052
Promotions/events	52,244
Other expenses	14,180
Professional services	13,988
Office supplies	6,003
Travel and conference	285
Professional memberships/subscriptions/references	248
Total eligibility determination expenses	\$ 9,387,232
CTSA function and ride information expenses:	
Salaries and related expenses	\$ 398,152
Training program/materials	43,349
Rent - office and equipment	31,116
Communications - telephone/data transmissions	21,121
Postage/mailing/messenger	7,087
Scholarship programs	6,885
Promotions/events	6,159
Office supplies	3,321
Phone and computer system maintenance/consulting	1,800
Publications/printed materials/copying	1,647
Travel and conference	933
Professional memberships/subscriptions/references	496
Insurance and claims	437
Total CTSA function and ride information expenses	522,503
Total other activities	\$ 9,909,735

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
SUPPLEMENTAL SCHEDULE OF EXPENSES

<i>For the year ended June 30,</i>	2015
Management and general expenses:	
Salaries and related expenses	\$ 3,484,644
Professional services	836,886
Rent - office and equipment	252,438
Network support/supplies	233,718
Insurance and claims	152,833
Travel and conference	91,341
Other related employee expense	85,680
Postage/mailing/messenger	76,014
Communications - telephone/data transmissions	57,072
Repairs and maintenance	53,358
Board and Advisory Committee compensation	32,740
Office supplies	31,688
Promotions/events	29,231
Other expenses	24,466
Business meetings and meals	18,988
Temporary personnel	12,455
Publications/printed materials/copying	10,855
Professional memberships/subscriptions/references	5,893
Depreciation	629,363
Total management and general expenses	\$ 6,119,663

The accompanying notes are an integral part of these financial statements

SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015
IN COMPLIANCE WITH OMB CIRCULAR A-133

ACCESS SERVICES
 (A NONPROFIT PUBLIC BENEFIT CORPORATION)
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<i>For the year ended June 30, 2015</i>	Federal CFDA number	Grant number	Effective dates	Program or award amount	Expenditures
<u>Federal grantor/pass-through grantor program title</u>					
<u>U.S. Department of Transportation:</u>					
Capital Assistance Program for Elderly Persons and Persons with Disabilities - Section 5310 Grant	20.513	Note B	07/01/14	\$ 60,600,000	\$ 60,600,000 *
FTA - Services for Adults/Tether Strap Program Section 5317 - New Freedom Funds	20.521	Note C	04/01/11	1,405,980	189,615 *
FTA - Access to Work Program - JARC Program Funds Section 5316	20.516	Note D	04/01/11	10,393,763	752,610 *
Pass-through from State of California - Department of Transportation					
Capital Assistance Program for Elderly Persons and Persons with Disabilities - Section 5310 Grant(Sec 16)	20.513	Note E	06/12/14	598,000	579,335 *
Total				\$ 72,997,743	\$ 62,121,560

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

ACCESS SERVICES

(A NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Notes to Schedule of Expenditures of Federal Awards:

- Note A – The schedule of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.
- Note B – Program awards were granted under Federal project number CA-65-X009 for total cost reimbursement of \$68,451,372 with an 11.47% local match, netting to \$60,600,000 federal share of the award. During the fiscal year ending June 30, 2015, all of the funds were expended on contract number CA-65-X009.
- Note C – Program awards were granted under Federal project number CA-57-X049 New Freedom Grants for total cost reimbursement of \$2,658,180 with a local match of 20% for capital and 50% for operating expenditure, netting to \$1,405,980 federal share of the award. As of June 30, 2015, Access expended \$665,567 of funds of which \$189,615 was expended during the year ended June 30, 2015.
- Note D – Program awards were granted under Federal project number CA-37-X125 Job Access – Reverse Commute (JARC) Grant for total cost reimbursement of \$4,474,342 with a local match of 20% for capital and 50% for operating expenditure, netting to \$2,943,671 federal share of the award. During the year ended June 30, 2014, this grant was amended to increase the total grant amount by \$7,450,092 providing a total funding of \$10,393,763 for this program. As of June 30, 2015, Access expended \$3,387,803 of funds of which \$752,610 was expended during the year ended June 30, 2015.
- Note E – Program awards were granted through the State of California Department of Transportation for FTA section 5310 Elderly and Disabled Specialized Transit Grant Program. The amount of the grant is \$598,000. As of June 30, 2015, Access has expended \$579,335 of the grant amount. This grant has been closed at June 30, 2015.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors
Access Services
El Monte, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Access Services (a nonprofit public benefit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Access Services' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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 the Organization's internal control.

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

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

**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*
(continued)**

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rossi LLP

March 28, 2016
Long Beach, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To The Board of Directors
Access Services
El Monte, California

Report on Compliance for Each Major Federal Program

We have audited Access Services compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Access Services' major federal programs for the year ended June 30, 2015. Access Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Access Services' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Access Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Access Services' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (continued)

Report on Internal Control over Compliance

Management of Access Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Access Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Access Services' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rossi LLP

March 28, 2016
Long Beach, California

ACCESS SERVICES
 (A NONPROFIT PUBLIC BENEFIT CORPORATION)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2015

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Audited as Major Program:

CFDA Numbers

Name of Federal Program or Cluster

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

Dollar threshold used to distinguish between Type A and Type B programs \$ 1,863,647

Auditee qualified as low-risk auditee? Yes No

ACCESS SERVICES
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the year ended June 30, 2015

FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings and questioned costs.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

There were no prior audit findings or recommendations.