Report on the Description of Parkmobile USA, Inc. Electronic Parking Solutions and the Suitability of Design and Operating Effectiveness of Controls

For the Period of August 16, 2012 to August 15, 2013

Prepared pursuant to:

AICPA Statement on standards for Attestation Engagements, No. 16

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SECTION I

Independent Service Auditor's Report

HABIF, AROGETI & WYNNE, LLP

Certified Public Accountants and Business Advisors

Independent Service Auditor's Report

To the Management of Parkmobile USA, Inc.:

Scope

We have examined Parkmobile USA, Inc.'s ("Parkmobile") description of its Electronic Parking Solutions ("EPS") process to include the Lynxx and Phonixx applications during some, or all, of the period August 16, 2012 to August 15, 2013, ("the description") and the suitability of the design and the operating effectiveness of Parkmobile's controls to achieve the related control objectives stated in the description. The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of Parkmobile's controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of design or operating effectiveness of such complementary user entity controls.

Parkmobile uses a service organization that provides datacenter facilities used to maintain Parkmobile's processing production environment. The system description in Section II includes only the controls and related control objectives of Parkmobile and excludes the control objectives and related controls of the datacenter facility service organization. Our examination did not extend to controls of the datacenter facility service organization.

Service Organization's Responsibilities

In Section II, Parkmobile has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related controls objectives stated in the description. Parkmobile is responsible for preparing the description and for its assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Service auditor's responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institutes of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objective stated in the description throughout the period August 16, 2012 to August 15, 2013.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description. Our procedures included assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the description were achieved. An examination engagement of this type also includes evaluating the overall presentation of the description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and described in Section II. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent limitations

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in the setup and processing of parking transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives is subject to the risk that controls at a service organization may become inadequate or fail.

Other Information Provided by the Service Organization

The information included in Section IV, "Other Information Provided by the Service Organization," is presented by management of Parkmobile to provide additional information, and is not part of Parkmobile's description of the Electronic Parking Solutions process to include the Lynxx and Phonixx applications made to user entities during the period August 16, 2012 to August 15, 2013.

Opinion

In our opinion, in all material respects, based on the criteria described in Parkmobile's assertion in Section II:

a. the description fairly presents the EPS that was designed and implemented throughout the period of August 16, 2012 to August 15, 2013,

b. the controls related to the control objectives of Parkmobile stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period August 16, 2012 to August 15, 2013, and

c. the controls tested, which together with the complementary user entity controls referred to in the scope section of this report, if operating effectively, were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, and operated effectively throughout the period August 16, 2012 to August 15, 2013.

Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in Section III.

Intended Use

This report, including the description of tests of controls and results thereof in Section III, is intended solely for the information and use of Parkmobile's, user entities of Parkmobile's Electronic Parking Solutions during some or all of the period August 16, 2012 to August 15, 2013, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements.

This report is not intended to be, and should not be, used by anyone other than these specified parties.

Habif, Arogeti & Wynne, LLP

Atlanta, GA

October 15, 2013

SECTION II

Parkmobile USA, Inc.'s Assertion and Electronic Parking Solutions System Description

Management of Parkmobile USA, Inc.'s Assertion

We have prepared the description of Parkmobile USA, Inc.'s Electronic Parking Solutions system to include the Lynxx and Phonixx applications during some, or all, of the period August 16, 2012 to August 15, 2013, and their user auditors who have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities of the system themselves, when assessing the risk of material misstatements of user entities' financial statements. We confirm, to the best of our knowledge and belief, that

a. The description fairly presents the Electronic Parking Solutions system to include the Lynxx and Phonixx applications made available to user entities of the system during some or all of the period August 16, 2012 to August 15, 2013, for processing transactions. The criteria we used in making this assertion were that the description

   i. presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including:

      (1) the types of services provided including, as appropriate, the classes of transactions processed the classes of transactions processed.

      (2) the procedures, within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports presented to user entities of the system.

      (3) the related accounting records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports provided to user entities of the system.

      (4) how the system captures and addresses significant events and conditions, other than transactions.

      (5) the process used to prepare reports or other information provided to user entities of the system.

      (6) specified control objectives and controls designed to achieve those objectives.

(7) other aspects of our control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring controls that are relevant to processing and reporting transactions of user entities of the system.

ii. does not omit or distort information relevant to the scope of the Electronic Parking Solutions system to include the Lynxx and Phonixx applications, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and the independent auditors of those user entities, and may not, therefore, include every aspect of the Electronic Parking Solutions process to include the Lynxx and Phonixx applications that each individual user entity of the system and its auditor may consider important in its own particular environment.

iii. the description includes relevant details of changes to the service organization's system during the period covered by the description when the description covers a period of time.

b. The controls related to the control objectives stated in the description were suitably designed and operated effectively throughout the period August 16, 2012 to August 15, 2013 to achieve those control objectives. The criteria we used in making this assertion were that

i. the risks that threaten the achievement of the control objectives stated in the description have been identified by the service organization;

ii. the controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved;

iii. the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Alison Ehrlich
Compliance and Risk Officer

Cherie Fuzzell
Chief Executive Officer

Parkmobile USA, Inc.'s System Description of its Electronic Parking Solutions

Company History and Business Model Overview

Parkmobile International B.V. ("Parkmobile") is comprised of three wholly-owned subsidiaries; the subsidiaries are Parkmobile USA, Inc.; Parkmobile Electronic Parking Solutions Canada, Inc.; and Parkmobile International (Australia) Pty Ltd. Parkmobile provides integrated solutions for management of parking related functions, including digital permits, cashless on-street and off-street parking, and electronic enforcement. Parkmobile transmits credit card transactions on behalf of its End Users. Parkmobile currently employs 33 full time employees at its Atlanta, GA location. Parkmobile is a licensee of Parkmobile Group (PMG), a service provider of mobile phone payment services for attended and unattended locations managed by parking companies and government municipalities. Parkmobile is associated with the global operation of this service, which is currently provided in 40 cities around the globe.

In January, 2008, Parkmobile was formed and exclusively licensed the North American operations from PMG for the distribution and service of PMG software products outlined below. PMG solutions are active in many different cities around the globe, with Electronic Parking Solutions being one of PMG's core products and services.

Overview of Operations

The scope of this report is limited to Phonixx and Lynxx, which are described below:

Phonixx Service

Using the Phonixx application, parking End Users complete a one-time registration (by providing credit card and license plate data) to use pay-by-phone services. Thereafter, parking End Users initiate and complete parking events through the use of a mobile application, Web browser or IVR (Interactive Voice Response) by accessing an 800 number and responding to prompts (to start the parking by entering a zone number, to complete the parking activity by responding "yes" when asked by a voice prompt). Upon completion of the parking event, Parkmobile sends the transaction details including parking fees and Parkmobile's fees to the credit card company for processing. The credit card company remits payment to the Client. Parkmobile, in turn, sends an invoice to the Client on a monthly basis to redeem its fees.

This service is currently used for short-term or transient parking at facilities and automatically terminates time according to the facilities' hours of operation, a predetermined time, or at the conclusion of the day (midnight).

Lynxx Service

Lynxx is an administrative platform that enables Parkmobile clients to monitor the validity of parking activity at their designated locations. Lynxx captures all parking transactions initiated by Phonixx and offers Parkmobile clients a flexible approach to customize parking enforcement and reporting.

Parkmobile charges a small additional fee for each transaction. End Users have an option to pay for parking on a transaction basis or pay for a monthly membership with lower transaction fees available for members.

The table below summarizes the Parkmobile technology:

Application Name	Database	Operating System	Application/Module Description
Phonixx	SQL	Windows	Payment application
Lynxx	SQL	Windows	Warehouse
Dynamics	Outsourced	Outsourced	GL application

Service Rates Maintenance

A Client sends Parkmobile a detailed outline structure of what they charge to park in their locations. Parkmobile reviews that information and follows up with the Client with clarifying questions in order to fill in the details required to define an exact rate under different scenarios when an End User parks. At this point of the parking service rates initiation process, both the Client and Parkmobile approve the required rate structure sheets, which also tie into the signed contract with the Client. Parkmobile enters the information from service rate sheet into the Lynxx and Phonixx systems.

After the rate structure is loaded into the database, the merchant accounts will be set up for collection of payment. At that point, Parkmobile performs several random "live" sample transactions in the live production database to ascertain that the transaction is processed accurately and completely. For Gateway Clients, the Q&A associate then performs further tests by checking Parkmobile's reporting interface portal (Phonixx) with the Parkmobile clearinghouse SIX Card Solutions USA Corporation. Parkmobile ascertains that each type of credit card (i.e., MasterCard, Visa), that has been approved by the Client for that location is verified and processed. For direct integration clients, Parkmobile informally validates test transactions, as Parkmobile is not granted visibility into Client specific Clearinghouses. Parkmobile provides an online portal to Clients to run ad-hoc reports to further determine that rates and terms have been accurately configured, are processed to the Client's clearinghouse completely and accurately, and as support for invoicing. Reports generated on the portal accurately reflect all valid transactions within Phonixx.

Transaction Accuracy, Completeness, and Timeliness

For Start/Stop parking transactions, Parkmobile sends transactions twice per day, through batch processing, to the designated Clearinghouse. This is an automated process. If there are any declined cards at the end of a batch report, those transactions are run again in the next batch transmission. Parkmobile monitors responses from Clearinghouses through the use of automated email notifications to the IT department. For Start/Duration parking transactions, payments are submitted to Clearinghouses in real-time. If the card comes back declined after a third time for each type of transaction, the End User account will be disabled. At that point, the End User will need to call Parkmobile's call center or go to their personal pages on the Parkmobile website to submit new credit card information and reactivate the account.

Service Fees Accuracy

Parkmobile updates transaction fee rate tables within Phonixx based on the client approved contracts. Parkmobile bills the Client on a monthly basis. At the time of transaction, each End User is charged a small additional fee for Parkmobile services. When Parkmobile submits transactions to a Clearinghouse, the Clearinghouse, in turn, sends full payment to Clients, including parking fees and Parkmobile fees. Monthly invoices sent to Clients by Parkmobile include only fees for Parkmobile services.

On a monthly basis, Parkmobile's Sales & Account Manager runs the detailed report from Phonixx, which provides all of the transaction details that Parkmobile will need to accurately invoice its Clients. While reviewing the detail, the transaction fees are reviewed for accuracy and to validate they are in accordance with the terms of the Client agreement. There are currently two types of pricing that are offered to Clients. For both types of fees, Parkmobile obtains a "preferred" End User listing which shows the valid members that were active for that period. Then a test is performed to confirm that those members are being charged appropriately. Additionally, Parkmobile confirms that "non-preferred" End Users are being charged the appropriate fee.

After the monthly invoice report is reviewed by the Sales & Account Manager for accuracy and completeness, it is provided to the Controller for invoice creation. Approved reports including full monthly transaction reports and invoice reports are sent to the Clients via e-mail on a monthly basis.

End User Refunds

When customer service is made aware of an End User or an End User account requiring a refund, the issue is documented by Parkmobile's associate (with a complete history of the problem) and a refund request form is created. The request form is signed-off by the customer care agent and given to management for approval. Management then submits the approved refund request to finance and the

finance manager enters the refund information into the accounts payable database in order to produce a refund check for the End User. The ability to process refund checks is limited to two people at Parkmobile, the Controller and the Accountant.

Once the refund check has been processed, Parkmobile advises the End User to expect its refund in the mail. End User refunds are initiated within 15 business days from the date the claim was submitted.

General Computer Controls

Physical Security

Parkmobile utilizes an electronic alarm and monitoring system in the facility. Parkmobile employees are each issued individual electronic passes that must be used in order to enter the facility, and system reports are available to monitor entrance and exit activities at the facility. Additionally, all guests must sign in with the reception desk where a log is kept. Each employee with access to the building has her/his own pass code number which is authorized through the Parkmobile's human resource department. The alarm keypad is restricted to the front entrance only. Anyone trying to enter or exit any other door will automatically set off the alarm system. Parkmobile maintains a list of executives to be notified if there is an alarm.

The servers for the organization are housed in a separate locked room at the Parkmobile premises. Mail exchange servers are hosted by Parkmobile. Phonixx and Lynxx production servers are hosted by a third-party service provider and, thus, physical access is not administered by Parkmobile. Access to the Parkmobile's corporate server room is restricted at all times through an electronic door lock. The combination for this lock is restricted to three people: the network administrator, the CIO and the Risk and Compliance Officer.

Logical Security

All Parkmobile applications, Client pages, administrator pages, and help desk pages are restricted to authenticated users. Each authenticated user in the Phonixx applications suite is assigned a role that determines her/his data authorization. The number of authorized users varies depending on the number of Clients (i.e., parking authorities) whose data needs to be loaded at any given time. All authorized users are required to create a unique password (length and case) and history is enabled so the last three passwords cannot be reused.

Parkmobile production servers (Lynxx and Phonixx) located at the third-party data center are controlled by two key authentications; Phonefactor and password. Phonefactor is controlled and assigned by the third-party hosting provider, upon Parkmobile's request which is authorized by Parkmobile's COO. The user credentials are controlled by Parkmobile's production support staff. Access is limited to three people (System Administrators) in Parkmobile's production environment.

User accounts that have access to the Windows operating system are also granted access to the Microsoft SQL server databases.

Parkmobile sets the system requirements that are necessary to meet the availability required by their Client deliverables. The hosting environment is designed to meet these requirements and the third-party provider is expected to maintain a high availability of the environment. Parkmobile's COO and his staff review, on a regular basis, whether the provider is fulfilling the requirements and SLAs that are part of their contractual agreement. Parkmobile holds frequent meetings with the provider to ensure their understanding of both current and future requirements. Parkmobile proactively looks at additional providers, as may be necessary going forward, to meet the additional needs and requirements of its Clients.

Parkmobile corporate servers currently use Kaspersky anti-virus administration which is a client server product. The Kaspersky software is centrally managed from one server in order to allow them to monitor and maintain Kaspersky anti-virus on all of the Parkmobile servers. The Kaspersky administration server automatically receives any updates from Kaspersky which are propagated to the client managed servers.

Domain access is granted only by the domain administrators. When a new employee begins, human resources notifies the domain administrator and a domain account is then created for the new employee and the account is activated on her/his day of hire.

Access to Parkmobile applications is controlled by both username and unique password credentials. Unique User ID and password are required for system authentication.

When an employee is terminated, human resources will notify the domain administrator and the employee's domain account is deactivated.

Parkmobile's corporate servers and individual computers belong to a Windows Active Directory domain administered by Parkmobile. Parkmobile uses the standard Active Directory password policy which includes password complexity (i.e., combination of letters, numbers, length, and case). Passwords are required to be reset every three months and history is enabled so the same password cannot be reused. Remote access is achieved using Internet Protocol Security Virtual Private Network ("IPSEC VPN") protocol. Remote users have VPN client software installed on their computers which is configured using a preshare key. The router/firewall in Parkmobile's corporate network then authenticates the VPN client and provides access if authentication is verified. However, in order to login to Phonixx, Lynxx, Dynamics applications users must authenticate to the third-party hosting provider's Windows Active Directory network.

Change Management

Requests for changes to the Phonixx application suite and Lynxx are generated by the project manager and are then approved by the COO. Only the Parkmobile development team has access to the source code control system. All changes are tested according to approved requests. All approved requests are then built and deployed to the development environment for development integration testing. Quality Assurance ("QA") receives the test build from development and completes all necessary regression testing and forwards any defect reports as a result of this testing to development. Defect reports are then reviewed and prioritized by the production project manager and assigned to development team members for completion.

The Parkmobile development team uses Subversion as its source code control utility and Team City as its continuous integration build utility. All entries into Subversion and all builds within Team City are logged with appropriate history. Access to both applications is controlled via a request process by the COO that defines who will have access to the applications. Deployments are configured within Team City according to approved requests by the COO.

After QA testing, the project manager requests deployment of an application build containing authorized changes to the production environment. The project manager then determines the appropriate personnel to deploy. Personnel responsible for deployment use peer review to avoid unauthorized changes or activities within the production environment. Personnel responsible for deployment within the production environment execute verification tests to ensure a particular deployment is successful.

Any production-affecting issues found during testing or reported by End Users are considered emergency changes. The COO approves emergency change requests and assigns to appropriate Parkmobile development personnel. Emergency deployments are constructed from prior released builds. Deployment of an emergency build can occur outside the normal deployment scheduled time. Only on explicit approval per the CEO, COO, or CIO can these emergency changes be made.

All emergency changes are subject to the normal deployment cycle. After QA testing, the project manager requests deployment of an application build containing authorized emergency changes to the production environment. The project manager then determines the appropriate personnel to deploy. Personnel responsible for deployment use peer review to avoid unauthorized changes or activities being deployed to the production environment.

Help Desk/Customer Support

Parkmobile's inbound call center service is provided by Interactive Response Technologies (IRT), which has five call centers; three located in Florida, one located in Oklahoma, and one located Texas. IRT provides both management oversight and Helpdesk personnel for Parkmobile's 1-800 service. The number of staff available to answer Parkmobile calls fluctuates depending upon volume levels at given hours and days and is consistently reviewed for adequacy as Parkmobile increases its Client base and the number of users. IRT's contract with Parkmobile has very specific guidelines for all SLAs, which include: calls answered, calls dropped, average answer time, hold time, etc. Parkmobile is able to access IRT's web reporting at any time to confirm that End Users are being serviced on a timely basis. Parkmobile and IRT review the service levels on a regular basis through bi-weekly 'Call Calibration' sessions between IRT and Parkmobile management in which a selection of End User calls are analyzed. Parkmobile provides regular updates for training purposes to IRT. If IRT has an End User problem that they are not able to answer, it is escalated to Parkmobile's Customer Support Manager to rectify. Parkmobile's Customer Support Manager constantly monitors quality of IRT's responses to End Users when answering escalated calls by inquiring on the quality of customer service received. On a monthly basis, Parkmobile's Customer Support Manager reviews call center reports that include call response time and percentage of abandoned calls.

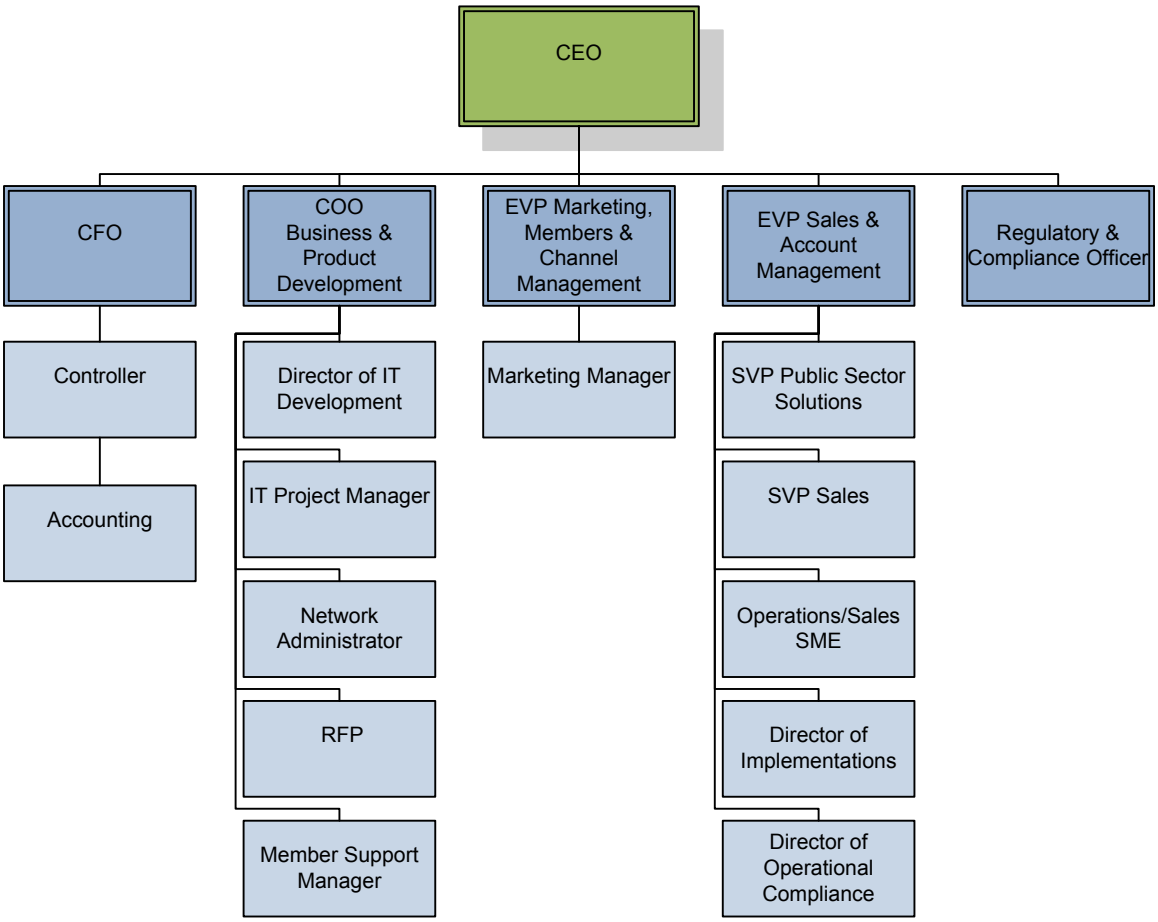
Pay by Phone delivery process is provided and supported by Parkmobile's internal workforce; production hosting services are supported by a third-party hosting facility, Quality Technology Services (QTS), and Helpdesk services are supported by Integrated Resource Technologies, Inc. (IRT). Parkmobile utilizes these third-party service providers to meet the need for delivering and supporting quality as well as reliable services.

Backups

All corporate systems are backed-up on a nightly basis. Additionally, production data back-up is the responsibility of Quality Technology Services ("QTS"). Every Friday, the corporate backups are taken off-site and rotated with the prior week's backup storage device. There is always one backup that is located off-site. The corporate daily backup and off-site removal is provided by Parkmobile's IT administrator.

Organizational Structure

Parkmobile's organizational structure provides the framework from which its U.S. based operational objectives are planned, executed, controlled, and monitored. The management at Parkmobile embraces the establishment of relevant organizational structures and includes key areas of authority and responsibility with appropriate lines of reporting. To meet this objective, Parkmobile created an organizational structure suited to its needs and goals. The Parkmobile structure is designed with consideration of its size and the nature of its activities. Organizational charts represent the ability of Parkmobile to communicate the key areas of authority, responsibilities, and lines of supporting resources. The organizational structure is communicated to employees and is updated as needed.



Support Functions, Access, and Organization

Parkmobile's organizational structure includes several support functions. The primary technical structure is supported by key technical resources, which provide direct Phonixx and Lynxx service support. This support structure includes hosting and infrastructure management, which includes several key resources as noted below. The production support environment where the Phonixx and Lynxx applications reside is hosted by QTS in its Suwanee, Georgia data center.

The End User help desk, tier 2 support, is contracted to IRT, an external Helpdesk provider that handles all Client and End User Phonixx support services, while the tier 1Helpdesk support is provided by a dedicated member services team of Parkmobile employees.

Issues are handled within the Parkmobile Helpdesk process by directing all End User based issues through the Helpdesk for classification, prioritization, and resolution tracking and, when needed, are handed off to the Parkmobile tier 2 support for disposition and resolution. Issue resolution is managed to the established Service Level Agreement (SLA) stipulated in the Client's service contract. Parkmobile has designated an SLA of one day (24 hours). The Parkmobile Helpdesk vendor manager receives and reviews incident tracking reports for service delivery compliance.

This support service is available for access 24x7 by all Phonixx End Users. IRT utilizes Parkmobile escalation and reporting processes to ensure all Severity 1 emergencies are appropriately handled. End User and Client inquiries may be submitted via email or by calling the Helpdesk directly. The Phonixx system will automatically route End Users to the Helpdesk if account access is hindered, or upon selection by the End User.

End Users utilize a web interface to review their account information and update personal data and payment options. A Web-based user interface also provides a detailed view of charges and eligible promotional rewards.

The Parkmobile technical support team monitors and manages the Phonixx and Lynxx application services for proper operation and availability. Parkmobile has deployed performance monitoring tools on its application and infrastructure that generate automated system alerts in the event of any issues that could affect the delivery of the Phonixx and Lynxx application services. Parkmobile responds and resolves the issues, in conjunction with subservice providers when needed, to ensure SLAs are met. All issues are entered into an issue ticketing system for purposes of tracking assignment and disposition.

Aspects of Parkmobile's Control Environment, Information and Communication, Risk Assessment, and Monitoring

Control Environment

Parkmobile's control environment represents the collective effect of various factors on establishing and enhancing the effectiveness of specific controls.

Management's Philosophy and Operating Style

Parkmobile's control environment reflects the dedication, attitude, awareness, and actions of the

Company's Board of Directors, senior management team, and others concerning the importance of controls and their emphasis within the organization. Management meetings are held on a regular basis to discuss operational issues and resolutions. Management is routinely briefed on changes affecting the services provided.

Parkmobile's employees are expected to adhere to the highest standards of personal, professional and business ethics, and to use judgment and discretion in the conduct of their job responsibilities. Honesty, respect, cooperation, loyalty, and sensitivity in dealing with coworkers, clients, and other companies are expected benchmarks for behavior and demeanor. These standards are communicated by management and through the Company's Employee Handbook.

Organizational Structure

Parkmobile's control environment is governed and enforced through management's continuous interaction with personnel as a component of day-to-day operations and formal staff meetings. They also include the communication of ethical values and behavioral standards to personnel through policy statements and Employee Handbook guidelines.

Assignment of Authority and Responsibility

Parkmobile maintains and communicates employee's authority and responsibilities through titles, roles, and job descriptions. Employees' performance plans are based objectively upon the achievement of well-defined departmental and corporate goals and performance is evaluated annually.

Human Resources Policies and Practices

Parkmobile maintains formal Employee Handbook guidelines that are reviewed with each employee upon hiring. Violations of the Employee Handbook guidelines may warrant disciplinary actions, up to and including dismissal. Contractors or third-parties working on behalf of Parkmobile are subject to the same policy requirements as are Parkmobile employees. Contractor agreements incorporate these notices and clauses.

The HR department, along with the employee's immediate supervisor, is responsible for ensuring that terminations are processed in accordance with the policies described in the Employee Handbook. The process includes the return of company property and assets (e.g. PC, phone, etc.), and surrendering of company proprietary information in the possession of the employee. The process also includes disabling the employee's logical and physical access privileges. Upon termination, management notifies HR, which notifies the operations group and requests deactivation of the logical access rights for that individual.

Management Control

Parkmobile's Phonixx and Lynxx services management team meets daily to discuss and review on-going and upcoming projects, problems, and incidents. In addition, the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO") and IT Project Manager meet frequently to discuss current business issues and to develop Parkmobile's strategies and policies.

Parkmobile classifies incidents based upon severity elements where a severity 1 (SEV1) represents elements which impact the system availability for the End User. Less severe problems are classified as severity 2 or severity 3 (SEV2 or SEV3). Problems can be application bugs or internal issues that need to be addressed to improve the End Users' experience and/or desired results within the system.

Education and training

Parkmobile trains services personnel such that each employee is able to perform her/his job duties according to defined procedures and instructions. Employees must be trained and demonstrate proficiency in the skills required for the position, as outlined within Parkmobile's job descriptions. In addition to formal and informal training, management regularly meets with employees to discuss performance.

Information and Communication

Management has established an organizational structure to help facilitate the communication of important business information. Scheduled meetings are periodically conducted at all levels of the organization. Parkmobile's communication channels are open and relaxed, and employees are encouraged to share information that might affect business operations.

General employee communications at Parkmobile are accomplished in several ways depending on the time sensitivity and criticality of the information to be distributed. Generally, mass employee communication is accomplished through electronic mail and/or teleconferencing. Individual and sensitive communications are performed through appropriately labeled e-mail or through face-to-face meetings. Policy communications are accomplished via employee meetings, employee intake procedures (orientation/training), and via the performance review cycle.

Risk Assessment

Parkmobile considers risk as part of its normal management routine. Parkmobile uses planning meetings; operations reviews; monitoring of support services and SLA reviews to regularly assess risk to operations availability, security, and processing integrity. Parkmobile has concluded that key sources of Phonixx and Lynxx service delivery risks are associated with the following:

Risks	How Parkmobile is Managing Risk
Availability	• Parkmobile utilizes a virtual environment where the production environment is always supported by a hot virtual instance to take over in the event of disruption of the primary instance.
Data Security	• Internet-based application access is performed utilizing Secure Sockets Layer ("SSL") encryption.
Managing Change	• Parkmobile has adopted a change management policy that provides a process to track and test all changes required to accommodate bug fixes, customization requests, and infrastructure changes. The process provides the flexibility needed to accommodate the requirements of its Clients' business while minimizing risk.
Capacity	• The Parkmobile Phonixx and Lynxx technical support team meets with each deployment project team to evaluate and plan infrastructure changes that may be necessary to accommodate capacity, scalability, and reliability related to Client changes and new deployments. • Parkmobile's infrastructure utilizes their 3rd party hosting service in a virtual 'on demand' environment to activate processor and memory resources. Additional capacity can be temporary or permanent. • Regular discussions are held to evaluate the validity of the projected growth plan as it relates to the scalability of the existing infrastructure.
Vendor selection and management	• Parkmobile utilizes service organizations to maintain a viable and sustainable operation and tracks performance to confirm proper selection and management.

Monitoring

Parkmobile has several mechanisms by which internal controls are monitored, measured, and reported on. Management performs regular reviews of user access, network configuration, change requests, and problem tickets to ensure conformance to Parkmobile's control environment.

Parkmobile utilizes multiple methods and tools to monitor and track operational controls.

Parkmobile's methods include utilization of outsourcing critical functions to third-party service providers, which include monitoring and remediation techniques and processes.

The metrics include the following reporting categories:

- End User Transaction Performance — Transaction accuracy and completeness validations.
- Support Performance — Validation of outsourced service level performance adherence.
- Organization Performance — Incident response time and change management.
- Capacity Management — Virtual instancing for on demand resources.

Subservice Organizations

Quality Technology Services (QTS)

Headquartered in Overland Park, Kansas, Quality Technology Services (QTS) is a full-service technology infrastructure company providing Managed Services, Data Center Services, and Professional Services to other businesses. QTS provides managed hosting services to Parkmobile at their Suwanee, Georgia data center location under a Business Associate agreement with the Company. These managed hosting services include Network Security, Physical Security, Data Backup, System Monitoring, Incident Management and Environmental Controls. These services are further described in the relevant sections below. All in-scope applications (i.e. Phonixx and Permixx ™) and their underlying infrastructure are hosted at the QTS data center.

The hardware and network components of IBM® and the Cisco ™ technology platforms are physically located at QTS data center facilities in Suwanee, GA. QTS provides a 2 MB network.

Network Security

Network security is maintained by QTS as part of the managed services provided to the Parkmobile to protect against unauthorized access to systems, forward-facing applications, and devices. Management has designed and implemented a layered approach to network security controls which includes securing the perimeter, security architecture, intrusion detection, maintenance, continuous monitoring, access provisioning processes, and monitoring activities.

QTS performs procedures to harden servers prior to deployment. This includes disabling all network services at the server level. Only ports needed for the monitoring applications installed on servers are open, all other ports are blocked at the firewall level. Network services are only enabled as needed by Parkmobile. If a port or network service needs to be enabled or disabled a request must be submitted to QTS in the form of a support ticket by an authorized Parkmobile employee.

Intrusion detection systems (IDS) are used to provide continuous monitoring of Parkmobile's network and early identification of potential security breaches. The QTS network IDS utilizes a SNORT detection engine and advanced event correlation technology to identify suspicious traffic patterns that

may be indicative of a network compromise or other network-based threat. The service includes a traffic pattern normalization process, constant monitoring, monthly reporting, and annual tuning as necessary. Network IDS alerts are reported to Parkmobile by the QTS Operations Service Center by phone and/or email depending on the severity and priority of the alert.

The servers in the Parkmobile environment at QTS can only be directly accessed via Remote Desktop Protocol (RDP) using the Cisco AnyConnect VPN client. Only authorized Parkmobile users are granted remote access according to VPN policy.

Parkmobile hosts an encrypted and secure wireless network at the corporate office, access to which is controlled by Radius authentication.

QTS has implemented a comprehensive program for virus protection, which consists of software loaded onto all servers. The antivirus software is configured to automatically scan the system. The Symantec solution allows for centralized management and reporting on the health of the network. In addition to the QTS antivirus program, the Manager of IT Operations participates subscribes to services relating to computer viruses. Antivirus software is in place on all machines on the corporate LAN, including virus scans of incoming email messages. Virus signatures are updated promptly.

Operating System security updates/patches are applied by QTS. Servers with Internet access are normally patched monthly with the Microsoft Critical and Security patches. All other servers are normally patched quarterly. In the event that critical patches need to be applied, QTS will apply them within 72 hours of the release of the patch.

An independent third party conducts yearly penetration testing of the Parkmobile network. Results are reviewed by management, and any changes required are implemented by the Manager of IT Operations in conjunction with QTS.

Logical Access Provisioning

The Manager of IT Operations is responsible for controlling logical access to the in scope applications, network and infrastructure for Parkmobile employees and contractors. QTS engineers are not granted access to Parkmobile's applications and are restricted from unencrypted personal information.

Environmental Controls

QTS is responsible for the environmental safeguards implemented throughout the Suwanee data center as part of the managed services provide to Parkmobile. The QTS environmental safeguards protect the facility from electrical surges, spikes, sags and outages, as well as all mechanical issues that may arise with temperature & humidity maintenance elements. The environment safeguards include backup generators, cooling systems, fire suppression, and the monitoring and testing of these systems.

Backup and Restoration

Tape backup of selected Parkmobile data is performed by QTS as part of the managed services provided. QTS utilizes Symantec NetBackup for backup and recovery, off-site tape storage and for tracking all related backup and recovery functions. Backup jobs are monitored by the QTS Mass Storage Team and failures are investigated and resolved.

Tapes are backed-up on a daily differential/weekly full schedule. Data is retained for 4 weeks before the tape is recycled. QTS contracts with Iron Mountain for daily off-site storage, pickup and delivery.

Backup tapes are stored in a locked environment at all times and access to those tapes is limited to appropriate personnel at QTS through the use of physical and logical access controls. Backup tapes are encrypted using the Symantec Netbackup Encryption Agent. Encryption is 256 bit. Encryption keys are stored on the Master Backup Server only and only that server has the ability to encrypt and decrypt data stored on the tape.

System Monitoring and Incident Management

QTS provides continuous monitoring of the Parkmobile infrastructure including servers, networks, firewalls and IDS. QTS utilizes the Splunk application to aggregate and parse server and firewall event logs.

Parkmobile defines an incident as any event, act or omission that compromises, or has the potential to compromise, the privacy, security or integrity of data containing PHI received, stored, transmitted or otherwise utilized by Parkmobile on behalf of its End Users. When an incident is identified, QTS notifies Parkmobile (within 60 minutes per the Service Level Agreement ("SLA")) of the incident and suggested solutions.

Subservice Organization Activities, Responsibilities, and Controls

QTS provides managed hosting services to Parkmobile and hosts servers, networks, firewalls and intrusion detection systems in their carrier class data center in Suwanee, Georgia. QTS provides managed services related to the monitoring and maintenance of the infrastructure. QTS does not have access to Parkmobile applications (or source code) or Parkmobile data, including personal information. QTS does not provide personal information to, or receive personal information from Parkmobile.
The QTS hosted system was designed with the understanding that certain trust services criteria are intended to be met by controls at the subservice organization, alone or in combination with controls at Parkmobile.

The types of controls expected to be implemented at the subservice organization to meet those criteria include the following:

- Tape Backup
  - Restricting logical access to offline storage, backup data, systems, and media
- Server Security Configuration
  - Performing procedures to harden Parkmobile servers to the standard that QTS has represented will be achieved prior to server deployment and managing the security configuration of these servers to maintain that standard.
- Physical Access Controls
  - Physical access is restricted to personal information in any form (including the components of the entity's system(s) that contain or protect personal information).
- Environmental Safeguards
  - the IT environment is protected against accidental disclosure due to natural disasters and environmental hazards.

Monitoring

To help in determining the effectiveness of internal controls, Parkmobile employs ongoing monitoring activities performed during the course of its regular management and supervisory responsibilities, as well as through separate evaluations. Monitoring is performed at various levels including:

- Data Center Operations - Utilizing a variety of automated monitoring tools, as well as regular communications with QTS, the third party hosting service, the Parkmobile Director of IT and Manager of IT Administration perform continuous monitoring of Parkmobile applications, network, and system availability and performance.

User Entity Control Considerations

The following list of user entity control considerations should not be regarded as a comprehensive list of internal controls that should be employed by the user entities, if applicable. If effectively used, they complement Parkmobile's controls in processing user transactions.

1. Client is responsible for reviewing and ascertaining the accuracy of the rate and term structures upon initial setup and when changes are requested (Control Objective 1).
2. Client is responsible for providing to Parkmobile rate and term changes in timely manner (Control Objective 1).
3. Client is responsible for protecting the confidentiality of information shared by Parkmobile, its affiliates, or agents (Control Objectives 1, 2).
4. Client is responsible for maintaining SLA with the Clearinghouses and monitoring the completeness and accuracy of transactions performed by Clearinghouses (Control Objective 2).

5. Client is responsible for immediately notifying Parkmobile of any actual or suspected information security breaches, including compromised electronic credit card transaction tokens, deposit accounts, or Clearinghouses (Control Objective 2).
6. Client is responsible for immediately notifying Parkmobile of any unavailability, including service interruptions, of Client's Clearinghouse that hinders its ability to accept Parkmobile's 11 batch transaction files, in order to maintain transaction accuracy, completeness, and timeliness (Control Objective 2).
7. Client is responsible for reviewing the term and rate spreadsheet prior to signing and providing back to Parkmobile (Control Objective 2).
8. Client is responsible for reporting any processing deficiency to Parkmobile in a timely manner (Control Objective 2).
9. Client is responsible for reviewing monthly transactions settled reports available in the End User portal and comparing to Client clearinghouses for accuracy and completeness. Any discrepancies should be reported to Parkmobile (Control Objective 2).
10. Client is responsible for reviewing invoice and service fee monthly reports and reporting discrepancies to Parkmobile (Control Objective 3)

SECTION III

Parkmobile USA, Inc. Control Objectives and Related Controls and Habif, Arogeti& Wynne LLP's Tests of Operating Effectiveness

Parkmobile USA, Inc. Control Objectives and Related Controls and Habif, Arogeti& Wynne LLP's Tests of Operating Effectiveness

Control Objective 1: Service Rates Maintenance

Controls provide reasonable assurance that parking revenues are collected consistent with rates and terms specified by Parkmobile's clients.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
1.1	Parkmobile rate and term data provided by clients is transferred onto rate sheets used for subsequent data entry into the Lynxx system.	Inquired with management regarding the procedures to set up rate sheets. Inspected rate sheets from a sample of clients for evidence that they agreed to client provided rate and term data.	No deviations noted.
1.2	Clients approve the rates and terms prior to implementation to production environment. Parkmobile tests rates and terms in test environment prior to implementation to production environment.	Inquired with management regarding the rate approval process. Inspected documentation of client approval of rates and terms for a sample of clients.	No deviations noted.
1.3	During the rates and terms setup process, Parkmobile initiates test transactions within Phonixx to validate that the client provided Token ID for designated transaction clearinghouses are routed accurately prior to processing live transactions. For gateway clients, Parkmobile validates the completeness of test transactions with payment providers. For direct integration clients, Parkmobile informally validates test transactions as Parkmobile is not granted visibility into these clearinghouses.	Inquired with management regarding the transaction testing and validation procedures performed during the rates and terms set-up process. Observed Parkmobile initiate test transactions for sample of direct integration clients to validate rates and terms setup. Inspected clearinghouse reports of test transactions with reports from Phonixx for a sample of gateway clients for evidence that the test transactions were processed accurately and completely.	No deviations noted.

Control Objective 1: Complementary User Entity Controls:

- Client is responsible for reviewing and ascertaining the accuracy of the rate and term structures upon initial setup and when changes are requested.
- Client is responsible for providing to Parkmobile rate and term changes in timely manner
- Client is responsible for protecting the confidentiality of information shared by Parkmobile, its affiliates, or agents

Control Objective 2: Transaction Accuracy, Completeness, and Timeliness

Controls provide reasonable assurance that all completed financial parking transactions are submitted to client's clearinghouse and are processed completely and accurately.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
2.1	For Start/Stop transactions, Parkmobile submits batch processing files to designated clearinghouses every 12 hours. For Start/Duration transactions, payments are submitted to clearinghouses in real-time.	Inquired with management regarding the process of Start/Stop transactions, Start/Duration transactions, and batch processing. Inspected the Phonixx system for settings to run batch processing every 12 hours for Start/Stop transactions. Inspected clearinghouse reports for evidence that Start/Duration transactions payments were submitted in real-time.	No deviations noted.
2.2	For Start/Stop transactions, Parkmobile monitors responses from clearinghouses through the use of automated email notifications to the IT department. Exceptions in processing are automatically re-submitted to the clearinghouse with the next batch processing 12 hours later.	Inquired with management regarding the process of monitoring responses from clearinghouses. Inspected automated notification email settings from clearinghouses for system evidence of continuous monitoring of failed transactions.	No deviations noted.
2.3	Exceptions generated by clearinghouses are automatically resubmitted two times. Upon the third exception, the account is automatically de-activated in Phonixx.	Inquired with management regarding the de-activation process. Inspected system settings and exception reporting for evidence that accounts are de-activated after the third exception in batch processing.	No deviations noted.

Controls provide reasonable assurance that all completed financial parking transactions are submitted to client's clearinghouse and are processed completely and accurately.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
2.4	Parkmobile provides an online portal to clients to run ad-hoc reports to provide support for invoicing. Reports generated on the portal accurately reflect all valid transactions within Phonixx.	Inquired with management regarding the client reporting portal. Observed portal used by clients and various reports available to client.	No deviations noted.

Control Objective 2: Complementary User Entity Controls:

- Client is responsible for protecting the confidentiality of information shared by Parkmobile, its affiliates, or agents.
- Client is responsible for maintaining SLA with the Clearinghouses and monitoring the completeness and accuracy of transactions performed by Clearinghouses.
- Client is responsible for immediately notifying Parkmobile of any actual or suspected information security breaches, including compromised electronic credit card transaction tokens, deposit accounts, or Clearinghouses.
- Client is responsible for immediately notifying Parkmobile of any unavailability, including service interruptions, of Client's Clearinghouse that hinders its ability to accept Parkmobile's11batch transaction files, in order to maintain transaction accuracy, completeness, and timeliness.
- Client is responsible for reviewing the term and rate spreadsheet prior to signing and providing back to Parkmobile.
- Client is responsible for reporting any processing deficiency to Parkmobile in a timely manner.
- Client is responsible for reviewing monthly transactions settled reports available in the client portal and comparing to Client clearinghouses for accuracy and completeness. Any discrepancies should be reported to Parkmobile.

Control Objective 3: Service Fees Accuracy

Controls provide reasonable assurance that service fees are charged consistent with client agreed to terms.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
3.1	Parkmobile updates transaction fees within Phonixx based on the client approved agreements.	Inquired with management regarding the process for updating transaction fees within Phonixx. Inspected a sample of client agreements for evidence of client approval of transaction fees.	No deviations noted.
3.2	Parkmobile management reviews Phonixx transactions and transaction fees for accuracy and completeness prior to submission to clients.	Inquired with management regarding the process to review Phonixx transactions and transaction fees for accuracy and completeness prior to submission to clients. Inspected a sample of invoicing prepared by Parkmobile for evidence of review of the transactions and transactions fees for accuracy and completeness before submission to clients.	No deviations noted.

Control Objective 3: Complementary User Entity Controls:

- Client is responsible for reviewing invoice and service fee monthly reports and reporting discrepancies to Parkmobile.

Control Objective 4: End User Refunds

Controls provide reasonable assurance that all End User refunds are processed completely, accurately, timely, and authorized.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
4.1	End User refunds are approved by management prior to processing.	Inquired with management regarding the process of documenting management approval prior to issuing End User refunds. Inspected documentation of management's approval for a sample of refunds issued during the testing period for evidence of approval prior to issuance.	No deviations noted.
4.2	End User refunds are initiated within 15 business days from the date the claim was submitted.	Inquired with management regarding the process for initiating End User refunds within 15 business days from the claim. Inspected documentation of refund issue timing for a sample of processed refund requests for evidence of processing being imitated no more than 15 business days from the submission of the claim.	No deviations noted.
4.3	Access to issue checks for End User refunds is limited to appropriate personnel based on job responsibility.	Inquired with management regarding the access rights to the checks for issuing refunds. Inspected job responsibilities for a listing of personnel with access to issue refund checks for evidence that their access was appropriate based upon their job responsibility.	No deviations noted.

Control Objective 5: Physical Security

Controls provide reasonable assurance that physical access to the corporate office and network components is restricted to authorized individuals.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
5.1	Parkmobile protects the corporate office by utilizing an access alarm system which is monitored when activated. Access is restricted to employees and requires the use of active badge IDs. Visitors are required to sign in the visitor's log and must be escorted in the facility.	Inquired with management regarding the alarm system monitoring, the restriction of access to employees with badges, and the use of visitor sign in sheets and visitor escort. Observed the alarm system panel being in an activated and monitored state. Inspected email notifications from the end of business days for a sample of days for evidence that the intrusion alarm was activated and being monitored. Observed the sign in sheet for visitors being actively used in addition to visitors being escorted by Parkmobile personnel.	No deviations noted.
5.2	Access to sensitive areas (i.e., Server Room) requires an additional pin code managed by the Network Administrator and Office Manager. Pin codes are only issued to personnel who require access to those sensitive areas to perform their jobs.	Inquired with management regarding the access rights to sensitive areas. Observed key pad combination lock being used to access sensitive areas. Inspected job responsibilities for a listing of personnel with access to sensitive areas for evidence that their access was appropriate based upon their job responsibility.	No deviations noted.

Control Objective 6: Logical Security

Controls provide reasonable assurance that logical access to systems, applications and infrastructure is restricted to authorized personnel.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
6.1	Parkmobile management reviews and approves the contract with their third-party hosting provider on a quarterly basis for assurance that the services being provided will meet the current and foreseeable future demands of Parkmobile.	Inquired with management regarding the process in place to review the master service agreement (MSA) with third-party hosting provider on a quarterly basis. Inspected the MSA with the third-party hosting provider for approval from Parkmobile management and the management of the third-party hosting provider.	No deviations noted.
6.2	All Parkmobile workstations and servers are protected with antivirus software to detect and eradicate malicious software. Antivirus software is configured to automatically receive and propagate updates to the virus signature database.	Inquired with management regarding the procedures for installing and updating antivirus on Parkmobile workstations and servers. Inspected the configuration settings of the antivirus software for evidence that it was setup to update each workstation and server upon release of the updates.	No deviations noted.

Controls provide reasonable assurance that logical access to systems, applications and infrastructure is restricted to authorized personnel.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
6.3	Access to Parkmobile Phonixx and Lynxx systems are restricted to authorized users who are required to enter a unique user ID and password for access.	Inquired with management regarding the process to restrict access to the Phonixx and Lynxx systems to authorized users through the use of unique user IDs and passwords. Inspected the Phonixx and Lynxx system access rights management settings for evidence that access is limited to authorized users and requires unique user IDs and passwords for access. Observed that logging into the Phonixx and Lynxx systems requires a user ID and password.	No deviations noted.
6.4	Administrative access to the production hosted environment (including the ability to access the database and make changes to the applications) is limited to users authorized by senior management.	Inquired with management regarding the granting of administrative access to the production hosted environment. Inspected access authorization documentation for each user with administrative access to the production hosted environment for evidence that their access was authorized by senior management	No deviations noted.

Controls provide reasonable assurance that logical access to systems, applications and infrastructure is restricted to authorized personnel.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
6.5	The identity of Parkmobile personnel and contractors (both local and remote) is authenticated to the system through passwords or other authentication mechanisms before they are granted access to the Parkmobile network.	Inquired with management regarding the system policies and procedures in place for user authentication. Inspected the password security parameters for the corporate network, production hosted network, Phonixx, Lynxx, and the SQL Database for evidence that users are required to authenticate with passwords or other authentication mechanisms before being granted logical access.	No deviations noted.
6.6	The authority to administer or provision access rights is limited to appropriate personnel based on job responsibilities.	Inquired with management regarding the process for limiting the authority to administer or provision access rights to the appropriate personnel based on their job responsibilities. Inspected documentation of job responsibilities as defined by management for a sample of users with the authority to administer or provision access rights for evidence that their authority is based on their job responsibilities.	No deviations noted.
6.7	Application owners authorize the nature and extent of user access privileges.	Inquired management regarding the process to authorize the nature and extent of user access privileges. Inspected a access authorization documentation for a sample of users granted application access privileges for evidence that the access was authorized by the application owner.	No deviations noted.

Controls provide reasonable assurance that logical access to systems, applications and infrastructure is restricted to authorized personnel.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
6.8	The security administrator is notified of employees who have changed roles and responsibilities, transferred, or been terminated. Access privileges of such employees are immediately changed to reflect their new status.	Inquired with management regarding the process for changing or revoking user access. Inspected access change or revocation documentation for a sample of users with access changes, including terminations, for evidence that the security administrator was notified and that the current access rights reflect the change.	No deviations noted.

Control Objective 7: Change Management

Controls provide reasonable assurance that changes to the infrastructure and applications are authorized, tested and approved prior to being placed into production.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
7.1	Parkmobile reviews all requests for change for applicability and approval by a designated representative.	Inquired with management regarding the change request, review, and approval process. Inspected change request documentation for a sample of change requests for evidence of review and approval by a Parkmobile designated representative.	No deviations noted.
7.2	The Development Team develops requested changes in a test environments that are segregated from production environments.	Inquired with management regarding the procedures in place for developing requested changes in non-production environments. Observed with a member of the Development Team the test environments for evidence that the development activities were being performed in environments that were segregated from production environments.	No deviations noted.
7.3	The Quality Assurance (QA) Team tests all developed changes in the test environments and reports all defects to the Development Team for disposition.	Inquired with management regarding the procedures in place for testing developed changes in non-production environments. Observed with a member of the QA Team the test environments for evidence that the testing activities were being performed in environments that were segregated from production environments.	No deviations noted.

Controls provide reasonable assurance that changes to the infrastructure and applications are authorized, tested and approved prior to being placed into production.			
#	**Controls Specified by Parkmobile North America, Inc.**	**Testing Performed by HA&W**	**Results**
7.4	Production code for Phonixx and Lynxx is maintained in TeamCity, version control software, where code changes are logged and monitored by the QA Team.	Inquired with management about the procedures for maintaining the production code of Lynxx and Phonixx in the TeamCity version control software. Observed the TeamCity site where version control of software is maintained and code changes are logged.	No deviations noted.
7.5	QA Team monitors changes made to the production environment and responds via email confirmation that application is functioning as intended after change is made.	Inquired with management regarding the process that the QA team uses to monitor changes made to production environment via the TeamCity code change audit logs. Inspected email confirmations from the QA team for a sample of changes made to the production environment for evidence that the application was functioning as intended after the change was deployed.	No deviations noted.

Complementary User Entity Controls:

- Client is responsible for utilizing Parkmobile's Helpdesk for all End User issues.

SECTION IV

Other Information Provided by Parkmobile USA, Inc.

Other Information Provided by Parkmobile USA, Inc.

Table of Term Definitions	
Batch File ID Code	The numeric code provided by the Clearinghouse on a per submitted file basis indicating the acceptance of the batch file from Phonixx.
Clearinghouse	The Client designated credit card processing platform used for processing all End User charges collected for Clients' respective parking transactions.
Client	The entity maintaining a service agreement with Parkmobile for the Phonixx service, and who owns, operates, manages, or controls a parking facility with End Users who use the Phonixx system to pay for their parking service.
Credit Card Result Code	The numeric code provided by the Clearinghouse on a per transaction basis indicating the acceptance of the End User charge to the End User's credit card.
End User	The Client's End User who uses the Phonixx system to pay for parking transactions at a Client's registered parking facility and/or location.
End User Charge	The financial amount of the parking fee plus service fee collected by Parkmobile from the End User and passed to the Client's designated Clearinghouse for Client credit deposit.
Lynxx	The centralized parking engine that contains Client parking location rate and term data and caches parking event start and stop activities with license plate data in transactional interaction with Phonixx. It also serves as an administrative mechanism to ensure that the Client's rate and term requirements are enforced at each facility and/or location. Transactional-level reconciliation occurs automatically to maintain transactional consistency for daily activity. Records are purged after the daily activity process is completed to maintain performance.
Parking Fee	The financial amount charged by the Client to the End User for the specific parking facility per rate and terms schedules maintained within Lynxx.
Parkmobile	The provider of the Phonixx and Lynxx services including integrated modules.
Permixx	The online permit management application offered by Parkmobile.
Phonixx	The central End User access engine, with supporting modules, which is used to receive parking events start and stop activities. It obtains rate and term data from Lynxx and stores financial transaction data on each End User account. It maintains constant synchronization with Lynxx on a daily basis.
Service Fee	The financial amount collected by Parkmobile from the End User on a per transaction basis and rate schedule.
Term of the Client SLA	Parkmobile resolves Client service issues, disruptions and outages within 24 hours.

SECTION V

Information Provided by the Service Auditor

Information Provided by the Service Auditor

Overview

This report is intended to provide clients whose transactions are processed on the Electronic Parking System and their auditors with information sufficient to understand the flow of transactions and recordkeeping operations within Parkmobile USA, Inc. (the "Company") and the controls that may affect the processing of client transactions, and to provide information about the operating effectiveness of the controls that were tested. This report, when combined with an understanding of the internal controls in place at client locations, is intended to assist clients' independent auditors in planning the audit of client organizations and in assessing the control risk for assertions in user entities' financial statements that may be affected by the controls of the Company.

Our testing of the controls of the Company was restricted to these control objectives and the related control activities outlined by the Company's management contained in Section III of this report. Management believes these are the relevant control activities for the stated objectives. Our review was not extended to controls in effect at client locations or at third-party subservice providers. The examination was performed in accordance with AICPA Statements on Standards for Attestation No. 16, "Service Organizations." Our responsibility is to express an opinion as to whether the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described control activities were complied with satisfactorily. It is each interested party's responsibility to evaluate this information in relation to the internal control activities in place at each client's organization. These control activities have been outlined in "Complementary User Entity Controls." If an effective client internal control is not in place, the controls within the Company may not compensate for such weaknesses.

As part of our review of the Company's control activities, we performed a variety of tests, each of which provided different levels of audit satisfaction. Our examination included interviews with key personnel, review of available policies, controls and system documentation, walkthroughs of selected transactions and control activities and inspection of documentation. The combined results of these tests provided the basis for our understanding of the framework for control and our determination as to whether the controls represented were actually in place as of August 16, 2012 and were operating effectively throughout the period from August 16, 2012 through August 15, 2013.

Control Environment

The control environment represents the collective effect of various factors on establishing, enhancing or mitigating the effectiveness of specific controls. In addition to the tests of specific controls described below, our procedures included tests of, or considered the relevant elements of Parkmobile's control environment, including:

- Parkmobile's organizational structure and approach to segregation of duties;
- the functioning of the Parkmobile's Board of Directors and its committees;
- management control methods;
- personnel policies and practices;
- internal audit; and
- oversight by regulatory authorities.

Our tests of the control environment included the following procedures: (a) a review of Parkmobile's organizational structure, including segregation of functional responsibilities, policy statements, accounting and processing manuals, personnel policies and Internal Audit department policies and reports; (b) discussions with management, operations, administrative and other personnel who were responsible for developing, ensuring adherence to and applying controls; and (c) observations of personnel in the performance of their assigned duties.

The control environment was considered in determining the nature, timing and extent of the testing of the operation of the controls relevant to achieving the control objectives.

Tests of Operating Effectiveness

Our tests of the operating effectiveness of controls included such tests as were considered necessary in the circumstances to evaluate whether those controls, and the extent of compliance with them, were sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period from August 16, 2012 through August 15, 2013. Our testing of the operating effectiveness of controls was designed to cover a representative number of transactions and procedures throughout the period August 16, 2012 through August 15, 2013, for each of the controls listed in the matrices in Section III, which are designed to achieve the specified control objectives. In selecting particular tests of the operating effectiveness of controls, we considered: (a) the nature of the controls being tested; (b) the types and competence of available evidential matter; (c) the nature of the control objectives to be achieved; (d) the assessed level of control risk; and (e) the expected efficiency and effectiveness of the test. Such techniques were used to evaluate the fairness of the description of the controls and to evaluate the operating effectiveness of specified controls as indicated in the matrix.

Tests performed of the operational effectiveness of the controls detailed in the matrices in Section III are described below:

Inquiry

Inquired of appropriate Parkmobile personnel: Inquiries seeking relevant information or representation from Parkmobile personnel were performed to obtain, among other things:

- Knowledge and additional information regarding the control; and
- Corroborating evidence of the control.

As inquiries were performed for substantially all controls, the test was not listed individually for every control shown in the matrices in Section III.

Inspection

Inspected documents and records indicating performance of the control. This includes, among other things:

- Inspection of management reviewed and approved reconciliations that agree Parkmobile reports to Client data and quantify reconciling items to assess whether balances and reconciling items are properly monitored, controlled and resolved on a timely basis;
- Examination of source documentation and authorizations to verify approval of transactions processed;
- Examination of documents or records for evidence of performance, such as the existence of initials or signatures; and
- Inspection of Parkmobile system documentation, such as operations manuals, flow charts and job descriptions.

Observation

Observed the application or existence of specific controls as represented.

Reperformance

Reperformed the control processing application of the control structure policy or procedure to verify the accuracy of its operation. This includes, among other things:

- Obtaining evidence of the accuracy and correct processing of transactions by performing independent calculations; and
- Re-performing the matching of various system records by independently matching the same records with Parkmobile prepared reports.