



**Schedule of Operating Data, Ridership,
Operating Expenditures and Other Revenues
For the Commuter Express Program – Region 2
City of Los Angeles**

***Year Ended June 30, 2016
with Report of Independent Auditors***



Simpson & Simpson, LLP
Certified Public Accountants

CITY OF LOS ANGELES
COMMUTER EXPRESS PROGRAM – REGION 2
TABLE OF CONTENTS

	PAGE
Independent Auditor’s Report	1
Schedule of operating data, ridership, operating expenditures and other revenues	3



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report

To the Honorable Members of the City Council of the
City of Los Angeles, California
To the Los Angeles County
Metropolitan Transportation Authority
And
To the Federal Transit Administration

Report on the Schedule

We have audited the accompanying Schedule of Operating Data, Ridership, Operating Expenditures and Other Revenues for the **Commuter Express Program – Region 2** of the City of Los Angeles for the year ended June 30, 2016 (the Schedule).

Management's Responsibility for the Schedule

The City of Los Angeles Department of Transportation's (LADOT) management is responsible for the preparation and fair presentation of this Schedule in accordance with accounting principles generally accepted in the United States of America and the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2014 Policy Manual; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2014 Policy Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule 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 Schedule.





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

The scope of our audit was to determine whether:

- A system is in place and maintained for recording data in accordance with the National Transit Database (NTD) definitions. The correct data is being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for the Federal Transit Administration's (FTA) review and audit for a minimum of three years following FTA's receipt of the NTD report. The data is fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
- Data is consistent with prior reporting periods and other facts known about transit agency operations.
- Farebox revenues have been accounted for and recorded in accordance with FTA definitions.

Opinion

In our opinion, the Schedule of Operating Data, Ridership, Operating Expenditures and Other Revenues referred to above presents fairly, in all material respects, the operating data, ridership, operating expenditures and other revenues for the Commuter Express Program – Region 2 of the City of Los Angeles for the year ended June 30, 2016 in accordance with accounting principles generally accepted in the United States of America and the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2014 Policy Manual.

Restriction on Use

This report is intended solely for the information and use of the City of Los Angeles, the Los Angeles County Metropolitan Transportation Authority and FTA and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Simpson & Simpson', written in a cursive style.

Los Angeles, California
February 3, 2017

City of Los Angeles
Commuter Express Program – Region 2
Schedule of Operating Data, Ridership, Operating Expenditures
and Farebox Revenues
Year ended June 30, 2016

	All Routes CE Region 2
Operating Data	
Number of Vehicles in Operation	67
Total Vehicle Miles	2,278,049
Total Vehicle Hours	95,247
Total Vehicle Revenue Miles	1,207,236
Total Vehicle Revenue Hours	56,046
Total Vehicle Trips	34,406
Directional Route Miles	-
Ridership Data	
Total Passenger Trips	800,153
Total Passenger Miles	16,779,914
Operating Expenditures	
Contractor Operating Costs	
Service Costs	\$ 6,531,640
Fuel Costs	1,734,862
Subtotal	8,266,502
Administrative Costs	472,113
Total Operating Expenditures	\$ 8,738,615
Farebox Revenues	\$ 582,902
Other Revenues	\$ 1,457,517

NOTES:

1. Commuter Express Program (CE) – Region 2 is an express bus service of the City of Los Angeles serving the northern area of the city.
2. Operating data such as vehicle hours and vehicle miles is based on the actual time and distance travelled by the vehicle including the deadhead miles/hours. Vehicle revenue hours and vehicle revenue miles are based on the trip schedule minus any missed trips. This data is calculated using pre-determined daily route plans for each vehicle trip less missed trips reported by LADOT's transportation provider.
3. Ridership data such as passenger miles and passenger trips is based on surveys conducted by LADOT's transportation provider using the specific trips that were statistically sampled for survey by LADOT.
4. Operating expenditures are based on the accrual method of accounting such that expenditures allocable to the transit program/route are reported in the period in which they are incurred.
5. Farebox revenues are based on actual farebox collected from passengers and the data is accumulated on a regular basis by LADOT's transportation provider.
6. Other revenues represent mostly the program's share in the advertising revenues and sale of transit tickets/passes and TAP cards.

City of Los Angeles
Commuter Express Program – Region 2
Schedule of Operating Data, Ridership, Operating Expenditures
and Farebox Revenues
Year ended June 30, 2016
(Continued)

Operating Data	Line 409	Line 419
Number of Vehicles in Operation	9	9
Total Vehicle Miles	231,433	345,418
Total Vehicle Hours	9,073	11,719
Total Vehicle Revenue Miles	107,148	186,532
Total Vehicle Revenue Hours	5,081	6,585
Total Vehicle Trips	3,675	4,317
Directional Route Miles	-	-
Ridership Data		
Total Passenger Trips	106,113	99,709
Total Passenger Miles	1,792,309	2,105,415
Operating Expenditures		
Contractor Operating Costs		
Service Costs	\$ 592,072	\$ 767,397
Fuel Costs	177,710	266,097
Subtotal	769,782	1,033,494
Administrative Costs	42,798	55,466
Total Operating Expenditures	\$ 812,580	\$ 1,088,960
Farebox Revenues	\$ 56,172	\$ 64,077
Other Revenues	\$ 266,795	\$ 151,244

City of Los Angeles
Commuter Express Program – Region 2
Schedule of Operating Data, Ridership, Operating Expenditures
and Farebox Revenues
Year ended June 30, 2016

	<u>Line 422</u>	<u>Line 423</u>
Operating Data		
Number of Vehicles in Operation	13	10
Total Vehicle Miles	435,287	463,981
Total Vehicle Hours	22,424	16,402
Total Vehicle Revenue Miles	302,000	187,431
Total Vehicle Revenue Hours	13,584	8,673
Total Vehicle Trips	6,127	4,816
Directional Route Miles	-	-
Ridership Data		
Total Passenger Trips	148,455	102,140
Total Passenger Miles	2,988,157	2,348,778
Operating Expenditures		
Contractor Operating Costs		
Service Costs	\$ 1,583,236	\$ 1,010,826
Fuel Costs	<u>316,147</u>	<u>357,405</u>
Subtotal	1,899,383	1,368,231
Administrative Costs	<u>114,429</u>	<u>73,061</u>
Total Operating Expenditures	<u>\$ 2,013,812</u>	<u>\$ 1,441,292</u>
Farebox Revenues	<u>\$ 172,058</u>	<u>\$ 68,438</u>
Other Revenues	<u>\$ 232,154</u>	<u>\$ 165,485</u>

City of Los Angeles
Commuter Express Program – Region 2
Schedule of Operating Data, Ridership, Operating Expenditures
and Farebox Revenues
Year ended June 30, 2016

Operating Data	Line 549	Line 573	Line 574
Number of Vehicles in Operation	7	13	6
Total Vehicle Miles	248,308	367,746	185,876
Total Vehicle Hours	10,210	17,496	7,923
Total Vehicle Revenue Miles	133,644	192,434	98,047
Total Vehicle Revenue Hours	6,917	10,766	4,440
Total Vehicle Trips	5,073	7,859	2,539
Directional Route Miles	-	-	-
Ridership Data			
Total Passenger Trips	75,578	203,692	64,466
Total Passenger Miles	2,474,118	3,832,859	1,238,278
Operating Expenditures			
Contractor Operating Costs			
Service Costs	\$ 806,170	\$ 1,254,463	\$ 517,476
Fuel Costs	191,295	282,994	143,214
Subtotal	997,465	1,537,457	660,690
Administrative Costs	58,268	90,689	37,402
Total Operating Expenditures	<u>\$ 1,055,733</u>	<u>\$ 1,628,146</u>	<u>\$ 698,092</u>
Farebox Revenues	<u>\$ 78,628</u>	<u>\$ 107,906</u>	<u>\$ 35,623</u>
Other Revenues	<u>\$ 131,310</u>	<u>\$ 230,978</u>	<u>\$ 279,551</u>