

**Schedule of Operating Data, Ridership,
Operating Expenditures, Farebox Revenues, and Other Revenues
For the Commuter Express Program – Region 1
City of Los Angeles**

*Year Ended June 30, 2017
with Report of Independent Auditors*



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Simpson & Simpson, LLP
Certified Public Accountants

CITY OF LOS ANGELES
COMMUTER EXPRESS PROGRAM – REGION 1

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SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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

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, Farebox Revenues, and Other Revenues for the **Commuter Express Program – Region 1** of the City of Los Angeles for the year ended June 30, 2017 (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 2016 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 2016 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, Farebox Revenues, and Other Revenues referred to above presents fairly, in all material respects, the operating data, ridership, operating expenditures, farebox revenues, and other revenues for the Commuter Express Program – Region 1 of the City of Los Angeles for the year ended June 30, 2017 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 2016 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'.

Los Angeles, California
January 16, 2018

**City of Los Angeles
Commuter Express Program – Region 1
Schedule of Operating Data, Ridership, Operating Expenditures,
Farebox Revenues, and Other Revenues
Year ended June 30, 2017**

Operating Data	<u>All Routes CE Region 1</u>
Number of Vehicles in Operation	43
Total Vehicle Miles	1,229,292
Total Vehicle Hours	60,054
Total Vehicle Revenue Miles	612,302
Total Vehicle Revenue Hours	33,283
Total Vehicle Trips	45,116
Directional Route Miles	248
Ridership Data	
Total Passenger Trips	790,689
Total Passenger Miles	8,389,811
Operating Expenditures	
Contractor Operating Costs	
Service Costs	\$ 3,671,123
Fuel Costs	1,003,345
Subtotal	<u>4,674,468</u>
Administrative Costs	282,450
Total Operating Expenditures	<u>\$ 4,956,918</u>
Farebox Revenues	<u>\$ 248,982</u>
Other Revenues	<u>\$ 1,703,156</u>

NOTES:

1. Commuter Express Program (CE) – Region 1 is an express bus service of the City of Los Angeles serving the southern area of the city. Under this program, the City also provides shuttle services for Metrolink passengers.
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 1
Schedule of Operating Data, Ridership, Operating Expenditures,
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Operating Data	<u>Metrolink</u>	<u>Line 142</u>
Number of Vehicles in Operation	6	2
Total Vehicle Miles	40,828	258,998
Total Vehicle Hours	4,111	12,104
Total Vehicle Revenue Miles	19,286	197,960
Total Vehicle Revenue Hours	3,182	10,376
Total Vehicle Trips	9,876	18,026
Directional Route Miles	4	16
Ridership Data		
Total Passenger Trips	158,271	173,947
Total Passenger Miles	372,153	679,266
Operating Expenditures		
Contractor Operating Costs		
Service Costs	\$ 351,171	\$ 1,144,052
Fuel Costs	33,324	211,393
Subtotal	<u>384,495</u>	<u>1,355,445</u>
Administrative Costs	27,003	88,054
Total Operating Expenditures	<u>\$ 411,498</u>	<u>\$ 1,443,499</u>
Farebox Revenues	<u>\$ -</u>	<u>\$ 146,195</u>
Other Revenues	<u>\$ 108,130</u>	<u>\$ 102,371</u>

City of Los Angeles
Commuter Express Program – Region 1
Schedule of Operating Data, Ridership, Operating Expenditures,
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Year ended June 30, 2017
(continued)

Operating Data	<u>Line 431</u>	<u>Line 437</u>
Number of Vehicles in Operation	4	6
Total Vehicle Miles	111,763	179,114
Total Vehicle Hours	4,776	9,120
Total Vehicle Revenue Miles	40,168	56,830
Total Vehicle Revenue Hours	2,530	3,522
Total Vehicle Trips	2,024	3,036
Directional Route Miles	40	38
Ridership Data		
Total Passenger Trips	39,461	71,673
Total Passenger Miles	862,839	1,294,258
Operating Expenditures		
Contractor Operating Costs		
Service Costs	\$ 279,155	\$ 388,458
Fuel Costs	91,221	146,192
Subtotal	<u>370,376</u>	<u>534,650</u>
Administrative Costs	21,471	29,889
Total Operating Expenditures	<u>\$ 391,847</u>	<u>\$ 564,539</u>
Farebox Revenues	<u>\$ 10,000</u>	<u>\$ 17,371</u>
Other Revenues	<u>\$ 137,298</u>	<u>\$ 224,388</u>

City of Los Angeles
Commuter Express Program – Region 1
Schedule of Operating Data, Ridership, Operating Expenditures,
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Year ended June 30, 2017
(continued)

Operating Data	<u>Line 438</u>	<u>Line 448</u>	<u>Line 534</u>
Number of Vehicles in Operation	14	7	4
Total Vehicle Miles	333,641	218,092	86,856
Total Vehicle Hours	15,539	8,858	5,546
Total Vehicle Revenue Miles	165,961	101,270	30,827
Total Vehicle Revenue Hours	7,081	3,980	2,612
Total Vehicle Trips	6,830	3,293	2,031
Directional Route Miles	58	62	30
Ridership Data			
Total Passenger Trips	194,286	117,597	35,454
Total Passenger Miles	2,911,654	1,403,818	865,823
Operating Expenditures			
Contractor Operating Costs			
Service Costs	\$ 781,133	\$ 439,060	\$ 288,094
Fuel Costs	272,317	178,006	70,892
Subtotal	<u>1,053,450</u>	<u>617,066</u>	<u>358,986</u>
Administrative Costs	60,091	33,776	22,166
Total Operating Expenditures	<u>\$ 1,113,541</u>	<u>\$ 650,842</u>	<u>\$ 381,152</u>
Farebox Revenues	<u>\$ 40,504</u>	<u>\$ 23,643</u>	<u>\$ 11,269</u>
Other Revenues	<u>\$ 569,871</u>	<u>\$ 440,460</u>	<u>\$ 120,638</u>