

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

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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 2** 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 2 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 cursive script that reads "Simpson & Simpson".

Los Angeles, California
January 16, 2018

City of Los Angeles
Commuter Express Program – Region 2
Schedule of Operating Data, Ridership, Operating Expenditures,
Farebox Revenues, and Other Revenues
Year ended June 30, 2017

	All Routes CE Region 2
Operating Data	
Number of Vehicles in Operation	67
Total Vehicle Miles	2,531,299
Total Vehicle Hours	95,969
Total Vehicle Revenue Miles	1,214,604
Total Vehicle Revenue Hours	56,604
Total Vehicle Trips	34,553
Directional Route Miles	507
 Ridership Data	
Total Passenger Trips	705,346
Total Passenger Miles	14,730,069
 Operating Expenditures	
Contractor Operating Costs	
Service Costs	\$ 6,351,169
Fuel Costs	2,091,960
Subtotal	8,443,129
Administrative Costs	480,359
Total Operating Expenditures	\$ 8,923,488
Farebox Revenues	\$ 462,352
Other Revenues	\$ 1,744,310

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.
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,
Farebox Revenues, and Other Revenues
Year ended June 30, 2017
(Continued)

Operating Data	<u>Line 409</u>	<u>Line 419</u>
Number of Vehicles in Operation	9	9
Total Vehicle Miles	239,483	345,207
Total Vehicle Hours	9,264	11,913
Total Vehicle Revenue Miles	109,867	186,406
Total Vehicle Revenue Hours	5,141	6,787
Total Vehicle Trips	3,799	4,313
Directional Route Miles	66	69
Ridership Data		
Total Passenger Trips	98,526	95,779
Total Passenger Miles	1,619,527	1,838,648
Operating Expenditures		
Contractor Operating Costs		
Service Costs	\$ 576,881	\$ 761,724
Fuel Costs	197,918	285,292
Subtotal	<u>774,799</u>	<u>1,047,016</u>
Administrative Costs	43,627	57,597
Total Operating Expenditures	<u>\$ 818,426</u>	<u>\$ 1,104,613</u>
Farebox Revenues	<u>\$ 39,108</u>	<u>\$ 48,499</u>
Other Revenues	<u>\$ 259,294</u>	<u>\$ 331,195</u>

City of Los Angeles
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Operating Data	<u>Line 422</u>	<u>Line 423</u>
Number of Vehicles in Operation	12	10
Total Vehicle Miles	677,320	464,034
Total Vehicle Hours	22,514	16,408
Total Vehicle Revenue Miles	303,346	187,555
Total Vehicle Revenue Hours	13,640	8,679
Total Vehicle Trips	6,153	4,817
Directional Route Miles	100	98
Ridership Data		
Total Passenger Trips	124,746	91,296
Total Passenger Miles	2,623,046	2,053,505
Operating Expenditures		
Contractor Operating Costs		
Service Costs	\$ 1,530,208	\$ 973,767
Fuel Costs	559,762	383,495
Subtotal	<u>2,089,970</u>	<u>1,357,262</u>
Administrative Costs	115,753	73,653
Total Operating Expenditures	<u>\$ 2,205,723</u>	<u>\$ 1,430,915</u>
Farebox Revenues	<u>\$ 156,865</u>	<u>\$ 47,440</u>
Other Revenues	<u>\$ 153,797</u>	<u>\$ 299,554</u>

City of Los Angeles
Commuter Express Program – Region 2
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Year ended June 30, 2017

Operating Data	<u>Line 549</u>	<u>Line 573</u>	<u>Line 574</u>
Number of Vehicles in Operation	7	13	7
Total Vehicle Miles	248,022	371,522	185,711
Total Vehicle Hours	10,199	17,754	7,917
Total Vehicle Revenue Miles	133,468	195,982	97,980
Total Vehicle Revenue Hours	6,910	11,010	4,437
Total Vehicle Trips	5,073	7,861	2,537
Directional Route Miles	53	46	75
Ridership Data			
Total Passenger Trips	53,075	185,461	56,463
Total Passenger Miles	2,162,638	3,351,173	1,081,532
Operating Expenditures			
Contractor Operating Costs			
Service Costs	\$ 775,349	\$ 1,235,394	\$ 497,846
Fuel Costs	204,975	307,040	153,478
Subtotal	<u>980,324</u>	<u>1,542,434</u>	<u>651,324</u>
Administrative Costs	58,640	93,435	37,654
Total Operating Expenditures	<u>\$ 1,038,964</u>	<u>\$ 1,635,869</u>	<u>\$ 688,978</u>
Farebox Revenues	<u>\$ 51,157</u>	<u>\$ 89,188</u>	<u>\$ 30,095</u>
Other Revenues	<u>\$ 98,064</u>	<u>\$ 423,172</u>	<u>\$ 179,234</u>