

***SINGLE AUDIT REPORTS  
AND GRANT ACTIVITY REPORTS***  
**LONG BEACH PUBLIC TRANSPORTATION COMPANY**  
***For the Year Ended June 30, 2009***



**LONG BEACH TRANSIT**

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**LONG BEACH PUBLIC TRANSPORTATION COMPANY  
SINGLE AUDIT AND GRANT ACTIVITY REPORTS  
YEAR ENDED JUNE 30, 2009**

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# **LONG BEACH PUBLIC TRANSPORTATION COMPANY**

## **Principal Officials**

### **Board of Directors**

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Renee B. Simon	Chair of the Board
Mark Curtis	Vice Chair
Dr. James P. Norman, Jr.	Secretary - Treasurer
Terry Fiskin	Vice Secretary - Treasurer
Yolanda F. Benavidez	Director
Robert W. Parkin	Director
Barbara Sullivan George	Director
Michael Conway	Ex-Officio Member, City of Long Beach
David Roseman	Ex-Officio Member, City of Long Beach

### **Management**

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Laurence W. Jackson	President & CEO
Guy Heston	Executive Vice President & COO
Deborah Ellis	Senior Vice President & CFO Financial & Information Services
Robyn Gordon	Executive Director, VP Operations & System Security
Rolando Cruz	Executive Director, VP Maintenance & Facilities
LaVerne David	Executive Director, VP Risk Management & Human Relations
Patrick Pham	Executive Director, VP Information Systems & Technology
Brynn Kernaghan	Executive Director, VP Community & Customer Services



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

To the Board of Directors of  
Long Beach Public Transportation Company

We have audited the financial statements of Long Beach Public Transportation Company as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Long Beach Public Transportation Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Long Beach Public Transportation Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Long Beach Public Transportation Company's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Long Beach Public Transportation Company's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Long Beach Public Transportation Company's financial statements that is more than inconsequential will not be prevented or detected by Long Beach Public Transportation Company's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Long Beach Public Transportation Company's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the board of directors and management of the Long Beach Public Transportation Company, its federal awarding agencies and pass-through entities, and other agencies granting funds to the Long Beach Public Transportation Company and is not intended to be and should not be used by anyone other than these specified parties.

*Winder & McCaughy*

Long Beach, California  
October 30, 2009



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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
Long Beach Public Transportation Company

**Compliance**

We have audited the compliance of Long Beach Public Transportation Company with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Long Beach Public Transportation Company's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Long Beach Public Transportation Company's management. Our responsibility is to express an opinion on Long Beach Public Transportation Company's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Long Beach Public Transportation Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Long Beach Public Transportation Company's compliance with those requirements.

In our opinion, Long Beach Public Transportation Company complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of Long Beach Public Transportation Company is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Long Beach Public Transportation Company's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Long Beach Public Transportation Company's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

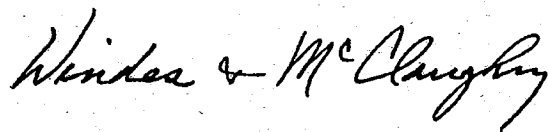
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal and Non-Federal Awards**

We have audited the financial statements of the Long Beach Public Transportation Company as of and for the year ended June 30, 2009 and have issued our report thereon, dated October 30, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal and non-federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Additionally, the accompanying schedule of State of California expenditure awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors and management of the Long Beach Public Transportation Company, its federal awarding agencies, pass-through entities, and other agencies granting funds to Long Beach Public Transportation Company and is not intended to be and should not be used by anyone other than these specified parties.



Long Beach, California  
October 30, 2009

Schedule 1  
**LONG BEACH PUBLIC TRANSPORTATION COMPANY**  
 Schedule of Expenditures of Federal and Non-Federal Awards  
 Year ended June 30, 2009

		Program of Federal Domestic Assistance Catalogue No. 20.507 Department of Transportation Federal Transit Administration			
		CA-90-Y082	CA-90-Y117	CA-90-Y226	CA-90-Y271
<b>Grant Period:</b>					
From		02/28/02	03/21/02	08/26/03	05/19/05
To		Completion	Completion	Completion	Completion
<b>Total grant award(s):</b>					
Federal		\$ 11,356,000	\$ 7,751,180	\$ 11,170,983	\$ 9,982,170
Non-Federal		1,471,292	1,943,559	2,526,887	2,375,547
Total		<u>\$ 12,827,292</u>	<u>\$ 9,694,739</u>	<u>\$ 13,697,870</u>	<u>\$ 12,357,717</u>
<b>Revenues:</b>					
Federal:					
Cash received		\$ 626,935	\$ 266,089	\$ 396,784	\$ 1,275,946
(Accrued) deferred, July 1, 2008		(18,831)	(26,486)	(158,522)	(147,542)
Accrued (deferred), June 30, 2009		---	---	2,916	4,105
Grant revenue recognized		608,104	239,603	241,178	1,132,509
Non-Federal		84,231	59,930	88,662	226,849
Total revenues		<u>\$ 692,335</u>	<u>\$ 299,533</u>	<u>\$ 329,840</u>	<u>\$ 1,359,358</u>
<b>Expenditures:</b>					
Federal		\$ 608,104	\$ 239,603	\$ 241,178	\$ 1,132,509
Non-Federal		84,231	59,930	88,662	226,849
Total expenditures		<u>\$ 692,335</u>	<u>\$ 299,533</u>	<u>\$ 329,840</u>	<u>\$ 1,359,358</u>

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal and Non-Federal Awards and accompanying Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.



## Schedule 1-2

**LONG BEACH PUBLIC TRANSPORTATION COMPANY**

## Schedule of Expenditures of Federal and Non-Federal Awards

Year ended June 30, 2009

Program of Federal Domestic Assistance Catalogue No. 20.507 Department of Transportation Federal Transit Administration				
	CA-90-Y391	CA-90-Y440	CA-90-Y502	CA-90-Y652
<b>Grant Period:</b>				
From	12/15/05	07/24/06	08/17/07	08/04/08
To	Completion	Completion	Completion	Completion
<b>Total grant award(s):</b>				
Federal	\$ 13,354,479	\$ 6,358,401	\$ 14,756,941	\$ 13,051,166
Non-Federal	<u>3,026,551</u>	<u>1,507,494</u>	<u>3,769,727</u>	<u>1,987,866</u>
Total	<u><u>\$ 16,381,030</u></u>	<u><u>\$ 7,865,895</u></u>	<u><u>\$ 18,526,668</u></u>	<u><u>\$ 15,039,032</u></u>
<b>Revenues:</b>				
Federal:				
Cash received	\$ 2,013,813	\$ 3,532,290	\$ 11,481,306	\$ 1,296,798
(Accrued) deferred, July 1, 2008	(47,639)	(185,777)	(1,520,814)	(5,821)
Accrued (deferred), June 30, 2009	<u>159,707</u>	<u>48,285</u>	<u>200,398</u>	<u>155,055</u>
Grant revenue recognized	2,125,881	3,394,798	10,160,890	1,446,032
Non-Federal	<u>491,105</u>	<u>726,768</u>	<u>2,820,604</u>	<u>258,885</u>
Total revenues	<u><u>\$ 2,616,986</u></u>	<u><u>\$ 4,121,566</u></u>	<u><u>\$ 12,981,494</u></u>	<u><u>\$ 1,704,917</u></u>
<b>Expenditures:</b>				
Federal	\$ 2,125,881	\$ 3,394,798	\$ 10,160,890	\$ 1,446,032
Non-Federal	<u>491,105</u>	<u>726,768</u>	<u>2,820,604</u>	<u>258,885</u>
Total expenditures	<u><u>\$ 2,616,986</u></u>	<u><u>\$ 4,121,566</u></u>	<u><u>\$ 12,981,494</u></u>	<u><u>\$ 1,704,917</u></u>

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal and Non-Federal Awards and accompanying Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

Schedule 1-3  
**LONG BEACH PUBLIC TRANSPORTATION COMPANY**  
 Schedule of Expenditures of Federal and Non-Federal Awards  
 Year ended June 30, 2009

**Program of Federal Domestic  
 Assistance Catalogue No. 20.507  
 Department of Transportation  
 Federal Transit Administration**

	<u>CA-95-X040</u>	<u>CA-03-0759</u>	<u>CA-04-0061</u>	<u>JARC</u>
<b>Grant Period:</b>				
From	09/07/07	06/08/06	12/19/07	07/22/04
To	Completion	Completion	Completion	Completion
<b>Total grant award(s):</b>				
Federal	\$ 447,000	\$ 485,888	\$ 1,915,492	\$ 738,198
Non-Federal	230,273	99,520	392,330	738,198
Total	<u>\$ 677,273</u>	<u>\$ 585,408</u>	<u>\$ 2,307,822</u>	<u>\$ 1,476,396</u>
<b>Revenues:</b>				
Federal:				
Cash received	\$ 72,825	\$ 485,888	\$ 1,873,110	\$ 261,754
(Accrued) deferred, July 1, 2008	(4,387)	---	(3,652)	(20,129)
Accrued (deferred), June 30, 2009	1,980	---	42,381	154,710
Grant revenue recognized	70,418	485,888	1,911,839	396,335
Non-Federal	36,276	99,520	391,582	396,335
Total revenues	<u>\$ 106,694</u>	<u>\$ 585,408</u>	<u>\$ 2,303,421</u>	<u>\$ 792,670</u>
<b>Expenditures:</b>				
Federal	\$ 70,418	\$ 485,888	\$ 1,911,839	\$ 396,335
Non-Federal	36,276	99,520	391,582	396,335
Total expenditures	<u>\$ 106,694</u>	<u>\$ 585,408</u>	<u>\$ 2,303,421</u>	<u>\$ 792,670</u>

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal and Non-Federal Awards and accompanying Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

## Schedule 1-4

**LONG BEACH PUBLIC TRANSPORTATION COMPANY**

## Schedule of Expenditures of Federal and Non-Federal Awards

Year ended June 30, 2009

**Program of Federal Domestic  
Assistance Catalogue No. 20.507  
Department of Transportation  
Federal Transit Administration**

	<u>CA-90-0731</u>	<u>CA-96-x007</u>	<u>Totals</u>
<b>Grant Period:</b>			
From	08/04/09	06/29/09	
To	Completion	Completion	
<b>Total grant award(s):</b>			
Federal	\$ 14,960,635	\$ 16,497,214	\$ 122,825,747
Non-Federal	3,558,764	---	23,628,008
Total	<u>\$ 18,519,399</u>	<u>\$ 16,497,214</u>	<u>\$ 146,453,755</u>
<b>Revenues:</b>			
Federal:			
Cash received	\$ ---	\$ ---	\$ 23,583,538
(Accrued) deferred, July 1, 2008	---	---	(2,139,600)
Accrued (deferred), June 30, 2009	71,794	496,563	1,337,894
Grant revenue recognized	71,794	496,563	22,781,832
Non-Federal	244,659	---	5,925,406
Total revenues	<u>\$ 316,453</u>	<u>\$ 496,563</u>	<u>\$ 28,707,238</u>
<b>Expenditures:</b>			
Federal	\$ 71,794	\$ 496,563	\$ 22,781,832
Non-Federal	244,659	---	5,925,406
Total expenditures	<u>\$ 316,453</u>	<u>\$ 496,563</u>	<u>\$ 28,707,238</u>

See accompanying notes to the Schedule of Expenditures of Federal and Non-Federal Awards and accompanying Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

# **LONG BEACH PUBLIC TRANSPORTATION COMPANY**

## **Notes to Schedule of Expenditures of Federal and Non-Federal Awards Year ended June 30, 2009**

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### **(1) General**

The accompanying Schedule of Expenditures of Federal and Non-Federal Awards presents the activity of Federal financial assistance programs of the Long Beach Public Transportation Company.

### **(2) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal and Non-Federal Awards is presented using the accrual basis of accounting, whereby grant revenues are recognized when they are earned and expenses are recognized when they are incurred.

### **(3) Definition of Major Federal Financial Assistant Program**

The Single Audit Act Amendments of 1996 define major Federal award programs based upon total Federal expenditures of the grantee during the period reported and inherent risk of the programs audited. Based on guidelines established by the OMB Circular A-133, the Department of Transportation – Federal Transit Administration Capital and Operating Assistance Formula Grants (CFDA No. 20.507) are collectively considered to be a major Federal financial assistance program for the year ended June 30, 2009. (See summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.)

### **(4) Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree, in all material respects, with the amounts reported in the related federal financial reports taken as a whole.

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Schedule of Findings and Questioned Costs  
Year ended June 30, 2009

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## SECTION I – SUMMARY OF AUDITORS' RESULTS

### Financial Statements

Type of auditors' report issued – Unqualified

### *Internal control over financial reporting*

1. Material weakness(es) identified? – No
2. Significant deficiencies identified that are not considered to be material weakness(es)? – None reported
3. Noncompliance material to financial statements noted? – No

### Federal awards

### *Internal control over major programs*

1. Material weakness(es) identified? – No
2. Significant deficiencies identified that are not considered to be material weakness(es)? – None reported
3. Type of auditors' report issued on compliance for major programs? – Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? – No
5. Identification of major programs: United States Department of Transportation Cluster – Federal Transit Administration Capital and Operating Assistance Formula Grants (CFDA No. 20.507).
6. Dollar threshold used to distinguish between type A and type B programs was \$300,000.
7. Auditee qualified as low-risk auditee? – Yes

## SECTION II – FINANCIAL STATEMENTS FINDINGS

None

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None



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**REPORT ON THE LONG BEACH PUBLIC TRANSPORTATION  
COMPANY'S COMPLIANCE WITH THE STATE OF CALIFORNIA  
TRANSPORTATION DEVELOPMENT ACT**

To the Board of Directors of  
Long Beach Public Transportation Company

We have audited the financial statements of Long Beach Public Transportation Company as of and for the year ended June 30, 2009, and have issued our report thereon, dated October 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the Long Beach Public Transportation Company's financial statements are free of material misstatement, we performed the procedures contained in the Transportation Development Act (TDA) Handbook published by the State of California Department of Transportation, to test the Long Beach Public Transportation Company's compliance with the published rules and regulations of the TDA. Compliance audit procedures performed in accordance with the handbook have been determined to be adequate by the State of California for compliance with the published rules and regulations of the TDA with respect to fiscal and conformance audits of Public Transportation claimants. Such procedures would not necessarily disclose all instances of noncompliance because they were based on selective tests of the accounting records and related data. In addition, providing an opinion on compliance with the published rules and regulations of the TDA was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance, which would lead us to believe that the allocated funds were not expended in conformance with the published rules and regulations of the TDA.

**Schedule of State of California Expenditures of Awards**

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of State of California Expenditures of Awards and the Transportation Development Act - 50% expenditure limitation calculation are presented for purposes of additional analysis as required by the State of California Transportation Development Act and are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors and management of the Long Beach Public Transportation Company, its federal awarding agencies, pass-through entities, and other agencies granting funds to Long Beach Public Transportation Company and is not intended to be and should not be used by anyone other than these specified parties.

*Windes & McClaughey*

Long Beach, California  
October 30, 2009

Schedule 2  
**LONG BEACH PUBLIC TRANSPORTATION COMPANY**  
 Schedule of State of California Expenditures of Awards  
 Year ended June 30, 2009

		State of California Southern California Association of Governments SB-325			
		CA-90-Y082	CA-90-Y117	CA-90-Y226	CA-95-X040
Grant Period:					
From		02/28/01	03/21/02	08/26/03	09/07/07
To		Completion	Completion	Completion	Completion
<b>Total grant award(s):</b>					
TDA 00/01		\$ 203,696	\$ 46,245	\$ ---	\$ ---
TDA 01/02		1,267,596	1,319,921	---	---
TDA 02/03		---	---	2,739,574	---
TDA 05/06		---	---	---	203,182
STA 99/00		---	1,730	---	---
STA 00/01		---	569,899	---	---
Total		<u>\$ 1,471,292</u>	<u>\$ 1,937,795</u>	<u>\$ 2,739,574</u>	<u>\$ 203,182</u>
<b>Revenues:</b>					
State:					
Cash received		\$ 86,674	\$ 65,134	\$ 127,690	\$ 33,103
(Accrued) deferred, July 1, 2008		(2,443)	(5,202)	(39,633)	(1,994)
Accrued (deferred), June 30, 2009		---	---	605	900
Total revenues		<u>\$ 84,231</u>	<u>\$ 59,932</u>	<u>\$ 88,662</u>	<u>\$ 32,009</u>
<b>Expenditures:</b>		<u>\$ 84,231</u>	<u>\$ 59,932</u>	<u>\$ 88,662</u>	<u>\$ 32,009</u>

(Continued)

See accompanying Report on the Long Beach Public Transportation Company's Compliance with the State of California Transportation Development Act.

## Schedule 2-1

**LONG BEACH PUBLIC TRANSPORTATION COMPANY**

## Schedule of State of California Expenditures of Awards

Year ended June 30, 2009

State of California  
Southern California Association  
of Governments SB-325

	<u>LTF Art. 4</u>	<u>STA 06/07</u>	<u>STA 07/08</u>	<u>STA 08/09</u>
<b>Grant Period:</b>				
From	07/01/08	07/01/06	07/01/07	07/01/08
To	Completion	Completion	Completion	Completion
<b>Total grant award(s):</b>				
TDA 08/09	\$ 19,808,863	\$ ---	\$ ---	\$ ---
STA 06/07	---	6,789,516	---	---
STA 07/08	---	---	4,217,302	---
STA 08/09	---	---	---	1,457,776
<b>Total</b>	<u>\$ 19,808,863</u>	<u>\$ 6,789,516</u>	<u>\$ 4,217,302</u>	<u>\$ 1,457,776</u>
<b>Revenues:</b>				
State:				
Cash received	\$ 19,808,863	\$ ---	\$ 2,108,650	\$ 730,362
(Accrued) deferred, July 1, 2008	---	3,446,247	(2,108,650)	---
Accrued (deferred), June 30, 2009	---	(1,093,370)	---	727,414
<b>Total revenues</b>	<u>\$ 19,808,863</u>	<u>\$ 2,352,877</u>	<u>\$ ---</u>	<u>\$ 1,457,776</u>
<b>Expenditures:</b>	<u>\$ 19,808,863</u>	<u>\$ 2,352,877</u>	<u>\$ ---</u>	<u>\$ 1,457,776</u>

(Continued)

See accompanying Report on the Long Beach Public Transportation Company's Compliance with the State of California Transportation Development Act.



## Schedule 2-2

**LONG BEACH PUBLIC TRANSPORTATION COMPANY**

Schedule of State of California Expenditures of Awards  
Year ended June 30, 2009

**State of California  
Southern California Association  
of Governments SB-325**

<b>Grant Period:</b> From To	<b>1B PTMISEA</b>	<b>1B SEC 07/08</b>	<b>Totals</b>
	06/05/08 Completion	08/11/08 Completion	
<b>Total grant award(s):</b>			
TDA 00/01	\$ ---	\$ ---	\$ 249,941
TDA 01/02	---	---	2,587,517
TDA 02/03	---	---	2,739,574
TDA 05/06	---	---	203,182
TDA 08/09	---	---	19,808,863
STA 99/00	---	---	1,730
STA 00/01	---	---	569,899
STA 06/07	---	---	6,789,516
STA 07/08	---	---	4,217,302
STA 08/09	---	---	1,457,776
1B PTMISEA 07/08	3,710,249	---	3,710,249
Bond Interest 08/09	88,529	---	88,529
1B SEC 07/08	---	371,111	371,111
<b>Total</b>	<b>\$ 3,798,778</b>	<b>\$ 371,111</b>	<b>\$ 42,795,189</b>
<b>Revenues:</b>			
State:			
Cash received	\$ 88,529	\$ 371,111	\$ 23,420,116
(Accrued) deferred, July 1, 2008	3,710,249	---	4,998,574
Accrued (deferred), June 30, 2009	(3,798,778)	(130,113)	(4,293,342)
<b>Total revenues</b>	<b>\$ ---</b>	<b>\$ 240,998</b>	<b>\$ 24,125,348</b>
<b>Expenditures:</b>	<b>\$ ---</b>	<b>\$ 240,998</b>	<b>\$ 24,125,348</b>

See accompanying Report on the Long Beach Public Transportation Company's Compliance with the State of California Transportation Development Act.

# **LONG BEACH PUBLIC TRANSPORTATION COMPANY**

Notes to Schedule of State of California Expenditures of Awards  
Year ended June 30, 2009

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## **(1) General**

The accompanying Schedule of State of California Expenditures of Awards presents the activity of State of California financial assistance programs of the Long Beach Public Transportation Company.

## **(2) Basis of Accounting**

The accompanying Schedule of State of California Expenditures of Awards is presented using the accrual basis of accounting, whereby grant revenues are recognized when they are earned and expenses are recognized when they are incurred.

## **(3) Relationship to Long Beach Public Transportation Company Financial Reports**

Amounts reported in the accompanying schedule agree, in all material respects, with the amounts reported in the related Long Beach Transportation Company financial reports taken as a whole.

Schedule 3  
**LONG BEACH PUBLIC TRANSPORTATION COMPANY**  
Transportation Development Act - 50% Expenditure Limitation Calculation  
Year ended June 30, 2009

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Total operating costs, excluding depreciation	\$ 68,130,611
Add:	
Depreciation	14,009,081
Capital outlay expenditures	<u>28,744,925</u>
	<u>42,754,006</u>
Less:	
Federal grants received	23,583,538
Local Transportation funds - capital intensive received	312,601
State Transit Assistance funds - capital intensive received	<u>---</u>
	<u>23,896,139</u>
Total	<u>86,988,478</u>
50% of total	43,494,239
Add total Local Transportation funds - capital intensive received	<u>312,601</u>
Total permissible expenditures - (Local Transportation funds)	<u><u>\$ 43,806,840</u></u>

See accompanying Independent Auditor's Report on the Long Beach Public Transportation Company's Compliance with the State of California Transportation Development Act.



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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

To the Board of Directors of  
Long Beach Public Transportation Company

Long Beach Public Transportation Company (Long Beach Transit) is eligible to receive grants under Section 9 of the Urban Mass Transportation Act of 1964, as amended, and in connection therewith, Long Beach Transit is required to report certain information to the Federal Transit Administration (FTA). Furthermore, we understand that Long Beach Transit has contracted with Catalina Express and Taxi Systems, Inc. for specific mass transportation services.

The FTA has established the following standards with regard to the data reported in the Urbanized Area Formula Statistics Form (FFA-10) of Long Beach Transit's annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with 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 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 accuracy of the data collection process and to ensure 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 meet FTA requirements.
- The deadhead miles as computed appear to be accurate.
- Data as reported is consistent with prior reporting periods and appears reasonable based upon Long Beach Transit's operations.

We have performed the procedures enumerated in the attachment to this report on the data contained in Long Beach Transit's Urbanized Area Formula Statistics Form (FFA-10) for the fiscal year ended June 30, 2009, solely to assist the management of Long Beach Transit in evaluation whether Long Beach Transit complied with the standards described in the second paragraph of this report and whether the information included in the NTD report Urbanized Area Formula Statistics Form (FFA-10) is presented in conformity with the requirements of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting Systems, as specified in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the 2009 Reporting Manual. Long Beach Transit's management is responsible for the Urbanized Area Formula Statistics Form (FFA-10).

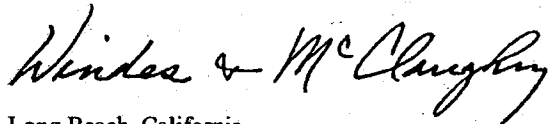
This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attachment either for the purpose for which this report has been requested or for any other purpose.

The procedures described in the attachment to this report were applied separately to the information systems used to develop the reported vehicle revenue miles, passenger miles, and operating expenses of Long Beach Transit for the fiscal year ended June 30, 2009 for each of the following modes:

- Fixed route directly operated transportation service,
- Purchased Transportation – Water Taxi (ferry boats) operations is provided by Catalina Express
- Purchased Transportation – Demand responsive service provided by Taxi Systems, Inc. for residents of Long Beach, Signal Hill and Lakewood who are at least 18 years old and are unable to use Long Beach Transit's fixed route systems because of permanent mobility impairment.

The results of the procedures performed are included in the accompanying attachment. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Long Beach Transit's NTD report Urbanized Area Formula Statistics Form (FFA-10) for the fiscal year ended June 30, 2009, which is presented in conformity with the requirements of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting Systems, as specified in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the 2009 Reporting Manual. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the information described above and does not extend to Long Beach Transit's financial statements, or the forms in Long Beach Transit's NTD report other than the Urbanized Area Formula Statistics Form (FFA-10), for any date or period.

This report is intended solely for the information and use of the board of directors and management of the Long Beach Public Transportation Company and the FTA, and is not intended to be and should not be used by anyone other than those specified parties.



Long Beach, California  
October 30, 2009

## AGREED-UPON PROCEDURES

- A. *Obtain and read a copy of written procedures related to the system for reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2009 Reporting Manual. If procedures are not written, discuss the procedures with the personnel assigned responsibility of supervising the NTD data preparation and maintenance.*

We were informed Long Beach Public Transportation Company (LBT) does not have formal written policies and procedures relating to the system for reporting and maintaining transit data for the NTD. Specific procedures in completing the NTD report were discussed with personnel responsible for completing and/or supervising the process. Personnel interviewed include the following:

- Service Development Planning Manager
- Service Development Planner
- Service Development Planner, Assistant
- Grants and Revenue Manager

- B. *Discuss the procedures (written or informal) with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data to determine:*

- *The extent to which the transit agency followed the procedures on a continuous basis, and*
- *Whether they believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2009 Reporting Manual.*

We discussed the procedures with LBT personnel and were informed the informal procedures to complete the NTD report are the same guidelines issued by NTD in 49CFR Part 630. Those procedures are followed continuously such that the accumulation and data reported is consistent with NTD definitions and requirements set forth in 49 CFR Part 630, and as presented in the 2009 Reporting Manual.

- C. *Inquire of same person concerning the retention policy that is followed by the transit agency with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics form (FFA-10).*

We discussed the retention policy with LBT personnel and determined that source documents supporting the data reported on the FFA-10 is maintained for a minimum of five years, which exceeds the three year minimum required by NTD.

- D. *Based on a description of the transit agency's procedures obtained in items A and B above, identify all the source documents which are to be retained by the transit agency for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.*

We discussed with LBT personnel and noted the following source documents are maintained for five years, which exceeds the three years minimum required by NTD:

- Passenger Miles Sampling (Trip Sheets)
- Fixed Guideway Directional Route Mile
- Operating Expenses
- Contractual Agreement for Purchased Transportation

We reviewed the source documents maintained by LBT and observed that source documents existed and was organized in folders by month.

## AGREED-UPON PROCEDURES

- E. *Discuss the system of internal controls with the person responsible for supervising and maintaining the NTD data. Inquire whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed.*

We discussed with LBT personnel about internal controls and determined the following personnel were involved with the NTD reporting process:

- Operations Specialist will enter survey data (passenger count and passenger mile) collected from the random surveys into an Access database.
- Service Development Planner, Assistant extracts the data from Access and summarizes the data onto worksheets formatted similar to the NTD reports.
- Service Development Planner reviews the summaries for reasonableness.

- F. *Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how the supervisors' reviews are documented.*

Discussions with LBT personnel indicated that supervisors' signatures are not required to document the review of source documents. LBT does not have formal procedures requiring supervisors to document their review. However, all source documents and summaries prepared for NTD reporting are reviewed by the Service Development Planner for reasonableness prior to submission.

- G. *Obtain the worksheets utilized by the transit agency to prepare the final data that are transcribed onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summarizations.*

We obtained the worksheets utilized by LBT to summarize the final data that are transcribed onto the FFA-10 form. We compared to the worksheets to the FFA-10 form and noted no exceptions. We also tested the arithmetical accuracy of the summary and noted no exceptions.

- H. *Discuss the transit agency's procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure used is (1) a 100% count of actual PMT or (2) an estimate of PMT based on statistical sampling meeting FTA's 95% confidence and 10% precision requirements. If the transit agency conducts a statistical sample for estimating passenger miles, inquire whether the sampling procedure is (1) one of the two procedures suggested by FTA and described in FTA Circulars 2710.1A or 2710.2A; or (2) an alternative sampling procedure if the transit agency uses an alternative sampling procedure, inquire whether the procedure has been approved by FTA or whether a qualified statistician has determined that the procedure meets FTA's statistical requirements. Note as a negative finding in the report use of an alternative sampling procedure that has not been approved in writing by a qualified statistician.*

Discussed with LBT personnel about procedures for accumulating passenger mile data and was informed that a statistical sampling is used for their regular routes and 100% for Passport routes. LBT utilizes statistical sampling procedures approved in FTA circular 2710.1A, which is taking three samples every other day.

## AGREED-UPON PROCEDURES

- I. *Discuss with transit agency staff (the accountant may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets one of the three criteria that allow transit agencies to conduct statistical samples for accumulating passenger mile data every third year rather than annually. Specifically:*
1. *According to the 2000 Census, the public transit agency serves an urbanized area (UZA) of less than 500,000 population.*
  2. *The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size urbanized area (UZA)).*
  3. *The service is purchased from a seller operating fewer than 100 revenue vehicles in annual maximum revenue service, and is included in the transit agency's NTD report.*

*For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2009) and determine that statistical sampling was conducted and meets the 95% confidence and  $\pm 10\%$  precision requirements.*

*Determine how the transit agency estimated annual passenger miles for the current report year.*

We discussed with LBT personnel about the eligibility to conduct statistical sampling of passenger miles every third year and were informed that LBT has chosen to perform statistical sampling on an annual basis. Statistical sampling was utilized to determine passenger miles in the current reporting year.

- J. *Obtain a description of the sampling procedure for estimation of passenger mile data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the average trip length was used, determine that the universe of runs was used as the sampling frame. Determine that the methodology to select specific runs from the universe resulted in a random selection of runs. If a selected sample run was missed, determine that a replacement sample run was randomly selected. Determine that the transit agency followed the stated sampling procedure.*

We discussed with LBT personnel about sampling procedures and were informed that LBT utilizes procedures approved in FTA circular 2710.1A, which is taking three samples every other day. We were also informed the sample is taken from the entire route universe. A random generator built into the scheduling software will randomly select the routes to be sampled. If the route was missed, another route is selected from the generator.



## AGREED-UPON PROCEDURES

- K. Select a random sample of the source documents for accumulating passenger mile data and determine that they are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summarization.*

We haphazardly selected a sample of 25 source documents (trip sheets) for accumulating passenger mile data for fiscal year 2009 and inspected the documents to determine if all required data were recorded and the computations were accurately performed and no exceptions were noted for the sample selected.

	<u>Date</u>	<u>PTN</u>	<u>Route</u>
1	7/11/2008	1511968	102
2	7/21/2008	1512466	172
3	8/10/2008	1515547	46
4	9/5/2008	1512335	173
5	9/7/2008	1513815	51
6	9/15/2008	1511969	102
7	9/29/2008	1510881	46
8	10/12/2008	1514835	22
9	10/22/2008	1511010	46
10	11/1/2008	1512899	22
11	11/20/2008	1510297	31
12	11/20/2008	1511645	94
13	12/23/2008	1512414	173
14	12/27/2008	2225159	173
15	1/6/2009	1511254	61
16	1/20/2009	1509905	1
17	2/3/2009	1511617	94
18	2/23/2009	1511923	101
19	2/23/2009	1510272	32
20	3/3/2009	1511280	62
21	4/12/2009	1515835	94
22	4/30/2009	2473325	31
23	5/16/2009	2294279	173
24	6/19/2009	1512171	111
25	6/27/2009	1514198	112

- L. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with transit agency staff and determine that stated procedures are followed. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.*

We discussed with LBT personnel about the excluding charter, school buses, and other ineligible vehicle miles from the calculation of actual vehicle miles and noted that LBT does provide chart services but no school buses. We obtained worksheets documenting the calculation of vehicle miles and noted that charter miles and training miles are excluded from the calculations. Charter and training miles were maintained on worksheets by Customer Service Department and Training Department, respectively. We reviewed the worksheets maintained to track charter and training miles and test for arithmetical accuracy. No exceptions were noted.

## AGREED-UPON PROCEDURES

- M. *For actual vehicle revenue mile (VRM) data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:*

*If actual vehicle revenue miles (VRM) are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated and re-compute the daily total of missed trips and missed vehicle revenue miles. Test the arithmetical accuracy of the summarization.*

- *If actual vehicle revenue miles (VRM) are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summarization of intermediate accumulations.*
- *If actual vehicle revenue miles (VRM) are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA's definitions.*

Discussed the methodology of calculating vehicle revenue miles with LBT personnel and determined the calculation is based on time schedules of each route. Worksheets are utilized by LBT to track VRM on a monthly basis. For each month, we vouched the miles back to summary reports (Time & Mile Report) prepared by the Scheduling Department. We also tested the mathematical accuracy of the worksheet and noted no exceptions. LBT will then multiply the monthly total by a ratio (total vehicle miles vs. scheduled service miles) to determine the final VRM to be reported on NTD. We recalculated the computation and noted no exceptions.

- N. *For rail modes, review the recording and accumulation sheets for actual vehicle revenue miles (VRM) and determine that locomotive miles are not included in the computation.*

We discussed with LBT personnel and determine LBT does not operate rail modes or have locomotive miles. As such, this procedure does not apply for the current reporting period.

- O. *If fixed guideway directional route miles (FG DRM) are reported, interview the person responsible for maintaining and reporting the NTD data whether the operations meet FTA's definition of fixed guideway (FG) in that the service is:*

- *Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR) or*
- *Bus (MB) service operating over exclusive or controlled access rights-of-way (ROW), and*
  - *Access is restricted*
  - *Legitimate need for restricted access is demonstrated by peak period level of service D or worse on parallel adjacent highway, and*
  - *Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation (see Fixed Guideway Segments form (S-20))*
  - *High Occupancy / Toll (HO/T) lanes meet FHWA requirements for traffic flow and use of toll revenues, and that the transit agency has provided to NTD a copy of the State's certification to the US Secretary of Transportation that it has established a program for monitoring, assessing and reporting on the operation of the HOV facility with HO/T lanes.*

We discussed with LBT personnel and determined that fixed guideway directional miles are reported on the NTD. The fixed guideway is a segment located on 1<sup>st</sup> Street between Pacific and Long Beach Blvd. and meets FTA's definition of fixed guideway in that the bus service operates over a controlled access right-of-way, the access is restricted, legitimate need for restricted access is demonstrated by peak period level of service D, and the restricted access is enforced by Long Beach Police.

## AGREED-UPON PROCEDURES

- P. Discuss the measurement of fixed guideway directional route miles (FG DRM) with the person reporting the NTD data and determine that the mileage is computed in accordance with FTA's definitions of fixed guideway (FG) and directional route miles. Inquire whether there were service changes during the year that resulted in an increase or decrease in directional route miles (DRM). If a service change resulted in a change in overall directional route mileage (DRM), re-compute the average monthly directional route miles (DRM), and reconcile the total to the fixed guideway directional route miles (FG DRM) reported on the Federal Funding Allocation Statistics form (FFA-10).

The auditor should inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a fixed guideway (FG) segment(s), the following apply:

- Directional route miles (DRM) for the segment(s) should be reported for the entire report year if the interruption is less than 12 months in duration. The months of operation on the Fixed Guideway Segments form (S-20) should be reported as 12. The transit agency should have completed a Form Note describing the interruption.
- If the improvements cause a service interruption on the fixed guideway segment(s) directional route miles (DRM) lasting more than 12 months, the transit agency should contact their validation analyst to discuss. FTA will make a determination on how the directional route miles (DRM) should be reported.

We discussed with LBT personnel and determined the identification and measurement of the FG DRM is performed in accordance with FTA guidance. The fixed guideway segment has been the same for years and there were no service changes or interruptions that would have increased or decreased the segment directional miles.

- Q. Measure fixed guideway directional route miles (FG DRM) from maps or by retracing route.

We discussed with LBT personnel about how fixed guideway directional route miles are measured and were informed LBT utilizes a computer mapping system to measure the mileage. We verified the segment measurement reported on the NTD report agreed with the measurement per the mapping software.

- R. Discuss with the person reporting the NTD data whether other public transit agencies operate service over the same fixed guideway (FG) as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency(ies) such that the directional route miles (DRM) for the segment of fixed guideway (FG) are reported only once to the NTD on the Federal Funding Allocation Statistics form (FFA-10). Each transit agency should report the actual vehicle revenue miles (VRM), passenger miles and operating expense (OE) for the service operated over the same fixed guideway.

We discussed with LBT personnel and determined that two other public transit agencies utilize the fixed guideway. LBT personnel have informed us that adequate coordination exists such that operations in the fixed guideway are reported only once.

## AGREED-UPON PROCEDURES

- S. *Review the Fixed Guideway Segments form (S-20). Discuss the commencement date of revenue service for each fixed guideway (FG) segment with the person reporting the NTD data and determine that the date is reported as when revenue service began. This is the opening date of revenue service, even though the transit agency may not have been the original operator. Review the form in Internet Reporting and determine that the information has been properly entered. There should be a date for segments put into revenue service on or after September 30, 2002. If the segments opened earlier, the date may be left blank indicating segments older than seven years. However, if a date was entered in the prior report year, it should not be removed. Segments are summarized by like characteristics. Note that for apportionment purposes under the Capital Program for Fixed Guideway Modernization, the seven-year age requirement for fixed guideway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document a revenue service start date prior to the current NTD report year, FTA will only consider segments continuously reported to NTD.*

We discussed with LBT personnel and determined LBT has one fixed guideway segment located on 1<sup>st</sup> Street between Pacific and Long Beach Boulevard. This segment has been in service since 1963 and has not been changed or altered during the reporting year. We obtained and reviewed the S-20 and determined the data has been entered correctly.

- T. *Compare operating expenses with audited financial data, after reconciling items are removed.*

We discussed with LBT personnel and determined that operating expense reported on the NTD is taken directly from the audited financial data. We compared operating expense reported on the NTD to the audited financial data and noted no exceptions.

- U. *If the transit agency purchases transportation services, interview the personnel reporting the NTD data regarding the amount of purchased transportation (PT) generated fare revenues. The purchased transportation (PT) fare revenues should equal the amount reported on the Contractual Relationship form (B-30).*

We discussed with LBT personnel and determined fare revenues from purchased transportation services are recorded and tracked in LBT's accounting records. The amount on the accounting records equals the amount reported on the Contractual Relationship form (B-30).

- V. *If the transit agency's report contains data for purchased transportation (PT) services and assurances of the data for those services is not included, obtain a copy of the Independent Auditor Statement for Federal Funding Allocation data of the purchased transportation (PT) service. Attach a copy of the statement to the report. Note as an exception if the transit agency does not have an Independent Auditor Statement (IAS) for the purchased transportation (PT) data.*

We discussed with LBT personnel and determined transportation services are purchased from Taxi Systems, Incorporated, which does not file its own NTD report and data for those riders are included in LBT's NTD report. As such, an Independent Auditor Statement is not necessary.

## AGREED-UPON PROCEDURES

- W. *If the transit agency purchases transportation (PT) services, obtain a copy of the purchased transportation (PT) contract and determine that the contract (1) specifies the specific public transportation services to be provided; (2) specifies the monetary consideration obligated by the transit agency or governmental unit contracting for the service; (3) specifies the period covered by the contract and that this period is the same as, or a portion of, the period covered by the transit agency's NTD report; and (4) is signed by representatives of both parties to the contract. Interview the person responsible for maintaining the NTD data regarding the retention of the executed contract, and determine that copies of the contracts are retained for three years.*

We discussed with LBT personnel and determined that LBT purchased transportation services from Taxi System, Incorporated. We obtained and reviewed a copy of the contract and determined the contract (1) specifies the services to be provided; (2) specifies the monetary consideration; (3) specifies the period covered; (4) is signed by both parties; and (5) the contract is retained in the Purchasing department at the end of the contract for three years.

- X. *If the transit agency provides service in more than one urbanized area (UZA), or between an urbanized area (UZA) and a non-urbanized area (non-UZA), inquire of the person responsible for maintaining the NTD data regarding the procedures for allocation of statistics between urbanized areas (UZA) and non-urbanized areas (non-UZA). Agencies that operate service in both within a UZA and outside of a UZA (non-UZA) will report to the 2009 Annual NTD database. Agencies who operate service only in a non-UZA should report the 2009 NTD Rural Report. Obtain and review the fixed guideway (FG) segment worksheets, route maps and urbanized area (UZA) boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.*

We discussed with LBT personnel and determined that LBT only provides services in one urbanized area and does not allocate between urbanized and nonurbanized areas.

- Y. *Compare the data reported on the Federal Funding Allocation Statistics form (FFA-10) to comparable data for the prior report year and calculate the percentage change from the prior year to the current year. For actual vehicle revenue mile (VRM), passenger mile, or operating expense (OE) data that have increased or decreased by more than 10%, or fixed guideway directional route mile (FG DRM) data that have increased or decreased by more than 1%, interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor, but not by FTA.*

We compared the vehicle revenue mile, passenger mile, and operating expense data reported on the current FFA-10 form to comparable data reported for the prior reporting period, calculated the percentage changed between the years, and noted no increases or decreases by more than 10%. We also compared the fixed guideway data reported on the current FFA-10 form to comparable data reported in prior reporting periods and noted an increase of 4%. LBT personnel have indicated the increase was a result of additional routes and buses utilizing the fixed guideway.