

URBAN MASS TRANSPORTATION INDUSTRY UNIFORM SYSTEM OF ACCOUNTS AND RECORDS AND REPORTING SYSTEM



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VOLUME I – GENERAL DESCRIPTION

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Preface

This report presents the uniform system of accounts and records and reporting system required by Section 15 of the Urban Mass Transportation Act of 1964, as amended.

This report is presented in four volumes:

Volume I - GENERAL DESCRIPTION presents an overview of the systems, and an identification of the analytical potential provided by comparative data generated by the systems.

Volume II - UNIFORM SYSTEM OF ACCOUNTS AND RECORDS contains the definitions for the uniform systems of accounts and records.

Volume III - REPORTING SYSTEM FORMS AND INSTRUCTIONS - REQUIRED contains illustrative forms for each of the reports required to be submitted under Section 15 and instructions for completing those forms.

Volume IV - REPORTING SYSTEM FORMS AND INSTRUCTIONS - VOLUNTARY contains illustrative forms and instructions for optional revenue and expense reporting. The voluntary reports in Volume IV are more detailed than their counterparts in Volume III. Operators may elect one or more of the optional reports in Volume IV in place of counterpart reports in Volume III.

GENERAL DESCRIPTION

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VOLUME II - UNIFORM SYSTEM OF ACCOUNTS AND RECORDS
(Bound in separate volume)

VOLUME III - REPORTING SYSTEM FORMS AND INSTRUCTIONS - REQUIRED
(Bound in separate volume)

VOLUME IV - REPORTING SYSTEM FORMS AND INSTRUCTIONS - VOLUNTARY
(Bound in separate volume)

CHAPTER 1

INTRODUCTION

1. INTRODUCTION

1.1 Purpose of this Report

Section 15(a) of the Urban Mass Transportation Act of 1964, as amended, reads, in part, as follows:

"Section 15. (a) The Secretary shall by January 10, 1977, develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by uniform categories and a uniform system of accounts and records. Such systems shall be designed to assist in meeting the needs of individual public mass transportation systems, Federal, State, and local governments, and the public for information on which to base planning for public transportation services, and shall contain information appropriate to assist in the making of public sector investment decisions at all levels of government..."

The above passage identifies the following requirements:

- (1) A reporting system which accumulates (and reports) public mass transportation financial and operating information by uniform categories, and
- (2) A uniform system of accounts and records.

The purpose of this report is to present the detailed features of these systems.

1.2 Need for Financial and Operating Data Industry Trends

Soaring costs and declining ridership over the last two decades left the transit industry unable to finance operations from farebox revenues. Most private operators sold their transit properties to public agencies to be run by the agency; worked out management contracts with public agencies (leaving ownership with the public agencies); or, abandoned transit operations completely.

The fact that public agencies have purchased or otherwise taken over the operations rather than let them perish is highly important. In most urban areas, a minimum level of public transit service is essential for transportation of those who

cannot, should not, or prefer not to drive an automobile. Moreover, most urban areas have instituted policies to discourage the use of the automobile in favor of public transit in order to reduce fuel consumption and air pollution.

The increase in public ownership of the transit systems and the resulting increase in the financial burden on local taxpayers have forced local agencies to carefully reexamine their urban transportation systems in the context of the other public services offered. Federal and state governmental agencies have also increased their urban transportation planning and programming activities, partly in recognition of the need to assist local governments in solving their specific problems, but also in recognition of the fact that reduction in fuel consumption, air pollution and other negative impacts of the private automobile are state-wide and nation-wide problems which transcend local communities. Improved public transit policies and programs that induce increased public transit ridership have now become important instruments of state and national policy. The recent changes in legislation and increases in financial assistance for urban public mass transportation verify this point.

The consequence of increased governmental participation is a substantial increase in analytical activity at all levels of government. This analytical activity, in turn, has increased the need for uniform, consistent and accurate data to be provided by the respective transit systems (especially financial and operating data). Several types of analyses are being performed that require financial and operating data at various levels of detail. For example, the analysis of the causes of cost increases requires a breakdown of costs by type of expenditure (e.g., labor, materials, etc.). The analyses of operating efficiency requires a breakdown of costs by function (vehicle operations, maintenance, etc.). Both of these forms of analyses require relevant operating data (resources used, service supplied, passengers carried, passenger miles, etc.) in order to place the analyses on a comparable basis and to analyze the physical inputs and outputs relative to costs.

The level of detailed data required for these analyses varies according to the level at which the planning and programming is performed. In most instances, local agencies would require the most detail, the states would require somewhat less detail, and the Federal government would require the least amount of detail. This, of course, was an aspect which was considered in the reporting system design. It is mentioned here to emphasize the point that the analytical and, therefore, the data requirements vary considerably. Moreover, according to Section 15,

"... Such systems (i.e., the reporting system) shall be designed to assist in meeting the needs of individual public mass transportation systems, Federal, State, and local governments, and the public"

Therefore, the reporting system designed to satisfy the Section 15 requirement included a sufficient level of detail to assist the different types of users.

Impact of Transportation Improvement Program

Recent Department of Transportation rules and regulations relating to the urban transportation planning process also impact the nature, use and level of detail of mass transportation financial and operating information.^{1/} Specifically, paragraph 450.120(a)(8)(vi) of the publication cited requires that:

"The urban transportation planning process shall ...

(8) Include the following technical activities to the degree appropriate for the size of the metropolitan area and the complexity of its transportation problems:

... (vi) Monitoring and reporting of urban development and transportation indicators and a regular program of reappraisal of the transportation plan...."^{2/}

This indicates that (1) the financial and operating data developed by the systems should provide a basis for the development of transportation indicators for the metropolitan area, and (2) the data needs may vary with the size of the metropolitan area and the system should be designed to meet these varying needs.

Reporting Systems Prior to Section 15

For many years, the American Public Transit Association (APTA) has been collecting financial and operating statistics from its membership. This reporting system has been the main source of comparative information for transit system

^{1/} Part II: Department of Transportation, Federal Highway Administration, Urban Mass Transportation Administration, "Transportation Improvement Program," Federal Register. Vol. 40, No. 181 - Wednesday, September 17, 1975.

^{2/} Underscore added.

operators, the research community and governmental planning and programming agencies and has been the basis for national estimates of operating deficits, transit passengers and other general measures of the status of the industry.

This system has limitations which have been recognized by the Association and industry users for many years. Its main limitations lie in the basic structure of the reporting elements, a lack of precision in data element definitions, and a lack of conformity by data suppliers to the system with respect to data submissions. In other words, the APTA system does not provide the scope, uniformity, consistency and accuracy that would be desirable for current and future analytical requirements.

Organizations other than APTA have also attempted to develop financial and operating data reporting systems. The Michigan Department of Commerce, Bureau of Transportation, contracted with the American Academy of Transportation, Ann Arbor, Michigan, for the development of a reporting system for the State of Michigan. Similar efforts have been or are being conducted in the States of Wisconsin and Pennsylvania. The Michigan project stopped short of developing standard definitions for the reporting categories.

Some states and local agencies require transit operators to report under the ICC chart of accounts or a variation of that system, but there is little uniformity in the reporting requirements. Moreover, the ICC system of accounts for public transit operations, which is one of the reporting systems used for reporting to APTA, suffers from some of the same deficiencies as the APTA system.

The transit industry, its representative Association, governmental agencies and Congress, and the research community in general recognize that reporting systems have been inadequate for present and future policy and planning needs. That recognition was a major factor in establishment of the Section 15 requirements.

The Need for Financial and Operating Data Systems: Conclusions

The foregoing discussion leads to the following conclusions with respect to the need for uniform financial and operating data reporting systems and systems of accounts and records:

- (1) The need for urban public transportation financial and operating data has increased with the increased public responsibility for transit operations and a higher degree of subsidization by government agencies.
- (2) The spectrum of users of the information includes Federal, state and local government agencies, transit system operators, and the research community in general.
- (3) Current reporting systems and systems of accounts and records are inadequate with respect to meeting present and future needs of these users.
- (4) The new system of accounts and records should provide the scope, uniformity, consistency and accuracy needed by the spectrum of users.

1.3 Minimization of Burden on Data Suppliers

Although there is a clear need for vast amounts of public transportation information, there is also a need to minimize the burden on the information suppliers. In recognition of the need to minimize the reporting burden as well as to improve the data base, industry participation in the design of the systems has been at a very high level. An Industry Control Board (ICB) consisting of industry operating managers, financial administrators, and representatives of metropolitan and state planning agencies has carefully reviewed the design of the Section 15 system of accounts and records and reporting system and actively participated in its development. In addition, operators not represented by the ICB have been briefed on the system and their views have been incorporated.

From the beginning, a major objective of the industry has been to develop a single system which would be adopted by, and satisfy the requirements of, all levels of government. This would substantially reduce the reporting burden of transit operators. The participants in the project recognized early in this effort that in order to prescribe the most meaningful data for purposes of analyses, the system of accounts would be more detailed than the systems currently maintained by most transit operators. However, the participants also recognized that there was a limit to the level of detail which could be mandated by a Federal agency under the constraints of the Federal Reports Act of 1942. Thus the participants were faced with the dilemma of needing detailed information to satisfy the requirement of all levels of government and being unable to mandate the detailed requirements at the Federal government level. The solution was

to mandate a less detailed reporting requirement under Section 15 but to provide the option for transit systems subject to Section 15 to substitute more detailed reports in place of the required reports under Section 15. Thus, with the assistance of industry and planning agency representatives, the systems in this report have been subjected to analysis with respect to data needs and requirements versus what the industry would tolerate and what the Federal government could mandate with respect to the reporting, accounting and recordkeeping burden.

The Section 15 systems represent a comprehensive set of data elements that can be defined and reported on a uniform basis throughout the transit industry. As such, it is the intent of the industry that the Section 15 systems satisfy the reporting requirements for a nationwide industry reporting system. However, there may be more detailed reporting requirements that cannot be satisfied by a uniform industry-wide reporting system. Route profitability and transportation scheduling are two examples of areas where specific requirements of agencies and operators can best be met by systems outside the Section 15 uniform system of accounts and records and the reporting system.

1.4 Relationship of Section 15 to Project FARE

In the spring of 1971, the American Transit Association (ATA) and the Institute for Rapid Transit (IRT) submitted a grant request to the Urban Mass Transportation Administration (UMTA) defining a proposed project to develop a uniform industry reporting system. This industry proposal was eventually modified and refined by UMTA, with industry participation and concurrence, into the formation of Project FARE (Uniform Financial Accounting and Reporting Elements). The project started on March 1, 1972.

The primary objective of Project FARE was to develop and test a reporting system which would accumulate transit industry financial and operating results by uniform categories. The system was to be designed so that it could be eventually implemented on an industry-wide basis. To ensure the feasibility of future implementation, the reporting system was tested for practicality and usefulness at selected operating sites.

The information to be collected through the FARE reporting system had been designed to address the needs of:

- Individual transit systems for comparing their performance with other transit systems with similar characteristics.
- Transit industry associations for monitoring industry performance.

- Federal, state and local government agencies for transit industry analysis and for financial assistance program administration.

The original project FARE was divided into the following major tasks:

- Task I - Identify the information-requirements of the potential users of the system.
- Task II - Survey the capability of selected transit systems to supply the information required.
- Task III - Develop a system of reporting elements for which implementation is currently feasible.
- Task IV - Field test the system concepts at selected transit systems.

Task IV was completed in November, 1973.

One year later, in November, 1974, the Urban Mass Transportation Act was amended to include Section 15 with its requirement for a uniform system of accounts and records and a uniform reporting system.

In December, 1975, UMTA began Task V of Project FARE. As part of that task, UMTA developed the uniform system of accounts and records and uniform reporting system to meet the requirements of Section 15 of the Urban Mass Transportation Act of 1964, as amended. In developing the systems which are presented in this report, UMTA has worked with an Industry Control Board to modify and adapt the FARE system developed in Tasks I-IV to also accommodate the Section 15 requirements which were imposed subsequent to the completion of FARE Task IV.

1.5 Applicability of this Report

This report documents the Section 15 reporting requirements and uniform system of accounts and records for transit operations for all modes of transit service except commuter rail. The modes which are included are defined in Volume II, Section 1.2 of this report. Commuter railroads shall maintain their internal books of account in the manner specified by the Interstate Commerce Commission (ICC). The commuter rail reporting requirements under Section 15 are those prescribed by the Rail Service Planning Office (RSPO) under 49 CFR Part 1127.

1.6 Implementation Schedule

Section 15 of the Urban Mass Transportation Act of 1964, as amended, states that:

"After July 1, 1978, the Secretary shall not make any grant under Section 5 unless the applicant for such grant and any person or organization to receive benefits directly from that grant are each subject to both the reporting system and the uniform system of accounts and records..."

Section 15 reports from the transit operators will be required annually. The operating period covered by the report will be each transit system's fiscal year, and the financial data reported must be subjected to independent audit.

The first report due from each transit system will be 120 days after the first fiscal year-end following July 1, 1978. Thus, the earliest case would be for a property with a fiscal year-end of July 31, 1978. Its first report would be due by November 28, 1978. In order to prepare its report, the property would have to begin collecting data in the new format as of August 1, 1977. The latest case would be for a property with a fiscal year-end of June 30. Its first report would be due October 28, 1979, and it would need to convert to the new system of accounts and records as of July 1, 1978.

Exhibit 1-1 indicates the key dates for accumulating and reporting information, based on a transit system's fiscal year-end date.

In order to collect and report the information required by Section 15, most transit systems will need to effect substantial improvements in their accounting and other information systems. Recognizing this fact, the reporting requirements of Section 15 will be phased; the reporting required for the first year will be less than reporting required for subsequent years. Specifically, the first year requirements differ from subsequent years' requirements in that:

- (1) transit operators are not required to complete the Operators' Wages Subsidiary Schedules (Form 510) in the first year, and
- (2) transit operators are not required to report in the first year the amounts of pension plan assets, vested benefits and unfunded pension liability (Question 3 on Form 593).

EXHIBIT 1-1SECTION 15 REPORTING REQUIREMENTSRECOMMENDED SCHEDULE

<u>If Fiscal</u> <u>Year Ends:</u>	<u>Internal Systems to</u> <u>Support Section 15</u> <u>Should Be in Place as of:</u>	<u>First Report Due to</u> <u>UMTA</u> <u>120 Days after FYE:</u>
7/31	8/1/77	11/28/78
8/31	9/1/77	12/29/78
9/30	10/1/77	1/28/79
10/31	11/1/77	2/28/79
11/30	12/1/77	3/30/79
12/31	1/1/78	4/30/79
1/31	2/1/78	5/31/79
2/28	3/1/78	6/28/79
3/31	4/1/78	7/29/79
4/30	5/1/78	8/28/79
5/31	6/1/78	9/28/79
6/30	7/1/78	10/28/79

1.7 Relationship of Section 15 Systems to
Internal Accounting and Reporting Systems

As stated previously, the Section 15 requirements consist of two systems: a reporting system and a system of accounts and records. The main purpose of the system of accounts and records is to insure that data to be reported is defined uniformly for all transit operators.

Each transit system needs to maintain accounting and reporting systems which meet its own internal financial and management information requirements as well as those specified in Section 15. In most cases, information needed for internal management purposes will include data elements that are not required to be collected or reported under Section 15. (One such example in larger transit systems would be costs incurred by organizational responsibility centers within a transit system.)

In customizing its internal accounting systems, the transit system must be able to translate its accounts to the prescribed uniform system of accounts and records. The translation to the uniform system of accounts must be auditable.

CHAPTER 2

OVERVIEW OF SECTION 15 SYSTEMS

2. OVERVIEW OF SECTION 15 SYSTEMS

2.1 Introduction

It is important to distinguish among the various "systems" discussed throughout this report in terms of who generates input for the system, who operates and maintains the system, who uses output from the system and what is the data content of the system.

The first distinction to be made is that among (1) the Section 15 Reporting System, (2) the Metropolitan Planning Organization's (MPO's) data collection system under the joint FHWA/UMTA planning regulations, and (3) the transit operator's Section 15 data collection system, which for most operators will be a by-product of their internal reporting systems. The second distinction to be made is that between (1) a uniform system of accounts and records and (2) a reporting system -- i.e., a system of reports generated to satisfy the requirements of various users of the information contained in those reports.

Once these distinctions have been made, it is the purpose of this chapter to present a general overview of (1) the Section 15 Uniform System of Accounts and Records and (2) the Section 15 Reporting System.

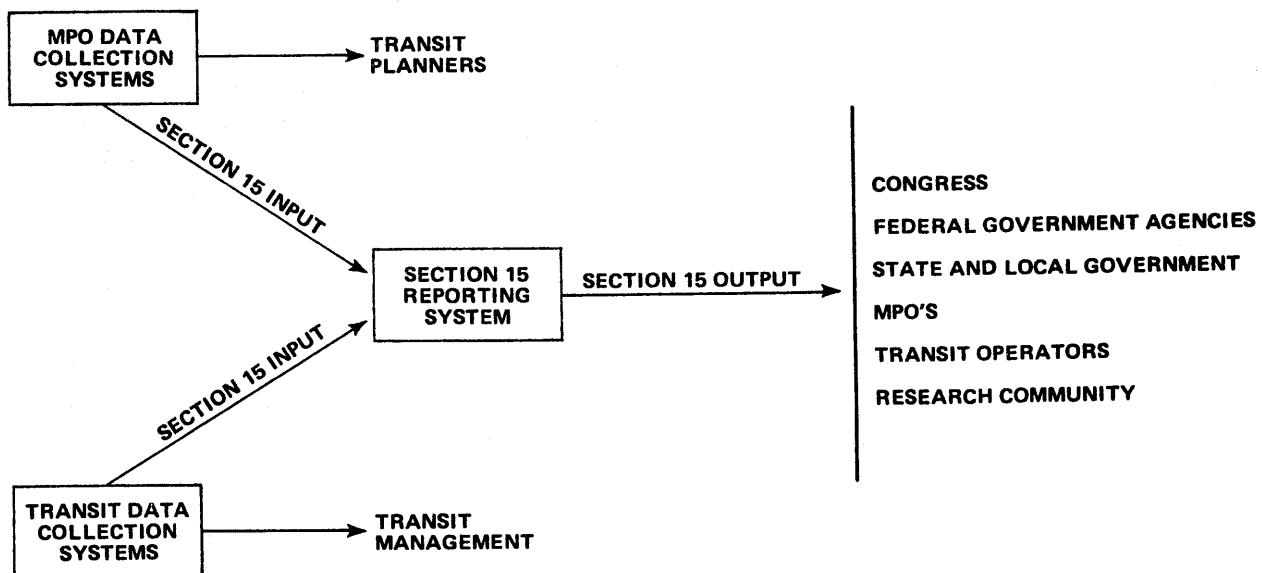
2.2 Differentiation of Section 15, MPO and Transit Operator Systems

The distinction between (1) the Section 15 Reporting System, (2) the MPO's data collection systems and (3) the transit Operator's data collection systems is depicted in Exhibit 2-1. The MPO system primarily generates information for transit planners. A subset of the information collected by the MPO systems (e.g., linked trips) is used as input to the Section 15 Reporting System. The transit operator's systems will generate information for internal use in managing the operation as well as input to the Section 15 Reporting System. The Section 15 Reporting System uses the input from the MPO's and the transit operators to maintain an information data base from which reports are extracted for various users, including:

- Congress
- Federal government agencies
- State and local governments
- MPO'S
- Transit operators
- The research community

EXHIBIT 2-1

DISTINCTION BETWEEN SECTION 15 REPORTING SYSTEM
INPUTS AND OUTPUTS



Section 15 Reporting System Inputs - The Section 15 Reporting System inputs are those data elements which are actually reported by the transit system operators and MPO's to the agency designated to administer the Section 15 Reporting System. Data reported by MPO's would be generated from user surveys conducted every two or four years. The definition of data elements to be reported by MPO's will be presented as part of the joint FHWA/UMTA planning regulations. Data reported by transit operators would be generated by the internal information reporting systems in place at each transit operation. Each operator's internal information reporting systems can be expected to include numerous data elements which are needed by the operator but which will not be required as inputs to the Section 15 Reporting System.

Section 15 Reporting System Outputs - The Section 15 Reporting System outputs will consist of reports generated by the agency designated to administer the Section 15 Reporting System for various user groups. These reports may contain the values of individual data elements reported by the operators, aggregations of such data, and/or ratios or other analyses of interest to users. The content and level of detail of these reports will according to user interests.

2.3 Differentiation of a System of Accounts and Records and a Reporting System

A uniform system of accounts and records consists of (1) various categories of accounts and records for classifying financial and operating data, (2) precise definitions of the data elements to be included in these categories, and (3) definitions of practices for systematic collection and recording of such information. Clearly, all three of the above are necessary to ensure that information is uniformly defined.

On the other hand, a reporting system consists of forms and procedures (1) for transmitting information from the operators to the central processing agency designated to collect data from all operators, (2) for editing and storing information, and (3) for the central processing agency to report the information to various user groups. User reports may consist of basic data summaries and analytical measures or performance indicators which would assist users in their analyses.

2.4 Overview of Uniform System of Accounts and Records and Reporting System

The Uniform System of Accounts and Records and the Reporting System include provisions for both mandatory and voluntary

collection and reporting of data. The definitions for the required data are consistent with and summarized from those for the more extensive voluntary data. Detailed data element definitions relating to the Section 15 system of accounts and records are provided in Volume II of this report. The following discussion focuses on the general structure of the system and distinguishes between the mandatory and voluntary data collection and reporting features.

Two-Dimensional Classification of Expenses

In the Section 15 system, operating expenses incurred by the transit system are classified within mode according to two dimensions:

- (1) The type of expenditure (object classes).
- (2) The function or activity performed.

Expense Object Classes - To ensure uniformity, it was necessary to define a standard set of expense object classes in order to capture the cost of goods or services obtained at a level of detail which will meet the needs of all users. Exhibit 2-2 on page 2-5 presents the expense object classes and functions required under Section 15. Exhibit 2-3 on page 2-6 is a more detailed list which includes recommended expense object classes that have been developed to assist transit operators in implementing the Section 15 requirement. The object class definitions are contained in Volume II, Chapter 7 of this report. Transit operators may voluntarily report the more detailed expense object classes.

Functional Categories - Most transit systems do not currently classify expenses according to functional categories. Many do collect costs by organizational responsibility center, but transit systems are not all organized in the same manner to perform their functions. In order to achieve uniformity in collecting and reporting costs of the activities performed, it is necessary to define a standard set of functional classifications. In defining the functional categories, consideration must also be given to the complexity, needs and capabilities of various sizes of operations. Large systems are better able to develop specialized activities and to identify labor and other expenses directly with these activities. Small companies have less need to develop specialized activities. For example, in an operation with ten vehicles, one person may perform general management, operating and maintenance activities.

For the above reasons, three levels of detail for functional categories were developed:

Level A - Applies to operations with more than 500 vehicles and all rail rapid operations.

Level B - Applies to operations with 101-500 vehicles.

Level C - Applies to operations with 100 vehicles or less.

Exhibit 2-4 on page 2-9 shows the three levels and how they relate to one another. Level A is the most detailed. Level B is an aggregation of Level A, and Level C is an aggregation of Level B. The breakdown in Exhibit 2-2 is Level C. Note that it will be possible to compare all systems at the C-Level regardless of the reporting level chosen. The three functions defined for Level C are required under Section 15 for all operators, i.e., 010 Operations, 040 Maintenance, and 160 General Administration. Larger transit systems are encouraged, however, to adopt the Level A or B functional classification developed for their size of operation and they may voluntarily report at Level A or B.

EXHIBIT 2-2

REQUIRED EXPENSE OBJECT CLASSES AND FUNCTIONS

	FUNCTIONAL CATEGORIES			Totals All Functions
	010 <u>Operations</u>	040 <u>Mainte-</u> <u>nance</u>	160 <u>Gen.</u> <u>Admins.</u>	
<u>Object Classes:</u>				
501. Labor				
01. Operators'				
Salaries &				
Wages				
02. Other Salaries				
& Wages				
502. Fringe Benefits				
503. Services				
504. Materials and				
Supplies Consumed				
01. Fuel and				
Lubricants				
02. Tires and Tubes				
99. Other Materials				
& Supplies				
505. Utilities				
506. Casualty Lia-				
bility Costs				
507. Taxes				
508. Purchased Trans-				
portation Service				
509. Miscellaneous				
Expense				
510. Expense Transfers				
511. Interest Expense				
512. Leases and Rentals				
513. Depreciation and				
Amortization				

EXHIBIT 2-3

RECOMMENDED EXPENSE OBJECT CLASSES

(*Denotes Required Object Classes)

*501. LABOR

- *01. Operators' Salaries and Wages.
- *02. Other Salaries and Wages.

*502. FRINGE BENEFITS

- 01. FICA or Railroad Retirement.
- 02. Pension Plans (including long-term disability insurance).
- 03. Hospital, Medical and Surgical Plans.
- 04. Dental Plans.
- 05. Life Insurance Plans.
- 06. Short-Term Disability Insurance Plans.
- 07. Unemployment Insurance.
- 08. Workmen's Compensation Insurance or Federal Employees Liability Act Contributions.
- 09. Sick Leave.
- 10. Holiday (including all premiums paid for working on holidays).
- 11. Vacation.
- 12. Other Paid Absence (bereavement pay, military pay, jury duty pay, etc.).
- 13. Uniform and Work Clothing Allowances.
- 14. Other Fringe Benefits.
- 15. Distribution of Fringe Benefits

*503. SERVICES

- 01. Management Service Fees.
- 02. Advertising Fees.
- 03. Professional and Technical Services.
- 04. Temporary Help.
- 05. Contract Maintenance Services.
- 06. Custodial Services.
- 07. Security Services.
- 99. Other Services.

*504. MATERIALS AND SUPPLIES CONSUMED

- *01. Fuel and Lubricants.
- *02. Tires and Tubes.
- *99. Other Materials and Supplies.

EXHIBIT 2-3

RECOMMENDED EXPENSE OBJECT CLASSES - (Cont'd)

*505. UTILITIES

- 01. Propulsion Power.
- 02. Utilities Other Than Propulsion Power.

*506. CASUALTY AND LIABILITY COSTS

- 01. Premiums for Physical Damage Insurance.
- 02. Recoveries of Physical Damage Losses.
- 03. Premiums for Public Liability and Property Damage Insurance.
- 04. Payouts for Uninsured Public Liability and Property Damage Settlements.
- 05. Provision for Uninsured Public Liability and Property Damage Settlements.
- 06. Payouts for Insured Public Liability and Property Damage Settlements.
- 07. Recoveries of Public Liability and Property Damage Settlements.
- 08. Premiums for Other Corporate Insurances.
- 09. Other Corporate Losses.
- 10. Recoveries of Other Corporate Losses.

*507. Taxes

- 01. Federal Income Tax.
- 02. State Income Tax.
- 03. Property Tax.
- 04. Vehicle Licensing and Registration Fees.
- 05. Fuel and Lubricant Taxes.
- 06. Electric Power Taxes.
- 99. Other Taxes.

*508. PURCHASED TRANSPORTATION SERVICE

*509. MISCELLANEOUS EXPENSE

- 01. Dues and Subscriptions.
- 02. Travel and Meetings.
- 03. Bridge, Tunnel and Highway Tolls.
- 04. Entertainment Expense.
- 05. Charitable Donations.
- 06. Fines and Penalties.
- 07. Bad Debt Expense.
- 08. Advertising/Promotion Media.
- 99. Other Miscellaneous Expense.

EXHIBIT 2-3

RECOMMENDED EXPENSE OBJECT CLASSES - (Cont'd)

*510. EXPENSE TRANSFERS

- 01. Function Reclassifications.
- 02. Expense Reclassifications.
- 03. Capitalization of Nonoperating Costs

*511. INTEREST EXPENSE

- 01. Interest on Long-Term Debt Obligations (net of interest capitalized).
- 02. Interest on Short-Term Debt Obligations.

*512. LEASES AND RENTALS

- 01. Transit Way and Transit Way Structures and Equipment
- 02. Passenger Stations.
- 03. Passenger Parking Facilities.
- 04. Passenger Revenue Vehicles.
- 05. Service Vehicles.
- 06. Operating Yards or Stations.
- 07. Engine Houses, Car Shops and Garages.
- 08. Power Generation and Distribution Facilities.
- 09. Revenue Vehicle Movement Control Facilities.
- 10. Data Processing Facilities.
- 11. Revenue Collection and Processing Facilities.
- 12. Other General Administration Facilities.

*513. DEPRECIATION AND AMORTIZATION

- 01. Transit Way and Transit Way Structures and Equipment.
- 02. Passenger Stations.
- 03. Passenger Parking Facilities.
- 04. Passenger Revenue Vehicles.
- 05. Service Vehicles.
- 06. Operating Yards or Stations.
- 07. Engine Houses, Car Shops and Garages.
- 08. Power Generation and Distribution Facilities.
- 09. Revenue Vehicle Movement Control Facilities.
- 10. Data Processing Facilities.
- 11. Revenue Collection and Processing Facilities.
- 12. Other General Administration Facilities.
- 13. Amortization of Intangibles.

EXHIBIT 2-4

AGGREGATION OF FUNCTIONS FOR EXPENSE CLASSIFICATION

LEVEL A		LEVEL B		LEVEL C
011 Transportation Administration	}	→ 010 Administration of Transportation Operations	}	*010 Operations
012 Revenue Vehicle Movement Control				
021 Scheduling of Transportation Operations	→ 020 Scheduling of Transportation Operations			
031 Revenue Vehicle Operation	→ 030 Revenue Vehicle Operation			
041 Maintenance Administration - Vehicles	}	→ 040 Maintenance Administration	}	*040 Maintenance
042 Maintenance Administration - Facilities				
051 Servicing Revenue Vehicles	→ 050 Servicing Revenue Vehicles			
061 Inspection and Maintenance of Revenue Vehicles	→ 060 Inspection and Maintenance of Revenue Vehicles			
062 Accident Repairs of Revenue Vehicles	→ 062 Accident Repairs of Revenue Vehicles			
071 Vandalism Repairs of Revenue Vehicles	→ 070 Vandalism Repairs of Revenue Vehicles			
081 Servicing and Fuel for Service Vehicles	→ 080 Servicing and Fuel for Service Vehicles			
091 Inspection and Maintenance of Service Vehicles	→ 090 Inspection and Maintenance of Service Vehicles			
101 Maintenance of Vehicle Movement Control Systems	→ 100 Maintenance of Vehicle Movement Control Systems			
111 Maintenance of Fare Collection and Counting Equipment	→ 110 Maintenance of Fare Collection and Counting Equipment			
121 Maintenance of Roadway & Track	}	→ 120 Maintenance of Other Buildings, Grounds and Equipment		
122 Maintenance of Structures, Tunnels, Bridges and Subways				
123 Maintenance of Passenger Stations				
124 Maintenance of Operating Station Buildings, Grounds and Equipment				
125 Maintenance of Garage and Shop Buildings, Grounds and Equipment				
126 Maintenance of Communication System				
127 Maintenance of General Administration Buildings, Grounds and Equipment				
128 Accident Repairs of Buildings, Grounds and Equipment				
131 Vandalism Repairs of Buildings, Grounds and Equipment	→ 130 Vandalism Repairs of Buildings, Grounds and Equipment			
141 Operation and Maintenance of Electric Power Facilities	→ 140 Operation and Maintenance of Electric Power Facilities			
145 Preliminary Transit System Development	→ 145 Preliminary Transit System Development			
151 Ticketing and Fare Collection	→ 150 Ticketing and Fare Collection			
161 System Security	}	→ 160 General Administration	}	*160 General Administration
165 Injuries and Damages				
166 Safety				
167 Personnel Administration				
168 General Legal Services				
169 General Insurance				
170 Data Processing				
171 Finance and Accounting				
172 Purchasing and Stores				
173 General Engineering				
174 Real Estate Management	}	→ 170 Marketing		
175 Office Management and Services				
176 General Management				
162 Customer Services	}	→ 170 Marketing		
163 Promotion				
164 Market Research				
177 Planning				
181 General Function	→ 180 General Function			

* Denotes Required Functional Categories.

Revenue Object Classes

Exhibit 2-5 presents the revenue object classes required under Section 15. Exhibit 2-6 is a more detailed list which includes recommended revenue object classes that have been developed to assist transit operators in implementing the Section 15 requirement. The object class definitions are contained in Volume II, Chapter 6 of this report. Transit operators may voluntarily report the more detailed revenue object classes.

EXHIBIT 2-5

REQUIRED REVENUE OBJECT CLASSES

- 401. Passenger Fares for Transit Service
- 402. Special Transit Fares
- 403. School Bus Service Revenues
- 404. Freight Tariffs
- 405. Charter Service Revenues
- 406. Auxiliary Transportation Revenues
- 407. Nontransportation Revenues
- 408. Taxes Levied Directly by Transit System
- 409. Local Cash Grants and Reimbursements
- 410. Local Special Fare Assistance
- 411. State Cash Grants and Reimbursements
- 412. State Special Fare Assistance
- 413. Federal Cash Grants and Reimbursements
- 430. Contributed Services
- 440. Subsidy from Other Sectors of Operations

EXHIBIT 2-6

RECOMMENDED REVENUE OBJECT CLASSES

(*Denotes Required Object Classes)

- *401. PASSENGER FARES FOR TRANSIT SERVICE
 - 01. Full Adult Fares.
 - 02. Senior Citizen Fares.
 - 03. Student Fares.
 - 04. Child Fares.
 - 05. Handicapped Rider Fares.
 - 06. Parking Lot Revenue.
 - 99. Other Primary Ride Fares.

EXHIBIT 2-6

RECOMMENDED REVENUE OBJECT CLASSES - (Cont'd)

- *402. SPECIAL TRANSIT FARES
 - 01. Contract Fares for Postmen.
 - 02. Contract Fares for Policemen.
 - 03. Special Route Guarantees.
 - 04. Other Special Contract Transit Fares - State and Local Government.
 - 05. Other Special Contract Transit Fares - Other Sources.
 - 07. Non-Contract Special Service Fares.
- *403. SCHOOL BUS SERVICE REVENUES
- *404. FREIGHT TARIFFS
- *405. CHARTER SERVICE REVENUES
- *406. AUXILIARY TRANSPORTATION REVENUES
 - 01. Station Concessions.
 - 02. Vehicle Concessions.
 - 03. Advertising Services.
 - 04. Automotive Vehicle Ferriage.
 - 99. Other Auxiliary Transportation Revenues.
- *407. NONTRANSPORTATION REVENUES
 - 01. Sale of Maintenance Services.
 - 02. Rental of Revenue Vehicles.
 - 03. Rental of Buildings and Other Property.
 - 04. Investment Income.
 - 05. Parking Lot Revenue.
 - 99. Other Nontransportation Revenues.
- *408. TAXES LEVIED DIRECTLY BY TRANSIT SYSTEM
 - 01. Property Tax Revenue.
 - 02. Sales Tax Revenue.
 - 03. Income Tax Revenue.
 - 04. Payroll Tax Revenue.
 - 05. Utility Tax Revenue.
 - 99. Other Tax Revenue.

EXHIBIT 2-6

RECOMMENDED REVENUE OBJECT CLASSES - (Cont'd)

*409. LOCAL CASH GRANTS AND REIMBURSEMENTS

- 01. General Operating Assistance.
- 02. Special Demonstration Project Assistance - Local Projects.
- 03. Special Demonstration Project Assistance - Local Share for State Projects.
- 04. Special Demonstration Project Assistance - Local Share for UMTA Projects.
- 05. Reimbursement of Taxes Paid.
- 06. Reimbursement of Interest Paid.
- 07. Reimbursement of Transit System Maintenance Costs.
- 08. Reimbursement of Snow Removal Costs.
- 09. Reimbursement of Security Costs.
- 99. Other Financial Assistance.

*410. LOCAL SPECIAL FARE ASSISTANCE

- 01. Handicapped Citizen Fare Assistance.
- 02. Senior Citizen Fare Assistance.
- 03. Student Fare Assistance.
- 99. Other Special Fare Assistance.

*411. STATE CASH GRANTS AND REIMBURSEMENTS

- 01. General Operating Assistance.
- 03. Special Demonstration Project Assistance - State Projects.
- 04. Special Demonstration Project Assistance - State Share for UMTA Projects.
- 05. Reimbursement of Taxes Paid.
- 06. Reimbursement of Interest Paid.
- 07. Reimbursement of Transit System Maintenance Costs.
- 09. Reimbursement of Security Costs.
- 99. Other Financial Assistance.

*412. STATE SPECIAL FARE ASSISTANCE

- 01. Handicapped Citizen Fare Assistance.
- 02. Senior Citizen Fare Assistance.
- 03. Student Fare Assistance.
- 99. Other Special Fare Assistance.

EXHIBIT 2-6

RECOMMENDED REVENUE OBJECT CLASSES - (Cont'd)

- *413. FEDERAL CASH GRANTS AND REIMBURSEMENTS
 - 01. General Operating Assistance.
 - 04. Special Demonstration Project Assistance.
 - 99. Other Financial Assistance.
- *430. CONTRIBUTED SERVICES
 - 01. State and Local Government.
 - 02. Contra Account for Expense.
- *440. SUBSIDY FROM OTHER SECTORS OF OPERATIONS
 - 01. Subsidy from Utility Rates.
 - 02. Subsidy from Bridge and Tunnel Tolls.
 - 99. Other Subsidies

Balance Sheet Object Classes

Exhibit 2-7 presents the classifications for assets, liabilities and capital accounts required under Section 15. Exhibit 2-8 is a more detailed list which includes recommended balance sheet accounts that have been developed to assist transit operators in implementing the Section 15 requirement. The object class definitions are contained in Volume II, Chapters 3, 4 and 5 of this report. There is no provision for reporting any more detail than the required balance sheet object classes.

EXHIBIT 2-7

REQUIRED BALANCE SHEET OBJECT CLASSESAssets

- 101. Cash and Cash Items
- 102. Receivables
- 103. Materials and Supplies Inventory
- 104. Other Current Assets
- 105. Work in Process
- 111. Tangible Transit Operating Property
 - 03. Accumulated Depreciation.
- 112. Tangible Property Other than for Transit Operations
 - 02. Accumulated Depreciation.

EXHIBIT 2-7

REQUIRED BALANCE SHEET OBJECT CLASSES - (Cont'd)

Assets (Cont'd)

- 121. Intangible Assets
 - 06. Accumulated Amortization.
- 131. Investments
- 141. Special funds
- 151. Other Assets

Liabilities

- 201. Trade Payables
- 202. Accrued Payroll Liabilities
- 203. Accrued Tax Liabilities
- 204. Short-Term Debt
- 205. Other Current Liabilities
- 211. Advances Payable
- 221. Long-Term Debt
- 231. Estimated Liabilities
- 241. Deferred Credits

Capital

- 301. Public (Governmental) Entity Ownership
- 302. Private Corporation Ownership
- 303. Private Noncorporate Ownership
- 304. Grants, Donations and Other Paid-In Capital
- 305. Accumulated Earnings (Losses)

EXHIBIT 2-8

RECOMMENDED BALANCE SHEET OBJECT CLASSES

(*Denotes Required Object Classes)

Assets

- *101. CASH AND CASH ITEMS
 - 01. Cash.
 - 02. Working (Imprest) Funds.
 - 03. Special Deposits, Interest.
 - 04. Special Deposits, Dividends.
 - 05. Special Deposits, Other.
 - 06. Temporary Cash Investments.

EXHIBIT 2-8

RECOMMENDED BALANCE SHEET OBJECT CLASSES - (Cont'd)Assets (Cont'd)

- *102. RECEIVABLES
 - 01. Accounts Receivable.
 - 02. Notes Receivable.
 - 03. Interest and Dividends Receivable.
 - 04. Receivables from Associated Companies.
 - 05. Receivable Subscriptions to Capital Stock.
 - 06. Receivables for Capital Grants.
 - 07. Receivables for Operating Assistance.
 - 08. Other Receivables.
 - 09. Reserve for Uncollectible Accounts.
- *103. MATERIALS AND SUPPLIES INVENTORY
- *104. OTHER CURRENT ASSETS
- *105. WORK IN PROCESS
 - 01. Unbilled Work for Others.
 - 02. Capital Projects.
- *111. TANGIBLE TRANSIT OPERATING PROPERTY
 - 01. Property Cost.
 - 02. Leased-Out Property Cost.
 - *03. Accumulated Depreciation.
- *112. TANGIBLE PROPERTY OTHER THAN FOR TRANSIT OPERATIONS
 - 01. Property Cost.
 - *02. Accumulated Depreciation.
- *121. INTANGIBLE ASSETS
 - 01. Organization Costs.
 - 02. Franchises.
 - 03. Patents.
 - 04. Goodwill.
 - 05. Other Intangible Assets.
 - *06. Accumulated Amortization.

EXHIBIT 2-8

RECOMMENDED BALANCE SHEET OBJECT CLASSES - (Cont'd)

Assets (Cont'd)

*131. INVESTMENTS

- 01. Investments and Advances, Associated Companies.
- 02. Other Investments and Advances.
- 03. Reserve for Revaluation of Investments.

*141. SPECIAL FUNDS

- 01. Sinking Funds.
- 02. Capital Asset Funds.
- 03. Insurance Reserve Funds.
- 04. Pension Funds.
- 05. Other Special Funds.

*151. OTHER ASSETS

- 01. Prepayments.
- 02. Miscellaneous Other Assets.

Liabilities

*201. TRADE PAYABLES

- 01. Accounts Payable.
- 02. Payables to Associated Companies.

*202. ACCRUED PAYROLL LIABILITIES

*203. ACCRUED TAX LIABILITIES

*204. SHORT-TERM DEBT

- 01. Notes Payable.
- 02. Matured Equipment and Long-Term Obligations.
- 03. Unmatured Equipment and Long-Term Obligations,
Current Portion.
- 04. Matured Interest Payable.
- 05. Accrued Interest Payable.
- 06. Current Pension Liabilities.

EXHIBIT 2-8

RECOMMENDED BALANCE SHEET OBJECT CLASSES - (Cont'd)Liabilities (Cont'd)

*205. OTHER CURRENT LIABILITIES

- 01. Unredeemed Fares.
- 02. C.O.D.'s Unremitted.
- 03. Dividends Declared and Payable.
- 04. Short-Term Construction Liabilities.
- 05. Miscellaneous Other Current Liabilities.

*211. ADVANCES PAYABLE

- 01. Advances Payable to Associated Companies.
- 02. Other Advances Payable.

*221. LONG-TERM DEBT

- 01. Equipment Obligations.
- 02. Bonds.
- 03. Receivers' and Trustees' Securities.
- 04. Long-Term Construction Liabilities.
- 05. Other Long-Term Obligations.
- 06. Unamortized Debt Discount and Expense.
- 07. Unamortized Premium on Debt.
- 08. Reacquired and Nominally Issued Long-Term Obligations.

*231. ESTIMATED LIABILITIES

- 01. Long-Term Pension Liabilities.
- 02. Uninsured Public Liability and Property Damage Losses.
- 03. Other Estimated Liabilities.

*241. DEFERRED CREDITS

Capital

*301. PUBLIC (GOVERNMENTAL) ENTITY OWNERSHIP

EXHIBIT 2-8

RECOMMENDED BALANCE SHEET OBJECT CLASSES - (Cont'd)

Capital (Cont'd)

- *302. PRIVATE CORPORATION OWNERSHIP
 - 01. Preferred Capital Stock.
 - 02. Common Capital Stock.
 - 03. Premiums and Assessments on Capital Stock.
 - 04. Discount on Capital Stock.
 - 05. Commission and Expense on Capital Stock.
 - 06. Capital Stock Subscribed.
 - 07. Reacquired Securities.
 - 08. Nominally Issued Securities.
- *303. PRIVATE NONCORPORATE OWNERSHIP
 - 01. Sole Proprietorship Capital.
 - 02. Partnership Capital.
- *304. GRANTS, DONATIONS AND OTHER PAID-IN CAPITAL
 - 01. Federal Government Capital Grants.
 - 02. State Government Capital Grants.
 - 03. Local Government Capital Grants.
 - 04. Nongovernmental Donations and Other Paid-In Capital.
- *305. ACCUMULATED EARNINGS (LOSSES)
 - 01. Accumulated Earnings (Losses).
 - 02. Dividend Appropriations.
 - 03. Restricted Accumulated Earnings.

Nonfinancial Operating Data Elements

The Section 15 system of accounts and records also defines certain nonfinancial operating data elements. These appear in Exhibit 2-9. A more detailed list appears in Volume II, Chapter 8 of this report. These data elements would be collected and maintained by all transit operators, and there are no additional voluntary data elements.

EXHIBIT 2-9

REQUIRED OPERATING DATA ELEMENTS

Time Periods

Facilities and Equipment

Miles of roadway or track.
Railway classifications.
Bus roadway classifications.
Revenue vehicle inventory classifications.
Number of passenger stations.

Employees

Transit operating personnel classifications.
Employee count classifications.

Maintenance Performance and Fuel Consumption

Roadcalls for mechanical failure.
Roadcalls for other reasons.
Labor hours for inspection and maintenance of revenue vehicles.
Fuel power consumption.
Number of light maintenance facilities.

Safety

Collision accident classifications.
Noncollision accident classifications.
Injury and damage classifications.

Service Supplied and Vehicle Utilization

Average and total vehicles operated.
Miles of revenue service.
Miles of total service.
Miles of charter and school bus service.
Hours of revenue service.
Hours of total service.
Hours of charter and school bus service.

Passenger Utilization

Unlinked passenger trips.
Passenger miles.
Average time per unlinked trip.

For areas with populations over 750,000, this information will be supplemented periodically by a user survey conducted by the Metropolitan Planning Organizations (MPO's). A measure of walking accessibility to transit systems and certain demographic data will also be provided by MPO's for all urbanized areas with 50,000 or more population.

Accumulation Period

The period of accumulation of data is the operator's fiscal year. This avoids allocation inaccuracies that would occur if the operator were to be forced into a common year, e.g., calendar year, or the disruption which would be caused if all properties were required to adopt a common fiscal year.

CHAPTER 3

UTILIZATION OF SECTION 15 DATA

3. UTILIZATION OF SECTION 15 DATA

3.1 Introduction

The purpose of this chapter is to present:

- A general description of the various users of the Section 15 Reporting System data, including specific interests and information requirements; and
- An indication of the analytical methods available to the users and the types of questions which can be answered when these methods are applied to the Section 15 Reporting System data.

3.2 User Groups

The types and level of detail of information contained in the Section 15 Reporting System are necessary to support the anticipated analytical requirements of the potential users of the data. The system design, therefore, addresses the needs of a broad user group in accordance with the requirements of Section 15 (a) which states that:

"... (Uniform Reporting System) shall be designed to assist in meeting the needs of individual public mass transportation systems, Federal, State and local governments, and the public for information on which to base planning for public transportation services, and shall contain information appropriate to assist in the making of public sector investment decisions at all levels of government ..."

This provision is specific as to both user groups and uses of the information. The information is to be used for "planning for public services" and "shall assist in the making of public investment decisions at all levels of government." Individual transit operators as well as the public (e.g., the research community), therefore, are identified as potential users of the information along with the various interested governmental bodies.

Throughout the design of the Section 15 Reporting System, it has been recognized that user data needs would vary, especially with respect to the level of detail. In determining the data elements to be included in the system, an analysis was made of the degree of interest and the level of detail required by the respective user groups for each analytical category. A matrix depicting this analysis is shown in Exhibit 3-1. The results suggest that regional and local level user groups have a

Exhibit 3-1

ESTIMATED DEGREE OF USER INTEREST IN SECTION 15 INFORMATION

Analytical Category	Federal			State			Regional		Local			Public		
	Congress	DOT/OST	UMTA	Legislatures	Admin. & Policy	Planning	Admin. & Policy	Planning	Admin. & Policy	Planning	Operators	Research	Industry	Other
Facilities & Equipment Levels	G	G	H	G	G	H	G	H	H	H	H	G	H	G
Resources Utilization:														
Vehicles	G	G	H	G	G	H	F	H	H	H	H	G	M	G
Manpower	G	G	H	G	G	H	G	H	H	H	H	G	M	G
Energy	H	H	H	G	G	H	G	H	H	H	H	G	M	G
Financial Structure & Condition:														
Capital Expenditures	H	H	H	H	H	H	H	H	H	H	H	G	H	G
Operating Expenditures	H	H	H	H	H	H	H	H	H	H	H	G	H	G
Revenues	H	H	H	H	H	H	H	H	H	H	H	G	M	G
Service Supplied	G	G	H	G	G	H	G	H	H	H	H	G	M	G
Passenger Use of Service	H	H	H	H	H	H	H	H	H	H	H	G	M	G
Operating Performance:														
Efficiency	G	G	H	G	G	H	G	H	H	H	H	G	H	G
Relationship of passenger use to service	G	G	H	G	G	H	G	H	H	H	H	G	H	G
Relationship of operating costs to passenger use	G	G	H	G	G	H	G	H	H	H	H	G	H	G
Revenue generation capability	G	G	H	G	G	H	G	H	H	H	H	G	H	G
Safety	H	H	H	H	H	H	H	H	H	H	H	G	H	G
Maintenance	M	M	H	G	G	G	G	G	H	H	H	G	H	G

NOTE: H denotes high level of interest. Detailed figures required.

G denotes general level of interest. Summary figures required.

M denotes minor level of interest

high degree of interest in virtually all analytical categories and need relatively detailed information to properly plan and monitor their transit programs. Congress and OST, on the other hand, have a high degree of interest in some categories, but only a general interest in the changes in the financial results of the operators, as these conditions can relate to the amount of financial assistance required in the form of grants and subsidies. Energy conservation and safety are also areas of high interest at this level.

The majority of the data requirements and corresponding levels of detail reflected in the Section 15 uniform system of accounts and records is necessary to meet the internal accounting requirements of transit operators. An objective of this user group is to have uniform industry data available for comparison purposes. The detail recommended in the uniform system of accounts and records has been determined by representatives of the transit operators to be the level of accounting necessary to ensure a truly comparable basis is established for relating various operators' financial and operating results.

3.3 Methods of Analysis

Several methods are available for analyzing the Section 15 Reporting System data. Some more common methods include:

Cross Classification Analysis

Classification by various categories

- Cost categories
- Population
- Geographic

Frequency distributions

Measures of central tendency and dispersion

Correlation (simple and multiple)

Rank ordering

Time Series Analysis

Percent changes

Long term trends

Seasonal and cyclical trends

Most users will use one or more of these methods. Local users, for example, will be interested primarily in the performance of their transit systems relative to others in its same size class and/or geographic area and will want averages or

frequency distributions to make these comparisons. Federal agencies will want to compare performance over time in relation to levels of capital and operating assistance that have been provided. The research community, for example, will be interested in economies of scale through correlation analyses while transit operators will be more interested in comparative cost categories and percentage changes.

The actual values of the individual data elements to be reported will be most useful after the Section 15 central processing system has calculated the various relationships which exist among the input variables. To reflect these relationships, indicators, such as ratios, indices or values of individual data elements which focus on specific characteristics of the system and which provide a capability to make comparisons, will be calculated and reported by the central processing organization. Indicators can also be used to develop profiles within and between various analytical categories. A representation of various key indicators and profiles, along with the Section 15 Reporting System data elements required for their calculation, are shown in Exhibits 3-2 through 3-7 for each of the following analytical categories:

- Facilities and Equipment (Exhibit 3-2)
- Resource Utilization (Exhibit 3-3)
- Financial Structure and Condition (Exhibit 3-4)
- Service Supplied (Exhibit 3-5)
- Passenger Utilization (Exhibit 3-6)
- Operating Performance (Exhibit 3-7)

A discussion of the usefulness of these indicators accompanies each of these exhibits.

3.4 Facilities and Equipment Analysis (Exhibit 3-2)

Exhibit 3-2 presents selected indicators which provide a profile of a transit system's facilities and equipment. Note that the scale of the system is collectively represented by miles of line (or track), number of revenue vehicles and total passenger capacity per day. These variables are essential to an analysis of the economies of scale or to any other analysis which would require classification of the system according to its general size or capacity.

The absolute size alone, however, can be misleading in some forms of analysis. Some systems have extensive transit networks, but they are located in urbanized areas which have low population densities and/or extensive land areas. Other systems appear to be small, but they are located in areas with high

EXHIBIT 3-2
SELECTED SECTION 15 REPORTING SYSTEM INDICATORS
FOR ANALYSIS OF FACILITIES AND EQUIPMENT LEVELS

Indicator	Operator MPO Data Source	Data Elements Used
Miles of transit line or track	X	Miles of transit line or track
per square mile	X	urbanized area square miles
per capita	X	urbanized area population
Active revenue vehicles in fleet	X	Inventory of vehicles in fleet
by age	X	age groupings
by seating capacity	X	seating capacity
by total passenger capacity	X	passenger capacity (seating and standing)
per capita	X	urbanized area population
Average age of fleet	X	Determined from age distribution
Total passenger capacity per day	X	Active revenue vehicles average capacity
per capita	X	urbanized area population

population density and/or condensed land areas. These differences will be normalized by stating the size variables on a per square mile and/or per capita basis using the data collected by MPO's and input into the Section 15 Reporting System.

Illustrative questions that the indicators in Exhibit 3-2 help to answer are:

- (1) What is the overall passenger-carrying capacity of the system per day?
- (2) How much of this capacity is seated-capacity?
- (3) What is the age distribution of the fleet? Is this distribution typical of the systems in this geographical area or size class? Is the average age increasing or decreasing?
- (4) What effect have recent purchases of vehicles (through capital grants) had on the age distribution of the fleet?

3.5 Resource Utilization Analysis (Exhibit 3-3)

The resource utilization indicators show how a transit System's resources (e.g., vehicles, manpower, materials, etc.) are used. It should be noted that in analyzing resource utilization and efficiency, total vehicle mileage, rather than revenue mileage, is used as the variable in that resources are expended whenever the vehicle is moving regardless of whether it is available to passengers. If only revenue miles are used, distortions could appear in comparative analyses because of differences such as the placement of garages, dispatching policies and alternative uses of vehicles. Annual vehicle miles is used as the output indicator for several input variables. Vehicle miles per vehicle, for example, indicates how intensively the vehicles are used during the year. Vehicle miles per operator manhour indicates how intensively the operators are used. Vehicle miles per vehicle hour indicates approximately how fast the vehicles are able to move, reflecting constraints such as traffic, schedules and speed limits.

Other questions addressed by resource utilization indicators in Exhibit 3-3 include:

- (1) How much of the active fleet is used at the maximum level of service during the average weekday?
- (2) What employee occupations are used and in what proportions?

EXHIBIT 3-3
SELECTED SECTION 15 REPORTING SYSTEM INDICATORS,
FOR ANALYSIS OF RESOURCE UTILIZATION

Indicator	Data Source Operator MPO	Data Elements Used
Annual vehicle miles	X	Annual vehicle miles
per vehicle	X	traveled by vehicles
per line miles	X	number of active
per employee	X	revenue vehicles
per vehicle operator	X	line miles
per operator manhour	X	total employees
per vehicle hour	X	number of vehicle
per capita	X	operators
		annual operator man
		hours
		annual vehicle hours
		urbanized area popu-
		lation
Annual vehicle hours (same denominators as above)	X	Annual vehicle hours
Maximum vehicles operated relative to total active vehicles (present)	X	Maximum vehicles oper- ated during average weekday and total active revenue vehicles
Number of employees	X	Number of employees
percent distribution by occupation	X	Distribution of employ-
per vehicle	X	ees by occupation
		Number of vehicles
<u>Energy</u>		
Annual fuel consumption, total	X	Annual fuel consumed
per vehicle mile	X	annual vehicle miles
per capacity mile	X	average passenger
per passenger	X	capacity per vehicle
per passenger mile	X	number of unlinked
		passenger trips
		number of passenger
		miles

- (3) How "fuel-efficient" is the system relative to other similar systems and other modes of urban transportation.

3.6 Financial Structure and Condition (Exhibit 3-4)

The previous indicators displayed some of the analytical usefulness of the physical and operating data provided by the Section 15 Reporting System. Recognizing that the system also provides extensive financial data, Exhibit 3-4 indicates the analytical usefulness of relating financial and operating information.

As noted previously, the Section 15 system contains a two-dimensional classification of operating expenses within mode (i.e., by object class and by function). The mode classification indicates the type of service provided. The object classification provides the typical breakdown of costs according to labor, materials and other expenses. The functional classification indicates the activities performed. As Exhibit 3-4 shows, this classification scheme makes it possible to analyze operating costs within mode by: (1) object class and function together, (2) object class alone, and (3) function alone.

The capability to analyze costs in this manner has not been available in previous transit reporting systems. Under current systems (APTA and ICC), functions and object classes are not recorded separately. This makes it impossible, for example, to obtain pure labor cost (object class) or pure vehicle operations (function) cost. The Section 15 system not only provides for reporting these categories separately but also provides for the reporting of object class cost within function. The analytical usefulness of this capability is significant. The distinction between object class and functional expenses will allow cost changes to be identified and analyzed in key object class expenses such as operators' wages, fringe benefits and fuel purchases, and in key functions such as maintenance, transportation operations and administration.

Revenues and operating deficits are also important variables in the analysis of the financial characteristics of the transit system. This analysis has become more difficult as fare structures have become more complex. In many areas special rates are established for riders such as senior citizens, handicapped persons, students, and servicemen. Different fares for peak and base period ridership is another example of fare structure complexity. While the Section 15 system captures types of special fares (senior citizen, handicapped, etc.) in its revenue reporting, fare differentials by time period (peak versus base)

EXHIBIT 3-4
SELECTED SECTION 15 REPORTING SYSTEM INDICATORS,
FOR ANALYSIS OF FINANCIAL STRUCTURE AND CONDITION

Indicator	Data Source Operator MPO	Data Elements Used
Total capital expenditure (annual)	X	Same
by type of asset	X	Records of expenditures by asset type
by source of funds	X	Records of expenditures by source of funds
per capita		Urbanized area popula tion
Total operating expendi tures (annual)	X	Same
Percent distribution by object class & function	X	Two-dimension classifi cation of operating costs by object class and function
by object class	X	
by function	X	
Per capita		Urbanized area popula tion
Total operating revenues (annual)	X	Same
Percent distribution by object class	X	Distribution by object class
Per capita		Urbanized area popula tion
Net Operating Income (Deficit)	X	Total operating reve nues and expenditures
Per vehicle mile	X	Annual vehicle miles
Per capita		Urbanized area popula tion

were excluded from the system because its collection would have required expensive on-board surveys of fares paid by time period or installation by operators of new mechanical devices to distinguish the different fares by time periods.

The Section 15 systems provides for the accounting and reporting of all sources of revenues, including subsidies from Federal, state and local government. Capital assistance from the different levels of government are also accounted for and reported in detail. It is possible, therefore, to perform a detailed analysis of the financial condition of a transit operator and compare it on a uniform and consistent basis with other properties or categories of properties. This capability is essential to all levels of government in the planning for and administration of financial assistance programs.

3.7 Service Supplied Analysis (Exhibit 3-5)

Exhibit 3-5 displays indicators of the amount of service offered by the transit operator, without respect to the number of passengers using the service. The Section 15 system provides information on periods when service is offered and the number of vehicles in operation during the morning and evening peak periods, midday and night off-peak periods, Saturdays and Sundays. In addition, revenue vehicle miles, hours, and vehicle capacities (seated, standing and total) are obtained. With this data, it is possible to determine not only how many vehicles are offered during the various periods but also how much passenger capacity is placed in service during these periods. These are variables which in the past have not been available on a consistent and uniform basis but which are absolutely essential to the analysis of a transit system's supply of services.

Sample questions which the indicators in Exhibit 3-5 will help to answer are:

1. How much service is offered during the peak point of the day relative to the midday or base service period?
2. What is the intensity of service (capacity offered) during an average weekday relative to the extent of the system (line miles) and size of fleet (vehicles)?
3. How much capacity is offered during the peak hour relative to the total offered during the day?
4. What is the average frequency of service (vehicles) per hour for a 24-hour period? for the service period?

EXHIBIT 3-5
SELECTED SECTION 15 REPORTING SYSTEM INDICATORS
FOR ANALYSIS OF SERVICE SUPPLIED

Indicator	<u>Data Source</u> Operator MPO		Data Elements Used
Time period of day when service is offered	X		Schedules of service offered
Number of vehicles operated during average weekday			Distribution of vehicles operated
maximum	X		
midday/base period	X		
per hour (24 hour period)	X		
per line mile	X		Total line miles
per capita		X	Urbanized area population
per square mile		X	Urbanized area square miles
Land area within ¼ mile of boardable transit service	X	X	Route maps indicating number boardable vehicles per day
population within band		X	Census population data (when available)
Revenue capacity miles (and hours)	X		Average weekday revenue vehicle miles and hours and average capacity per vehicle
Average weekday	X		
per line mile	X		number of line miles
per vehicle	X		number of revenue vehicles
per capita		X	urbanized hour capacity miles
Peak hour as a percent of average weekday	X		Peak hour capacity miles

5. How much "boardable" service is within walking distance for the general public? How much of the urbanized area is covered by "boardable" transit?

(Note: "boardable" means that the transit vehicles would stop to pick up the passenger. This excludes express or rail service which would not stop at intermediate points along their routes.)

6. How much capacity is offered per day relative to the population in the area?

The ability to answer these questions is significant in the analysis of a transit system's operating conditions and behavior. The degree of service peaking, for example, has an important bearing on fleet utilization and, ultimately, the efficiency of the operation. It would be incorrect analysis to make direct comparisons using the operating cost per vehicle or vehicle mile and conclude that one transit system is more efficient than another without considering the degree of peaking in each system's operations.

3.8 Passenger Utilization Analysis (Exhibit 3-6)

Exhibit 3-6 presents some of the indicators available from the Section 15 data base which measure passenger use of services, ridership characteristics and trip purposes. The Section 15 system does not attempt to measure the demand for transit services (i.e., the number of persons that would ride the system under certain specified conditions (such as fares, incomes and/or auto availability)).

An important analytical feature of the Section 15 system is its distinction between "unlinked" and "linked" trips. An unlinked trip is a trip that is made in a single transit vehicle. If the passenger must transfer to another vehicle, the trip on the second vehicle is counted as another unlinked trip. A linked trip is a trip on the transit system. Even if the passenger must make several transfers during this journey, the trip is counted as one trip on the system. A passenger who rode three vehicles on his journey to work, for example, took one linked trip on the system, but three unlinked trips because he rode three vehicles. The significance of the distinction between linked and unlinked trips is that they indicate different forms of passenger use; linked trips indicate passenger use of the system, while unlinked trips indicate passenger use of facilities and equipment. For example, the indicator, "average weekday unlinked passenger trips per vehicle" shows, on the average, how many passengers actually boarded and alighted a vehicle during an average weekday whether they were transfer passengers, free

EXHIBIT 3-6
SELECTED SECTION 15 REPORTING SYSTEM INDICATORS
FOR ANALYSIS OF PASSENGER UTILIZATION

Indicator	Data Source Operator MPO	Data Elements Used
Average weekday unlinked passenger trips		Average weekday unlinked passenger trips
per line mile	X	Number of line miles
per vehicle	X	Number of active revenue vehicles
per capacity mile	X	Average weekday capacity miles
per capita	X	Urbanized area population
per square mile	X	Urbanized area square miles
Average weekday passenger miles	X	Count of passenger miles or average trip length
per line mile	X	Number of line miles
per vehicle	X	Number of active revenue vehicles
per capacity mile	X	Average weekday capacity miles
per capita	X	Urbanized area population
per square mile	X	Urbanized area square miles
Average weekday linked passenger trips	X	Average weekday linked trips
per capita	X	Urbanized area population
per square mile	X	Urbanized area square miles
per vehicle	X	Number of active revenue vehicles
Average trip distance (miles)		
linked trips	X	O-D distances from user survey
unlinked trips	X	Passenger miles and unlinked trips
Average trip time (minutes)		
linked trips		O-D times from user survey
unlinked trips		Trip times from observation survey

passengers or any other classification of passengers. This indicator measures the gross passenger use of the vehicles. As a measurement tool, it is especially useful when passenger use is related to costs. Wear and tear on the vehicle and fuel consumption, for example, are directly associated with the passenger loads on each vehicle, not just the number of passengers that ride the system.

The Section 15 Reporting System also captures "passenger miles" as an important indicator of passenger use. This is the sum of the unlinked passenger trip distances for all passengers hauled by the system during a given time period and can be related directly to the service offered by the system. The ratio of passenger miles to capacity miles, for example, provides the average load factor for the system, an important indicator of the use of the transit system's capacity.

Taken together, the indicators in Exhibit 3-6 help to answer questions about passenger use such as:

1. How many passengers are hauled by vehicles? On the system?
2. What is the average passenger density on the lines?
3. What is the average trip time and distance on a vehicle? on the system?
4. What is the average load factor?

3.9 Operating Performance Analysis (Exhibit 3-7)

The term "operating performance," as referred to in Exhibit 3-7, pertains to the transit system's ability to accomplish its operating objectives. Exhibit 3-7 divides operating performance into the following categories:

1. Operating efficiency (minimizing of costs per unit of service supplied. Unit input costs are also included here as explanatory variables).
2. Passenger use of service supplied.
3. Operating cost in relation to passenger use.
4. Revenue generation capability.
5. Safety performance.
6. Maintenance performance.

EXHIBIT 3-7
SELECTED SECTION 15 REPORTING SYSTEM INDICATORS
FOR ANALYSIS OF OPERATING PERFORMANCE

Indicator	Data Source Operator MPO	Data Elements Used
<u>OPERATING EFFICIENCY</u>		
Total operating cost (annual)	X	Total operating costs
per line mile	X	Number of line miles
per vehicle	X	Number of active revenue vehicles
per vehicle mile	X	Annual vehicle miles
per vehicle hour	X	Annual vehicle hours
per capacity mile	X	annual capacity miles (computed)
per employee manhour	X	Total employee manhours
per operator manhour	X	Total operator manhours
Operating costs by function (breaking by function)		Breakdown of annual costs by function
per vehicles miles	X	Annual vehicle miles
percent distribution	X	
Operating costs by object class		Operating costs by object class
per vehicle mile	X	Annual vehicle miles
per distribution	X	
<u>PASSENGER USE VERSUS SERVICES SUPPLIED</u>		
Average weekday unlinked passenger trips	X	Average weekday unlinked trips
per revenue vehicle mile	X	Average weekday revenue vehicle miles
per capacity mile	X	Average weekday capacity miles
Average weekday passenger miles per (same as for trips)	X	Average weekday passenger miles (same as for trips)
<u>OPERATING COST VERSUS PASSENGER USE</u>		
Total operating cost per unlinked trip	X	Annual operating cost Annual unlinked trips (computed)
per linked trip		Annual linked trips (computed)
per passenger mile	X	Annual passenger miles (computed)

EXHIBIT 3-7 -- continued

Indicator	Data Source Operator MPO	Data Elements Used
<u>REVENUE GENERATION CAPABILITY</u>		
Annual passenger revenue		Annual passenger revenue
per line mile	X	Number of line miles
per vehicle	X	Active revenue vehicles in fleet
per vehicle mile	X	Annual vehicle miles
per vehicle hour	X	Annual vehicle hours
per capacity mile	X	Annual capacity miles (computed)
per employee	X	Number of employees
per unlinked trip	X	Annual unlinked trips (computed)
per linked trip		Annual linked trips (computed)
per passenger mile	X	Annual passenger miles (computed)
<u>SAFETY PERFORMANCE</u>		
Number of collision, accidents, annual	X	Number of collision accidents
per vehicle	X	Annual vehicle miles
per passenger mile	X	Annual passenger miles (computed)
per capita		Urbanized area population
Number of non-collision accidents per (same as above)	X	Number of non-collision accidents
Number of persons killed in transit system accidents per (same as above)	X	Number of persons killed in transit system accidents
Number of persons injured in transit system accidents per (same as above)	X	Number of persons injured in transit system accidents

EXHIBIT 3-7 -- continued

Indicator	Data Source Operator MPO	Data Elements Used
<u>MAINTENANCE PERFORMANCE</u>		
Annual maintenance cost per vehicle	X	Active revenue vehicles in fleet
per vehicle mile	X	Annual vehicle miles
per passenger mile	X	Annual passenger miles (computed)
per maintenance labor hour	X	Annual maintenance labor hour hours
Road calls for mechanical failure per (same as above)	X	Annual number of road calls for mechanical failure
Road calls for other reasons per (same as above)	X	Annual number of road calls for other reasons

Other operating categories are addressed by the Section 15 Reporting System; the above ones are used only to illustrate the usefulness of certain performance analysis concepts when applied to the data reported through the Section 15 system.

Operating Efficiency - Perhaps the most significant contribution that the Section 15 system makes to the analysis of transit operations is the ability to determine the underlying cost behavior of the transit system and ascertain why some systems appear to be more efficient than others. The classification of costs (by object class and function) makes it possible to examine on a unit cost basis the reasons for the transit system's cost patterns. Exhibit 3-7 demonstrates this capability by relating annual total operating costs to several input variables so that a general profile of operating efficiency can be obtained. Also, detailed cost ratios for functions and object classes provide additional explanation for a particular profile. Illustrative questions which can be addressed through this type of analysis include:

1. What is the maintenance cost per vehicle mile?
2. How do ratios compare with the average for other systems in a similar size grouping?
3. Is the vehicle operating cost per operator for a system higher or lower than average? Are there geographical differences in cost ratios?

Passenger Use versus Service Supplied - These types of indicators help measure the relationship of service supplied to passenger use and are useful when comparisons are made between transit systems. Of particular interest is the ratio of passenger miles to capacity miles, which provides the average load factor or occupancy of the vehicle.

Operating Cost versus Passenger Use - These indicators show how much is spent in operating costs to carry passengers. Again, these ratios are useful when used for comparison purposes.

Revenue Generation Capability - These ratios provide a basis for comparing unit revenues between transit systems to obtain an understanding of how much revenue is being or can be generated under certain operating circumstances.

Safety Performance - Safety is, of course, an important policy area, and the ability to provide safe transportation for passengers needs to be carefully monitored. The ratios under this category in Exhibit 3-7 provide the capability to compare safety performances among transit systems and between modes of transit.

Maintenance Performance - Performance indicators in this area are important for UMTA and system operators to have an idea of the effect of system maintenance programs on maintenance costs and the ability to provide continuous passenger service.

The principal usefulness of the above performance indicators is that transit properties will be able to compare their operations to other properties in the industry with similar characteristics. By comparing uniformly defined and reported data, significant differences between operations throughout the industry can be identified. Once identified, these differences can then be investigated to determine if they were caused by management policies, political programs, operating inefficiencies, mechanical methods or other related reasons.

APPENDIX A

SECTION 15 REGULATIONS

WEDNESDAY, JANUARY 19, 1977

PART II



DEPARTMENT OF TRANSPORTATION

**Urban Mass Transportation
Administration**



UNIFORM SYSTEM OF ACCOUNTS AND RECORDS

Implementation

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RULES AND REGULATIONS

Title 49—Transportation

CHAPTER VI—URBAN MASS TRANSPORTATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

PART 630—UNIFORM SYSTEM OF ACCOUNTS AND RECORDS AND REPORTING SYSTEM

Implementation

On November 22, 1976 the Urban Mass Transportation Administration published proposed regulations regarding a reporting system to accumulate public mass transportation financial and operating information by uniform categories, and a uniform system of accounts and records. Section 15 of the Urban Mass Transportation Act requires the Secretary of Transportation to develop, test, and prescribe such systems by January 10, 1977.

The purpose of the proposed systems is to assist in meeting the need for information on which to base planning for public transportation services, and to make public sector investment decisions at all levels of government. After July 1, 1978, the Secretary may not make any grant under section 5 of the Urban Mass Transportation Act unless the applicant for such grant and any beneficiary are each subject to both the reporting system and the uniform system of accounts and records prescribed pursuant to section 15. Grants under section 5 are those apportioned to urbanized areas by formula and usable for either capital investments or operating expenses.

Interested persons were invited to submit written comments on the proposed regulations, and 23 such comments were received. In addition, a hearing on the proposed regulations was held on December 7, 1976 in Washington, D.C., at which 21 persons testified. Most of the comments received during the comment period were supportive of the regulations. This may have been because the development of the proposed uniform system of accounts actually took place over a period of several years, in collaboration with representatives of the transit industry, metropolitan planning organizations, and State departments of transportation. However, a number of thoughtful suggestions and criticisms were offered, and the regulations now being issued have in many ways been revised in response to such comments.

Because the number of communications received was not overwhelming, the Urban Mass Transportation Administration will make a special effort to contact correspondents individually to indicate the extent to which their comments were accommodated. The following text identifies the principal changes from the proposed regulations, and changes in policies for administering them, based on public comments which were received.

Mandatory-Voluntary Levels of Detail.—A general concern was expressed about the level of detail specified in the uniform system of accounts and records and in the reporting system described in the proposed regulations, even though

an attempt had been made to stratify the level of detail by size of transit operations. This was done by describing three levels for expense reporting: Level A, more than 500 revenue vehicles (about 20 systems); Level B, between 101 and 500 revenue vehicles (about 50 systems); and Level C, 100 or less revenue vehicles (about 800 systems).

The general concern about excessive detail found expression in requests by representatives of smaller operations to reduce the number of expense objects to be used, and to reduce the number of reports. It was suggested that a more simplified system be designed for the smallest systems. At the intermediate level, exception was taken to the number of functions specified for expense reporting, as well as to objects. The largest systems in general expressed their concern by suggesting the need for flexibility in phasing in the implementation from lesser to greater levels of detail, and by advocating a waiver provision in the regulations to permit accommodation of such difficulties without penalty.

These concerns can be considered symptomatic of the dilemma and challenge presented by the relatively unique charter of section 15, which calls for the prescribed systems to assist in meeting the diverse information needs of individual public mass transportation systems, Federal, State and local governments, and the public. Transit operators require relatively detailed information, consistent with their size, for internal management purposes—comparison of their own operations over time and with other transit systems. Local, State and Federal governments, in that order, have significantly fewer requirements to accommodate their concerns. Federal agencies, furthermore, are constrained by the requirements of the Federal Reports Act of 1942 to minimize record-keeping and reporting burdens placed upon the public and affected organizations.

The final regulations now make a distinction between required and voluntary (i.e., recommended) systems, to address this general dilemma. This is a significant change. The uniform system of accounts and records and the reporting system include provisions for both mandatory and voluntary collection and reporting of data. Definitions for the required data are consistent with and summarized from those for the more extensive voluntary data. The central processing system will be designed to support the assimilation and analysis of the more detailed expense and revenue data, as well as mandatory data. Thus, if State or local governments mandate the more detailed revenue and expense data, or if transit operators elect to provide this data to further expand the capability for comparative analysis, the central processing system will accommodate these additional needs.

The net effect of this change is a substantial reduction in the level of detail which must be reported. The number of required data categories for revenues and expenses combined is reduced from 125 to approximately 29. Expense report-

ing in effect is an abbreviated Level C, shown in Table B-1. Furthermore, systems of 25 buses or fewer are not required to submit the Operators' Wages Subsidiary Schedule, Fringe Benefits Subsidiary Schedule, and Pension Plan Questionnaire. In total, the number of required reporting forms for all systems has been reduced by approximately one-third. With respect to balance sheet data, the data categories reported have been reduced from approximately 267 to 59. With respect to non-financial operating data, categories for accident reporting have been reduced from approximately 316 to 44.

These amendments, of course, necessitated extensive changes in the reference documents describing and explaining the systems, and identified in § 630.6 of the regulations. These documents will be distributed by UMTA to interested parties as soon as possible, probably by mid-February.

Redundancy in Reporting.—Associated with the general concern for the level of detail of reporting were some comments about possible redundancy in record-keeping and reporting resulting from the requirements of Federal agencies. Reference was made to burdens imposed on certain systems which are required to report financial data in accordance with a uniform system of accounts to the Interstate Commerce Commission (ICC), and now will have a section 15 requirement to meet. This problem is addressed in § 630.11 of the regulations, limiting UMTA's now modified requirement to one easily met using the ICC system.

Further, though not made explicit in the regulation itself, UMTA will permit transit authorities which purchase service from several providers to consolidate financial and operating data for them. And for providers with fleets of 25 vehicles or fewer, the authority may report only a "purchase of service" item to satisfy the reporting requirement. This is further explained in the reference documents.

Also mentioned was an apparent redundancy in the Federal Highway Administration's reporting requirements on sources of revenue for urban transportation modes, including transit, and the section 15 requirements of UMTA. It was suggested that the two DOT agencies coordinate their requirements to avoid the redundancy. The two agencies are conferring to this effect.

Waivers.—The regulations now include a waiver provision, § 630.7, in response to several expressions of concern for the need to provide formally a basis for flexible administration of the requirements of the regulations. In the formal comment period, the most frequent subjects of concern were the time constraints for complying with the requirements, the need to describe an acceptable method for providing passenger trip data for rail systems, and difficulty in providing the Operators' Wages Subsidiary Schedule.

It is hoped that the distinction now made in the regulations between the

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mandatory and voluntary systems will mitigate the need for waivers with reference to time for compliance. With respect to the Operators' Wages Subsidiary Schedule, a waiver is granted to all operators for the first year, and systems with 25 vehicles or less have a permanent waiver. A methodology for addressing the passenger trip data problem hopefully will be described within the next few months, based on activity in progress.

Cost of Implementation.—The preamble to the proposed regulations of November 22, 1976 stated that the one-time cost of conversion to the prescribed systems would be considered either eligible capital expenditures or operating expense under the section 5 grant program. It was also stated that for agencies which might not be eligible for section 5 funds but wanted to implement the systems, section 3 funds (capital grant program) might be made available.

Several larger operators objected that their section 5 funds were fully programmed, and requested that section 3 funds be made available for this purpose without the restriction stated in the preamble.

The UMTA considers section 5 the more flexible and appropriate resource to be used in accommodating the expense of implementation, but acknowledges the circumstances described and will consider the use of section 3 funds on a case-by-case basis, for systems which would have been subject to the Level A and Level B requirements. In the final regulations, Levels A, B and C are no longer required as such. However, their implementation will be encouraged with appropriate arrangements for financial assistance, so that transit operators may develop and report information at the voluntary levels.

Administration of system.—A number of witnesses at the December 7, 1976 hearing expressed the fear of erroneous interpretations of data to be provided eventually in reports emanating from the system. It was suggested that care be taken to minimize such problems; for example, by making available "profiles" of systems taking into account such factors as topography, demographic characteristics, density of development, labor contracts, fare policies, and so forth. Undoubtedly, there will be several issues of this nature related to the administration of the system, and appropriate arrangements will be made to seek advice about them as the system evolves.

As the steward of the section 15 systems, the UMTA will make arrangements for developing and maintaining a data collection and processing system to permit acceptance and use of the mandatory and optional levels of detail described in the regulations. Manipulation of the data for purposes of analysis will be at the expense of users, except for a series of reports being designed to be of general interest to all users.

Within the Urban Mass Transportation Administration, responsibility for the administration of section 15 has been assigned to the Associate Administrator

for Transportation Management and Demonstrations. Inquiries pertaining to these regulations should therefore be addressed to that office.

In consideration of the foregoing and under the authority of section 15 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1611) and the delegation of authority by the Secretary of Transportation at 49 CFR 1.51, Chapter VI of the Code of Federal Regulations is hereby amended by adding a new Part 630 as set forth below.

Effective Date: This regulation is effective January 10, 1977.

Issued on: January 10, 1977.

ROBERT E. PATRICKELL,
Urban Mass Transportation
Administrator

Subpart A—General

- Sec. 630.1 Purpose.
 - 630.2 Scope.
 - 630.3 Definitions.
 - 630.4 Overview of the Uniform System of Accounts and Records and the Reporting System.
 - 630.5 Commuter rail reporting requirements.
 - 630.6 Reference documents.
 - 630.7 Waiver.
- Subpart B—Uniform System of Accounts and Records
- 630.10 Purpose.
 - 630.11 General instructions.
 - 630.12 Structure of the Uniform System of Accounts and Records.
- Subpart C—Reporting System
- 630.20 Purpose.
 - 630.21 Reporting requirements.
 - 630.22 Reporting period.
 - 630.23 Availability of reporting forms and instructions.

AUTHORITY: Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.) and 49 CFR 1.51.

Subpart A—General

§ 630.1 Purpose.

The purpose of this subpart is to define the terms and procedures guiding the application of the Uniform System of Accounts and Records and the Reporting System required to be prescribed by Section 15 of the Urban Mass Transportation Act. These systems are described in the report entitled "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," January, 1977.

§ 630.2 Scope.

These regulations apply to all applicants and beneficiaries of Federal financial assistance under section 5 of the UMT Act (49 U.S.C. 1604 et seq.). Applicants and beneficiaries under Section 5 must adhere to the Uniform System of Accounts and Records and participate in the Reporting System as provided hereunder. Failure to do so will result in loss of eligibility for assistance under section 5.

§ 630.3 Definitions.

(a) Except as otherwise provided, terms defined in the Urban Mass Transportation Act of 1964, as amended (49

U.S.C. 1601 et seq.), are used in this part as so defined.

(b) For purposes of this part—

"The UMT Act" means the Urban Mass Transportation Act of 1964 as amended (49 U.S.C. 1601 et seq.).

"Administrator" means the Urban Mass Transportation Administrator or his designee.

"Applicant" means Applicant for Assistance under section 5 of the UMT Act.

"Assistance" means Federal financial assistance for the acquisition, construction or operation of public mass transportation services.

"Central Processing System" means the procedures and computer software needed to receive Section 15 reports, validate their data, maintain the data, and provide standard reports, special reports and computer data facsimiles to the system's users including governments at all levels, transit operators and the public.

"Central Processing Agency" means the organizational element in UMTA responsible for operation and maintenance of the Central Processing System.

"Commuter Rail System" means passenger transportation by railroad within, to or from an urbanized area usually typified by closer headways during weekday morning and afternoons and by the sale of commutation tickets.

"Beneficiary" means any organization operating and delivering urban transit services that receives benefits directly from assistance under Section 5 of the UMT Act.

"Metropolitan Planning Organization" means that organization designated by the Governor as being responsible, together with the state for carrying out the provisions of 23 U.S.C. 134 (Federal-Aid Highway Planning Requirements) and capable of meeting the requirements of 49 U.S.C. 1603(a) (Urban Mass Transportation planning requirements). This organization is the forum for cooperative decision-making by principal elected officials of general purpose local government.

"Mass Transportation System" or "transit system" means a system to transport people by bus, or rail, or other conveyance, either publicly or privately owned, and which provides to the public, general or special service (but not including school or charter or sightseeing service) on a regular and continuing, scheduled or unscheduled, basis. Transit systems are classified according to the mode of transit service operated. A multi-mode transit system is one operating two or more of these modes, described hereafter.

(1) *Rail Rapid Transit.*—High-speed, passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded. The tracks may be located in underground tunnels, on elevated structures, in open cut or at surface level. There are very few, if any, crossings of streets and roads at track level, and rail traffic has the right-of-way at such intersections. The cars are driven electri-

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cally with the power being drawn from an overhead electric line or from an electrified third rail.

(2) *Streetcar*.—Lightweight passenger rail cars operating singly (or in short, usually two-car, trains) on fixed rails in right-of-way that is not separated from other traffic for much of the way. Streetcars do not necessarily have the right-of-way at at-grade crossings with other traffic. Streetcars are driven electrically with the power being drawn from an overhead electric line via a trolley or a pantograph.

(3) *Trolleybus*.—Rubber-tired passenger vehicles operating singly on city streets. These buses are driven electrically with the power being drawn from an overhead electric line via trolleys.

(4) *Motor Bus*.—Rubber-tired passenger vehicles operating singly on city streets. These buses are powered by diesel, gasoline or propane engines contained within the bus; they are, therefore, not restricted to operating on a fixed route.

(5) *Dial-A-Ride*.—Rubber-tired passenger vehicles operating on city streets, propelled by gas, gasoline or diesel engines, equipped to provide personal demand transit service, normally upon dispatch, and used exclusively for this service.

(6) *School Bus*.—Type I and Type II school vehicles as defined in Highway Safety Program Standard No. 17, used exclusively to transport school students, personnel and equipment.

(7) *Ferryboat*.—A vessel for carrying passengers and/or vehicles over a body of water. The vessels are generally steam or diesel-powered conventional ferry vessels. They may also be hovercraft, hydrofoil and other high-speed vessels.

(8) *Other*.—Other modes of transit service such as cable cars, personal rapid transit systems of varying designs, monorails, incline railways, etc., not covered in the above categories.

§ 630.4 Overview of the Uniform System of Accounts and Records, and the Reporting System.

(a) *Distinction between required and voluntary systems*.—The Uniform System of Accounts and Records and the Reporting System include provisions for both mandatory and voluntary collection and reporting of data. The definitions for the required data are consistent with and summarized from those for the more extensive voluntary data. As described in Subparts B and C of this regulation, operators may elect to collect and report revenue and expense data in greater detail than that required to meet the section 15 requirement. The Central section 15 Processing System will be configured to support the assimilation and analysis of the more detailed expense and revenue data as well as mandatory data. Thus, if state or local governments mandate the more detailed revenue and expense data, or if transit operators elect to provide this data to further expand the capability for comparative analysis, the Central Process-

ing System will accommodate these additional needs.

(b) *Relationship of system of accounts and records to reporting system*.—There is a distinction between a uniform system of accounts and records, and a system of reports generated to satisfy the requirements of various users of financial and operating information.

(1) The uniform system of accounts and records consists of (1) Various categories of accounts and records for classifying financial and operating data, (2) Precise definitions as to what data elements are to be included in these categories, and (3) Definition of practices for systematic collection and recording of such information.

(2) The reporting system consists of forms and procedures (i) For transmitting information from operators to the central processing agency designated to collect data from all operators, (ii) For editing and storing information, and (iii) For the data center to report information to various user groups. User reports may consist of basic data summaries and analytical measures or performance indicators to assist the analysis of information.

(3) The level of detail of data element categories in the system of accounts and records should not be confused with the level of detail to be reported to the central processing agency and ultimately to users. The level of detail in the system of accounts and records maintained by the reporting agencies should be dictated largely by the management needs of the reporting agency, and by the requirement to provide an audit trail from the internal accounting system to the prescribed system, if the latter is not actually adopted in practice. The level of detail to be reported to the central processing agency will normally be less than that required for internal management purposes.

§ 630.5 Commuter rail reporting requirements.

Commuter railroads shall maintain their internal books of account in the manner specified by the Interstate Commerce Commission (ICC). The commuter rail reporting requirements under section 15 are those prescribed by the Rail Services Planning Office (RSPO) under 49 CFR Part 1127 as published in the *FEDERAL REGISTER* on August 3, 1976.

§ 630.6 Reference documents.

(a) The Uniform System of Accounts and Records and the Reporting System required by section 15 are contained in the report entitled "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," January, 1977. The report distinguishes between the mandatory collection and reporting of data required under section 15, and the voluntary collection and reporting which section 15 will accommodate. The report is presented in four volumes.

VOLUME I—GENERAL DESCRIPTION presents an overview of the systems, and an identification of the analytical potential provided

by comparative data generated by the systems.

VOLUME II—UNIFORM SYSTEM OF ACCOUNTS AND RECORDS contains the definitions for the uniform system of accounts and records.

VOLUME III—REPORTING SYSTEM FORMS AND INSTRUCTIONS—REQUIRED contains illustrative forms for each of the reports required to be submitted under section 15 and instructions for completing those forms.

VOLUME IV—REPORTING SYSTEM FORMS AND INSTRUCTIONS—VOLUNTARY contains illustrative forms and instructions for optional revenue and expense reporting. The voluntary reports in Volume IV are more detailed than their counterparts in Volume III. Operators may elect one or more of the optional reports in Volume IV in place of counterpart reports in Volume III.

(b) Volumes I, II, and III will be of use to all reporting transit systems. Volume IV will be useful to those operators who elect to comply with the more detailed revenue and expense options.

§ 630.7 Waiver.

The requirements set forth in this part may be modified or waived on a case-by-case basis upon application to the Urban Mass Transportation Administrator, if the Administrator determines that such modification or waiver is clearly necessary and is consistent with the intent of the law.

Subpart B—Uniform System of Accounts and Records

§ 630.10 Purpose.

The purpose of this Subpart is to prescribe the Uniform System of Accounts and Records under section 15 of the Urban Mass Transportation Act.

§ 630.11 General instructions.

(a) The Uniform System of Accounts and Records hereby prescribed pursuant to section 15 for each transit system affected by this regulation, except for commuter rail systems, is that described in the publication "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," January, 1977, available from:

Section Fifteen, Office of Transit Management, UMD-10, Urban Mass Transportation Administration, 2100 2nd Street, SW., Washington, D.C. 20590.

(1) In addition to the prescribed accounts, temporary or supplemental accounts and subdivisions of any accounts may be kept, provided the integrity of the prescribed accounts is not impaired. A transit property is not required to adopt the prescribed uniform system of accounts and records as its own internal system of accounts. Each entity can customize its internal books of account to meet its own internal management requirements, provided that it is able to translate its accounts to the prescribed uniform system of accounts and records. It is intended that the records shall be kept in a manner to permit ready analysis by prescribed accounts and to permit preparation of financial and operating data directly from such records at the end of the fiscal year. Any summary and/or translation to the prescribed Uni-

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form System of Accounts and Records must be consistent with the following:

(i) The data have been developed using the accrual basis of accounting. Those transit systems that use cash-basis accounting, in whole or in part, in their books of account will have to make work sheet adjustments to record the data on the accrual basis.

(ii) The accounting treatment specified in the Accounting Practice Instructions in the publication "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," January, 1977, has been followed.

(iii) The transit system's accounting categories (chart of accounts) have been correctly related, via a clear audit trail, to the accounting categories prescribed in this system.

(b) Commuter rail systems shall maintain their internal books of account in the manner specified by the Interstate Commerce Commission.

(c) Transit systems held subject by the Interstate Commerce Commission to the Interstate Commerce Commission's Uniform System of Accounts for Class I Common and Contract Motor Carriers of Passengers are not subject to the system of accounts and records described in this subpart. However, such transit systems are subject to the Section 15 reporting requirements specified in Subpart C.

§ 630.12 Structure of the Uniform System of Accounts and Records.

(a) In order to aid affected persons, enterprises and the public in comprehending this Uniform System of Accounts and Records, the general structure of the system is described as follows:

(1) *Two-Dimension Classification of Expenses.*—In the section 15 system, operating expenses incurred by the transit system are classified within mode according to two dimensions:

(i) The type of expenditure (object classes).

(ii) The functions or activities performed.

(2) *Expense Object Classes.*—The expense object classes are typical of most transit accounting systems. Although some operators may not identify the specific categories or use the same names, their systems usually capture the same information and can be reclassified into the Section 15 categories. The additional level of detail presented in "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," Volume II contains definitions that should help in this reclassification. Table B-1 presents the expense object classes and functions required under Section 15. Table B-2 is a more detailed list which includes recommended expense object classes that have been developed to assist transit operators in implementing the Section 15 requirements. The object class definitions are contained in the "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," January, 1977.

TABLE B-1.—Required expense object classes and functions

Object classes	Functional categories			
	610 operations	640 maintenance	160 general administrations	Total all functions
501 Labor.....				
01: Operators' salaries and wages.....				
02: Other salaries and wages.....				
502 Fringe benefits.....				
503 Services.....				
504 Materials and supplies consumed.....				
01: Fuel and lubricants.....				
02: Tires and tubes.....				
99: Other materials and supplies.....				
505 Utilities.....				
506 Casualty and liability costs.....				
507 Taxes.....				
508 Purchased transportation service.....				
509 Miscellaneous expense.....				
510 Expense transfers.....				
511 Interest expense.....				
512 Leases and rentals.....				
513 Depreciation and amortization.....				
Total expense.....				

TABLE B-2
RECOMMENDED EXPENSE OBJECT CLASSES

Sec.	501. Labor ¹	502. Fringe Benefits ¹	503. Services ¹	504. Materials and Supplies Consumed ¹	505. Utilities ¹	506. Casualty and Liability Costs ¹	507. Taxes ¹	508. Purchased Transportation Service ¹	509. Miscellaneous Expense ¹	510. Expense Transfers ¹	511. Interest Expense ¹	512. Leases and Rentals ¹
01.	Operators' Salaries and Wages. ¹											
02.	Other Salaries and Wages. ¹											
01.	FICA or Railroad Retirement.											
02.	Pension Plans. (including long-term disability insurance).											
03.	Hospital, Medical and Surgical Plans.											
04.	Dental Plans.											
05.	Life Insurance Plans.											
06.	Short-Term Disability Insurance Plans.											
07.	Unemployment Insurance.											
08.	Workmen's Compensation Insurance or Federal Employees Liability Act Contributions.											
09.	Sick Leave.											
10.	Holiday (including all premiums paid for working on holidays).											
11.	Vacation.											
12.	Other Paid Absence (bereavement pay, military pay, jury duty pay, etc.).											
13.	Uniform and Work Clothing Allowances.											
14.	Other Fringe Benefits.											
15.	Distribution of Fringe Benefits.											
01.	Management Service Fees.											
02.	Advertising Fees.											
03.	Professional and Technical Services.											
04.	Temporary Help.											
05.	Contract Maintenance Services.											
06.	Custodial Services.											
07.	Security Services.											
09.	Other Services.											
01.	Fuel and Lubricants. ¹											
02.	Tires and Tubes. ¹											
99.	Other Materials and Supplies. ¹											
01.	Propulsion Power.											
02.	Utilities Other Than Propulsion Power.											
01.	Premiums for Physical Damage Insurance.											
02.	Recoveries of Physical Damage Losses.											
03.	Premiums for Public Liability and Property Damage Insurance.											
04.	Payouts for Uninsured Public Liability and Property Damage Settlements.											
05.	Provision for Uninsured Public Liability and Property Damage Settlements.											
06.	Payouts for Insured Public Liability and Property Damage Settlements.											
07.	Recoveries of Public Liability and Property Damage Settlements.											
08.	Premiums for Other Corporate Insurances.											
09.	Other Corporate Losses.											
10.	Recoveries of Other Corporate Losses.											
01.	Federal Income Tax.											
02.	State Income Tax.											
03.	Property Tax.											
04.	Vehicle Licensing and Registration Fees.											
05.	Fuel and Lubricant Taxes.											
06.	Electric Power Taxes.											
99.	Other taxes.											
01.	Dues and Subscriptions.											
02.	Travel and Meetings.											
03.	Bridge, Tunnel and Highway Tolls.											
04.	Entertainment Expense.											
05.	Charitable Donations.											
06.	Fines and Penalties.											
07.	Bad Debt Expense.											
08.	Advertising/Promotion Media.											
99.	Other Miscellaneous Expense.											
01.	Function Reclassifications.											
02.	Expense Reclassifications.											
03.	Capitalization of Nonoperating Costs.											
01.	Interest on Long-Term Debt Obligations (net of interest capitalized).											
02.	Interest on Short-Term Debt Obligations.											
01.	Transit Way and Transit Way Structures and Equipment.											
02.	Passenger Stations.											
03.	Passenger Parking Facilities.											
04.	Passenger Revenue Vehicles.											
05.	Service Vehicles.											
06.	Operating Yards or Stations.											
07.	Engine Houses, Car Shops and Garages.											
08.	Power Generation and Distribution Facilities.											
09.	Revenue Vehicles Movement Control Facilities.											
10.	Data Processing Facilities.											
11.	Revenue Collection and Processing Facilities.											
12.	Other General Administration Facilities.											

¹ Denotes required object classes.

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513.	<i>Depreciation and Amortization</i> ¹
	01. Transit Way and Transit Way Structures and Equipment.
	02. Passenger Stations.
	03. Passenger Parking Facilities.
	04. Passenger Revenue Vehicles.
	05. Service Vehicles.
	06. Operating Yards or Stations.
	07. Engine Houses, Car Shops and Garages.
	08. Power Generation and Distribution Facilities.
	09. Revenue Vehicle Movement Control Facilities.
	10. Data Processing Facilities.
	11. Revenue Collection and Processing Facilities.
	12. Other General Administration Facilities.
	13. Amortization of Intangibles.

(3) *Functional Categories.*—Most current systems classify expenditures according to organizational categories. These organizational entities may or may not conform to the functional categories. Moreover, the organizational categories vary a great deal among systems. To obtain uniformity and enhance the usefulness of the data, a standard set of functional classifications has been defined. The functional classifications reflect the complexity, needs and capabilities of various sizes of operations. Large systems need to develop specialized activities and are able to identify labor and other expenses directly with these activities. Small companies have less need to develop specialized activities. For example, in an operation with ten vehicles, one person may perform general management, operating and maintenance activities.

(i) For the above reasons, three levels of detail for functional categories were developed and are recommended:

(A) Level A—Applies to operations with more than 500 vehicles.

(B) Level B—Applies to operations with 101–500 vehicles.

(C) Level C—Applies to operations with 100 vehicles or less.

(ii) Table B-3 shows the three levels of functional classification and how they relate to one another. Function definitions are contained in the January, 1977 publication "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System." Level A is the most detailed. Level B is an aggregation of Level A, and Level C is an aggregation of Level B. The breakdown in Table B-1 is Level C. Note that it will be possible to compare all systems at the C-Level regardless of reporting level chosen. The three functions defined for Level C are required under Section 15 for all operators, i.e., 010 Operations, 040 Maintenance, and 160 General Administration. Transit systems are encouraged, however, to adopt the functional classification developed for their size of operation.

¹ Denotes required object classes.

TABLE B-3.—Aggregation of functions for expense classification

Level A—Detail	Level B (aggregation of A)	Level C (aggregation of A)
011 Transportation administration.	010 Administration of transportation operations.	010 ¹ operations.
012 Revenue vehicle movement control.	020 Scheduling of transporting operations.	
021 Schedule of transportation operations.	030 Revenue vehicle operation.	
031 Revenue vehicle operation.	040 Maintenance administration.	
041 Maintenance administration—vehicles.	050 Servicing revenue vehicles.	
042 Maintenance administration—facilities.	060 Inspection and maintenance of revenue vehicles.	
051 Servicing revenue vehicles.	062 Accident repairs of revenue vehicles.	
061 Inspection and maintenance of revenue vehicles.	070 Vandalism repairs of revenue vehicles.	
062 Accident repairs of revenue vehicles.	080 Servicing and fuel for service vehicles.	
071 Vandalism repairs of revenue vehicles.	090 Inspection and maintenance of service vehicles.	
081 Servicing and fuel for service vehicles.	100 Maintenance of vehicle movement control systems.	040 ¹ maintenance.
091 Inspection and maintenance of service vehicles.	110 Maintenance of fare collection and counting equipment.	
101 Maintenance of vehicle movement control systems.		
111 Maintenance of fare collection and counting equipment.		
121 Maintenance of roadway and track.		
122 Maintenance of structures, tunnels, bridges, and subways.		
123 Maintenance of passenger stations.		
124 Maintenance of operating station buildings, grounds, and equipment.		
125 Maintenance of garage and shop buildings, grounds, and equipment.	130 Maintenance of other buildings, grounds, and equipment.	
126 Maintenance of communication system.		
127 Maintenance of general administration buildings, grounds, and equipment.		
128 Accident repairs of buildings, grounds, and equipment.		
131 Vandalism repairs of buildings, grounds, and equipment.	130 Vandalism repairs of buildings, grounds, and equipment.	160 ¹ general administration.
141 Operation and maintenance of electric power facilities.	140 Operation and maintenance of electric power facilities.	
145 Preliminary transit system development.	145 Preliminary transit system development.	
151 Ticketing and fare collection.	150 Ticketing and fare collection.	
161 System security.		
165 Injuries and damages.		
166 Safety.		
167 Personnel administration.		
168 General legal services.		
169 General insurance.		
170 Data processing.	160 General administration.	
171 Finance and accounting.		
172 Purchasing and stores.		
173 General engineering.		
174 Real estate management.		
175 Office management and services.		
176 General management.		
162 Customer services.		170 Marketing.
163 Promotion.		
164 Market research.		
177 Planning.		
181 General function.	180 General function.	

¹ Denotes required functional categories.

tion developed for their size of operation.

(4) *Revenue Classes.*—Table B-4 presents the revenue object classes required under Section 15. Table B-5 is a more detailed list which includes recommended revenue object classes that have been developed to assist transit operators in implementing the Section 15 requirement. The object class definitions appear in the January, 1977 publication "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System."

TABLE B-4

REQUIRED REVENUE OBJECT CLASSES

401.	Passenger Fares for Transit Service
402.	Special Transit Fares
403.	School Bus Service Revenues
404.	Freight Tariffs
405.	Charter Service Revenues
406.	Auxiliary Transportation Revenues
407.	Nontransportation Revenues
408.	Taxes Levied Directly by Transit System
409.	Local Cash Grants and Reimbursements
410.	Local Special Fare Assistance
411.	State Cash Grants and Reimbursements

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412. State Special Fare Assistance
 413. Federal Cash Grants and Reimburse-
 ments
 499. Contributed Services
 440. Subsidy from Other Sectors of Opera-
 tions

TABLE B-5

RECOMMENDED REVENUE OBJECT CLASSES

401. *Passenger Fares for Transit Service*¹
 01. Full Adult Fares.
 02. Senior Citizen Fares.
 03. Student Fares.
 04. Child Fares.
 05. Handicapped Rider Fares.
 06. Parking Lot Revenue.
 99. Other Primary Ride Fares.
 402. *Special Transit Fares*¹
 01. Contract Fares for Postmen.
 02. Contract Fares for Policemen.
 03. Special Route Guarantees.
 04. Other Special Contract Transit
 Fares—State and Local Govern-
 ment.
 05. Other Special Contract Transit
 Fares—Other Sources.
 07. Non-Contract Special Service
 Fares.
 403. *School Bus Service Revenues*¹
 404. *Freight Tariffs*¹
 405. *Charter Service Revenues*¹
 406. *Auxiliary Transportation Revenues*¹
 01. Station Concessions.
 02. Vehicle Concessions.
 03. Advertising Services.
 04. Automotive Vehicle Ferriage.
 99. Other Auxiliary Transportation
 Revenues.
 407. *Nontransportation Revenues*¹
 01. Sales of Maintenance Services.
 02. Rental of Revenue Vehicles.
 03. Rental of Buildings and Other
 Property.
 04. Investment Income.
 05. Parking Lot Revenue.
 99. Other Nontransportation Rev-
 enues.
 408. *Taxes Levied Directly by Transit Sys-
 tem*¹
 01. Property Tax Revenue.
 02. Sales Tax Revenue.
 03. Income Tax Revenue.
 04. Payroll Tax Revenue.
 05. Utility Tax Revenue.
 99. Other Tax Revenue.
 409. *Local Cash Grants and Reimburse-
 ments*¹
 01. General Operating Assistance.
 02. Special Demonstration Project As-
 sistance—Local Projects.
 03. Special Demonstration Project As-
 sistance—Local Share for State
 Projects.
 04. Special Demonstration Project As-
 sistance—Local Share for UMTA
 Projects.
 05. Reimbursement of Taxes Paid.
 06. Reimbursement of Interest Paid.
 07. Reimbursement of Transit System
 Maintenance Costs.
 08. Reimbursement of Security Costs.
 99. Other Financial Assistance.
 410. *Local Special Fare Assistance*¹
 01. Handicapped Citizen Fare Assist-
 ance.
 02. Senior Citizen Fare Assistance.
 03. Student Fare Assistance.
 99. Other Special Fare Assistance.
 411. *State Cash Grants and Reimburse-
 ments*¹
 01. General Operating Assistance.
 02. Special Demonstration Project As-
 sistance—State Projects.

¹ Denotes required object classes.

04. Special Demonstration Project As-
 sistance—State Share for UMTA
 Projects.

99. Reimbursement of Taxes Paid.
 06. Reimbursement of Interest Paid.
 07. Reimbursement of Transit System
 Maintenance Costs.
 08. Reimbursement of Security Costs.
 99. Other Financial Assistance.
 412. *State Special Fare Assistance*¹
 01. Handicapped Citizen Fare Assist-
 ance.
 02. Senior Citizen Fare Assistance.
 03. Student Fare Assistance.
 99. Other Special Fare Assistance.
 413. *Federal Cash Grants and Reimburse-
 ments*¹
 01. General Operating Assistance.
 04. Special Demonstration Project As-
 sistance.
 99. Other Financial Assistance.
 430. *Contributed Services*¹
 01. State and Local Government.
 02. Contra Account for Expense.
 440. *Subsidy From Other Sectors of Opera-
 tions*¹
 01. Subsidy from Utility Rates.
 02. Subsidy from Bridge and Tunnel
 Tolls.

(5) *Balance Sheet Object Classes.*—
 Table B-6 presents the classifications for
 assets, liabilities and capital accounts re-
 quired under Section 15. Table B-7 is a
 more detailed list which includes recom-
 mended balance sheet accounts that have
 been developed to assist transit opera-
 tors in implementing the Section 15 re-
 quirement. The definitions appear in the
 January, 1977 publication "Urban Mass
 Transportation Industry Uniform Sys-
 tem of Accounts and Records and Re-
 porting System."

TABLE B-6

REQUIRED BALANCE SHEET OBJECT CLASSES

Assets

101. Cash and Cash Items.
 102. Receivables.
 103. Materials and Supplies Inventory.
 104. Other Current Assets.
 105. Work in Process.
 111. Tangible Transit Operating Property
 01. Accumulated Depreciation.
 112. Tangible Property Other Than for
 Transit Operations.
 02. Accumulated Depreciation.
 121. Intangible Assets.
 06. Accumulated Amortization.
 131. Investments.
 141. Special Funds.
 151. Other Assets.
 Liabilities
 201. Trade Payables.
 202. Accrued Payroll Liabilities.
 203. Accrued Tax Liabilities.
 204. Short-Term Debt.
 205. Other Current Liabilities.
 211. Advances Payable.
 221. Long-Term Debt.
 231. Estimated Liabilities.
 241. Deferred Credits.
 Capital
 301. Public (Governmental) Entity Owner-
 ship.
 302. Private Corporation Ownership.
 303. Private Noncorporate Ownership.
 304. Grants, Donations and Other Paid-In
 Capital.
 305. Accumulated Earnings (Losses).

TABLE B-7

RECOMMENDED BALANCE SHEET OBJECT
CLASSES

Assets

101. *Cash and Cash Items*¹
 01. Cash.
 02. Working (Imprest) Funds.
 03. Special Deposits, Interest.
 04. Special Deposits, Dividends.
 05. Special Deposits, Other.
 06. Temporary Cash Investments.
 102. *Receivables*¹
 01. Accounts Receivable.
 02. Notes Receivable.
 03. Interest and Dividends Receiv-
 able.
 04. Receivables from Associated Com-
 panies.
 05. Receivable Subscriptions to Cap-
 ital Stock.
 06. Receivables for Capital Grants.
 07. Receivables for Operating Assist-
 ance.
 08. Other Receivables.
 09. Reserve for Uncollectible Ac-
 counts.
 103. *Materials and Supplies Inventory*¹
 104. *Other Current Assets*¹
 105. *Work in Process*¹
 01. Unbilled Work for Others
 02. Capital Projects.
 111. *Tangible Transit Operating Property*¹
 01. Property Cost.
 02. Leased-Out Property Cost.
 03. Accumulated Depreciation.
 112. *Tangible Property Other Than for
 Transit Operations*¹
 01. Property Cost.
 02. Accumulated Depreciation.
 121. *Intangible Assets*¹
 01. Organization Costs.
 02. Franchises.
 03. Patents.
 04. Goodwill.
 05. Other Intangible Assets.
 06. Accumulated Amortization.
 131. *Investments*¹
 01. Investments and Advances, Asso-
 ciated Companies.
 02. Other Investments and Advances.
 03. Reserve for Revaluation of In-
 vestments.
 141. *Special Funds*¹
 01. Sinking Funds.
 02. Capital Asset Funds.
 03. Insurance Reserve Funds.
 04. Pension Funds.
 05. Other Special Funds.
 151. *Other Assets*¹
 01. Prepayments.
 02. Miscellaneous Other Assets.
 Liabilities
 201. *Trade Payables*¹
 01. Accounts Payable.
 02. Payables to Associated Companies.
 202. *Accrued Payroll Liabilities*¹
 203. *Accrued Tax Liabilities*¹
 204. *Short-Term Debt*¹
 01. Notes Payable.
 02. Matured Equipment and Long-
 Term Obligations.
 03. Unmatured Equipment and Long-
 Term Obligations, Current Por-
 tion.
 04. Matured Interest Payable.
 05. Accrued Interest Payable.
 06. Current Pension Liabilities.
 205. *Other Current Liabilities*¹
 01. Unredeemed Fares.
 02. C.O.D.'s Unremitted.
 03. Dividends Declared and Payable.

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04. Short-Term Construction Liabilities.
05. Miscellaneous Other Current Liabilities.
211. *Advances Payable*¹
01. Advances Payable to Associated Companies.
02. Other Advances Payable.
221. *Long-Term Debt*¹
01. Equipment Obligations.
02. Bonds.
03. Receivers' and Trustees' Securities.
04. Long-Term Construction Liabilities.
05. Other Long-Term Obligations.
06. Unamortized Debt Discount and Expense.
07. Unamortized Premium on Debt.
08. Recaptured and Nominally Issued Long-Term Obligations.
231. *Estimated Liabilities*¹
01. Long-Term Pension Liabilities.
02. Uninsured Public Liability and Property Damage Losses.
03. Other Estimated Liabilities.
241. *Deferred Credits*¹
- Capital**
301. *Public (Governmental) Entity Ownership*¹
302. *Private Corporation Ownership*¹
01. Preferred Capital Stock.
02. Common Capital Stock.
03. Premiums and Assessments on Capital Stock.
04. Discount on Capital Stock.
05. Commission and Expense on Capital Stock.
06. Capital Stock Subscribed.
07. Recaptured Securities.
08. Nominally Issued Securities.
303. *Private Noncorporate Ownership*¹
01. Sole Proprietorship Capital.
02. Partnership Capital.
304. *Grants, Donations and Other Paid-In Capital*¹
01. Federal Government Capital Grants.
02. State Government Capital Grants.
03. Local Government Capital Grants.
04. Nongovernmental Donations and Other Paid-In Capital.
305. *Accumulated Earnings (Losses)*¹
01. Accumulated Earnings (Losses).
02. Dividend Appropriations.
03. Restricted Accumulated Earnings.

(6) *Accumulation Period.*—The period of accumulation of data is the operator's fiscal year. This avoids allocation inaccuracies that would occur if the operator were to be forced into a common year, i.e., calendar year, or the disruption which would be caused if all were to be required to adopt a fiscal year ending on the same date.

(7) *Operating Data Elements.*—The January, 1977 publication "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System" also defines and recommends procedures for the collection of certain operating data elements. The required operating data elements are listed in Table B-8.

(i) It should be noted here that for urbanized areas with populations over 750,000, this information will be supplemented periodically by a user survey conducted by the Metropolitan Planning Organizations (MPO's). A measure of walking accessibility to transit systems and

certain demographic data will also be provided by the MPO's for all urbanized areas with 50,000 or more population.

TABLE B-8

REQUIRED OPERATING DATA ELEMENTS

- Time Periods**
- Facilities and Equipment**
- Miles of roadway or track.
- Railway classifications.
- Bus roadway classifications.
- Revenue vehicle inventory classifications.
- Number of passenger stations.
- Employees**
- Transit operating personnel classifications.
- Employee count classifications.
- Maintenance Performance and Fuel Consumption**
- Roadcalls for mechanical failure.
- Roadcalls for other reasons.
- Labor hours for inspection and maintenance of revenue vehicles.
- Fuel power consumption.
- Number of light maintenance facilities.
- Safety**
- Collision accident classifications.
- Noncollision accident classifications.
- Injury and damage classifications.
- Service Supplied and Vehicle Utilization**
- Average and total vehicles operated.
- Miles of revenue service.
- Miles of total service.
- Miles of charter and school bus service.
- Hours of revenue service.
- Hours of total service.
- Hours of charter and school bus service.
- Passenger Utilization**
- Unlinked passenger trips.
- Passenger miles.
- Average time per unlinked trip.

Subpart C—Reporting System

§ 630.20 Purpose.

(a) The purpose of this subpart is to prescribe the Reporting System and present general instructions for reporting the financial and nonfinancial operating data required.

(b) *Distinction between reporting system inputs and outputs.*—(1) *Reporting system inputs.*—The reporting system inputs are the data elements which are actually reported by the system operators to the central processing agency.

(2) *Reporting system outputs.*—The reporting system outputs are the reports which are generated by the data center for the various user groups. These reports may contain the values of the individual data elements reported by the operators, and/or aggregations of the data, and/or ratios or other analyses of interest to various users.

§ 630.21 Reporting requirements.

(a) The reporting requirements cover the following major segments which are based on the Uniform System of Accounts and Records.

- (1) Balance sheet.
- (2) Revenue report.
- (3) Expense report.
- (4) Nonfinancial operating data reports.
- (5) Miscellaneous auxiliary questionnaires and subsidiary schedules.

(b) The reporting requirements under Section 15 consist of reporting information contained in each of the required accounts specified in Subpart B and of reporting more detailed information on sources of funding, payroll and labor related expenses.

(c) Transit operators may submit a more detailed revenue report which would include the information contained in the recommended revenue object classes listed in Subpart B, Table B-5.

(d) Transit operators may submit a more detailed expense report which would include the information contained in the recommended expense object classes and functions listed in Subpart B, Tables B-2 and B-3. Transit operators choosing this option are encouraged to use the guidelines specified in Subpart B in determining the level of functional category detail to use in the collection and reporting of expense data, i.e., Level A, B or C.

(e) Transit operators with 25 revenue vehicles or less are not required to submit the following subsidiary forms:

Operators' Wages Subsidiary Schedule
Fringe Benefits Subsidiary Schedule
Pension Plan Questionnaire

§ 630.22 Reporting period.

(a) At the end of its fiscal year, each transit operator subject to this Reporting System shall file a report that contains the reporting forms required by section 15. The transit system shall file with such report, a letter or report signed by an independent public accountant or other responsible independent entity such as a state audit agency attesting to the conformity, in all material respects, of the financial data reporting forms in such report with the prescribed Uniform System of Accounts and Records and Reporting System.

(b) A suggested form of a letter or report follows:

In connection with our regular examination of the financial statements of ----- for the year ended -----, on which we have reported separately under date of -----, we have also reviewed the reporting forms listed below and included in the ----- report for the year ended -----, required under Section 15 of the Urban Mass Transportation Act, for conformity in all material respects with the requirements of the Urban Mass Transportation Administration as set forth in its applicable Uniform System of Accounts and Records and Reporting System. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not make a detailed examination such as would be required to determine that each transaction has been recorded in accordance with the Uniform System of Accounts and Records.

LIST OF REPORTING FORMS BEING REPORTED UPON

Based on our review, in our opinion, the accompanying reporting forms identified above (except as noted below¹) conform in all material respects with the accounting re-

¹ Parenthetical phrase inserted only when exceptions are to be reported.

¹ Denotes required object classes.

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quirements of the Urban Mass Transportation Administration as set forth in its applicable Uniform System of Accounts and Records and Reporting System.

(c) The letter or report shall state, additionally, which, if any, of the reporting forms set forth above do not conform to the Urban Mass Transportation Administration requirements, and shall describe the discrepancies that exist.

(d) If the system is not audited by an independent public accountant, such certification will be required from a governmental audit agency, such as a state audit agency or a municipal audit agency. However, the certification must be made by an agency that is in fact independent. The Urban Mass Transportation Administration will determine the fact of independence by considering all of the relevant circumstances.

(e) Each transit system reporting its results will file a report covering its own fiscal year. This annual report will include all applicable forms in the Reporting System. All reports are due 120 days after the close of the fiscal year.

(f) Table C-1 indicates the key dates for accumulating and reporting information, based on a transit system's fiscal year.

TABLE C-1

If fiscal year ends	Internal systems to support sec. 15, reporting system should be in place as of:	1st report due to system administrator 120 d after fiscal yearend
July 31.....	Aug. 1, 1977	Nov. 28, 1978
Aug. 31.....	Sept. 1, 1977	Dec. 28, 1978
Sept. 30.....	Oct. 1, 1977	Jan. 28, 1979
Oct. 31.....	Nov. 1, 1977	Feb. 28, 1979
Nov. 30.....	Dec. 1, 1977	Mar. 30, 1979
Dec. 31.....	Jan. 1, 1978	Apr. 30, 1979
Jan. 31.....	Feb. 1, 1978	May 31, 1979
Feb. 28.....	Mar. 1, 1978	June 28, 1979
Mar. 31.....	Apr. 1, 1978	July 29, 1979
Apr. 30.....	May 1, 1978	Aug. 28, 1979
May 31.....	June 1, 1978	Sept. 28, 1979
June 30.....	July 1, 1978	Oct. 28, 1979

(g) Financial data must be reported to the nearest dollar. All information reported on the forms must be typewritten or printed legibly.

(h) Recognizing that many transit systems might experience difficulty responding to the complete Reporting System in the first year, the initial reports will be a subset of the full Reporting System. Specifically, for financial data, the first year requirements and the full section 15 requirements are identical except that:

(1) Transit operators are not required to complete the Operators' Wages Subsidiary Schedule in the first year; and

(2) Transit operators who participate in pay-as-you-go pension plans are not required to report in the first year what

the cost of a fully-funded pension plan would have been.

(i) The accounting basis to be used in developing the data for the reports is the accrual basis. Using the accrual basis, revenues will be recorded when earned, regardless of whether or not receipt of the revenue takes place in the same reporting period. Similarly, expenditures will be recorded as soon as they result in liabilities for benefits received, regardless of whether or not payment of the expenditure is made in the same reporting period.

(j) Those transit systems that use cash-basis accounting, in whole or in part, in their books of account will have to make work sheet adjustments to develop report data on the accrual basis.

§ 630.23 Availability of reporting forms.

The required forms and instructions are available from:

Section 15, Office of Transit Management, UMD-10, Urban Mass Transportation Administration, Room 6412, 2100 Second Street, SW., Washington, D.C. 20590.

Illustrative forms for each of these required reports are included in the "Uniform System of Accounts and Records and Reporting System," January 1977, Volume III—Reporting System Forms and Instructions—Required. Volume IV—Reporting System Forms and Instructions—Voluntary contains illustrative forms and instructions for the optional revenue report and expense reports. Table C-2 contains a list of the reporting forms required under Section 15. An asterisk indicates that the reporting form is not required from operators who operate twenty-five or fewer revenue vehicles.

TABLE C-2
REQUIRED REPORTING FORMS

Financial Data

Balance Sheet Summary Schedule
Capital Subsidiary Schedule
Revenue Summary Schedule
Revenue Subsidiary Schedule
Single Mode Expenses and Functions Schedule or
Multi-Mode Expenses and Functions Schedule
Operators' Wages Subsidiary Schedule
Fringe Benefits Subsidiary Schedule
Pension Plan Questionnaire

Operating Data

Weekday Time Period Schedule
Transit Way Descriptions Schedule
Revenue Vehicle Inventory Schedule
Energy Consumption Schedule
Transit Service Personnel Schedule
Transit System Employee Count Schedule
Accidents Schedule
Transit Service Supplied Schedule
Transit Service Consumed Schedule

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