

2017 Audit Presentation To
WAUKESHA METRO TRANSIT
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FINANCIAL STATEMENT HIGHLIGHTS

- > Continue to issue a full audit report for the transit. The supplemental information on the Waukesha County Operating Assistance contract is issued in a separate report
- > County information flows through the transit's financial statements
- > Clean audit opinion (pages 1-3)
 - Financial statements are the responsibility of management
 - In our opinion fairly stated
- > Management Discussion & Analysis (pages 4-10) provides highlights
- > Supplemental information on grants (pages 25-27)

MANAGEMENT LETTER

- > Transit Commission should stay involved, review information provided and ask questions.
- > Required communications
 - Communicated in the report on internal controls for the City of Waukesha as presented to the City Council.
 - No audit adjustments in the current year.

CITYWIDE SINGLE AUDIT

- > Required since city receives more than \$750,000 federal and/or state funding
- > Tests city compliance with laws and regulations related to program requirements, for example Buy America, Civil Rights, and Minimum Wage standards. More issues added for ARRA grants.
- > Citywide report goes to City Council – No transit findings

WAUKESHA METRO TRANSIT

2017 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2016</u>		<u>2017</u>	
<u>Ridership</u>				
Fixed Route	643,451		630,003	
Metrolift	10,561		9,683	
MCTS	245,945		241,695	
WCL	158,773		138,233	
Paratransit	3,169		3,480	
<u>Operating Revenues</u>				
Passenger fares & other operating	\$ 1,998,185	23%	\$ 1,723,375	20%
Tire lease	31,124	0.4%	31,165	0.4%
City of Waukesha and other local subsidies	1,741,749	20%	2,019,091	23%
State subsidy	4,130,187	47%	4,042,389	46%
Federal subsidy	<u>929,048</u>	11%	<u>1,014,893</u>	11%
TOTAL	<u>\$ 8,830,293</u>	100%	<u>\$ 8,830,913</u>	100%

What it means...

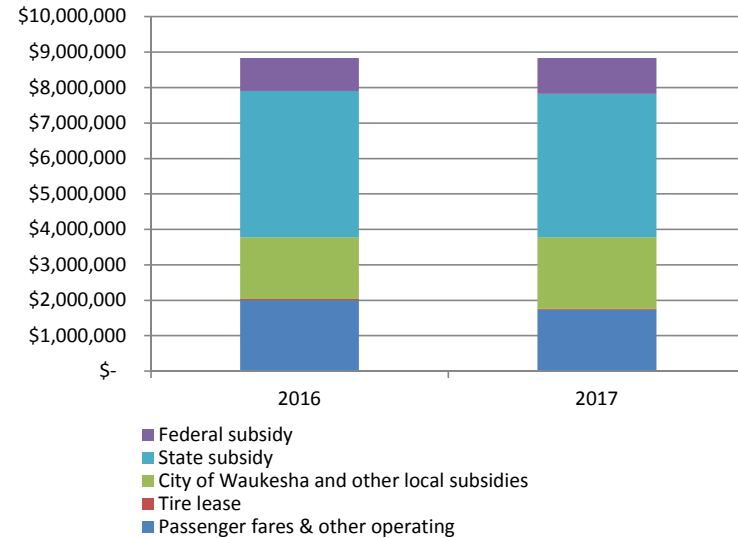
State and federal operating subsidies allow for a maximum of 60% of operating expenses to be recovered. The decrease in passenger fares and other operating revenue is a result of a decrease in ridership experienced during the year. The change in revenues was minimal and follows the minimal change in expenses as seen below.

	<u>2016</u>		<u>2017</u>	
<u>Operating Expenses</u>				
Labor and benefits	\$ 3,696,022	42%	\$ 3,753,676	42%
Services	635,578	7%	575,313	7%
Materials and supplies	432,411	5%	450,807	5%
Purchased transportation	3,789,333	43%	3,762,508	43%
Other	<u>272,613</u>	3%	<u>291,264</u>	3%
TOTAL (excluding depreciation)	<u>\$ 8,825,957</u>	100%	<u>\$ 8,833,568</u>	100%

What it means...

Labor and benefits remained relatively stable for 2017 compared to 2016. Materials and supplies increased 4% in 2017 due to a slight increase in the purchase of diesel fuel during the year. Purchased transportation remained steady from 2016. The overall expense profile of the transit remained consistent with these two categories accounting for approximately 85% of the total costs.

Transit Operating Revenues



Transit Operating Expenses

