

2018 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.
 - One audit adjustment in the current year.
 - One passed audit adjustment 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

2018 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2017</u>		<u>2018</u>	
<u>Ridership</u>				
Fixed Route	630,003		619,488	
Metrolift	9,683		10,784	
MCTS	241,695		251,224	
WCL	138,233		111,726	
Paratransit	3,480		2,831	
<u>Operating Revenues</u>				
Passenger fares & other operating	\$ 1,723,375	20%	\$ 1,508,708	17%
Tire lease	31,165	0.4%	32,715	0.4%
City of Waukesha and other local subsidies	2,019,091	23%	2,296,888	26%
State subsidy	4,042,389	46%	3,919,846	45%
Federal subsidy	<u>1,014,893</u>	11%	<u>1,032,002</u>	12%
TOTAL	<u>\$ 8,830,913</u>	100%	<u>\$ 8,790,159</u>	100%

What it means...

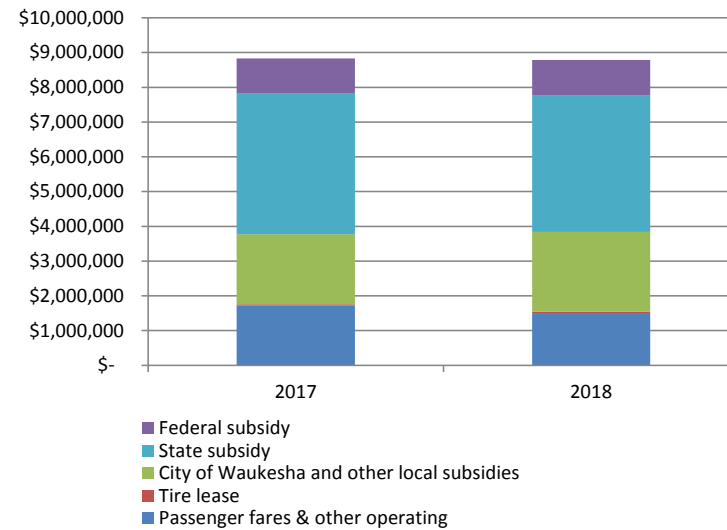
State and federal operating subsidies allow for a maximum of 60% of operating expenses to be recovered. The decrease in passenger fares and other operating revenue is a result of a decrease in ridership experienced during the year. The change in revenues was minimal and follows the minimal change in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

	<u>2017</u>		<u>2018</u>	
<u>Operating Expenses</u>				
Labor and benefits	\$ 3,753,676	42%	\$ 3,853,227	44%
Services	575,313	7%	577,950	7%
Materials and supplies	450,807	5%	520,038	6%
Purchased transportation	3,762,508	43%	3,602,239	41%
Other	<u>291,264</u>	3%	<u>233,964</u>	3%
TOTAL (excluding depreciation)	<u>\$ 8,833,568</u>	100%	<u>\$ 8,787,418</u>	100%

What it means...

Labor and benefits remained relatively stable for 2018 compared to 2017. Materials and supplies increased 15% in 2018 due to an increase in the price of diesel fuel during the year. Purchased transportation decreased from 2017 as a result of the I-94 route ending. 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

