

2024 Audit Presentation To
WAUKESHA METRO TRANSIT
Jodi Dobson, CPA, Principal of Baker Tilly US LLP

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
- > Supplemental information on grants (pages 24-26)

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 immaterial audit adjustment in the current year.
 - No 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 allowable costs, cash management, procurement, reporting.
- > Citywide report goes to City Council – No transit findings

WAUKESHA METRO TRANSIT

2024 FINANCIAL STATEMENT HIGHLIGHTS

| | <u>2023</u> | | <u>2024</u> | | |
|--|---------------------|-------------|---------------------|-------------|--|
| <u>Ridership</u> | | | | | |
| Fixed Route | 426,146 | | 494,915 | | |
| MCTS | 59,807 | | - | | |
| WCL | 18,384 | | 15,041 | | |
| Paratransit | 447 | | - | | |
| <u>Operating Revenues</u> | | | | | |
| Passenger fares & other operating | \$ 804,328 | 10% | \$ 757,283 | 9% | |
| Tire lease | 42,795 | 0.5% | 50,184 | 0.6% | |
| City of Waukesha and other local subsidies | 1,543,946 | 20% | 947,113 | 12% | |
| State subsidy | 3,260,957 | 42% | 3,323,676 | 41% | |
| Federal subsidy | 2,187,539 | 28% | 3,019,802 | 37% | |
| TOTAL | \$ 7,839,565 | 100% | \$ 8,098,058 | 100% | |

What it means...

Standard state and federal operating subsidies were used to the maximum grant agreement award for operating deficit in 2024. The increase in passenger fares and other operating revenue is a result of increased ridership. The change in revenues follows the change in expenses as seen below.

| | <u>2023</u> | | <u>2024</u> | | |
|---------------------------------------|---------------------|-------------|---------------------|-------------|--|
| <u>Operating Expenses</u> | | | | | |
| Labor and benefits | 4,613,605 | 59% | 4,869,526 | 65% | |
| Services | 747,227 | 10% | 772,392 | 10% | |
| Materials and supplies | 697,591 | 9% | 721,321 | 10% | |
| Purchased transportation | 1,263,359 | 16% | 651,208 | 9% | |
| Other | 465,790 | 6% | 461,080 | 6% | |
| TOTAL (excluding depreciation) | \$ 7,787,572 | 100% | \$ 7,475,527 | 100% | |

What it means...

Labor and benefits remained relatively stable in 2024 compared to 2023. Materials and supplies also remained relatively stable in 2024 compared to 2023. The purchased transportation decrease relates to transfers for the share of the Route 1 extension as well as expenses incurred in 2023 for MCTS routes not incurred in 2024.

