

2016 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 4-11) provides highlights
- > Supplemental information on grants (pages 26-28)

MANAGEMENT LETTER

- > Transit Commission should stay involved, review information provided and ask questions.
- > Status of prior year recommendations
 - As the transit continues to pass federal funds to Waukesha County, it is important that they understand the sub recipient monitoring requirements under the new Uniform Guidance.
- > Required communications
 - Communicated in the report on internal controls for the City of Waukesha as presented to the City Council.
 - No material audit adjustments in the current year.

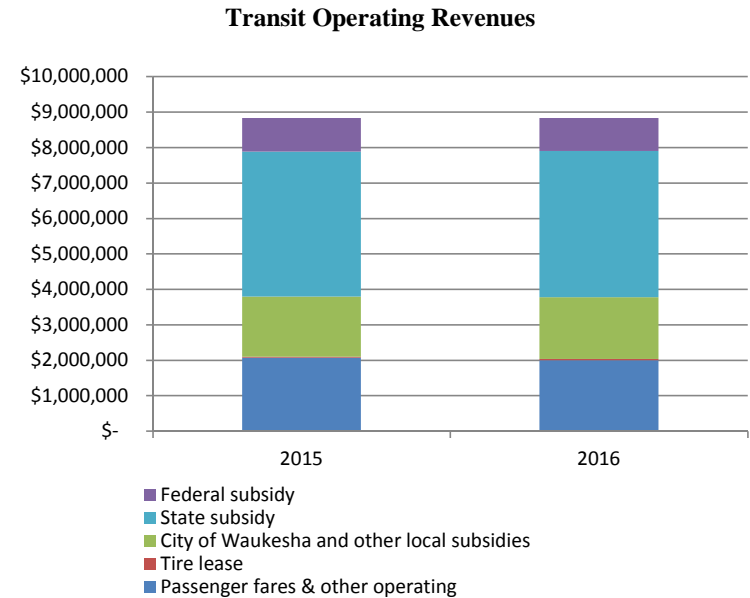
CITYWIDE SINGLE AUDIT

- > 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

2016 FINANCIAL STATEMENT HIGHLIGHTS

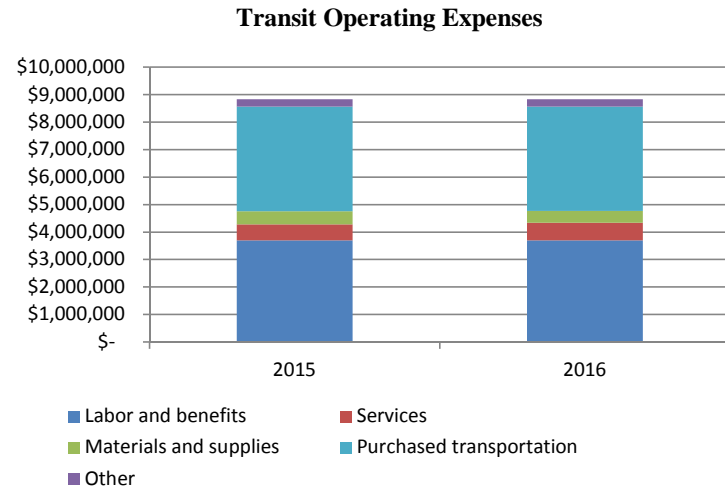
	<u>2015</u>		<u>2016</u>	
<u>Ridership</u>				
Fixed Route	695,391		643,451	
Metrolift	10,906		10,561	
MCTS	243,032		245,945	
WCL	164,547		158,773	
Paratransit	3,095		3,169	
<u>Operating Revenues</u>				
Passenger fares & other operating	\$ 2,064,859	23%	\$ 1,998,185	23%
Tire lease	32,827	0.4%	31,124	0.4%
City of Waukesha and other local subsidies	1,692,846	19%	1,741,749	20%
State subsidy	4,093,426	46%	4,130,187	47%
Federal subsidy	<u>948,416</u>	11%	<u>929,048</u>	11%
TOTAL	<u>\$ 8,832,374</u>	100%	<u>\$ 8,830,293</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>2015</u>		<u>2016</u>	
<u>Operating Expenses</u>				
Labor and benefits	\$ 3,687,663	42%	\$ 3,696,022	42%
Services	587,737	7%	635,578	7%
Materials and supplies	475,167	5%	432,411	5%
Purchased transportation	3,810,901	43%	3,789,333	43%
Other	<u>260,921</u>	3%	<u>272,613</u>	3%
TOTAL (excluding depreciation)	<u>\$ 8,822,389</u>	100%	<u>\$ 8,825,957</u>	100%



What it means...

Labor and benefits remained relatively stable for 2016 compared to 2015. Materials and supplies decreased 9% in 2016 due to a large decrease in the purchase of diesel fuel during the year. Purchased transportation remained steady from 2015. The overall expense profile of the transit remained consistent with these two categories accounting for approximately 85% of the total costs.