

# **WAUKESHA METRO TRANSIT**

An Enterprise Fund of the  
City of Waukesha, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2019 and 2018

# WAUKESHA METRO TRANSIT

An Enterprise Fund of the City of Waukesha, Wisconsin

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## INDEPENDENT AUDITORS' REPORT

To the Transit Commission Board  
Waukesha Metro Transit  
Waukesha, Wisconsin

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Waukesha Metro Transit, an enterprise fund of the City of Waukesha, Wisconsin, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Waukesha Metro Transit's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Waukesha Metro Transit's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waukesha Metro Transit as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As discussed in Note 1, the financial statements present only the Waukesha Metro Transit enterprise fund and do not purport to, and do not, present fairly the financial position of the City of Waukesha, Wisconsin, as of December 31, 2019 and 2018 and the respective changes in financial position, or cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of the overall City of Waukesha's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including those systems applicable to Waukesha Metro Transit. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waukesha's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 24, 2020

# **Waukesha Metro Transit**

## Management's Discussion and Analysis

### **Basic History of Waukesha Metro Transit**

The Waukesha Metro Transit System is owned by the City of Waukesha and operated by a private contract management firm, currently Transdev. The management contract is competitively procured every five years and has always been in place since the beginning of operations in August 1981.

Waukesha Metro Transit carried 577,696 passengers in 2019. Waukesha Metrolift, a demand-responsive paratransit service required under federal regulations for those persons unable to ride fixed route transit because of disability, carried 11,062 disabled persons in 2019 at a fare double the fixed route adult fare. Waukesha Metro has provided over 20 Million rides in its history.

The City of Waukesha currently owns 25 vehicles: 24 buses (4 paratransit and 20 fixed-route) and 1 paratransit van. All 25 vehicles are ADA accessible, with two wheelchair passengers able to be accommodated on each of the fixed-route buses. The transit system operates service seven days a week with an adult fare of \$2.00. The transit system has extended service beyond city boundaries where appropriate. Frequent service is operated in the Bluemound Road corridor in the Town and City of Brookfield to the Brookfield Square Mall. This service is funded by Waukesha County.

The transit system operates out of two fixed facilities. The Badger Drive facility is the administrative and maintenance facility that provides indoor storage for the buses and all maintenance and administrative functions of the transit system are conducted from this facility. The original building opened in March 1986 and there was a building expansion in 1995 that added on to both the bus storage area and administrative facility. The other facility is the downtown transit center located on St. Paul Avenue near the Fox River. Buses meet at the transit center every half hour to facilitate transfers. The downtown transit center opened in October 2004 and provides an indoor waiting area, covered bus bays and staffs the Transportation Department personnel for direct customer service.

To pay the cost of operating the system, the City of Waukesha receives grants from the Federal Transit Administration (FTA) and the Wisconsin Department of Transportation (WISDOT). Federal and state operating grants cover up to 60 percent of expenses, with the farebox revenue covering about 20 percent. This leaves about 20 percent of the cost as a City taxpayer expense. Federal grants for capital expenses (buses, structures, etc.) cover up to 80 percent of expenses. As a condition of receiving federal and state operating grants, the transit system is subject to state mandated efficiency and effectiveness measures. Waukesha Metro Transit has consistently performed well when measured in a peer group of other state transit systems as well as a national peer group.

In March 2003, the transit system successfully won a competitive procurement to administer the Waukesha County transit service. The County transit service, which is all contracted to other transit operators (including Waukesha Metro Transit), operates countywide with an emphasis on commuter service between Milwaukee and various Waukesha County communities. The City of Waukesha holds all of the grants received from the Federal Transit Administration (FTA) and the Wisconsin Department of Transportation (WISDOT). In order for Waukesha County transit to receive proper credit for their share of the grant funding, Waukesha Metro Transit acts as a pass through and pays all of the contractors directly for operating the Waukesha County transit service. Thus, both Waukesha Metro Transit and Waukesha County Transit revenue and expenses are reflected on the financial statements.

### **Basic Financial Statements**

Waukesha Metro Transit is an Enterprise Fund of the City of Waukesha. The City of Waukesha hires a management firm to manage the employees that operate the transit system. The employees all work for the company called Professional Transit Management of Waukesha, Inc. There is only one City of Waukesha employee at Waukesha Metro Transit, the Transit Manager.

As an Enterprise Fund, the same basis of accounting as a private-sector business is used. Under this method of accounting, the accrual basis of accounting is used. Revenues are recorded when earned and expenses are recorded when incurred.

The statement of net position presents information on the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of Waukesha Metro Transit's financial position.

#### **Statement of Waukesha Metro Transit's Net Position**

	2019	2018	2017
<b><u>Assets</u></b>			
Current Assets	\$2,046,803	\$1,952,842	\$1,768,134
Capital Assets (net of accum. depr)	\$13,678,084	\$13,761,540	\$13,883,246
Total Assets	\$15,724,887	\$15,714,382	\$15,651,380
Deferred Outflows	\$61,738	\$33,674	\$41,108
<b><u>Liabilities</u></b>			
Current Liabilities	\$673,554	\$615,259	\$437,317
Non-current Liabilities	\$467,765	\$431,027	\$455,048
Total Liabilities	\$1,141,319	\$1,046,286	\$892,365
Deferred Inflows	\$32,264	\$33,731	\$17,057
<b><u>Net Assets</u></b>			
Invested in capital assets	\$13,678,084	\$13,743,885	\$13,883,246
Restricted - Pension	\$0	\$17,655	\$0
Unrestricted (deficit)	\$934,958	\$906,499	\$899,820
Total Net Assets	\$14,613,042	\$14,668,039	\$14,783,066

See independent auditors' report

In the Statement of Net Position above, Current Assets are comprised of accounts receivables from vendors and various grants, value of inventories and prepaid items, and advances to the City of Waukesha including the cash accounts which have a negative balance due to the sweep account feature that exists on a nightly basis. The Capital Assets are comprised of land and various plant costs less the accumulated depreciation taken on these plant costs.

Current Liabilities represent accounts payable, accrued payroll liabilities, and compensated absences such as vacation. Non-current Liabilities represent the accrued sick leave balance that covers the liability for those employees with ten years (or 15 years for those hired after September 2012 with minimum age requirement of age 55) or more of service to the transit system.

Net Position is comprised of the two lines above. The first is Invested in Capital Assets and will match the value in the asset category for Capital Assets – Net of Accumulated Depreciation. This number truly represents the value of capital assets at any given time. These Capital Assets are purchased with Federal and State grants with a local matching contribution. The second line represents the component of Net Position that doesn't fit into the category Invested in Capital Assets. The value of Unrestricted Net Position will vary with the capital purchases that are made each year. If there is an increase in Capital Assets – Net of Accumulated Depreciation there will be an increase in Net Position – Invested In Capital Assets and then a subsequent decrease in Unrestricted Net Position. Net Position – Unrestricted represents the value of the transit system at year end if all assets and liabilities were liquidated.

The statement of revenue, expenses and changes in net position reports the operating revenues and expenses and non-operating revenues and expenses of Waukesha Metro Transit for the fiscal year with the difference – the net income or loss – being combined with any capital grants to determine the net change in position for the fiscal year. That change combined with the net position at the end of the previous year equals the net position at the end of the current fiscal year.

Statement of Revenues, Expenses and Changes in Net Position

	2019	2018	2017
<b>Operating Revenues</b>			
Passenger fares for transit service	\$1,193,282	\$1,298,823	\$1,269,274
Non-transportation revenues - advertising	\$54,946	\$65,967	\$69,106
WisDOT commuter service	\$0	\$0	\$244,384
Non-transportation revenues - route administration	\$147,616	\$143,918	\$140,611
Total Operating Revenues	\$1,395,844	\$1,508,708	\$1,723,375
<b>Operating Expenses</b>			
Salaries and wages	\$2,412,487	\$2,372,512	\$2,276,379
Fringe benefits	\$1,417,439	\$1,480,716	\$1,477,297
Services	\$592,344	\$577,951	\$575,313
Materials and Supplies	\$483,092	\$520,039	\$450,807
Utilities	\$75,956	\$79,808	\$86,296
Casualty and Liability costs	\$139,809	\$133,809	\$175,059
Taxes	\$466	\$394	\$364
Purchased transportation services	\$3,598,696	\$3,602,239	\$3,762,508
Miscellaneous	\$27,898	\$19,950	\$29,545
Depreciation	\$1,088,714	\$1,102,144	\$1,239,381
Total Operating Expenses	\$9,836,901	\$9,889,562	\$10,072,949
Operating Loss	(\$8,441,057)	(\$8,380,854)	(\$8,349,574)
<b>Operating Subsidies</b>			
Federal tire lease grant revenue	\$26,579	\$26,172	\$24,932
Local - Other	\$1,031,025	\$1,026,653	\$938,149
State - Operating	\$3,769,180	\$3,919,846	\$4,042,389
CMAQ Grant	\$14,099	\$11,028	\$18,415
Federal - Operating	\$1,519,369	\$1,020,974	\$996,478
Total Subsidies	\$6,360,252	\$6,004,673	\$6,020,363
Loss before Contributions and Transfers	(\$2,080,805)	(\$2,376,181)	(\$2,329,211)
Transfer In - Municipality - Operating	\$985,456	\$1,270,235	\$1,080,942
Transfer In - Municipality - Tire Lease	\$6,645	\$6,543	\$6,233
Transfer In - Municipality - Capital	\$29,147	\$53,206	\$35,051
Capital Contributions - Federal/State	\$826,964	\$765,040	\$741,898
Capital Contributions - Local	\$177,596	\$166,130	\$163,084
Transfers Out	\$0	\$0	\$0
Change in Net Assets	(\$54,997)	(\$115,027)	(\$302,003)
Net Assets - Beginning of Year	\$14,668,039	\$14,783,066	\$15,085,069
Cumulative effect of a change in accounting principle	\$0	\$0	\$0
Net Assets - End of Year	\$14,613,042	\$14,668,039	\$14,783,066

See independent auditors' report

The transit system saw a 7% decrease in operating revenue, \$110,000, from 2018 to 2019 due to Waukesha Metro Transit advertising revenue reduction of \$10,000, and Waukesha County Transit farebox revenue decreasing by \$100,000. Services provided by Milwaukee County Transit System and Wisconsin Coach Lines each had a loss of \$50,000 in revenue.

The transit system saw a 0.5% decrease in total operating expenses from 2018 to 2019. The majority of the decrease is found in the Fringe Benefits category where we saw a decrease in health insurance and also in the Materials & Supplies category in the diesel line item.

## **Capital Assets**

Waukesha Metro Transit's capital assets are 80% funded by Federal Transit Administration grants. The remaining 20% is funded through local tax levy dollars, both current and past years through carryover requests.

In 2017, Waukesha Metro Transit purchased \$945,286 in capital grants. Of these purchases \$745,100 was the federal share and \$199,186 was the local match.

These capital grant expenditures included the purchase of (2) new buses, security cameras, fall restraint system, make up air unit, enhancement projects, and paratransit scheduling software.

In 2018, Waukesha Metro Transit purchased \$984,375 in capital grants. Of these purchases \$765,038 was the federal share and \$219,337 was the local match.

These capital grant expenditures included the purchase of (2) new buses, security cameras, access control, water softener, tire changer and enhancement projects.

In 2019, Waukesha Metro Transit purchased \$1,033,709 in capital grants. Of these purchases \$826,967 was the federal share and \$206,742 was the local match.

These capital grant expenditures included the purchase of (2) new buses, security cameras, service vehicle, software upgrades, ticket vending machine upgrades, and informational signage enhancements at the transit center.

*This financial report is intended to provide readers with a general overview of the finances of Waukesha Metro Transit. Questions concerning any information within this report may be directed to the Finance Director at 2311 Badger Drive, Waukesha, WI 53188.*

Snap Shot of Transportation

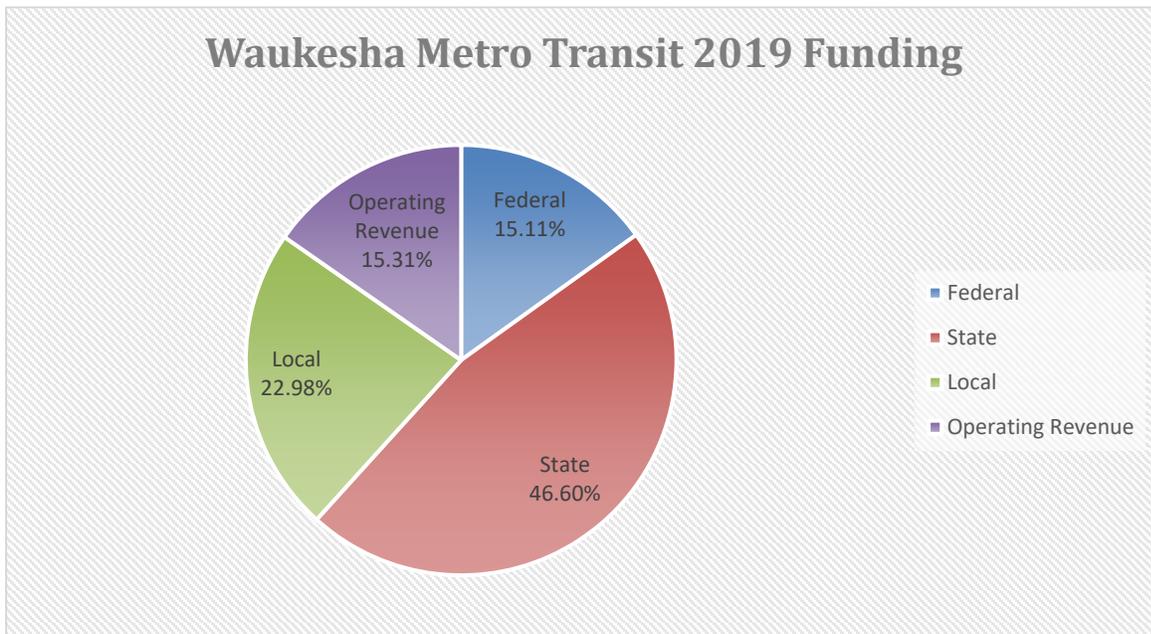


- 588,758 total ridership in 2019, 6.59% decrease
- Serving the City of Waukesha, Town and City of Brookfield & Pewaukee
- Operates 11 fixed routes & Metrolift paratransit service
- 20 fixed route buses & 5 Metrolift buses
- 1 Transit Center & 1 Administration and Maintenance facility

Performance and Cost Efficiency: Waukesha Metro Transit

Fixed Route – City of Waukesha	2019	2018	2017
Revenue Hours	51,820	51,977	51,915
Revenue Miles	641,152	661,737	648,178
Unlinked Trips	577,696	619,488	630,003
Cost per Trip	\$ 7.47	\$ 7.02	\$ 6.78
Trips per Hour	11.15	11.92	12.14

ADA Paratransit—City of Waukesha	2019	2018	2017
Revenue Hours	4,748	4,629	4,502
Revenue Miles	54,521	53,515	50,312
Unlinked Trips	11,062	10,784	9,693
Cost per Trip	\$ 53.22	\$ 55.03	\$ 60.10
Trips per Hour	2.33	2.33	2.15



See independent auditors' report



Snap Shot of Transportation

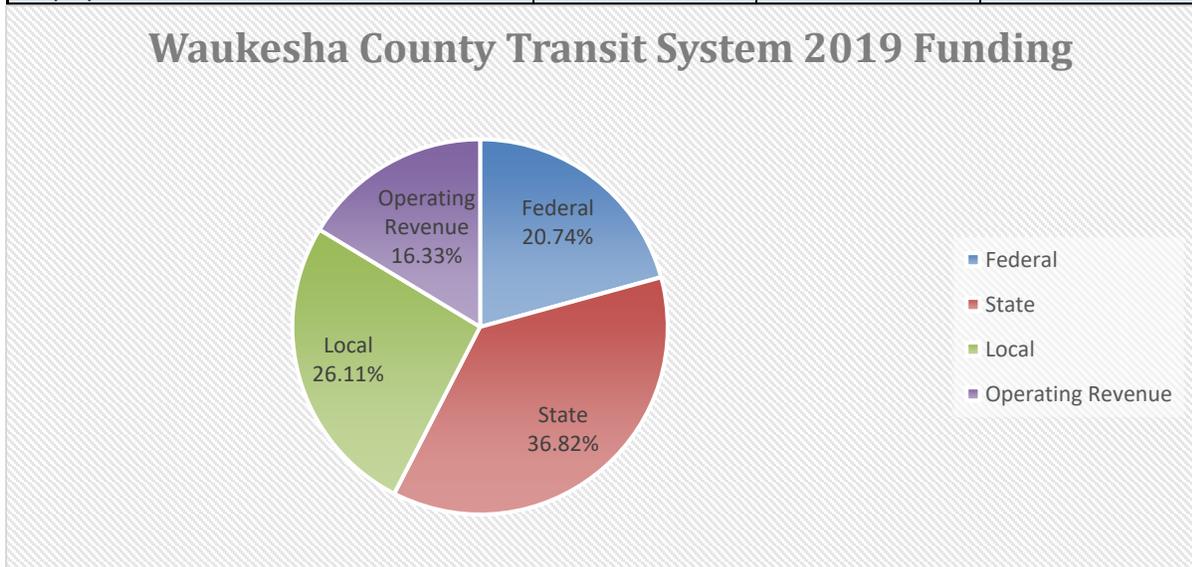
- 330,364 total ridership in 2019, 9.68% decrease
- Serving Waukesha County and portions of Milwaukee County
- 7 fixed routes & paratransit service
- All services contracted out

Contractor	Service
Wisconsin Coach Lines	Route 901, 904, 905, 906
Milwaukee County Transit	Route 10 & 79
Waukesha Metro Transit	Route 1 (Portion)
Transit Express	ADA Paratransit

Performance and Cost Efficiency: Waukesha County Transit System

Fixed Route-- Waukesha County	2019	2018	2017
Revenue Hours	20,438	21,769	23,493
Revenue Miles	464,767	488,371	531,443
Unlinked Trips	327,873	362,950	379,928
Cost per Trip	\$ 11.23	\$ 10.14	\$ 10.03
Trips per Hour	16.04	16.67	16.17

ADA Paratransit-- Waukesha County	2019	2018	2017
Revenue Hours	1,441	1,459	1,444
Revenue Miles	18,054	17,441	21,920
Unlinked Trips	2,491	2,831	3,480
Cost per Trip	\$ 63.82	\$ 57.15	\$ 48.19
Trips per Hour	1.73	1.94	2.41



See independent auditors' report

**WAUKESHA METRO TRANSIT**

STATEMENTS OF NET POSITION  
As of December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ -	\$ -
Accounts receivable		
State of Wisconsin capital and operating grants	-	1,015,964
Federal capital and operating grants	490,630	159,399
Waukesha County	454,510	365,820
Other	39,818	28,083
Due from other funds	685,057	-
Inventories	142,864	141,823
Prepaid items	233,924	241,753
Total Current Assets	<u>2,046,803</u>	<u>1,952,842</u>
<b>NONCURRENT ASSETS</b>		
Net pension asset	-	17,655
Capital assets		
Land	1,683,701	1,683,701
Plant in service (at cost)	23,369,339	23,638,617
Accumulated depreciation	<u>(11,374,956)</u>	<u>(11,578,433)</u>
Total Noncurrent Assets	<u>13,678,084</u>	<u>13,761,540</u>
Total Assets	<u>15,724,887</u>	<u>15,714,382</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	61,296	33,272
Deferred outflows related to other postemployment benefits	<u>442</u>	<u>402</u>
Total Deferred Outflows of Resources	<u>61,738</u>	<u>33,674</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	424,377	299,371
Accrued liabilities	45,299	35,467
Due to State of Wisconsin capital and operating grants	135,851	-
Due to other funds	-	219,182
Compensated absences	<u>68,027</u>	<u>61,239</u>
Total Current Liabilities	<u>673,554</u>	<u>615,259</u>
<b>NONCURRENT LIABILITIES</b>		
Other liabilities	105,056	105,056
Compensated absences	338,514	322,459
Net other postemployment benefit liability	3,070	3,512
Net pension liability	<u>21,125</u>	<u>-</u>
Total Noncurrent Liabilities	<u>467,765</u>	<u>431,027</u>
Total Liabilities	<u>1,141,319</u>	<u>1,046,286</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	31,419	33,652
Deferred inflows related to other postemployment benefits	<u>845</u>	<u>79</u>
Total Deferred Inflows of Resources	<u>32,264</u>	<u>33,731</u>
<b>NET POSITION</b>		
Net investment in capital assets	13,678,084	13,743,885
Restricted - Pension	-	17,655
Unrestricted	<u>934,958</u>	<u>906,499</u>
<b>NET POSITION</b>	<u>\$ 14,613,042</u>	<u>\$ 14,668,039</u>

See accompanying notes to financial statements

# WAUKESHA METRO TRANSIT

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION As of December 31, 2019 and 2018

	2019	2018
<b>OPERATING REVENUES</b>		
Passenger fares for transit service	\$ 1,193,282	\$ 1,298,823
Nontransportation Revenue		
Advertising	54,946	65,967
Other	147,616	143,918
Total Operating Revenues	1,395,844	1,508,708
<b>OPERATING EXPENSES</b>		
Operation and maintenance	8,748,187	8,787,418
Depreciation	1,088,714	1,102,144
Total Operating Expenses	9,836,901	9,889,562
Operating Loss	(8,441,057)	(8,380,854)
<b>OPERATING SUBSIDIES</b>		
Tire lease	26,579	26,172
Local - Other	1,031,025	1,026,653
State	3,769,180	3,919,846
Federal	1,533,468	1,032,002
Total Nonoperating Revenues	6,360,252	6,004,673
Loss Before Contributions and Transfers	(2,080,805)	(2,376,181)
<b>TRANSFER IN - MUNICIPALITY - OPERATING</b>	985,456	1,270,235
<b>TRANSFER IN - MUNICIPALITY - TIRE LEASE</b>	6,645	6,543
<b>TRANSFER IN - MUNICIPALITY - CAPITAL</b>	29,147	53,206
<b>CAPITAL CONTRIBUTIONS</b>	826,964	765,040
<b>CAPITAL CONTRIBUTIONS - MUNICIPALITY</b>	177,596	166,130
Change in Net Position	(54,997)	(115,027)
NET POSITION - Beginning of Year	14,668,039	14,783,066
<b>NET POSITION - END OF YEAR</b>	<b>\$ 14,613,042</b>	<b>\$ 14,668,039</b>

See accompanying notes to financial statements.

# WAUKESHA METRO TRANSIT

## STATEMENTS OF CASH FLOWS As of December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 1,384,109	\$ 1,697,601
Paid to suppliers for goods and services	(6,414,144)	(6,395,541)
Paid to employees for services	(2,375,367)	(2,390,571)
Cash Flows From Operating Activities	(7,405,402)	(7,088,511)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating subsidies received - local	942,335	925,168
Operating subsidies received - state	4,274,595	4,547,256
Operating subsidies received - federal	1,468,474	1,004,676
Transfers	1,021,248	1,329,984
Swept to pooled city cash	(685,057)	-
Cash Flows From Noncapital Financing Activities	7,021,595	7,807,084
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions	1,411,302	255,864
Acquisition and construction of capital assets	(1,027,495)	(974,437)
Cash Flows From Capital and Related Financing Activities	383,807	(718,573)
<b>Net Change in Cash and Cash Equivalents</b>	-	-
CASH AND CASH EQUIVALENTS - Beginning of Year	-	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ -	\$ -
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>		
Change in capital grant receivables	\$ (406,742)	\$ 675,306
Change in operating grant receivables	\$ (413,842)	\$ (573,912)

	<u>2019</u>	<u>2018</u>
<b>RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (8,441,057)	\$ (8,380,854)
Noncash items included in operating loss		
Depreciation	1,088,714	1,102,144
Change in assets and liabilities		
Accounts receivable - other	(11,735)	101,071
Due from other funds	-	87,822
Inventories	(1,041)	(9,674)
Prepaid items	7,829	(161,048)
Accounts payable	129,588	(34,807)
Due to other funds	(219,182)	219,182
Compensated absences	22,843	(20,694)
OPEB related deferrals and liabilities	(845)	3,189
Pension related deferrals and assets	9,652	1,686
Other current liabilities	<u>9,832</u>	<u>3,472</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (7,405,402)</u>	<u>\$ (7,088,511)</u>

See accompanying notes to financial statements.

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The financial statements of Waukesha Metro Transit (transit) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by transit are described below:

#### ***REPORTING ENTITY***

Waukesha Metro Transit, an enterprise fund of the City of Waukesha (city), provides public bus transportation in the city and surrounding communities. The transit is governed by the Transit Commission Board which consists of city council members and citizen representatives. Waukesha Metro Transit, under contract, performs the administrative functions of the Waukesha County Transit System.

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

The transit is presented as an enterprise fund of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION***

##### ***Deposits and Investments***

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

Investment of transit funds is restricted by state statutes. Investments are limited to:

- > Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)**

##### ***Deposits and Investments*** (cont.)

- > Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- > Bonds or securities issued or guaranteed by the federal government.
- > The local government investment pool.
- > Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- > Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- > Repurchase agreements with public depositories, with certain conditions.

The transit is included in the city's investment policy which follows the state statutes for allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices or similar information. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statements as increases or decreases in investment income. Market values may have changed significantly after year-end.

##### ***Accounts Receivable***

Outstanding balances between the transit and other funds of the municipality are reported as due to/from other funds.

Transit considers receivables from government units to be fully collectible; accordingly, no allowance for doubtful accounts from governmental units is presented.

##### ***Inventories***

Materials and supplies are generally used for operation and maintenance work, not for resale. They are valued at lower of cost or market utilizing the first-in first-out method and charged to operation and maintenance expense when used.

##### ***Prepaid Items***

Prepayments represent costs of services and insurance policies paid during the current audit year for coverage in subsequent years.

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)**

##### ***Pensions***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

##### ***Postemployment Benefits Other Than Pensions (OPEB)***

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### ***Capital Assets***

Capital assets are defined by the transit as assets with an initial, individual cost of at least \$5,000 and an estimated useful life in excess of one year.

Additions to and replacements of transit capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to capital asset accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from capital asset accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation. The provision for depreciation shown in the financial statements results from the application of straight-line rates to original costs.

A summary of depreciation lives follows:

	Years
Building	25
Vehicles	2–12
Shop Equipment	2–10
Office equipment	3–10
Bus stop signs	10
Shelters and benches	5–10

##### ***Deferred Outflow of Resources***

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)**

##### ***Compensated Absences***

All permanent employees are allowed to accumulate up to 920 hours of sick time. For employees hired prior to February 6, 2013, upon the retirement with ten or more years of seniority, the employee's unused accumulated sick leave shall be paid out on the final paycheck. For employees hired after February 6, 2013, upon the retirement after age 55 and with fifteen or more years of seniority, the employee's unused accumulated sick leave shall be paid out on the final paycheck. This liability is reported as a long-term liability on the statements of net position.

Employees earn varying amounts of vacation based on years of service. Vacation time is accrued throughout the year. This liability is reported as a current liability on the statements of net position.

##### ***Other Liabilities***

The balance consists of funds received from the county to be applied to future service costs.

##### ***Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

#### **REVENUES AND EXPENSES**

##### ***Revenue Recognition***

The transit system distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the transit system are charges to customers for services. In addition, the transit system also receives operating subsidies from state, local and federal governments. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***Charges for Services***

Waukesha Metro Transit fares are recorded as revenue continuously through the year. Current fares were made effective January 5, 2018 as approved by the Waukesha Transit Commission Board.

# WAUKESHA METRO TRANSIT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2019 and 2018

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

### *REVENUES AND EXPENSES* (cont.)

#### *Tire Lease Subsidy*

Certain major vehicle repair parts such as tires, transmissions, differentials, etc. as well as certain special studies are eligible for funding under federal capital grants. These items are called “capital associated maintenance items.” In the year these items are purchased, they are recorded as operating expenses and the related capital grants are recorded as federal operating assistance. The tire lease subsidy revenue represents federal grant revenue provided for tire leases and thus recognized as operating assistance.

#### *Capital Contributions*

The transit has received federal, state, local and other grants to pay a portion of the costs of capital assets or capital associated maintenance items. The value of property contributed to the transit is reported as revenues on the statement of revenues, expenses and statement of net position.

#### *EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS*

GASB has approved Statement No. 87, *Leases*, Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, Statement No. 91, *Conduit Debt Obligations*, and Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. When they become effective, application of these standards may restate portions of these financial statements.

#### *COMPARATIVE DATA*

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

## NOTE 2 – DEPOSITS AND INVESTMENTS

Generally accepted accounting principles require the disclosure of the transit’s cash and investment balances and their applicable investment insurance coverage. The transit cash and investments are commingled with the entire city; therefore, individual fund bank balances cannot be determined. Please refer to the citywide statements for further information.

## NOTE 3 – INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of the Interfund balances for the years ending December 31, 2019 and 2018:

Due To	Due From	2019		2018	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Transit	\$ 685,057	Capital and operating activities	\$ -	
Transit	Municipality	-		219,182	Capital and operating activities

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2019 and 2018

### NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in transit capital assets for 2019 and 2018 follows:

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
Capital assets, not being depreciated				
Land	\$ 1,683,701	\$ -	\$ -	\$ 1,683,701
Capital assets being depreciated				
Transit Terminal				
Building	12,384,003	-	-	12,384,003
Vehicles	9,076,113	952,483	996,581	9,032,015
Shop equipment	1,287,980	-	172,617	1,115,363
Office equipment	890,521	81,226	133,789	837,958
Total Capital Assets Being Depreciated	23,638,617	1,033,709	1,302,987	23,369,339
Total Capital Assets	25,322,318	1,033,709	1,302,987	25,053,040
Less: Accumulated depreciation				
Building	(5,565,458)	(337,476)	-	(5,902,934)
Vehicles	(4,109,906)	(640,285)	985,781	(3,764,410)
Shop equipment	(1,217,484)	(32,366)	172,617	(1,077,233)
Office equipment	(685,585)	(78,573)	133,779	(630,379)
Total Accumulated Depreciation	(11,578,433)	(1,088,700)	1,292,177	(11,374,956)
Net Transit System Plant	\$ 13,743,885			\$ 13,678,084
	Balance 1/1/18	Additions	Retirements	Balance 12/31/18
Capital assets, not being depreciated				
Land	\$ 1,683,701	\$ -	\$ -	\$ 1,683,701
Capital assets being depreciated				
Building	12,348,560	35,443	-	12,384,003
Vehicles	8,979,757	831,933	735,577	9,076,113
Shop equipment	1,270,916	23,414	6,350	1,287,980
Office equipment	813,171	77,350	-	890,521
Total Capital Assets Being Depreciated	23,412,404	968,140	741,927	23,638,617
Total Capital Assets	25,096,105	968,140	741,927	25,322,318
Less: Accumulated depreciation				
Building	(5,230,475)	(334,983)	-	(5,565,458)
Vehicles	(4,183,490)	(653,895)	727,479	(4,109,906)
Shop equipment	(1,183,114)	(40,720)	6,350	(1,217,484)
Office equipment	(615,780)	(69,805)	-	(685,585)
Total Accumulated Depreciation	(11,212,859)	(1,099,403)	733,829	(11,578,433)
Net Transit System Plant	\$ 13,883,246			\$ 13,743,885

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

### NOTE 5 – OPERATING SUBSIDIES

The transit receives operating subsidies from the federal, state and local governments. The transit submits an annual request for federal and state subsidies. Federal subsidies are provided for preventative maintenance and third party contracting while state subsidies are limited by: 1) the maximum amount of the grant award; 2) five times the local contribution; and 3) the nonfederal share of the audited operating deficit. The transit combined state and federal operating assistance shall not exceed 60% of audited operating expenses.

State operating assistance is received in quarterly payments from the Wisconsin Department of Transportation.

Local subsidies are contributions made by the City of Waukesha, Waukesha County, and the Town of Brookfield based on their applicable share of revenues. Operating assistance for 2019 and 2018 was as follows:

	2019	2018
Governmental Unit		
Federal (net of amounts passed to sub recipients)	\$ 1,519,369	\$ 1,020,974
Federal/City – tire lease	33,224	32,715
Federal-CMAQ	14,099	11,028
State of Wisconsin	3,655,790	3,828,949
State Paratransit Aid	84,234	85,154
Local		
City of Waukesha	985,456	1,270,235
Waukesha County	1,031,025	1,018,774
Town of Brookfield	-	7,879
Totals	\$ 7,323,197	\$ 7,275,708

In 2019, the State of Wisconsin Department of Transportation (DOT) completed the final review of the operating grants for 2017, which resulted in additional money due back to the transit. The additional \$29,156 of state aid was recognized in 2019. In 2018, the State of Wisconsin Department of Transportation (DOT) completed the final review of the operating grants for 2016, which resulted in additional money due back to the transit. The additional \$5,743 of state aid was recognized in 2018.

# WAUKESHA METRO TRANSIT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2019 and 2018

## NOTE 6 – LONG-TERM OBLIGATIONS

### LONG-TERM OBLIGATIONS SUMMARY

	1/1/19 Balance	Additions	Reductions	12/31/19 Balance	Due Within One Year
Other liabilities	\$ 105,056	\$ -	\$ -	\$ 105,056	\$ -
Compensated absences	322,459	28,754	12,699	338,514	-
Totals	\$ 427,515	\$ 28,754	\$ 12,699	\$ 443,570	\$ -
	1/1/18 Balance	Additions	Reductions	12/31/18 Balance	Due Within One Year
Other liabilities	\$ 105,056	\$ -	\$ -	\$ 105,056	\$ -
Compensated absences	344,902	60,156	82,599	322,459	-
Totals	\$ 449,958	\$ 60,156	\$ 82,599	\$ 427,515	\$ -

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note 8, and information on the Net OPEB liability (asset) is provided in Note 9.

## NOTE 7 – NET POSITION

GASB No. 34 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

**Net investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. As of December 31, 2019 and 2018, Waukesha Metro Transit does not have any outstanding debt.

**Restricted** – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2019, Waukesha Metro Transit has a restricted net position for the pension asset.

**Unrestricted net position** – The component of net position consist of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the transit’s policy to use restricted resources first, then unrestricted resources as they are needed.

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

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### **NOTE 8 – EMPLOYEE RETIREMENT SYSTEM**

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The city participates in the Wisconsin Retirement System (WRS). The Transit has one employee who is WRS eligible and is allocated a share of the city's pension related assets, deferred outflows of resources, deferred inflows of resources, liabilities and pension expense based on their proportionate share of employer contributions made to WRS related to the one employee

Generally accepted accounting principles require disclosures related to defined benefit pension plans including a description of the plan, information about the net pension liability (asset), and amounts payable by the employer to the plan. Please see the citywide statements for this information as it relates to WRS. The Transit's proportionate share of the city's pension related assets, deferred outflows of resources, deferred inflows of resources, liabilities and pension expense are included in these statements.

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### **NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS**

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The city participates in the Local Retiree Life Insurance Fund (LRLIF). The transit has one employee who is LRLIF eligible and is allocated a share of the city's OPEB related liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense based on their proportionate share of employer contributions made to LRLIF related to the one employee.

Generally accepted account principles require disclosures related to defined benefit OPEB plans including a description of the plan, information about the net OPEB liability (asset), and amounts payable by the employer to the plan. Please see the citywide statements for this information as it relates to LRLIF. The transit's proportionate share of the city's OPEB related liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are included in these statements.

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### **NOTE 10 – RISK MANAGEMENT (COMMERCIAL/SELF INSURANCE)**

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The transit is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors, and omissions; worker's compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

#### ***TRANSIT MUTUAL INSURANCE CORPORATION OF WISCONSIN (TMi)***

Transit Mutual Insurance Corporation of Wisconsin (TMi) is a municipal mutual insurance corporation, which insures auto liability and vehicle physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The city insures its transit systems' auto liability and physical damage with TMi and is an owner of the corporation.

Effective June 1, 2016, TMi issued to the city an auto liability insurance policy with a combined single limit coverage of \$10,000,000. In addition, the city's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

The physical damage policy issued by TMi to the city provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

# WAUKESHA METRO TRANSIT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

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### **NOTE 10 – RISK MANAGEMENT (COMMERCIAL/SELF INSURANCE) (cont.)**

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Management of TMI consists of a board of directors comprised of one representative for each member. The city does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The city's share of this corporation is 3.89% for auto liability and 8.98% of physical damage liability. A list of the other members and their share of participation is available in the TMI report, which is available from TMI, PO Box 1135, Appleton, WI 54915-1483 or by email from [tmi@transitmutual.com](mailto:tmi@transitmutual.com).

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### **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

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#### ***GRANTS***

Waukesha Metro Transit has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

#### ***LONG TERM CONTRACTS FOR PURCHASED TRANSPORTATION***

The transit has certain contracts for purchased transportation that extend beyond year-end.

Waukesha Metro Transit has contracted with Transdev to provide management and operational staffing. As such, substantially all employees are employees of Professional Transit Management of Waukesha, Inc. (a subsidiary of Transdev); however, labor and benefits are recorded in compliance with the Federal Transit Administration chart of accounts. For the years ended December 31, 2019 and 2018, the transit paid \$130,475 and \$122,666, respectively, in retirement costs for the retirement plan maintained by Professional Transit Management of Waukesha, Inc.

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### **NOTE 12 – SUBSEQUENT EVENTS**

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The transit evaluated subsequent events through the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

**SUPPLEMENTAL INFORMATION**

**WAUKESHA METRO TRANSIT**

DETAILED SCHEDULE OF WAUKESHA TRANSIT COMMISSION -  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - REGULATORY BASIS  
As of December 31, 2019 and 2018

		<u>2019</u>	<u>2018</u>
		<b>REVENUE</b>	
401.	Passenger fares for transit service	\$ 1,193,282	\$ 1,298,823
406.	Nontransportation revenues	55,585	66,493
407.	Nontransportation revenues - route administration	146,977	143,392
408.	City tire lease grant revenue	6,645	6,543
408.	Federal tire lease grant revenue	26,579	26,172
409.	Local cash grants, reimbursements and transfers - operating	2,016,481	2,296,888
409.	Refund prior year state grant close-outs	29,156	5,743
409.105	Local cash grants, reimbursements and transfers - capital	206,743	219,336
411.	State cash grants and reimbursements - operating	3,655,790	3,828,949
411.105	State cash grants and reimbursements - capital	-	646,400
411.	State paratransit aid	84,234	85,154
413.	Federal cash grants and reimbursements - operating	1,519,369	1,020,974
413.	CMAQ grant	14,099	11,028
413.105	Federal cash grants and reimbursements - capital	<u>826,964</u>	<u>118,640</u>
	<b>TOTAL REVENUE</b>	<u>9,781,904</u>	<u>9,774,535</u>
		<b>EXPENSES – BY OBJECT CLASS TOTAL</b>	
501.01	Operations salaries and wages	1,454,559	1,459,810
501.02	Other salaries and wages	957,928	912,702
502.	Fringe benefits and FICA	1,417,439	1,480,715
503.	Services	592,344	577,950
504.01	Fuel and lubricants	311,976	360,587
504.02	Tires and tubes	33,224	32,715
504.99	Other materials and supplies	137,892	126,736
505.	Utilities	75,956	79,810
506.	Casualty and liability costs	139,809	133,809
507.	Taxes	466	394
508.	Purchased transportation	3,598,696	3,602,239
509.	Miscellaneous expense	<u>27,898</u>	<u>19,951</u>
	Total Operation and Maintenance Expenses	8,748,187	8,787,418
	Reconciling items		
513.	Loss (gain) on asset disposal	5	2,742
513.	Depreciation	<u>1,088,709</u>	<u>1,099,402</u>
	Total Reconciling Items	<u>1,088,714</u>	<u>1,102,144</u>
	<b>TOTAL EXPENSES AND RECONCILING ITEMS</b>	<u>9,836,901</u>	<u>9,889,562</u>
	<b>CHANGE IN NET POSITION</b>	(54,997)	(115,027)
	NET POSITION - Beginning of Year	<u>14,668,039</u>	<u>14,783,066</u>
	<b>NET POSITION - END OF YEAR</b>	<u>\$ 14,613,042</u>	<u>\$ 14,668,039</u>

**WAUKESHA METRO TRANSIT**

WAUKESHA TRANSIT COMMISSION -  
 RECONCILIATION OF REVENUES AND EXPENSES TO WISDOT AND FEDERAL  
 RECOGNIZED REVENUES AND EXPENSES - REGULATORY BASIS  
 For the Year Ended December 31, 2019

	Per WisDOT Guidelines	Per Federal Guidelines
Revenues from Waukesha Transit Commission's records	\$ 9,781,904	\$ 9,781,904
Less: Unrecognized Revenues		
406. Nontransportation revenues	639	55,585
407. Nontransportation revenues - route administration	146,977	146,977
408. Local tire lease revenue	6,645	6,645
409. Local operating assistance and transfers	2,016,481	2,016,481
409.105 Local assistance and transfers - capital	206,743	206,743
411. State operating assistance	3,655,790	3,655,790
411. State paratransit aid	84,234	84,234
411. State prior year revenue	29,156	29,156
413. Federal operating assistance	1,519,369	1,519,369
413. Federal tire lease revenue	26,579	26,579
413. CMAQ grant	14,099	14,099
413.105 Other nonoperating revenues (capital funding & subrecipient costs)	<u>826,964</u>	<u>826,964</u>
<b>ADJUSTED REVENUES</b>	<b><u>\$ 1,248,228</u></b>	<b><u>\$ 1,193,282</u></b>
Expenses from Waukesha Transit Commission's records	\$ 9,836,901	\$ 9,836,901
Less: Nonrecognized Expenses		
513. Depreciation	1,088,709	1,088,709
513. Loss (gain) on asset disposal	5	5
Less: CMAQ Grant Funding - not eligible (mkt/night service) - 100%	17,624	17,624
Less: WisDOT Paratransit Costs - not eligible	84,234	-
Less: 5337 Grant Funding - not eligible 100%	<u>584,646</u>	<u>584,646</u>
<b>RECOGNIZED EXPENSES</b>	<b><u>\$ 8,061,683</u></b>	<b><u>\$ 8,145,917</u></b>
<b>RECOGNIZED DEFICITS</b>	<b><u>\$ (6,813,455)</u></b>	<b><u>\$ (6,952,635)</u></b>

## WAUKESHA METRO TRANSIT

WAUKESHA TRANSIT COMMISSION -  
COMPUTATION OF THE DEFICIT DISTRIBUTION AMONG THE SUBSIDY GRANTORS  
For the Year Ended December 31, 2019

### FEDERAL SECTION 9 FUNDS

Preventative maintenance	\$	233,000
Federal tire lease grant revenue		28,800
Capital cost of third party contracting		<u>818,652</u>
Maximum Federal Share Per Grant Awards		<u>\$ 1,080,452</u>

### STATE FUNDS

WisDOT Recognized Deficit		<u>\$ 6,813,455</u>
WisDOT Recognized Expenses	\$	<u>8,061,683</u>
58.75%** Times Recognized Expenses		4,736,242
Less: Federal share		<u>1,080,452</u>
		<u>\$ 3,655,790</u>
WisDOT Contract Maximum		<u>\$ 3,791,641</u>
Local Operating Subsidy	\$	<u>2,016,481</u>
5 Times Operating Subsidy		<u>\$ 10,082,405</u>
State Share – Contractual Amount		<u>\$ 3,655,790</u>

### SUMMARY OF 2019 OPERATIONAL FUNDING \*

	Received in 2019	Receivable 12/31/19	Totals
Federal Section 9 Funds	\$ 1,325,358	\$ 194,011	\$ 1,519,369
State Funds – Operating	3,406,725	249,065	3,655,790
Local Funds	<u>1,561,971</u>	<u>454,510</u>	<u>2,016,481</u>
Total Funding	<u>\$ 6,294,054</u>	<u>\$ 897,586</u>	<u>\$ 7,191,640</u>

\* Excludes local, state and federal capital assistance, CMAQ, WETAP, or prior year activity.

\*\*Management elected to use 58.75% based on historical receipts at closeout.