

Waukesha Metro Transit

An Enterprise Fund of the City of Waukesha, Wisconsin

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Waukesha Metro Transit

An Enterprise Fund of the City of Waukesha, Wisconsin

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Independent Auditors' Report

To the Transit Commission Board of
Waukesha Metro Transit

Opinion

We have audited the financial statements of the Waukesha Metro Transit, an enterprise fund of the City of Waukesha, Wisconsin, as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, as listed in the table of contents.

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, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Waukesha Metro Transit and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of Waukesha Metro Transit, the enterprise fund of the City of Waukesha, Wisconsin, are intended to present the financial position, the changes in the financial position, and cash flows of only the enterprise fund. They do not purport to, and do not, present fairly the financial position of the City of Waukesha, Wisconsin, as of December 31, 2021, and 2020, and the changes in financial position, or cash flows 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Waukesha Metro Transit's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 audit was 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 are 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 supplementary information are fairly stated in all material respects, in relation to the financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
May 13, 2022

Waukesha Metro Transit

Management's Discussion and Analysis (Unaudited)
December 31, 2021

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 317,605 passengers in 2021. Waukesha Metrolift, a demand-responsive paratransit service required under federal regulations for those persons unable to ride fixed route transit because of disability, carried 7,296 disabled persons in 2021 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 28 vehicles: 26 buses (4 paratransit and 22 fixed-route) and 2 paratransit van. All 28 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 City of Waukesha employees at Waukesha Metro Transit are the Transit Manager and security guards.

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

	2021	2020	2019
<u>Assets</u>			
Current Assets	\$2,829,371	\$2,116,549	\$2,046,803
Non-Current Assets (net of accum. depr)	\$13,628,956	\$13,372,742	\$13,678,084
Total Assets	\$16,458,327	\$15,489,291	\$15,724,887
Deferred Outflows	\$67,319	\$48,938	\$61,738
<u>Liabilities</u>			
Current Liabilities	\$1,288,822	\$548,163	\$673,554
Non-current Liabilities	\$420,544	\$448,096	\$467,765
Total Liabilities	\$1,709,366	\$996,259	\$1,141,319
Deferred Inflows	\$83,159	\$57,830	\$32,264
<u>Net Assets</u>			
Invested in capital assets	\$13,591,540	\$13,353,663	\$13,678,084
Restricted - Pension	\$37,416	\$19,079	\$0
Unrestricted (deficit)	\$1,104,165	\$1,111,398	\$934,958
Total Net Assets	\$14,733,121	\$14,484,140	\$14,613,042

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 Non-Current 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 three lines above. The first is Invested in Capital Assets and will match the value in the asset category for Non-Current 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 restricted net position for the pension asset, external laws and provisions placing external constraints on the usage of net assets. The third 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 Non-Current 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

	2021	2020	2019
Operating Revenues			
Passenger fares for transit service	\$528,117	\$434,651	\$1,193,282
Non-transportation revenues - advertising	\$68,801	\$45,722	\$54,946
Non-transportation revenues - route administration	\$148,900	\$147,889	\$147,616
Total Operating Revenues	\$745,818	\$628,262	\$1,395,844
Operating Expenses			
Salaries and wages	\$2,428,692	\$2,319,683	\$2,412,487
Fringe benefits	\$1,508,783	\$1,534,880	\$1,417,439
Services	\$572,204	\$547,188	\$592,344
Materials and Supplies	\$515,732	\$394,601	\$483,092
Utilities	\$86,985	\$77,945	\$75,956
Casualty and Liability costs	\$146,222	\$143,032	\$139,809
Taxes	\$720	\$893	\$466
Purchased transportation services	\$2,200,712	\$2,354,356	\$3,598,696
Miscellaneous	\$19,434	\$16,731	\$27,898
Depreciation	\$1,191,369	\$1,101,923	\$1,088,714
Total Operating Expenses	\$8,670,853	\$8,491,232	\$9,836,901
Operating Loss	(\$7,925,035)	(\$7,862,970)	(\$8,441,057)

	2021	2020	2019
Operating Subsidies			
Federal tire lease grant revenue	\$24,722	\$25,300	\$26,579
Local - Other	\$730,888	\$665,931	\$1,031,025
State - Operating	\$3,153,289	\$3,533,817	\$3,769,180
CMAQ Grant	\$12,655	\$11,614	\$14,099
Federal - Operating	\$966,612	\$1,305,083	\$1,519,369
CARES Grant	\$1,052,093	\$600,000	\$0
Total Subsidies	\$5,940,259	\$6,141,745	\$6,360,252
Loss before Contributions and Transfers	(\$1,984,776)	(\$1,721,225)	(\$2,080,805)
Transfer In - Municipality - Operating	\$795,329	\$806,238	\$985,456
Transfer In - Municipality - Tire Lease	\$6,181	\$6,325	\$6,645
Transfer In - Municipality - Capital	\$0	\$0	\$29,147
Capital Contributions - Federal/State	\$1,145,797	\$623,809	\$826,964
Capital Contributions - Local	\$286,450	\$155,951	\$177,596
Change in Net Assets	\$248,981	(\$128,902)	(\$54,997)
Net Assets - Beginning of Year	\$14,484,140	\$14,613,042	\$14,668,039
Net Assets - End of Year	\$14,733,121	\$14,484,140	\$14,613,042

The transit system saw about a 19% increase in operating revenue, \$117,556, from 2020 to 2021, with roughly \$100,000 in fares and the remaining in advertising revenue. While an increase is a positive, the revenue is still \$650,026 lower than in 2019. Waukesha Metro Transit had decreased ridership but had returned to regular scheduled routes. Waukesha County had service reductions on MCTS and Wisconsin Coach Lines and in general a reduction in ridership. Although both systems had decreased ridership, revenue still increased due to the free fares that were offered in 2020 for over five months.

The transit system saw a 2% increase in total operating expenses from 2020 to 2021. Most of the increase is found within the Salaries and Wages category, Services and Materials and Supplies category. Overall expenses from 2019 to 2021 are lower by \$1,166,048 with most of this reduction being in the Purchased transportation services category. COVID-19 is responsible for a large part of the reduction in expenses since the services provided were eliminated or reduced resulting in less salaries paid to drivers, diesel costs incurred, and services paid by Waukesha County to their providers.

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 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.

In 2020, Waukesha Metro Transit purchased \$779,760 in capital grants. Of these purchases \$623,808 was the federal share and \$155,952 was the local match.

These capital grant expenditures included the purchase of (4) new paratransit buses, revenue collection equipment, software upgrades, HVAC upgrades and informational signage enhancements at the transit center.

In 2021, Waukesha Metro Transit purchase \$1,432,247 in capital grants. Of these purchases \$1,145,797 was the federal share and \$286,450 was the local match.

The capital grant expenditures included the purchase of (2) new fixed route buses, a paratransit van, engine/transmission rebuilds, AVL system, fueling system and security cameras.

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

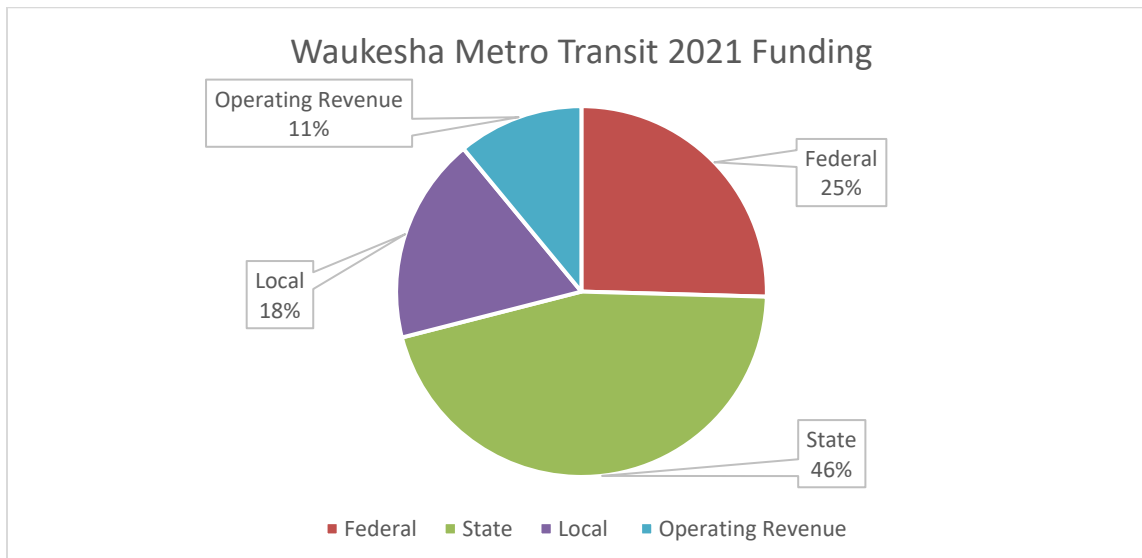
- 324,901 total ridership in 2021, 12% decrease
- Serving the City of Waukesha, Town and City of Brookfield & Pewaukee
- Operates 10 fixed routes & Metrolift paratransit service
- 22 fixed route buses & 6 Metrolift vehicles
- 1 Transit Center & 1 Administration and Maintenance facility



Performance and Cost Efficiency: Waukesha Metro Transit

Fixed Route – City of Waukesha	2021	2020	2019
Revenue Hours	50,660	48,825	51,820
Revenue Miles	628,936	625,189	641,152
Unlinked Trips	317,605	364,383	577,696
Cost per Trip	\$ 14.04	\$ 11.65	\$ 7.47
Trips per Hour	7.46	7.46	11.15

ADA Paratransit—City of Waukesha	2021	2020	2019
Revenue Hours	2,970	2,628	4,748
Revenue Miles	32,988	25,786	54,521
Unlinked Trips	7,296	5,984	11,062
Cost per Trip	\$ 83.36	\$ 96.71	\$ 53.22
Trips per Hour	2.28	2.28	2.33



Snap Shot of Transportation

- 109,699 total ridership in 2021, 3% decrease
- Serving Waukesha County and portions of Milwaukee County
- 6 fixed routes & paratransit service
- All services contracted out

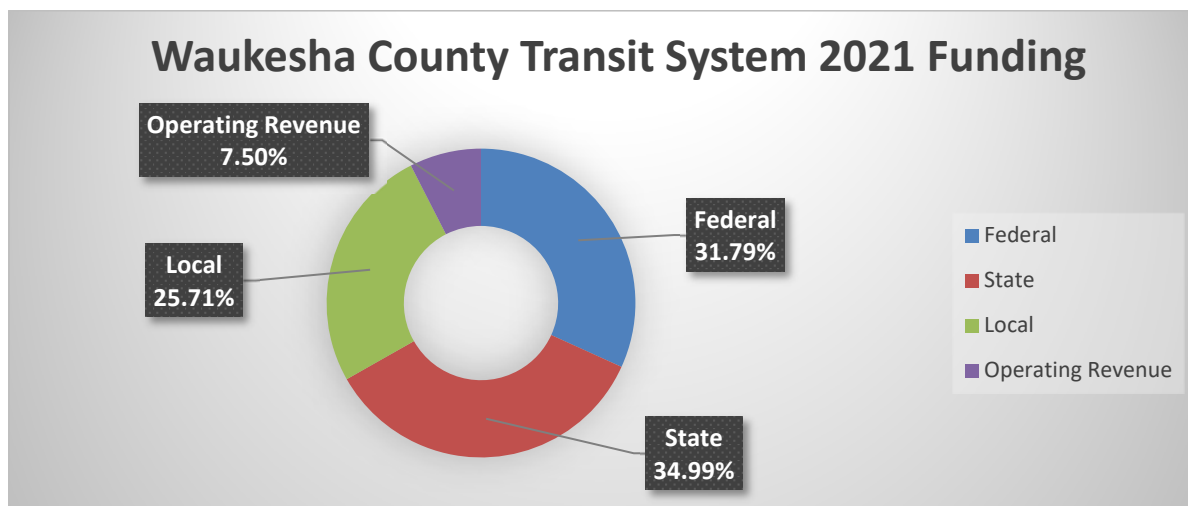
See independent auditors' report

Contractor	Service
Wisconsin Coach Lines	Route 901, 904, 905
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	2021	2020	2019
Revenue Hours	12,639	14,040	20,438
Revenue Miles	270,456	311,280	464,767
Unlinked Trips	108,930	111,977	327,873
Cost per Trip	\$ 21.59	\$ 22.02	\$ 11.23
Trips per Hour	8.62	7.98	16.04

ADA Paratransit— Waukesha County	2021	2020	2019
Revenue Hours	476	862	1,441
Revenue Miles	5,990	10,667	18,054
Unlinked Trips	769	1,486	2,491
Cost per Trip	\$ 77.01	\$ 68.07	\$ 63.82
Trips per Hour	1.62	1.72	1.73



Waukesha Metro Transit

Statements of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ -	\$ -
Accounts receivable:		
Federal capital and operating grants	384,120	698,342
CARES grant	674,336	600,000
Waukesha County	289,374	421,901
Other	19,018	51,607
Due from other funds	1,236,479	151,716
Inventories	161,228	127,883
Prepaid items	<u>64,816</u>	<u>65,100</u>
Total current assets	<u>2,829,371</u>	<u>2,116,549</u>
Noncurrent Assets		
Net pension asset	37,416	19,079
Capital assets:		
Land	1,683,701	1,683,701
Plant in service (at cost)	24,300,269	23,726,751
Accumulated depreciation	<u>(12,392,430)</u>	<u>(12,056,789)</u>
Total noncurrent assets	<u>13,628,956</u>	<u>13,372,742</u>
Total assets	<u>16,458,327</u>	<u>15,489,291</u>
Deferred Outflows of Resources		
Deferred outflows related to pension	64,764	46,949
Deferred outflows related to other postemployment benefits	<u>2,555</u>	<u>1,989</u>
Total deferred outflows of resources	<u>67,319</u>	<u>48,938</u>
Liabilities		
Current Liabilities		
Accounts payable	245,328	264,695
Accrued liabilities	72,972	69,027
Due to State of Wisconsin capital and operating grants	885,641	135,851
Compensated absences	<u>84,881</u>	<u>78,590</u>
Total current liabilities	<u>1,288,822</u>	<u>548,163</u>
Noncurrent Liabilities		
Other liabilities	105,056	105,056
Compensated absences	309,428	338,101
Net other postemployment benefit liability	<u>6,060</u>	<u>4,939</u>
Total noncurrent liabilities	<u>420,544</u>	<u>448,096</u>
Total liabilities	<u>1,709,366</u>	<u>996,259</u>
Deferred Inflows of Resources		
Deferred inflows related to pension	82,297	57,012
Deferred inflows related to other postemployment benefits	<u>862</u>	<u>818</u>
Total deferred inflows of resources	<u>83,159</u>	<u>57,830</u>
Net Position		
Net investment in capital assets	13,591,540	13,353,663
Restricted, pension	37,416	19,079
Unrestricted	<u>1,104,165</u>	<u>1,111,398</u>
Net position	<u>\$ 14,733,121</u>	<u>\$ 14,484,140</u>

See notes to financial statements

Waukesha Metro Transit

Statements of Revenues, Expenses and Changes in Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Passenger fares for transit service	\$ 528,117	\$ 434,651
Nontransportation revenue:		
Advertising	68,801	45,722
Other	<u>148,900</u>	<u>147,889</u>
Total operating revenues	<u>745,818</u>	<u>628,262</u>
Operating Expenses		
Operation and maintenance	7,479,484	7,389,309
Depreciation	<u>1,191,369</u>	<u>1,101,923</u>
Total operating expenses	<u>8,670,853</u>	<u>8,491,232</u>
Operating loss	<u>(7,925,035)</u>	<u>(7,862,970)</u>
Operating Subsidies		
Tire lease	24,722	25,300
Local, other	730,888	665,931
State	3,153,289	3,533,817
Federal	979,267	1,316,697
CARES grant	<u>1,052,093</u>	<u>600,000</u>
Total nonoperating revenues	<u>5,940,259</u>	<u>6,141,745</u>
Loss before contributions and transfers	(1,984,776)	(1,721,225)
Transfer In, Municipality, Operating	795,329	806,238
Transfer In, Municipality, Tire Lease	6,181	6,325
Capital Contributions	1,145,797	623,809
Capital Contributions, Municipality	<u>286,450</u>	<u>155,951</u>
Change in net position	248,981	(128,902)
Net Position, Beginning	<u>14,484,140</u>	<u>14,613,042</u>
Net Position, Ending	<u>\$ 14,733,121</u>	<u>\$ 14,484,140</u>

See notes to financial statements

Waukesha Metro Transit

Statements of Cash Flows

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Received from customers	\$ 778,407	\$ 1,149,814
Paid to suppliers for goods and services	(5,131,925)	(4,797,303)
Paid to employees for services	(2,428,692)	(2,533,974)
Cash flows from operating activities	<u>(6,782,210)</u>	<u>(6,181,463)</u>
Cash Flows From Noncapital Financing Activities		
Operating subsidies received, local	863,415	698,540
Operating subsidies received, state	3,903,079	3,533,817
Operating subsidies received, federal	2,145,096	1,216,355
Transfers	801,510	812,562
Swept to pooled city cash	(1,084,763)	-
Cash flows from noncapital financing activities	<u>6,628,337</u>	<u>6,261,274</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,429,246)	(777,502)
Capital contributions	<u>1,583,119</u>	<u>697,691</u>
Cash flows from capital and related financing activities	<u>153,873</u>	<u>(79,811)</u>
Net change in cash and cash equivalents	-	-
Cash and Cash Equivalents, Beginning	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ -</u>
Noncash Capital and Financing Activities		
Change in capital grant receivables	\$ (150,872)	\$ 82,070
Change in operating grant receivables (payables)	\$ 913,140	\$ 125,642
Change in CARES grant receivables	<u>\$ 74,336</u>	<u>\$ 600,000</u>

See notes to financial statements

Waukesha Metro Transit

Statements of Cash Flows

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to		
Cash Flows From Operating Activities		
Operating loss	\$ (7,925,035)	\$ (7,862,970)
Noncash items included in operating loss:		
Depreciation	1,191,369	1,101,923
Change in assets and liabilities:		
Accounts receivable, other	32,589	(11,789)
Due from other funds	-	533,341
Inventories	(33,345)	14,981
Prepaid items	284	168,824
Accounts payable	(19,367)	(159,682)
Compensated absences	(22,382)	10,150
OPEB related deferrals and liabilities	2,814	3,040
Pension related deferrals and assets	(13,082)	(3,009)
Other current liabilities	<u>3,945</u>	<u>23,728</u>
Net cash flows from operating activities	<u>\$ (6,782,210)</u>	<u>\$ (6,181,463)</u>

See notes to financial statements

Waukesha Metro Transit

Notes to Financial Statements

December 31, 2021 and 2020

1. Summary of Significant Accounting Policies

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

December 31, 2021 and 2020

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.

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:

	<u>Years</u>
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.

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.

Waukesha Metro Transit

Notes to Financial Statements

December 31, 2021 and 2020

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 6, 2020 as approved by the Waukesha Transit Commission Board.

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 GASB Statement No. 87, *Leases*, Statement No. 91, *Conduit Debt Obligations*, Statement No. 92, *Omnibus*, Statement No. 93, *Replacement of Interbank Offered Rates*, Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement 96, *Subscription Based Information Technology Arrangements* and Statement 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. When they become effective, application of these standards may restate portions of these financial statements.

Waukesha Metro Transit

Notes to Financial Statements

December 31, 2021 and 2020

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.

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.

3. Interfund Receivables/Payables

The following is a schedule of the Interfund balances for the years ending December 31, 2021 and 2020:

Due To	Due From	2021		2020	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Transit	\$ 159,791	Operating activities	\$ 38,402	Operating activities
Transit	Municipality	1,206,152	Advance	-	
Transit	Municipality	190,118	Reserve tax levy	190,118	Reserve tax levy

4. Changes in Capital Assets

A summary of changes in Transit capital assets for 2021 and 2020 follows:

	Balance 1/1/21	Additions	Retirements	Balance 12/31/22
Capital assets, not being depreciated:				
Land	\$ 1,683,701	\$ -	\$ -	\$ 1,683,701
Capital assets being depreciated Transit				
Terminal:				
Building	12,471,292	31,257	66,703	12,435,846
Vehicles	9,207,948	962,978	534,572	9,636,354
Shop equipment	1,148,052	203,919	33,619	1,318,352
Office equipment	899,455	234,094	223,832	909,717
Total capital assets being depreciated	23,726,751	1,432,248	858,726	24,300,269
Total capital assets	25,410,452	1,432,248	858,726	25,983,970
Less accumulated depreciation for:				
Building	(6,232,863)	(324,923)	66,703	(6,491,083)
Vehicles	(4,017,825)	(748,245)	523,472	(4,242,598)
Shop equipment	(1,100,091)	(31,793)	33,619	(1,098,265)
Office equipment	(706,010)	(78,306)	223,832	(560,484)
Total accumulated depreciation	(12,056,789)	(1,183,267)	847,626	(12,392,430)
Net transit system plant	\$ 13,353,663			\$ 13,591,540

Waukesha Metro Transit

Notes to Financial Statements
December 31, 2021 and 2020

	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/20</u>
Capital assets, not being depreciated:				
Land	\$ 1,683,701	\$ -	\$ -	\$ 1,683,701
Capital assets being depreciated Transit				
Terminal:				
Building	12,384,003	87,289	-	12,471,292
Vehicles	9,032,015	598,280	422,347	9,207,948
Shop equipment	1,115,363	32,693	-	1,148,052
Office equipment	837,958	61,497	-	899,455
Total capital assets being depreciated	<u>23,369,339</u>	<u>779,759</u>	<u>422,347</u>	<u>23,726,751</u>
Total capital assets	<u>25,053,040</u>	<u>779,759</u>	<u>422,347</u>	<u>25,410,452</u>
Less accumulated depreciation for:				
Building	(5,902,934)	(329,929)	-	(6,232,863)
Vehicles	(3,764,410)	(675,762)	422,347	(4,017,825)
Shop equipment	(1,077,233)	(22,858)	-	(1,100,091)
Office equipment	(630,379)	(75,631)	-	(706,010)
Total accumulated depreciation	<u>(11,374,956)</u>	<u>(1,104,180)</u>	<u>422,347</u>	<u>(12,056,789)</u>
Net transit system plant	<u>\$ 13,678,084</u>			<u>\$ 13,353,663</u>

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.

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

Local subsidies are contributions made by the City of Waukesha and Waukesha County based on their applicable share of revenues. Operating assistance for 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Governmental Unit:		
Federal (net of amounts passed to sub recipients)	\$ 966,612	\$ 1,307,406
Federal/City – tire lease	30,903	31,625
Federal-CMAQ	12,655	9,291
Federal-CARES	1,052,093	600,000
State of Wisconsin	3,056,212	3,477,269
State Paratransit Aid	97,077	86,548
Local:		
City of Waukesha	795,329	806,238
Waukesha County	<u>730,888</u>	<u>665,931</u>
Total	<u>\$ 6,741,769</u>	<u>\$ 6,954,308</u>

Waukesha Metro Transit

Notes to Financial Statements
December 31, 2021 and 2020

In 2020, the State of Wisconsin Department of Transportation (DOT) completed the final review of the operating grants for 2018, which resulted in additional money due from the Transit.

6. Long-Term Obligations

Long-Term Obligations Summary

	<u>1/1/21 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/21 Balance</u>	<u>Due Within One Year</u>
Other liabilities	\$ 105,056	\$ -	\$ -	\$ 105,056	\$ -
Compensated absences	<u>338,101</u>	<u>27,613</u>	<u>56,286</u>	<u>309,428</u>	<u>-</u>
Total	<u>\$ 443,157</u>	<u>\$ 27,613</u>	<u>\$ 56,286</u>	<u>\$ 414,484</u>	<u>\$ -</u>

	<u>1/1/20 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/20 Balance</u>	<u>Due Within One Year</u>
Other liabilities	\$ 105,056	\$ -	\$ -	\$ 105,056	\$ -
Compensated absences	<u>338,514</u>	<u>29,328</u>	<u>29,741</u>	<u>338,101</u>	<u>-</u>
Total	<u>\$ 443,570</u>	<u>\$ 29,328</u>	<u>\$ 29,741</u>	<u>\$ 443,157</u>	<u>\$ -</u>

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.

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, 2021 and 2020, 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, 2021, Waukesha Metro Transit has a restricted net position for the pension asset.

Unrestricted Net Position – The component of net position consists 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.

8. Employee Retirement System

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.

9. Other Postemployment Benefits

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.

10. Risk Management (Commercial/Self Insurance)

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.

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.

Waukesha Metro Transit

Notes to Financial Statements
December 31, 2021 and 2020

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 3.68% for auto liability and 7.19% 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.

11. Commitments and Contingencies

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, 2021 and 2020, the Transit paid \$133,785 and \$125,639, respectively, in retirement costs for the retirement plan maintained by Professional Transit Management of Waukesha, Inc.

12. Subsequent Events

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.

SUPPLEMENTARY INFORMATION

Waukesha Metro Transit

Detailed Schedule of Waukesha Transit Commission -
 Statements of Revenues, Expenses and Changes in Net Position - Regulatory Basis
 December 31, 2021 and 2020

		<u>2021</u>	<u>2020</u>
Revenue			
401.	Passenger fares for transit service	\$ 528,117	\$ 434,651
406.	Nontransportation revenues	69,262	45,911
407.	Nontransportation revenues, route administration	148,439	147,700
408.	City tire lease grant revenue	6,181	6,325
408.	Federal tire lease grant revenue	24,722	25,300
409.	Local cash grants, reimbursements and transfers, operating	1,526,217	1,472,169
409.	Refund prior year state grant close-outs	-	-
409.105	Local cash grants, reimbursements and transfers, capital	286,450	155,951
411.	State cash grants and reimbursements, operating	3,056,212	3,447,269
411.105	State cash grants and reimbursements, capital	-	-
411.	State paratransit aid	97,077	86,548
413.	Federal cash grants and reimbursements, operating	966,612	1,307,406
413.	CMAQ grant	12,655	9,291
413	CARES grant	1,052,093	600,000
413.105	Federal cash grants and reimbursements, capital	<u>1,145,797</u>	<u>623,809</u>
Total revenue		<u>8,919,834</u>	<u>8,362,330</u>
Expenses - by Object Class Total			
501.01	Operations salaries and wages	1,436,380	1,320,587
501.02	Other salaries and wages	992,312	999,097
502.	Fringe benefits and FICA	1,508,783	1,534,877
503.	Services	572,204	547,189
504.01	Fuel and lubricants	326,071	206,771
504.02	Tires and tubes	30,903	31,625
504.99	Other materials and supplies	158,758	156,205
505.	Utilities	86,985	77,945
506.	Casualty and liability costs	146,222	143,032
507.	Taxes	720	893
508.	Purchased transportation	2,200,712	2,354,357
509.	Miscellaneous expense	<u>19,434</u>	<u>16,731</u>
Total operation and maintenance expenses		7,479,484	7,389,309
Reconciling items:			
513.	Loss (gain) on asset disposal	8,100	3,142
513.	Depreciation	<u>1,183,269</u>	<u>1,098,781</u>
Total reconciling items		<u>1,191,369</u>	<u>1,101,923</u>
Total expenses and reconciling items		<u>8,670,853</u>	<u>8,491,232</u>
Change in net position		248,981	(128,902)
Net Position, Beginning		<u>14,484,140</u>	<u>14,613,042</u>
Net Position, Ending		<u>\$ 14,733,121</u>	<u>\$ 14,484,140</u>

Waukesha Metro Transit

Waukesha Transit Commission -
Reconciliation of Revenues and Expenses to WisDOT and Federal
Recognized Revenues and Expenses, Regulatory Basis
Year Ended December 31, 2021

	Per WisDOT Guidelines	Per Federal Guidelines
Revenues from Waukesha Transit Commission's records	\$ 8,919,834	\$ 8,919,834
Less Unrecognized Revenues		
406. Nontransportation revenues	461	69,262
407. Nontransportation revenues, route administration	148,439	148,439
408. Local tire lease revenue	6,181	6,181
409. Local operating assistance and transfers	1,526,217	1,526,217
409.105 Local assistance and transfers, capital	286,450	286,450
411. State operating assistance	3,056,212	3,056,212
411. State paratransit aid	97,077	97,077
411. State prior year revenue	-	-
413. Federal operating assistance	966,612	966,612
413. Federal tire lease revenue	24,722	24,722
413. CMAQ grant	12,655	12,655
413. CARES grant	1,052,093	1,052,093
413.105 Other nonoperating revenues (capital funding & subrecipient costs)	1,145,797	1,145,797
Adjusted revenues	<u>\$ 596,918</u>	<u>\$ 528,117</u>
Expenses from Waukesha Transit Commission's records	\$ 8,670,853	\$ 8,670,853
Less Nonrecognized Expenses		
513. Depreciation	1,183,269	1,183,269
513. Loss (gain) on asset disposal	8,100	8,100
Less CMAQ Grant Funding, not eligible (mkt/night service), 100%	15,819	15,819
Less WisDOT Paratransit Costs, not eligible	97,077	-
Less 5337 Grant Funding, not eligible 100%	-	-
Recognized expenses	<u>\$ 7,366,588</u>	<u>\$ 7,463,665</u>
Recognized deficits	<u>\$ (6,769,670)</u>	<u>\$ (6,935,548)</u>

Waukesha Metro Transit

Waukesha Transit Commission -
Computation of the Deficit Distribution Among the Subsidy Grantors
Year Ended December 31, 2021

Federal Section 9 Funds

Preventative maintenance	\$ 468,906
Federal tire lease grant revenue	28,800
Capital cost of third party contracting	<u>497,706</u>

Maximum federal share per grant awards \$ 995,412

State Funds

WisDOT contract maximum \$ 3,806,002

Local operating subsidy \$ 1,526,217

5 Times operating subsidy \$ 7,631,085

State share, contractual amount \$ 3,806,002

Summary of 2021 Operational Funding *

	Received in 2021	Receivable (Payable) 12/31/21	Total
Federal Section 9 Funds	\$ 627,140	\$ 339,472	\$ 966,612
State Funds, operating	3,806,002	(749,790)	3,056,212
Local Funds	<u>1,236,843</u>	<u>289,374</u>	<u>1,526,217</u>
Total funding	<u>\$ 5,669,985</u>	<u>\$ (120,944)</u>	<u>\$ 5,549,041</u>

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