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June 22, 2016 Audit Presentation To
FOX CITIES TRANSIT COMMISSION
Jodi Dobson, CPA, Partner of Baker Tilly Virchow Krause, LLP

FINANCIAL STATEMENT HIGHLIGHTS

- > Clean audit opinion (pages 1-3)
 - Financial statements are the responsibility of management
 - In our opinion fairly stated
- > Management Discussion & Analysis (pages 4-11) provides highlights
- > No federal or state compliance issues
- > Federal and State share of funding is limited to 60% of eligible expenses (page 40)
 - Federal and state operating grants were \$2.5 million and \$2.6 million, respectively

MANAGEMENT LETTER

- > No material weaknesses in internal control identified
- > Current year recommendations/informational points
 - Policy for agency tickets
 - Delayed grant close-outs from State of Wisconsin operating grants
- > Required communications
 - Financial statements contain estimates, i.e. sick leave, OPEB and potentially uncollectible state grants, new net pension asset and deferrals
 - No material audit adjustments, all proposed immaterial adjustments made
 - We assist with preparation of financial statements, management retains responsibility
 - Management representations provided
 - No difficulties during audit

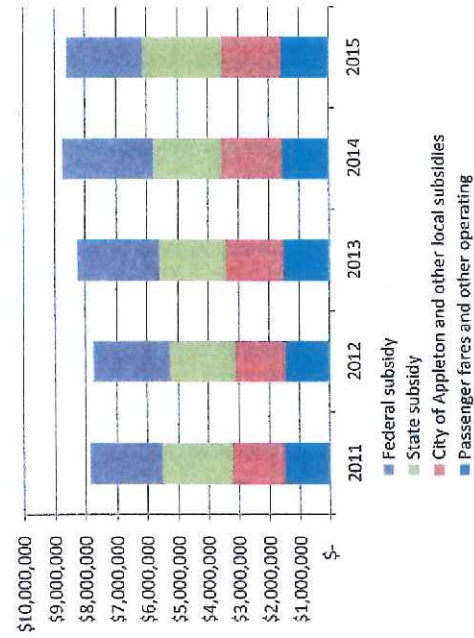
CITYWIDE SINGLE AUDIT

- > Required since city receives more than \$750,000 federal funding
- > Tests city compliance with laws and regulations related to program requirements, for example Buy America, Civil Rights, and Minimum wage standards. More issues added for ARRA grants.
- > Citywide report goes to Common Council – No transit findings

CITY OF APPLETON VALLEY TRANSIT 2015 FINANCIAL STATEMENT HIGHLIGHTS

	2011	2012	2013	2014	2015
Ridership					
Fixed Route	1,073,655	1,095,650	1,093,202	1,081,882	1,055,544
ADA Paratransit	90,128	87,261	92,643	94,487	96,437
Operating Revenues					
Passenger fares and other operating	\$ 1,517,609	\$ 1,485,517	\$ 1,547,558	\$ 1,563,356	\$ 1,593,398
City of Appleton and other local subsidies	1,689,866	1,621,880	1,841,665	1,981,692	1,931,080
State subsidy	2,322,036	2,169,356	2,208,486	2,246,007	2,598,948
Federal subsidy	2,336,554	2,455,837	2,649,815	2,952,625	2,481,702
TOTAL	\$ 7,866,065	\$ 7,732,590	\$ 8,247,524	\$ 8,743,680	\$ 8,605,128
	100%	100%	100%	100%	100%
Operating Expenses					
Labor and benefits	\$ 3,515,575	\$ 3,451,382	\$ 3,587,920	\$ 3,685,729	\$ 3,753,090
Services	188,649	213,327	271,349	384,024	440,747
Materials and supplies	800,097	867,131	905,241	959,385	738,432
Purchased transportation	2,869,324	2,798,417	3,098,708	3,296,289	3,163,972
Other	335,059	260,913	255,813	362,878	371,996
TOTAL (excluding depreciation)	\$ 7,708,704	\$ 7,591,170	\$ 8,119,031	\$ 8,688,305	\$ 8,468,237
	100%	100%	100%	100%	100%

Transit Operating Revenues



Transit Operating Expenses

