



WISCONSIN DEPARTMENT OF TRANSPORTATION

DIVISION OF BUSINESS MANAGEMENT

BUREAU OF FINANCIAL MANAGEMENT

MEMORANDUM

Date: October 16, 2018
To: Dave Simon
Bureau of Transit, Local Roads, Railroads and Harbors
From: Randy Knoche
Chief of Audit and Contract Administration
Subject: 2016 Mass Transit Operating Assistance Program
City of Manitowoc
Report 18-6435

19-0418
CONSENT

We have reviewed the Single Audit Report of City of Manitowoc Transit System (The City) for the year ended December 31, 2016.

Analysis of payments made by the Wisconsin Department of Transportation under the agreement with the City follows:

State Funds

Project I.D. 0471-16-77, P.O. 3555878 + 0000000216
WisDOT Share per Schedule III \$ 247,730
Amount Paid by WisDOT 222,959
Balance Due City of Manitowoc \$ 24,771

Project I.D. 0405-16-01, P.O. 3555514
WisDOT Share Paratransit Grant \$ 22,869
Amount Paid by WisDOT 22,869
Balance Due \$ 0

Federal Funds

Project I.D. 0418-16-40, P.O. 0000001133
WisDOT Share per Schedule III \$ 823,192
Amount Paid by WisDOT 928,495
Balance Due WisDOT \$ 105,303

Approved by,

Randy Knoche
Chief of Audit and Contract Administration

Distribution:

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**BFM Audit Section - RK
OPFI – Jody Keller**

CITY OF MANITOWOC

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Bureau of Transit and Local Roads, to assist in determining the Transit System's allowable State and Federal grant shares for the year ended December 31, 2016 as they relate to the services provided by the Maritime Metro Transit System to the City of Manitowoc and funded in part by the Wisconsin Department of Transportation.

This agreed-upon procedures engagement was conducted in accordance with Generally Accepted Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. We have performed a cursory review of the Single Audit Report and Audited Financial Statements of the City of Manitowoc as they relate to the Maritime Metro Transit System for the year ended December 31, 2016. The audit was performed by the Certified Public Accounting firm of Schenck SC.

City of Manitowoc operating expenses for fiscal year 2016 totaled \$2,093,261; of that total, \$20,511 were determined to be ineligible. The single auditor identified an additional \$71,407 of ineligible expenses for State and Federal grant reimbursement. During agreed-upon procedures, WisDOT identified an additional \$135,464 of ineligible expenses for a total of \$227,382 ineligible expenses. The city removed \$20,511. The additional \$206,871 of ineligible expenses claimed as eligible expenses resulted in an overpayment to the city of \$105,303 in federal funding.

2. We have calculated the State and Federal share of the Transit System's allowable operating expense or deficit in accordance with State, Federal and third-party contracts; criteria for participation in the Mass Transit Operating Assistance Program set forth under Wisconsin Statutes 85.20; Section Trans 4 of the Wisconsin Administrative Code; the accounting practices prescribed by Part 31 of the Federal Acquisition Regulations; and Federal Section 5311 of the Urban Mass Transportation Act of 1964, as amended. The calculated allowable shares were compared to the Wisconsin Department of Transportation's contract payment records to determine the amounts due to the City of Manitowoc/Wisconsin Department of Transportation.

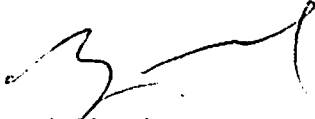
As a result of the procedures, it was determined that the amount due to the City of Manitowoc is \$24,771 for the State grant. The amount due to the Wisconsin Department of Transportation is \$105,303 for the Federal grant.

We were not engaged to and did not conduct an audit, the objective of which would be to express an opinion on the Statement of Revenue and Expense of the City of Manitowoc Transit System.

Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Management is responsible for the preparation and fair presentation of the Schedule of Revenue and Expense in accordance with the basis of accounting prescribed in Part 31 of the Federal Acquisition Regulation and Chapter Trans 4 of the Wisconsin Administrative Code and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the schedule.

This report is intended solely for the information and use of the Wisconsin Department of Transportation and the City of Manitowoc and is not intended to be and should not be used by anyone other than these specified parties.



Randy Knoche
Chief of Audit and Contract Administration

August 8, 2018

CITY OF MANITOWOC
 Maritime Metro Transit
 Statement of Revenue and Expense
 For the Year Ended December 31, 2016

Schedule I

REVENUE

401	Passenger Fares for Transit Services:		
	Transit System	\$ 195,471	
	Sale of Ride Tickets - County	3,142	\$ 198,613
406	Auxiliary Transportation Revenues:		
	03 Advertising Services		17,954
407	Non-Transportation Revenue:		
	99 Other: Vending Commissions		2,929
408	Taxes Levied Directly by the Transit System		263,216
410	Local Operating Assistance		310,346
411	State Operating Assistance:		
	01 Paratransit Van (Capital grant)	44,194	
	01 Paratransit Supplemental Aid	22,869	
	02 State Transit Program	<u>242,617</u>	309,680
413	Federal Operating Assistance		<u>928,494</u>
	TOTAL REVENUE		<u>\$ 2,031,231</u>

EXPENSE

501	Labor:		
	01 Operators' Wages	\$ 660,958	
	02 Other Salaries and Wages	<u>183,203</u>	\$ 844,161
502	Fringe Benefits		419,559
503	Services		55,408
504	Materials and Supplies:		
	01 Fuel and Lubricants	101,380	
	02 Tires and Tubes	19,669	
	99 Other	<u>98,590</u>	219,639
505	Utilities		18,762
506	Casualty and Liability Costs		36,927
508	Purchased Transportation Services		283,882
509	Miscellaneous:		
	01 Dues and Subscriptions	2,095	
	02 Travel and Meetings	662	
	08 Advertising/Promotion Media	2,806	5,563
512	Leases and Rentals		4,847
513	Depreciation		<u>112,595</u>
	TOTAL EXPENSE		<u>\$ 2,001,343</u>
	NET LOSS		<u>\$ 29,888</u>

CITY OF MANITOWOC
 Maritime Metro Transit
 Reconciliation of Revenue and Expense
 to those Recognized for WisDOT and Federal Purposes
 For the Year Ended December 31, 2016

Schedule II

	<u>Per WisDOT Guidelines</u>	<u>Per Federal Guidelines</u>
Revenue from Transit Records	\$ 2,031,231	\$ 2,031,231
Less Non-Recognized Revenue:		
Taxes Levied Directly by the Transit System	263,216	263,216
Local Operating Assistance	310,346	310,346
State Operating Assistance	309,680	309,680
Federal Operating Assistance	<u>928,494</u>	<u>928,494</u>
 Recognized Revenue	 <u>\$ 219,496</u>	 <u>\$ 219,496</u>
 Expense from Transit Records	 \$ 2,001,343	 \$ 2,001,343
Less Non-Recognized Expense:		
Depreciation	112,595	112,595
Contra Expense:		
Paratransit Supplemental Aid	<u>22,869</u>	<u>22,869</u>
 Recognized Expense	 <u>\$ 1,865,879</u>	 <u>\$ 1,865,879</u>
 Recognized Deficit	 <u>\$ 1,646,383</u>	 <u>\$ 1,646,383</u>

CITY OF MANITOWOC
 Maritime Metro Transit
 Computation of the Deficit Distribution
 Among the Subsidy Grantors
 For the Year Ended December 31, 2016

Schedule III

STATE SHARE

WisDOT Recognized Deficit	\$ 1,646,383	
Less: Federal Share	<u>823,192</u>	
Non-Federal share of WisDOT Deficit		<u>\$ 823,191</u>
WisDOT Recognized Expense	\$ 1,865,879	
Recognized Expense at 65%	\$ 1,212,821	
Less: Federal Share	<u>823,192</u>	
Nonfederal Share		<u>\$ 389,629</u>
Local Contribution	<u>\$ 575,462</u>	
Five Times Amount of Local Contribution		<u>\$ 2,877,310</u>
Maximum Contract Amount		<u>\$ 247,730</u>
WisDOT Share (Least of the Four)		<u>\$ 247,730</u>

FEDERAL SECTION 5311 SHARE

Federally Recognized Deficit	\$ 1,646,383	
50% of Federal Deficit		<u>\$ 823,192</u>
Federal Recognized Expense	\$ 1,865,879	
Maximum WisDOT and Federal Share		
at 65% of Federal Recognized Expense	1,212,821	
Less State Share	<u>247,730</u>	
Non-State Share		<u>\$ 965,091</u>
Federally Recognized Deficit	\$ 1,646,383	
Less State Share	<u>247,730</u>	
Non-State Share		<u>\$ 1,398,653</u>
Maximum Contract Amount		<u>\$ 980,259</u>
Federal Share (Least of the Four)		<u>\$ 823,192</u>

LOCAL SHARE

WisDOT Contribution Amount	<u>\$ 247,730</u>
20% Local Share Requirement	49,546
Local Contribution Amount	<u>575,462</u>
Difference Over (Under)	<u>\$ 525,916</u>

SUMMARY OF FUNDING

Federal Section 5311 Funds	\$ 823,192
State Funds	247,730
Local Funds	<u>575,462</u>
Total WisDOT Deficit	<u>\$ 1,646,383</u>

CITY OF MANITOWOC
 Maritime Metro Transit
 Comparative Statement of Income and
 Expense Items with Projected Amounts
 For the Year Ended December 31, 2016

Schedule IV

OPERATING REVENUE	<u>PROJECTED</u>	<u>AUDITED</u>
401 Passenger Fares for Transit Service	\$ 175,000	\$ 198,613
406 Auxiliary Transportation Revenue	8,100	17,954
407 Non-Transportation Revenue	<u>-</u>	<u>2,929</u>
WisDOT Recognized Revenue	<u>\$ 183,100</u>	<u>\$ 219,496</u>
OPERATING EXPENSE		
501 Labor		
501.01 Operator's Salaries & Wages	\$ 569,969	\$ 660,958
501.02 Other Salaries & Wages	169,867	183,203
502 Fringe Benefits	542,028	419,559
503 Services	45,181	55,408
504 Materials and Supplies		
504.01 Fuel & Lubricants	231,700	101,380
504.02 Tires & Tubes	20,000	19,669
504.99 Other	172,300	98,590
505 Utilities	28,000	18,762
506 Casualty and Liability Insurance	62,504	36,927
507 Taxes	-	-
508 Purchased Transportation	306,000	283,882
509 Miscellaneous	14,090	5,563
512 Leases & Rentals	4,847	4,847
513 Depreciation	-	112,595
Less: Non-Recognized Expense	-	(112,595)
Less: Contra Expense	<u>(22,869)</u>	<u>(22,869)</u>
WisDOT Recognized Expense	<u>\$ 2,143,617</u>	<u>\$ 1,865,879</u>
WisDOT Recognized Deficit	<u>\$ 1,960,517</u>	<u>\$ 1,646,383</u>