



# City of Appleton

100 North Appleton Street  
Appleton, WI 54911-4799  
www.appleton.org

## Meeting Agenda - Final Fox Cities Transit Commission

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Tuesday, August 27, 2024

2:50 PM

Council Chambers, 6th Floor

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1. Call meeting to order

2. Pledge of Allegiance

3. Roll call of membership

4. Approval of minutes from previous meeting

[24-1136](#) Approval of minutes from previous meeting

**Attachments:** [Meeting Minutes 23-July-2024.pdf](#)

5. **Public Hearing/Apearances**

[24-0974](#) Public Participation on Agenda Items

6. **Action Items**

[24-1137](#) Approval of Payments

**Attachments:** [July 2024 Payments.pdf](#)

[24-1138](#) Authorization Award Sole Source A&E Services Contract to Kueny Architects, LLC for Whitman Ave. Phase 2 Construction

**Attachments:** [Award Recommendation Memo\\_Whitman AE P2.pdf](#)

7. **Information Items**

[24-0978](#) 2023 Audit Presentation

**Attachments:** [City of Appleton Valley Transit 2023 Single Audit.pdf](#)

**Legislative History**

7/23/24	Fox Cities Transit Commission	held
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[24-1139](#) Financial Report

**Attachments:** [July 2024 Income Statement.pdf](#)

[24-1140](#) Ridership Report

**Attachments:** [July 2024 Ridership.pdf](#)

[24-1141](#) Disadvantaged Business Enterprise Program Goal

**Attachments:** [FCTC DBE Goal 2025.pdf](#)

[24-1143](#) Request for Future Agenda Items

**8. Next Meeting Date & Time**

**- September 10, 2024, 2:50 PM - Cancelled**

**- September 24, 2024, 2:50 PM**

**9. Adjournment**

*Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.*

*Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.*



# City of Appleton

100 North Appleton Street  
Appleton, WI 54911-4799  
www.appleton.org

## Meeting Minutes - Final-revised Fox Cities Transit Commission

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Tuesday, July 23, 2024

2:50 PM

Council Chambers, 6th Floor

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1. Call meeting to order

2. Pledge of Allegiance

3. Roll call of membership

**Present:** 9 - Kasimor, Dexter, VandeHey, Chairperson Dearborn, Wurdinger, Torrance, Firkus, Brown and Holzschuh

**Excused:** 3 - Detienne, Patza and Heffernan

4. Approval of minutes from previous meeting

[24-0973](#)

Approval of minutes from previous meeting

**Attachments:** [Meeting Minutes11-Jun-2024.pdf](#)

Commissioner Wurdinger moved, seconded by Commissioner Brown, that the Minutes be approved. Voice Vote. Motion Carried.

5. Public Hearing/Appearances

[24-0974](#)

Public Participation on Agenda Items

*No public participation on agenda items.*

6. Action Items

[24-0975](#)

Approval of Payments

**Attachments:** [May 2024 Payments.pdf](#)  
[June 2024 Payments.pdf](#)

Commissioner Brown moved, seconded by Commissioner Torrance, that the Payments be approved. Voice Vote. Motion Carried.

[24-0976](#)

Authorization to Accept Fiscal Year 2024 Federal 5339 (b) Funds for \$12,000,000 for the Whitman Facility Remodel Phase 2

**Attachments:** [FY24 Bus Grant Award for Appleton - Congratulations! email .pdf](#)

*Proceeds to Council on August 21, 2024.*

**Commissioner Torrance moved, seconded by Commissioner Firkus, that Acceptance of the FY 2024 Federal 5339 (b) grant funds be recommended for approval. Voice Vote. Motion Carried.**

[24-0977](#)

Authorization to Accept Fiscal Year 2024 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant for \$25,000,000 for the Downtown Appleton Regional Transit Multimodal Hub

**Attachments:** [2024 RAISE Grant Award letter.pdf](#)

*Proceeds to Council on August 21, 2024.*

**Commissioner Brown moved, seconded by Commissioner Firkus, that Acceptance of the FY 2024 RAISE grant funds be recommended for approval. Voice Vote. Motion Carried.**

## 7. Information Items

[24-0978](#)

2023 Audit Presentation

**Attachments:** [City of Appleton Valley Transit 2023 Single Audit.pdf](#)

**Presentation of the 2023 Single Audit was held.**

[24-0979](#)

Financial Report

**Attachments:** [May 2024 Income Statement.pdf](#)

[June 2024 Income Statement.pdf](#)

[June 2024 Income Statement revised.pdf](#)

**The Financial reports were presented.**

[24-0980](#)

Ridership Report

**Attachments:** [May 2024 Ridership.pdf](#)

[June 2024 Ridership.pdf](#)

**The Ridership reports were presented.**

[24-0981](#)

2024 2nd Quarter KPI

***Attachments:***[2024 2nd Quarter KPI.pdf](#)[Quarterly KPI - FR\\_QTR2 2024\\_revised \(002\).pdf](#)

The 2024 2nd quarter KPI report was presented.

[24-0982](#)

Non-Peak Service Modification Update

The service modifications were discussed.

[24-0983](#)

Request for Future Agenda Items

This item was discussed.

8. **Next Meeting Date & Time**
  - August 13, 2024, 2:50 PM - Cancelled
  - August 27, 2024, 2:50 PM

9. Adjournment

A motion was made by Commissioner VandeHey, seconded by Commissioner Torrance, that this meeting was adjourned. The motion carried unanimously.

INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7		ACCOUNT/VENDOR		DOCUMENT	PO	YEAR/PR	TYP	S	CHECK RUN	CHECK	DESCRIPTION	
58071000					VT 5307 Admin							
58071000 620100					Training/Conferences							
999990	DELTA AIR	BAGGAGE	127562	0	2024	7	INV	P	35.00	pcard	TR Safety training	
999990	TOWNEPLACE	SUITES BO	127654	0	2024	7	INV	P	932.25	pcard	TR - Safety trainin	
999990	DELTA AIR	BAGGAGE	127655	0	2024	7	INV	P	35.00	pcard	DELTA AIR BAGGAGE	
999990	DELTA AIR	00622520	128032	0	2024	7	INV	P	466.95	pcard	TR - Safety trainin	
									1,469.20			
ACCOUNT TOTAL									1,469.20			
58071000 620500					Employee Recruitment							
002158	CAREERBUILDER		126802	0	2024	7	INV	P	319.58	071724	565303 Career Builder July	
999990	YOURMEMBERSHIP		127588	0	2024	7	INV	P	160.00	pcard	PT/FT Bus Driver Po	
999990	TRANSITTALENT.COM		127589	0	2024	7	INV	P	120.00	pcard	FT/PT Bus Driver Po	
									280.00			
ACCOUNT TOTAL									599.58			
58071000 630100					Office Supplies							
001003	NORTHSIDE	HARDWARE,	127618	0	2024	7	INV	P	6.80	pcard	Supplies	
001983	AMAZON		127500	0	2024	7	INV	P	44.92	pcard	Misc supplies	
001983	AMAZON		127962	0	2024	7	INV	P	208.26	pcard	Office supplies	
									253.18			
ACCOUNT TOTAL									259.98			
58071000 630200					Subscriptions							
003221	WISCONSIN	AUDIO VIDE	127011	0	2024	7	INV	P	135.00	071024	565283 Transit Center audi	
999990	GAN*WINE	WSPAPER	127630	0	2024	7	INV	P	43.00	pcard	Post Crescent subsc	
ACCOUNT TOTAL									178.00			
58071000 630400					Postage / Freight							
000460	FEDEX -	FEDERAL	127504	0	2024	7	INV	P	20.11	pcard	Postage	
000460	FEDEX -	FEDERAL	127629	0	2024	7	INV	P	19.12	pcard	Postage	
000460	FEDEX -	FEDERAL	127964	0	2024	7	INV	P	15.37	pcard	Postage	
									54.60			
001583	UNITED STATES	POSTAL	129510	0	2024	7	INV	P	4.91	pcard	FCTC postage	
ACCOUNT TOTAL									59.51			
58071000 630700					Food & Provisions							
999990	WWW.CAMERON	SCOFFEE.C	127503	0	2024	7	INV	P	271.66	pcard	Supplies	

INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7		ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP S	CHECK RUN	CHECK	DESCRIPTION
ACCOUNT TOTAL									271.66
58071000	631603				Other Misc. Supplies				
	002002	ACE HARDWARE OF APPL	128018	0	2024	7 INV P			Misc supplies
	999990	FESTIVAL FOODS	128017	0	2024	7 INV P			Misc supplies
ACCOUNT TOTAL									35.21
58071000	632300				Safety Supplies				
	000274	CINTAS CORPORATION	127966	0	2024	7 INV P			Mats & safety suppl
	000274	CINTAS CORPORATION	129509	0	2024	7 INV P			Mats & safety suppl
ACCOUNT TOTAL									184.07
58071000	632700				Miscellaneous Equipment				
	001983	AMAZON	127619	0	2024	7 INV P			Office equipment
	999990	VAN VREEDES - APPLET	127622	0	2024	7 INV P			Equipment for Whitm
	999990	AMAZON MKTPL*RC6GH9R	127651	0	2024	7 INV P			Monitor and Cables
ACCOUNT TOTAL									6,132.91
ACCOUNT TOTAL									6,182.90
58071000	632800				Signs				
	001942	APPLETON SIGN COMPAN	127727	0	2024	7 INV P			565404 Ad installation
ACCOUNT TOTAL									500.00
58071000	640300				Bank Service Fees				
	000814	LOOMIS ARMORED US, L	127004	0	2024	7 INV P			565240 July Armored Car Se
ACCOUNT TOTAL									164.76
58071000	640800				Contractor Fees				
	001237	SHRED-IT USA	129512	0	2024	7 INV P			Document management
	001771	RED SHOES PR, INC.	127010	0	2024	7 INV P			565262 June Marketing Serv
	003012	LANGUAGE LINE	127015	0	2024	7 INV P			565232 Translation service
ACCOUNT TOTAL									6,659.06
58071000	641200				Advertising				
	001495	WFRV-TV	127734	0	2024	7 INV P			565491 Flag Day sponsor
	001771	RED SHOES PR, INC.	127009	0	2024	7 INV P			565262 Digital Advertising
	002694	RNS COMMUNICATIONS I	127014	0	2024	7 INV P			565264 Digital advertising

INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7										
ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP	S	CHECK RUN	CHECK	DESCRIPTION		
					ACCOUNT TOTAL				8,800.00	
58071000 641301								Electric		
001575 WE ENERGIES	570	0	2024 7	INV	P			2024 7 INV P	4,031.64	071024 565280 0701172433-00271 E1
					ACCOUNT TOTAL				4,031.64	
58071000 641302								Gas		
001575 WE ENERGIES	570	0	2024 7	INV	P			2024 7 INV P	78.46	071024 565280 0701172433-00271 E1
					ACCOUNT TOTAL				78.46	
58071000 641308								Cellular Phones		
000250 CELLCOM APPLETON PCS	127505	0	2024 7	INV	P			2024 7 INV P	1,271.50	pcard Data plan and cell
000250 CELLCOM APPLETON PCS	129511	0	2024 7	INV	P			2024 7 INV P	1,271.50	pcard Data plan and cell
									2,543.00	
					ACCOUNT TOTAL				2,543.00	
58071000 641800								Equip Repairs & Maint		
001689 FSC	127794	0	2024 7	INV	P			2024 7 INV P	204.99	073124 565534 office machine repa
					ACCOUNT TOTAL				204.99	
58071000 642400								Software Support		
003040 OPTIBUS INC	127728	0	2024 7	INV	P			2024 7 INV P	3,000.00	072424 565460 Software maintenanc
999990 ZOOM.US 888-799-9666	127621	0	2024 7	INV	P			2024 7 INV P	10.00	pcard Monthly teleconfere
999990 MOODLE	127644	0	2024 7	INV	P			2024 7 INV P	391.96	pcard Annual software mai
999990 ACCESSIBE.COM	128004	0	2024 7	INV	P			2024 7 INV P	490.00	pcard Software maintenanc
999990 WWW.FIELDWIRE.COM	128880	0	2024 7	INV	P			2024 7 INV P	44.00	pcard WWW.FIELDWIRE.COM -
									935.96	
					ACCOUNT TOTAL				3,935.96	
					ORG 58071000 TOTAL				36,157.98	
58072000								VT 5307 vehicle Maintenance		
58072000 630901								Shop Supplies		
000176 BELSON COMPANY	126997	0	2024 7	INV	P			2024 7 INV P	141.00	071024 565200 msb supplies
000176 BELSON COMPANY	126999	0	2024 7	INV	P			2024 7 INV P	70.50	071024 565200 msb supplies
									211.50	
000615 HARTLAND LUBRICANTS	127792	0	2024 7	INV	P			2024 7 INV P	156.37	073124 565540 Shop supplies
001194 SAFETY-KLEEN	127108	0	2024 7	INV	P			2024 7 INV P	217.00	071724 565366 Shop supplies
001194 SAFETY-KLEEN	127109	0	2024 7	INV	P			2024 7 INV P	410.20	071724 565366 Shop supplies



INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7		ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP S	CHECK RUN	CHECK	DESCRIPTION
									627.20
001333	TARTAN SUPPLY CO., I	127646		0	2024	7 INV P			151.23 pcard June janitorial sup
001637	ROSS & WHITE COMPA	127809		0	2024	7 INV P			2,406.00 073124 565572 Parts
001655	AUTOMOTIVE SUPPLY CO	127092		0	2024	7 INV P			27.23 071724 565297 Shop supplies
001655	AUTOMOTIVE SUPPLY CO	127093		0	2024	7 INV P			128.86 071724 565297 Shop supplies
001655	AUTOMOTIVE SUPPLY CO	127094		0	2024	7 INV P			368.00 071724 565297 Parts and shop supp
001655	AUTOMOTIVE SUPPLY CO	127095		0	2024	7 INV P			6.25 071724 565297 Parts & supply
									530.34
									ACCOUNT TOTAL 4,082.64
58072000	632200								Gas Purchases
000763	KWIK TRIP, INC	127012		0	2024	7 INV P			350.59 071024 565230 Fuel for staff vehi
									ACCOUNT TOTAL 350.59
58072000	632601								Repair Parts
000089	NEW FLYER OF AMERICA	127729		0	2024	7 INV P			223.40 072424 565459 Parts
000089	NEW FLYER OF AMERICA	127778		0	2024	7 INV P			63.90 073124 565560 Parts
									287.30
000561	GENFARE, DIVISION OF	127721		0	2024	7 INV P			416.24 072424 565429 TVM part
000569	GILLIG LLC	127090		0	2024	7 INV P			6,279.57 071724 565328 Parts
001595	JX TRUCK CENTER	127007		0	2024	7 INV P			165.00 071024 565225 Parts
001595	JX TRUCK CENTER	127008		0	2024	7 INV P			991.96 071024 565225 Parts
001595	JX TRUCK CENTER	127087		0	2024	7 INV P			842.58 071724 565335 Parts
001595	JX TRUCK CENTER	127088		0	2024	7 INV P			462.06 071724 565335 Parts
001595	JX TRUCK CENTER	127089		0	2024	7 INV P			5,640.98 071724 565335 Parts
001595	JX TRUCK CENTER	127730		0	2024	7 INV P			2,179.96 072424 565439 Parts
001595	JX TRUCK CENTER	127731		0	2024	7 INV P			1,118.80 072424 565439 Parts
001595	JX TRUCK CENTER	127732		0	2024	7 CRM P			-832.47 072424 565439 Parts
001595	JX TRUCK CENTER	127733		0	2024	7 CRM P			-2,033.96 072424 565439 Parts refund
									8,534.91
001607	GRAINGER, INC.	127549		0	2024	7 INV P			-74.67 pcard Refund for dup bill
001655	AUTOMOTIVE SUPPLY CO	127094		0	2024	7 INV P			42.60 071724 565297 Parts and shop supp
001655	AUTOMOTIVE SUPPLY CO	127095		0	2024	7 INV P			10.88 071724 565297 Parts & supply
									53.48
999990	GEIB INDUSTRIES INC	127963		0	2024	7 INV P			21.60 pcard Parts

INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7									
ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP	S	CHECK RUN	CHECK	DESCRIPTION	
ACCOUNT TOTAL									15,518.43
58072000 643000									
001588 THEDACARE, INC.	127723	0	2024 7	INV	P			Health Services	
								2024 7 INV P	705.00 072424 565476 DOT Physical
ACCOUNT TOTAL									705.00
58072000 645100									
000274 CINTAS CORPORATION	127965	0	2024 7	INV	P			Laundry Services	
000274 CINTAS CORPORATION	129508	0	2024 7	INV	P			2024 7 INV P	212.51 pcard Uniforms and mats
									81.38 pcard Uniforms & mats
ACCOUNT TOTAL									293.89
ORG 58072000 TOTAL									20,950.55
58073000								VT 5307 Building Maintenance	
58073000 632700								Miscellaneous Equipment	
001983 AMAZON	128414	0	2024 7	INV	P			2024 7 INV P	2,545.92 pcard Valley Transit cons
ACCOUNT TOTAL									2,545.92
58073000 641600								Build Repairs & Maint	
000758 KUETTEL'S SEPTIC SER	127098	0	2024 7	INV	P			2024 7 INV P	425.00 071724 565338 Floor pit cleaning
ACCOUNT TOTAL									425.00
58073000 645100								Laundry Services	
000274 CINTAS CORPORATION	127965	0	2024 7	INV	P			2024 7 INV P	554.36 pcard Uniforms and mats
000274 CINTAS CORPORATION	127966	0	2024 7	INV	P			2024 7 INV P	151.88 pcard Mats & safety suppl
000274 CINTAS CORPORATION	129508	0	2024 7	INV	P			2024 7 INV P	436.12 pcard Uniforms & mats
000274 CINTAS CORPORATION	129509	0	2024 7	INV	P			2024 7 INV P	75.94 pcard Mats & safety suppl
ACCOUNT TOTAL									1,218.30
58073000 659900								Other Contracts/Obligation	
002401 CLEAN POWER, LLC	126710	0	2024 7	INV	P			2024 7 INV P	573.22 070324 565098 July cleaning servi
ACCOUNT TOTAL									573.22
58073000 680300 1800								Buildings	
001283 STAFFORD ROSENBAUM,	127044	230132	2024 7	INV	P			2024 7 INV P	124.00 071024 565266 Transit Center Mult
ACCOUNT TOTAL									124.00
58073000 680402 1800								Furniture & Fixtures	
001607 GRAINGER, INC.	127623	0	2024 7	INV	P			2024 7 INV P	-886.38 pcard Materials return
001607 GRAINGER, INC.	127624	0	2024 7	INV	P			2024 7 INV P	-90.27 pcard Materials return
001607 GRAINGER, INC.	127625	0	2024 7	INV	P			2024 7 INV P	-974.18 pcard Materials return

INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7									
ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP	S	CHECK RUN	CHECK	DESCRIPTION	
001607 GRAINGER, INC.	127626	0	2024	7	INV P			Materials return	-23,174.29
001607 GRAINGER, INC.	127627	0	2024	7	INV P			Materials return	-647.45
001607 GRAINGER, INC.	127628	0	2024	7	INV P			Materials return	-481.55
001607 GRAINGER, INC.	128000	0	2024	7	INV P			Return credit	-6.51
001607 GRAINGER, INC.	128001	0	2024	7	INV P			Return credit	-142.49
									<b>-26,403.12</b>
003252 SMART SPACES LLC	127769	230809	2024	7	INV P	072424	565471	AV Equipment for wh	89,026.41
								ACCOUNT TOTAL	62,623.29
								ORG 58073000 TOTAL	67,509.73
58074000								VT 5307 Operations	
58074000 632200								Gas Purchases	
001608 GARROW OIL CORPORATI	127005	0	2024	7	INV P	071024	565216	#2 Clear Diesel Fue	19,042.69
001608 GARROW OIL CORPORATI	127775	240575	2024	7	INV P	072424	565427	#2 Ultra Low sulfur	20,072.16
									<b>39,114.85</b>
								ACCOUNT TOTAL	39,114.85
58074000 632602								Tires	
001926 GOODYEAR TIRE AND RU	127726	0	2024	7	INV P	072424	565430	June mileage	1,211.34
001996 MATTHEWS TIRE, INC.	127106	0	2024	7	INV P	071724	565343	Flat repair	92.00
003165 BRIDGESTONE	127053	230542	2024	7	INV P	071024	565202	Tire program	1,514.25
								ACCOUNT TOTAL	2,817.59
58074000 632603								Lubricants	
000615 HARTLAND LUBRICANTS	127725	0	2024	7	INV P	072424	565434	DEF	1,569.30
000615 HARTLAND LUBRICANTS	127793	0	2024	7	INV P	073124	565540	Lubricants	2,785.95
									<b>4,355.25</b>
								ACCOUNT TOTAL	4,355.25
58074000 640800								Contractor Fees	
002229 STAR PROTECTION AND	127006	0	2024	7	INV P	071024	565267	Transit Center secu	9,822.75
002401 CLEAN POWER, LLC	127013	0	2024	7	INV P	071024	565204	Level 1 Bus cleanin	1,199.10
								ACCOUNT TOTAL	11,021.85
58074000 643000								Health Services	
001588 THEDACARE, INC.	127110	0	2024	7	INV P	071724	565379	DOT Physicals	265.20
001588 THEDACARE, INC.	127111	0	2024	7	INV P	071724	565380	DOT Physicals	85.00
									<b>350.20</b>

INVOICE LIST BY GL ACCOUNT

YEAR/PERIOD: 2024/7 TO 2024/7									
ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP	S	CHECK RUN	CHECK	DESCRIPTION	
003122 ASCENSION MEDICAL GR	127724	0	2024 7	INV	P				
						142.00	072424	565406 DOT Physical	
						ACCOUNT TOTAL			492.20
						ORG 58074000 TOTAL			57,801.74
58075000									
58075000 640800									
001186 RUNNING, INC.	129214	0	2024 7	INV	P				
						99,097.50	081424	565803 July VTII services	
						ACCOUNT TOTAL			99,097.50
58075000 641308									
001442 VERIZON WIRELESS SER	127502	0	2024 7	INV	P				
001442 VERIZON WIRELESS SER	129507	0	2024 7	INV	P				
						700.70	pcard	Data plan	
						700.70	pcard	Data plan	
						1,401.40			
						ACCOUNT TOTAL			1,401.40
						ORG 58075000 TOTAL			100,498.90
58076000									
58076000 640800 1806									
001186 RUNNING, INC.	129214	0	2024 7	INV	P				
						3,418.50	081424	565803 July VTII services	
						ACCOUNT TOTAL			3,418.50
58076000 640800 1807									
001186 RUNNING, INC.	129214	0	2024 7	INV	P				
						217.50	081424	565803 July VTII services	
						ACCOUNT TOTAL			217.50
58076000 640800 1809									
001186 RUNNING, INC.	129216	0	2024 7	INV	P				
						34,368.13	081424	565803 July Rural service	
						ACCOUNT TOTAL			34,368.13
58076000 640800 1813									
001186 RUNNING, INC.	129215	0	2024 7	INV	P				
						3,632.24	081424	565803 July NWDAR service	
						ACCOUNT TOTAL			3,632.24
58076000 640800 1818									
001621 CALUMET COUNTY	129217	0	2024 7	INV	P				
001621 CALUMET COUNTY	129220	0	2024 7	CRM	P				
						1,432.66	081424	565737 July Van service	
						-326.48	081424	565737 June Van service	
						1,106.18			
						ACCOUNT TOTAL			1,106.18

**INVOICE LIST BY GL ACCOUNT**

YEAR/PERIOD: 2024/7 TO 2024/7									
ACCOUNT/VENDOR	DOCUMENT	PO	YEAR/PR	TYP S	CHECK RUN	CHECK	DESCRIPTION		
58076000 640800 1819 001186 RUNNING, INC.	129211	0	2024 7	INV P	081424	565803	July Connector serv	10,644.00	
Contractor Fees-Connectr Hours									
ACCOUNT TOTAL								10,644.00	
58076000 640800 1820 001186 RUNNING, INC.	129211	0	2024 7	INV P	081424	565803	July Connector serv	1,600.00	
Contractor Fees-Connector Area									
ACCOUNT TOTAL								1,600.00	
58076000 640800 1821 000774 LAMERS BUS LINES, IN 129222 000774 LAMERS BUS LINES, IN 129223	129222 129223	0 0	2024 7 2024 7	INV P INV P	081424 081424	565774 565774	July Trolley servic July Trolley servic	5,870.50 4,776.00	
Contractor Fees-Trolley									
ACCOUNT TOTAL								10,646.50	
58076000 640800 1822 001186 RUNNING, INC.	129211	0	2024 7	INV P	081424	565803	July Connector serv	36,034.00	
Contractor Fees									
ACCOUNT TOTAL								36,034.00	
ORG 58076000 TOTAL								101,667.05	
FUND 580 Valley Transit								TOTAL:	384,585.95

\*\* END OF REPORT - Generated by Debra Ebben \*\*

## Memorandum

**TO:** Fox Cities Transit Commission  
**FROM:** Ron McDonald, General Manager  
**DATE:** August 19, 2024  
**RE:** Award Recommendation for the 2025 Valley Transit Whitman Facility Renovation Project, Phase 2 Design Contract to Kueny Architects, LLC.

### BACKGROUND

Valley Transit's Whitman Facility Renovation Project's Phase 1 (office/admin spaces) construction is currently underway with anticipated completion in 2025. The Phase 2 Project (renovation of maintenance, bus wash, fueling, bus storage areas) was awarded \$12M by the Federal Transit Administration in July 2024. The total project budget with local funds is \$15M.

Kueny Architects LLC was the firm that completed all Whitman Facility Architectural & Engineering (A&E) services to date under a contract awarded in 2021. Since the original Whitman Facility plan set was completed, additional design and redesign work is required to account for changes since 2021 and facility engineering alterations related to solar, hydrogen fuel and microgrid technologies. These concepts were outlined in Valley Transit's Phase 2 federal grant application. The additional engineering work is needed prior to releasing a construction bid for Phase 2.

### ANALYSIS

Given the existing work done by the current A&E firm, staff recommends a sole source purchase to continue Whitman Facility Phase 2 A&E work with Kueny Architects, LLC. A new A&E firm would result in substantial duplication of work and expense. A new firm would need to re-create existing design plans, account for the specialty engineering related to solar/hydrogen and re-establish working relationships with existing onsite contractors. This duplication would also delay the planned Phase 2 construction bid release date.

Valley Transit is requesting a sole source purchase with Kueny Architects, LLC to update the Whitman Facility Phase 2 Construction Design Plans and include engineering plans for solar, hydrogen production, hydrogen fueling, and fuel/power distribution. Valley Transit staff completed a sole source justification and cost reasonableness analysis of the proposal received by Kueny Architects, LLC. The sole source decision was reviewed and approved by City of Appleton purchasing staff.

### FISCAL IMPACT

Kueny Architects, LLC's proposal for Phase 2 design & engineering work totals \$826,000.00. Valley Transit requests an additional 5% contingency (\$41,300) for unknown design costs. This brings the potential total project cost to \$867,300. Existing federal grants would cover 80% of total project cost. The remaining cost would be expensed from Valley Transit's annual budget.

### RECOMMENDATION

Staff recommends issuing a purchase order to Kueny Architects, LLC for \$826,000.00 plus a 5% contingency for future unknown costs.

**VALLEY TRANSIT  
CITY OF APPLETON**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**VALLEY TRANSIT  
CITY OF APPLETON  
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## INDEPENDENT AUDITORS' REPORT

Fox Cities Transit Commission  
Valley Transit  
City of Appleton, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Valley Transit (Transit), an enterprise fund of the City of Appleton, Wisconsin, as of and for the year ended December 31, 2023, 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 Transit as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 present only the Transit and do not purport to, and do not, present fairly the financial position of the City of Appleton, Wisconsin as of December 31, 2023, the changes in its financial position, or, where applicable, its cash flows for the year 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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 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 management's discussion and analysis and the schedules relating to pensions and other postemployment benefits as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not 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 for the year ended December 31, 2023 was conducted for the purpose of forming an opinion on Transit's financial statements. The financial information listed in the table of contents as supplementary information is 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 for the year ended December 31, 2023, 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 accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole for the year ended December 31, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Transit as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated June 22, 2023, which contained an unmodified opinion on the financial statements. The accompanying supplementary information for the year ended December 31, 2022 is 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The accompanying supplementary information was subjected to the audit procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole for the year ended December 31, 2022.

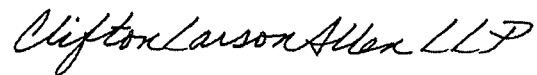
Fox Cities Transit Commission  
Valley Transit  
City of Appleton

***Report on Summarized Comparative Information***

We have previously audited Transit's 2022 financial statements, and we expressed an unmodified opinion on the financial statements in our report dated June 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2024, on our consideration of Transit'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. 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 Transit's 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 Transit's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
June 4, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Valley Transit

## Management's Discussion and Analysis

The management of Valley Transit offers readers of our financial statements the following narrative overview and analysis of our financial activities for the years ended December 31, 2023 and 2022.

### **Basic Financial Statements**

Valley Transit is owned and operated by the City of Appleton, with our basic financial statements prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used.

Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. These are followed by the notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information.

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 whether the financial position of Valley Transit is improving or deteriorating.

The Statement of Revenue, Expenses and Changes in Net Position reports the operating revenues and expenses and non-operating revenues and expenses of Valley 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 prior year equals the net position at the end of the current fiscal year.

The Statement of Cash Flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance equals the cash and cash equivalent balance at the end of the current fiscal year.

An analysis of Valley Transit's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report Valley Transit's net position and changes to it. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

Net position may serve over time as a useful indicator of the government's financial position. In the case of Valley Transit, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,257,117 as of December 31, 2023; compared to \$14,118,011 in 2022. The largest portion of Valley Transit's net position is investments in capital assets (i.e. land, building, equipment and improvements). These assets are used to provide transportation services to customers.

**Valley Transit**  
**Management's Discussion and Analysis (Continued)**

The following table provides a summary of Valley Transit's balances as of December 31, 2023 and 2022.

<b>Assets</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Current Assets	\$4,454,415	\$3,402,049
Capital Assets	13,654,081	12,463,714
Other Assets	<u>1,345,557</u>	<u>2,697,148</u>
Total Assets	19,454,053	18,562,911
<b>Deferred Outflow of Resources</b>		
Deferred outflows related to pension	3,323,139	2,694,893
<b>Liabilities</b>		
Current Liabilities	4,372,702	3,489,912
Non-current Liabilities	<u>1,255,977</u>	<u>404,386</u>
Total Liabilities	5,628,679	3,894,298
<b>Deferred Inflow of Resources</b>		
Deferred inflows related to pension	1,891,396	3,245,495
<b>Net Assets</b>		
Invested in capital assets	13,654,081	12,463,714
Restricted	1,345,557	2,697,148
Unrestricted	<u>257,479</u>	<u>(1,042,851)</u>
Total Net Assets	\$15,257,117	\$14,118,011
Percent restricted	8.82%	19.10%

Current Assets increased by \$1,052,366 in 2023 mostly due to an increase in the cash balance account and amounts due from the Federal government. Current liabilities increased by \$882,790 due to an increase in amounts due to other governments and an increase in accounts payable. This is mostly related to the timing of construction progress payments.

The increase in Capital Assets during 2023 reflects capital purchases of \$2,532,695 financed by federal and state capital funding and local match dollars, offset by depreciation expense of \$1,342,328.

The deferred outflows and inflows of resources and non-current liabilities in 2023 & 2022 is related directly to Valley Transit's proportionate share of the financial activities of the Wisconsin Retirement System, and the investment returns. Other Assets and Non-current Liabilities decreased/increased primarily due to net pension asset/liability. Valley Transit saw an increase in total Net Position during 2023 largely due to the federal and state capital funding received to finance a building renovation and other capital projects, resulting in an increase in investment in Capital Assets.

# Valley Transit

## Management's Discussion and Analysis (Continued)

The following table provides a summary of Valley Transit's operations for the years ending December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
<b>Operating Revenues</b>		
Passenger fares for transit service	\$1,066,799	\$976,791
Special fare assistance	46,946	43,709
Non-transportation revenue	<u>96,161</u>	<u>114,544</u>
Total Operating Revenues	<u>1,209,906</u>	<u>1,135,044</u>
<b>Operating Expenses</b>		
Salaries and wages	3,246,422	3,135,956
Fringe benefits	1,364,984	883,939
Services	873,733	676,563
Materials and Supplies	951,000	968,147
Utilities	122,283	112,979
Casualty and Liability costs	287,976	228,660
Purchased transportation services	1,975,745	1,876,759
Miscellaneous	125,082	94,052
Depreciation	<u>1,342,328</u>	<u>1,223,909</u>
Total Operating Expenses	<u>10,289,553</u>	<u>9,200,964</u>
Operating Loss	<u>(9,079,647)</u>	<u>(8,065,920)</u>
<b>Operating Subsidies</b>		
Local	1,494,254	1,167,220
Investment Income <small>(credited as local subsidies)</small>	181,272	(43,030)
State	2,770,400	2,928,863
Federal	2,996,785	2,793,245
Loss/Gain on Asset Disposal	<u>0</u>	<u>18,710</u>
Total Subsidies	<u>7,442,711</u>	<u>6,865,008</u>
Loss Before Contributions & Transfers	(1,636,936)	(1,200,912)
Capital Contributions - Federal & State	2,276,931	2,700,188
Transfers - Appleton Operating Subsidies	499,111	677,585
Transfers Out	<u>0</u>	<u>(241,827)</u>
<b>Change in net position</b>	1,139,106	1,935,034
NET position - beginning of year	<u>14,118,011</u>	<u>12,182,977</u>
NET position - end of year	<u>\$15,257,117</u>	<u>\$14,118,011</u>



## Valley Transit

### Management's Discussion and Analysis (Continued)

Operating revenues increased \$74,862 in 2023 mostly due to an increase in transportation revenues, resulting from an increase in ridership. Valley Transit's ridership plummeted during COVID-19, but continues to steadily improve following the pandemic. Overall ridership increased 5% in 2023 when compared to 2022.

Operating expenses increased by \$1,088,589 during 2023. Valley Transit saw a large increase in the cost of fringe benefits due to increased medical insurance premiums. Increases were also seen in purchased services, casualty and liability costs, purchased transportation and depreciation.

Valley Transit's 2023 net position increased when compared to 2022. The largest factor contributing to the increase in net position is the capital funding received for a capital construction project that began during 2023. Phase one of the project will be completed in 2024.

### Capital Assets

The Federal Transit Administration provides 80% of the funding to purchase Valley Transit's capital assets and therefore has significant interest in their use. The remaining 20% is funded either through Valley Transit's depreciation reserve for replacement equipment or from current year support from the various local governments that participate in Valley Transit.

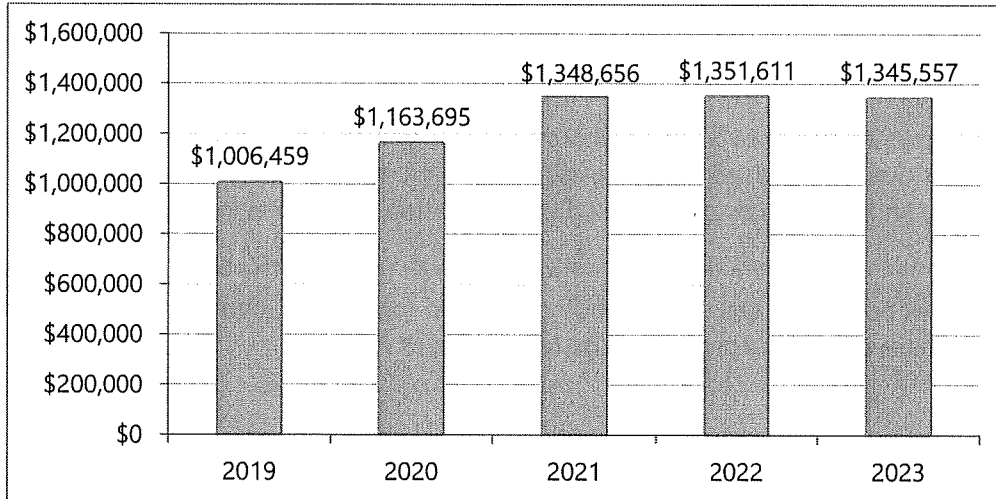
Net capital assets increased \$1,190,367 during 2023 as the result of capital purchases of \$2,532,695 financed by state and federal capital grants and local match dollars, offset by depreciation expense of \$1,342,328. Capital investments in 2023 consisted of six new bus shelters (\$68,250), CAD/AVL Software (\$398,595) and ongoing construction projects at the Transit Center and the Whitman facility (\$2,065,850).

### Funded Depreciation Reserve – Restricted Assets

Restricted Assets represents a funded reserve used to pay for asset replacements that are not paid for by capital grants; typically 20% of the asset value. This reserve is funded by a charge equal to 20% of annual depreciation expense levied on the system's fixed route local municipal partners.

## Valley Transit Management's Discussion and Analysis (Continued)

The balance of this restricted account over the past five years is as follows:



The decrease in the restricted cash during 2019 is due to utilization of the funds for the 20% capital local share of 2019's capital purchases. This is slightly offset by the annual payment of 20% of the depreciation expense by the local funding partners. The balance increased in 2021 and 2020 due to investment income on the cash balance and the charge to local funding partners based on depreciation expense. None of the reserve was used for the ten new buses purchased in 2021 and 2020 (five each year) as they were 100% financed by State of Wisconsin capital grants resulting from the Volkswagen emissions settlement. Twenty percent of that grant amount will be repaid to the State over a period of ten years via withholding from the City of Appleton's portion of State Shared Revenues. That reduction in State revenues to the City will be reimbursed to the general fund from this reserve.

At the end of 2022 and 2023, restricted cash remained relatively flat. Funds of \$244,782 were collected from Valley Transit's funding partners for 20% of the depreciation expense in both years, but in 2022 (\$241,827) and in 2023 (\$145,628) funds were transferred to the general fund to pay back the reduction in shared revenue as discussed above. In 2023, Valley Transit used \$164,801 of the funds for 20% of capital purchases made during the year.

### Requests for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of Valley Transit's finances. If you have questions about this report or need any additional information contact the City of Appleton, Valley Transit Attn: Ronald McDonald, General Manager at 1.920.832.5800 or [Ronald.McDonald@appleton.org](mailto:Ronald.McDonald@appleton.org).

## FINANCIAL STATEMENTS

**VALLEY TRANSIT  
CITY OF APPLETON  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023  
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2022)**

	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 1,696,145	\$ 1,236,690
Accounts Receivable	368,552	418,364
Due from Other Governments:		
Federal Capital and Operating Grants	1,905,758	1,364,847
Local Governments	44,462	1,949
Prepaid Items	439,498	380,199
Total Current Assets	4,454,415	3,402,049
Noncurrent Assets:		
Restricted Assets:		
Cash and Investments	1,345,557	1,351,611
Other Assets:		
Net Pension Asset	-	1,345,537
Capital Assets:		
Nondepreciable	3,365,272	1,299,422
Depreciable	10,288,809	11,164,292
Total Capital Assets	13,654,081	12,463,714
Total Assets	19,454,053	18,562,911
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Amounts	3,255,066	2,617,332
Other Postemployment Related Amounts	68,073	77,561
Total Deferred Outflows of Resources	3,323,139	2,694,893
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	973,298	258,893
Accrued and Other Current Liabilities	138,929	129,985
Due to Other Governments	1,735,789	1,580,372
Compensated Absences	176,744	182,367
Special Deposits	-	500
Unearned Revenue	1,347,942	1,337,795
Total Current Liabilities	4,372,702	3,489,912
Long-Term Obligations, Less Current Portion:		
Compensated Absences	70,846	96,612
Net Pension Liability	871,620	-
Other Postemployment Benefits	313,511	307,774
Total Long-Term Liabilities	1,255,977	404,386
Total Liabilities	5,628,679	3,894,298
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Amounts	1,824,342	3,167,019
Other Postemployment Related Amounts	67,054	78,476
Total Deferred Inflows of Resources	1,891,396	3,245,495
<b>NET POSITION</b>		
Investment in Capital Assets	13,554,546	12,463,714
Restricted:		
Capital Outlay	1,345,557	1,351,611
Pension Benefit	-	1,345,537
Unrestricted	357,014	(1,042,851)
Total Net Position	\$ 15,257,117	\$ 14,118,011

See accompanying Notes to Financial Statements.

**VALLEY TRANSIT  
CITY OF APPLETON  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023  
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	2023	2022
<b>OPERATING REVENUES</b>		
Regular Passenger Fares	\$ 1,066,799	\$ 976,791
Special Fares	46,946	43,709
Advertising Services	74,344	93,876
Other	21,817	20,668
Total Operating Revenues	1,209,906	1,135,044
<b>OPERATING EXPENSES</b>		
Salaries and Wages	3,246,422	3,135,956
Fringe Benefits	1,364,984	883,939
Services	873,733	676,563
Materials and Supplies:		
Fuels and Lubricants	499,141	565,649
Tires and Tubes	41,771	42,265
Other	410,088	360,233
Utilities	122,283	112,979
Casualty and Liability Costs	287,976	228,660
Purchased Transportation Services	1,975,745	1,876,759
Miscellaneous	125,082	94,052
Depreciation	1,342,328	1,223,909
Total Operating Expenses	10,289,553	9,200,964
<b>OPERATING LOSS</b>	(9,079,647)	(8,065,920)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income (Loss)	181,272	(43,030)
Federal Operating Assistance	2,996,785	2,793,245
State Operating Assistance	2,770,400	2,928,863
Local Operating Assistance	1,494,254	1,167,220
Gain on Disposal of Capital Assets	-	18,710
Total Nonoperating Revenues (Expenses)	7,442,711	6,865,008
Loss Before Contributions and Transfers	(1,636,936)	(1,200,912)
Federal and State Capital Grants and Contributions	2,276,931	2,700,188
Transfers In - City Operating Subsidy	499,111	677,585
Transfers Out	-	(241,827)
<b>CHANGE IN NET POSITION</b>	1,139,106	1,935,034
Net Position - Beginning of Year	14,118,011	12,182,977
<b>NET POSITION - END OF YEAR</b>	\$ 15,257,117	\$ 14,118,011

See accompanying Notes to Financial Statements.

**VALLEY TRANSIT  
CITY OF APPLETON  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2023**

(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 1,269,865	\$ 1,437,661
Cash Paid for Employee Wages and Benefits	(3,028,318)	(3,451,783)
Cash Paid to Suppliers	(5,046,197)	(4,887,131)
Net Cash Used by Operating Activities	(6,804,650)	(6,901,253)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Federal Operating Assistance	2,455,874	1,862,475
State Operating Assistance	2,770,400	2,928,863
Local Operating Assistance	1,607,158	1,218,337
Local Operating Assistance - City Operating Subsidy	499,111	677,585
Transfer In (Out)	-	(241,827)
Net Cash Provided by Noncapital Financing Activities	7,332,543	6,445,433
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(2,532,695)	(2,757,388)
Contributed Capital - Federal and State	2,276,931	2,700,188
Sale of Capital Assets	-	18,710
Net Cash Provided (Used) by Capital and Related Financing Activities	(255,764)	(38,490)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Pooled Cash Income (Loss)	181,272	(43,030)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	453,401	(537,340)
Cash and Cash Equivalents - Beginning of Year	2,588,301	3,125,641
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,041,702	\$ 2,588,301
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (9,079,647)	\$ (8,065,920)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	1,342,328	1,223,909
Change in WRS Asset/Liability	2,217,157	(285,820)
Change in WRS Deferred Outflow	(637,734)	(861,784)
Change in WRS Deferred Inflow	(1,342,677)	846,139
Change in OPEB Liability	5,737	(54,216)
Change in OPEB Deferred Outflow	9,488	7,644
Change in OPEB Deferred Inflow	(11,422)	52,253
Change in Operating Assets and Liabilities:		
Accounts Receivables	49,812	28,414
Prepaid Items	(59,299)	(2,329)
Accounts Payable	714,405	(43,703)
Accrued and Other Current Liabilities	8,944	8,241
Customer Deposits	(500)	-
Unearned Revenue	10,147	274,203
Compensated Absences	(31,389)	(28,284)
Net Cash Used by Operating Activities	\$ (6,804,650)	\$ (6,901,253)
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and Cash Equivalents in Current Assets	\$ 1,696,145	\$ 1,236,690
Cash and Cash Equivalents in Restricted Assets	1,345,557	1,351,611
Total Cash and Cash Equivalents	\$ 3,041,702	\$ 2,588,301
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributed Capital Assets	\$ 2,276,931	\$ 2,700,188

See accompanying Notes to Basic Financial Statements.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Valley Transit, City of Appleton, Wisconsin (Transit), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to 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:

**A. Reporting Entity**

Valley Transit, an enterprise fund of the City of Appleton, Wisconsin (the City), provides public bus transportation in the City and surrounding communities. Transit is governed by the Transit Commission which consists of City council members, citizen representations, and representatives from participating governments. In accordance with U.S. GAAP, the financial statements are required to include Transit and any separate component units that have a significant operational or financial relationship with Transit. Transit has not identified any component units that are required to be included in the financial statements in accordance with standards.

**B. Enterprise Fund**

The accounts of Transit are accounted for in an enterprise fund as required by U.S. GAAP. An enterprise fund is used to account for government operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes.

**C. Measurement Focus and Basis of Accounting**

Transit's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

An enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. In addition, as described in Note 3.A, Transit also receives operating subsidies from state, local and federal governments. The principal operating revenues of Transit are charges to customers for services. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Transit fares are recorded as revenue continuously through the year. The value of tickets for various paratransit services sold but not used is recorded as a liability. Fares were made effective January 1, 2009 and revised effective January 5, 2015, as approved by the Valley Transit Commission.

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 Transit is reported as revenues on the statements of revenues, expenses and changes in net position.

All preventative maintenance on vehicles and buildings are eligible for funding under federal capital grants. In the year these items are purchased, they are recorded as operating expenses and the related capital grants are recorded as capital cost of maintenance, operating and capital assistance.

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

Transit is included in the City's investment policy which follows state statutes for allowable investments.



**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
(Continued)**

**2. Restricted Cash**

Transit collects the local share of capital additions from the contributing municipalities in advance based on depreciation expense. These funds are shown as restricted assets in the financial statements and will be used for future purchases of capital items.

**3. Accounts Receivable**

Transit considers receivables from government units to be fully collectible. Transit has established an allowance for potentially uncollectible state operating funds. Any reduction in state aid as a result of reduced collections would be offset by local aid recovered from the local partners.

**4. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expended in the periods benefited.

**5. Capital Assets**

Capital assets, which include property, plant and equipment assets, are reported in the financial statements. Capital assets are defined by Transit as assets with an initial, individual costs of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of Transit are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	25
Vehicles	3 - 15
Shop Equipment	2 - 10
Office Equipment	3 - 10
Shelters and Signs	5 - 10

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
(Continued)**

**6. Compensated Absences**

It is Transit's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the fund financial statements.

**7. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**8. Pensions**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
(Continued)**

**9. Net Position**

Equity is classified as net position and displayed in three components:

- Net investment in capital assets. Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position. Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position. Net position that is neither classified as restricted nor as net investment in capital assets.

**E. Use of Estimates**

The 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**F. Prior Year Information**

Comparative amounts for the prior year have been presented in the financial statements to provide an understanding of changes in Transit's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 2 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Transit cash and investments are commingled with the entire City; therefore, individual fund bank balances cannot be determined. Please refer to the City's financial statements for further information.

The City's Annual Comprehensive Financial Report can be reviewed at [www.appleton.org/government/finance](http://www.appleton.org/government/finance).

**B. Restricted Assets**

Restricted assets on December 31, 2023 totaled \$1,345,557 and consisted of cash and investments held for the following purpose:

Description	Amount	Purpose
Depreciation	<u>\$ 1,345,557</u>	To be used for the replacement of capital assets of Valley Transit

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 891,831	\$ -	\$ -	\$ 891,831
Construction in Progress	407,591	2,065,850	-	2,473,441
Total Capital Assets, Nondepreciable	1,299,422	2,065,850	-	3,365,272
Capital Assets, Depreciable:				
Buildings and Improvements	4,188,029	-	-	4,188,029
Machinery and Equipment	15,376,628	466,845	-	15,843,473
Subtotals	19,564,657	466,845	-	20,031,502
Less Accumulated Depreciation for:				
Buildings and Improvements	3,906,441	43,068	-	3,949,509
Machinery and Equipment	4,493,924	1,299,260	-	5,793,184
Subtotals	8,400,365	1,342,328	-	9,742,693
Total Capital Assets, Depreciable, Net	11,164,292	(875,483)	-	10,288,809
Capital Assets, Net	<u>\$ 12,463,714</u>	<u>\$ 1,190,367</u>	<u>\$ -</u>	13,654,081
Less: Retainage Payable on Contracts				99,535
Net Investment in Capital Assets				<u>\$ 13,554,546</u>

**D. Long-Term Obligations**

The following is a summary of changes in long-term obligations of Transit for the year ended December 31, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Compensated Absences	<u>\$ 278,979</u>	<u>\$ -</u>	<u>\$ 31,389</u>	<u>\$ 247,590</u>	<u>\$ 176,744</u>

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan**

**1. Plan Description**

Wisconsin Retirement System (WRS) Pension Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**1. Plan Description (Continued)**

Benefits Provided (Continued)

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**2. Postretirement Adjustments**

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**3. Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, executives and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

For the year ended December 31, 2023, the WRS recognized \$214,388 in contributions from Transit.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Executives, and Elected Officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

**4. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2023, Transit reported a liability of \$871,620 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. Transit's proportion of the net pension liability was based on Transit's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, Transit's proportion was 0.01645279%, which was a decrease of 0.00024083% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, Transit recognized pension expense of \$443,241.



**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**4. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

At December 31, 2023, Transit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,388,220	\$ 1,823,810
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,480,680	-
Changes in Assumptions	171,397	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	381	532
Employer Contributions Subsequent to the Measurement Date	<u>214,388</u>	<u>-</u>
Total	<u>\$ 3,255,066</u>	<u>\$ 1,824,342</u>

\$214,388 reported as deferred outflows related to pension resulting from Transit's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ 50,338
2025	251,837
2026	258,268
2027	<u>655,893</u>
Total	<u>\$ 1,216,336</u>

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8 %
Discount Rate:	6.8 %
Salary Increases:	
Wage Inflation	3.0 %
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7 %

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

**Long-Term Expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	48.0	7.6	5.0
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive Assets	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Cash	(15.0)	N/A	N/A
Total Core Fund	<u>100.0</u>	7.4	4.8
Variable Fund Asset Class:			
U.S. Equities	70.0	7.2	4.6
International Equities	30.0	8.1	5.5
Total Variable Fund	<u>100.0</u>	7.7	5.1

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, and asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**Single Discount Rate.** A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of Transit's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents Transit's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what Transit's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate <u>(5.8%)</u>	Current Discount Rate <u>(6.8%)</u>	1% Increase to Discount Rate <u>(7.8%)</u>
Transit's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,892,877	\$ 871,620	\$ (518,832)

**6. Payables to the Pension Plan**

At December 31, 2023, Transit reported no outstanding contributions to the pension plan for the year ended December 31, 2023.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits**

Single-Employer Defined Postemployment Benefit Plan

**1. Plan Description**

The City administers a single-employer defined benefit healthcare plan (the Retiree Health Plan) for which Transit employees may participate. The City's group health insurance plan provides coverage to active employees and retiree (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for retirees, commonly referred to as an implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**2. Benefits Provided**

Employees and their eligible dependents can elect to continue medical coverage into retirement on the City's group plan on a pay-all basis. The City does not pay any portion of the cost of coverage. Coverage continues until the retiree reaches Medicare eligibility given that the required contributions are paid. For all employees, coverage can remain for the spouse as a single policy until the spouse becomes Medicare eligible given that the required contributions are paid.

**3. Employees Covered by Benefit Terms**

At December 31, 2022, the following employees of the City, including Transit, were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	53
Active Employees	555
Total	608

**4. Total OPEB Liability**

Transit's proportionate share of the total OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the Total OPEB liability was determined by an actuarial valuation as of January 1, 2022.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits (Continued)**

Single-Employer Defined Postemployment Benefit Plan (Continued)

**5. Total OPEB Liability (Continued)**

**Actuarial Assumptions.** The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age Normal
Discount Rate:	4.00%
Inflation:	3.0%
Salary Increases:	4.0%
Healthcare Cost Trend Rates:	5.5% for 2022 Decreasing to an Ultimate Rate of 4.5% by 2037

Mortality, disability, retirement, and withdrawal rates are the same as those used in the December 31, 2021 Wisconsin Retirement System's (WRS) actuarial valuation report.

**Discount Rate.** The discount rate used to measure the total OPEB liability changed from 4.31% used in the 2022 reporting year to 4.00% in the current year, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2023. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

**6. Changes in the Proportionate Share of the City's Total OPEB Liability**

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2022	\$ 307,774
Changes for the Year:	
Service Cost	14,916
Interest	12,601
Difference Between Expected and Actual Experience	-
Changes of Assumptions and Other Inputs	6,250
Benefit Payments	(25,259)
Other Changes	(2,771)
Net Changes	5,737
Balance at December 31, 2023	<u>\$ 313,511</u>

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits (Continued)**

Single-Employer Defined Postemployment Benefit Plan (Continued)

**6. Changes in the Proportionate Share of the City's Total OPEB Liability (Continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of Transit, as well as what Transit's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current rate:

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total OPEB Liability	\$ 293,939	\$ 313,511	\$ 334,851

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of Transit, as well as what Transit's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0%) or 1-percentage-point higher (6.0%) than the current healthcare cost trend rates:

	1% Increase (4.0% Increasing to 3.0%)	Healthcare Cost Trend Rates (5.0% Increasing to 4.0%)	1% Decrease (6.0% Increasing to 5.0%)
Total OPEB Liability	\$ 343,524	\$ 313,511	\$ 287,566

**7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, Transit recognized OPEB expense of \$31,841.

At December 31, 2023, Transit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 18,352	\$ 24,130
Changes in Assumptions	49,721	42,924
Total	\$ 68,073	\$ 67,054

VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Single-Employer Defined Postemployment Benefit Plan (Continued)

7. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ 4,323
2025	4,323
2026	4,323
2027	1,055
2028	(1,694)
Thereafter	<u>(11,311)</u>
Total	<u>\$ 1,019</u>



**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 OTHER INFORMATION**

**A. Operating Subsidies and Transfers**

Transit receives operating subsidies from the federal, state, and local governments. Transit submits an annual request for state subsidies which are limited by 1) the maximum amount of the grant award, 2) five times the local contribution, and 3) the non-federal share of the audited operating deficit. 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 governments contribute their estimated share of operating costs either monthly or quarterly. Funds not needed for immediate operations are invested and the interest earned is credited to the various local governmental units based upon their contributions. The interest, including restricted capital funding, realized for 2023 amounted to an investment gain of \$181,272. At the end of the year, actual operating costs are allocated between the various local governmental units based on the number of hours of services provided to each. Any excess payments are recorded as payables, or deficiencies as receivables.

Operating assistance for 2023 was as follows:

Governmental Unit	Amount
Federal	\$ 2,303,835
Federal - Capital Maintenance	452,746
Federal - Enhanced Mobility of Seniors and Individuals with Disabilities	240,204
State of Wisconsin - Operating	2,671,281
State of Wisconsin - Paratransit Aid	99,119
Local:	
City of Appleton (Reported as Transfer)	500,888
City of Appleton Share of Investment Return	181,272
Town of Buchanan	13,643
City of Kaukauna	24,112
Village of Kimberly	16,653
City of Menasha	41,043
Fox Crossing	49,867
Fox Crossing - Elderly	2,021
City of Neenah	84,653
City of Neenah - Elderly	11,740
Village of Little Chute	17,567
Town of Grand Chute	133,298
Winnebago County - Elderly	229
Outagamie County - Link	100,026
Special Transportation - Outagamie County	199,651
Special Transportation - Winnebago County	31,950
Special Transportation - Calumet County	1,636
Appleton Downtown Inc. - Trolley	10,000
Connector	55,666
Other Local Share	256,116
Special Transportation - Family Care	444,384
Total	\$ 7,943,600

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Risk Management**

Transit is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Transit completes an annual review of its insurance coverage to ensure adequate coverage. A description of Transit's risk management programs is presented below:

Self-Insurance

Valley Transit participates in the City of Appleton's Insurance Fund (an internal service fund). The City established this fund to account for and finance its common insurance premiums, risk management costs and uninsured risks of loss. All funds of the City participate in the fund and make payments based on historical estimates of the amounts needed to pay prior and current year claims and administration costs. The charge considers recent trends in actual claims experience of the City as a whole and makes provision for losses relating to catastrophes. The City carries a variety of self-insured retention (SIR) levels and deductibles. The SIR for each general, automobile, police professional or public officials claim is \$200,000 per occurrence up to \$800,000 in a year and \$500,000 per occurrence for each worker's compensation claim. The deductibles for property damage claims range from \$1,000 to \$10,000. The City also purchases commercial insurance coverage in excess of the SIR and deductible. In addition, the City retains a balance in the fund for uninsured losses such as environmental/pollution claims and employment practices claims. Settled claims for Valley Transit have not exceeded this commercial coverage in any of the past three years. Valley Transit's share of insurance fund costs was \$119,472 in 2022 and \$137,268 in 2023. The City's Annual Comprehensive Financial Report contains additional information about the insurance fund and the City's risk management policies.

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.

In 2023, TMI issued to the City an auto liability insurance policy with a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,500,000 and reinsures \$4,500,000 with Great American Insurance. 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.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

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. In 2023 and 2022, Transit Mutual returned surplus to Valley Transit pursuant to its surplus management policy; in addition, dividends were paid to Valley Transit in 2022.

The City's share of this corporation is 6.39% for auto liability and 7.15% 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 54912-1135 or by email from [maureen@transitmutual.com](mailto:maureen@transitmutual.com).

Health Insurance

The City provides health and dental care benefits to employees through a self-funded plan with specific insurance coverage. The plan is administered by United Health Care and Delta Dental. Insurance premiums, based on historical cost, are paid into the general fund from all other City funds and are available to pay claims, administrative costs, and stop loss insurance.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year-end.

The City's Annual Comprehensive Financial Report contains additional information about the insurance fund and the City's risk management procedures.

**C. Commitments and Contingencies**

From time to time, Transit is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Transit's Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on Transit's financial position or results of operations.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Commitments and Contingencies (Continued)**

Paratransit Service Contracts

Transit contracts with a number of surrounding cities and counties for demand-responsive paratransit services. Contract terms and conditions may vary for each provider.

Grants

Transit participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Transit expects any expenditures which may be disallowed by the granting agency to be immaterial.

Construction Commitments

In February 2023, Transit awarded a contract to SMA Construction Services LLC to complete Phase I construction at the Whitman facility for a bid amount not to exceed \$7,040,250, including contingency of \$335,250 (5%). The construction is intended to be funded with Federal grants. Construction will continue through 2024.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VALLEY TRANSIT  
CITY OF APPLETON  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 14,916	\$ 19,904	\$ 21,892	\$ 17,085	\$ 18,143	\$ 17,672
Interest	12,601	7,788	6,842	9,854	10,714	8,613
Differences Between Expected and Actual Experience	-	(19,151)	-	(16,712)	-	53,881
Changes of Assumptions	6,250	(36,243)	(7,953)	36,969	5,772	5,188
Benefit Payments	(25,259)	(21,281)	(26,589)	(23,095)	(24,371)	(27,644)
Other Changes	(2,771)	(5,233)	10,296	16,582	(17,453)	(4,606)
Net Change in Total OPEB Liability	5,737	(54,216)	4,488	40,683	(7,195)	53,104
Total OPEB liability - Beginning	307,774	361,990	357,502	316,819	324,014	270,910
Total OPEB Liability - Ending	<u>\$ 313,511</u>	<u>\$ 307,774</u>	<u>\$ 361,990</u>	<u>\$ 357,502</u>	<u>\$ 316,819</u>	<u>\$ 324,014</u>
Covered-Employee Payroll	\$ 3,130,084	\$ 3,130,084	\$ 3,139,115	\$ 2,478,512	\$ 2,995,492	\$ 2,067,524
Transit's Total OPEB Liability as a Percentage of Covered-Employee Payroll	10.02%	9.83%	11.53%	14.42%	10.58%	15.67%

\* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

**VALLEY TRANSIT  
CITY OF APPLETON  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 MEASUREMENT PERIODS**

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.01777468%	\$ (435,909)	\$ 1,976,149	22.06%	102.74%
12/31/15	0.01902319%	292,873	2,091,058	14.01%	98.20%
12/31/16	0.01902499%	148,569	2,048,179	7.25%	99.12%
12/31/17	0.01775315%	(527,112)	2,012,410	26.19%	102.93%
12/31/18	0.01743214%	620,181	2,067,524	30.00%	96.45%
12/31/19	0.01720809%	(554,867)	2,046,949	27.11%	102.96%
12/31/20	0.01697411%	(1,059,717)	2,013,154	52.64%	105.26%
12/31/21	0.01669362%	(1,345,537)	2,014,785	66.78%	106.02%
12/31/22	0.01645279%	871,620	2,052,477	42.47%	95.72%

**SCHEDULE OF CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 181,575	\$ 181,575	\$ -	\$ 2,091,058	8.68%
12/31/16	178,393	178,393	-	2,048,179	8.71%
12/31/17	173,669	173,669	-	2,012,410	8.63%
12/31/18	182,915	182,915	-	2,067,524	8.85%
12/31/19	182,258	182,258	-	2,046,949	8.90%
12/31/20	185,027	185,027	-	2,013,154	9.19%
12/31/21	197,554	197,554	-	2,014,785	9.81%
12/31/22	197,956	197,956	-	2,052,477	9.64%
12/31/23	214,388	214,388	-	2,109,488	10.16%

See accompanying Notes to Required Supplementary Information.

**VALLEY TRANSIT  
CITY OF APPLETON  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

*Changes of benefit terms:* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions:*

Based on a three-year experience study conducted in 2021 covering January 1, 2019 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transition from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Transit is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLANS**

**Single-Employer Defined Postemployment Benefit Plan**

There were no changes in benefit terms of the Plan. In addition to changes required by GASB Statement No. 75, the updated actuarial valuation decreased the discount rate used from 4.31% to 4.00%. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Transit is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.



**SUPPLEMENTARY INFORMATION**

**VALLEY TRANSIT  
CITY OF APPLETON  
STATEMENT OF REVENUES AND EXPENSES – BUDGET TO ACTUAL  
YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2022 Actual
	Original	Final			
<b>OPERATING REVENUES</b>					
Passenger Fares and Special Fare Assistance	\$ 1,563,273	\$ 1,563,273	\$ 1,113,745	\$ (449,528)	\$ 1,020,500
Non-Transportation Revenue	79,000	304,469	96,161	(208,308)	114,544
Total Operating Revenues	1,642,273	1,867,742	1,209,906	(657,836)	1,135,044
<b>OPERATING EXPENSES (EXCLUDING DEPRECIATION)</b>					
Labor and Fringe Benefits:					
Operators' Wages	2,401,956	2,401,956	2,162,550	239,406	2,071,560
Other Salaries and Wages	1,104,103	1,104,103	1,083,872	20,231	1,064,396
Fringe Benefits	1,395,237	1,395,237	1,364,984	30,253	883,939
Total Labor and Fringe Benefits	4,901,296	4,901,296	4,611,406	289,890	4,019,895
Services	694,580	694,550	873,733	(179,183)	676,563
Materials and Supplies:					
Fuels	1,050,500	1,050,500	466,131	584,369	542,662
Lubricants	25,000	25,000	33,010	(8,010)	22,987
Tires and Tubes	41,500	38,559	41,771	(3,212)	42,265
Revenue Equipment Maintenance	139,000	139,000	229,859	(90,859)	229,815
Building and Grounds Maintenance	124,258	124,258	108,318	15,940	98,331
General Office	64,252	251,418	71,911	179,507	32,087
Total Materials and Supplies	1,444,510	1,628,735	951,000	677,735	968,147
Utilities:					
Electric	55,620	55,620	53,156	2,464	52,359
Gas	23,000	23,000	20,814	2,186	24,356
Water	7,850	7,850	8,051	(201)	7,525
Telephone	5,600	5,600	16,064	(10,464)	5,542
Other	26,260	26,260	24,198	2,062	23,197
Total Utilities	118,330	118,330	122,283	(3,953)	112,979
Casualty and Liability Costs:					
Physical Damage	25,349	25,349	22,643	2,706	29,402
Public Liability and Property	197,441	197,441	265,333	(67,892)	199,258
Total Casualty and Liability Costs	222,790	222,790	287,976	(65,186)	228,660
Purchased Transportation Services	3,241,507	3,241,507	1,975,745	1,265,762	1,876,759
Miscellaneous:					
Dues and Subscriptions	19,340	19,340	14,655	4,685	15,603
Advertising and Promotion	50,309	50,309	82,698	(32,389)	47,989
Training/Other Miscellaneous	34,480	32,680	27,730	4,950	30,460
Total Miscellaneous	104,129	102,329	125,083	(22,754)	94,052
Total Operating Expenses (Excluding Depreciation)	10,727,142	10,909,537	8,947,226	1,962,311	7,977,055
<b>EXCESS OF OPERATING EXPENSES (EXCLUDING DEPRECIATION) OVER OPERATING REVENUES FOR THE YEAR</b>	<b>\$ (9,084,869)</b>	<b>\$ (9,041,795)</b>	<b>\$ (7,737,320)</b>	<b>\$ 1,304,475</b>	<b>\$ (6,842,011)</b>

\* Budget numbers reflect the City's approved budget excluding current year capital and capital carryover

## OTHER INFORMATION

**VALLEY TRANSIT  
CITY OF APPLETON  
DETAILED SCHEDULE OF REVENUES AND EXPENSES – REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

**REVENUE**

401 - Passenger Fares to Transit Service	\$	1,066,799
402 - Special Fare Assistance		46,946
406 - Auxiliary Transportation Revenue		
Advertising		74,344
407 - Non-transportation Revenue		
Other		21,817
409 - Local Operating Assistance		2,114,480
409 - Local Operating Assistance - Donations		60,157
411 - State Operating Assistance - Current Year (State Operating 85.20)		2,671,281
413 - Federal Operating Assistance (Federal 5307)		2,948,340
Total Revenue		9,004,164

**EXPENSES BY OBJECT CLASS TOTAL**

501 - Labor		
Operators' Wages		2,162,550
Other Salaries and Wages		1,083,872
502 - Fringe Benefits		1,364,984
503 - Services		873,733
504 - Materials and Supplies		
Fuels and Lubricants		499,141
Tires and Tubes		41,771
Other		410,088
505 - Utilities		122,283
506 - Casualty and Liability Costs		287,976
508 - Purchased Transportation Services		1,975,745
509 - Miscellaneous		125,083
513 - Depreciation		1,342,327
Total Expenses		10,289,553
EXCESS OF EXPENSES OVER REVENUES FOR THE YEAR *		\$ (1,285,389)

\* Excludes capital contributions shown on Statement of Revenues, Expenses and Changes in Net Position

**VALLEY TRANSIT  
CITY OF APPLETON  
RECONCILIATION OF REVENUES AND EXPENSES TO WISDOT AND  
FEDERAL RECOGNIZED REVENUES AND EXPENSES – REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	<u>Per WisDOT Guidelines</u>	<u>Per Federal Guidelines</u>
Total Revenues Including Operating Assistance Per Statement of Revenues, Expenses, and Changes in Net Position	\$ 11,428,659	\$ 11,428,659
Less: Revenues not Included Per Guidelines		
Federal Capital	2,276,931	2,276,931
Federal 5310 Operating Grant	48,445	48,445
WisDOT Paratransit Costs - not Eligible	99,119	99,119
Total Revenues not Included Per Guidelines	<u>2,424,495</u>	<u>2,424,495</u>
<b>ADJUSTED REVENUES FOR REGULATORY BASIS</b>	<u>9,004,164</u>	<u>9,004,164</u>
Less: Unrecognized Revenues		
Local Operating Subsidies	2,127,308	2,127,308
Federal Operating Subsidy	2,948,340	2,948,340
State Operating Subsidy	2,671,281	2,671,281
Advertising Services	-	74,344
Other (Non-Transportation Revenues)	221	6,203
Less: Additional Contra Expense		
Sale of City Property	2,669	2,669
Credit Card Rebates	3,556	3,556
Damage to City Property	9,389	9,389
Total Unrecognized Revenues	<u>7,762,764</u>	<u>7,843,090</u>
<b>ADJUSTED REVENUES</b>	<u>\$ 1,241,400</u>	<u>\$ 1,161,074</u>
Total Expenses Per Statement of Revenues, Expenses, and Changes in Net Position	\$ 10,289,553	\$ 10,289,553
Less: Unrecognized Expenses		
Depreciation	1,342,327	1,342,327
Capital Maintenance *	452,746	452,746
Contra-Expenses:		
Sale of City Property	2,669	2,669
Credit Card Rebates	3,556	3,556
Damage to City Property	9,389	9,389
Total WisDOT Unrecognized Expenses	<u>1,810,687</u>	<u>1,810,687</u>
<b>RECOGNIZED EXPENSES</b>	<u>\$ 8,478,866</u>	<u>\$ 8,478,866</u>
<b>RECOGNIZED DEFICITS</b>	<u>\$ (7,237,466)</u>	<u>\$ (7,317,792)</u>

\* Represents 100% of costs funded for capital maintenance

**VALLEY TRANSIT  
CITY OF APPLETON  
COMPUTATION OF THE DEFICIT DISTRIBUTION AMONG THE SUBSIDY GRANTORS  
YEAR ENDED DECEMBER 31, 2023**

**STATE SHARE**

WisDOT Recognized Deficit	\$ 7,237,466		
Less: Federal Share	<u>2,948,340</u>		
Non-federal Share of WisDOT Deficit		<u>\$ 4,289,126</u>	
WisDOT Recognized Expenses	\$ 8,478,866		
Maximum Federal and State*	<u>N/A</u>		
Recognized Expenses	<u>8,478,866</u>		
Less: Federal Share	<u>2,948,340</u>		
Non-federal Share		<u>\$ 5,530,526</u>	
City of Appleton and Other Local Subsidies	<u>\$ 2,174,637</u>		
5 Times Operating Subsidy		<u>\$ 10,873,185</u>	
WisDOT Contract Amount		<u>\$ 2,671,281</u>	
WisDOT Share			<u>\$ 2,671,281</u>

\*State specified no maximum percent for 2023.

**FEDERAL SECTION 5307 SHARE**

Federally Recognized Deficit	\$ 7,317,792		
Maximum Federal Percentage	<u>50.00%</u>		
50% of Federal Deficit		<u>\$ 3,658,896</u>	
Federally Recognized Deficit	\$ 7,317,792		
Less WisDOT Share	<u>2,671,281</u>		
Non-WisDOT Share		<u>\$ 4,646,511</u>	
Maximum Contract Amount			
Capital Cost of Third Party Contracting	\$ 278,703		
Preventative Maintenance	452,746		
Operating Assistance	<u>2,216,891</u>		
Total Federal Funds		<u>\$ 2,948,340</u>	
Federal Share			<u>\$ 2,948,340</u>

**SUMMARY OF 2023 FUNDING**

	Received in 2023	Receivable (Payable) 12/31/23	Total
Federal Section 5307 Assistance	\$ 191,759	\$ 2,756,581	\$ 2,948,340
State Assistance	2,671,281	-	2,671,281
Local Assistance	<u>3,353,634</u>	<u>(1,735,789)</u>	<u>1,617,845</u>
Total Funding	<u>\$ 6,216,674</u>	<u>\$ 1,020,792</u>	<u>\$ 7,237,466</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Fox Cities Transit Commission  
Valley Transit  
City of Appleton, Wisconsin

We have audited, in accordance with the 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, the financial statements of Valley Transit (Transit) a fund of the City of Appleton, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Transit's financial statements, and have issued our report thereon which includes an emphasis of matter paragraph as indicated on page 1 thereon dated June 4, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Transit's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Transit's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Transit's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



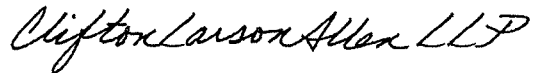
Fox Cities Transit Commission  
Valley Transit  
City of Appleton, Wisconsin

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Transit's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Transit's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Transit's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
June 4, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAglobal.com/disclaimer](http://CLAglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**City of Appleton**  
**VALLEY TRANSIT INCOME STATEMENT**  
**For Seven Months Ending July 31, 2024**

Description	Month of July Actual	Prior Year July	YTD As of July Actual	Prior YTD July	2024 Amended Budget	2024 % of Total Budget
<b>REVENUES</b>						
Bus Fare Revenue	42,297	43,996	368,806	374,326	858,843	42.94%
Paratransit Fare Revenue	31,793	32,896	235,851	241,700	655,230	36.00%
Total Fare Revenue	74,090	76,892	604,657	616,026	1,514,073	39.94%
Other Charges for Service	2,685	5,463	27,068	48,668	65,000	41.64%
Other Revenues	-	464	8,983	9,008	8,000	112.29%
TOTAL REVENUES	76,775	82,819	640,708	673,702	1,587,073	40.37%
<b>EXPENSES BY LINE ITEM</b>						
Regular Salaries & Labor pool alloc	195,391	212,101	1,736,307	1,538,018	3,561,580	48.75%
Overtime	56,563	27,684	183,139	183,139	80,077	228.70%
Incentive Pay	-	-	-	-	1,335	0.00%
Other Compensation	-	-	1,914	1,914	-	-
Fringes	87,026	87,713	598,162	625,610	1,520,881	39.33%
Unemployment Compensation	-	-	-	-	-	-
Salaries & Fringe Benefits	338,980	327,498	2,519,522	2,348,681	5,163,873	48.79%
Training, Conferences & Tuition	1,469	556	15,462	14,011	27,200	56.85%
Employee Recruitment	600	755	3,389	6,365	7,280	46.55%
Office Supplies	820	948	4,518	3,350	5,400	83.67%
Subscriptions	178	545	663	1,018	1,020	65.00%
Memberships & Licenses	-	-	14,280	13,191	18,000	79.33%
Postage & Freight	60	200	1,669	2,309	3,700	45.11%
Awards & Recognition	-	-	943	191	930	101.40%
Food & Provisions	272	-	272	632	1,240	21.94%
Insurance	11,468	11,439	273,571	258,762	287,036	89.59%
Insurance dividend & return of surplus	-	-	(16,426)	(27,981)	-	-
Depreciation Expense	118,656	107,647	830,593	753,526	1,423,874	58.33%
Administrative Expenses	133,523	122,090	1,128,934	1,025,374	1,775,680	63.58%
Landscape Supplies	-	853	470	853	1,500	31.33%
Shop Supplies & Tools (& misc)	4,118	1,275	27,365	19,301	55,450	49.35%
Printing & Reproduction	-	11,923	8,049	15,410	27,910	28.84%
Uniforms	-	-	3,135	2,054	9,280	33.78%
Gas Purchases	39,465	37,244	257,265	289,061	752,750	34.18%
Safety Supplies	184	42	1,044	607	500	208.80%
Vehicle & Equipment Parts	22,691	15,425	144,738	206,111	348,736	41.50%
Miscellaneous Equipment	8,451	1,014	19,268	6,655	25,100	76.76%
Signs	500	70	2,832	5,310	12,000	23.60%
Supplies & Materials	75,409	67,846	464,166	545,362	1,233,226	37.64%
Accounting/Audit	14,863	-	14,863	-	15,000	99.09%
Bank Services	165	93	1,658	1,789	6,680	24.82%
Solid Waste/Recycling	-	-	2,214	2,019	5,753	38.48%
Contractor Fees	231,247	166,304	1,322,544	1,198,177	3,683,656	35.90%
Advertising	8,800	8,175	57,383	46,708	50,309	114.06%
Health Services	1,197	591	7,510	6,616	9,200	81.63%
Snow Removal Services	749	-	39,179	42,270	56,008	69.95%
Laundry Services	1,512	944	6,071	4,798	15,340	39.58%
Other Contracts/Obligations	573	573	16,673	22,222	111,190	15.00%
Purchased Services	259,106	176,680	1,468,095	1,324,599	3,953,136	37.14%
Electric	4,032	546	27,542	24,289	56,732	48.55%
Gas	78	81	12,118	16,946	23,920	50.66%
Water	-	-	4,572	4,292	7,850	58.24%

**City of Appleton**  
**VALLEY TRANSIT INCOME STATEMENT**  
**For Seven Months Ending July 31, 2024**

Description	Month of July Actual	Prior Year July	YTD As of July Actual	Prior YTD July	2024 Amended Budget	2024 % of Total Budget
Sewer	-	-	2,653	2,303	4,451	59.60%
Stormwater	-	-	5,243	5,275	10,000	52.43%
Telephone	4,083	1,376	12,834	10,869	29,156	44.02%
Utilities	8,193	2,003	64,962	63,974	132,109	49.17%
Building/Grounds Repair & Maintenance	538	1,010	963	2,347	-	0.00%
Vehicle Repair & Maintenance	-	709	15,874	7,484	10,050	157.95%
Equipment Repair & Maintenance	205	453	9,409	7,434	9,650	97.50%
FMD Charges & Material	3,543	-	55,270	54,980	137,933	40.07%
Software Support	3,936	490	133,477	114,070	143,361	93.11%
Repairs & Maintenance	8,222	2,662	214,993	186,315	300,994	71.43%
Total Operating Expenses	823,433	698,779	5,860,672	5,494,305	12,559,018	46.67%
OPERATING INCOME (LOSS)	(746,658)	(615,960)	(5,219,964)	(4,820,603)	(10,971,945)	
<b>NON-OPERATING REVENUES</b>						
Federal Support	-	1,993,961	2,102,530	1,993,961	4,481,895	46.91%
State Support	-	-	741,458	766,933	3,259,155	22.75%
Appleton Support	331,561	(738,816)	2,320,927	1,209,264	749,774	309.55%
Other Local Support	589,392	(183,193)	2,672,931	1,855,516	2,056,647	129.97%
Investment Income	102	102	50,745	50,745	12,500	405.96%
Donations	4,167	4,167	29,391	39,322	66,326	44.31%
TOTAL NON-OPERATING REVENUE	925,222	1,076,221	7,917,982	5,915,741	10,626,297	74.51%
Land	-	-	-	-	175,000	0.00%
Buildings	373	2,457	2,994,606	158,413	7,500,000	39.93%
Machinery & Equipment	-	-	-	137,094	400,000	0.00%
Furniture & Fixtures	62,623	-	94,025	-	722,454	13.01%
Vehicles	-	-	-	-	-	0.00%
Capital Expenditures	62,996	2,457	3,088,631	295,507	8,797,454	35.11%
NET INCOME (LOSS)	115,568	457,804	(390,613)	799,631	(9,143,102)	

**City of Appleton**  
**PURCHASED TRANSPORTATION**  
**For Seven Months Ending July 31, 2024**

Description	Month of July Actual	Prior Year July	YTD As of July Actual	Prior YTD July	2024 Amended Budget	2024 % of Total Budget
<b>PURCHASED TRANSPORTATION EXPENSE</b>						
VTII - Disabled	100,598	87,358	610,590	617,753	2,142,500	28.50%
VTII - Elderly	4,055	5,180	27,509	26,136	64,275	42.80%
PT - Optional (Sunday)	383	247	1,989	2,246	17,140	11.60%
Outagamie County Demand Response Rural	35,100	23,708	224,728	201,732	385,500	58.30%
Outagamie County Human Services Transportation	-	-	-	119	9,820	0.00%
Neenah Dial - A - Ride	4,374	5,034	26,065	33,112	192,423	13.55%
Calumet County Van Service	7,074	-	23,184	14,172	28,800	80.50%
Connector	51,336	26,574	233,208	196,215	553,625	42.12%
Downtown Trolley	10,647	-	21,243	-	40,800	52.07%
Total Purchased Transportation	213,567	148,101	1,168,516	1,091,485	3,434,883	34.02%

Total Passengers

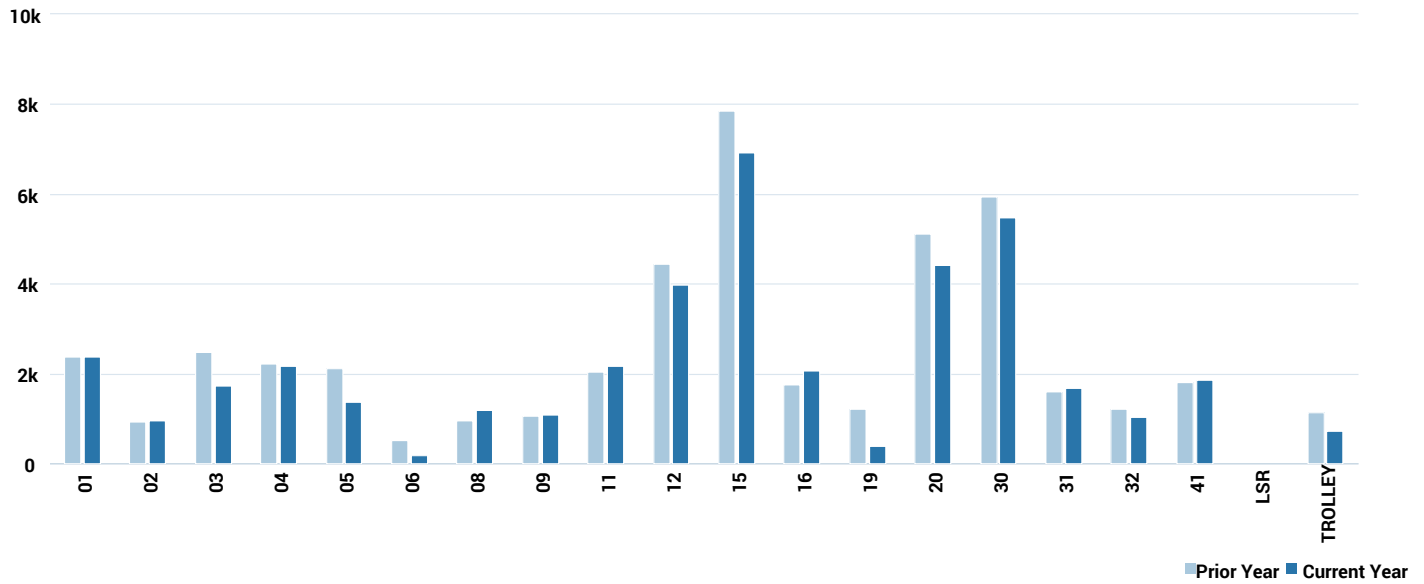
**41,797**

↘ -11% change  
46,809 prev. year

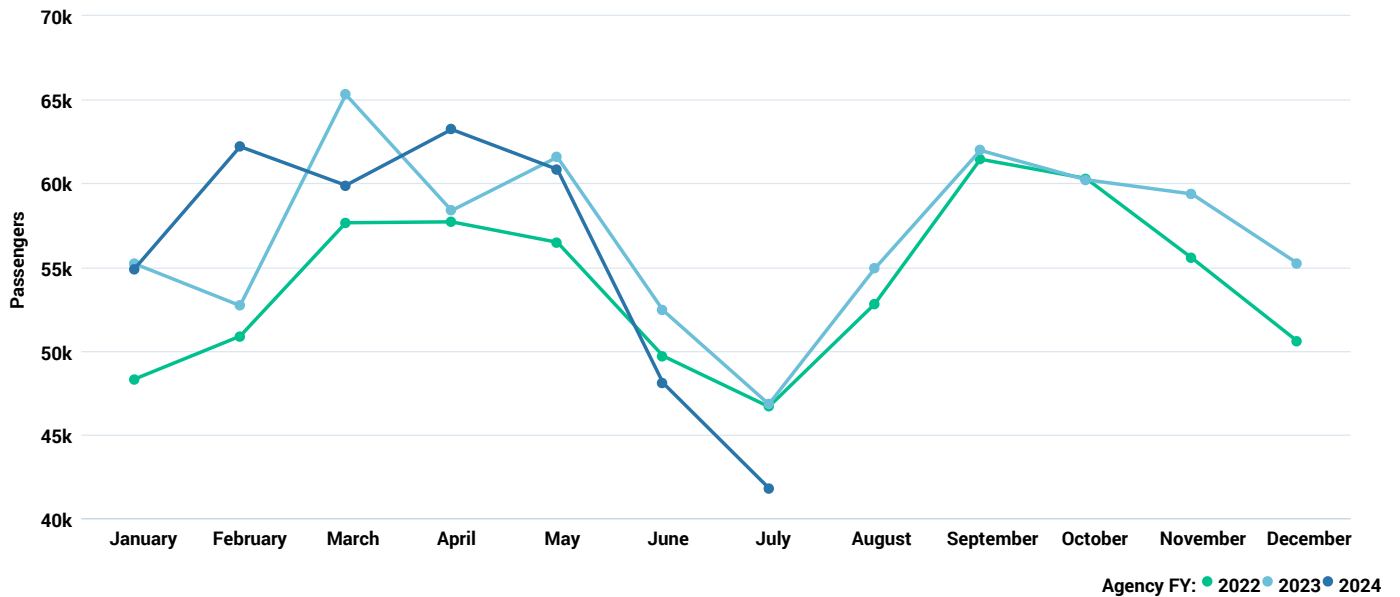
Monthly Fare Group Trend

Fare Group Desc	Prior Year	Current ▼	% Change
Passes & Tickets	24,378	20,832	-14.5%
Cash	8,332	7,788	-6.5%
Transfers	7,743	7,239	-6.5%
FVTC	2,552	2,456	-3.8%
Free	1,877	1,942	3.5%
AASD	1,625	1,186	-27.0%
Lawrence University	302	357	18.2%

Ridership by Route



Monthly Ridership Trend by Year



Total Passengers

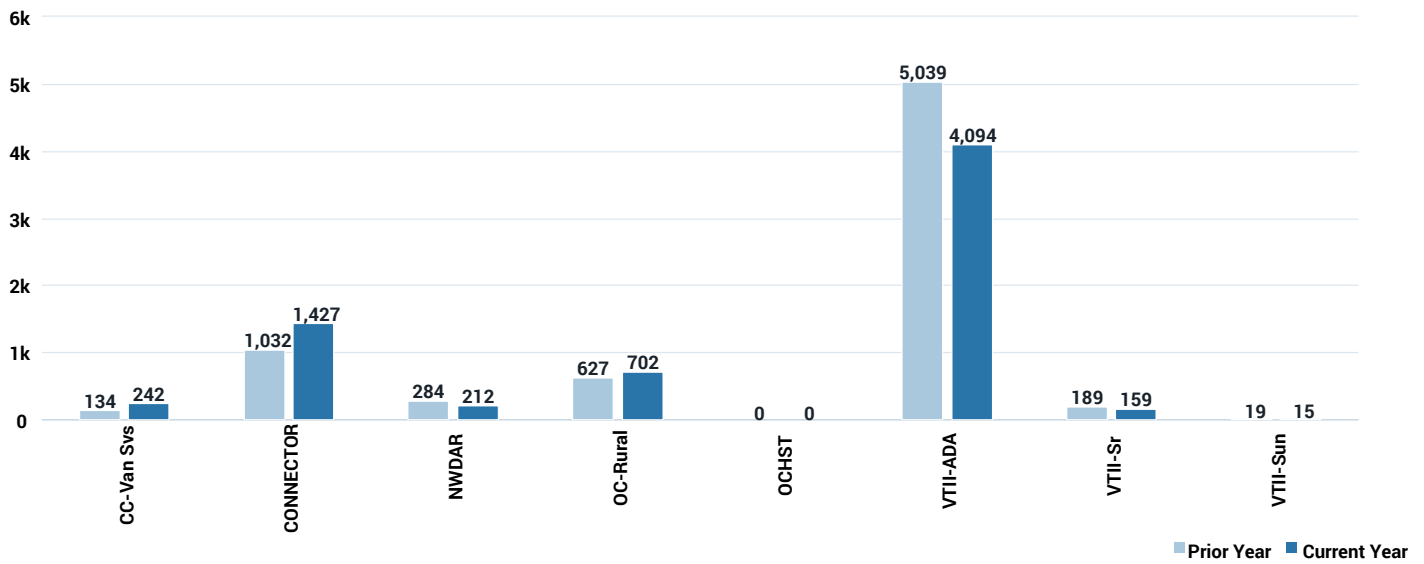
**6,851**

↘ -6% change  
7,324 prev. year

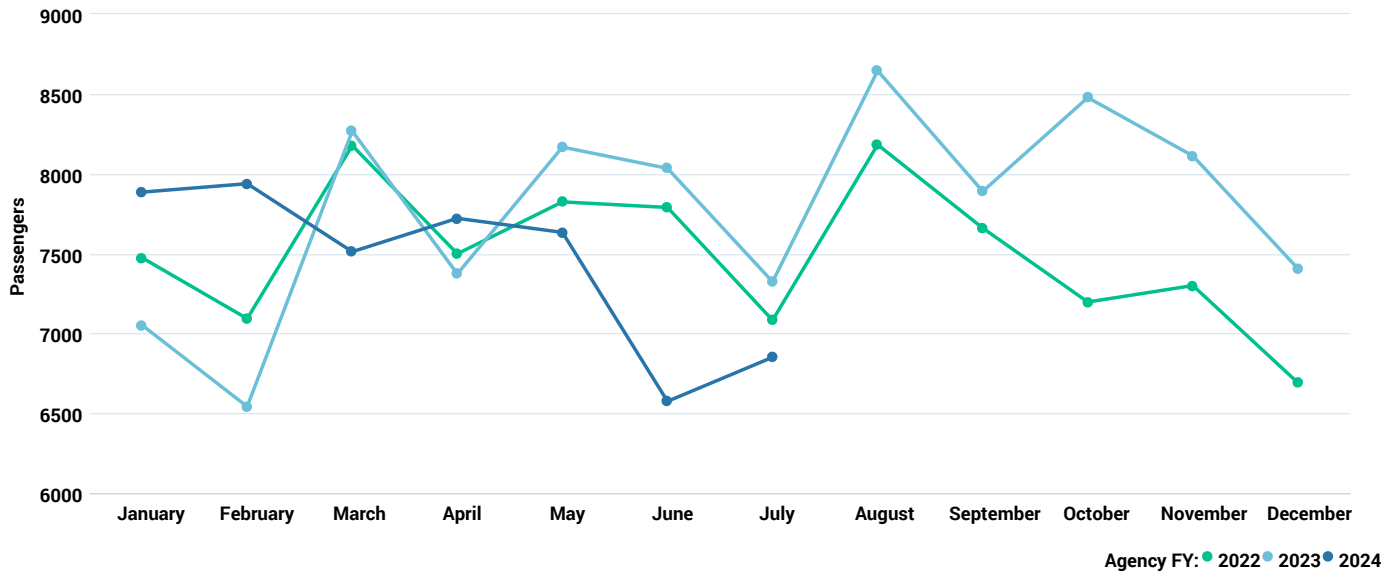
Change in Rides by Program

Reporting Route	Prior Year	Current Year ▼	% Change
VTII-ADA	5,039	4,094	-18.75%
CONNECTOR	1,032	1,427	38.28%
OC-Rural	627	702	11.96%
CC-Van Svs	134	242	80.60%
NWDAR	284	212	-25.35%
VTII-Sr	189	159	-15.87%
VTII-Sun	19	15	-21.05%
OCHST	0	0	-

Monthly Ridership by Program



Monthly Ridership Trend by Year





August 1, 2024

To: Fox Cities Transit Commission  
Appleton City Council

From: Debra Ebben, Administrative Services Manager

**Subject: City of Appleton, Valley Transit Disadvantaged Business Enterprise (DBE) Program**

**Background:**

Valley Transit receives Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance we are required to establish a Disadvantaged Business Enterprise (DBE) Program. A Disadvantaged Business Enterprise is defined as a for-profit small business concern where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations.

Valley Transit's DBE goals must be reviewed every three years and a new goal established to reflect any new trends. The purpose of this program is to ensure that DBE's as defined in Federal Regulations have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy to:

- Ensure nondiscrimination in the award and administration of DOT – assisted contracts
- Create a level playing field on which DBE's can compete fairly for DOT-assisted contracts
- Ensure that the DBE Program is narrowly tailored in accordance with applicable law
- Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBE's
- Help remove barriers to the participation of DBE's in DOT assisted contracts
- Assist the development of firms that can compete successfully in the market place outside the DBE program

Valley Transit has determined its overall goal for FY 2025 through 2027 as 2.8% of the Federal Financial assistance that it receives (approximately \$66,900 per year). We are required to advertise the goal, allowing time for public comment. Attached you will find Valley Transit's DBE goal submitted to the Federal Transit Administration for approval.



**Attachment 2**  
**Section 26.45: Overall Goal Calculation**

Updated August 2024

Amount of Goal

1. Valley Transit has determined its overall goal for FY 2025 as 2.8% of the Federal Financial assistance that we will expend in DOT-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.
2. Valley Transit expects to award approximately \$2,358,000 of DOT-assisted contracts during each year beginning FY 2025 through FY 2027. We have set a goal of spending approximately \$66,900 each year with DBEs during this timeframe.

Methodology used to Calculate Overall Goal

Step 1: 26.45(c)

Determine the base figure for the relative availability of DBEs.

The base figure for the relative availability of DBEs was calculated as follows:

$$\text{Base figure} = \frac{\text{Ready, willing, and able DBEs}=84}{\text{All firms ready, willing and able}=2,960}$$

The data source or demonstrable evidence used to derive the numerator was the certified DBE businesses listed for the State of Wisconsin in the WI UCP Eligibility Directory available on the WISDOT website at <https://wisconsin.gov/Pages/doing-bus/civil-rights/dbe/certified-firms.aspx>. The NAICS codes used relative to the types of contracts Valley Transit intends to enter into during the timeframe covered were 238290, 323111, 423430, 423610, 4424710, 441320, 485991, 488410, 541211, 541613, 561612 and 812332.

The data source or demonstrable evidence used to derive the denominator was the Wisconsin establishments listed on the web site for the Census Bureau's NAICS system at <https://data.census.gov/cedsci/table>. NAICS codes used included the same codes used to derive the numerator.

Using this information, we determined that the base figure for Valley Transit's overall goal is 2.8%.

Step 2: 26.45(d)

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment was needed to the base figure in order to arrive at the overall goal.

In order to reflect as accurately as possible the DBE participation expected in the absence of discrimination, the base figure has been adjusted by 0%.

The data used to determine the adjustment to the base figure is as follows:

- Adjusting the Step One Base with the Median Past Participation: The 5-year history of Valley Transit DBE goal achievement is used for this calculation. The median goal achieved was 0%. Past participation is relatively indicative of contracting opportunities expected for the period covered by this goal. We are a small transit system whose budget remains relatively flat with the exception of annual salary adjustments. Contracting opportunities are small prime contracts (no sub-contracts) consisting of printing, small amount of landscaping, security services, marketing services, etc. Our larger contracts are paratransit contracts that we advertise the opportunity as Requests for Proposals (RFP) in which we are unable to attract any DBE participation to date.
- Disparity Studies: We were unable to find any disparity studies for our area.
- Analysis of Bidder's List: Valley Transit's bidder's list was reviewed to determine the number of DBEs that have bid or quoted on our DOT-assisted prime contracts or subcontracts in the past year (less than 1%). The analysis reflects no further adjustment to the DBE goal.

26.45(g)(i)

Valley Transit encourages DBE participants. Before establishing the overall goal triennially (as directed by the FTA), Valley Transit consulted with the City of Appleton Community Development Department Diversity Coordinator to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and Valley Transit's efforts to establish a level playing field for the participation of DBEs. After this consultation, Valley Transit determined that an adjustment to the goal would not be necessary.

Following this consultation, we published a notice of the proposed overall goals on the City of Appleton website, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the administration office for 30 days following the date of the notice, and informing the public that we and DOT would accept comments on the goals for 45 days from the date of the notice. No comments were received; therefore we did not adjust our goal.

Valley Transit published its DBE goals in the local newspaper on Wednesday July 24, 2024 and Sunday, July 28, 2024.

From this data, we have established our adjusted goal as 2.8%