

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

St. Cloud, Waite Park and Sauk Rapids

FINANCIAL STATEMENTS

As of

September 30, 1980 and 1979

TOGETHER WITH AUDITORS' REPORT

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN 15 1981
Joan Anderson Howe
Secretary of State

#33178

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ST. CLOUD METROPOLITAN TRANSIT COMMISSION

September 30, 1980

TABLE OF CONTENTS

COMMISSIONERS, ADMINISTRATION AND OTHER DATA.....	2
AUDITED FINANCIAL STATEMENTS -	
Accountants' Report.....	3
Balance Sheets.....	4
Statements of Revenue and Expenses.....	5
Statements of Changes in Capital.....	6
Statements of Changes in Financial Position.....	7
Notes to the Financial Statements.....	8
OTHER FINANCIAL INFORMATION -	
Accountants' Report on Other Financial Information.....	11
Statement of Expenses and Functions.....	12
Statement of Revenue and Expenses Compared to Budget.....	13
Schedule of Tax Levies, Rates and Valuations.....	14

ST. CLOUD METROPOLITAN TRANSIT COMMISSION
 COMMISSIONERS, ADMINISTRATION AND OTHER DATA
 For the Year Ended September 30, 1980

COMMISSIONERS

Bernard Gratzek
 City of Sauk Rapids
 Three-year term expires July 1, 1981

Chairman

Alcuin J. Ringsmuth
 City of Waite Park
 Three-year term expires July 1, 1983

Secretary

Sybil M. Hollern
 City of St. Cloud
 Three-year term expires July 1, 1982

Treasurer

Robert J. Huston
 City of St. Cloud
 Three-year term expires July 1, 1981

Commissioner

ADMINISTRATION

David W. Tripp

Executive Director

OPERATOR-TRANSIT SYSTEMS, INC.

Melvin Voigt
 Darwin Voigt

President
 Vice-President,
 Secretary, and
 Treasurer

LEGAL COUNSEL

Dennis J. Sullivan

OTHER DATA

	September 30	
	1980	1979
Number of Bus Miles	784,916	704,686
Number of Passengers	1,274,059	1,115,213
Bus Hours Operated	54,045	55,047

KERN, POGANSKI, HIRSCHFELD & CO.
CERTIFIED PUBLIC ACCOUNTANTS

1400 St. Germain Street
ST. CLOUD, MINNESOTA 56301

LeRoy P. Poganski
Alvin M. Kern
Jerome J. Hirschfeld
Donald E. Cote
(1945-1978)

American Institute C.P.A.'s
Minnesota Society C.P.A.'s
Tel. (612) 251-7010

December 19, 1980

Commissioners
St. Cloud Metropolitan Transit Commission
St. Cloud, Waite Park, and Sauk Rapids,
Minnesota

We have examined the balance sheet of the St. Cloud Metropolitan Transit Commission as of September 30, 1980 and 1979, and the related statements of revenue and expenses, changes in capital, and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the St. Cloud Metropolitan Transit Commission, at September 30, 1980 and 1979, and the results of its operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


KERN, POGANSKI, HIRSCHFELD & CO.

cc: 12

ST: CLOUD METROPOLITAN TRANSIT COMMISSION

BALANCE SHEETS

ASSETS	September 30	
	1980	1979
CURRENT ASSETS:		
Cash.....	\$ 137,137	\$ 174,942
Receivables -		
Local Tax Levies.....	163,165	107,095
State Subsidy Aid.....	40,497	31,813
Federal UMTA Grant.....	70,000	60,000
Other.....	114	114
Materials and Supplies Inventory.....	89,522	58,325
Prepaid Insurance.....	9,806	11,920
Total Current Assets.....	510,241	444,209
TANGIBLE TRANSIT OPERATING PROPERTY:		
Buses.....	427,128	427,128
Less: Accumulated Depreciation.....	303,539	275,225
Total Tangible Transit Operating Property.....	123,589	151,903
OTHER ASSETS:		
State Grants Receivable - Prior Years.....	-	18,560
TOTAL ASSETS.....	\$ 633,830	\$ 614,672
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES:		
Accounts Payable.....	\$ 45,648	\$ 44,889
Excess State Reimbursements.....	27,095	27,095
Total Current Liabilities.....	72,743	71,984
CAPITAL:		
Grants, Donations and Other Paid-In Capital.....	263,030	263,030
Accumulated Earnings.....	298,057	279,658
Total Capital.....	561,087	542,688
TOTAL LIABILITIES AND CAPITAL.....	\$ 633,830	\$ 614,672

The notes to the financial statements are an integral part of these statements.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENTS OF REVENUE AND EXPENSES

	Year Ended September 30	
	1980	1979
REVENUE:		
Passenger Fares for Transit Service.....	\$ 108,972	\$ 95,332
Special Transit Fares.....	2,882	1,341
Auxiliary Transportation Revenues.....	1,060	1,080
Non-Transportation Revenues.....	9,848	2,727
Taxes Levied Directly By Transit System.....	316,347	202,947
State Cash Grants and Reimbursements.....	432,284	369,638
Federal Cash Grants and Reimbursements.....	280,000	240,000
Total Revenue.....	<u>1,151,393</u>	<u>913,065</u>
EXPENSES:		
Operators' Salaries and Wages.....	367,581	329,636
Other Salaries and Wages.....	75,471	63,911
Commissioners' Compensation.....	4,375	3,890
Payroll Taxes.....	34,379	31,706
Hospital, Medical and Surgical Plans.....	10,588	12,347
Uniform and Work Clothing Allowances.....	4,396	386
Other Fringe Benefits.....	1,325	2,933
Management Service Fees.....	24,000	24,000
Advertising Fees.....	4,726	5,116
Professional and Technical Services.....	41,372	14,026
Sublet Mechanic Labor and Preventive Maintenance.....	150,766	111,970
Other Services.....	2,120	2,332
Fuel and Lubricants.....	157,677	99,173
Tires and Tubes.....	16,833	15,711
Other Materials and Supplies.....	67,718	63,411
Utilities.....	8,523	6,161
Insurance.....	68,669	57,399
Dues and Subscriptions.....	1,214	831
Travel and Meetings.....	5,012	3,690
Printing and Publishing.....	10,984	4,088
Miscellaneous Expenses.....	5,498	4,799
Leases and Rentals -		
Transit Way and Transit Way Structures and		
Equipment.....	3,543	3,948
Engine Houses, Car Shops and Garages.....	32,757	27,072
General Administrative Facilities.....	5,153	5,981
Depreciation Expense.....	28,314	25,471
Total Operating Expenses.....	<u>1,132,994</u>	<u>919,988</u>
MNDOT Adjustments.....	-	28,649
Total Expenses.....	<u>1,132,994</u>	<u>948,637</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES.....	\$ <u>18,399</u>	\$ <u>(35,572)</u>

The notes to the financial statements are an integral part of these statements.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENTS OF CHANGES IN CAPITAL

	Grants, Donations and Other Paid- In Capital	Accumulated Earnings	Total
BALANCE - September 30, 1978.....	\$ 218,952	\$ 256,905	\$ 475,857
Federal Capital Grant Received for Purchase of Buses.....	44,078	-	44,078
Excess of Expenses Over Revenue for the Year Ended September 30, 1979.....	-	(35,572)	(35,572)
BALANCE - September 30, 1979.....	263,030	221,333	484,363
Adjustment to Record Prior Year's Inventory (Note H).....	-	58,325	58,325
RESTATE BALANCE - September 30, 1979	263,030	279,658	542,688
Excess of Revenue Over Expenses for the Year Ended September 30, 1980.....	-	18,399	18,399
BALANCE - September 30, 1980.....	\$ <u>263,030</u>	\$ <u>298,057</u>	\$ <u>561,087</u>

The notes to the financial statements are an integral part of these statements.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION
STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year Ended September 30	
	1980	1979
SOURCE OF WORKING CAPITAL:		
From Operations:		
Excess of Revenue Over Expenses.....	\$ 18,399	\$ -
Depreciation and Other Items Not Requiring the		
Current Use of Working Capital.....	28,314	-
Total From Operations.....	46,713	-
Receipt of Federal Capital Grant.....	-	44,078
Decrease in Other Assets.....	18,560	38,409
Total Source of Working Capital.....	65,273	82,487
APPLICATION OF WORKING CAPITAL:		
From Operations:		
Excess of Expenses Over Revenue.....	-	35,572
Depreciation and Other Items Not Requiring the		
Current Use of Working Capital.....	-	(25,471)
Total From Operations.....	-	10,101
Acquisition of Buses.....	-	61,656
Total Application of Working Capital.....	-	71,757
INCREASE IN WORKING CAPITAL.....	\$ 65,273	\$ 10,730
CHANGES IN COMPONENTS OF WORKING CAPITAL -		
INCREASE (DECREASE):		
CURRENT ASSETS:		
Cash.....	\$ (37,805)	\$ 38,154
Receivables.....	74,754	(62,958)
Materials and Supplies Inventory.....	31,197	-
Prepaid Insurance.....	(2,114)	3,825
Increase (Decrease) in Current Assets.....	66,032	(20,979)
CURRENT LIABILITIES:		
Accounts Payable.....	759	(14,726)
Deferred Grant.....	-	(44,078)
Excess State Reimbursements.....	-	27,095
Increase (Decrease) in Current Liabilities.....	759	(31,709)
INCREASE IN WORKING CAPITAL.....	65,273	10,730
WORKING CAPITAL AT BEGINNING OF YEAR.....	372,225	361,495
WORKING CAPITAL AT END OF YEAR.....	\$ 437,498	\$ 372,225

The notes to the financial statements are an integral part of these statements.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
September 30, 1980 and 1979

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The more significant accounting policies followed by the Commission are summarized below to assist the reader in understanding the accompanying financial statements.

Method of Accounting

The Transit Commission, in conformity with Section 15 of the Urban Mass Transportation Act of 1964, maintains its accounting system on the accrual method.

Taxes Receivable

Taxes receivable include the unpaid portion of the 1979 levy payable in 1980 and any unpaid taxes due from prior years.

Recognition of Property Tax Revenue

Property taxes are recognized as revenue in the fiscal year in which the levy becomes payable. For example, the entire 1979 levy payable in 1980 was recognized as revenue in the fiscal year ending September 30, 1980 with the unpaid portion set up as a receivable. No allowance has been provided for delinquent taxes receivable. The aforementioned policies have the effect of recognizing property tax revenues at the time they are earned rather than received.

State and Federal Grants Receivable

State and federal grants receivable include the unpaid portion of contracts which is expected to be received during the next fiscal year.

Materials and Supplies Inventory

Materials and supplies inventory are stated at cost (first-in, first-out) method, which does not exceed market.

Tangible Transit Operating Property

Tangible transit operating property is stated at cost. The Metropolitan Transit Commission provides for depreciation on the straight-line method by annual charges calculated to allocate the cost over the estimated useful lives of the assets.

Additions or disposals to the accounts are depreciated on a pro-rata basis in the year of acquisition or disposal. Charges for the years ended September 30, 1980 and 1979 were \$ 28,314 and \$ 25,471, respectively.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
September 30, 1980 and 1979
(Continued)

NOTE B - RECEIVABLES - LOCAL TAX LEVIES

Tax levies receivable at September 30, 1980 and 1979 included the following:

	9-30-80	9-30-79
Current Taxes Receivable -		
Stearns County.....	\$ 117,725	\$ 75,974
Benton County.....	29,902	18,051
Sherburne County.....	7,971	5,389
Total Current Taxes Receivable.....	155,598	99,414
Delinquent Taxes Receivable -		
Stearns County.....	4,691	5,217
Benton County.....	2,841	2,464
Sherburne County.....	35	-
Total Delinquent Taxes Receivable.....	7,567	7,681
Total Taxes Receivable.....	\$ 163,165	\$ 107,095

NOTE C - AGREEMENT FOR OPERATIONS AND MANAGEMENT

The St. Cloud Metropolitan Transit Commission has an agreement with Transit Systems, Inc. to provide operation and management of the Metropolitan Public Transportation system. In accordance with this agreement, Transit Systems, Inc. is reimbursed for expenses incurred in the operations and management of the Metropolitan Public Transportation System.

NOTE D - MNDOT AUDIT ADJUSTMENTS

It was noted in the September 30, 1978 financial statements that the receivables set up from the State of Minnesota for various grants were subject to audit by the Minnesota Department of Transportation. During the fiscal year ended September 30, 1979, the Minnesota Department of Transportation completed their audit on some of the grants and made adjustments to reduce these receivables by \$ 28,649.

NOTE E - EXCESS STATE REIMBURSEMENTS

The Commission had entered into a contract for the fiscal year ended September 30, 1979 with the State of Minnesota Department of Transportation, in which the Minnesota Department of Transportation agreed to pay the Commission the sum of \$ 403,011, or two-thirds of the total operating deficit, whichever is less. "Total Deficit" means the amount by which the total approved operating expenses incurred in the operation of the Public Transit System exceeds the amount of passenger revenue and federal grants derived therefrom. During the fiscal year ended September 30, 1979, the Commission had received approximately \$ 27,095 more than two-thirds of the total operating deficit, and this amount is refundable to the State of Minnesota, and is subject to audit by the Minnesota of Transportation.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
September 30, 1980 and 1979
(Continued)

NOTE F - CAPITAL GRANT

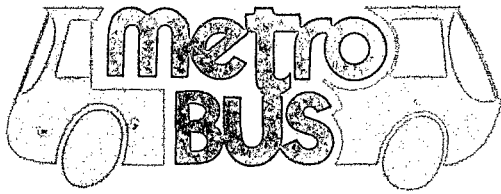
The St. Cloud Metropolitan Transit Commission had received from the Urban Mass Transportation Administration \$ 44,078 to be used for the purchase of buses. Because the Commission received the cash prior to September 30, 1978, but had yet to receive the buses at that time, this amount was shown as a deferred grant at September 30, 1978. During the fiscal year ending September 30, 1979, these buses were received, and the \$ 44,078 was included in grants, donations and other paid-in capital.

NOTE G - PENSION PLAN

All employees employed directly by the Commission are covered by the Public Employees Retirement Association plan. The PERA plan is a state-wide plan which covers employees working for school districts, counties, cities and other local governmental units within the state. Contributions to the plan are made by employees, with matching contributions made by the employer. Pension expense incurred by the Commission under the plan was approximately \$ 1,200 for the year ended September 30, 1980. Contribution rates are determined on a state wide basis and include provisions for prior service costs. The assets of the PERA fund were substantially less than the actuarially computed value of vested benefits as of the most recent valuation date. The liability for unfunded vested benefits is the responsibility of the participating governmental units, however, the liability is not actuarially segregated.

NOTE H - RESTATEMENT OF PRIOR YEAR'S FINANCIAL STATEMENTS

The financial statements for the year ending September 30, 1979 have been restated to give effect to an error in not recording materials and supplies inventory in the amount of \$ 58,325. This restatement resulted in an increase in current assets and total capital in the amount of \$ 58,325.



COMMISSIONERS

Ben Gratzek-Chairman
A.J. Ringsmuth-Secretary
Sybil M. Hollern-Treasurer
Robert J. Huston-Member

EXECUTIVE DIRECTOR

David W. Tripp
Suite 301, 14-5th Ave. So.
St. Cloud, MN 56301
(612) 251-1499

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

WAITE PARK, SAUK RAPIDS, ST. CLOUD, MINNESOTA

January 13, 1981

The Honorable Joanne A. Growe
Secretary of State
State of Minnesota
180 State Office Building
St. Paul, MN 55155

RE: St. Cloud Metropolitan Transit
Commission Annual Audit
F.Y. 1980

Dear Mrs. Growe:

In accordance with Section 6, Subdivision 9, Chapter 1134 of 1969 Minnesota Laws, enclosed please find a copy of the fiscal year 1980 audit of the St. Cloud Metropolitan Transit Commission's financial accounts and affairs.

Please file the audit report and make it available for public inspection in accordance with your office policies.

Sincerely,

David W. Tripp
Executive Director

DWT/mgs

Enclosure

cc: Alcuin J. Ringsmuth