

# METROBUS

ST. CLOUD METROPOLITAN TRANSIT COMMISSION  
WAITE PARK, SAUK RAPIDS, ST. CLOUD, MINNESOTA  
665 FRANKLIN AVE. N.E., ST. CLOUD, MN 56301 (612) 251-1499

May 13, 1986

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

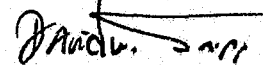
Re: St. Cloud Metropolitan  
Transit Commission --  
Annual Audit, F.Y. 1985

Dear Ms. Grove:

In accordance with Section 6, Subdivision 9, Chapter 1134 of 1969 Minnesota Laws, enclosed please find a copy of Fiscal Year 1985 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.

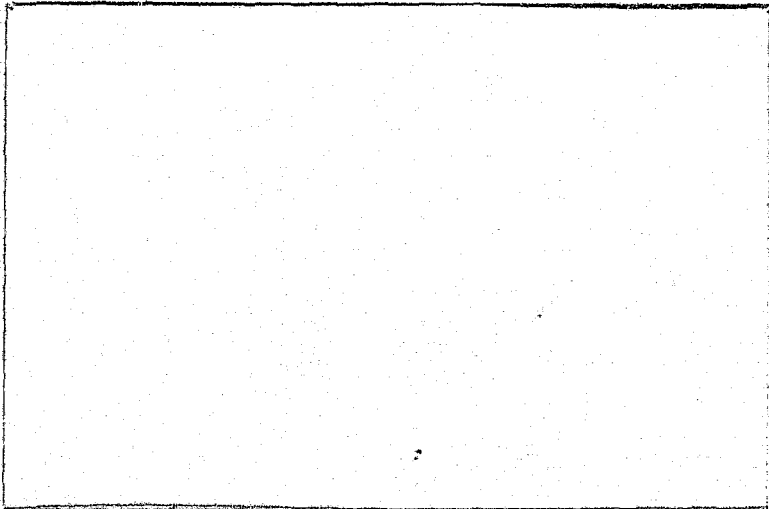
Sincerely,



David W. Tripp  
Executive Director

DWT/gr  
Enclosure

36694  
STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED  
MAY 29 1986  
Joan Anderson Grove  
Secretary of State



**Kern, Poganski & Hirschfeld, Ltd.**  
certified public accountants

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

St. Cloud, Waite Park and Sauk Rapids

FINANCIAL STATEMENTS

As of

September 30, 1985

ST. CLOUD METROPOLITAN TRANSIT COMMISSION  
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SECTION I

COMMISSIONERS, ADMINISTRATION AND OTHER DATA

ST. CLOUD METROPOLITAN TRANSIT COMMISSION  
 COMMISSIONERS, ADMINISTRATION AND OTHER DATA  
 For the Year Ended September 30, 1985

COMMISSIONERS

Bernard Gratzek City of Sauk Rapids Three-year term expires July 1, 1987	Chairman
Alcuin J. Ringsmuth City of Waite Park Three-year term expires July 1, 1986	Secretary
Sybil M. Hollern City of St. Cloud Three-year term expires July 1, 1988	Treasurer
Robert J. Huston City of St. Cloud Three-year term expires July 1, 1987	Commissioner

ADMINISTRATION

David W. Tripp	Executive Director
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TRANS-LINES, LTD.

Paul J. Rooney	President
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LEGAL COUNSEL

Gordon H. Hansmeier

OTHER DATA

	September 30	
	1985	1984
Number of Bus Miles	675,367	680,342
Number of Passengers	1,057,710	1,067,074
Bus Hours Operated	50,891	53,391

SECTION II  
AUDITORS' REPORT



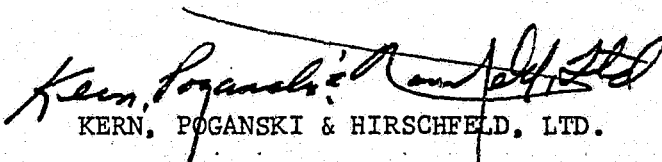
**Kern, Poganski & Hirschfeld, Ltd.**  
certified public accountants

December 13, 1985

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, 1985 and 1984, and the related statements of revenues 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 the audit requirements set forth in the Office of Management and Budget Circular No. A-128 dated April 12, 1984 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, 1985 and 1984, 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 consistent basis.

  
KERN, POGANSKI & HIRSCHFELD, LTD.

cc: 12



SECTION III

FINANCIAL STATEMENTS

ST. CLOUD METROPOLITANT TRANSIT COMMISSION

BALANCE SHEET

	ASSETS	September 30	
		1985	1984
<b>CURRENT ASSETS:</b>			
Cash		\$ (7,934)	\$ 429,607
Receivables -			
Local Tax Levies (Note B)		282,620	264,559
State Grants (Note B)		50,407	45,183
Federal Grants (Note B)		367,862	157,701
Associated Companies (Note C)		57,500	57,500
Other		27,654	6,267
Materials and Supplies Inventory		108,055	81,562
Prepaid Insurance		38,414	26,402
Total Current Assets		<u>924,578</u>	<u>1,068,781</u>
TANGIBLE TRANSIT OPERATING PROPERTY - NET (NOTE D)		<u>2,148,894</u>	<u>1,256,837</u>
<b>TOTAL ASSETS</b>		<u>\$ 3,073,472</u>	<u>\$ 2,325,618</u>
	LIABILITIES AND CAPITAL		
<b>CURRENT LIABILITIES:</b>			
Accounts Payable		\$ 155,442	\$ 110,287
Unearned State Advances (Note E)		120,179	144,473
Short-Term Construction Liabilities (Note A)		5,098	150,605
Total Current Liabilities		<u>280,719</u>	<u>405,365</u>
<b>CAPITAL:</b>			
Grants, Donations and Other Paid-In Capital		1,656,871	950,707
Accumulated Earnings-			
Available for Working Capital		611,802	569,396
Investment in Fixed Assets		524,080	400,150
Total Capital		<u>2,792,753</u>	<u>1,920,253</u>
<b>TOTAL LIABILITIES AND CAPITAL</b>		<u>\$ 3,073,472</u>	<u>\$ 2,325,618</u>

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

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENT OF REVENUES AND EXPENSES

	Year Ended September 30	
	1985	1984
<b>REVENUES:</b>		
Passenger Fares for Transit Service	\$ 235,791	\$ 236,170
Special Transit Fares - Other	3,198	3,111
Special Transit Fares - Students	10,749	14,990
Auxiliary Transportation Revenues	9,223	8,811
Non-Transportation Revenues	39,317	7,157
Interest Income	15,773	25,561
Taxes Levied Directly by Transit System -		
Available for Working Capital	371,431	336,806
Investment in Fixed Assets	152,580	180,000
State Grants	558,131	512,576
Federal Grant	360,000	361,732
Total Revenues	<u>1,756,193</u>	<u>1,686,914</u>
<b>EXPENSES:</b>		
Operators' Salaries and Wages	461,465	469,690
Other Salaries and Wages	157,520	97,354
Commissioners' Compensation	3,950	4,765
Payroll Taxes	61,229	54,246
Hospital, Medical and Surgical Plans	53,599	55,980
Uniform and Work Clothing Allowances	2,684	8,506
Other Fringe Benefits - Retirement	15,374	12,988
Workers Compensation	18,478	14,006
Management Service Fees	58,702	53,022
Advertising Fees	7,990	7,453
Professional and Technical Services	58,525	62,018
Sublet Mechanic Labor and Preventive Maintenance	170,026	193,258
Other Services	14,374	6,714
Fuel and Lubricants	142,387	145,530
Tires and Tubes	11,457	16,075
Other Materials and Supplies	152,186	100,819
Utilities	15,642	8,934
Insurance	55,875	41,523
Purchased Transportation Service	34,750	36,451
Dues and Subscriptions	2,839	2,721
Travel and Meetings	5,199	8,920
Advertising - Promotion/Media	14,046	21,639
Miscellaneous Expenses	1,677	1,649
Leases and Rentals -		
Transit Way Structures and Equipment	14	22
Garages	33,360	55,470
General and Administrative Facilities	7,859	14,702
Total Expenses Before Depreciation	<u>1,561,207</u>	<u>1,494,455</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>		
<b>BEFORE DEPRECIATION</b>	194,986	192,459
<b>LESS: DEPRECIATION</b>	<u>143,251</u>	<u>143,437</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 51,735</u>	<u>\$ 49,022</u>

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENT OF CHANGES IN CAPITAL

Assets	Total	Grants, Donations and Other Paid- In Capital	Accumulated Earnings		
			Available for Working Capital	Investment in Fixed	
BALANCE - SEPTEMBER 30, 1983	\$ 833,614		\$ 473,713	\$ -	\$ 1,307,327
Federal Capital Grant Entitle- ments	563,904		-	-	563,904
Excess of Revenues Over Expenses for the Year Ended September 30, 1984	-		49,022	-	49,022
BALANCE - September 30, 1984 as Previously Reported	1,397,518		522,735	-	1,920,253
Restatement of Prior Periods - Note J	(446,811)		46,661	400,150	-
BALANCE - SEPTEMBER 30, 1984, As Restated	950,707		569,396	400,150	1,920,253
Federal Capital Grant Entitlement	820,765		-	-	820,765
Excess of Revenues Over Expenses for the Year Ended September 30, 1985	(114,601)		42,406	123,930	51,735
BALANCE - September 30, 1985	\$ 1,656,871		\$ 611,802	\$ 524,080	\$ 2,792,753

The notes to the financial statements are an integral part of this statement

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

	Year Ended September 30	
	1985	1984
<b>SOURCE OF WORKING CAPITAL:</b>		
From Operations:		
Excess of Revenues Over Expenses	\$ 51,735	\$ 49,022
Depreciation and Other Items not Requiring the Current Use of Working Capital	143,251	143,437
Total from Operations	194,986	192,459
Federal and State Capital Grant Entitlements	820,765	563,904
Disposition of Property and Equipment	1,130	1,803
Total Source of Working Capital	1,016,881	758,166
<b>APPLICATION OF WORKING CAPITAL:</b>		
Acquisition of Building, Buses and Equipment	1,036,438	744,241
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	<b>(19,557)</b>	<b>\$ 13,925</b>
 <b>CHANGES IN COMPONENTS OF WORKING CAPITAL - INCREASE (DECREASE):</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ (437,541)	\$ 133,162
Receivables	254,833	(98,693)
Materials and Supplies Inventory	26,493	3,385
Prepaid Insurance	12,012	8,122
Increase (Decrease) in Current Assets	(144,203)	45,976
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	45,155	(86,006)
Unearned State Reimbursements	(24,294)	(32,548)
Short-Term Construction Liabilities	(145,507)	150,605
Increase (Decrease) in Current Liabilities	(124,646)	32,051
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	(19,557)	13,925
<b>WORKING CAPITAL AT BEGINNING OF YEAR</b>	663,416	649,491
<b>WORKING CAPITAL AT END OF YEAR</b>	\$ 643,859	\$ 663,416

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

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 1985 and 1984

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Metropolitan Transit Commission, hereinafter referred to as "The Commission", was established pursuant to Minnesota Statute Chapter 458A dated 1969. The Transit area is composed of the City of St. Cloud, the City of Waite Park and the City of Sauk Rapids.

The Commission will include one representative member of each City, except that the City of St. Cloud shall appoint two members. Each representative is entitled to one vote. The terms of Commissioners are three years and will alternate according to Minnesota Statute 458A.02, Subdivision 2.

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

1. 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 of accounting.

2. Taxes Receivable

Taxes receivable include the unpaid portion of the 1984 levy payable in 1985 and any unpaid taxes due from prior years.

3. Recognition of Property Tax Revenue

Property taxes are recorded as revenue in the fiscal year in which the levy became payable. For example, the entire 1984 levy payable in 1985 was recognized as revenue in the fiscal year ending September 30, 1985 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 levied rather than received.

4. State and Federal Grants Receivable

State and federal grants receivable include the portion of grant contracts earned but not received as of year end.

5. Materials and Supplies Inventory

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

6. 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-rate basis in the year of acquisition or disposal.

7. Short-Term Construction Liabilities

Short-term construction liabilities are unpaid construction costs including retainage of 5 percent on certain contracts.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 1985 and 1984  
(Continued)

NOTE B - RECEIVABLES

Local Tax Levies -

Tax levies receivable at September 30, 1985 and 1984 including homestead credit were:

	<u>9-30-85</u>	<u>9-30-84</u>
Current Taxes Receivable -		
Stearns County	\$ 173,870	\$ 159,438
Benton County	40,693	40,193
Sherburne County	8,911	8,828
Homestead Credit	<u>48,634</u>	<u>48,685</u>
Total Current Taxes Receivable	272,108	257,144
Delinquent Taxes Receivable -		
Stearns County	6,978	5,072
Benton County	3,305	2,257
Sherburne County	<u>229</u>	<u>86</u>
Total Delinquent Taxes Receivable	<u>10,512</u>	<u>7,415</u>
Total Taxes Receivable	<u>\$ 282,620</u>	<u>\$ 264,559</u>

Federal Grants -

Federal grant receivables at September 30, 1985 and 1984 were:

	<u>9-30-85</u>	<u>9-30-84</u>
Sections 5 and 9 - Operating Assistance Grant		
# MN90-X005	\$ -	\$ 30,000
Section 5 - Operating Assistance Grant # MN-90-4012	360,000	-
Section 5 - Capital Assistance Grant # MN-05-0002	2,364	-
Section 5 - Capital Assistance Grant # MN-05-0012	3,020	120,484
Section 5 - Capital Assistance Grant # MN-05-0001	<u>\$ 2,478</u>	<u>7,217</u>
Total Federal Grant Receivables	<u>\$ 367,862</u>	<u>\$ 157,701</u>

State Grants -

State grant receivables at September 30, 1985 and 1984 were:

	<u>9-30-85</u>	<u>9-30-84</u>
Public Transit Assistance Contract # 60187 (October 1 1980 through September 30, 1981)	\$ 35,349	\$ 35,349
Public Transit Assistance Contract # 61761 Amendment	4,571	-
Public Transit Assistance Contract # 61870	653	-
Public Transit Assistance Contract # 61046 Amendment 1 (Operating Assistance)	<u>9,834</u>	<u>9,834</u>
Total State Grant Receivables	<u>\$ 50,407</u>	<u>\$ 45,183</u>

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 1985 and 1984  
(Continued)

NOTE C - AGREEMENT FOR OPERATIONS AND MANAGEMENT

Effective August 1, 1983, the St. Cloud Metropolitan Transit Commission entered into a 3 year agreement with Trans-Lines, Ltd., to provide operation and management of the Metropolitan Public Transportation System. In accordance with this agreement, Trans-Lines, Ltd., is reimbursed for expenses incurred in the operations and management of the Metropolitan Public Transportation System.

The Commission has also entered into an agreement with Transit Special Services, Inc., to provide operation and management of transportation services to the handicapped. In accordance with this agreement, Transit Special Services, Inc., is reimbursed for expenses incurred in providing transportation services to the handicapped.

As of September 30, 1985 and 1984, the Commission had made advances to the above referenced associated companies:

	1985	1984
Trans-Lines, Ltd.	\$ 50,000	\$ 50,000
Transit Special Services, Inc.	-	7,500
Transit Systems, Inc.	7,500	-
Total	<u>\$ 57,500</u>	<u>\$ 57,500</u>

NOTE D - SUMMARY OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at September 30, 1985 and 1984 consisted of:

	1985	1984
Land	\$ 135,908	\$ 135,908
Operating Facility	1,377,010	-
Shelters	93,960	84,057
Bus Purchases and Rehabilitation	1,093,463	1,108,539
Bus Equipment	81,147	58,508
Bus Washing Machine	34,533	-
Office Furniture and Equipment	27,893	6,492
Construction Work in Progress	-	432,212
	<u>2,843,914</u>	<u>1,825,716</u>
Less: Accumulated Depreciation	<u>695,020</u>	<u>568,879</u>
Net Property, Plant and Equipment	<u>\$ 2,148,894</u>	<u>\$ 1,256,837</u>

NOTE E - UNEARNED STATE ADVANCES

The Commission annually enters into contracts with the State of Minnesota Department of Transportation, in which the Minnesota Department of Transportation agrees to pay the Commission a specified amount 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. As of September 30, 1985 and 1984, the Commission had received funds in excess of two-thirds of the operating deficit for the following contract periods:



ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1985 and 1984

(Continued)

NOTE E - UNEARNED STATE ADVANCES (Continued)

	<u>1985</u>	<u>1984</u>
October 1, 1978 to September 30, 1979	\$ 27,095	\$ 27,095
January 1, 1982 to December 31, 1982	17,121	17,121
January 1, 1984 to December 31, 1984	-	100,259
January 1, 1983 to December 31, 1985	<u>75,963</u>	<u>-</u>
Total	<u>\$ 120,179</u>	<u>\$ 144,475</u>

However, substantially all of the \$ 75,963 of unearned 1985 grant aid on hand at September 30, 1985, is expected to be earned by the Commission in the next three months. This occurred because state grants are on a calendar year, while the Commission is on a fiscal ending September 30.

NOTE F - CAPITAL GRANTS

During the years ended September 30, 1985 and 1984, the St. Cloud Metropolitan Transit Commission received from the Urban Mass Transportation Administration capital grants in the amount of \$ 820,765 and \$ 563,904, respectively, which were used to purchase and rehabilitate buses, purchase radios and other equipment, and construct a new bus garage facility.

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 \$ 1,826 and \$ 1,900 for the years ended September 30, 1985 and 1984, respectively. 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.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 1985 and 1984  
(Continued)

NOTE H - CONTINGENT LIABILITY

The grants for the fiscal years ending September 30, 1979 and 1980, which the Commission has entered into with the Minnesota Department of Transportation are being audited by the Department of Transportation. As a result of this audit, the reimbursement of various operating expenses, which the Commission received from the Department of Transportation, are being disputed by the Department of Transportation. At the date of this report, any resultant contingencies that the Commission may incur are not determinable. In addition, grants for the years 1979 through 1985 with the Minnesota Department of Transportation are all pending audits by the agency; however, the only questioned costs that the Commission is aware of are those for the fiscal 1979 and 1980 contracts.

The grantors retain their interest in assets acquired with grant funds should they be disposed of prior to the end of their economic lives or not be used for mass transit.

NOTE I - LOCAL TAX LEVIED FOR CAPITAL IMPROVEMENTS

Included in the tax levies payable in 1985 and 1984 are levies for capital improvements for approximately \$ 152,580 and \$ 180,000, respectively. As of September 30, 1985, substantially all expenditures for these capital improvements have been made.

NOTE J - PRIOR PERIOD ADJUSTMENTS

The Commission has adopted the accounting policy to segregate its revenue from capital improvements, raised through its property tax levy, into a separate equity account titled "Accumulated Earnings - Investment in Fixed Assets."

The effect of this accounting policy will be to separate accumulated earnings from operations and levies for capital improvements and to cause historical and future depreciations expense to be charged against the "Capital grants" and the levy equity account, "Accumulated Earnings - Investment in Fixed Assets."

The following prior period adjustments were made to reflect the changes in accounting policy, as discussed above, for depreciation on fixed assets acquired with capital grants, and taxes levied for fixed asset acquisitions:

		<u>Accumulated Earnings</u>	
	<u>Grants, Donations and Other Paid in Capital</u>	<u>Available For Working Capital</u>	<u>Investment in Fixed Assets</u>
Taxes Levied for Fixed Assets	\$ -	\$ (522,218)	\$ 522,218
Depreciation on Fixed Assets	(446,811)	568,879	(122,068)
Prior Period Restatement	\$ (446,811)	\$ 46,661	\$ 400,150

As of September 30, 1985, the Commission had \$ 32,057 available for capital improvements from property tax levies.

SECTION IV

OTHER FINANCIAL INFORMATION



**Kern, Poganski & Hirschfeld, Ltd.**  
certified public accountants

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

ACCOUNTANTS' REPORT ON OTHER FINANCIAL INFORMATION

The primary purpose of our examination was to formulate an opinion on the basic financial statements taken as a whole. The additional information which is presented in the following pages, 13 through 16, for supplementary analysis purposes was subjected to the audit procedures applied in our examination of the basic financial statements. The information, while not considered necessary for fair presentation of financial position, results of operation and changes in financial position in conformity with generally accepted accounting principles, is, in our opinion, fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Kern, Poganski & Hirschfeld, Ltd.*  
KERN, POGANSKI & HIRSCHFELD, LTD.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENT OF EXPENSES AND FUNCTIONS  
For the Year Ended September 30, 1985

EXPENSE OBJECT CLASSES	Total Expenses	Operations 010	Vehicle Maintenance 040	Maintenance Administration - Facilities 042	General Administration 160
Labor -					
Operators' Salaries and Wages	\$ 461,465	\$ 461,465	\$ -	\$ -	\$ -
Other Salaries and Wages	157,520	72,222	42,203	-	43,095
Commissioners' Compensation	3,950	-	-	-	3,950
Fringe Benefits -					
Payroll Taxes	61,229	55,501	2,703	-	3,025
Hospital, Medical and Surgical Plans	53,599	50,971	50	-	2,578
Uniforms and Work Clothing Allowance	2,684	2,684	-	-	-
Other Fringe Benefits - Retirement	15,374	13,548	-	-	1,826
Workers Compensation	18,478	18,351	-	-	127
Services -					
Management Service Fees	58,702	58,702	-	-	-
Advertising Fees	7,990	-	-	-	7,990
Professional and Technical Services	58,525	23,117	-	-	35,408
Sublet Mechanic Labor and Preventive Maintenance	170,026	-	170,026	-	-
Other Services	14,374	4,155	3,513	5,713	993
Materials and Supplies Consumed -					
Fuel and Lubricants	142,387	142,387	-	-	-
Tires and Tubes	11,457	11,457	-	-	-
Other Materials and Supplies	152,186	7,754	125,837	3,708	14,887
Utilities	15,642	6,031	-	-	9,611
Insurance	55,875	54,409	-	-	1,466
Purchased Transportation Service	34,750	-	-	-	34,750
Miscellaneous Expenses -					
Dues and Subscriptions	2,839	295	-	-	2,544
Travel and Meetings	5,199	3,913	-	-	1,286
Advertising - Promotion/Media	14,046	2,111	-	-	11,935
Other Miscellaneous Expenses	1,677	1,248	98	-	331
Leases and Rentals -					
Transit Way Structures & Equipment	14	-	-	-	14
Garages	33,360	33,360	-	-	-
Other General Administrative Facilities	7,859	6,278	-	-	1,581
Total Expenses Before Depreciation	1,561,207	1,029,959	344,430	9,421	177,397
Depreciation Expense	143,251	143,251	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,704,458</b>	<b>\$ 1,173,210</b>	<b>\$ 344,430</b>	<b>\$ 9,421</b>	<b>\$ 177,397</b>

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENT OF REVENUES AND EXPENSES COMPARED TO BUDGET  
For the Year Ended September 30, 1985

	<u>Actual</u>	<u>Budget</u>	Over (Under) Budget
<b>REVENUES:</b>			
Passenger Fares for Transit Service	\$ 235,791	\$ 246,000	\$ (10,209)
Special Transit Fares	3,198	3,500	(302)
School Bus Service Revenues	10,749	13,000	(2,251)
Auxiliary Transportation Revenues	9,223	9,500	(277)
Non-Transportation Revenues	39,317	8,400	30,917
Interest Income	15,773	20,000	(4,227)
Taxes Levied Directly by Transit System	524,011	534,300	(10,289)
State Cash Grants and Reimbursements	558,131	545,000	13,131
Federal Cash Grants and Reimbursements	360,000	360,000	-
<b>TOTAL REVENUES</b>	<b>\$ <u>1,756,193</u></b>	<b>\$ <u>1,739,700</u></b>	<b>\$ <u>16,493</u></b>
<b>EXPENSES:</b>			
Operators' Salaries and Wages	\$ 461,465	\$ 496,000	\$ (34,535)
Other Salaries and Wages	157,520	163,000	(5,480)
Commissioners' Compensation	3,950	4,700	(750)
Payroll Taxes	61,229	62,990	(1,761)
Hospital, Medical and Surgical Plans	53,599	62,900	(9,301)
Uniform and Work Clothing Allowance	2,684	3,500	(816)
Other Fringe Benefits - Retirement	15,374	15,200	174
Worker's Compensation	18,478	20,850	(2,372)
Management Service Fees	58,702	55,800	2,902
Advertising Fees	7,990	6,500	1,490
Professional and Technical Services	58,525	52,900	5,625
Sublet Mechanic Labor and Preventive Maintenance	170,026	127,300	42,726
Other Services	14,374	12,000	2,374
Fuel and Lubricants	142,387	167,300	(24,913)
Tires and Tubes	11,457	16,800	(5,343)
Other Materials and Supplies	152,186	103,600	48,586
Utilities	15,642	19,200	(3,558)
Insurance	55,875	48,400	7,475
Purchased Transportation Service	34,750	55,000	(20,250)
Dues and Subscriptions	2,839	2,500	339
Travel and Meetings	5,199	8,500	(3,301)
Advertising - Promotion/Media	14,046	13,500	546
Miscellaneous Expenses	1,677	700	977
Leases and Rentals -			
Transit Way Structures & Equipment	14	20	(6)
Garages	33,360	37,800	(4,440)
General Administrative Facilities	7,859	9,160	(1,301)
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ <u>1,561,207</u></b>	<b>\$ <u>1,566,120</u></b>	<b>\$ <u>(4,913)</u></b>

ST. CLOUD METROPOLITAN TRANSIT COMMISSION  
SCHEDULE OF TAX LEVIES AND VALUATIONS

Levy and Mill Rate

	Levy				Mill Rates
	Total	St. Cloud	Waite Park	Sauk Rapids	
Stearns County	\$ 407,888	\$ 364,390	\$ 43,498	\$ -	2.168
Benton County	101,082	58,214	-	42,868	2.168
Sherburne County	<u>25,330</u>	<u>25,330</u>	<u>-</u>	<u>-</u>	2.168
Total	\$ <u>534,300</u>	\$ <u>447,934</u>	\$ <u>43,498</u>	\$ <u>42,868</u>	

Taxable Valuations

	Valuations	Mill Rates
Stearns County - City of St. Cloud	\$ 168,076,568	2.168
Stearns County - City of Waite Park	20,063,574	2.168
Benton County - City of St. Cloud	26,851,604	2.168
Benton County - City of Sauk Rapids	19,772,990	2.168
Sherburne County - City of St. Cloud	<u>11,683,485</u>	2.168
Total	\$ <u>246,448,221</u>	

SECTION V

FEDERAL AND STATE GRANT/CONTRACT INFORMATION



ST. CLOUD METROPOLITAN TRANSIT COMMISSION

SCHEDULE OF FEDERAL AND STATE GRANT INFORMATION  
For the Year Ended September 30, 1985

<u>Federal Assistance Grant Number</u>	<u>Grant Name</u>	<u>Project Time Period</u>	<u>Funding Source</u>
CFDA No. 20.500			
MN-90-X005	Section 9 - Operating Assistance	10-1-84 thru 9-30-85	US Dept. of Transportation
MN-05-0010	Section 5 - Capital Assistance	N/A	US Dept. of Transportation
MN-05-0012	Section 5 - Capital Assistance	N/A	US Dept. of Transportation
MN-05-0001	Section 5 - Capital Assistance	N/A	US Dept. of Transportation
MN-90-0002	Section 9 - Capital Assistance	N/A	US Dept. of Transportation
State Assistance			
<u>Contract Number</u>			
62471	Public Transit Assistance Contract	1-1-85 thru 12-31-85	MN Dept. of Transportation
62472	Public Transit Assistance Contract	1-1-85 thru 12-31-85	MN Dept. of Transportation
61761	Public Transit Assistance Contract	1-1-84 thru 12-31-84	MN Dept. of Transportation
61870	Public Transit Assistance Contract	1-1-84 thru 12-31-84	MN Dept. of Transportation

<u>Audit Report This Period</u>	<u>Total Revenues</u>	<u>Expenditures</u>		
		<u>Prior Reports</u>	<u>This Report</u>	<u>Total</u>
10-1-84 Thru 9-30-85	\$ 360,000	\$ -	\$ 360,000	\$ 360,000
10-1-84 Thru 9-30-85	451,600	451,600	-	451,600
10-1-84 Thru 9-30-85	1,113,651	230,812	882,839	1,113,651
10-1-84 Thru 9-30-85	210,905	203,091	7,814	210,905
10-1-84 Thru 9-30-85	161,293	108,647	52,646	161,293
10-1-84 Thru 9-30-85	49,384	-	49,384	49,384
10-1-84 Thru 9-30-85	356,245	-	356,245	356,245
10-1-84 Thru 9-30-85	463,818	321,096	142,722	463,818
10-1-84 Thru 9-30-85	66,374	48,840	17,534	66,374

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

AUDITORS' REPORT  
ON INTERNAL ACCOUNTING CONTROL  
BASED SOLELY ON A STUDY AND EVALUATION MADE  
AS PART OF AN AUDIT FOR ATTACHMENT P AUDITS

Commissioners

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

We have examined the financial statements of the St. Cloud Metropolitan Transit Commission, as of and for the year ended September 30, 1985, and have issued our report thereon dated December 13, 1985. As part of our examination, we made a study and evaluation of the system of internal accounting control of the Commission to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office's Standards for Audit of Governmental Organizations, Programs, Activities and Functions. For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

Accounting Applications

Receivables  
Cash Receipts  
Purchasing and Receiving  
Accounts Payable  
Cash Disbursements  
Payroll  
Inventory Control  
Property and Equipment  
General Ledger

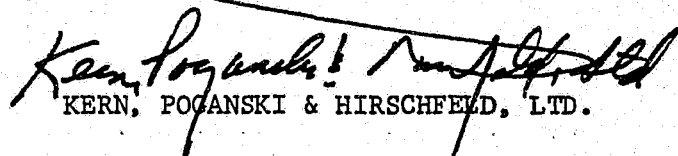
Our study included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing and extent of performing the auditing procedures necessary for expressing an opinion on the entity's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The Commission is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates of judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Commission taken as a whole or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed no conditions that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Commission may occur and not be detected within a timely period.

The report is intended solely for the use of the Commission, the Minnesota Department of Transportation and other state agencies, the federal cognizant audit agency, and other federal agencies and should not be used for any other purpose.

  
KERN, POGANSKI & HIRSCHFELD, LTD.

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

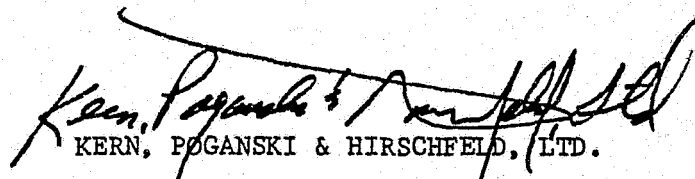
AUDITORS' COMMENTS  
ON COMPLIANCE FOR ATTACHMENT P AUDITS

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

We have examined the financial statements of the St. Cloud Metropolitan Transit Commission, as of and for the year ended September 30, 1985, and have issued our report thereon dated December 13, 1985. Our examination was made in accordance with generally accepted auditing standards; the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits; the provisions of the Office of Management and Budget's (OMB) Compliance Supplement-Uniform Requirements for Grants to State and Local Governments, Attachment P, Audit Requirements, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with the examination referred to above, a representative number of charges to expenditures were selected to determine if federal funds are being expended in accordance with the terms of applicable agreements and those provisions of federal law or regulations that could have a material effect on the financial statements. In addition, we reviewed the accuracy and completeness of financial reports and claims for advances or reimbursements to federal agencies. The results of our tests indicate that for the items tested, the Commission complied with the material terms and conditions of the federal award agreements. Further, for the items not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that the Commission had not complied with the significant compliance terms and conditions of the awards referred to above.

This report is intended solely for the use of the Commission, the Minnesota Department of Transportation and other state agencies, the federal cognizant audit agency, and other federal agencies and should not be used for any other purposes.

  
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