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Metropolitan Taxicab Commission Financial Statements and Independent Auditor's Report, 2005

Metropolitan Taxicab Commission

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From: polysubfs
To: "kim@stl-taxi.com".GWIA.SAOJC
Subject: Re: 2005 Audit Report

In accordance with 105.145, RSMo, we acknowledge receipt of the financial report for the Metropolitan Taxicab Commission for the year ended December 31, 2005. ✓

Thank you for your cooperation in sending this information.

15-096-0015

>>> "Kim Hinton" <kim@stl-taxi.com> 7/31/2006 2:46 PM >>>
Tom - Per your request.

Dedicated to providing fair and equitable authority over the provisions of licensing, regulation and enforcement of vehicle for hire services.
CONFIDENTIALITY NOTICE: This email is intended only for named recipients.

Kim Hinton

Metropolitan Taxicab Commission

<<http://maps.yahoo.com/py/maps.py?Pyt=Tmap&addr=100+North+Tucker+Blvd.%2C+St+e.+110&csz=St.+Louis%2C+MO+63101&country=us>> 100 North Tucker Blvd., Ste. 110
St. Louis, MO 63101
www.stl-taxi.com

<<mailto:kim@stl-taxi.com>> kim@stl-taxi.com

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tel2:
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<http://www.plaxo.com/click_to_call?src=jj_signature&To=1-877-STL-TAXI&Email=kim@stl-taxi.com> 1-877-STL-TAXI

<http://www.plaxo.com/click_to_call?src=jj_signature&To=314-241-7600&Email=kim@stl-taxi.com> 314-241-7600
314-241-7603

From: "Kim Hinton" <kim@stl-taxi.com>
To: "polysubfs polysubfs" <polysubfs@auditor.mo.gov>
Date: Wed, Aug 2, 2006 9:10 AM
Subject: RE: 2005 Audit Report

Good Morning Tom - You are right. The MDA was not included in our digital file. I will have it scanned this morning and you should receive it soon.
Thanks.

Kim

Metropolitan Taxicab Commission
Kim Hinton
kim@stl-taxi.com
100 North Tucker Blvd., Ste. 110
St. Louis, MO 63101
www.stl-taxi.com
tel: 1-877-STL-TAXI
tel2:314-241-7600
fax: 314-241-7603

-----Original Message-----

From: polysubfs polysubfs [mailto:polysubfs@auditor.mo.gov]
Sent: Tuesday, August 01, 2006 3:22 PM
To: kim@stl-taxi.com
Subject: RE: 2005 Audit Report

Kim

In looking beyond the TOC on the report, page 2, (the MD&A page) is not in the file. As for my other question on any management letter, I just wanted to make sure we had a full report. Thanks again.

Tom

>>> "Kim Hinton" <kim@stl-taxi.com> 7/31/2006 3:45 PM >>>

We provided a management discussion and analysis on page 2 and you can show me as the contact person. Thanks.

Metropolitan Taxicab Commission
Kim Hinton
kim@stl-taxi.com
100 North Tucker Blvd., Ste. 110
St. Louis, MO 63101
www.stl-taxi.com
tel: 1-877-STL-TAXI
tel2:314-241-7600
fax: 314-241-7603

-----Original Message-----

From: polysubfs polysubfs [mailto:polysubfs@auditor.mo.gov]
Sent: Monday, July 31, 2006 1:57 PM
To: kim@stl-taxi.com
Subject: Re: 2005 Audit Report

Thanks Kim.

One other question-was there a management letter that goes with the report?
I will see that this gets into our system and if OK, we will show you as
the contact person.

Tom

>>> "Kim Hinton" <kim@stl-taxi.com> 7/31/2006 2:46 PM >>>
Tom - Per your request.

Dedicated to providing fair and equitable authority over the provisions of
licensing, regulation and enforcement of vehicle for hire services.
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Kim Hinton

Metropolitan Taxicab Commission

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[e.+110&csz=St.+Louis%2C+MO+63101&country=us](http://maps.yahoo.com/py/maps.py?Pyt=Tmap&addr=100+North+Tucker+Blvd.%2C+St)> 100 North Tucker Blvd., Ste.
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im@stl-taxi.com> 314-241-7600
314-241-7603

<https://www.plaxo.com/add_me?u=38656483690&v0=0&k0=0> Add me to your
address book...

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ST. LOUIS METROPOLITAN TAXICAB COMMISSION

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

ST. LOUIS METROPOLITAN TAXICAB COMMISSION

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Nichols, Ziemann, Ahmed & Co., P.C.

Certified Public Accountants

(314) 569-3800 FAX (314) 569-0020

Members AICPA and MSCPA

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
St. Louis Metropolitan Taxicab Commission
St. Louis, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund of St. Louis Metropolitan Taxicab Commission as of and for the year ended December 31, 2005, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. Louis Metropolitan Taxicab Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of St. Louis Metropolitan Taxicab Commission as of December 31, 2005 and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 2 through 4 are not a required part of the basic financial statements but are supplemental information required by U.S. generally accepted accounting principals. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Nichols, Ziemann, Ahmed & Co.
March 14, 2006

METROPOLITAN TAXICAB COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2005

This section of the MTC annual report presents an analysis of the MTC's financial performance during the fiscal year that ended on December 31, 2005. Please read it in conjunction with the financial statements that follows this section.

2005 FINANCIAL HIGHLIGHTS

- MTC began operations in June, 2003, and the fiscal year ending December 31, 2004 was its second full year of operations.
- The MTC had a shortfall of revenues over expenditure in the amount of \$40,126 for the year ended December 31, 2005. Generally this was due to a significant reduction in the airport taxicab license fees, as a result of a change in how these fees were collected
- The unreserved fund balance at December 31, 2005, for the MTC was \$ 200,175.
- MTC had total assets in the amount of \$278,700, which consisted of cash and cash equivalents of \$218,459; net accounts receivables \$4,004 and fixed assets of \$53,149.

USING THIS ANNUAL REPORT

This annual report contains two parts: Financial Statements and Management's Discussion and Analysis. The Financial Statements include notes that explain in more detail some of the information in the Financial Statements.

This report consists of a series of Financial Reports, including: The Statement of Revenues and Expenses; Changes in Fund Equity; the Balance Sheet; and the Statement of Cash Flows. These reports have been prepared in accordance with government accounting standards.

REPORTING THE MTC AS A WHOLE

Our analysis of the MTC as a whole follows. These statements help to illustrate the status of MTC resulting from the years' activities. The statements

include all assets and liabilities using the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For MTC, available is defined as expected to be received within sixty days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The majority of the MTC's activities are financed from fees collected from taxicab operators.

The Balance Sheet. Condensed Balance Sheet

	FY 2005	FY 2004	Dollar Changes	Total % Change
Current Assets	\$225,551	\$252,067	\$(26,516)	(11.5) %
Non-current Assets	\$ 53,149	\$52,764	\$ 385	1.0 %
Total Assets	\$278,700	\$304,831	\$(26,131)	(10.5) %
Total Liabilities	\$ 25,376	\$ 11,381	\$13,995	223 %
Fund Equity	\$253,324	\$293,450	\$(40,126)	(13.6) %
Total Liabilities and Fund Equity	\$278,700	\$304,831	\$(26,131)	(9.4) %

For the fiscal year ended December 31, 2005, Total Assets and Total Liabilities and Fund Equity decreased 9.4%. Most assets of MTC are either in the form of cash and cash equivalents or fixed assets.

The Statement of Revenues, Expenses and Changes in Fund Balances Condensed Statement of Revenues, Expenses and Changes in Fund Balances

	FY 2005	FY 2004	Dollar Change	Total % Change
Operating Revenues	\$616,200	\$736,888	\$(120,688)	(16.3) %
Operating Expenses	\$656,326	\$547,771	\$108,555	19.5 %
Operating Revenues Over Expenses	\$(40,126)	\$189,117	\$(229,243)	(121) %
Net Change in				

METROPOLITAN TAXICAB COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2005

Fund Balance	\$ (40,126)	\$189,117	\$ (229,243)	(121) %
Beginning Fund Balance	\$293,450	\$104,333	\$189,117	181 %
Ending Fund Balance	\$253,324	\$293,450	\$ (40,126)	(14) %

MTC commenced operations in June 2003. The year ended December 31, 2005 was the second 12-month reporting period for MTC operations.

CAPITAL ASSETS

At the end of the year, MTC had \$ 66,275 invested in furniture, fixtures and equipment. The MTC does not own any land or buildings. More detailed information about capital assets is presented in Note C of the Financial Statements.

ECONOMIC FACTORS, BUDGETS AND RATES

The fiscal year ended December 31, 2005 was MTC's second full year of operations. Management completed an annual fee-generated budget during 2005 for the effective implementation and enforcement of the taxicab code. The Commission approved the annual budget after public hearings. The budget accounted for staffing requirements and related expenses, all revenue sources (including collection of fees previously paid and unspent by other enforcing jurisdictions), and future fees to be collected by the Commission. St. Louis County and City have the authority to appropriate additional budgetary funding for the commission's need (RSMo.67.1820).

The Commission has established a Vehicle for Hire Code to govern procedures for the granting, denying, suspending, or revoking of licenses. The Vehicle for Hire Code took effect June 7, 2003. The annual license fees for an Owner or Lessee of an Airport Taxicab, On-Call Taxicab, Courtesy Vehicle, or Premium Sedan for the year ended December 31, 2005 were as follows:

- The fee for an Airport Taxicab License is \$55.00 per year period.

- The fee for an On-Call Taxicab License is \$55.00 per year period.
- The fee for a Courtesy Vehicle License is \$240.00 per year period.
- The fee for a Premium Sedan License is \$240.00 per year period.
- The fee for any replacement license is \$25.00.
- A fee of \$5.00 per day, per license, will be assessed for failure to renew license by the prescribed dates.

In March 2005, a lawsuit filed in the St. Louis County Circuit Court disputing the airport taxicab license fee was successful.

CONTACTING THE MTC'S FINANCIAL DIRECTOR

The financial report is designed to provide St. Louis citizens, consumers and creditors with a general overview of the MTC's finances and to demonstrate the MTC accountability for the funding it receives. If you have any questions about this report or need additional financial information, contact:

Metropolitan Taxicab Commission
Director of the Metropolitan Taxicab Commission
100 N. Tucker Blvd., Suite 110
St. Louis, MO 63101

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Governmental Activities
ASSETS	
Cash and money markets	\$ 218,459
Accounts receivable	4,004
Other assets	3,088
Capital assets, net	53,149
Total assets	278,700
 LIABILITIES	
Accounts payable	3,898
Accrued liabilities	21,478
Total liabilities	25,376
 NET ASSETS	
Investment in capital assets	53,149
Unrestricted	200,175
Total net assets	253,324
Total liabilities and net assets	\$ 278,700

See independent auditor's report and notes to basic financial statements.

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Governmental Activities
PROGRAM REVENUES	
Airport access fees	189,618
Licensing fees	\$ 183,760
Vehicle permits	150,111
Inspection fees	40,525
Citations	24,687
All other fees	23,215
Interest income	2,618
Miscellaneous income	<u>1,666</u>
Total revenue	<u>616,200</u>
 PROGRAM EXPENSES	
Personnel and benefits	398,950
Legal and professional	120,920
Rent	33,386
Office expense	22,764
Insurance	19,179
Depreciation	13,255
Automobile expenses	11,832
Telephone	11,569
Drug testing	10,015
Travel	4,512
All other	<u>9,944</u>
Total expenses	<u>656,326</u>
 CHANGE IN NET ASSETS	 \$ <u><u>(40,126)</u></u>
 NET ASSETS - BEGINNING OF YEAR	 <u>293,450</u>
 NET ASSETS - END OF YEAR	 <u>\$ 253,324</u>

See independent auditor's report and notes to basic financial statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2005

	General Fund
ASSETS	
Cash and money markets	\$ 218,459
Accounts receivable	4,004
Other assets	3,088
Total assets	\$ 225,551
 LIABILITIES	
Accounts payable	\$ 3,898
Accrued liabilities	21,478
Total liabilities	25,376
 FUND BALANCE	
Unreserved	200,175
Total liabilities and fund balance	\$ 225,551
 Amounts reported for governmental activities in the statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds	53,149
Net Assets of Governmental Activities	\$ 253,324

See independent auditor's report and notes to basic financial statements.

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund
PROGRAM REVENUES	
Airport access fees	\$ 189,618
Licensing fees	183,760
Vehicle permits	150,111
Inspection fees	40,525
Citations	24,687
All other fees	23,215
Interest income	2,618
Miscellaneous income	1,666
Total revenue	616,200
 PROGRAM EXPENSES	
Personnel and benefits	398,950
Legal and professional	120,920
Rent	33,386
Office expense	22,764
Insurance	19,179
Capital outlays	13,641
Automobile expenses	11,832
Telephone	11,569
Drug testing	10,015
Travel	4,512
All other	9,944
Total expense	656,712
EXCESS OF EXPENSES OVER REVENUES	\$ (40,512)
FUND BALANCE - BEGINNING OF YEAR	227,074
FUND BALANCE - END OF YEAR	\$ 186,562

Amounts reported for governmental activities in the statement of Net Assets are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeds depreciation in the current period.

	386
Change in Net Assets Governmental Activities	\$ (40,126)

See independent auditor's report and notes to basic financial statements.

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Louis Metropolitan Taxicab Commission ("Commission") was established in 2002 by RSMo 67.1804 to ensure safe, reliable, high quality transportation to the citizens and visitors of the St. Louis area. The Commission consists of four individuals appointed by the chief executive of the City, four individuals appointed by the chief executive of the County, and a Chairperson appointed alternately by the chief executive of the City and County. The Commission is not a component unit of any other entity and thus, is presented as a stand-alone entity. The Commission is exempt from federal and state income taxes.

Reporting Entity

For financial reporting purposes, the Commission has included all funds and organizations. The Commission has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Commission has no component units or fiduciary funds.

Basic Financial Statements - Government-Wide/Fund financial Statements

The Commission's financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. However, the Commission has no business-type activities. The Commission is a single program entity and thus, has only one general fund to account for all activity.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The general fund is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectable within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Cash and money markets

Cash of the Commission is held in two non-interest bearing checking accounts and one interest bearing money market account and is uncollateralized. The balances are insured by Federal Deposit Insurance Coverage ("FDIC"). From time-to-time balances in these accounts may exceed FDIC coverage. At December 31, 2005 the Commission has balances in excess of FDIC insurance of \$6,433. The Commission has no deposit policy for custodial credit risk. The Commission has no investments at December 31, 2005.

Budgets

Although the Commission adopts a fiscal year budget, it is not legally required to do so. Therefore, no budgetary comparison schedules are presented.

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

Fee revenue is recognized in the month due . Amounts due but not collected are recorded as accounts receivable. All other revenue is recognized when received.

Accounts Receivable

The Commission considers all accounts receivable to be collectable. Thus, no allowances have been established.

Capital Assets

All Capital assets are recorded at historical cost in the statement of net assets. Repairs and maintenance are recorded as expense. At the time of retirement or sale, the cost of the asset and the related accumulated depreciation are removed from the statement of net assets. Depreciation is computed using the straight-line method over estimated useful lives of 5 years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE -2 CAPITAL ASSETS

Capital assets consist of the following:

	Balance 12/31/04	Additions	Retirements	Balance 12/31/05
Office furniture	\$ 10,223	\$ -	\$ -	\$ 10,223
Computers and attachments	26,652	13,641	-	40,293
Automobiles	29,400	-	-	29,400
	<u>66,275</u>	<u>13,641</u>	<u>-</u>	<u>79,916</u>
Less accumulated depreciation	13,512	13,255	-	26,767
Net book value	<u>\$ 52,763</u>	<u>\$ 386</u>	<u>\$ -</u>	<u>\$ 53,149</u>

Depreciation expense for the year ended December 31, 2005, was \$ 13,255.

NOTE -3 ACCRUED LIABILITIES

Accrued liabilities consist of the following:

Accrued payroll	\$ 9,592
Accrued vacation	11,886
	<u>\$ 21,478</u>

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE -4 LEASE COMMITMENTS

The Commission has entered into a leases for its office space and office equipment. Future minimum rental payments are as follows:

<u>Year ended</u>	<u>Amount</u>
2006	\$ 39,365
2007	41,402
2008	30,304
2009	<u>8,110</u>
Total	<u>\$ 119,181</u>

Rent expense under these leases for the year ended December 31, 2005 was \$41,496.

NOTE - 5 RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission has transferred these risks by purchasing insurance from a commercial enterprise.

NOTE - 6 RETIREMENT PLANS

The Commission has entered into an agreement with the Employee Retirement System of the City of St. Louis to provide the Commission's employees with a defined benefit retirement plan. The plan covers substantially all full-time employees. The expense for the year ended December 31, 2005 was \$37,533.

The Commission has a 457 plan called the Metropolitan Taxicab Commission 457 Savings Plan covering substantially all full-time employees. The Commission does not make matching contributions to the plan.

NOTE - 7 COMPENSATED ABSENCES

All permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Commission. Sick leave accrues to all full-time employees to specified maximums. Generally, after six months of service, employees are entitled to all accrued vacation upon termination. Compensated absences are reported as accrued in both the Government-Wide and Fund financial statements.