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Metropolitan Taxicab Commission Financial Statements and Independent Auditor's Report, 2006

Metropolitan Taxicab Commission

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SUSAN MONTEE, CPA
Missouri State Auditor

January 8, 2008

Kim Hinton, Office Assistant
Metropolitan Taxicab Commission
St. Louis County
100 North Tucker Boulevard, Suite 110
St. Louis, MO 63101

Fiscal Period: One Year Ended December 31, 2006 ✓

Dear Ms. Hinton:

In accordance with Section 105.145, RSMo, we acknowledge receipt of the financial report of your political subdivision for the above-described fiscal period.

Thank you for your cooperation in sending this information.

Sincerely,

SUSAN MONTEE, CPA
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky
Local Government Analyst



D. Michael Tully
Director

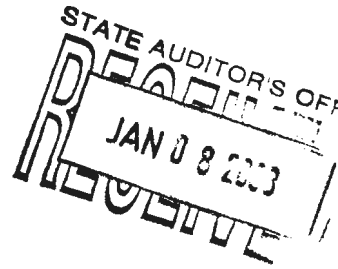
METROPOLITAN TAXICAB COMMISSION ST. LOUIS, MISSOURI

100 NORTH TUCKER BOULEVARD, SUITE 110 • ST. LOUIS, MISSOURI 63101
PHONE (314) 241-7600 • FAX (314) 241-7603 • www.stl-taxi.com



January 4, 2008

Susan Montee, CPA
State Auditor's Office
P.O.Box 869
Jefferson City, MO 65102



Via Certified Mail

Dear Ms. Montee:

Pursuant to Section 105.145, RSMo and 15 CSR 40-3.030, we are providing your office with our Financial Statements and Independent Auditor's Report for the year ending December 31, 2006.

If you should have any questions or need additional information, feel free to contact us.

Sincerely,

Kim Hinton
Office Assistant

Enclosure

(Political Subdivision Name)

15-096-0015

Kim Hinton

Metropolitan Taxicab Commission

100 North Tucker Blvd, Suite 110

St. Louis, MO 63101

(Address)

(Telephone Number)

(Email Address)

CERTIFICATION

I Kim L. Hinton, Custodian of Records of
(Name - please print) (Title)

Metropolitan Taxicab Commission of St. Louis City do attest, under oath, this
(Political subdivision) (County)

report is a true and accurate account of all financial transactions for the year ended 12/31/2006.
(month, day & year)

Signature *Kim Hinton*

Subscribed and sworn to before me this 4th day of January, 2007.



Patrick J. McCarthy
(Notary public signature)

(Notary seal)

My Commission Expires: _____

Financial Statement Summary

For the Year Ended _____

	Total All Funds	General Fund	Fund	Fund	Fund
Beginning Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Receipts	_____	_____	_____	_____	_____
Total Disbursements	_____	_____	_____	_____	_____
Ending Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

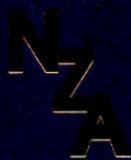
ST. LOUIS METROPOLITAN TAXICAB COMMISSION

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006



NICHOLS, ZIEMANN, AHMED & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
SAINT LOUIS, MISSOURI

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, 2006, 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, 2006 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 and 4 is not a required part of the basic financial statements but is 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.

Nichols, Ziemann, Ahmed & Co.
February 25, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

METROPOLITAN TAXICAB COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2006

INTRODUCTION

This section of the Metropolitan Taxicab Commission (MTC) report provides an overview of financial activities during the fiscal year that ended on December 31, 2006, and describes the components of the Report. It is designed to be read in conjunction with the financial statements following this Management Discussion and Analysis.

2006 FINANCIAL HIGHLIGHTS

- MTC began operations in June 2003, as such; fiscal year ended (FYE) December 31, 2006 marked the third full year of operations.
- MTC had an excess of revenues over expenditures in the amount of \$ 21,869. Improvement versus the prior year was chiefly due to a full year of revenue streams generated from airport taxicab user fees.
- At FYE, MTC had total assets in the amount of \$302,952, which consisted of cash and cash equivalents of \$237,898; accounts receivables of \$14,288; and net assets of \$50,766.
- The unrestricted Fund Balance ended at \$228,894.

USING THIS REPORT

This Report contains two parts: Management's Discussion and Analysis followed by audited Financial Statements. The Financial Statements include notes that explain in greater detail some of the information presented in the Financial Statements.

MTC's Financial Statements consist of two components explained below:

- **Government-Wide Financial Statements**
- **Governmental Fund Financial Statements**

Government-Wide Financial Statements.

Government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business format. Government-wide financial statements are prepared using the full accrual basis of accounting. This means all revenue and expenditures are reflected in the financial statements even if the related cash has not been received or paid as of December 31, 2006. Additionally, capital assets are recognized along with related depreciation expenses. Two financial statements are presented in this format; Statement of Net Assets and Statement of Activities.

Governmental Fund Financial Statements

Governmental fund financial analysis is essentially the same as the Government-wide analysis with differences between the methods reconciled within the body of the statements. Financial statements found in the Governmental Fund component of the Report are prepared using a modified accrual basis of accounting. Additionally, there is a different treatment of capital assets versus the government-wide presentation.

Under modified accrual basis accounting, deferred revenues or expenditures not due in the current period are not reported. The modified accrual basis of accounting allows the reader to focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financial requirements, particularly when a large discrepancy between deferred revenues or expenditures exists.

As to capital asset accounting, Governmental Fund financial statements report capital outlays as one-time expenditures, while a governmental-wide report instead recognizes depreciation expense, thus allocating capital expenditures over the life of the assets. For 2006 the reconciliation between the two accounting methods is represented by depreciation expense exceeding capital outlays in the amount of \$6,850.

METROPOLITAN TAXICAB COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2006

The Governmental Fund Financial Statements contain a series of financial reports including: Balance Sheet Governmental Fund and Statement of Revenues, Expenditures and Changes in Fund Balance. This series of reports has been prepared in accordance with government accounting standards.

Because the focus of governmental funds statement is more limited than government-wide financial statements, it is useful to compare the information presented in both formats. Between the two components, the governmental activities of the Commission are well represented.

REPORTING THE MTC ON THE WHOLE [Comments based on Condensed Government-Wide Financial Statements]

THE BALANCE SHEET

Condensed Statement of Net Assets

	FY 2006	FY 2005	Dollar Changes	Total % Change
Current Assets	\$256,653	\$225,551	\$31,102	14%
Net Capital Assets	\$ 46,299	\$ 53,149	\$(6,850)	(13%)
Net Assets	\$302,952	\$278,700	\$24,252	8%
Total Liabilities	\$ 27,759	\$ 25,376	\$ 2,383	9%
Total Net Assets	\$275,193	\$253,324	\$21,869	9%
Total Net Assets and Liabilities	\$302,952	\$278,700	\$24,252	8%

A general fund is the singular operating fund for the Commission. It is an element of the Total Net Asset balance. At the end of the fiscal year, the unreserved fund balance was \$228,894, an increase of 14% from the prior year.

Most assets of MTC are either in the form of cash and cash equivalents or fixed assets. A detailed explanation of assets and liabilities is found in the Notes to the Financial Statements. Total Net Assets and Total Liabilities and Fund Equity increased by 8% and 9% respectively.

CAPITAL ASSETS

At the end of the year, MTC had an original cost of \$91,518 invested in furniture, fixtures, and equipment. Accumulated Depreciation for the assets totaled \$45,219. MTC does not own any land or buildings. Detailed information concerning capital assets is presented in Notes to Financial Statements.

STATEMENT OF ACTIVITIES

Condensed Statement of Activities

	FY 2006	FY 2005	Dollar Change	Total % Change
Program Revenues	\$731,752	\$616,200	\$115,552	19%
Program Expenses	\$703,033	\$656,326	\$ 46,707	7%
Excess Revenues Over Expenses	\$ 28,719	\$(40,126)	\$68,845	172%
Change in Net Assets	\$ 21,869	\$(40,126)	\$61,995	154%
Net Assets at Beginning of Year	\$253,324	\$293,450	\$ (40,126)	(14%)
Net Assets at End of Year	\$275,193	\$253,324	\$ 21,869	9%

The majority of MTC's activities are financed by fees collected from taxicab operators. Operating Revenues increased due to substitution of lost 2005 airport taxicab license fees by a commensurate increase in airport taxicab departure fees beginning in spring 2005. FYE 2006 marked the first full year of receipts under the new structure.

Operating Expenses increased by 7%, primarily due to extraordinary legal fee expenditures. The Ending Fund Balance for 2006 and 2005 includes Net Assets used in MTC operations of \$46,299 and \$53,149 respectively.

MTC experienced revenues in excess of expenditures of \$28,719 and began FYE 2006 with an unreserved Fund Balance of \$200,175. Accordingly, the unreserved portion of the Fund Balance was \$228,894 on December 31, 2006.

METROPOLITAN TAXICAB COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2006

ECONOMIC FACTORS, BUDGETS, AND RATES

MTC Management completed an annual fee-generated revenue and expenditure budget during 2006 for the effective implementation and enforcement of the Vehicle for Hire Code during FYE 2007. The Commission approved the annual budget after public hearings. The budget accounted for all revenue sources, staffing requirements with related expenses, and prospective fees to be collected by the Commission, incorporating anticipated economic factors. St. Louis City and St. Louis County have the authority to appropriate additional budgetary funding for the Commission (RSMo.67.1820). MTC has not received, and does not anticipate requesting additional appropriations for 2007.

The Commission established a Vehicle for Hire Code effective June 7, 2003 to govern procedures for the grant, denial, suspension, or revocation of licenses. The Vehicle for Hire Code, as amended, and all fee schedules can be viewed at <http://www.stl-taxi.com>. Alternatively, copies can be obtained in-person, or requested by mail.

CONTACTING MTC'S DIRECTOR

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



**Metropolitan
Taxicab
Commission**

**100 N. Tucker Blvd., Suite 110
St. Louis, MO 63101
(314) 241-7600**

**OTHER INFORMATION AVAILABLE at:
<http://www.stl-taxi.com>**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	Governmental Activities
ASSETS	
Cash and money markets	\$ 237,898
Accounts receivable	14,288
Prepaid insurance	4,467
Capital assets, net	46,299
Total assets	302,952
 LIABILITIES	
Accounts payable	985
Accrued liabilities	26,774
Total liabilities	27,759
 NET ASSETS	
Investment in capital assets	46,299
Unrestricted	228,894
Total net assets	275,193
Total liabilities and net assets	\$ 302,952

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, 2006

	<u>Governmental Activities</u>
PROGRAM REVENUES	
Airport access fees	321,365
Licensing fees	\$ 186,613
Vehicle permits	161,042
Inspection fees	38,675
Citations	2,385
All other fees	17,458
Interest income	3,357
Miscellaneous income	857
Total revenue	<u>731,752</u>
PROGRAM EXPENSES	
Personnel and benefits	381,988
Legal and professional	185,171
Rent	31,510
Automobile expenses	22,336
Depreciation	18,453
Insurance	10,497
Office supplies	9,589
Telephone	8,528
Equipment rental	8,235
Travel	5,842
Public relations	5,633
Printing	4,649
Association dues	3,035
Postage & delivery	2,382
All other	12,035
Total expenses	<u>709,883</u>
CHANGE IN NET ASSETS	<u>\$ 21,869</u>
NET ASSETS - BEGINNING OF YEAR	<u>253,324</u>
NET ASSETS - END OF YEAR	<u>\$ 275,193</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, 2006

	<u>General Fund</u>
ASSETS	
Cash and money markets	\$ 237,898
Accounts receivable	14,288
Prepaid insurance	<u>4,467</u>
Total assets	<u>\$ 256,653</u>
LIABILITIES	
Accounts payable	\$ 985
Accrued liabilities	<u>26,774</u>
Total liabilities	<u>27,759</u>
FUND BALANCE	
Unreserved	<u>228,894</u>
Total liabilities and fund balance	<u>\$ 256,653</u>
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	<u>46,299</u>
Net Assets of Governmental Activities	<u>\$ 275,193</u>

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, 2006

	General Fund
PROGRAM REVENUES	
Airport access fees	\$ 321,365
Licensing fees	186,613
Vehicle permits	161,042
Inspection fees	38,675
Citations	2,385
All other fees	17,458
Interest income	3,357
Miscellaneous income	857
Total revenue	731,752
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Legal and professional	185,171
Rent	31,510
Automobile expenses	22,336
Insurance	10,497
Capital outlays	11,603
Office supplies	9,589
Telephone	8,528
Equipment rental	8,235
Travel	5,842
Public relations	5,633
Printing	4,649
Association dues	3,035
Postage & delivery	2,382
All other	12,035
Total expense	703,033
EXCESS OF REVENUE OVER EXPENSES	\$ 28,719
FUND BALANCE - BEGINNING OF YEAR	200,175
FUND BALANCE - END OF YEAR	\$ 228,894

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 depreciation exceeds capital outlays in the current period.

(6,850)

Change in Net Assets Governmental Activities

\$ 21,869

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, 2006

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, 2006 the Commission has no balances in excess of FDIC insurance. The Commission has no deposit policy for custodial credit risk. The Commission has no investments at December 31, 2006.

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, 2006

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 as follows; automobiles-5 years, computers-5 years, furniture-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 12/31/05	Additions	Retirements	Balance 12/31/06
Office furniture	\$ 10,223	\$ 3,016	\$ -	\$ 13,239
Computers and attachments	40,293	8,587	-	48,880
Automobiles	29,400	-	-	29,400
	<u>79,916</u>	<u>11,603</u>	<u>-</u>	<u>91,519</u>
Less accumulated depreciation	26,767	18,453	-	45,220
Net book value	<u>\$ 53,149</u>	<u>\$ (6,850)</u>	<u>\$ -</u>	<u>\$ 46,299</u>

Depreciation expense for the year ended December 31, 2006, was \$ 18,453.

NOTE -3 ACCRUED LIABILITIES

Accrued liabilities consist of the following:

Accrued payroll	\$ 10,551
Accrued vacation	<u>16,223</u>
	<u>\$ 26,774</u>

ST. LOUIS METROPOLITAN TAXICAB COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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>
2007	41,402
2008	30,304
2009	<u>8,110</u>
Total	<u>\$ 79,816</u>

Rent expense under these leases for the year ended December 31, 2006 was \$39,744.

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, 2006 was \$35,815.

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.