

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  
*John Anderson Howe*  
Secretary of State

#33178

O.D

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

September 30, 1980

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

COMMISSIONERS

|   |              |
|---|--------------|
| Bernard Gratzek<br>City of Sauk Rapids<br>Three-year term expires July 1, 1981    | Chairman     |
| Alcuin J. Ringsmuth<br>City of Waite Park<br>Three-year term expires July 1, 1983 | Secretary    |
| Sybil M. Hollern<br>City of St. Cloud<br>Three-year term expires July 1, 1982     | Treasurer    |
| Robert J. Huston<br>City of St. Cloud<br>Three-year term expires July 1, 1981     | Commissioner |

ADMINISTRATION

|                |                    |
|----------------|--------------------|
| David W. Tripp | Executive Director |
|----------------|--------------------|

OPERATOR-TRANSIT SYSTEMS, INC.

|                              |   |
|------------------------------|---|
| Melvin Voigt<br>Darwin Voigt | President<br>Vice-President,<br>Secretary, and<br>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)

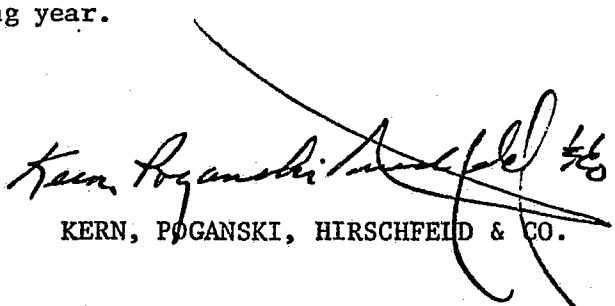
American Institute C.P.A.'s  
Minnesota Society C.P.A.'s  
Tel. (612) 251-7010

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

|  | September 30      |                   |
|--|-------------------|-------------------|
|  | 1980              | 1979              |
| ASSETS   |                   |                   |
| 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.....                        | <u>510,241</u>    | <u>444,209</u>    |
| TANGIBLE TRANSIT OPERATING PROPERTY:             |                   |                   |
| Buses.....                                       | 427,128           | 427,128           |
| Less: Accumulated Depreciation.....              | 303,539           | 275,225           |
| Total Tangible Transit Operating Property.....   | <u>123,589</u>    | <u>151,903</u>    |
| OTHER ASSETS:                                    |                   |                   |
| State Grants Receivable - Prior Years.....       | -                 | 18,560            |
| TOTAL ASSETS.....                                | <u>\$ 633,830</u> | <u>\$ 614,672</u> |
| LIABILITIES AND CAPITAL                          |                   |                   |
| CURRENT LIABILITIES:                             |                   |                   |
| Accounts Payable.....                            | \$ 45,648         | \$ 44,889         |
| Excess State Reimbursements.....                 | 27,095            | 27,095            |
| Total Current Liabilities.....                   | <u>72,743</u>     | <u>71,984</u>     |
| CAPITAL:   |                   |                   |
| Grants, Donations and Other Paid-In Capital..... | 263,030           | 263,030           |
| Accumulated Earnings.....                        | 298,057           | 279,658           |
| Total Capital.....                               | <u>561,087</u>    | <u>542,688</u>    |
| TOTAL LIABILITIES AND CAPITAL.....               | <u>\$ 633,830</u> | <u>\$ 614,672</u> |

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

ST. CLOUD METROPOLITAN TRANSIT COMMISSION

STATEMENTS OF REVENUE AND EXPENSES

|   | <u>Year Ended September 30</u> |                    |
|---|--------------------------------|--------------------|
|   | <u>1980</u>                    | <u>1979</u>        |
| <b>REVENUE:</b>                                   |                                |                    |
| 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>     |
| <b>EXPENSES:</b>                                  |                                |                    |
| 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<br>and Other Paid-<br>In Capital | Accumulated<br>Earnings | Total             |
|--|--|-------------------------|-------------------|
| BALANCE - September 30, 1978.....  | \$ 218,952   | \$ 256,905              | \$ 475,857        |
| Federal Capital Grant Received<br>for Purchase of Buses.....                     | 44,078   | -                       | 44,078            |
| Excess of Expenses Over Revenue<br>for the Year Ended September 30,<br>1979..... | -  | (35,572)                | (35,572)          |
| BALANCE - September 30, 1979.....  | 263,030  | 221,333                 | 484,363           |
| Adjustment to Record Prior<br>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<br>for the Year Ended September 30,<br>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

| SOURCE OF WORKING CAPITAL:  | Year Ended September 30 |            |
|---|-------------------------|------------|
|   | 1980                    | 1979       |
| From Operations:  |                         |            |
| Excess of Revenue Over Expenses.....  | \$ 18,399               | \$ -       |
| Depreciation and Other Items Not Requiring the<br>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     |
| <br>APPLICATION OF WORKING CAPITAL:   |                         |            |
| From Operations:  |                         |            |
| Excess of Expenses Over Revenue.....  | -                       | 35,572     |
| Depreciation and Other Items Not Requiring the<br>Current Use of Working Capital..... | -                       | (25,471)   |
| Total From Operations.....  | -                       | 10,101     |
| Acquisition of Buses.....   | -                       | 61,656     |
| Total Application of Working Capital.....   | -                       | 71,757     |
| <br>INCREASE IN WORKING CAPITAL.....  | \$ 65,273               | \$ 10,730  |
| <br>CHANGES IN COMPONENTS OF WORKING CAPITAL -<br>INCREASE (DECREASE):                |                         |            |
| <br>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)   |
| <br>CURRENT LIABILITIES:  |                         |            |
| Accounts Payable.....   | 759                     | (14,726)   |
| Deferred Grant.....   | -                       | (44,078)   |
| Excess State Reimbursements.....  | -                       | 27,095     |
| Increase (Decrease) in Current Liabilities.....                                       | 759                     | (31,709)   |
| <br>INCREASE IN WORKING CAPITAL.....  | 65,273                  | 10,730     |
| <br>WORKING CAPITAL AT BEGINNING OF YEAR.....   | 372,225                 | 361,495    |
| <br>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:

|  | <u>9-30-80</u>    | <u>9-30-79</u>    |
|--|-------------------|-------------------|
| Current Taxes Receivable -             |                   |                   |
| Stearns County.....                    | \$ 117,725        | \$ 75,974         |
| Benton County.....                     | 29,902            | 18,051            |
| Sherburne County.....                  | <u>7,971</u>      | <u>5,389</u>      |
| 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.....                  | <u>35</u>         | <u>-</u>          |
| Total Delinquent Taxes Receivable..... | <u>7,567</u>      | <u>7,681</u>      |
| Total Taxes Receivable.....            | <u>\$ 163,165</u> | <u>\$ 107,095</u> |

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

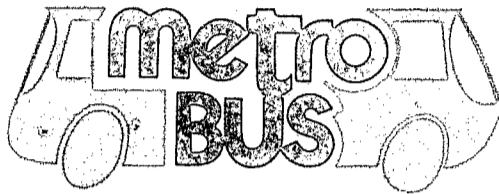
The St. Cloud Metropolitan Transit Commission had received from the Urban Mass Transportation Administration \$ 44,078 to be used for the purchase of buses. Because the Commission received the cash prior to September 30, 1978, but had yet to receive the buses at that time, this amount was shown as a 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