

**MONTEREY COUNTY REGIONAL TAXI AUTHORITY**

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**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2012 AND JUNE 30, 2011**

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# MONTEREY COUNTY REGIONAL TAXI AUTHORITY

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***FINANCIAL SECTION***

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**INDEPENDENT AUDITOR'S REPORT**

Governing Board  
Monterey County Regional Taxi Authority  
Monterey, California

We have audited the accompanying statement of net assets of the Monterey County Regional Taxi Authority (the Authority) as of June 30, 2012 and June 30, 2011, respectively, and the related statement of revenues, expenses and changes in net assets, and statement of cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Monterey County Regional Taxi Authority as of June 30, 2012 and June 30, 2011, respectively, and the respective changes in its financial position and its cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Vavrinek, Trine, Day & Co. LLP*

Palo Alto, California  
April 15, 2013

# **MONTEREY COUNTY REGIONAL TAXI AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012 AND JUNE 30, 2011**

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The following narrative provides an overview and analysis of the financial activities of the Monterey County Regional Taxi Authority (the Authority) for the years ended in June 30, 2012 and June 30, 2011, respectively. It is provided in order to enhance the information in the financial audit and should be reviewed with the audit report.

### ***Agency Profile***

The Authority was formed on August 9, 2010 as a Joint Powers Authority (JPA). The members of the JPA are currently the City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Monterey, City of Pacific Grove, City of Salinas, City of Sand City, City of Seaside, Monterey Peninsula Airport District and County of Monterey. The Authority was formed to provide services of providing taxi permits. Monterey-Salinas Transit (MST) provides administrative, licensing and inspection services to the Authority. The Authority is governed by a nine-person board comprised of one elected official from each member jurisdiction. MST contracts with the City of Monterey Police Department to provide services related to taxi driver permitting and taxi vehicle inspections.

### ***Financial Highlights***

The assets of the Authority consist of cash in banks which increased by \$52,908 from 2011 to 2012. The Authority had no cash at the end of 2011. RTA startup costs totaling \$15,000 were provided by the original 8 member agencies upon its inception. An additional \$1,875 was provided by the County of Monterey when it joined the RTA in February of 2011. Monterey Salinas Transit (MST) provides administrative services for the Authority. During the course of the 2012 and 2011, MST paid for the operating expenses of the Authority in the amount of \$179,335 and \$77,715, respectively. The balance of the Due-To-MST increased to \$180,335 and \$77,715 for fiscal years ended June 30, 2012 and 2011, respectively.

### ***Economic Factors and the Next Years Budget***

It is expected that the Authority will be a self sustaining agency in which revenues will meet or exceed the expenses in the subsequent years. In 2012 and 2011, the Authority paid legal and other administrative costs that are not expected to recur in the subsequent years and in addition, the permit fees are expected to increase incrementally to recover the costs of the Authority.

### ***Contacting the Monterey County Regional Taxi Authority Financial Management***

This financial report is designed to provide JPA's customers, stakeholders and other interested parties with an overview of JPA's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Assistant General Manager for Finance and Administration at One Ryan Ranch Road, Monterey, California 93940-5795.

**MONTEREY COUNTY REGIONAL TAXI AUTHORITY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2012 AND JUNE 30, 2011**

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	<u>2012</u>	<u>2011</u>
ASSETS		
Cash in banks	\$ 52,908	\$ -
Total Assets	<u>52,908</u>	<u>-</u>
LIABILITIES		
Due to Monterey-Salinas Transit	<u>180,335</u>	<u>77,715</u>
NET ASSETS - UNRESTRICTED	<u>\$ (127,427)</u>	<u>\$ (77,715)</u>

**MONTEREY COUNTY REGIONAL TAXI AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011**

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	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Taxi permit revenue	\$ 52,913	\$ 3,170
OPERATING EXPENSES		
Salaries and benefits	21,478	12,192
Contracted services	76,050	74,768
General expenses	4,093	10,800
Other	1,005	-
Total Operating Expenses	<u>102,626</u>	<u>97,760</u>
OPERATING LOSS	(49,713)	(94,590)
NON-OPERATING REVENUES		
Member contributions	-	16,875
Total Non-Operating Revenues	<u>-</u>	<u>16,875</u>
INCREASE/(DECREASE) IN NET ASSETS	(49,713)	(77,715)
NET ASSETS, BEGINNING OF YEAR	(77,715)	-
NET ASSETS, END OF YEAR	<u>\$ (127,427)</u>	<u>\$ (77,715)</u>

**MONTEREY COUNTY REGIONAL TAXI AUTHORITY**

**STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011**

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	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Taxi Permits	\$ 52,908	\$ 3,170
Cash paid to suppliers for goods and services	-	(20,045)
Net Cash Provided by Operating Activities	<u>52,908</u>	<u>(16,875)</u>
CASH FLOWS FROM NON-OPERATING ACTIVITIES		
Member contributions	-	16,875
Net Cash Provided by Non-Operating Activities	<u>-</u>	<u>16,875</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 52,908</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (49,712)	\$ (77,715)
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Increase in due to Monterey-Salinas Transit	<u>102,620</u>	<u>77,715</u>
NET CASH PROVIDED BY OPERATING AND NON-OPERATING ACTIVITIES	<u>\$ 52,908</u>	<u>\$ -</u>



# MONTEREY COUNTY REGIONAL TAXI AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Monterey Regional Taxi Authority (“the Authority”) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The following is a summary of the more significant accounting policies:

#### Description of the Organization

The Authority was formed on August 9, 2010 as a Joint Powers Authority (JPA). The members of the JPA are currently the City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Monterey, City of Pacific Grove, City of Salinas, City of Sand City, City of Seaside, Monterey Peninsula Airport District and County of Monterey. The Authority was formed to provide services of providing taxi permits. Monterey-Salinas Transit (MST) provides administrative, licensing and inspection services to the Authority. The Authority is governed by a nine-person board comprised of one elected official from each member jurisdiction. MST contracts with the City of Monterey Police Department to provide services related to taxi driver permitting and taxi vehicle inspections.

#### Fund Accounting and Basis of Accounting

The accounts of the Authority are organized on the basis of fund accounting. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues and expenses. The Authority utilizes a proprietary-type fund to account for its activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. The Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

# **MONTEREY COUNTY REGIONAL TAXI AUTHORITY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011**

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### **NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash equivalents consisted of cash in banks in the amount of \$52,908 and \$0 for the fiscal years ended June 30, 2012 and June 30, 2011, respectively.

### **NOTE 3 – DUE TO MST**

The expenses of the Authority are paid for by MST. During the fiscal years ended June 30, 2012 and 2011, respectively, MST made payments of all the expenses on behalf of the Authority in the amount of \$102,626 and \$77,715. The Due To MST balances were \$180,335 and \$77,715 for the fiscal years ended June 30, 2012 and June 30, 2011, respectively.

### **NOTE 4 – NET ASSETS**

The deficit in net assets represents equity of the members of the JPA. Generally, there is no accounting for individual member's equity on the books of the Authority. As of June 30, 2012 and June 30, 2011, respectively, the Authority had deficit net assets in the amount of \$127,427 and \$77,715.