

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025



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**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Philadelphia Parking Authority -
Taxi and Limousine Division
Commonwealth of Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Philadelphia Parking Authority Taxi and Limousine Division (the Division) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Division's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Division, as of June 30, 2025, and the changes in financial position for the year then ended, in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Taxi and Limousine Regulations described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Division, as of June 30, 2025, or changes in net position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2, the financial statements are prepared by the Division, on the basis of the financial reporting provisions of the Commonwealth of Pennsylvania Taxi and Limousine Regulations, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Commonwealth of Pennsylvania Taxi and Limousine Regulations. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Tax and Limousine Regulations. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

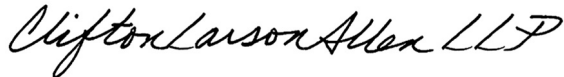
Board of Directors
Philadelphia Parking Authority -
Taxi and Limousine Division

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026, on our consideration of the Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Division's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Philadelphia, Pennsylvania
March 19, 2026

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
STATEMENT OF NET POSITION
JUNE 30, 2025**

CURRENT ASSETS

Cash and Cash Equivalents	\$ 357,933
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PROPERTY AND EQUIPMENT

Improvements, Equipment and Furniture	1,867,537
Less: Accumulated Depreciation	<u>(1,381,265)</u>
Total Property and Equipment	<u>486,272</u>

Total Assets	844,205
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CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	292,464
Due to Philadelphia Parking Authority - Operating Fund	<u>1,844,517</u>
Total Current Liabilities	<u>2,136,981</u>

NET POSITION

Net Investment in Capital Assets	486,272
Unrestricted	<u>(1,779,048)</u>

Total Net Position	<u><u>\$ (1,292,776)</u></u>
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See accompanying Notes to Financial Statements.

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES	\$ 2,265,290
OPERATING EXPENSES	
Direct Operating Expenses	1,776,695
Administrative Expenses	451,440
Depreciation Expense	24,552
Total Operating Expenses	2,252,687
OPERATING INCOME	12,603
NONOPERATING REVENUES	
Investment Income	20,240
CHANGES IN NET POSITION	32,843
Net Position - Beginning of Year	(1,325,619)
NET POSITION - END OF YEAR	\$ (1,292,776)

See accompanying Notes to Financial Statements.

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 ORGANIZATION AND HISTORY

General

The Philadelphia Parking Authority (the Authority) has regulated all of the services related to the Taxicab and Limousine Division (the Division) in Philadelphia since April 10, 2005, pursuant to the Pennsylvania General Assembly Act 94 of 2004. On that date, regulatory oversight of those taxicab and limousine service providers was transferred to the Authority from the Pennsylvania Public Utility Commission. The Authority's Taxicab and Limousine Regulations are part of the Pennsylvania Code and may be found in Title 52, Part II. Act 64 of 2013 requires that the Authority's taxicab and limousine budget be authorized in the manner of most other state agencies and be a part of the Commonwealth's overall budget.

In 2012, the General Assembly amended the Authority's regulatory enabling statute and authorized the Authority to increase the ceiling on the number of medallion taxicabs permitted to operate in Philadelphia from 1,600 to 1,615. On June 1, 2013, and each June 1 thereafter, that ceiling will be increased by 15 until the aggregate number on authorized medallion taxicabs reaches 1,750. These additional medallions are issued only upon a successful bid through sales held by the Authority.

In 2016, the General Assembly passed Act 164, which permanently amended the basis of billing taxicab assessments. Additionally, Act 164 provided for temporary standards for the regulation of taxicabs and limousines pending the future promulgation of permanent regulations.

In Philadelphia as of June 30, 2025, the Authority regulated 1,672 Medallion Taxicabs (approximately 586 actively providing service), 4 Dispatch Companies, 5 Partial Rights Taxicab companies, 73 limousine and airport transfer companies (approximately 167 vehicles), approximately 1,386 taxicab drivers and 507 limousine drivers.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The Division prepares the financial statements in accordance with financial reporting provisions of the Commonwealth of Pennsylvania Taxicab and Limousine Regulations. The financial statements do not include the net pension, other post-employment benefit liabilities and GASB 87 right-to-use asset and liability, as these categories are not included in the contracted expenses.

The financial statements include only the assets, liabilities, net position, revenues and expenses pertaining to the Division, and are not intended to be a complete presentation of financial position or results of operations of the Authority as contemplated by accounting principles generally accepted in the United States of America.

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with the basis of accounting described in Note 2 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Authority considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property, Equipment, and Depreciation

Property and equipment are stated at cost, which includes interest and other expenses capitalized during the period of construction. Depreciation is computed using the straight line method over the estimated useful lives of the assets ranging from five to ten years.

Due to Philadelphia Parking Authority – Operating Fund

The Due to Philadelphia Parking Authority – Operating Fund represents the net interfund activities to support the various operations and divisions of the Authority. Interfund balances are a result of the normal timing differences between the disbursement of funds, the reimbursement of those funds and the changes for the financial reporting provisions of the Commonwealth of Pennsylvania Taxicab and Limousine Regulations.

Net Position

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Operating Revenues

Operating revenues of the Division consist of revenue generated from the transfer of Medallions, which are recognized at the time of the settlement of the transfer. Additional revenue sources include assessment fees, which are recognized when charged semiannually, and various vehicular and driver charges and fees that relate to the regulation and enforcement of the taxicabs and limousines, which are recognized when the regulation and enforcement activity occurs.

Administrative Expenses

Pursuant to an agreement between the Authority and the City of Philadelphia, administrative expenses are allocated among the various facilities and programs based primarily upon the direct operating expenses of the Division. Management believes this is a reasonable measure of the administrative effort required.

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH AND CASH EQUIVALENTS

At June 30, 2025, the carrying amount of cash and cash equivalents was \$357,933 compared to bank balances of \$364,235. The differences were caused primarily by items in transit and cash on hand balances.

Custodial credit risk is the risk that in the event of a bank failure, the Division's deposits may not be returned to it. The Division's policy is to place deposits only in Federal Deposit Insurance Corporation (FDIC) insured institutions. Deposits are comprised of demand deposits with a financial institution. Deposits in excess of the FDIC limit are collateralized pursuant to the *Commonwealth of Pennsylvania Act 72 of 1971 (Act 72)*, as amended, which allows banking institutions to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments.

At June 30, 2025, \$364,235 of the Division's bank balances was insured by the FDIC.

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital Assets, Not Being Depreciated:				
Construction-in-Progress	\$ -	\$ 407,879	\$ -	\$ 407,879
Total Capital Assets, Not Being Depreciated	-	407,879	-	407,879
Capital Assets, Being Depreciated and Amortized:				
Leasehold Improvements	1,082,998	-	-	1,082,998
Equipment, Furniture and Fixtures	5,810	-	-	5,810
Vehicles	336,550	34,300	-	370,850
Total Capital Assets, Being Depreciated	1,425,358	34,300	-	1,459,658
Less: Accumulated Depreciation and Amortization:	1,356,713	24,552	-	1,381,265
Total Capital Assets, Net	<u>\$ 68,645</u>	<u>\$ 417,627</u>	<u>\$ -</u>	<u>\$ 486,272</u>

Depreciation expense for the year ended June 30, 2025 was \$24,552.

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LEASE COMMITMENTS

There is a lease agreement with 2415 Swanson Associates, LLC for facilities used for the main operations of the Division with an initial term through December 2021. On June 14, 2021, an amendment to the lease agreement was authorized which extended the term of the lease through December 31, 2031. The amounts due under this lease commitment are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 92,902
2027	94,063
2028	96,415
2029	98,826
2030	101,297
2031-2032	156,383
Total	<u><u>\$ 639,886</u></u>

Related lease expense totaled \$76,507 during the year.

NOTE 6 OTHER POST-EMPLOYMENT BENEFITS (OTHER THAN PENSIONS)

Plan Description

The Authority self-administers its single-employer, other post-employment benefit program (OPEB plan). After ten years of service with the Authority, eligible employees become entitled to five years of Authority-provided post-employment health and welfare benefits. Eligible employees include those employees who are either (a) regular, full-time, nonrepresented employees, or (b) employees represented by District Council 21, District Council 33, or District Council 47. Further, at time of retirement, employees are permitted to purchase additional benefits with accumulated sick leave. The Authority does not issue stand-alone financial statements for the OPEB plan.

Effective January 1, 2014, the Philadelphia Parking Authority will reimburse eligible retirees for their portion of Medicare Part B Premiums on a quarterly basis. Eligible retirees include those who are covered by the extension of health care benefits.

The employees of the Philadelphia Parking Authority Taxi and Limousine Division are part of a larger group of employees included in this Plan. Please see the Philadelphia Parking Authority's entity wide financial statements for additional information related to the OPEB plan.

**PHILADELPHIA PARKING AUTHORITY -
TAXI AND LIMOUSINE DIVISION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 PENSION PLAN

Plan Description

The City of Philadelphia Municipal Pension (the Plan) is a cost-sharing multiemployer defined benefit pension plan, administered by the Philadelphia Board of Pensions, which provides pensions for all officers and employees of the City of Philadelphia (the City), as well as those of three quasi-governmental agencies (per applicable enabling legislation and contractual agreements) that are considered component units of the City, including the Authority. Employer contributions to the Plan are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The employees of the Philadelphia Parking Authority Taxi and Limousine Division are part of a larger group of employees included in this Plan. Please see the Philadelphia Parking Authority's entity wide financial statements for additional information related to the Pension Plan.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Philadelphia Parking Authority -
Taxi and Limousine Division
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Philadelphia Parking Authority Taxi and Limousine Division (the Division), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Division's basic financial statements, and have issued our report thereon dated March 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Division's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, we do not express an opinion on the effectiveness of the Division's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

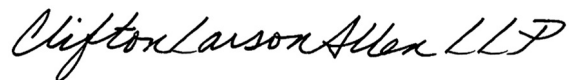
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Division’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
March 19, 2026



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