

**Ann Arbor Transportation Authority
Report of Operations - Unaudited
For the Six Months Ended March 31, 2014**

	3/31/2014				Comparison to Prior Year		
	Year to Date	Year to Date	Favorable (Unfavorable)	Percent	3/31/2013 Year to Date	Favorable (Unfavorable)	Percent
	Budget	Actual	Variance		Actual	Variance	
Revenues:							
Passenger Revenue	\$1,118,058	\$1,068,391	(\$49,667)	-4.4% 1	\$1,181,619	(\$113,228)	-9.6%
Subcontracted Passenger Revenue	705,150	812,931	107,781	15.3% 2	715,424	97,507	13.6%
Special Fares (EMU,UofM,go!Pass)	1,225,047	1,189,053	(35,994)	-2.9%	1,287,562	(98,509)	-7.7%
Interest, Advertising and Other	171,748	147,705	(24,043)	-14.0% 3	221,192	(73,487)	-33.2%
Local Property Tax Revenue	4,919,496	4,919,496	0	0.0%	4,633,998	285,498	6.2%
Purchase of Service Agreements	725,815	664,052	(61,763)	-8.5% 4	837,010	(172,958)	-20.7%
State Operating Assistance	4,721,683	4,728,081	6,398	0.1% 5	3,994,543	733,538	18.4%
Federal Operating Assistance	2,657,448	2,675,618	18,170	0.7%	1,980,884	694,734	35.1%
Total Revenues	16,244,445	16,205,327	(39,118)	-0.2%	14,852,232	1,353,095	9.1%
Expenses:							
Wages							
Operator Wages	3,465,534	3,435,346	30,188	0.9%	3,294,393	(140,953)	-4.3%
Other Wages	2,900,415	2,842,177	58,238	2.0% 6	2,702,388	(139,789)	-5.2%
Total Wages	6,365,949	6,277,523	88,426	1.4%	5,996,781	(280,742)	-4.7%
Fringe Benefits:							
Payroll Taxes	486,551	456,193	30,358	6.2%	441,938	(14,255)	-3.2%
Pension	451,209	438,501	12,708	2.8%	405,225	(33,276)	-8.2%
Medical Insurance	1,245,780	1,213,831	31,949	2.6%	1,086,123	(127,708)	-11.8%
Post-Retirement Benefits & HCSP	196,165	184,092	12,073	6.2%	194,466	10,374	5.3%
Other Fringe Benefits	469,025	443,922	25,103	5.4%	413,852	(30,070)	-7.3%
Total Fringe Benefits	2,848,730	2,736,539	112,191	3.9% 7	2,541,604	(194,935)	-7.7%
Purchased Services:							
Contracted Maintenance	264,606	374,164	(109,558)	-41.4% 8	219,833	(154,331)	-70.2%
Consulting Fees/Public Relations	318,908	292,421	26,487	8.3% 9	123,318	(169,103)	-137.1%
Security Services	150,246	189,465	(39,219)	-26.1% 10	141,605	(47,860)	-33.8%
Other Purchased Services	374,914	286,632	88,282	23.5% 11	261,090	(25,542)	-9.8%
Total Purchased Services	1,108,674	1,142,682	(34,008)	-3.1%	745,846	(396,836)	-53.2%
Materials and Supplies:							
Diesel Fuel and Gasoline	1,036,900	1,038,640	(1,740)	-0.2% 12	1,071,348	32,708	3.1%
Fuel Futures (Gains) or Losses	0	18,505	(18,505)	100.0% 12	(43,646)	(62,151)	142.4%
Bus Parts	350,430	321,019	29,411	8.4%	387,018	65,999	17.1%
Printing	96,250	46,417	49,833	51.8% 13	69,252	22,835	33.0%
Other Materials and Supplies	486,659	397,466	89,193	18.3% 14	375,284	(22,182)	-5.9%
Total Materials and Supplies	1,970,239	1,822,047	148,192	7.5%	1,859,256	37,209	
Utilities	284,664	299,135	(14,471)	-5.1%	227,710	(71,425)	-31.4%
Casualty & Liability Insurance	306,996	348,777	(41,781)	-13.6% 15	231,300	(117,477)	-50.8%
Purchased Transportation:							
Aride and Good as Gold	1,527,985	1,533,175	(5,190)	-0.3%	1,466,881	(66,294)	-4.5%
Night Ride	308,783	293,688	15,095	4.9%	299,868	6,180	2.1%
Air Ride	558,092	603,925	(45,833)	-8.2% 16	558,783	(45,142)	-8.1%
WWAVE, People's Exp & MyRide	680,540	627,894	52,646	7.7% 17	637,063	9,169	1.4%
Total Purchased Transportation	3,075,400	3,058,682	16,718	0.5%	2,962,595	(96,087)	-3.2%
Other Expenses	259,058	172,258	86,800	33.5% 18	155,051	(17,207)	-11.1%
Local Depreciation	73,998	88,900	(14,902)	-20.1%	76,500	(12,400)	-16.2%
Total Expenses	16,293,708	15,946,543	347,165	2.1%	14,796,643	(1,149,900)	-7.8%
Gain (Loss) from Operations	(\$49,263)	\$258,784	\$308,047		\$55,589	203,195	

Variations:

Detail of Budget Variances - Positive (Negative):

	March Year to Date	March Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	\$6,543	
Physical Exam Fees	(1,110)	
Legal Fees	27,234	
Auditing Fees	0	
Collection Fees	0	
IT Services/Contract Employees	12,027	
Custodial Services	21,337	
Internet Services	20,931	
Towing	1,456	
Admin Fee - Benefit Source	(136)	
	<u>88,282</u>	
B: Other Materials and Supplies Variances:		
Lubricants	33,773	
Tires, Tubes and Wheels	26,435	
Tools and Equipment	1,316	
Equipment Repair	32	
Other Materials and Supplies	7,239	
Computer Software	20,398	
	<u>89,193</u>	
C: Utilities Variances:		
Natural Gas		(60,291)
Electricity		31,630
Water		7,107
Telephone		7,083
		<u>(14,471)</u>
D: Other Expenses Variances:		
Uniform Expense		(2,434)
Postage		2,938
Dues and Subscriptions		4,290
Conference and Travel		8,673
Media costs		57,674
Employee Development		29,445
Equipment Rental		(13,786)
		<u>86,800</u>

Memorandum



To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: April 11, 2014
Re: Notes for the Report of Operations Financial Statement – Six Months Ended March 31, 2014

The following are the explanations and notes for budget to actual variances for the AATA's year-to-date unaudited financial report of operations, generally +/- 5.0% and \$10,000.

REVENUES: Total Revenues are 0.2% under budget (unfavorable).

1. Passenger Fares are under budget by 4.4% due to cash fares and pass sales.
2. Subcontracted Passenger Fares are over budget due to the AirRide fares are 38.6% over budget, \$452,000 actual compared to \$326,000 budgeted. March was a new record month of \$88,400 in fares.
3. Interest, Advertising and Other revenue is under budget due to advertising revenue being \$20,300 under budget for the first six months.
4. Purchase of Service Agreements are under budget since there is \$28,100 less in private contractor match for AirRide due to the passenger fares being greater than budget.
5. State Operating Assistance is over budget by \$6,400. We received the FY 2010 final audit payment of \$94,920 for urban operating assistance, which was not set up as a receivable, so the total amount is recognized as revenue in FY 2014. The FY2014 actual is under budget by \$93,000, because it is based on eligible expenses x 30.86%, which is less than budgeted.

EXPENSES: Total Expenses are 2.1% under budget (favorable).

6. Wages are under budget as we have a few employees off on medical or workers compensation leave. We started a class of 6 MCOs, who began their six week training on January 6, 2014. We also have had a mechanic and a service crew technician off on medical or workers' compensation leave. Other wages are under budget as we have a vacant position in Community Relations, which is filled with a contract employee.
7. Fringe Benefits are under budget due to the vacant positions, noted above.
8. Contracted maintenance is over budget due snow removal expenses for the near record snow fall the winter. Also, the 4 tanks for the restroom trailers at the temporary BTC need to be emptied every day and this was not anticipated in the operating budget.
9. Consulting fees are under budget for public relations agency fees. This is a timing difference as we expect to use more in the fiscal year.
10. Security Services are over budget by \$39,200 as we have 24/7 unarmed security at the temporary BTC. This is approximately \$9,000 per month that was not included in the budget, but was necessary. The extra security ended on March 17, 2014 with the opening of the new Blake Transit Center.
11. Other Purchased Services are under budget primarily due to legal fees, internet and custodial services.
12. Fuel and fuel futures expenses are over budget by \$20,200, after consideration of the loss on fuel futures. We paid on average \$3.09 per gallon in the first two months versus a budget estimate of \$3.25 per gallon. However, starting December 1, the winter grade of #1 ultra-low sulfur (ULS) is more expensive than our summer grade #2 ULS and we are averaged \$3.42 for December through March. The latest delivery is \$3.14.
13. Printing is under budget, due the timing differences.
14. Other Materials & Supplies are under budget due to lesser use of DEF (diesel exhaust fluid) recorded in lubricants and lesser expense on tires.
15. Insurance is over budget by 13.6% due to higher than expected claims that have been made under our \$25,000 deductible on vehicle liability coverage.
16. AirRide is over budget due to the increased demand over the holiday season and Michigan Flyer running extra buses. However, there is additional fare revenue from these additional buses.
17. Purchased Transportation – Guaranteed Ride Home is under budget, since we are budgeting about \$3,000 per month, (YTD \$17,700) and have only spent \$6,400. MyRide is under budget as well by \$41,000 (26.2%).
18. Other expenses are under budget mainly due to timing differences for media expenses and employment development. These are mostly timing differences.

Ann Arbor Area Transportation Authority
 Report to the Treasurer: Summary Operating Statement by Mode
 For the Six Months Ended March 31, 2014

Year-To-Date Summary Operating Statement by Mode

Revenues (except Property Tax):	Fixed		Demand		Express		WALLY, GDT,		Total
	Route	Response	NonUrban	Ride	AirRide	Urban	Core, Van	Actual	
Passenger Revenue	\$954,038	\$80,516	\$0	\$33,837	\$0	\$0	\$0	\$1,068,391	
Subcontracted Passenger Revenue	\$0	\$304,078	\$41,700	\$0	\$451,971	\$15,182	\$812,931	\$812,931	
Special Fares (EMU, UofM, go!Pass)	\$1,156,397	\$0	\$0	\$32,656	\$0	\$0	\$1,189,053	\$1,189,053	
Interest, Advertising and Other	\$123,835	\$0	\$0	\$0	\$0	\$23,870	\$147,705	\$147,705	
Purchase of Service Agreements	\$309,344	109,003	\$210,812	\$7,500	\$0	\$27,394	\$664,052	\$664,052	
State Operating Assistance	\$3,532,744	\$746,214	\$191,630	\$43,157	\$202,581	\$11,755	\$4,728,081	\$4,728,081	
Federal Operating Assistance	\$1,706,659	\$163,149	\$83,910	\$22,697	\$0	\$699,203	\$2,675,618	\$2,675,618	
Total Revenues	\$7,783,017	\$1,402,960	\$528,052	\$139,847	\$654,552	\$777,404	\$11,285,831		
Expenses:									
Wages	5,697,029	186,938	9,734	69,854	28,854	285,114	6,277,523	6,277,523	
Fringe Benefits	2,489,058	80,116	4,172	28,636	12,366	122,192	2,736,539	2,736,539	
Purchased Services	809,049	25	3,428	12,513	5,950	311,717	1,142,682	1,142,682	
Diesel Fuel, Net of Futures	1,046,164	0	0	10,981	0	0	1,057,145	1,057,145	
Materials and Supplies	715,954	15,648	1,530	8,266	427	23,078	764,902	764,902	
Utilities	282,537	13,491	0	3,107	0	0	299,135	299,135	
Insurance	314,636	27,902	2,616	3,623	0	0	348,777	348,777	
Purchased Transportation	0	1,942,503	505,884	0	603,925	6,370	3,058,682	3,058,682	
Other Expenses	150,109	900	689	1,943	3,030	15,587	172,258	172,258	
Local Depreciation	74,630	0	0	923	0	13,347	88,900	88,900	
Total Expenses	11,579,164	2,267,524	528,053	139,847	654,552	777,404	15,946,543		
Net Local Property Tax Applied	\$3,796,147	\$864,564	\$0	\$0	\$0	\$0	\$4,660,712		
Local Property Taxes	81.4%	18.6%	0.0%	0.0%	0.0%	0.0%	100.0%		
Authority Wide Surplus (Loss)							\$4,919,496		
Service Hours	99,444	40,267		1,033	4,419		145,163		
Cost per Service Hour	\$ 116.44	\$ 56.31		\$ 135.38	\$ 148.12		\$ 3,421,516		
Passengers	3,281,352	84,575		20,014	35,575		\$ 4.66		
Cost per Passenger	\$ 3.53	\$ 26.81		\$ 6.99	\$ 18.40		19.3%		
Percent of Expenses Paid by Riders	18.2%	17.0%	7.9%	47.5%	69.1%		29.2%		
Percent of Expenses Paid by Local Tax	32.8%	38.1%	0.0%	0.0%	0.0%				

Balance Sheet

Assets:	3/31/2014
Cash & Investments	\$7,831,289
Accounts Receivables	618,090
Grants Receivables	2,708,135
Other Receivables	4,882,936
Inventory	717,367
Prepaid Expenses	757,192
Total Current Assets	17,515,009
Land & Buildings	32,774,683
Equipment	55,974,162
Accum Depreciation	(39,176,992)
Net Fixed Assets	49,571,853
Total Assets	\$67,086,862
Liabilities:	
Accounts payable	351,812
Accrued Payroll	281,547
Accrued Vacation	1,275,338
Other Accruals	272,467
Unearned Revenue	249,928
Post-Retire Benefits	245,161
Equity:	
Unrestricted (GASB 31)	7,173,747
Unrestricted (Available)	7,665,009
Total Unrestricted	14,838,756
Invested in Fixed Assets	49,571,853
Total Equity	64,410,609
Total Liab & Equity	\$67,086,862
Total FY 2014 Expenses*	\$32,521,741
Months in Unrestricted	
Net Position (Min 3.0)	2.83
Amount below Minimum	(\$465,426)

*Expenses do not include one-time projects; Connector Study & Wally