

**Ann Arbor Area Transportation Authority
Report of Operations - Unaudited
For the Five Months Ended February 28, 2015**

Comparison to Prior Year

	2/28/2015	2/28/2015	Favorable		2/28/2014	Favorable	
	Year to Date Budget	Year to Date Actual	(Unfavorable) Variance	Percent	Year to Date Actual	(Unfavorable) Variance	Percent
Revenues:							
Passenger Revenue	\$876,045	\$923,891	\$47,846	5.5% 1	\$871,822	\$52,069	6.0%
Subcontracted Revenue	651,441	720,878	69,437	10.7% 2	666,541	54,337	8.2%
Special Fares (EMU,UofM,go!Pass)	973,670	950,928	(22,742)	-2.3%	1,024,369	(73,441)	-7.2%
Interest, Advertising and Other	108,750	118,884	10,134	9.3%	92,642	26,242	28.3%
Local Property Tax Revenue	5,668,160	5,668,160	0	0.0% 3	4,099,580	1,568,580	38.3%
Purchase of Service Agreements	464,566	388,494	(76,072)	-16.4% 4	576,943	(188,449)	-32.7%
State Operating Assistance	4,408,790	4,095,617	(313,173)	-7.1% 5	3,962,043	133,574	3.4%
Federal Operating Assistance	1,858,584	1,858,592	8	0.0%	2,110,304	(251,712)	-11.9%
Total Revenues	15,010,006	14,725,444	(284,562)	-1.9%	13,404,244	1,321,200	9.9%
Expenses:							
Wages							
Operations	3,819,021	3,683,414	135,607	3.6%	3,337,600	(345,814)	-10.4%
Maintenance	1,036,458	918,523	117,935	11.4% 6	863,108	(55,415)	-6.4%
Administrative	1,220,808	1,135,569	85,239	7.0% 6	1,056,189	(79,380)	-7.5%
Total Wages	6,076,287	5,737,506	338,781	5.6%	5,256,897	(480,609)	-9.1%
Fringe Benefits:							
Payroll Taxes	472,025	419,765	52,260	11.1% 7	386,390	(33,375)	-8.6%
Pension	422,506	420,202	2,304	0.5%	373,279	(46,923)	-12.6%
Medical Insurance	1,078,212	984,647	93,565	8.7% 7	1,016,300	31,653	3.1%
Post-Retirement Benefits & HCSP	182,746	166,390	16,356	9.0%	153,865	(12,525)	-8.1%
Other Fringe Benefits	433,435	422,623	10,812	2.5%	369,521	(53,102)	-14.4%
Total Fringe Benefits	2,588,924	2,413,627	175,297	6.8% 7	2,299,355	(114,272)	-5.0%
	42.6%	42.1%					
Purchased Services:							
Contracted Maintenance	277,900	241,881	36,019	13.0% 8	287,537	45,656	15.9%
Consulting Fees	104,683	87,562	17,121	16.4%	202,048	114,486	56.7%
Security Services	138,575	112,074	26,501	19.1%	154,868	42,794	27.6%
Other Purchased Services	312,033	347,333	(35,300)	-11.3% 9	252,863	(94,470)	-37.4%
Total Purchased Services	833,191	788,850	44,341	5.3%	897,316	108,466	12.1%
Materials and Supplies:							
Diesel Fuel and Gasoline	917,900	709,713	208,187	22.7% 10	859,711	149,998	17.4%
Fuel Futures (Gains) or Losses	0	155,295	(155,295)	100.0% 10	13,906	(141,389)	-1016.7%
Bus Parts	306,625	274,083	32,542	10.6%	232,202	(41,881)	-18.0%
Printing	87,870	70,205	17,665	20.1%	39,483	(30,722)	-77.8%
Other Materials and Supplies	335,647	312,587	23,060	6.9%	366,148	53,561	14.6%
Total Materials and Supplies	1,648,042	1,521,883	126,159	7.7%	1,511,450	(10,433)	-0.7%
Utilities	278,910	292,324	(13,414)	-4.8%	240,269	(52,055)	-21.7%
Casualty & Liability Insurance	291,665	269,615	22,050	7.6% 11	302,333	32,718	10.8%
Purchased Transportation:							
Aride and Good as Gold	1,293,225	1,297,128	(3,903)	-0.3%	1,256,874	(40,254)	-3.2%
Night Ride	233,788	231,134	2,654	1.1%	246,000	14,866	6.0%
Air Ride	503,520	512,774	(9,254)	-1.8%	501,198	(11,576)	-2.3%
WWAVE, Northfield and Guar Ride	606,613	608,640	(2,027)	-0.3%	522,290	(86,350)	-16.5%
Total Purchased Transportation	2,637,146	2,649,676	(12,530)	-0.5%	2,526,362	(123,314)	-4.9%
Other Expenses	277,803	197,783	80,020	28.8% 12	136,211	(61,572)	-45.2%
Local Depreciation	123,750	123,750	0	0.0%	71,600	(52,150)	-72.8%
Total Expenses	14,755,718	13,995,014	760,704	5.2%	13,241,793	(753,221)	-5.7%
Gain (Loss) from Operations	\$254,288	\$730,430	\$476,142		\$162,451	567,979	

Variations:

Detail of Budget Variances - Positive (Negative):

	February Year to Date	February Year to Date
A: Other Purchased Services Variations:		
Management & Agency Fees	\$4,380	
Physical Exam Fees	1,690	
Legal Fees	(15,563)	
Auditing Fees	-2587	
IT Services/Contract Employees	(48,340)	
Custodial Services	(8,865)	
Internet Services	37,182	
Towing	3,598	
Admin Fee - Benefit Source	(6,795)	
	(35,300)	
B: Other Materials and Supplies Variations:		
Lubricants	(2,881)	
Tires, Tubes and Wheels	(21,129)	
Tools and Equipment	1,127	
Equipment Repair	2,910	
Other Materials and Supplies	25,862	
Computer Software	17,171	
	23,060	
C: Utilities Variations:		
Natural Gas	(17,302)	
Electricity	(2,247)	
Water	4,840	
Telephone	1,295	
	(13,414)	
D: Other Expenses Variations:		
Uniform Expense	8,686	
Postage	1,463	
Dues and Subscriptions	1,222	
Conference and Travel	9,961	
Media costs	23,285	
Employee Development	21,609	
Wellness	3,953	
Recruitment and Hiring	79	
Equipment Rental	9,762	
	80,020	



2700 S. Industrial Highway
Ann Arbor, MI 48104

734.973.6500 Phone
734.973.6338 Fax
TheRide.org Online

MEMO

To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: March 13, 2014
Re: Notes to the Financial Report of Operations—February 28, 2015

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

OVERALL – The Report of Operations reflects a \$730,000 surplus after deferring \$439,000 of the future July 2015 property tax millage to the purchase of buses to be delivered in August 2015.

REVENUES: Total Revenues are 1.9% under budget (unfavorable).

1. Passenger Fares are over budget by 5.5 % due to higher cash fares. We budgeted a modest increase in the FY 2015 budget over FY 2014.
2. Subcontracted Fares are over budget due to the higher than expected fares for AirRide for October to January, (\$430,400 vs. \$356,800 budgeted).
3. Property taxes reflect the additional 0.7 property tax millage to be levied on July 1, 2015, along with the budgeted deferment of \$1.053 million for FY 2015 bus purchases (\$87,775 per month).
4. Purchase of Service Agreements are under budget since there is \$49,600 less in private contractor match for AirRide due to the passenger fares being greater than budget.
5. State Urban Operating Assistance is under budget by \$250,000 because it is based on incurred eligible expenses x 31.015%, which is less than budgeted. We received \$88,441 from MDOT, which was the final payment on FY 2011 based on the audit. However, we were expecting \$143,243, creating a loss (contra-revenue) of \$54,802 on this prior year adjustment.

EXPENSES: Total Expenses are 5.2% under budget (favorable).

6. Wages are under budget for maintenance due to 3 new positions in the FY 2015 budget as of October 1, which were vacant for a while. These positions are a facility maintenance supervisor, facilities technician (now filled) and the 2nd bus stop technician. There are 3 vacant positions in administration; CEO, Admin Assistant in Community Relations and Computer Support Technician.
7. Fringe Benefits are under budget due to the vacant positions.
8. Contracted maintenance is under budget due to the timing of projects and we did not get significant snow until January.
9. Other Purchased Services are over budget as the Interim CEO services are recorded here and more in legal due to an employment related arbitration.
10. Fuel and fuel futures expenses are under budget by \$8,600, after consideration of the loss on fuel futures. We paid an average of \$2.93 per gallon in October & November and \$2.44 in December, \$1.85 in January and \$2.15 in February, which are all below the budget of \$3.25 per gallon. However, we recognized losses on fuel futures of \$155,300. With fuel prices falling, we realize a loss on futures contracts when we sell. Our 2 fuel deliveries in February averaged \$2.15, which is \$1.10 per gallon below budget. This will save about \$60,500 per month on 55,000 gallons used in February 2015, which will offset the loss of \$45,300 on the fuel futures contract sold in February. The March 10 delivery price was back down to \$2.02 per gallon.
11. Insurance is \$22,000 under budget due to fewer claims under our \$25,000 deductible.
12. Other expenses are under budget as noted under note D.

Ann Arbor Area Transportation Authority
Report to the Treasurer: Summary Operating Statement by Mode
For the Five Months Ended February 28, 2015

Year-To-Date Summary Operating Statement by Mode							
	Fixed	Demand	Express		N/S Rail, GDT,	Total	
Revenues (except Property Tax):	Route	Response	NonUrban	Ride	AirRide	UrbanCore, Van	Actual
Passenger Revenue	\$846,791	\$77,100	\$0	\$0	\$0	\$0	\$923,891
Subcontracted Revenue	\$0	\$238,363	\$39,328	\$0	\$430,436	\$12,751	\$720,878
Special Fares (EMU, UofM, go!Pass)	\$881,632	\$3,872	\$0	\$65,424	\$0	\$0	\$950,928
Interest, Advertising and Other	\$114,725	\$0	\$0	\$0	\$0	\$4,159	\$118,884
Purchase of Service Agreements	\$93,417	79,555	\$183,953	\$6,250	\$0	\$25,320	\$388,494
State Operating Assistance	\$3,022,776	\$648,372	\$209,073	\$37,690	\$177,706	\$0	\$4,095,617
Federal Operating Assistance	\$1,339,448	\$30,000	\$74,305	\$11,670	\$0	\$403,170	\$1,858,592
Total Revenues	\$6,298,788	\$1,077,262	\$506,659	\$121,033	\$608,142	\$445,400	\$9,057,284
Expenses:							
Wages	5,187,780	215,517	9,964	63,358	41,920	218,966	\$5,737,506
Fringe Benefits	2,178,030	92,365	4,270	27,153	17,966	93,843	\$2,413,627
Purchased Services	677,283	0	2,367	7,691	1,125	100,385	\$788,850
Diesel Fuel, Net of Futures	856,797	0	0	8,211	0	0	865,008
Materials and Supplies	603,633	20,460	1,314	6,235	445	24,789	656,875
Utilities	276,365	13,184	0	2,775	0	0	292,324
Insurance	243,465	21,569	2,022	2,559	0	0	269,615
Purchased Transportation	0	1,650,971	485,931	0	512,774	0	2,649,676
Other Expenses	151,920	1,866	791	1,877	33,912	7,417	197,783
Local Depreciation	122,575	0	0	1,175	0	0	123,750
Total Expenses	10,297,848	2,015,932	506,659	121,033	608,142	445,400	13,995,014
Net Local Property Tax Applied	\$3,999,060	\$938,670	\$0	\$0	\$0	\$0	\$4,937,730
Percent of Total	81.0%	19.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Local Property Taxes							\$5,668,160
Authority Wide Surplus (Loss)							\$730,430
Service Hours	89,971	33,123		854	3,730		127,678
Cost per Service Hour	\$ 114.46	\$ 60.86		\$ 141.73	\$ 163.04		
Passengers	2,717,552	68,611		15,656	34,955		2,836,774
Cost per Passenger	\$ 3.79	\$ 29.38		\$ 7.73	\$ 17.40		\$ 4.93
Percent of Expenses Paid by Riders	16.8%	15.8%	7.8%	54.1%	70.8%		18.5%
Percent of Expenses Paid by Local Tax	38.8%	46.6%	0.0%	0.0%	0.0%		35.3%

Balance Sheet	
Assets:	2/28/2015
Cash & Investments	\$11,926,002
Accounts Receivables	632,881
Grants Receivables	2,268,955
Other Receivables	6,140,721
Inventory	714,296
Prepaid Expenses	751,023
Total Current Assets	22,433,878
Land & Buildings	35,036,066
Equipment	55,219,834
Accum Depreciation	(43,135,646)
Net Capital Assets	47,120,254
Total Assets	\$69,554,132
Liabilities:	
Accounts payable	\$493,408
Accrued Payroll	259,159
Accrued Vacation	1,406,104
Other Accruals	312,989
Unearned Revenue	721,851
Post-Retire Benefits	250,595
Total Liabilities	3,444,106
Equity:	
Unrestricted (GASB 31)	10,992,663
Unrestricted (Available)	7,997,109
Total Unrestricted	18,989,772
Invested in Capital Assets	47,120,254
Total Equity	66,110,026
Total Liab & Equity	\$69,554,132
Total FY 2015 Expenses*	\$35,633,507
Months in Unrestricted	
Net Assets (Min 2.5)	2.69
Amount above Minimum	\$573,462

*Expenses do not include R&D projects