

**Ann Arbor Area Transportation Authority
Report of Operations - Unaudited
For the Two Months Ended November 30, 2015**

					Comparison to Prior Year		
	11/30/2015	11/30/2015	Favorable		11/30/2014	Favorable	
	Year to Date	Year to Date	(Unfavorable)	Percent	Year to Date	(Unfavorable)	Percent
	Budget	Actual	Variance		Actual	Variance	
Revenues:							
Passenger Revenue	\$385,498	\$357,858	(\$27,640)	-7.2% 1	\$402,415	(\$44,557)	-11.1%
Subcontracted Revenue	283,669	298,483	14,814	5.2%	273,905	24,578	9.0%
Special Fares (EMU,UofM,go!Pass)	395,307	427,859	32,552	8.2% 2	393,849	34,010	8.6%
Advertising, Interest, and Other	47,448	42,584	(4,864)	-10.3%	38,422	4,162	10.8%
Local Property Tax Revenue	2,295,460	2,295,460	0	0.0% 3	2,267,264	28,196	1.2%
Purchase of Service Agreements	183,834	157,547	(26,287)	-14.3%	146,603	10,944	7.5%
State Operating Assistance	1,921,522	1,732,468	(189,054)	-9.8% 4	1,550,186	182,282	11.8%
Federal Operating Assistance	765,744	545,744	(220,000)	-28.7% 5	565,556	(19,812)	-3.5%
Total Revenues	6,278,482	5,858,003	(420,479)	-6.7%	5,638,200	219,803	3.9%
Expenses:							
Wages							
Operations	1,717,737	1,639,127	78,610	4.6% 6	1,462,452	(176,675)	-12.1%
Maintenance	461,334	448,378	12,956	2.8%	367,809	(80,569)	-21.9%
Administrative	514,911	493,268	21,643	4.2%	460,932	(32,336)	-7.0%
Total Wages	2,693,982	2,580,773	113,209	4.2%	2,291,193	(289,580)	-12.6%
Fringe Benefits:							
Payroll Taxes	193,682	174,256	19,426	10.0%	153,082	(21,174)	-13.8%
Pension	198,230	175,217	23,013	11.6%	148,615	(26,602)	-17.9%
Medical Insurance	472,449	486,098	(13,649)	-2.9%	390,151	(95,947)	-24.6%
Post-Retirement Benefits & HCSP	81,757	75,728	6,029	7.4%	65,437	(10,291)	-15.7%
Other Fringe Benefits	184,279	175,330	8,949	4.9%	160,849	(14,481)	-9.0%
Total Fringe Benefits	1,130,397	1,086,629	43,768	3.9% 7	918,134	(168,495)	-18.4%
	42.0%	42.1%					
Purchased Services:							
Contracted Maintenance	103,778	41,064	62,714	60.4% 8	62,049	20,985	33.8%
Consulting Fees	46,812	23,444	23,368	49.9%	48,127	24,683	51.3%
Security Services	57,280	46,493	10,787	18.8%	43,462	(3,031)	-7.0%
Other Purchased Services	A 124,151	94,276	29,875	24.1% 8	86,061	(8,215)	-9.5%
Total Purchased Services	332,021	205,277	126,744	38.2%	239,699	34,422	14.4%
Materials and Supplies:							
Diesel Fuel and Gasoline	329,784	251,994	77,790	23.6% 9	329,966	77,972	23.6%
Fuel Futures (Gains) or Losses	0	64,084	(64,084)	100.0% 9	30,555	(33,529)	-109.7%
Bus Parts	146,032	114,136	31,896	21.8%	112,201	(1,935)	-1.7%
Printing	27,924	9,938	17,986	64.4%	5,292	(4,646)	-87.8%
Other Materials and Supplies	B 191,285	168,568	22,717	11.9%	96,500	(72,068)	-74.7%
Total Materials and Supplies	695,025	608,720	86,305	12.4%	574,514	(34,206)	-6.0%
Utilities	C 64,496	40,308	24,188	37.5% 10	45,871	5,563	12.1%
Casualty & Liability Insurance	129,166	114,177	14,989	11.6%	101,199	(12,978)	-12.8%
Purchased Transportation:							
Aride and Good as Gold	452,813	511,909	(59,096)	-13.1% 12	531,377	19,468	3.7%
Night Ride	93,844	87,792	6,052	6.4%	91,631	3,839	4.2%
Air Ride	188,226	205,773	(17,547)	-9.3%	208,259	2,486	1.2%
WWAVE, Northfield, MyRide, GRH	241,640	195,685	45,955	19.0%	218,620	22,935	10.5%
Total Purchased Transportation	976,523	1,001,159	(24,636)	-2.5%	1,049,887	48,728	4.6%
Other Expenses	D 118,916	77,958	40,958	34.4%	58,541	(19,417)	-33.2%
Local Depreciation	49,666	49,666	0	0.0%	49,500	(166)	-0.3%
Total Expenses	6,190,192	5,764,667	425,525	6.9%	5,328,538	(436,129)	-8.2%
Gain (Loss) from Operations	\$88,290	\$93,336	\$5,046		\$309,662	(216,326)	

Variances:

Detail of Budget Variances - Positive (Negative):

	November Year to Date	November Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	\$6,561	
Physical Exam Fees	2,794	
Legal Fees	3,983	
IT Services	3,438	
Custodial Services	1,839	
Internet Services	6,738	
Towing	1,276	
Admin Fee - Benefit Source	3,246	
	<u>29,875</u>	
B: Other Materials and Supplies Variances:		
Lubricants	4,915	
Tires, Tubes and Wheels	(8,634)	
Tools and Equipment	973	
Equipment Repair	1,664	
Other Materials and Supplies	19,597	
Computer Software	4,202	
	<u>22,717</u>	
C: Utilities Variances:		
Natural Gas		9,894
Electricity		10,443
Water		1,098
Telephone		2,753
		<u>24,188</u>
D: Other Expenses Variances:		
Uniform Expense		3,021
Postage		1,000
Dues and Subscriptions		(587)
Conference and Travel		1,002
Media costs		15,895
Employee Development		12,905
Wellness		2,328
Recruitment and Hiring		2,127
Equipment Rental		3,267
		<u>40,958</u>



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MEMO

To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: December 15, 2015
Re: Notes to the Financial Report of Operations – November 30, 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 \$20,000.

OVERALL – The Report of Operations reflects a **\$93,000** surplus for the first two months of the fiscal year. As planned, a portion of the July 2016 property tax millage will be allocated toward the purchase of vehicles rather than used for operating expenses in FY 2015. This will amount to \$1.0 million in FY 2016.

REVENUES: Total Revenues are 5.2% under budget (unfavorable).

1. Passenger fares are under budget for cash fares on the bus.
2. Special Fares are over budget due to a timing difference on recognition on go!pass sales.
3. Property taxes reflects all the additional property tax millages which will be levied on July 1, 2016, along with the deferment of \$1.0 million from operating to capital for bus purchases in FY 2016. We will use \$3.85 million from the July 1, 2014 levy from FY 2014 and \$2.4 million from the July 1, 2015 levy and \$1.0 million from the July 1, 2016 levy to purchase 15 large buses and 2 small buses to provide the additional 5YTIP services.
4. State Urban Operating Assistance is under budget by \$192,000, because it is based on incurred eligible expenses x 30.8%, which are less than budgeted.
5. Federal Operating Assistance is under budget by \$220,000, because we have not drawn down as much Operating Assistance as expected.

EXPENSES: Total Expenses are 5.4% under budget (favorable).

6. Wages are under budget for operations, since we are down a few drivers compared to budget. Wages for maintenance and administration are under budget to a few vacant positions.
7. Fringe Benefits are under budget due to overall wages being under budget. Overall fringes are 42.1% of wages compared to the budgeted amount of 42.0%.
8. Contracted maintenance is under budget due to timing differences for projects. Many disbursements in October are recorded back into September to ensure proper cutoff between FY 2015 and FY 2016 expenses. Some monthly expenses are estimated, such as custodial, security, etc. where we have known monthly amounts, while others expenses are not, due to their variable nature, such as legal fees, contracted maintenance and towing. We have only had one big snow storm so far this winter.
9. Fuel and fuel futures expenses are under budget by \$13,700, after consideration of the loss on fuel futures. We averaged \$1.89 per gallon for October and November, compared to the budget of \$2.45 per gallon. However, we had realized losses on fuel futures of \$64,000.
10. Other materials and supplies are under budget by \$28,300 due to timing of projects and due to many disbursements in October being recorded back in to September (FY 2015).
11. Utilities are under budget by \$24,000 due to timing of bills received.
12. ARide is over budget as demand has increased over the last few months.
13. Other expenses are under budget as noted under note D with media and employee development being under budget.

Ann Arbor Area Transportation Authority
 Report to the Treasurer: Summary Operating Statement by Mode
 For the Two Months Ended November 30, 2015

Year-To-Date Summary Operating Statement by Mode										Balance Sheet	
Revenues (except Property Tax):	Fixed		Demand		Express		N/S Rail, GDT, UrbanCore, Van		Total Actual	Assets:	
	Route	Response	NonUrban	Ride	AirRide	UrbanCore, Van	Actual	11/30/2015			
Passenger Revenue	\$321,435	\$36,423	\$0	\$0	\$0	\$0	\$357,858	Cash & Investments	\$13,365,008	Accounts Receivables	898,576
Subcontracted Revenue	\$0	\$77,907	\$17,400	\$0	\$203,176	\$0	\$298,483	Grants Receivables	4,547,835	Other Receivables	2,523,115
Special Fares (EMU, UofM, goIPass)	\$407,547	\$0	\$0	\$20,312	\$0	\$0	\$427,859	Inventory (Parts, Fuel)	762,324	Prepaid Expenses	371,663
Advertising, Interest, and Other	\$42,584	\$0	\$0	\$0	\$0	\$0	\$42,584	Total Current Assets	22,468,521	Land & Buildings	36,103,441
Purchase of Service Agreements	\$52,878	38,155	\$64,014	\$2,500	\$0	\$0	\$157,547	Equipment	64,800,671	Accum Depreciation	(48,326,482)
State Operating Assistance	\$1,349,511	\$260,134	\$80,818	\$14,345	\$24,460	\$3,200	\$1,732,468	Net Capital Assets	52,577,630	Total Assets	\$75,046,151
Federal Operating Assistance	\$338,760	\$0	\$30,244	\$9,418	\$0	\$167,322	\$545,744	Liabilities:		Accounts payable	\$203,068
Total Revenues	\$2,512,715	\$412,619	\$192,476	\$46,575	\$227,636	\$170,522	\$3,562,543	Accrued Payroll	648,479	Accrued Sick/Vacation	1,415,998
Expenses:								Other Accruals	139,247	Unearned Revenue	420,871
Wages	2,300,841	148,762	6,019	25,757	14,442	84,952	2,580,773	Post-Retire Benefits	252,783	Total Liabilities	3,080,446
Fringe Benefits	966,658	63,755	2,580	11,039	6,190	36,408	1,086,629	Net Position		Unrestricted (GASB 31)	11,087,523
Purchased Services	171,071	0	616	1,914	0	31,676	205,277	Unrestricted (Fuel Savings)	196,236	Unrestricted (Available)	8,104,316
Diesel Fuel, Net of Futures	313,287	0	0	2,791	0	0	316,078	Total Unrestricted	19,388,075	Invested in Capital Asset	52,577,630
Materials and Supplies	274,102	6,192	585	2,584	1,181	7,998	292,642	Total Net Position	71,965,705	Total Liab & Net Position	\$75,046,151
Utilities	38,134	1,818	0	356	0	0	40,308	Total FY 2016 Expenses*	\$38,655,850	Months in Unrestricted	
Insurance	103,178	9,134	856	1,008	0	0	114,177	Net Assets (Min 2.5)	2.52	Amount above Minimum	\$51,014
Purchased Transportation	0	613,928	181,508	0	205,723	0	1,001,159	*Expenses do not include R&D projects			
Other Expenses	66,369	1,000	312	688	100	9,489	77,958				
Local Depreciation	49,228	0	0	438	0	0	49,666				
Total Expenses	4,282,868	844,590	192,476	46,575	227,636	170,522	5,764,667				
Net Local Property Tax Applied	\$1,770,153	\$431,971	\$0	\$0	\$0	\$0	\$2,202,124				
Percent of Total	80.4%	19.6%	0.0%	0.0%	0.0%	0.0%	100.0%				
Local Property Taxes							\$2,295,460				
Authority Wide Surplus (Loss)							\$93,336				
Service Hours	38,623	18,061		341	1,520		58,545				
Cost per Service Hour	\$ 110.89	\$ 46.76	\$	\$ 136.58	\$ 149.76		\$ 1,183,428				
Passengers	1,134,093	28,132		4,743	16,460		\$ 4.87				
Cost per Passenger	\$ 3.78	\$ 30.02	\$	\$ 9.82	\$ 13.83		18.8%				
Percent of Expenses Paid by Riders	17.0%	13.5%	9.0%	43.6%	89.3%		38.2%				
Percent of Expenses Paid by Local Tax	41.3%	51.1%	0.0%	0.0%	0.0%						