

**Ann Arbor Transportation Authority
Report of Operations - Unaudited
For the Five Months Ended February 28, 2014**

Comparison to Prior Year

	2/28/2014	2/28/2014	Favorable		2/28/2013	Favorable	
	Year to Date	Year to Date	(Unfavorable)	Percent	Year to Date	(Unfavorable)	Percent
	Budget	Actual	Variance		Actual	Variance	
Revenues:							
Passenger Revenue	\$941,962	\$907,004	(\$34,958)	-3.7% 1	\$979,814	(\$72,810)	-7.4%
Subcontracted Passenger Revenue	594,848	666,541	71,693	12.1% 2	578,099	88,442	15.3%
Special Fares (EMU,UofM,go!Pass)	1,023,416	989,188	(34,228)	-3.3%	1,085,650	(96,462)	-8.9%
Interest, Advertising and Other	134,598	92,611	(41,987)	-31.2% 3	198,176	(105,565)	-53.3%
Local Property Tax Revenue	4,099,580	4,099,580	0	0.0%	3,861,665	237,915	6.2%
Purchase of Service Agreements	610,086	576,943	(33,143)	-5.4% 4	684,720	(107,777)	-15.7%
State Operating Assistance	3,901,183	3,962,043	60,860	1.6% 5	3,275,484	686,559	21.0%
Federal Operating Assistance	2,110,413	2,110,304	(109)	0.0%	1,486,792	623,512	41.9%
Total Revenues	13,416,086	13,404,214	(11,872)	-0.1%	12,150,400	1,253,814	10.3%
Expenses:							
Wages							
Operator Wages	2,895,002	2,875,482	19,520	0.7%	2,772,819	(102,663)	-3.7%
Other Wages	2,434,725	2,381,415	53,310	2.2% 6	2,260,085	(121,330)	-5.4%
Total Wages	5,329,727	5,256,897	72,830	1.4%	5,032,904	(223,993)	-4.5%
Fringe Benefits:							
Payroll Taxes	412,114	386,390	25,724	6.2%	339,294	(47,096)	-13.9%
Pension	377,589	373,072	4,517	1.2%	311,561	(61,511)	-19.7%
Medical Insurance	1,038,150	1,016,301	21,849	2.1%	907,547	(108,754)	-12.0%
Post-Retirement Benefits & HCSP	163,469	153,865	9,604	5.9%	148,930	(4,935)	-3.3%
Other Fringe Benefits	388,671	369,521	19,150	4.9%	332,855	(36,666)	-11.0%
Total Fringe Benefits	2,379,993	2,299,149	80,844	3.4% 7	2,040,187	(258,962)	-12.7%
Purchased Services:							
Contracted Maintenance	224,880	287,537	(62,657)	-27.9% 8	143,434	(144,103)	-100.5%
Consulting Fees/Public Relations	227,890	202,048	25,842	11.3% 9	73,954	(128,094)	-173.2%
Security Services	125,205	154,868	(29,663)	-23.7% 10	111,485	(43,383)	-38.9%
Other Purchased Services	308,765	252,531	56,234	18.2% 11	215,324	(37,207)	-17.3%
Total Purchased Services	886,740	896,984	(10,244)	-1.2%	544,197	(352,787)	-64.8%
Materials and Supplies:							
Diesel Fuel and Gasoline	863,000	859,711	3,289	0.4% 12	881,476	21,765	2.5%
Fuel Futures (Gains) or Losses	0	13,906	(13,906)	100.0% 12	(36,154)	(50,060)	138.5%
Bus Parts	292,025	265,490	26,535	9.1%	301,454	35,964	11.9%
Printing	76,764	39,483	37,281	48.6% 13	40,265	782	1.9%
Other Materials and Supplies	431,999	366,148	65,851	15.2% 14	299,512	(66,636)	-22.2%
Total Materials and Supplies	1,663,788	1,544,738	119,050	7.2%	1,486,553	(58,185)	
Utilities	225,870	240,269	(14,399)	-6.4%	180,040	(60,229)	-33.5%
Casualty & Liability Insurance	255,830	302,333	(46,503)	-18.2% 15	201,063	(101,270)	-50.4%
Purchased Transportation:							
Aride and Good as Gold	1,275,326	1,256,874	18,452	1.4%	1,208,983	(47,891)	-4.0%
Night Ride	257,725	246,000	11,725	4.5%	246,832	832	0.3%
Air Ride	463,232	501,198	(37,966)	-8.2% 16	463,924	(37,274)	-8.0%
WWAVE, People's Exp & MyRide	555,811	522,290	33,521	6.0% 17	500,596	(21,694)	-4.3%
Total Purchased Transportation	2,552,094	2,526,362	25,732	1.0%	2,420,335	(106,027)	-4.4%
Other Expenses	220,005	136,111	83,894	38.1% 18	124,504	(11,607)	-9.3%
Local Depreciation	61,665	71,600	(9,935)	-16.1%	63,750	(7,850)	-12.3%
Total Expenses	13,575,712	13,274,443	301,269	2.2%	12,093,533	(1,180,910)	-9.8%
Gain (Loss) from Operations	(\$159,626)	\$129,771	\$289,397		\$56,867	72,904	

Variations:

Detail of Budget Variances - Positive (Negative):

	February Year to Date	February Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	(\$1,763)	
Physical Exam Fees	(1,573)	
Legal Fees	20,437	
Auditing Fees	0	
Collection Fees	0	
IT Services/Contract Employees	3,251	
Custodial Services	18,587	
Internet Services	15,629	
Towing	1,702	
Admin Fee - Benefit Source	(36)	
	<u>56,234</u>	
B: Other Materials and Supplies Variances:		
Lubricants	24,252	
Tires, Tubes and Wheels	21,216	
Tools and Equipment	318	
Equipment Repair	(137)	
Other Materials and Supplies	1,344	
Computer Software	18,858	
	<u>65,851</u>	
C: Utilities Variances:		
Natural Gas		(42,976)
Electricity		16,688
Water		5,376
Telephone		6,513
		<u>(14,399)</u>
D: Other Expenses Variances:		
Uniform Expense		(7,007)
Postage		1,680
Dues and Subscriptions		2,605
Conference and Travel		7,688
Media costs		44,581
Employee Development		25,907
Recruitment and Hiring		0
Equipment Rental		8,440
		<u>83,894</u>

Memorandum



To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: **March 14, 2014**
Re: **Notes for the Operating Statement – Five Months Ended February 28, 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 0.1% under budget (unfavorable).

1. Passenger Fares are under budget by 3.7% due to cash collections in the farebox and pass sales.
2. Subcontracted Passenger Fares are over budget due to the AirRide fares are 33.8% over budget, \$363,500 actual compared to \$271,700 budgeted.
3. Interest, Advertising and Other revenue is under budget due to and advertising revenue and GetDowntown other revenue being slightly under budget for the first five months.
4. Purchase of Service Agreements are under budget since there is \$25,800 less in private contractor match for AirRide due to the passenger fares being greater than budget.
5. State Operating Assistance is over budget by \$61,000. 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 \$34,000, because it is based on eligible expenses x 30.86%, which is less than budgeted.

EXPENSES: Total Expenses are 2.2% 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.
7. Fringe Benefits are under budget due to the vacant positions, noted above.
8. Contracted maintenance is now 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 \$29,700 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 is necessary.
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 \$10,600, 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 \$3.52 for December through February.
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 18.2% 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 and have only had a few trips taken. MyRide is under budget as well by \$24,800.
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 Five Months Ended February 28, 2014

Year-To-Date Summary Operating Statement by Mode

Revenues (except Property Tax):	Fixed		Demand		Express		WALLY, GDT, UrbanCore, Van		Total	
	Route	Response	NonUrban	AirRide	Ride	UrbanCore, Van	WALLY, GDT, UrbanCore, Van	Actual	Actual	
Passenger Revenue	\$811,462	\$68,486	\$0	\$0	\$27,056	\$0	\$0	\$907,004	\$907,004	
Subcontracted Passenger Revenue	\$0	\$253,053	\$34,750	\$0	\$0	\$15,182	\$15,182	\$666,541	\$666,541	
Special Fares (EMU, UoM, go!Pass)	\$962,532	\$0	\$0	\$0	\$26,656	\$0	\$0	\$989,188	\$989,188	
Interest, Advertising and Other	\$87,093	\$0	\$0	\$0	\$0	\$5,518	\$5,518	\$92,611	\$92,611	
Purchase of Service Agreements	\$277,365	\$93,024	\$175,651	\$0	\$0	\$12,574	\$18,329	\$576,943	\$576,943	
State Operating Assistance	\$2,982,486	\$604,461	\$159,677	\$167,883	\$35,781	\$11,755	\$11,755	\$3,962,043	\$3,962,043	
Federal Operating Assistance	\$1,352,024	\$103,149	\$69,925	\$0	\$26,454	\$558,753	\$558,753	\$2,110,304	\$2,110,304	
Total Revenues	\$6,472,961	\$1,122,174	\$440,003	\$544,013	\$115,947	\$609,537	\$609,537	\$9,304,634	\$9,304,634	
Expenses:										
Wages	4,773,152	155,782	8,112	24,045	58,212	237,595	237,595	5,256,897	5,256,897	
Fringe Benefits	2,092,915	66,764	3,477	10,305	23,863	101,826	101,826	2,299,149	2,299,149	
Purchased Services	657,775	25	2,691	5,350	9,827	221,316	221,316	896,984	896,984	
Diesel Fuel, Net of Futures	864,523	0	0	0	9,094	0	0	873,617	873,617	
Materials and Supplies	630,111	13,772	1,342	85	6,986	18,824	18,824	671,121	671,121	
Utilities	226,932	10,836	0	0	2,501	0	0	240,269	240,269	
Insurance	272,732	24,187	2,267	0	3,147	0	0	302,333	302,333	
Purchased Transportation	0	1,597,284	421,570	501,198	0	6,310	6,310	2,526,362	2,526,362	
Other Expenses	115,298	900	544	3,030	1,571	14,768	14,768	136,111	136,111	
Local Depreciation	61,957	0	0	0	745	8,898	8,898	71,600	71,600	
Total Expenses	9,695,393	1,869,550	440,003	544,013	115,947	609,537	609,537	13,274,443	13,274,443	
Net Local Property Tax Applied	\$3,222,432	\$747,376	\$0	\$0	\$0	\$0	\$0	\$3,969,809	\$3,969,809	
Percent of Total	81.2%	18.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	
Local Property Taxes								\$4,099,580	\$4,099,580	
Authority Wide Surplus (Loss)								\$129,771	\$129,771	
Service Hours	82,805	33,040		3,640	862			120,347	120,347	
Cost per Service Hour	\$ 117.09	\$ 56.58		\$ 149.45	\$ 134.51			\$ 2,839,038	\$ 2,839,038	
Passengers	2,724,723	69,271		28,640	16,404			2,839,038	2,839,038	
Cost per Passenger	\$ 3.56	\$ 26.99		\$ 18.99	\$ 7.07			\$ 4.68	\$ 4.68	
Percent of Expenses Paid by Riders	18.3%	17.2%	7.9%	66.8%	46.3%			19.3%	19.3%	
Percent of Expenses Paid by Local Tax	33.2%	40.0%	0.0%	0.0%	0.0%			29.9%	29.9%	

Balance Sheet

Assets:	2/28/2014
Cash & Investments	\$6,755,451
Accounts Receivables	798,762
Grants Receivables	4,319,963
Other Receivables	4,125,085
Inventory	731,370
Prepaid Expenses	810,276
Total Current Assets	17,540,907
Land & Buildings	32,774,683
Equipment	55,908,762
Accum Depreciation	(39,159,692)
Net Fixed Assets	49,523,753
Total Assets	\$67,064,660

Liabilities:	
Accounts payable	531,313
Accrued Payroll	234,626
Accrued Vacation	1,253,232
Other Accruals	269,014
Unearned Revenue	249,928
Post-Retire Benefits	244,952
	2,783,065
Equity:	
Unrestricted (GASB 31)	7,173,747
Unrestricted (Available)	7,584,095
Total Unrestricted	14,757,842
Invested in Fixed Assets	49,523,753
Total Equity	64,281,595
Total Liab & Equity	\$67,064,660

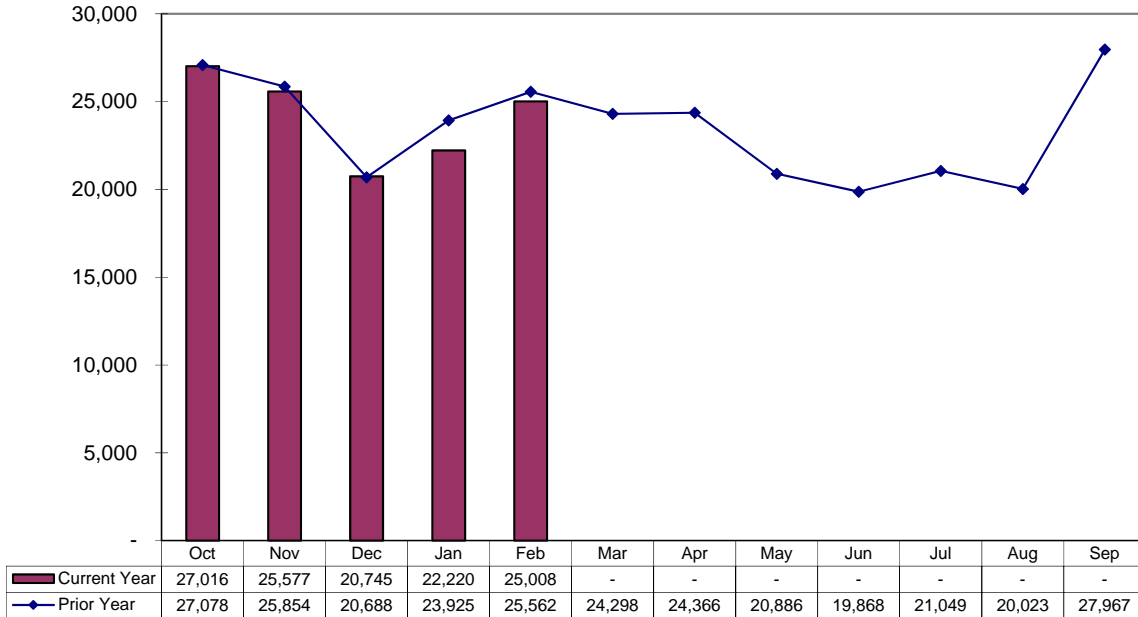
Total FY 2014 Expenses*	\$32,521,741
Months in Unrestricted	
Net Position (Min 3.0)	2.80
Amount below Minimum	(\$546,340)

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

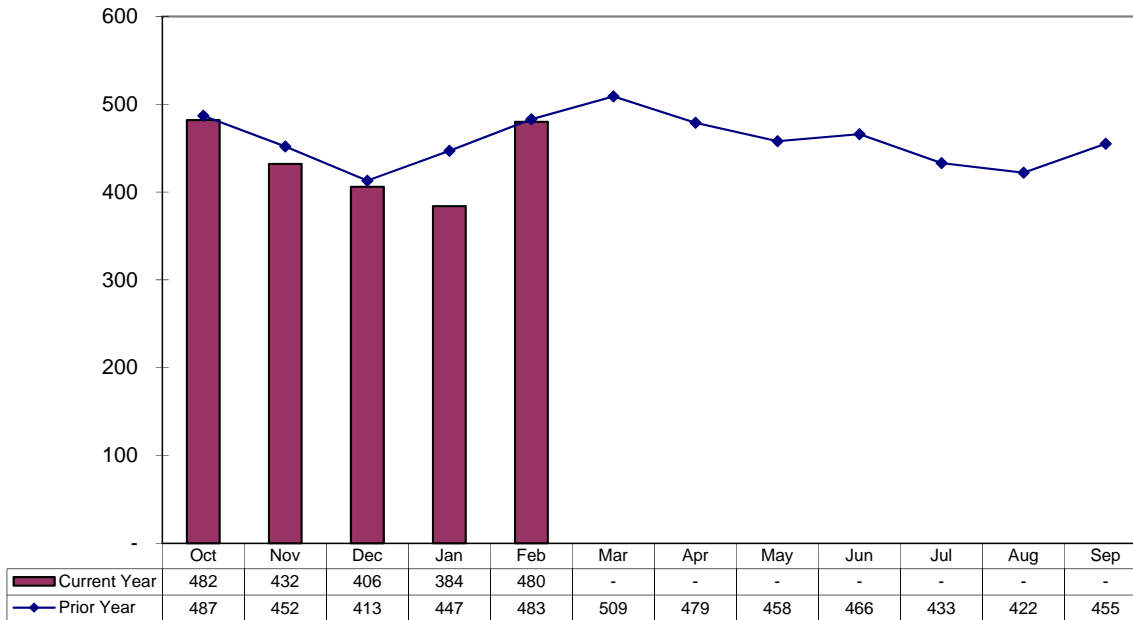
Average Weekday Passengers

February 2014

Fixed Route Average Weekday Passengers



A-Ride Average Weekday Passengers



Ann Arbor Area Transportation Authority

Performance Report - Year to Date

Urban Fixed-Route Service

February 2014

Performance Indicators	Actual		Budgeted		Previous Year	
	Year to Date		Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	23,809				24,417	-2%
Passengers per Service Hour	32.9		33.2	-1%	34.1	-3%
Operating Expense per Passenger	\$ 3.56		\$ 3.59	-1%	\$ 3.16	13%
Operating Expense per Service Hour	\$ 117.09		\$ 119.17	-2%	\$ 107.65	9%
Operating Expense per Service Mile	\$ 8.31		\$ 8.60	-3%	\$ 7.76	7%
Percent of Cost paid by Passenger	18.3%		18.2%	0%	22.0%	-17%

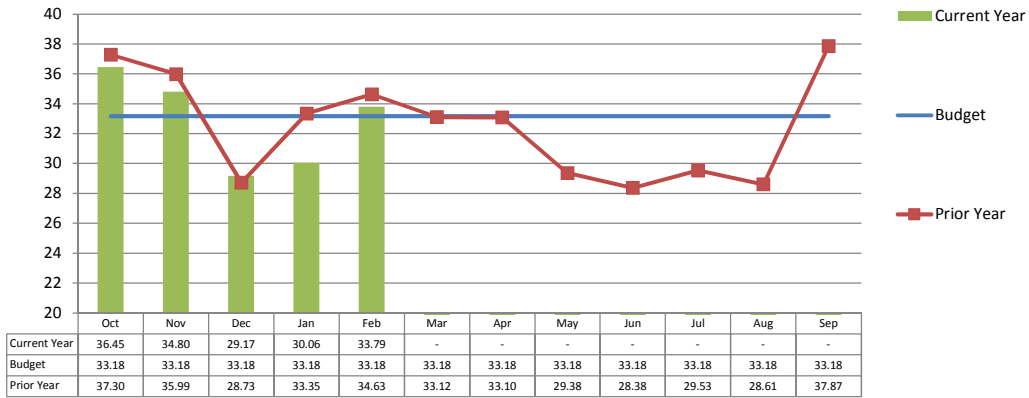
Base Data	Actual		Previous Year	
	Year to Date		to Same Date	% Variance
Service Inputs				
AAATA Operating Expenses	\$ 9,695,393		8,850,814	9.5%
Service Outputs				
AAATA Service Hours	82,805		82,216	0.7%
AAATA Service Miles	1,166,820		1,141,098	2.3%
Service Consumption				
AAATA Passengers	2,724,723		2,802,024	-2.8%
AAATA Passenger Revenue	\$ 1,773,994		1,948,504	-9.0%
Total # of Weekday Passengers	2,523,712		2,588,204	-2.5%

Number of Weekdays
 Fy 2013: 106
 Fy 2014: 106

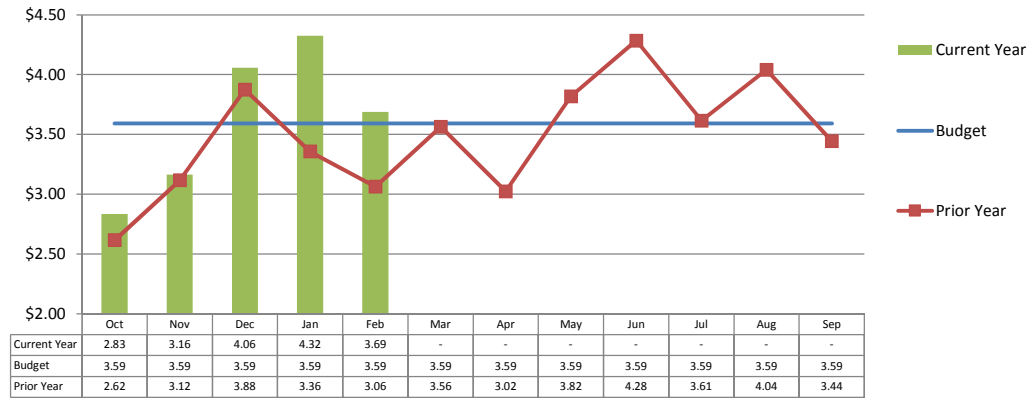
Urban Fixed Route Service

October - 2013 -- February - 2014

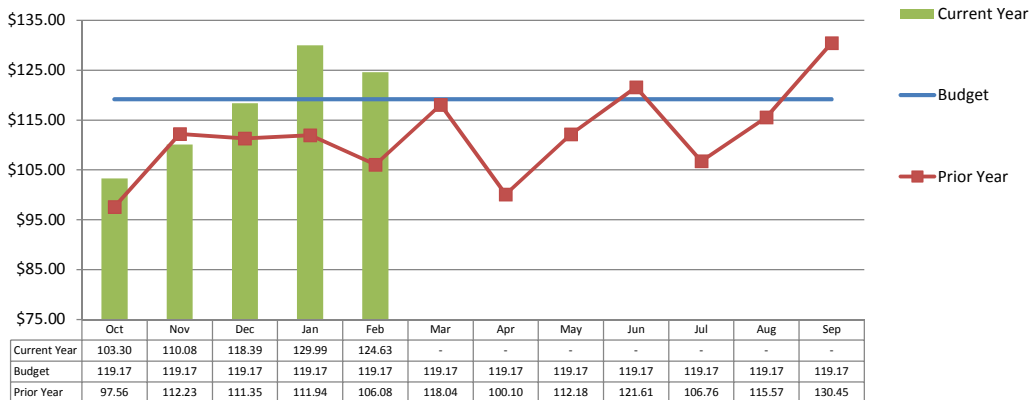
Passengers per Service Hour



Operating Expense per Passenger



Operating Expense per Service Hour



Ann Arbor Area Transportation Authority

Performance Report - Year to Date

Urban Demand-Response Service

February 2014

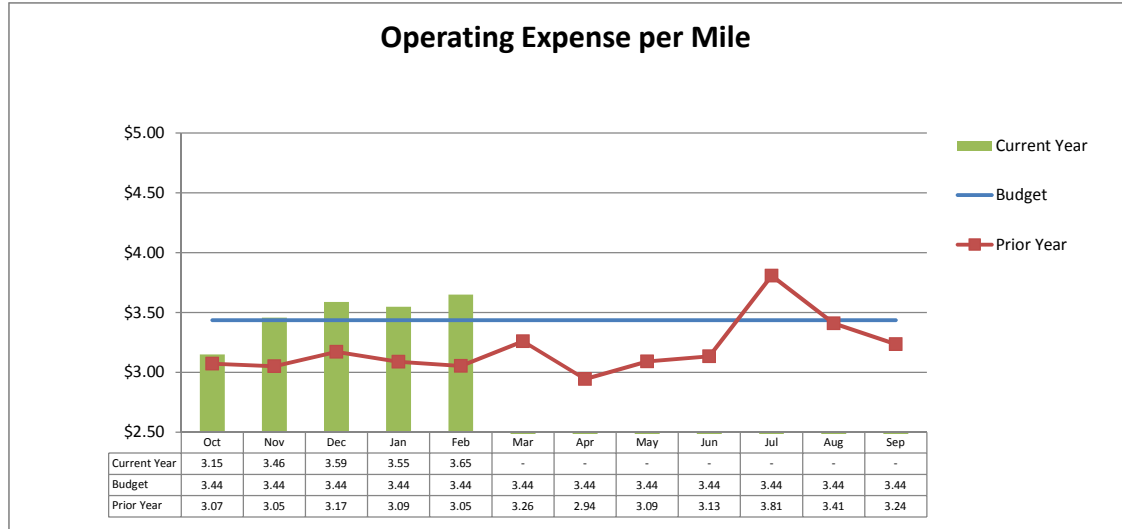
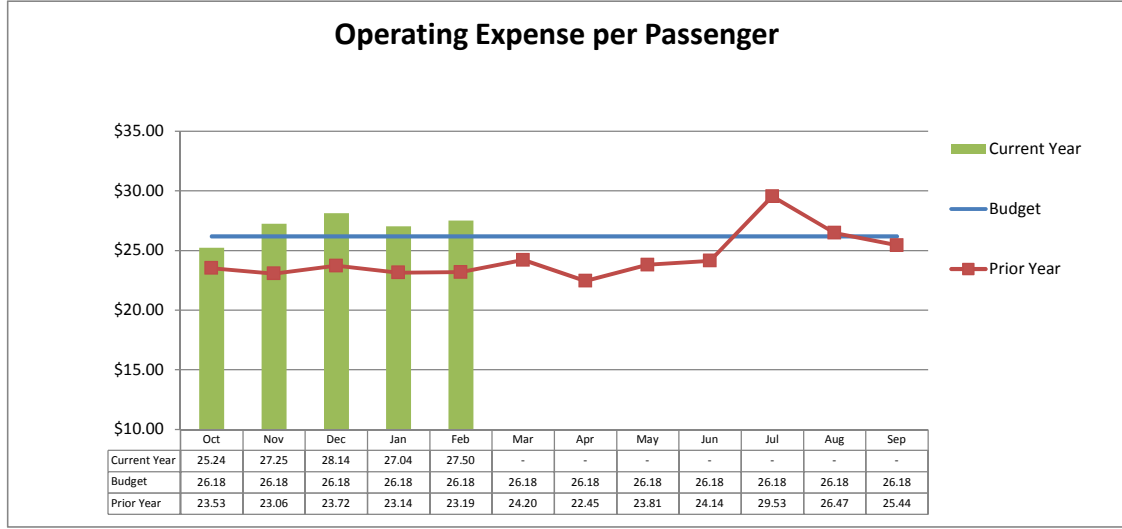
Performance Indicators	Actual		Budgeted		Previous Year			
	Year to Date		Year to Date	% Variance	to Same Date	% Variance		
Average # of Weekday Passengers	523				547	-5%		
Passengers per Service Mile	0.128		0.131	-2%	0.132	-3%		
Operating Expense per Passenger	\$	26.99	\$	26.18	3%	\$	23.33	16%
Operating Expense per Service Mile	\$	3.47	\$	3.44	1%	\$	3.09	12%
Percent of Cost paid by Passenger	17%		19%	-10%	19%	-8%		

Base Data	Actual		Previous Year		
	Year to Date		to Same Date	% Variance	
Service Inputs					
SubContracted Operating Expenses	\$	1,869,550	\$	1,686,406	11%
Service Outputs					
SubContracted Service Miles	539,322		546,505	-1%	
Service Consumption					
SubContracted Passengers	69,271		72,293	-4%	
SubContracted Passenger Revenue	\$	321,539	\$	314,304	2%
Total # of Weekday Passengers	56,987		59,676	-5%	

Number of Weekdays Fy 2013: 109
 Fy 2014: 109

Urban Demand Response Subcontracted Service

October - 2013 -- February - 2014



Ann Arbor Area Transportation Authority

Performance Report - Year to Date

ExpressRide - Fixed-Route Service

February 2014

Performance Indicators	Actual	Budgeted		Previous Year	
	Year to Date	Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	155			141	10%
Passengers per Service Hour	19.0	16.9	13%	16.2	18%
Operating Expense per Passenger	\$ 7.07	\$ 7.52	-6%	8.16	-13%
Operating Expense per Service Hour	\$ 134.54	\$ 127.01	6%	131.99	2%
Operating Expense per Service Mile	\$ 5.08	\$ 4.83	5%	4.90	4%
Percent of Cost paid by Passenger	46.3%	63.9%	-28%	40.9%	13%

Base Data	Actual	Previous Year	
	Year to Date	to Same Date	% Variance
Service Inputs			
Operating Expenses	\$ 115,947	\$ 121,524	-5%
Service Outputs			
Service Hours	862	921	-6%
Service Miles	22,806	24,796	-8%
Service Consumption			
Passengers	16,404	14,895	10%
Passenger Revenue	\$ 53,712	\$ 49,696	8%
Total # of Weekday Passengers	16,404	14,895	10%

Number of Weekdays Fy 2013: 106
 Fy 2014: 106

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

AirRide - Fixed Route Service

February 2014

Performance Indicators	Actual		Budgeted		Previous Year	
	Year to Date		Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	200				164	22%
Passengers per Service Hour	7.9		7.0	12%	6.8	15%
Operating Expense per Passenger	\$ 18.99		\$ 20.79	-9%	\$ 20.51	-7%
Operating Expense per Service Hour	\$ 149.44		\$ 145.50	3%	\$ 140.11	7%
Operating Expense per Service Mile	\$ 4.57		\$ 4.46	2%	\$ 4.19	9%
Percent of Cost paid by Passenger	66.8%		50.6%	32%	60.9%	10%

Base Data	Actual		Previous Year	
	Year to Date		to Same Date	% Variance
Service Inputs				
Operating Expenses	\$ 544,013		\$ 486,784	12%
Service Outputs				
Service Hours	3,640		3,474	5%
Service Miles	119,097		116,129	3%
Service Consumption				
Passengers	28,640		23,738	21%
Passenger Revenue	\$ 363,556		\$ 296,309	23%
Total # of Weekday Passengers	21,815		17,868	22%

Number of Weekdays Fy 2013: 109
 Fy 2014: 109