

**Ann Arbor Area Transportation Authority
Report of Operations - Unaudited
For the One Month Ended October 31, 2015**

	10/31/2015		Favorable		Comparison to Prior Year		
	Year to Date	Year to Date	(Unfavorable)	Percent	10/31/2014	Favorable	Percent
	Budget	Actual	Variance		Year to Date	(Unfavorable)	
Revenues:							
Passenger Revenue	\$194,083	\$198,648	\$4,565	2.4%	\$219,422	(\$20,774)	-9.5%
Subcontracted Revenue	147,530	150,766	3,236	2.2%	150,740	26	0.0%
Special Fares (EMU,UofM,go!Pass)	190,571	175,361	(15,210)	-8.0% 1	217,467	(42,106)	-19.4%
Advertising, Interest, and Other	23,724	23,152	(572)	-2.4%	15,541	7,611	49.0%
Local Property Tax Revenue	1,147,730	1,147,730	0	0.0% 2	1,133,632	14,098	1.2%
Purchase of Service Agreements	91,917	77,374	(14,543)	-15.8% 3	73,133	4,241	5.8%
State Operating Assistance	959,160	817,134	(142,026)	-14.8% 4	890,093	(72,959)	-8.2%
Federal Operating Assistance	382,872	382,872	0	0.0%	182,778	200,094	109.5%
Total Revenues	3,137,587	2,973,037	(164,550)	-5.2%	2,882,806	90,231	3.1%
Expenses:							
Wages							
Operations	873,846	835,610	38,236	4.4% 5	795,607	(40,003)	-5.0%
Maintenance	236,032	244,629	(8,597)	-3.6% 5	199,239	(45,390)	-22.8%
Administrative	263,443	266,099	(2,656)	-1.0%	255,158	(10,941)	-4.3%
Total Wages	1,373,321	1,346,338	26,983	2.0%	1,250,004	(96,334)	-7.7%
Fringe Benefits:							
Payroll Taxes	96,841	88,438	8,403	8.7%	76,705	(11,733)	-15.3%
Pension	99,115	88,327	10,788	10.9%	75,552	(12,775)	-16.9%
Medical Insurance	236,224	240,622	(4,398)	-1.9%	192,413	(48,209)	-25.1%
Post-Retirement Benefits & HCSP	40,874	37,864	3,010	7.4%	32,586	(5,278)	-16.2%
Other Fringe Benefits	92,147	88,805	3,342	3.6%	80,516	(8,289)	-10.3%
Total Fringe Benefits	565,201	544,056	21,145	3.7% 6	457,772	(86,284)	-18.8%
	41.2%	40.4%					
Purchased Services:							
Contracted Maintenance	40,639	18,171	22,468	55.3% 7	28,118	9,947	35.4%
Consulting Fees	15,684	4,000	11,684	74.5%	0	(4,000)	#DIV/0!
Security Services	28,640	25,432	3,208	11.2%	25,163	(269)	-1.1%
Other Purchased Services	A 55,576	36,009	19,567	35.2% 7	39,589	3,580	9.0%
Total Purchased Services	140,539	83,612	56,927	40.5%	92,870	9,258	10.0%
Materials and Supplies:							
Diesel Fuel and Gasoline	164,892	134,503	30,389	18.4% 8	164,707	30,204	18.3%
Fuel Futures (Gains) or Losses	0	7,337	(7,337)	100.0% 8	13,747	6,410	46.6%
Bus Parts	73,016	72,066	950	1.3%	63,526	(8,540)	-13.4%
Printing	7,087	4,595	2,492	35.2%	1,642	(2,953)	-179.8%
Other Materials and Supplies	B 121,086	92,770	28,316	23.4% 9	53,206	(39,564)	-74.4%
Total Materials and Supplies	366,081	311,271	54,810	15.0%	296,828	(14,443)	-4.9%
Utilities	C 27,498	19,514	7,984	29.0% 10	21,431	1,917	8.9%
Casualty & Liability Insurance	64,583	56,247	8,336	12.9%	53,423	(2,824)	-5.3%
Purchased Transportation:							
Aride and Good as Gold	237,187	260,340	(23,153)	-9.8% 11	292,039	31,699	10.9%
Night Ride	49,156	45,625	3,531	7.2%	46,593	968	2.1%
Air Ride	95,656	103,238	(7,582)	-7.9%	104,257	1,019	1.0%
WWAVE, Northfield and Guar Ride	120,820	120,847	(27)	0.0%	96,391	(24,456)	-25.4%
Total Purchased Transportation	502,819	530,050	(27,231)	-5.4%	539,280	9,230	1.7%
Other Expenses	D 46,158	25,992	20,166	43.7% 12	35,991	9,999	27.8%
Local Depreciation	24,833	24,833	0	0.0%	24,750	(83)	-0.3%
Total Expenses	3,111,033	2,941,913	169,120	5.4%	2,772,349	(169,564)	-6.1%
Gain (Loss) from Operations	\$26,554	\$31,124	\$4,570		\$110,457	(79,333)	

Variations:

Detail of Budget Variances - Positive (Negative):

	October	October
	Year to Date	Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	\$5,107	
Physical Exam Fees	2,218	
Legal Fees	0	
IT Services	2,654	
Custodial Services	(77)	
Internet Services	6,021	
Towing	1,250	
Admin Fee - Benefit Source	2,394	
	19,567	
B: Other Materials and Supplies Variances:		
Lubricants	5,540	
Tires, Tubes and Wheels	3,051	
Tools and Equipment	820	
Equipment Repair	832	
Other Materials and Supplies	16,534	
Computer Software	1,539	
	28,316	
C: Utilities Variances:		
Natural Gas		416
Electricity		4,104
Water		1,333
Telephone		2,131
		7,984
D: Other Expenses Variances:		
Uniform Expense		587
Postage		1,844
Dues and Subscriptions		629
Conference and Travel		(2,009)
Media costs		8,390
Employee Development		4,878
Wellness		1,573
Recruitment and Hiring		1,667
Equipment Rental		2,607
		20,166



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MEMO

To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: November 10, 2015
Re: Notes to the Financial Report of Operations – October 31, 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 **\$31,000** surplus for the first month 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. Special Fares are under budget due to a timing difference on recognition on go!pass sales.
2. Property taxes reflect the additional 0.7 property tax millage which were levied on July 1, 2015, 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.
3. Purchase of Service Agreements are under budget due to a timing difference on the JARC pass-through funding.
4. State Urban Operating Assistance is under budget by \$142,000, because it is based on incurred eligible expenses x 30.8%, which are less than budgeted.

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

5. Wages are under budget for operations, since we are down a few drivers compared to budget. Wages are over budget for maintenance, since we had two weeks of classroom training for vehicle mechanics by our bus manufacturer Gillig. During this time, overtime was incurred by other vehicle mechanics working on the buses.
6. Fringe Benefits are under budget due to overall wages being under budget. Overall fringes are 40.4% of wages compared to the budgeted amount of 41.2%.
7. 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.
8. Fuel and fuel futures expenses are over budget by \$23,000, after consideration of the loss on fuel futures. We averaged \$2.15 per gallon for October, compared to the budget of \$2.45 per gallon. However, we had realized losses on fuel futures of \$7,300.
9. 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).
10. Utilities are under budget by \$8,000 due to timing of bills received.
11. ARide is over budget as demand has increased over the last few months.
12. 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 One Month Ended October 31, 2015

Year-To-Date Summary Operating Statement by Mode

	Fixed Route	Demand Response	NonUrban	Express Ride	AirRide	N/S Rail, GDT, UrbanCore, Van	Total Actual
Revenues (except Property Tax):							
Passenger Revenue	\$171,910	\$21,363	\$0	\$5,375	\$0	\$0	\$198,648
Subcontracted Revenue	\$0	\$41,446	\$8,700	\$0	\$100,620	\$0	\$150,766
Special Fares (EMU, UofM, go!Pass)	\$170,798	\$0	\$0	\$4,563	\$0	\$0	\$175,361
Advertising, Interest, and Other	\$23,152	\$0	\$0	\$0	\$0	\$0	\$23,152
Purchase of Service Agreements	\$24,015	14,055	\$32,007	\$1,250	\$0	\$6,047	\$77,374
State Operating Assistance	\$617,281	\$139,039	\$40,339	\$7,117	\$13,358	\$0	\$817,134
Federal Operating Assistance	\$298,383	\$0	\$15,122	\$4,801	\$0	\$64,566	\$382,872
Total Revenues	\$1,305,539	\$215,902	\$96,168	\$23,106	\$113,978	\$70,613	\$1,825,307
Expenses:							
Wages	1,206,372	74,381	3,010	12,878	7,221	42,476	1,346,338
Fringe Benefits	484,071	31,878	1,290	5,519	3,095	18,204	544,056
Purchased Services	78,521	0	251	841	0	4,000	83,612
Diesel Fuel, Net of Futures	140,587	0	0	1,253	0	0	141,840
Materials and Supplies	160,011	3,728	339	1,497	424	3,433	169,431
Utilities	18,462	880	0	172	0	0	19,514
Insurance	50,829	4,500	422	497	0	0	56,247
Purchased Transportation	0	336,058	90,754	0	103,238	0	530,050
Other Expenses	23,158	0	104	230	0	2,500	25,992
Local Depreciation	24,614	0	0	219	0	0	24,833
Total Expenses	2,186,623	451,424	96,169	23,106	113,978	70,613	2,941,913
Net Local Property Tax Applied	\$881,084	\$235,522	\$0	\$0	\$0	\$0	\$1,116,606
Percent of Total	78.9%	21.1%	0.0%	0.0%	0.0%	0.0%	100.0%
Local Property Taxes							\$1,147,730
Authority Wide Surplus (Loss)							\$31,124
Service Hours	20,264	9,528		179	761		30,732
Cost per Service Hour	\$ 107.91	\$ 47.38		\$ 129.08	\$ 149.77		
Passengers	606,092	14,767		2,527	7,878		631,264
Cost per Passenger	\$ 3.61	\$ 30.57		\$ 9.14	\$ 14.47		\$ 4.66
Percent of Expenses Paid by Riders	15.7%	13.9%	9.0%	43.0%	88.3%		17.8%
Percent of Expenses Paid by Local Tax	40.3%	52.2%	0.0%	0.0%	0.0%		38.0%

Balance Sheet

Assets:	10/31/2015
Cash & Investments	\$15,989,842
Accounts Receivables	830,751
Grants Receivables	3,675,779
Other Receivables	1,527,669
Inventory (Parts, Fuel)	885,357
Prepaid Expenses	434,142
Total Current Assets	23,343,540
Land & Buildings	35,036,067
Equipment	60,492,961
Accum Depreciation	(43,342,429)
Net Capital Assets	52,186,599
Total Assets	\$75,530,139
Liabilities:	
Accounts payable	\$122,261
Accrued Payroll	596,439
Accrued Sick/Vacation	1,415,998
Other Accruals	170,884
Unearned Revenue	341,404
Post-Retire Benefits	270,038
Total Liabilities	2,917,024
Net Position	
Unrestricted (GASB 31)	11,087,523
Unrestrictd (Fuel Savings)	196,236
Unrestricted (Available)	9,142,757
Total Unrestricted	20,426,516
Invested in Capital Assets	52,186,599
Total Net Position	72,613,115
Total Liab & Net Position	\$75,530,139
Total FY 2016 Expenses*	\$38,655,850
Months in Unrestricted	
Net Assets (Min 2.5)	2.84
Amount above Minimum	\$1,089,455

*Expenses do not include
 R&D projects