

**Ann Arbor Transportation Authority
Report of Operations - Unaudited
For the Seven Months Ended April 30, 2014**

5/7/2014

	4/30/2014		Favorable		4/30/2013		Favorable	
	Year to Date Budget	Year to Date Actual	(Unfavorable) Variance	Percent	Year to Date Actual	(Unfavorable) Variance	Percent	
Revenues:								
Passenger Revenue	1,294,798	\$1,214,265	(\$80,533)	-6.2% 1	\$1,354,825	(\$140,560)	-10.4%	
Subcontracted Revenue	830,790	936,760	105,970	12.8% 2	854,349	82,411	9.6%	
Special Fares (EMU,UofM,go!Pass)	1,406,074	1,385,575	(20,499)	-1.5%	1,496,522	(110,947)	-7.4%	
Interest, Advertising and Other	202,213	181,192	(21,021)	-10.4% 3	246,389	(65,197)	-26.5%	
Local Property Tax Revenue	5,739,412	5,739,412	0	0.0%	5,406,331	333,081	6.2%	
Purchase of Service Agreements	844,444	803,508	(40,936)	-4.8% 4	982,727	(179,219)	-18.2%	
State Operating Assistance	5,542,929	5,549,273	6,344	0.1% 5	4,704,297	844,976	18.0%	
Federal Operating Assistance	3,101,433	3,101,425	(8)	0.0%	2,535,071	566,354	22.3%	
Total Revenues	18,962,093	18,911,410	(50,683)	-0.3%	17,580,511	1,330,899	7.6%	
Expenses:								
Wages								
Operator Wages	4,063,105	4,022,175	40,930	1.0%	3,866,577	(155,598)	-4.0%	
Other Wages	3,410,666	3,326,312	84,354	2.5%	3,176,832	(149,480)	-4.7%	
Total Wages	7,473,771	7,348,487	125,284	1.7% 6	7,043,409	(305,078)	-4.3%	
Fringe Benefits:								
Payroll Taxes	560,988	526,915	34,073	6.1%	512,318	(14,597)	-2.8%	
Pension	520,260	503,761	16,499	3.2%	469,697	(34,064)	-7.3%	
Medical Insurance	1,453,410	1,420,938	32,472	2.2%	1,279,623	(141,315)	-11.0%	
Post-Retirement Benefits & HCSP	228,861	214,189	14,672	6.4%	224,823	10,634	4.7%	
Other Fringe Benefits	406,878	375,923	30,955	7.6%	481,291	(105,368)	-21.9%	
Total Fringe Benefits	3,170,397	3,041,726	128,671	4.1% 7	2,967,752	(73,974)	-2.5%	
Purchased Services:								
Contracted Maintenance	300,332	405,507	(105,175)	-35.0% 8	247,775	(157,732)	-63.7%	
Consulting Fees/Public Relations	350,926	322,649	28,277	8.1% 9	314,429	(8,220)	-2.6%	
Security Services	175,287	209,505	(34,218)	-19.5% 10	159,348	(50,157)	-31.5%	
Other Purchased Services	A 449,813	369,323	80,490	17.9% 11	320,983	(48,340)	-15.1%	
Total Purchased Services	1,276,358	1,306,984	(30,626)	-2.4%	1,042,535	(264,449)	-25.4%	
Materials and Supplies:								
Diesel Fuel and Gasoline	1,214,600	1,205,867	8,733	0.7% 12	1,249,351	43,484	3.5%	
Fuel Futures (Gains) or Losses	0	18,698	(18,698)	100.0% 12	(30,370)	(49,068)	161.6%	
Bus Parts	408,835	377,340	31,495	7.7%	408,762	31,422	7.7%	
Printing	115,736	56,477	59,259	51.2% 13	72,518	16,041	22.1%	
Other Materials and Supplies	B 543,211	455,666	87,545	16.1% 14	414,076	(41,590)	-10.0%	
Total Materials and Supplies	2,282,382	2,114,048	168,334	7.4%	2,114,337	289		
Utilities	C 333,458	360,795	(27,337)	-8.2% 15	263,741	(97,054)	-36.8%	
Casualty & Liability Insurance	358,162	402,538	(44,376)	-12.4% 16	280,443	(122,095)	-43.5%	
Purchased Transportation:								
Aride and Good as Gold	1,792,675	1,806,592	(13,917)	-0.8%	1,722,430	(84,162)	-4.9%	
Night Ride	362,274	346,388	15,886	4.4%	347,788	1,400	0.4%	
Air Ride	649,892	703,082	(53,190)	-8.2% 17	652,368	(50,714)	-100.0%	
WWAVE, Northfield and Mobility Mgt	805,269	757,243	48,026	6.0% 18	730,799	(26,444)	-3.6%	
Total Purchased Transportation	3,610,110	3,613,305	(3,195)	-0.1%	3,453,385	(159,920)	-4.6%	
Other Expenses	D 321,592	235,587	86,005	26.7% 19	197,098	(38,489)	-19.5%	
Local Depreciation	86,331	106,200	(19,869)	-23.0%	89,250	(16,950)	-19.0%	
Total Expenses	18,912,561	18,529,670	382,891	2.0%	17,451,950	(1,077,720)	-6.2%	
Gain (Loss) from Operations	\$49,532	\$381,740	\$332,208		\$128,561	253,179		

Variations:

Detail of Budget Variances - Positive (Negative):

	April Year to Date	April Year to Date
A: Other Purchased Services Variations:		
Management & Agency Fees	(\$8,760)	
Physical Exam Fees	(2,042)	
Legal Fees	23,152	
Auditing Fees	0	
Collection Fees	0	
IT Services	18,487	
Custodial Services	19,938	
Internet Services	28,655	
Towing	1,244	
Admin Fee - Benefit Source	(184)	
	<u>80,490</u>	
B: Other Materials and Supplies Variations:		
Lubricants, Oils, DEF	40,645	
Tires, Tubes and Wheels	31,107	
Tools and Equipment	960	
Equipment Repair	406	
Other Materials and Supplies	3,107	
Computer Software	11,320	
	<u>87,545</u>	
C: Utilities Variations:		
Natural Gas		(57,624)
Electricity		15,964
Water		7,823
Telephone		6,500
		<u>(27,337)</u>
D: Other Expenses Variations:		
Uniform Expense		(1,126)
Postage		(1,119)
Dues and Subscriptions		6,095
Conference and Travel		10,049
Media costs		43,073
Employee Development		34,225
Recruitment and Hiring		0
Equipment Rental		(5,192)
		<u>86,005</u>

Memorandum



To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: **May 9, 2014**
Re: **Notes for the Report of Operations Financial Statement – Seven Months Ended April 30, 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 0.3% under budget (unfavorable).

1. Passenger Fares are under budget by 6.2% due to cash fares and monthly value pass sales.
2. Subcontracted Passenger Fares are over budget due to the AirRide fares are 36.4% over budget, \$519,000 actual compared to \$380,000 budgeted. April fares were \$66,900, down from March's record of \$88,400.
3. Interest, Advertising and Other revenue is under budget due to advertising revenue being \$24,600 under budget for the first seven months.
4. Purchase of Service Agreements are under budget since there is \$21,100 less in private contractor match for AirRide due to the passenger fares being greater than budget. The nonurban People's Express service is operating at a lower level than budgeted, so the match amount recorded under the POSA is \$23,800 less.
5. State Operating Assistance is over budget by \$6,300. 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 \$91,000, 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. Also, we received a retro refund of \$142,500 from our workers' compensation carrier for the calendar year 2012, since our claims were \$22,000 for the year, so Accident fund returned 40% of our \$356,200 premium. However, we expected this amount and budgeted for it.
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 \$34,200 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 \$10,000, 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 \$3.45 for December through mid-March. We are back to summer blend since mid-March and deliveries since then have averaged \$3.17 per gallon.
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. Utilities are over budget, due to natural gas usage from the cold winter. For the month of March, Michigan was the coldest place in the world, compared to historical normal average.
16. Insurance is over budget by 8.2% due to higher than expected claims that have been made under our \$25,000 deductible on vehicle liability coverage.
17. 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.
18. Purchased Transportation – Guaranteed Ride Home is under budget, since we are budgeting about \$3,000 per month, (YTD \$20,700) and have only spent \$8,700. MyRide is under budget as well by \$52,800 (27.2%).
19. 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 Seven Months Ended April 30, 2014

Year-To-Date Summary Operating Statement by Mode										Balance Sheet	
Revenues (except Property Tax):	Fixed		Demand		Express		WALLY, GDT, UrbanCore, Van		Total Actual	Assets:	
	Route	Response	NonUrban	AirRide	Ride	UrbanCore, Van	UrbanCore, Van	UrbanCore, Van		Cash & Investments	4/30/2014
Passenger Revenue	\$1,065,088	\$97,496	\$0	\$0	\$51,681	\$0	\$0	\$0	\$1,214,265	Accounts Receivables	\$6,450,373
Subcontracted Passenger Revenue	\$0	\$354,066	\$48,650	\$0	\$0	\$0	\$15,182	\$0	\$936,760	Grants Receivables	573,288
Special Fares (EMU, UofM, go!Pass)	\$1,339,882	\$7,005	\$0	\$0	\$38,688	\$0	\$0	\$0	\$1,385,575	Other Receivables	3,323,224
Interest, Advertising and Other	\$155,685	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$181,192	Inventory	5,857,962
Purchase of Service Agreements	\$368,937	\$124,981	\$256,828	\$13,374	\$8,750	\$237,559	\$30,638	\$0	\$803,508	Prepaid Expenses	789,307
State Operating Assistance	\$4,118,817	\$891,226	\$229,766	\$203,372	\$50,372	\$237,559	\$21,532	\$0	\$5,549,273	Total Current Assets	17,712,393
Federal Operating Assistance	\$1,954,906	\$223,478	\$97,895	\$0	\$13,735	\$0	\$811,411	\$0	\$3,101,425	Land & Buildings	32,774,683
Total Revenues	\$9,003,315	\$1,698,252	\$633,139	\$769,795	\$163,226	\$0	\$904,270	\$0	\$13,171,998	Equipment	56,789,034
										Accum Depreciation	(39,194,292)
										Net Fixed Assets	50,369,425
										Total Assets	\$68,081,818
Expenses:										Liabilities:	
Wages	6,671,244	218,095	11,357	33,663	81,496	0	332,632	0	7,348,487	Accounts payable	589,893
Fringe Benefits	2,752,998	93,469	4,867	14,427	33,408	0	142,557	0	3,041,726	Accrued Payroll	396,432
Purchased Services	928,682	419	3,921	6,881	14,384	0	352,697	0	1,306,984	Accrued Vacation	1,285,338
Diesel Fuel, Net of Futures	1,211,836	0	0	0	12,729	0	0	0	1,224,565	Other Accruals	341,430
Materials and Supplies	828,351	19,275	1,779	427	9,566	0	30,085	0	889,483	Unearned Revenue	246,685
Utilities	340,773	16,272	0	0	3,751	0	0	0	360,795	Post-Retire Benefits	245,371
Insurance	363,131	32,203	3,019	0	4,184	0	0	0	402,538	Equity:	
Purchased Transportation	0	2,294,288	607,254	703,082	0	0	8,681	0	3,613,305	Unrestricted (GASB 31)	7,173,747
Other Expenses	199,628	1,277	942	11,315	2,603	0	19,822	0	235,587	Unrestricted (Available)	7,433,498
Local Depreciation	87,300	0	0	0	1,104	0	17,796	0	106,200	Total Unrestricted	14,607,245
Total Expenses	13,383,942	2,675,297	633,139	769,795	163,226	0	904,270	0	18,529,670	Invested in Fixed Assets	50,369,425
Net Local Property Tax Applied	\$4,380,627	\$977,045	\$0	\$0	\$0	\$0	\$0	\$0	\$5,357,672	Total Equity	64,976,670
Local Property Taxes	81.8%	18.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	Total Liab & Equity	\$68,081,819
Authority Wide Surplus (Loss)									\$381,740		
Service Hours	116,497	47,526		5,156	1,211				170,390	Total FY 2014 Expenses*	\$32,521,741
Cost per Service Hour	\$ 114.89	\$ 56.29		\$ 149.30	\$ 134.79				\$ 4.62	Months in Unrestricted	
Passengers	3,843,999	99,436		40,229	23,518				4,007,182	Net Position (Min 3.0)	2.74
Cost per Passenger	\$ 3.48	\$ 26.90		\$ 19.14	\$ 6.94				\$ 4.62	Amount below Minimum	(\$696,937)
Percent of Expenses Paid by Riders	18.0%	17.1%	7.7%	67.4%	55.4%				19.1%	*Expenses do not include one-time projects; Connector Study & Wally	
Percent of Expenses Paid by Local Tax	32.7%	36.5%	0.0%	0.0%	0.0%				28.9%		