

**Ann Arbor Area Transportation Authority
Report of Operations - Unaudited
For the Eleven Months Ended August 31, 2015**

Comparison to Prior Year

	8/31/2015		7/31/2015		Favorable (Unfavorable)		8/31/2014		Favorable (Unfavorable)	
	Amended Budget	Year to Date	Actual	Year to Date	Variance	Percent	Actual	Year to Date	Variance	Percent
Revenues:										
Passenger Revenue	\$2,083,339		\$2,055,407		(\$27,932)	-1.3%	\$1,982,441		\$72,966	3.7%
Subcontracted Revenue	1,531,720		1,554,775		23,055	1.5%	1,470,924		83,851	5.7%
Special Fares (EMU,UofM,go!Pass)	2,123,053		2,050,004		(73,049)	-3.4%	1,899,749		150,255	7.9%
Advertising, Interest and Other	285,158		332,341		47,183	16.5%	292,069		40,272	13.8%
Local Property Tax Revenue	12,469,952		11,733,227		(736,725)	-5.9% 1	9,712,779		2,020,448	20.8%
Purchase of Service Agreements	983,141		958,261		(24,880)	-2.5%	1,137,458		(179,197)	-15.8%
State Operating Assistance	9,909,300		9,613,591		(295,709)	-3.0% 2	8,708,584		905,007	10.4%
Federal Operating Assistance	4,274,593		3,991,622		(282,971)	-6.6% 3	4,891,922		(900,300)	-18.4%
Total Revenues	33,660,256		32,289,228		(1,371,028)	-4.1%	30,095,926		2,193,302	7.3%
Expenses:										
Wages										
Operations	8,983,208		8,737,230		245,978	2.7%	7,493,307		(1,243,923)	-16.6%
Maintenance	2,297,632		2,153,876		143,756	6.3% 4	1,934,113		(219,763)	-11.4%
Administrative	2,711,680		2,594,354		117,326	4.3% 4	2,380,182		(214,172)	-9.0%
Total Wages	13,992,520		13,485,460		507,060	3.6%	11,807,602		(1,677,858)	-14.2%
Fringe Benefits:										
Payroll Taxes	1,050,462		977,297		73,165	7.0% 5	864,400		(112,897)	-13.1%
Pension	952,120		995,305		(43,185)	-4.5% 5	825,712		(169,593)	-20.5%
Medical Insurance	2,301,199		2,219,712		81,487	3.5% 5	2,197,880		(21,832)	-1.0%
Post-Retirement Benefits & HCSP	423,284		383,909		39,375	9.3%	340,581		(43,328)	-12.7%
Other Fringe Benefits	894,711		829,104		65,607	7.3%	710,535		(118,569)	-16.7%
Total Fringe Benefits	5,621,776		5,405,327		216,449	3.9% 5	4,939,108		(466,219)	-9.4%
	40.2%		40.1%							
Purchased Services:										
Contracted Maintenance	626,384		530,799		95,585	15.3% 6	514,877		(15,922)	-3.1%
Consulting Fees	404,444		365,500		38,944	9.6% 7	600,829		235,329	39.2%
Security Services	304,869		298,658		6,211	2.0%	306,669		8,011	2.6%
Other Purchased Services	814,664		765,047		49,617	6.1%	644,418		(120,629)	-18.7%
Total Purchased Services	2,150,361		1,960,004		190,357	8.9%	2,066,793		106,789	5.2%
Materials and Supplies:										
Diesel Fuel and Gasoline	1,897,000		1,420,310		476,690	25.1% 8	1,870,516		450,206	24.1%
Fuel Futures (Gains) or Losses	0		575,234		(575,234)	100.0% 8	20,857		(554,377)	-2658.0%
Bus Parts	697,075		685,257		11,818	1.7%	574,179		(111,078)	-19.3%
Printing	208,132		137,315		70,817	34.0% 9	111,795		(25,520)	-22.8%
Other Materials and Supplies	933,162		890,231		42,931	4.6%	756,390		(133,841)	-17.7%
Total Materials and Supplies	3,735,369		3,708,347		27,022	0.7%	3,333,737		(374,610)	-11.2%
Utilities	569,749		538,512		31,237	5.5%	477,721		(60,791)	-12.7%
Casualty & Liability Insurance	601,663		498,769		102,894	17.1% 10	591,018		92,249	15.6%
Purchased Transportation:										
ARide and GoodRide	2,730,047		2,768,968		(38,921)	-1.4%	2,849,237		80,269	2.8%
Night Ride	523,240		528,119		(4,879)	-0.9%	542,141		14,022	2.6%
Air Ride	1,108,902		1,119,949		(11,047)	-1.0%	1,110,676		(9,273)	-0.8%
WWAVE, Northfield, MyRide, GRH	1,387,849		1,391,537		(3,688)	-0.3%	1,183,250		(208,287)	-17.6%
Total Purchased Transportation	5,750,038		5,808,573		(58,535)	-1.0%	5,685,304		(123,269)	-2.2%
Other Expenses	663,630		547,373		116,257	17.5% 11	579,508		32,135	5.5%
Local Depreciation	272,250		272,250		0	0.0%	195,400		(76,850)	-39.3%
Total Expenses	33,357,356		32,224,615		1,132,741	3.4%	29,676,191		(2,548,424)	-8.6%
Gain (Loss) from Operations	\$302,900		\$64,613		(\$238,287)		\$419,735		(355,122)	

Variances:

Detail of Budget Variances - Positive (Negative):

	August Year to Date	August Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	\$18,900	
Physical Exam Fees	(5,441)	
Legal Fees	(219)	
Auditing Fees	0	
IT Services/Contract Employees	(2,655)	
Custodial Services	(4,038)	
Internet Services	30,976	
Towing	2,818	
Admin Fee - Benefit Source	9,276	
	<u>49,617</u>	<u>9</u>
B: Other Materials and Supplies Variances:		
Lubricants	1,265	
Tires, Tubes and Wheels	10,005	
Tools and Equipment	1,435	
Equipment Repair	(1,638)	
Other Materials and Supplies	3,061	
Computer Software	28,803	
	<u>42,931</u>	
C: Utilities Variances:		
Natural Gas	8,776	
Electricity	11,827	
Water	6,053	
Telephone	4,581	
	<u>31,237</u>	
D: Other Expenses Variances:		
Uniform Expense	(22,649)	
Postage	8,403	
Dues and Subscriptions	3,229	
Conference and Travel	21,302	
Media costs	56,320	
Employee Development	48,071	
Wellness	9,889	
Recruitment and Hiring	(4,356)	
Equipment Rental	(3,952)	
	<u>116,257</u>	<u>12</u>



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MEMO

To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: September 8, 2015
Re: Notes to the Financial Report of Operations – August 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 **\$64,600 surplus** after deferring \$1,702,250 of the July 2015 property tax millage for the purchase of 13 large buses delivered in August 2015 (4) and November 2015 (9) and two small buses.

The Amended FY 2015 Operating Budget changes were reflected in the June 30, 2015 statement.

REVENUES: Total Revenues are 4.1% under budget (unfavorable).

1. Property taxes reflect the additional 0.7 property tax millage which were levied on July 1, 2015, along with the budgeted deferment of \$1.7 million for bus purchases in FY 2015 and FY 2016. We are deferring more than we anticipated based on the schedule of bus purchases. We will use \$3.85 million from the July 1, 2014 levy in FY 2014 and \$1.86 million from the July 1, 2015 levy to purchase 13 large buses and 2 small ones.
2. State Urban Operating Assistance is under budget by \$324,000 because it is based on incurred eligible expenses x 31.015%, which are less than budgeted. We have a net gain of \$87,700 from the MDOT closeout from the audits of FY 2011 and FY 2012.
3. Federal Operating Assistance is under budget by \$283,000. We are not going to draw down \$130,000 in preventative maintenance grant funds each month for three months in FY 2015, but defer them into FY 2016, \$390,000 overall. We will defer the state match, \$32,500 per month, for three months as well.

EXPENSES: Total Expenses are 4.1% under budget (favorable).

4. Wages are under budget for maintenance and administration due to vacant positions in the FY 2015 budget throughout the year. Most of the positions are now filled.
5. Fringe Benefits are under budget due to the vacant positions.
6. Contracted maintenance is under budget due to timing differences for projects.
7. Consulting and public relations expenses are under budget due to timing differences for projects.
8. Fuel and fuel futures expenses are under budget by \$98,500, after consideration of the loss on fuel futures. We averaged \$1.63 per gallon in August. This is below the budget of \$3.25 per gallon. However, we recognized losses on fuel futures of \$575,000. With fuel prices falling, we realize a loss on futures contracts when we sell.
9. Printing is under budget by \$70,800 due to timing of projects and we expect more will be spent before fiscal year end.
10. Insurance is under budget by \$102,900. We received \$93,000 from our previous vehicle insurance carrier (before August 1, 2014) that they were keeping as working capital to pay claims under our \$25,000 deductible. All the claims are closed and they refunded this amount.
11. Other expenses are under budget as noted under note D with conference & travel, media and employee development under budget.

Ann Arbor Area Transportation Authority
 Report to the Treasurer: Summary Operating Statement by Mode
 For the Eleven Months Ended August 31, 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	\$1,899,095	\$156,312	\$0	\$0	\$0	\$0	\$2,055,407
Subcontracted Revenue	\$0	\$503,977	\$86,700	\$0	\$924,653	\$39,445	\$1,554,775
Special Fares (EMU,UofM,go!Pass)	\$1,899,031	\$11,296	\$0	\$139,677	\$0	\$0	\$2,050,004
Advertising, Interest and Other	\$261,833	\$0	\$0	\$0	\$0	\$70,508	\$332,341
Purchase of Service Agreements	\$325,758	185,803	\$394,645	\$13,750	\$0	\$38,306	\$958,261
State Operating Assistance	\$7,072,611	\$1,557,677	\$460,911	\$86,621	\$382,010	\$53,762	\$9,613,591
Federal Operating Assistance	\$2,634,799	\$145,517	\$163,471	\$38,117	\$0	\$1,009,717	\$3,991,622
Total Revenues	\$14,093,127	\$2,560,581	\$1,105,727	\$278,165	\$1,306,663	\$1,211,738	\$20,556,001
Expenses:							
Wages	12,125,184	625,017	21,921	139,387	92,224	481,725	\$13,485,460
Fringe Benefits	4,858,456	231,760	9,395	59,737	39,525	206,454	\$5,405,327
Purchased Services	1,507,857	1,138	5,880	19,537	1,569	424,023	\$1,960,004
Diesel Fuel, Net of Futures	1,966,914	9,569	0	19,061	0	0	1,995,544
Materials and Supplies	1,597,599	44,184	3,426	16,706	744	50,144	1,712,803
Utilities	509,135	24,233	0	5,144	0	0	538,512
Insurance	450,363	39,902	3,741	4,764	0	0	498,769
Purchased Transportation	0	3,611,982	1,059,175	0	1,119,949	17,467	5,808,573
Other Expenses	407,492	41,886	2,189	11,228	52,652	31,925	547,373
Local Depreciation	269,650	0	0	2,600	0	0	272,250
Total Expenses	23,692,650	4,629,671	1,105,727	278,165	1,306,663	1,211,738	32,224,615
Net Local Property Tax Applied	\$9,599,524	\$2,069,090	\$0	\$0	\$0	\$0	\$11,668,614
Percent of Total	82.3%	17.7%	0.0%	0.0%	0.0%	0.0%	100.0%
Local Property Taxes							\$11,733,227
Authority Wide Surplus (Loss)							\$64,613
Service Hours	200,071	80,766		1,911	8,224		290,972
Cost per Service Hour	\$ 118.42	\$ 57.32		\$ 145.56	\$ 158.88		
Passengers	5,760,002	149,407		31,965	74,418		6,015,792
Cost per Passenger	\$ 4.11	\$ 30.99		\$ 8.70	\$ 17.56		\$ 5.36
Percent of Expenses Paid by Riders	16.0%	14.5%	7.8%	50.2%	70.8%		17.6%
Percent of Expenses Paid by Local Tax	40.5%	44.7%	0.0%	0.0%	0.0%		36.2%

Balance Sheet	
Assets:	8/31/2015
Cash & Investments	\$16,891,808
Accounts Receivables	708,551
Grants Receivables	1,667,387
Other Receivables	1,023,085
Inventory	873,460
Prepaid Expenses	895,305
Total Current Assets	22,059,596
Land & Buildings	35,036,067
Equipment	59,747,214
Accum Depreciation	(43,284,146)
Net Capital Assets	51,499,135
Total Assets	\$73,558,731
Liabilities:	
Accounts payable	\$435,928
Accrued Payroll	354,761
Accrued Vacation	1,476,104
Other Accruals	634,222
Unearned Revenue	271,636
Post-Retire Benefits	255,870
Total Liabilities	3,428,521
Net Position:	
Unrestricted (GASB 31)	10,992,663
Unres. (Fuel Savings)	182,641
Unrestricted (Available)	7,455,771
Total Unrestricted	18,631,075
Invested in Capital Assets	51,499,135
Total Net Position	70,130,210
Total Liab & Net Position	\$73,558,731
Total FY 2015 Expenses*	\$35,633,507
Months in Unrestricted	
Net Assets (Min 2.5)	2.51
Amount above Minimum	\$32,124

*Expenses do not include R&D projects