

**Ann Arbor Transportation Authority  
Report of Operations - Unaudited  
For the Eight Months Ended May 31, 2014**

					Comparison to Prior Year		
	5/31/2014 Year to Date Budget	5/31/2014 Year to Date Actual	Favorable (Unfavorable) Variance	Percent	5/31/2013 Year to Date Actual	Favorable (Unfavorable) Variance	Percent
<b>Revenues:</b>							
Passenger Revenue	1,495,656	\$1,421,777	(\$73,879)	-4.9% 1	\$1,543,089	(\$121,312)	-7.9%
Subcontracted Revenue	941,092	1,078,266	137,174	14.6% 2	987,057	91,209	9.2%
Special Fares (EMU,UoofM,go!Pass)	1,588,424	1,518,449	(69,975)	-4.4% 3	1,744,570	(226,121)	-13.0%
Interest, Advertising and Other	232,678	184,861	(47,817)	-20.6% 4	340,868	(156,007)	-45.8%
Local Property Tax Revenue	6,559,328	6,559,328	0	0.0%	6,178,664	380,664	6.2%
Purchase of Service Agreements	952,173	894,190	(57,983)	-6.1% 5	1,072,284	(178,094)	-16.6%
State Operating Assistance	6,305,975	6,303,028	(2,947)	0.0% 6	5,387,110	915,918	17.0%
Federal Operating Assistance	3,456,668	3,456,660	(8)	0.0%	2,828,927	627,733	22.2%
<b>Total Revenues</b>	<b>21,531,994</b>	<b>21,416,559</b>	<b>(115,435)</b>	<b>-0.5%</b>	<b>20,082,569</b>	<b>1,333,990</b>	<b>6.6%</b>
<b>Expenses:</b>							
<b>Wages</b>							
Operator Wages	4,687,569	4,603,472	84,097	1.8%	4,470,431	(133,041)	-3.0%
Other Wages	3,913,227	3,814,328	98,899	2.5%	3,655,716	(158,612)	-4.3%
<b>Total Wages</b>	<b>8,600,796</b>	<b>8,417,800</b>	<b>182,996</b>	<b>2.1% 7</b>	<b>8,126,147</b>	<b>(291,653)</b>	<b>-3.6%</b>
<b>Fringe Benefits:</b>							
Payroll Taxes	635,425	598,777	36,648	5.8%	580,736	(18,041)	-3.1%
Pension	589,311	571,619	17,692	3.0%	531,651	(39,968)	-7.5%
Medical Insurance	1,661,040	1,618,783	42,257	2.5%	1,457,933	(160,850)	-11.0%
Post-Retirement Benefits & HCSP	261,557	244,676	16,881	6.5%	255,050	10,374	4.1%
Other Fringe Benefits	486,731	453,697	33,034	6.8%	547,997	(94,300)	-17.2%
<b>Total Fringe Benefits</b>	<b>3,634,064</b>	<b>3,487,552</b>	<b>146,512</b>	<b>4.0% 8</b>	<b>3,373,367</b>	<b>(114,185)</b>	<b>-3.4%</b>
<b>Purchased Services:</b>							
Contracted Maintenance	335,808	436,576	(100,768)	-30.0% 9	262,675	(173,901)	-66.2%
Consulting Fees/Public Relations	420,944	391,300	29,644	7.0%	329,789	(61,511)	-18.7%
Security Services	200,328	217,059	(16,731)	-8.4%	176,317	(40,742)	-23.1%
Other Purchased Services	A 508,462	412,438	96,024	18.9% 10	372,035	(40,403)	-10.9%
<b>Total Purchased Services</b>	<b>1,465,542</b>	<b>1,457,373</b>	<b>8,169</b>	<b>0.6%</b>	<b>1,140,816</b>	<b>(316,557)</b>	<b>-27.7%</b>
<b>Materials and Supplies:</b>							
Diesel Fuel and Gasoline	1,380,500	1,366,270	14,230	1.0% 11	1,416,124	49,854	3.5%
Fuel Futures (Gains) or Losses	0	19,467	(19,467)	100.0% 11	(25,022)	(44,489)	177.8%
Bus Parts	467,240	433,802	33,438	7.2%	450,313	16,511	3.7%
Printing	145,222	91,565	53,657	36.9% 12	74,942	(16,623)	-22.2%
Other Materials and Supplies	B 666,763	584,396	82,367	12.4% 13	522,012	(62,384)	-12.0%
<b>Total Materials and Supplies</b>	<b>2,659,725</b>	<b>2,495,500</b>	<b>164,225</b>	<b>6.2%</b>	<b>2,441,122</b>	<b>(54,378)</b>	
<b>Utilities</b>	<b>C 367,452</b>	<b>394,100</b>	<b>(26,648)</b>	<b>-7.3% 14</b>	<b>291,532</b>	<b>(102,568)</b>	<b>-35.2%</b>
Casualty & Liability Insurance	409,328	443,463	(34,135)	-8.3% 15	335,495	(107,968)	-32.2%
<b>Purchased Transportation:</b>							
Aride and Good as Gold	2,045,334	2,072,903	(27,569)	-1.3%	1,975,450	(97,453)	-4.9%
Night Ride	413,332	394,814	18,518	4.5%	398,404	3,590	0.9%
Air Ride	744,852	805,809	(60,957)	-8.2% 16	747,228	(58,581)	-100.0%
WWAVE, Northfield and Mobility Mg	929,898	855,832	74,066	8.0% 17	838,244	(17,588)	-2.1%
<b>Total Purchased Transportation</b>	<b>4,133,416</b>	<b>4,129,358</b>	<b>4,058</b>	<b>0.1%</b>	<b>3,959,326</b>	<b>(170,032)</b>	<b>-4.3%</b>
<b>Other Expenses</b>	<b>D 372,024</b>	<b>285,312</b>	<b>86,712</b>	<b>23.3% 18</b>	<b>248,058</b>	<b>(37,254)</b>	<b>-15.0%</b>
Local Depreciation	98,664	128,500	(29,836)	-30.2% 19	102,000	(26,500)	-26.0%
<b>Total Expenses</b>	<b>21,741,011</b>	<b>21,238,958</b>	<b>502,053</b>	<b>2.3%</b>	<b>20,017,863</b>	<b>(1,221,095)</b>	<b>-6.1%</b>
<b>Gain (Loss) from Operations</b>	<b>(\$209,017)</b>	<b>\$177,601</b>	<b>\$386,618</b>		<b>\$64,706</b>	<b>112,895</b>	

**Variations:**

**Detail of Budget Variances - Positive (Negative):**

	May Year to Date	May Year to Date	
<b>A: Other Purchased Services Variances:</b>		<b>C: Utilities Variances:</b>	
Management & Agency Fees	(\$8,753)	Natural Gas	(56,678)
Physical Exam Fees	(2,334)	Electricity	21,089
Legal Fees	32,871	Water	5,489
Auditing Fees	0	Telephone	3,452
Collection Fees	0		<u>(26,648)</u>
IT Services	17,478	<b>D: Other Expenses Variances:</b>	
Custodial Services	19,788	Uniform Expense	(31)
Internet Services	34,584	Postage	39
Towing	1,474	Dues and Subscriptions	8,211
Admin Fee - Benefit Source	916	Conference and Travel	9,662
	<u>96,024</u>	Media costs	42,515
<b>B: Other Materials and Supplies Variances:</b>		Employee Development	31,412
Lubricants, Oils, DEF	45,870	Recruitment and Hiring	0
Tires, Tubes and Wheels	34,712	Equipment Rental	(5,095)
Tools and Equipment	(1,456)		<u>86,713</u>
Equipment Repair	702		
Other Materials and Supplies	2,808		
Computer Software	(13)		
	<u>82,623</u>		

# Memorandum



To: Board of Directors, Ann Arbor Area Transportation Authority

From: Philip Webb, Controller/Manager of Finance

Date: June 13, 2014

Re: Notes for the Report of Operations Financial Statement – Eight Months Ended May 31, 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 0.5% under budget (unfavorable).**

1. Passenger Fares are under budget by 4.9% due to cash fares and monthly value pass sales.
2. Subcontracted Passenger Fares are over budget due to the AirRide fares are 39.5% over budget, \$606,000 actual compared to \$435,000 budgeted. May fares were \$87,400, down slightly from March's record of \$88,400.
3. Special Fares are under budget due to the application of the Federal formula for the MRide agreement. Ridership is consistent with the amount expected, but more of the funds are coming from Federal & State grants. Therefore, less revenue will be billed to UofM and more revenue will come from Federal & State grants
4. Interest, Advertising and Other revenue is under budget due to and advertising revenue being \$37,500 under budget.
5. Purchase of Service Agreements are under budget since there is \$31,000 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 \$29,000 less.
6. State Operating Assistance is under budget by \$3,000. 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 \$107,000, because it is based on eligible expenses x 31.015%, which is less than budgeted.

## **EXPENSES: Total Expenses are 2.3% under budget (favorable).**

7. Wages are under budget as we have a few employees off on medical or workers compensation leave. We started a class of 12 MCOs, who began their six week training on June 2, 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.
8. 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.
9. 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.
10. Other Purchased Services are under budget primarily due to legal fees, internet and custodial services.
11. Fuel and fuel futures expenses are over budget by \$5,000, 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 \$3.11 per gallon, with the delivery on June 1, 2014 at \$2.95 per gallon.
12. Printing is under budget, due the timing differences.
13. Other Materials & Supplies are under budget due to lesser use of DEF (diesel exhaust fluid) recorded in lubricants and lesser expense on tires.
14. 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.
15. Insurance is over budget by 8.3% 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. We also added an additional daily run. 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, (YTD \$20,700) and have only spent \$8,700. MyRide is under budget as well by \$52,800 (27.2%).
18. Other expenses are under budget mainly due to timing differences for media expenses and employment development. These are mostly timing differences.
19. Local Depreciation expense is over budget as the VanRide vans, bought with local funds, have been placed in service. There is about \$600,000 for 28 minivans, depreciated over 60 months.

Ann Arbor Area Transportation Authority  
 Report to the Treasurer: Summary Operating Statement by Mode  
 For the Eight Months Ended May 31, 2014

Year-To-Date Summary Operating Statement by Mode										Balance Sheet	
Revenues (except Property Tax):	Fixed	Demand	Express			N/S Rail, GDT, UrbanCore, Van		Total		Assets:	
	Route	Response	NonUrban	Ride	AirRide	UrbanCore, Van	Actual	Actual	5/31/2014		
Passenger Revenue	\$1,252,512	\$110,126	\$0	\$59,139	\$0	\$0	\$1,421,777	\$1,421,777	Cash & Investments	\$4,568,723	
Subcontracted Passenger Revenue	\$0	\$401,264	\$55,600	\$0	\$606,220	\$15,182	\$1,078,266	\$1,078,266	Accounts Receivables	681,117	
Special Fares (EMU, UofM, goIPass)	\$1,463,078	\$10,683	\$0	\$44,688	\$0	\$0	\$1,518,449	\$1,518,449	Grants Receivables	4,103,303	
Interest, Advertising and Other	\$159,123	\$0	\$0	\$0	\$0	\$0	\$184,861	\$184,861	Other Receivables	6,524,068	
Purchase of Service Agreements	\$432,505	140,959	\$265,312	\$10,000	\$5,454	\$39,960	\$894,190	\$894,190	Inventory	782,443	
State Operating Assistance	\$4,651,958	\$1,016,340	\$280,209	\$57,986	\$275,003	\$21,532	\$6,303,028	\$6,303,028	Prepaid Expenses	721,898	
Federal Operating Assistance	\$2,115,297	\$223,478	\$111,880	\$15,147	\$0	\$990,857	\$3,456,660	\$3,456,660	Total Current Assets	17,381,552	
Total Revenues	\$10,074,473	\$1,902,850	\$713,001	\$186,960	\$886,677	\$1,093,269	\$14,857,231	\$14,857,231	Land & Buildings	32,774,683	
<b>Expenses:</b>									Equipment	57,125,358	
Wages	7,643,808	249,251	12,979	93,139	38,472	380,151	8,417,800	8,417,800	Accum Depreciation	(39,216,592)	
Fringe Benefits	3,157,578	106,822	5,562	38,181	16,488	162,922	3,487,552	3,487,552	Net Fixed Assets	50,683,449	
Purchased Services	995,125	419	4,372	16,134	6,881	434,442	1,457,373	1,457,373	Total Assets	\$68,065,001	
Diesel Fuel, Net of Futures	1,371,301	0	0	14,436	0	0	1,385,737	1,385,737	<b>Liabilities:</b>		
Materials and Supplies	1,033,080	23,680	2,220	11,881	427	38,475	1,109,763	1,109,763	Accounts payable	278,663	
Utilities	372,221	17,774	0	4,106	0	0	394,100	394,100	Accrued Payroll	469,126	
Insurance	400,040	35,477	3,326	4,620	0	0	443,463	443,463	Accrued Vacation	1,305,338	
Purchased Transportation	0	2,631,467	683,401	0	805,809	8,681	4,129,358	4,129,358	Other Accruals	370,984	
Other Expenses	222,130	1,552	1,141	3,126	18,600	38,763	285,312	285,312	Unearned Revenue	346,684	
Local Depreciation	97,326	0	0	1,339	0	29,835	128,500	128,500	Post-Retire Benefits	345,581	
Total Expenses	15,292,608	3,066,442	713,001	186,960	886,677	1,093,269	21,238,958	21,238,958	<b>Equity:</b>		
<b>Net Local Property Tax Applied</b>	<b>\$5,218,135</b>	<b>\$1,163,592</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,381,727</b>	<b>\$6,381,727</b>	Unrestricted (GASB 31)	7,173,747	
Percent of Total	81.8%	18.2%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	Unrestricted (Available)	7,291,429	
Local Property Taxes							\$6,559,328	\$6,559,328	Total Unrestricted	14,465,176	
<b>Authority Wide Surplus (Loss)</b>							<b>\$177,601</b>	<b>\$177,601</b>	Invested in Fixed Assets	50,683,449	
Service Hours	132,662	54,404		1,382	5,917		194,365	194,365	Total Equity	65,148,625	
Cost per Service Hour	\$ 115.27	\$ 56.36		\$ 135.28	\$ 149.85		\$ 4,499,927	\$ 4,499,927	Total Liab & Equity	\$68,265,001	
Passengers	4,311,173	113,947		26,839	47,968		\$ 4,72	\$ 4,72	Total FY 2014 Expenses*	\$32,521,741	
Cost per Passenger	\$ 3.55	\$ 26.91		\$ 6.97	\$ 18.48		\$ 18.9%	\$ 18.9%	Months in Unrestricted		
Percent of Expenses Paid by Riders	17.8%	17.0%	7.8%	55.5%	68.4%	0.0%	30.0%	30.0%	Net Position (Min 3.0)	2.69	
Percent of Expenses Paid by Local Tax	34.1%	37.9%	0.0%	0.0%	0.0%	0.0%	18.9%	18.9%	Amount below Minimum	(\$839,006)	
							30.0%	30.0%	*Expenses do not include one-time projects; Connector Study & Wally		