

Memorandum



To: Board of Directors
From: Philip Webb, Controller/Manager of Finance
Date: **January 10, 2013**
Re: **Notes for the Operating Statement – Three Months Ended December 31, 2012**

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 2.5% under budget (unfavorable).

1. Passenger fares are under budget mainly for cash collections in the farebox. Passenger revenue is 3.9% less than last year.
2. AirRide subcontracted passenger fares are 37.0% over budget for the month. Passenger fares paid for the AATA portion of the service. We are in the 9th month of the annual contract.
3. State Operating Assistance is \$15,000 under the amount budgeted for preventive maintenance.
4. Federal Operating Assistance is under budget. We did not need to accrue \$60,000 in preventive maintenance.

EXPENSES: Total Expenses are 5.6% under budget (favorable).

5. Operator wages are over budget. There were some employees cashing out vacation time earned.
6. Fringe benefits are under budget due to lower pension expense than calculated in the budget.
7. Most of the other purchased services are less than budget due to timing of keeping payables open for Fiscal Year 2012. Many of disbursements in October are recorded back into September to ensure proper cutoff between FY 2012 and FY 2013 expenses. Contracted maintenance for facilities is under budget by \$46,100 or 57% for the three months.
8. Consulting is under budget by 93.7%. The ARide Service Delivery Model project has just started and has not been billed to AATA yet. Also, public relations expenses have been lower than anticipated in the budget.
9. Fuel and fuel futures expenses are under budget by \$11,000, after consideration of the gains on fuel futures.
10. Bus Parts are over budget. We have had to replace some fuel injectors in the older Gilligs. Some of the expense represents the "cores" and we will receive a credit once they are returned to the manufacturer.
11. Printing and other materials & supplies are under budget.
12. ARide is under budget by 13.1%. For December, there were 9% fewer trips than December 2011.
13. NightRide is over budget for December and is 86.0% greater than the level from December 2012. The increase in NightRide is greater than the decrease in ARide from December 2011.
14. Other expenses are under budget by 37.7%, due to lower media costs and employee development.