

**Ann Arbor Transportation Authority
Report of Operations - Unaudited
For the Year Ended September 30, 2012 - First Close**

	9/30/2012				Comparison to Prior Year			
	Year to Date Budget	Year to Date Actual	Favorable (Unfavorable) Variance	Percent	9/30/2011 Year to Date Actual	Favorable (Unfavorable) Variance	Percent	
Revenues:								
Passenger Revenue	\$2,486,398	\$2,365,556	(\$120,842)	-4.9% 1	\$2,157,626	\$207,930	9.6%	
Subcontracted Revenue	858,263	897,857	39,594	4.6%	575,841	322,016	55.9%	
Special Fares (EMU,UofM,go!Pass)	2,411,189	2,378,992	(32,197)	-1.3%	2,288,640	90,352	3.9%	
Interest, Advertising and Other	181,967	239,744	57,777	31.8%	148,065	91,679	61.9%	
Local Property Tax Revenue	9,240,000	8,970,905	(269,095)	-2.9% 2	8,778,817	192,088	2.2%	
Purchase of Service Agreements	1,807,199	1,277,985	(529,214)	-29.3% 3	1,316,642	(38,657)	-2.9%	
State Operating Assistance	8,659,837	8,639,067	(20,770)	-0.2% 4	7,126,340	1,512,727	21.2%	
Federal Operating Assistance	3,774,142	2,846,993	(927,149)	-24.6% 5	3,201,094	(354,101)	-11.1%	
Total Revenues	29,418,995	27,617,099	(1,801,896)	-6.1%	25,593,065	2,024,034	7.9%	
Expenses:								
Wages								
Operator Wages	6,576,046	6,419,771	156,275	2.4%	6,069,354	(350,417)	-5.8%	
Other Wages	5,173,452	5,104,124	69,328	1.3%	4,617,151	(486,973)	-10.5%	
Total Wages	11,749,498	11,523,895	225,603	1.9% 6	10,686,505	(837,390)	-7.8%	
Fringe Benefits:								
Payroll Taxes	868,603	871,178	(2,575)	-0.3%	801,777	(69,401)	-8.7%	
Pension	808,041	785,582	22,459	2.8%	749,873	(35,709)	-4.8%	
Medical Insurance	2,069,054	1,957,883	111,171	5.4%	1,741,795	(216,088)	-12.4%	
Post-Retirement Benefits & HCSP	354,162	332,659	21,503	6.1%	334,810	2,151	0.6%	
Other Fringe Benefits	793,436	654,097	139,339	17.6% 7	711,235	57,138	8.0%	
Total Fringe Benefits	4,893,296	4,601,399	291,897	6.0%	4,339,490	(261,909)	-6.0%	
Purchased Services:								
Contracted Maintenance	468,188	431,154	37,034	7.9%	371,720	(59,434)	-16.0%	
Consulting Fees	735,850	526,897	208,953	28.4% 8	747,571	220,674	29.5%	
Security Services	210,000	256,922	(46,922)	-22.3%	214,961	(41,961)	-19.5%	
Mobility Management	200,000	193,408	6,592	3.3%	209,688	16,280	7.8%	
Other Purchased Services	1,205,846	814,742	391,104	32.4% 9	612,876	(201,866)	-32.9%	
Total Purchased Services	2,819,884	2,223,123	596,761	21.2%	2,156,816	(66,307)	-3.1%	
Materials and Supplies:								
Diesel Fuel and Gasoline	1,745,000	2,056,486	(311,486)	-17.9% 10	1,901,980	(154,506)	-8.1%	
Fuel Futures (Gains) or Losses	0	(203,070)	203,070	100.0% 10	(419,034)	(215,964)	51.5%	
Bus Parts	565,330	647,128	(81,798)	-14.5%	495,675	(151,453)	-30.6%	
Printing	272,400	169,633	102,767	37.7% 11	171,170	1,537	0.9%	
Other Materials and Supplies	906,345	787,060	119,285	13.2% 11	813,659	26,599	3.3%	
Total Materials and Supplies	3,489,075	3,457,237	31,838	0.9%	2,963,450	(493,787)	-16.7%	
Utilities	463,838	395,998	67,840	14.6% 12	474,941	78,943	16.6%	
Casualty & Liability Insurance	493,000	485,573	7,427	1.5% 13	509,243	23,670	4.6%	
Purchased Transportation:								
Arise and Good as Gold	2,875,000	3,066,577	(191,577)	-6.7% 14	2,964,783	(101,794)	-3.4%	
Night Ride	362,000	454,001	(92,001)	-25.4% 15	301,050	(152,951)	-50.8%	
AirRide	1,116,900	556,919	559,981	50.1% 16	0	(556,919)	100.0%	
WWAVE, Northfield and Mobility Mgmt	1,192,014	1,250,077	(58,063)	-4.9%	974,545	(275,532)	-28.3%	
Total Purchased Transportation	5,545,914	5,327,574	218,340	3.9%	4,240,378	(1,087,196)	-25.6%	
Other Expenditures	761,114	662,612	98,502	12.9%	419,926	(242,686)	-57.8%	
Local Depreciation	195,000	195,000	0	0.0%	208,587	13,587	6.5%	
Total Expenses	30,410,619	28,872,411	1,538,208	5.1%	25,999,336	(2,873,075)	-11.1%	
Gain (Loss) from Operations	(\$991,624)	(\$1,255,312)	(\$263,688)		(\$406,271)	(849,041)	209.0%	

Variations:

Detail of Budget Variances - Positive (Negative):

	September Year to Date	September Year to Date
A: Other Purchased Services Variances:		
Agency & Design Fees	\$365,316	
Physical Exam Fees	(2,431)	
Legal Fees	(46,345)	
Auditing Fees	8,100	
Collection Fees	0	
IT Services	(4,450)	
Custodial Services	22,180	
Internet Services	45,686	
Towing	(4,260)	
Admin Fee - Benefit Source	7,308	
	<u>391,104</u>	
B: Other Materials and Supplies Variances:		
Lubricants	41,554	
Tires, Tubes and Wheels	43,926	
Tools and Equipment	(1,011)	
Equipment Repair	1,440	
Other Materials and Supplies	(2,859)	
Computer Software	36,235	
	<u>119,285</u>	
C: Utilities Variances:		
Natural Gas		58,305
Electricity		(7,912)
Water		9,922
Telephone		7,525
		<u>67,840</u>
D: Other Expenses Variances:		
Uniform Expense		(24,261)
Postage		56,262
Dues and Subscriptions		12,169
Conference and Travel		(14,392)
Media costs		20,521
Employee Development		37,406
Recruitment and Hiring		298
Equipment Rental		10,499
		<u>98,502</u>

Memorandum



To: Board of Directors
 From: Philip Webb, Controller/Manager of Finance
 Date: **October 12, 2012**
 Re: **Notes for the Operating Statement – Year Ended September 30, 2012 – First Close**

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 6.1% under budget (unfavorable).

1. Passenger fares are under budget mainly for cash collections in the farebox. Passenger revenue is 9.6% greater than last year, but under this year's budget.
2. Local Property Tax Revenue is under budget by \$269,000. The City recently performed the reconciliation of the July 2011 tax levy and there were Michigan Tax Tribunal refunds and adjustments totaling \$269,095 for the tax year.
3. Purchase of Service Agreements are under budget mainly due to:
 - a. AirRide only operational for six months rather than the entire year. The POSA-Interurban amount represents the private contractor contribution to provide the service and is under budget by \$300,000. This is offset by the Purchased Transportation expense line item being under budget by \$560,000.
 - b. The POSA line item is also under budget by \$157,000, since the local contributions for the WALLY were not recognized as revenue, since the work did not start in FY 2012. This is offset by \$191,000 in Design Fees (in other purchased services) for the Railroad Station Feasibility Study that will not start until FY 2013. These amounts continue in the FY 2013 budget.
4. State Operating Assistance is greater than last year, but less than the current year budget. The percentage has decreased from 31.41% in FY 2011 to 30.65% in FY 2012 for urban operating. The amount of the actual revenues is the total of the monthly payments received, plus an accrual for revenue to be received during the reconciliation process. After the end of this fiscal year, the state will reconcile the operating assistance revenue with the audited expenses incurred. We also received \$209,000 more than expected in State revenue for the payment from the final audited reconciliation for FY 2009.
5. Federal Operating Assistance is under budget. We have fully expended the Preventive Maintenance line item from the FY 2011 Section 5307 grant.

EXPENSES: Total Expenses are 5.1% under budget (favorable).

6. Other Wages are under budget. We had vacant positions for part of the year, but they are all filled. We hired non-budgeted positions of Grants Assistant, Purchasing Assistant and Communications Specialist.
7. Fringe benefits are under budget due to lower workers compensation rates and a workers' compensation retention dividend from calendar year 2010 for \$128,000. Also, a training class for 10 new drivers started on November 14, 2011. Generally, fringe benefits for MCOs start 90 days after start of employment, so these differences are permanent differences.
8. Consulting is under budget by \$209,000 due to timing of projects. The Organizational Strategic Plan will be about \$90,000, which is less than the adopted budget amount of \$250,000.
9. Most of the other purchased services are less than budget due to timing differences of projects. However, legal expenses are running over due to additional help on construction contracts and the bus advertising lawsuit against AATA (\$50,000 deductible). Design fees are under budget by \$365,300 because the Railroad Station Feasibility Study, budgeted at \$191,000, will not start until FY 2013.
10. Fuel and fuel futures expenses are over budget for year to date, after consideration of the gains on fuel futures.
11. Printing and other materials & supplies are under budget due to permanent differences.
12. Utilities are under budget, mainly for natural gas as this winter has been milder than previous years.
13. Insurance is over budget due to more claims under our \$25,000 deductible than anticipated.
14. ARide is over budget by 6.4%. Demand for the service is high.
15. NightRide is over budget by 19.3% as we expanded the service area.
16. AirRide is under budget since the service was only operational for six months rather than the entire year.

Ann Arbor Transportation Authority
 Report to the Treasurer: Summary Operating Statement by Mode
 For the Year Ended September 30, 2012 - First Close

Year-To-Date Summary Operating Statement by Mode							
	Fixed	Demand	Express	RideShre,GDT,	Total		
Revenues (except Property Tax):	Route	Response	NonUrban	Ride	AirRide	County-Wide	Actual
Passenger Revenue	\$2,088,515	\$169,032	\$0	\$108,009	\$0	\$0	\$2,365,556
Subcontracted Revenue	\$0	\$555,826	\$83,400	\$0	\$258,631	\$0	\$897,857
Special Fares (EMU,UofM,go!Pass)	\$2,378,992	\$0	\$0	\$0	\$0	\$0	\$2,378,992
Interest, Advertising and Other	\$175,912	\$0	\$0	\$0	\$45,000	\$18,832	\$239,744
Purchase of Service Agreements	\$591,785	249,796	\$436,404	\$0	\$0	\$0	\$1,277,985
State Operating Assistance	\$6,340,564	\$1,322,776	\$430,069	\$89,744	\$217,858	\$238,056	\$8,639,067
Federal Operating Assistance	\$1,493,440	\$311,197	\$212,000	\$0	\$0	\$830,356	\$2,846,993
Total Revenues	\$13,069,208	\$2,608,627	1,161,873	\$197,753	\$521,489	\$1,087,244	\$18,646,194
Expenses:							
Wages	10,749,859	126,543	25,195	129,319	12,632	480,348	\$11,523,895
Fringe Benefits	4,248,344	57,787	11,505	58,636	5,768	219,358	\$4,601,399
Purchased Services	1,419,389	222,587	6,669	30,679	47,389	496,410	\$2,223,123
Diesel Fuel, Net of Futures	1,829,269	0	0	24,147	0	0	1,853,416
Materials and Supplies	1,433,600	73,329	3,208	23,042	12,363	58,279	1,603,821
Utilities	368,520	17,860	0	5,314	0	4,304	395,998
Insurance	421,811	38,846	3,642	4,373	7,191	9,711	485,573
Purchased Transportation	0	3,661,444	1,109,004	0	556,919	207	5,327,574
Other Expenses	375,252	12,385	2,650	14,753	68,531	189,041	662,612
Local Depreciation	192,459	0	0	2,541	0	0	195,000
Total Expenses	21,038,503	4,210,780	1,161,873	292,803	710,793	1,457,658	28,872,411
Net Local Property Tax Applied	\$7,969,296	\$1,602,153	\$0	\$95,050	\$189,304	\$370,414	\$10,226,217
Percent of Total	77.9%	15.7%	0.0%	0.9%	1.9%	3.6%	100.0%
Local Property Taxes	93.6%						\$8,970,905
AATA Agency Wide Surplus (Loss)							(\$1,255,312)
Service Hours	192,579	79,412		2,509	4,126		278,626
Cost per Service Hour	\$ 109.25	\$ 53.02		\$ 116.70	\$ 172.27		
Passengers	6,324,551	166,557		37,675	23,307	-	6,552,090
Cost per Passenger	\$ 3.33	\$ 25.28		\$ 7.77	\$ 30.50		\$ 4.41
Percent of Expenses Paid by Fares	21.2%	17.2%	7.2%	36.9%	36.4%	0.0%	19.5%
Percent of Expenses Paid by Local Tax	37.9%	38.0%		32.5%	26.6%	25.4%	35.4%

Balance Sheet	
Assets:	9/30/2012
Cash & Investments	\$9,956,062
Accounts Receivables	651,291
Grants Receivables	4,446,343
Other Receivables	311,561
Inventory	883,321
Prepaid Expenses	971,543
Total Current Assets	17,220,121
Land & Buildings	26,943,726
Equipment	50,317,243
Accum Depreciation	(36,940,771)
Net Fixed Assets	40,320,198
Total Assets	\$57,540,319
Liabilities:	
Accounts payable	\$389,060
Accrued Payroll	235,337
Accrued Vacation	1,021,112
Other Accruals	416,246
Unearned Revenue	273,313
Post-Retire Benefits	208,178
	2,543,246
Equity:	
Unrestricted (GASB 31)	6,930,000
Unrestricted (Available)	7,746,875
Total Unrestricted	14,676,875
Invested in Fixed Assets	40,320,198
Total Equity	54,997,073
Total Liab & Equity	\$57,540,319
Total FY 2013 Expenses*	\$30,960,681
Months in Unrestricted	
Net Assets (Min 3.0)	3.00
Amount under Minimum	\$6,705

*Expenses do not include one-time projects; Connector Study & Wally

ANN ARBOR TRANSPORTATION AUTHORITY
QUARTERLY CASH AND INVESTMENT STATUS REPORT
AS OF 9/30/2012

ACCOUNT NUMBER	ACCOUNT NAME	7/1/2012				CURRENT BALANCE
		BEG BALANCE	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	
990-101-200	IMPREST	\$189,211.27	\$1,805,011.06	(\$235,429.58)	(\$1,627,000.00)	\$131,792.75
990-101-210	OPERATING	\$131,929.10		(\$4,934,834.49)	\$4,441,800.00	(\$361,105.39)
990-101-300	PAYROLL	\$39,055.45		(\$2,209,876.62)	\$2,188,744.48	\$17,923.31
990-101-100,110	CHANGERS/PETTY	\$6,970.00			\$0.00	\$6,970.00
990-101-410	PASSES/TOKENS	\$134.69	\$3,682.46		\$0.00	\$3,817.15
990-101-500	CAPITAL	\$221.63	\$246,783.03	(\$36.00)	(\$246,800.00)	\$168.66
990-101-970	FLEX SPENDING	\$2,500.00		(\$13,618.25)	\$18,008.50	\$6,890.25
990-101-730	GETDOWNTOWN	\$104,187.01	\$49,045.59		\$0.00	\$153,232.60
TOTAL CASH		\$474,209.15	\$2,104,522.14	(\$7,393,794.94)	\$4,774,752.98	(\$40,310.67)
990-102-150	PR TAX TRNSFR			(\$780,599.60)	\$780,599.60	
	WIRE TO HARTFORD			(\$475,023.42)	\$475,023.42	
	WIRE TO MERS			(\$77,624.00)	\$77,624.00	
990-101-700&800	INVESTMENTS	\$5,773,038.88	\$10,669,466.79	(\$333,879.00)	(\$6,108,000.00)	\$10,000,626.67
GRAND TOTAL		\$6,247,248.03	\$12,773,988.93	(\$9,060,920.96)	\$0.00	\$9,960,316.00

INVESTMENTS SUMMARY:

9/30/2012

TYPE OF	PURCHASE	DATE OF MATURITY	INTEREST RATE	TOTAL
Bank of AA - CDARS		10/25/2012	0.10%	\$1,470,000.00
Bank of AA - CDARS		12/27/2012	0.15%	\$1,470,000.00
Bank of AA - CDARS		3/28/2013	0.30%	\$1,960,000.00
Bank of AA - CDARS		9/26/2013	0.50%	\$2,450,000.00
Uvest		Daily	0.00%	\$381.92
RBC Futures Account		Daily	0.10%	\$393,494.11
PNC BANK (FORMERLY NATIONAL CITY)		Daily	0.10%	\$25,234.62
JP MORGAN CHASE BANK		Daily	0.02%	\$13,774.61
COMERICA GOVERNMENTAL "J" FUND		Daily	0.06%	\$13,863.62
KEY BANK MONEY MARKET		Daily	0.20%	\$130,230.27
MERS Retirement Savings				\$55,398.15
BANK OF AA MONEY MARKET SAVINGS		Daily	0.15%	\$2,018,249.37
TOTAL INVESTED		Weighted Avg %	0.05%	\$10,000,626.67
				\$10,000,626.67
	DATE		Check S/B \$0.00	\$0.00
			CDARS total	\$1,470,000.00
			MIF total	\$2,595,228.52
			MERS	\$55,398.15
				\$4,120,626.67