



Ann Arbor Area Transportation Authority

Income Statement

For the Period Ended June 30, 2026

Q3 Financial Statement

Revenue and Expense (Budget to Actual)

(\$ in thousands)

BLACK = FAVORABLE

RED = UNFAVORABLE

REVENUES	Actual Quarter 1	Actual Quarter 2	Actual Quarter 3	Actual Quarter 4	Actual YTD	Budgeted YTD	Budget Variance	
							\$	%
Fares and Contracts	\$1,925	\$1,883	\$1,892	\$0	\$5,699	\$5,399	\$300	5.6%
Local Property Taxes	10,412	10,925	10,668	-	32,005	31,236	769	2.5%
State Operating Assistance	5,224	5,223	5,282	-	15,730	14,215	1,514	10.7%
Other Federal Programs	241	206	202	-	649	992	(343)	-34.6%
Other Revenues	899	606	667	-	2,173	1,234	938	76.0%
Total Operating Revenues	\$18,701	\$18,843	\$18,711	\$0	\$56,255	\$53,076	\$3,179	6.0%
EXPENSES								
Salaries, Wages, Benefits	\$9,211	\$9,017	\$9,206	\$0	\$27,434	\$29,378	1,944	6.6%
Purchased Transportation	3,061	3,329	3,361	-	9,751	10,427	676	6.5%
Fuel, Material, Supplies	1,703	1,827	2,172	-	5,703	5,302	(401)	-7.6%
Contracted Services	1,470	1,328	1,144	-	3,941	4,414	473	10.7%
Other Expenses	980	1,021	1,042	-	3,043	3,453	410	11.9%
Total Operating Expenses	\$16,424	\$16,521	\$16,925	\$0	\$49,870	\$52,973	\$3,102	5.9%
Surplus (Deficit)	\$2,277	\$2,321	\$1,786	\$0	\$6,384	\$103	\$6,282	
Capital Reserve Transfer	-	-	-	-	-	-		
Operating Reserve Transfer	-	-	-	-	-	-		
OPERATING BALANCE	\$2,277	\$2,321	\$1,786	\$0	\$6,384	\$103		



TheRide has a **\$6.3 million favorable net variance**, operating actuals to budget, at the end of Quarter 3 in FY2026.



Revenues were **\$3.2 million higher than budget**. State operating assistance exceeds budget due to the MDOT LBO reimbursement rate being set higher than anticipated during the FY26 budget process. Investment income continues to outperform conservative assumptions, property tax revenue remains ahead of budget, while passenger fares are running modestly below budget.



Expenses were **\$3.1 million below budget**, driven primarily by vacant positions, lower-than-anticipated fringe benefits, and purchased transportation costs which have aligned with lower than forecasted demand. Additional savings on contracted services and utilities also contributes to this favorable variance. Fuel, materials and supplies are running above budget due to diesel prices being impacted by the Strait of Hormuz disruption, along with tariff and inflation cost pressures on repair parts.

YTD Revenue and Expense By Mode

(\$ in thousands)

	Fixed Route	Demand Response	Other Demand Response	Non-Urban	VanRide	
	<i>Fixed Route Bus</i>	<i>A-Ride</i>	<i>FlexRide, GoldRide, NightRide</i>	<i>WAVE, Peoples Express</i>	<i>VanRide, Ride Sharing</i>	
DIRECT REVENUE						TOTAL
Fare Revenue	\$2,486	\$123	\$218	\$108	\$0	\$2,934
Contract Revenues	1,270	-	80	1,416	-	2,765
Advertising, Interest, Other	2,173	-	-	-	-	2,173
Federal Operating	-	-	-	593	56	649
State Operating	11,310	1,665	1,423	1,135	197	15,730
Total Direct Revenue	\$17,238	\$1,788	\$1,720	\$3,251	\$253	\$24,250
TOTAL EXPENSE						
Salaries, Wages, Benefits	\$25,978	\$1,120	\$102	\$160	\$75	\$27,434
Purchased Transportation	-	3,767	1,973	3,401	610	9,751
Fuel, Materials, Supplies	5,033	670	-	-	-	5,703
Contracted Services	3,740	141	-	59	-	3,941
Other Expenses	2,884	70	36	44	8	3,043
Total Operating Expense	\$37,635	\$5,767	\$2,111	\$3,664	\$693	\$49,870
Surplus (Deficit) from OPS	(\$20,397)	(\$3,979)	(\$391)	(\$413)	(\$440)	(\$25,620)
ALLOCATED REVENUE						
Local Property Taxes	\$27,194	\$3,979	\$391	\$0	\$440	\$32,005
Federal Pandemic Relief Funds	-	-	-	-	-	0
SURPLUS (DEFICIT):	\$6,797	\$0	\$0	(\$413)	\$0	\$6,384



Ann Arbor Area Transportation Authority

Balance Sheet

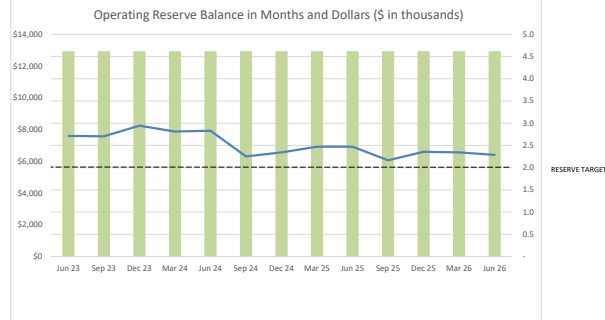
For the Period Ended June 30, 2026

Q3 Financial Statement

Balance Sheet and Reserve

\$ in thousands, with Prior Year comparison.

	Q2 2026 3/31/2026	Q3 2025 6/30/2025	Q3 2026 6/30/2026
ASSETS			
Cash	\$43,408	\$33,101	\$42,480
Investments	20,045	19,583	20,198
Other Current Assets	34,031	34,861	35,979
Capital Assets	54,582	47,427	54,646
Total Assets	152,065	134,971	153,304
LIABILITIES	7,142	4,666	6,878
TOTAL NET POSITION	\$144,924	130,305	\$146,426
RESERVES:	Balances		
Capital	\$33,260	\$33,260	\$33,260
Vehicle Damage	\$1,000	\$0	\$1,000
Insurance	\$500	\$500	\$500
Operating	\$12,905	\$12,905	\$12,905
Months in Operating Reserve	2.3	2.5	2.3



Statement of Cash Flows (\$ in thousands)

Historical Cash Flows	FY 2023	FY 2024				FY 2025				FY 2026		
	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3
Beginning Balance:	\$41,537	\$54,630	\$51,875	\$50,527	\$50,527	\$77,559	\$72,076	\$64,393	\$52,683	\$82,975	\$79,216	\$63,452
Cash Flow from Operations	12,832	(3,045)	(2,402)	(2,444)	24,474	(1,512)	(11,465)	(10,972)	27,217	(7,104)	(8,121)	1,368
Cash Flow from Capital	55	53	870	182	2,193	(4,109)	3,605	(1,002)	2,900	3,080	(7,665)	(2,296)
Cash Flow from Investments	206	237	184	171	364	138	178	264	175	265	21	153
Cash Flow:	\$13,093	(\$2,755)	(\$1,348)	(\$2,090)	\$27,032	(\$5,483)	(\$7,682)	(\$11,710)	\$30,292	(\$3,759)	(\$15,764)	(\$775)
Ending Balance:	\$54,630	\$51,875	\$50,527	\$48,437	\$77,559	\$72,076	\$64,393	\$52,683	\$82,975	\$79,216	\$63,452	\$62,678

Q3 cash flow was negative at \$0.8 million

The Statement of Cash Flows summarizes the amount of cash and cash equivalents entering and leaving AAATA during the reporting period. It measures how AAATA generates cash to fund its operating, capital, and investing needs. Typically negative cash flow is normal for all quarters except the 4th quarter, when property tax receipts generate positive cash flow. Cash outflow was much smaller than Quarter 2 of FY2026 because the federal grant drawdown for the bus replacement purchase, paid at the end of Q2, was received in April 2026.

Investments Summary

(\$ in thousands)

Investment Instrument	Date of Maturity	Interest Rate	Value on 3/31/2026	Transactions	Value on 6/30/2026
U.S. Agency Bond	4/24/2026	2.13%	1,000	(1,000)	0
U.S. Treasury Notes	10/31/2026	4.13%	0	1,300	1,300
U.S. Agency Bond	2/3/2027	1.63%	250	0	250
U.S. Treasury Notes	5/15/2027	4.50%	1,000	0	1,000
U.S. Treasury Notes	10/31/2027	4.13%	750	0	750
U.S. Agency Bond	11/1/2027	4.00%	2,500	0	2,500
U.S. Treasury Notes	11/15/2027	2.25%	2,200	0	2,200
U.S. Agency Bond	12/27/2027	4.25%	2,200	0	2,200
U.S. Treasury Notes	1/31/2028	3.50%	1,500	0	1,500
U.S. Agency Bond	2/24/2028	4.25%	1,400	0	1,400
U.S. Agency Bond	6/9/2028	4.00%	2,300	0	2,300
U.S. Treasury Notes	11/15/2028	3.50%	500	1,000	1,500
U.S. Treasury Notes	2/28/2029	4.25%	850	0	850
U.S. Agency Bond	4/9/2029	3.75%	0	1,000	1,000
U.S. Agency Bond	5/15/2029	6.25%	750	0	750
Money Market Funds	N/A	3.52%	2,802	(2,042)	760
Mark-to-Market Adjustment			43	(105)	(62)
Total Investments:			\$20,045	\$153	\$20,198

FY2026 YTD Investment Gain (\$ in thousands): \$440

U.S. Treasury Bills, Notes, & Agency Bonds are short term bonds (several months to 10 years) backed by the Treasury Department of the U.S. Government. The rates shown for the current investments represent the gross yield-to-maturity rates (before the annual fee of .28%). An FDIC-insured cash sweep account or accounts that have balances above the FDIC insurance threshold are used for day-to-day working capital.

Cash and Investments History

Property tax revenues are posted in Q4 resulting in a peak in cash/investments.

