

SUBJECT: September Variance Analysis

DATE: Oct 20, 2023

FROM: CFO – Viola Miller

TO: Executive Director – Jay Fox

Highlights

September 2023 UTA ridership was under forecast by 4.2% and exceeded September 2022 by 10.9%. 2023 YTD UTA ridership exceeds forecast by 3.8% and the same period in 2022 by 9.9%.

September revenue was \$3.8M / 6.8% under budget. YTD revenue exceeds budget by \$24.3M / 5.3%. Operating expenses were under budget by \$0.5M / 1.4% in September. YTD operating expenses are \$19.3M / 6.3% under budget.

Actual accrued September 2023 Sales Tax revenue was \$43.5M which is \$0.7M / 1.6% below budget. YTD 2023 accrued Sales Tax revenue is \$359.4M which exceeds budget by \$8.2M / 2.3%. 2023 September YTD Sales Tax revenue is \$7.9M / 2.2% higher than the same period in 2022. *Note: UTA Sales Tax revenues are reported by the state with a one-to-two-month lag with current month numbers reflecting an accrued estimate.*

Diesel fuel cost per gallon in September 2023 was \$0.06 / 1.6% below budget. September 2023 diesel fuel cost/gal averaged \$3.84 vs. September 2022 average price of \$3.91. 2023 YTD diesel average price/gal is \$3.18 compared to budget diesel price of \$3.90.

2023 ANALYSIS

Ridership

(Comparison of YTD 2023 Actual Ridership to 2023 Forecast and 2022 Actual results)

UTA System Ridership YTD September 2023

YTD	Sep 2023	Sep 2023	Sep 2022	Variance '22	Variance 'F23	Vs 2022	Vs F2023
	Actual	Forecast	Actual	Var	Var	%	%
Bus	13,207,323	12,327,126	11,617,461	1,589,862	880,196	13.7%	7.1%
Salt Lake	8,144,239	7,145,082	7,259,835	884,405	999,157	12.2%	14.0%
Ogden	2,283,462	2,587,359	1,944,771	338,691	(303,897)	17.4%	-11.7%
Timp	2,779,621	2,594,686	2,412,855	366,766	184,936	15.2%	7.1%
Light Rail	8,053,318	8,416,323	8,179,845	(126,527)	(363,005)	-1.5%	-4.3%
FrontRunner	2,757,241	2,637,011	2,379,837	377,404	120,230	15.9%	4.6%
Micro Transit¹	294,794	343,592	150,858	143,936	(48,798)	95.4%	-14.2%
Paratransit	653,645	586,336	588,325	65,321	67,310	11.1%	11.5%
Van Pool	803,248	524,402	532,739	270,509	278,846	50.8%	53.2%
Total Ridership	25,769,569	24,834,791	23,449,063	2,320,506	934,779	9.9%	3.8%

¹ Micro Transit was a pilot program in 2019 & 2020

Systemwide

Systemwide, total ridership in September 2023 YTD was 25.8M which exceeded the YTD ridership forecast of 24.8M by 3.8%. This amounted to 2.3M / 9.9% more trips than in 2022. 2023 ridership was positively impacted by the Fare Free promotion occurring during the NBA Allstar weekend celebration in Salt Lake City.

Frontrunner carried 2.8M passengers in September 2023 YTD compared to a ridership forecast of 2.6M which resulted in exceeding forecast by 4.6%. This is approximately 15.9% higher than 2022 ridership of 2.4M.¹

TRAX ridership YTD in September 2023 was 4.3% below the 2023 forecast with 363.0K fewer riders than projected. 2023 YTD amount is 1.5% lower than 2022 ridership of 8.2M riders.

Bus ridership in September 2023 YTD was 13.2M compared to a forecast of 12.3M, so ridership exceeded forecast by 7.1%. September 2023 YTD ridership exceeded 2022 totals by \$1.6M / 13.7%.

Paratransit/Flex September YTD 2023 ridership exceeded 2023 forecast of 586.3K by 11.5%, with UTA providing 653.6K trips. This is 11.1% higher than 2022 ridership of 588.3K.

Micro Transit September 2023 YTD ridership was under forecast by 48.8K / 14.2%. Micro Transit started south Davis County and Tooele County service in August of 2022, so YTD September 2022 values are not comparable.

Van Pool ridership in September 2023 YTD was 803.2K versus a forecast of 524.4K, which is 53.2% above forecast. 2023 ridership is 50.8% higher than in 2022.

¹ Monthly forecasted ridership calculated using Planning 2023 monthly forecast by mode.

Operating Financial Results

September 2023



OPERATING FINANCIALS

September 2023

MONTHLY RESULTS					FISCAL YEAR 2023 Dollars in Millions	YEAR-TO-DATE RESULTS				
Prior Year Actual	Current Year					Prior Year Actual	Current Year			
	Actual	A Budget	Variance				Actual	A Budget	Variance	
\$ 42.3	\$ 43.5	\$ 44.2	\$ (0.7)	-1.6%	Revenue	\$ 351.5	359.4	\$ 351.2	\$ 8.2	2.3%
2.7	3.3	3.0	0.2	7.2%	Sales Tax (Sep accrual)	25.8	27.0	26.6	0.4	1.6%
-	1.9	6.9	(5.0)	-72.5%	Fares	217.4	59.5	64.2	(4.7)	-7.3%
2.2	3.4	1.8	1.7	93.6%	Federal	14.2	36.2	15.9	20.3	127.6%
\$ 47.2	\$ 52.1	\$ 55.9	\$ (3.8)	-6.8%	TOTAL REVENUE	\$ 608.9	\$ 482.2	\$ 457.9	\$ 24.3	5.3%
\$ 13.2	\$ 14.4	\$ 15.3	\$ 0.8	5.4%	Expense	\$ 115.0	\$ 131.0	\$ 137.0	\$ 6.1	4.4%
1.2	1.2	0.9	(0.3)	-34.2%	Salary/Wages	10.6	\$ 11.3	8.1	\$ (3.2)	-40.0%
6.4	9.5	8.2	(1.3)	-16.1%	Overtime	61.5	68.7	73.3	4.6	6.3%
2.6	2.9	3.1	0.3	8.2%	Fringe Benefits	21.8	27.7	30.6	2.9	9.6%
1.9	1.8	2.0	0.2	9.7%	Services	12.3	18.2	17.5	(0.7)	-4.0%
3.0	3.4	2.9	(0.5)	-17.6%	Parts	24.5	22.8	26.7	3.9	14.6%
0.7	0.5	0.5	0.0	3.7%	Fuel	4.3	5.9	4.6	(1.2)	-26.8%
1.6	1.9	3.3	1.4	42.4%	Utilities	10.2	10.3	17.1	6.8	39.9%
(0.4)	(0.9)	(1.0)	0.1	-5.4%	Other	(4.5)	(9.1)	(8.9)	(0.2)	2.6%
\$ 30.2	\$ 34.7	\$ 35.2	\$ 0.5	1.4%	TOTAL EXPENSE	\$ 255.5	\$ 286.7	\$ 306.0	\$ 19.3	6.3%
6.6	6.6	6.4	(0.2)	-2.6%	Capitalized Cost	61.6	59.8	59.2	(0.7)	-1.1%
\$ 10.3	\$ 10.8	\$ 14.3	\$ (3.5)	-24.5%	Debt Service	\$ 291.8	\$ 135.7	\$ 92.7	\$ 43.0	46.4%
					Contrib. Capital/Reserves					

**Does not include Sale of Assets*

Favorable/(Unfavorable)

**Does not include Sale of Assets: \$5.14 M*

Favorable/(Unfavorable)

Revenue

Sales Tax Revenue

Due to a lag in reporting from the State of Utah, actual sales tax revenues are reported with a one to two-month delay. The results shown above (from September financial statements) reflect accrued sales tax revenues through September 2023.

As shown above, 2023 YTD sales tax revenues (including accruals for September in the financial statements) were \$359.4M, \$8.2M / 2.3% above budget. Actual sales tax year-over-year growth in 2023 for almost all counties in UTA's service area have dropped from double-digit growth rates that we have seen in prior periods.

Fare Revenue

Passenger revenue was slightly above budget in September YTD, with total fare revenue of \$27.0M compared to a budget of \$26.6M. The small positive variance can be attributed to the recognition of revenue from a sunset provision for a discontinued pass program.

Federal Operating Revenue

Federal operating revenues have reconvened after delays related to labor issues impacting the award of Federal grants. \$1.9M was received in the month of September compared to a budget of \$6.9M. This is the cause for total September actuals coming in lower than budget. The large

variance was due to the timing of the Federal fiscal year end that shuts down TrAMS in mid-September, so any grant awaiting draw-down is stalled until November when the system is reopened. These funds are passed-through UTA and disbursed to the qualified agencies and communities in our service area. YTD, the total Federal Operating Revenue total is \$59.5M.

Other Revenue

Other revenue sources were \$20.3M / 127.6% above budget YTD. Actual investment revenue, driven by higher rates of return on investments than expected, made up \$26.0M of the total \$36.2M in revenue YTD.

UTA has moved to a longer-term investment strategy paired with increasing PTIF interest rates, which represented an opportunity for investment returns on a cash basis to exceed budgeted targets for 2023.

Expenditures

Operating expenses YTD through September were under budget by \$19.3M / 6.3%. The explanation of the variance is detailed below along with adjusted expectations when accounting for delays.

Salary and Wages

YTD salary and wages were \$6.1M / 4.4% under budget. Overtime was included in this total previously which made the total closer to budget, overtime is now broken out separately.

Overtime

Overtime was \$3.2M / 40.0% over budget YTD, relative to an overtime budget of \$8.1M YTD.

YTD operator overtime was \$2.1M / 38.1% over budget. Salt Lake Bus was over budget by \$1.5M, Ogden by \$352.4K, Riverside by \$77.8K, Light Rail by \$85.7K, Commuter Rail by \$30.0K and Timpanogos by \$37.5K with smaller differences elsewhere. Regular wages YTD for Operators were \$3.9M under budget. This situation is primarily a function of business units use of overtime to compensate for operator shortages. There were minimal impacts from higher overtime rates paid during NBA All Star Weekend.

Non-operator (primarily Bargaining maintenance) YTD overtime was \$1.2M / 43.8% over budget. Asset Management overtime was over budget by \$435.2K / 97.5% with employee vacancies impacting this number. Asset Management had significant vacancies in Facilities and MOW that necessitated more overtime in this category. Regular wages were \$1.3M under budget in Asset Management. Regular wages for all Non-Operators were \$4.6M under budget YTD. Also contributing to overtime was Salt Lake Bus maintenance at \$152.7K / 37.3% above budget, Commuter Rail Maintenance at \$116.6K / 97.2% above budget, Public Safety at \$99.7K / 98.4% above budget and Ogden Maintenance at \$120.4K / 247.1% above budget.

Fringe

YTD fringe benefit expenses were under budget by \$4.6M / 6.3% primarily due to the impact of vacancies discussed above.

Vacancies

UTA's vacancy rate is 4.2% YTD at the end of September versus a vacancy rate of 8.2% at the end of December 2022. Administrative has a 5.7% vacancy rate and Bargaining Unit has a 3.4% vacancy rate. Vacancies contribute to the positive wage variance but also contributes to the higher-than-expected overtime expense.

Non-Labor Summary

YTD non-labor categories (all except Labor and Fringe) were favorable \$11.9M to budget primarily due to positive variances of \$2.9M in Services, \$3.9M in Fuel, and \$6.9M in Other. There were negative offsets of \$1.2M in Utilities and \$0.7M in Parts.

Services

Services were favorable by \$2.9M / 9.6% due to:

- Legal under budget by \$186.5K / 12.4%. Attorney General billings are up to date. External Counsel support is under budget.
- IT under budget by \$1.3M / 23.1%. Budget timing is the primary reason for variance in contract services. IT produces its best estimate of when contracts will be due. IT is confident the majority of the \$1.0M in Contract Services variance will be used by year end. The \$104.8K of variance in Application Development stems from a pause of a development project due to issues with 3rd party contracts. This full variance amount will not be spent by year end, but IT is ensuring the services from 3rd parties are worth the budgeted contract amounts. Information Security is \$75.0K under budget due to bids being submitted and procurement still taking place on project. IT estimates 50% of variance will be spent by year end.
- Micro Transit under budget by \$1.2M / 19.9%. Principally due to an invoice timing, invoices and payments lag a month or two. \$600K - \$700K is normally spent each month, but September has not been paid yet.
- Planning under budget by \$542.0K / 34.0%. 50339 Services Prof & Tech is responsible for the full variance in Planning which is largely due to invoice timing. Planning still plans on using the majority of budget. Will likely not spend full \$325.0K budgeted amount for "UTA On Board Survey" due to delay in the bidding process.
- Balance of items spread across other groups in organization.

Parts

September YTD parts were over budget by \$693.3K on a \$17.5M budget. The largest contributing operating unit was Commuter Rail at \$511.9K / 20.5% over budget. Commuter Rail has been replacing higher cost components at a rate much higher than experience would have indicated. Commuter Rail replaced 14 traction motors in Q1 and an additional five in Q2. In addition, three battery tray sets were replaced, a turbocharger was replaced, and three brand new rail car axles. These were all unexpected failures for high-cost parts.

In addition, we have underperformed YTD on warranty recoveries by \$731.8K. Warranty recoveries are received when maintenance groups return a part that is within the warranty period. These credits offset parts expense. We have budgeted to receive \$1.2M through September YTD and we have only collected \$485.4K. The variance is being driven by shortfalls totaling \$847.7K in 4300 JR Maintenance. The appropriate amount to budget for warranty recovery in 2024 has been reassessed.

Fuel and Power

September YTD fuel and power expenses were \$3.9M under budget; the bulk of which consisted of diesel fuel coming in \$3.6M under budget. YTD, UTA has purchased 152.3K fewer gallons of diesel fuel than budgeted. Those gallons multiplied by the \$3.90/gallon budgeted amount results in a savings (volume variance) of \$594.0K. The remaining \$3.0M is due to price variance. Volume variance makes up 16.4% of total variance and price variance produces the other 83.6%. So, savings due to lower fuel consumption compared to budget is 19.6% of the savings realized through lower diesel fuel prices YTD.

CNG fuel was \$106.2K / 26.3% over budget YTD. CNG fuel over budget amount is directly related to a spike in natural gas prices in January and February, though the YTD total is approaching budgeted amounts more each month.

Propulsion power for light rail was \$250.3K / 5.0% under budget YTD, the variance has self-corrected over the last quarter.

Other

YTD Other expenses were under budget by \$6.8M / 39.9%. Insurance related expense was \$1.4M under budget. Training, travel, and employee awards were under budget \$1.1M. Other Miscellaneous and contingency expenses were under budget \$4.5M / 94.9%. This amount is primarily comprised of Operations contingency that is \$3.4M under budget. The balance of the variance is spread in smaller values among multiple categories across the organization.

Utilities

September YTD Utility expenses were \$1.2M / 26.8% higher than budget. Primary cause of this variance is directly related to January and February's spike in natural Gas prices. Prices increased from approximately \$11 per MMBtu in December to \$50 per MMBtu in January. This increase was over 355% in one month; since then, prices have declined. The Facilities group has also experienced additional Utility charges related directly to the extraordinary winter weather through March. For natural gas facility needs, we have recently changed providers and now purchase fuel directly from Dominion Energy.

Capitalized Cost

YTD Capitalized Cost was under budget by \$0.2M, this is primarily associated with Light Rail accruals. Variances in this area has improved with recent changes in process driven by the Comptroller's office and Operations.

September 2023 Results

Ridership

(Comparison of September 2023 Actual Ridership to 2023 Forecast and 2022 Actual results)

UTA System Ridership September 2023

MTD	Sep 2023	Sep 2023	Sep 2022	Variance '22	Variance 'F23	Vs 2022	Vs F2023
	Actual	Forecast	Actual	Var	Var	%	%
Bus	1,712,290	1,775,288	1,594,016	118,274	(62,998)	7.4%	-3.5%
Salt Lake	983,834	1,002,295	935,608	48,226	(18,461)	5.2%	-1.8%
Ogden	334,190	424,826	281,810	52,380	(90,636)	18.6%	-21.3%
Timp	394,266	348,167	376,598	17,668	46,099	4.7%	13.2%
Light Rail	1,137,038	1,141,269	984,814	152,224	(4,231)	15.5%	-0.4%
FrontRunner	371,172	450,672	340,283	30,889	(79,500)	9.1%	-17.6%
Micro Transit ¹	37,425	62,977	26,936	10,489	(25,552)	38.9%	-40.6%
Paratransit	77,484	80,540	73,564	3,920	(3,056)	5.3%	-3.8%
Van Pool	85,449	59,966	64,646	20,803	25,483	32.2%	42.5%
Total Ridership	3,420,858	3,570,713	3,084,259	336,599	(149,855)	10.9%	-4.2%

¹ Micro Transit was a pilot program in 2019 & 2020

September's total ridership was 3.4M, which was 149.9K / 4.2% below forecast. This amount exceeded September 2022 totals by 336.6K / 10.9% riders.

Frontrunner carried 371.2K passengers in September which was 79.5K / 17.6% lower than the forecast of 450.7K. This figure is 9.1% higher than 2022 ridership of 340.3K.²

TRAX ridership in September was down 0.4% from the September forecast of 1.1M riders. This is 15.5% greater than September 2022 ridership of 984.8K riders.

Bus ridership in September was 63.0K / 3.5% lower than the forecast of 1.78M and 7.4% higher than 2022 ridership of 1.6M.³

Paratransit/Flex ridership in September came in lower than forecast by 3.1K / 3.8%. This total was 3.9K / 5.3% greater than the same period in 2022.

Micro Transit ridership in September was below forecast by 25.6K / 40.6%. Micro Transit started South Davis and Tooele County service in August of 2022.

² Monthly forecasted ridership calculated using Planning 2023 yearly forecast by mode.

³ September 2023 Ridership report. UVX numbers included in total Bus ridership numbers.

Vanpool ridership for September was 85.4K versus a forecast of 60.0K, which is 42.5% above forecast.

U T A  **OPERATING FINANCIALS** September 2023

MONTHLY RESULTS					FISCAL YEAR 2023 Dollars in Millions	YEAR-TO-DATE RESULTS				
Prior Year Actual	Current Year					Prior Year Actual	Current Year			
	Actual	A Budget	Variance			Actual	A Budget	Variance		
					Revenue					
\$ 42.3	\$ 43.5	\$ 44.2	\$ (0.7)	-1.6%	Sales Tax (Sep accrual)	\$ 351.5	359.4	\$ 351.2	\$ 8.2	2.3%
2.7	3.3	3.0	0.2	7.2%	Fares	25.8	27.0	26.6	0.4	1.6%
-	1.9	6.9	(5.0)	-72.5%	Federal	217.4	59.5	64.2	(4.7)	-7.3%
2.2	3.4	1.8	1.7	93.6%	Other *	14.2	36.2	15.9	20.3	127.6%
\$ 47.2	\$ 52.1	\$ 55.9	\$ (3.8)	-6.8%	TOTAL REVENUE	\$ 608.9	\$ 482.2	\$ 457.9	\$ 24.3	5.3%
					Expense					
\$ 13.2	\$ 14.4	\$ 15.3	\$ 0.8	5.4%	Salary/Wages	\$ 115.0	\$ 131.0	\$ 137.0	\$ 6.1	4.4%
1.2	1.2	0.9	(0.3)	-34.2%	Overtime	10.6	11.3	8.1	(3.2)	-40.0%
6.4	9.5	8.2	(1.3)	-16.1%	Fringe Benefits	61.5	68.7	73.3	4.6	6.3%
2.6	2.9	3.1	0.3	8.2%	Services	21.8	27.7	30.6	2.9	9.6%
1.9	1.8	2.0	0.2	9.7%	Parts	12.3	18.2	17.5	(0.7)	-4.0%
3.0	3.4	2.9	(0.5)	-17.6%	Fuel	24.5	22.8	26.7	3.9	14.6%
0.7	0.5	0.5	0.0	3.7%	Utilities	4.3	5.9	4.6	(1.2)	-26.8%
1.6	1.9	3.3	1.4	42.4%	Other	10.2	10.3	17.1	6.8	39.9%
(0.4)	(0.9)	(1.0)	0.1	-5.4%	Capitalized Cost	(4.5)	(9.1)	(8.9)	(0.2)	2.6%
\$ 30.2	\$ 34.7	\$ 35.2	\$ 0.5	1.4%	TOTAL EXPENSE	\$ 255.5	\$ 286.7	\$ 306.0	\$ 19.3	6.3%
6.6	6.6	6.4	(0.2)	-2.6%	Debt Service	61.6	59.8	59.2	(0.7)	-1.1%
\$ 10.3	\$ 10.8	\$ 14.3	\$ (3.5)	-24.5%	Contrib. Capital/Reserves	\$ 291.8	\$ 135.7	\$ 92.7	\$ 43.0	46.4%

*Does not include Sale of Assets

Favorable/(Unfavorable)

*Does not include Sale of Assets: \$5.14 M Favorable/(Unfavorable)

Revenue

For the month of September, accrued sales tax revenues were \$43.5M, which was \$0.7M / 1.6% below budget.

Fares revenue, which includes all forms of payment by transit riders, exceeded budget by \$219.1K / 7.2%. September 2023 Fares revenue is \$0.5M higher than the same period last year. September was the second highest Fares revenue month in 2023, only March was higher. ECO partner revenue, including pay per trip contracts, are not increasing as anticipated. New partners have not been added and the number of pass holders not tapping has negatively impacted the amount UTA can bill partners.

There was a total of \$1.9M in Federal / Preventative Maintenance payments recorded for September compared to a budget of \$6.9M. July and August both had significant (>\$15M) Federal / Preventative Maintenance payments. September was low due to the Federal fiscal year end that shuts down TrAMS in mid-September, so any grant awaiting draw-down is stalled until November when the system is reopened. Previously, the formula grants were pending due to grant processing delays and delays related to labor issues. As these grants are approved, UTA will be able draw down an estimated \$55M in accrued eligible operational expenses dating back to 2022 and \$35M in 2023 – which will be recorded as Federal income in 2023.

Other revenues came in higher than budget with a \$1.7M variance. Positive variance was primarily driven by higher-than-expected investment returns, as discussed above.

Expenditures

The September expense variance is \$0.5M / 1.4% below budget. Salaries / Wages were under budget by \$0.8M / 5.4% and Overtime exceeded budget by \$0.3M / 34.2%. Fringe typically follows Salaries / Wages in terms of falling below or exceeding budget, but September saw Fringe exceed budget by \$1.3M / 16.1% even though Salaries / Wages were lower than budget. Fuel was \$0.5M above budget, the price per diesel gallon increased dramatically over prior months, but it is still lower than the budgeted amount. Other Expenses was \$1.4M under budget due to 50998 – Contingency having zero expense compared to a budget of \$1.5M.

Comments on notable impacts to the variance are as follows:

Salary: \$0.5M under budget due to vacancies. Improving month-over-month on filling needed positions (13.5 additional FTEs compared to August). The headcount is still 4.2% under budget, but UTA now sits above 95% of planned headcount.

Overtime: \$0.3M over budget in September. UTA is filling more vacancies on a monthly basis, so the monthly overall overtime amounts are generally decreasing. As positions go unfilled and current employees work extra to fill in the holes, overtime increases. As headcount amounts stay under budget, Overtime will likely remain above budget.

Fringe: \$1.3M / 16.1% over budget in September. If full-time headcount is lower than budget, fringe will also remain below budget because the expenses (e.g., insurances, benefits, etc.) are tied to the actual number of heads. September was unique because 50211 – Fringe – Compensated Absence was trued-up for all of 2023 YTD. Typically, this is done on a quarterly basis, but it had not been so the account was \$2.0M over budget in September. All other Fringe accounts were under budget so total Fringe settled at \$1.3M over budget.

Parts: \$0.2M under budget for the month of September. Compared to budget, the spend for Parts in Light Rail Maintenance was low contributing to the variance under budget. Warranty Recoveries is an ongoing issue within Parts, there is a sizeable variance between budget and actual. This issue was discussed in the meeting with Accounting, Finance, and Analysts – tighter controls for this account are needed. Though if there was less of a variance of Warranty Recoveries, which is a credit account, the total for Parts would be even more under budget.

Fuel/Power: Over budget \$0.5M / 17.6%, driven by Diesel fuel exceeding budget by \$484.2K in September. Fuel bills of lading have not been turned in promptly so expenses that should have been accrued in prior months were missed and were caught up in September creating an overage. Commuter rail was the largest contributor coming in \$278.4K over budget in Diesel Fuel. This issue was addressed in the monthly meeting between Accounting, Finance, and Analysts – Maintenance departments were reminded

to submit the fuel bills of lading promptly. Diesel fuel cost per gallon in September 2023 was \$0.06 / 1.6% below budget. In September, the number of gallons purchased totaled 6,408 gallons less than budget for the month. Multiplying the variance of gallons by the month's \$3.84/gal rate results in \$24.6K of favorable volume variance. This favorability, along with the slight price variance favorability was overshadowed by the charges for the late bills of lading. Unleaded fuel price was higher than budget with a price of \$3.26/gal in September compared to \$3.10/gal budgeted.

Utilities: Right at target for the month of September.