

Memorandum



To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: **November 15, 2014**
Re: **Notes for the Operating Statement – One Month Ended October 31, 2013**

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 0.2% under budget (unfavorable).

1. Purchase of Service Agreements are under budget since there is less in private contractor match for AirRide due to the greater than budget passenger fares.

EXPENSES: Total Expenses are 5.2% under budget (favorable).

2. Wages are under budget for MCOs. We have had a few employees off on medical or workers compensation leave. Other wages are under budget as we have a vacant position in the service crew and two in Community Relations.
3. Most of the purchased services are less than budget due to the timing of keeping payables open for Fiscal Year 2013. Many disbursements in October are recorded back into September to ensure proper cutoff between FY 2013 and FY 2014 expenses.
4. Fuel and fuel futures expenses are under budget by \$6,900, after consideration of the loss on fuel futures. We paid on average \$3.11 per gallon in October versus a budget estimate of \$3.25 per gallon.
5. Printing and other materials & supplies are under budget, partly due the lesser use of DEF (diesel exhaust fluid) as anticipated in the budget, recorded in lubricants. Once again, payables are held open as of September 30, 2013.
6. Utilities are under budget for the first month.
7. Other expenses are under budget mainly due to timing differences for media expenses and other expenses.