



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for January 2017
Date: March 8, 2017

I. Summary

CTA's financial results are \$1.2 million unfavorable to budget for January due to lower fare, pass, and reduced fare revenue.

Ridership for the month was 37.5 million and was 0.2 million less than budget. Ridership was 1.4 million or 3.7% less than January 2016. There were three fewer CPS school days this year which led to lower ridership. Also, low gas prices, cold weather at the start of the month, bus reroutes related to the Adams Street Bridge construction project, and competition from rideshare services such as Uber and Lyft each contributed to the loss.

II. Cash & Liquidity

The chart below highlights CTA's cash position at January 2017 compared to January 2016.

	January 2017	January 2016	Increase (Decrease)
Unrestricted Cash	\$ 197.4	\$ 176.9	\$ 20.5
Damage Reserve	103.4	100.3	\$ 3.1
Funds Owed by RTA	310.0	333.2	\$ (23.2)
Trust Portfolio Assets	602.9	396.5	\$ 206.4
Total Cash and Receivables	\$ 1,213.7	\$ 1,006.9	\$ 206.8

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$20.5 million higher than the prior year due to timing of cash receipts and invoice payments. The Damage Reserve is sufficiently funded and was \$3.1 million higher than last year due to a transfer based on budgeted levels. Funds owed by the RTA were approximately \$310.0 million which was \$23.2 million less than the prior year. CTA continues to work closely with the RTA to monitor their receivable balance owed; Trust Portfolio Assets represents bond proceeds held in Trust for funding capital projects and making required debt service payments and therefore goes down when payments are made.

III. Revenue

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Fare & Pass Revenue	\$ 43,174	\$ (1,337)	\$ (1,703)	\$ 43,174	\$ (1,337)	\$ (1,703)

- Fare and pass revenue for January was \$1.3 million unfavorable to budget and \$1.7 million unfavorable to prior year. A cold start to the year with fewer CPS school days in January decreased bus revenue compared to prior year. The average fare for the month was \$1.15 and was \$0.03 lower than budget and consistent with the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 1,180	\$ (1,180)	\$ -

- Reduced Fare Subsidy was less than budget by \$1.2 million based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Advertising, Charter, Concession	\$ 2,816	\$ 37	\$ 118	\$ 2,816	\$ 37	\$ 118

- Advertising, Charter and Concessions Revenue was slightly higher than budget for the month. The \$0.1 million increase over prior year was mainly due to higher vehicle and platform advertising and concessions revenue.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Investment income	\$ 211	\$ 117	\$ 71	\$ 211	\$ 117	\$ 71

- Investment income was \$0.1 million higher than budget and \$0.1 million higher than prior year due to higher short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Other Revenue	\$ 2,618	\$ 401	\$ 692	\$ 2,618	\$ 401	\$ 692

- Other Revenue was \$0.4 million favorable to budget primarily due to higher park & ride revenue. The \$0.7 million increase over prior year was primarily due to the timing of non-capital grant revenue.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Total System Generated Revenue	\$ 49,999	\$ (1,961)	\$ (822)	\$ 49,999	\$ (1,961)	\$ (822)

- Total System-Generated Revenue was less than budget and prior year by \$2.0 million and \$0.8 million, respectively, due to lower reduced fare subsidy and fare and pass revenue.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Labor	\$ 87,882	\$ (146)	\$ (3,883)	\$ 87,882	\$ (146)	\$ (3,883)

- Labor expense was \$0.1 million unfavorable to budget for the month due to an increase in overtime pay. Slightly higher fringe benefits in 2017 contributed to higher expenses compared to 2016.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Material	\$ 7,415	\$ 270	\$ (963)	\$ 7,415	\$ 270	\$ (963)

- Material expense was \$0.3 million favorable to budget for the month. Material expense was \$1.0 million unfavorable to prior year, primarily due to higher spending on vehicle parts.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Fuel	\$ 2,627	\$ 430	\$ (2)	\$ 2,627	\$ 430	\$ (2)

- Fuel for Revenue Equipment expense was \$0.4 million favorable to budget and on par with the prior year mainly due to a reduction in the price of diesel fuel, lower usage and an increase in fuel efficiency.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2016	Budget 2016	Prior Year 2015
Power	\$ 2,601	\$ 111	\$ 501	\$ 2,601	\$ 111	\$ 501

- The Electric Power for Revenue Equipment expense was \$0.1 million favorable to budget for the month. Expenses were \$0.5 million favorable to prior year, primarily due to favorable prices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Provision for Injuries & Damages	\$ 792	\$ -	\$ (792)	\$ 792	\$ -	\$ (792)

- The Provision for Injuries & Damages expense was \$0.8 million higher than 2016 due to a change in the budget spread from quarterly to monthly.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Purchase of Security Services	\$ 1,376	\$ 27	\$ (174)	\$ 1,376	\$ 27	\$ (174)

- Purchase of Security Services was on par with budget for the month and unfavorable to prior year by \$0.2 million due to timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Other Expenses	\$ 26,014	\$ 47	\$ (3,473)	\$ 26,014	\$ 47	\$ (3,473)

- Other Expenses were on par with budget for the month. The unfavorable variance to prior year was mainly due to new debt service, timing of invoices, and non-capital grant expense. Of the total monthly other expenses, the pension obligation bond expense is \$9 million; the remaining expenses are for utilities, maintenance contracts, services, and other expenses.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Total Operating Expenses	\$ 128,706	\$ 739	\$ (8,786)	\$ 128,706	\$ 739	\$ (8,786)

- Operating Expenses were \$0.8 million favorable to budget for the month due to the timing of contractual expenses. The unfavorable variance to prior year was due primarily to higher labor and other expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-17	Budget Jan-17	Prior Year Jan17 vs. Jan16	2017	Budget 2017	Prior Year 2016
Recovery Ratio	47.16%	(0.85)		47.16%	(0.85)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 47.16% for the month. This was unfavorable to budget by 0.85 percentage points.

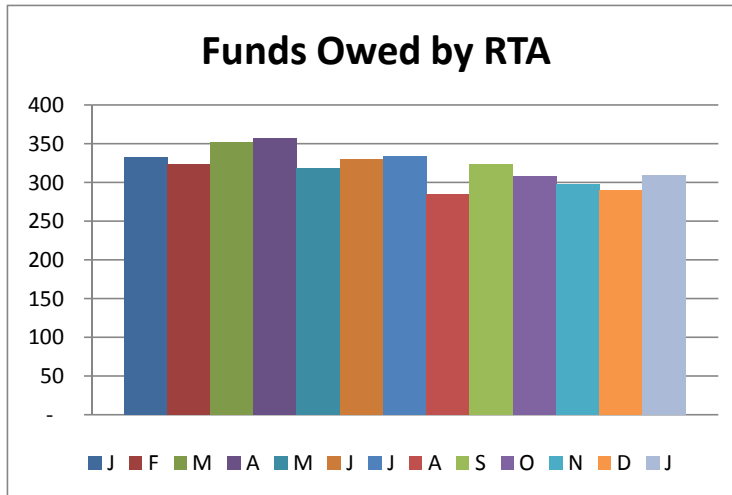
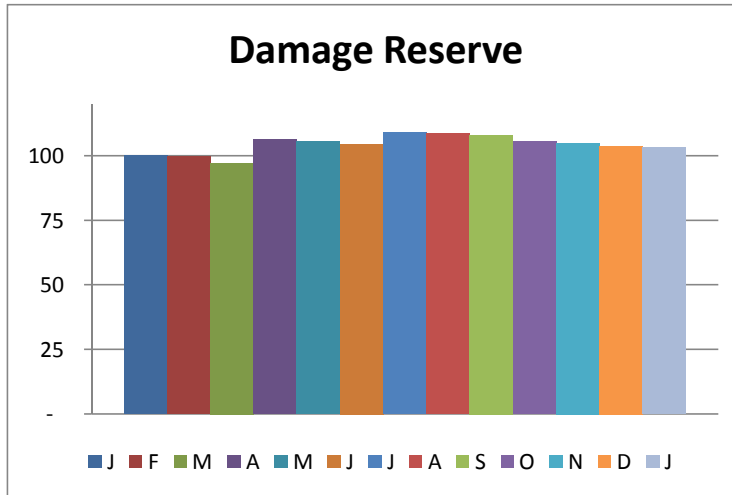
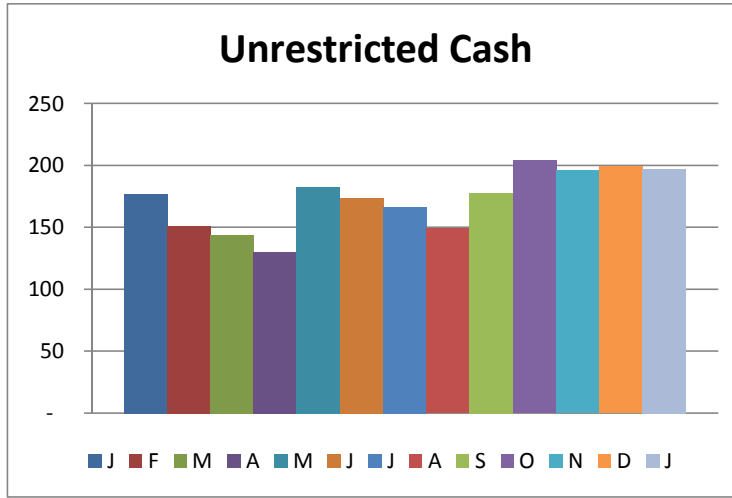
VI. Ridership

Category	Current Month			Full Year		
	Actual Jan-17	Variance to Budget Jan-17	Variance to Prior Year Jan17 vs. Jan16	Actual 2017	Variance to Budget 2017	Variance to Prior Year 2016
Bus	19,571	213	(1,180)	19,571	213	(1,180)
Rail	14,627	(336)	(210)	14,627	(336)	(210)
Rail to Rail Transfers	3,275	(89)	(53)	3,275	(89)	(53)
Total	37,472	(212)	(1,444)	37,472	(212)	(1,444)

- Ridership for the month of January was 37.5 million and was lower than budget and prior year by 0.2 million and 1.4 million, respectively.
- Calendar adjusted ridership was down 5.4% from prior year due to low gas prices.
- More details on ridership can be found in the January Ridership Report.

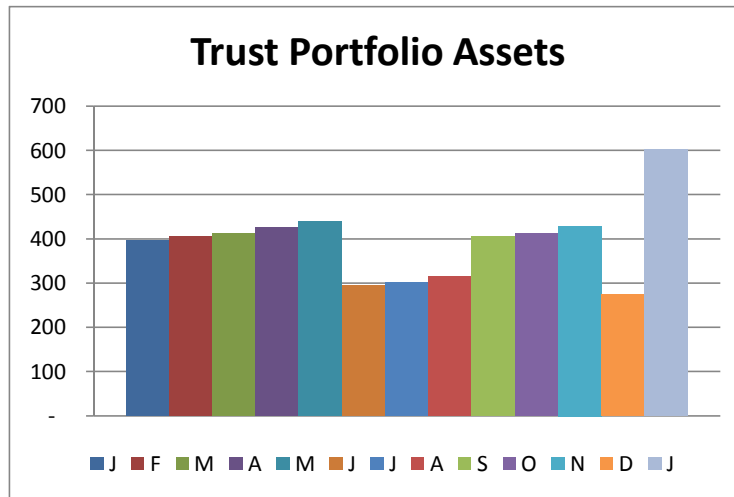
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Cash



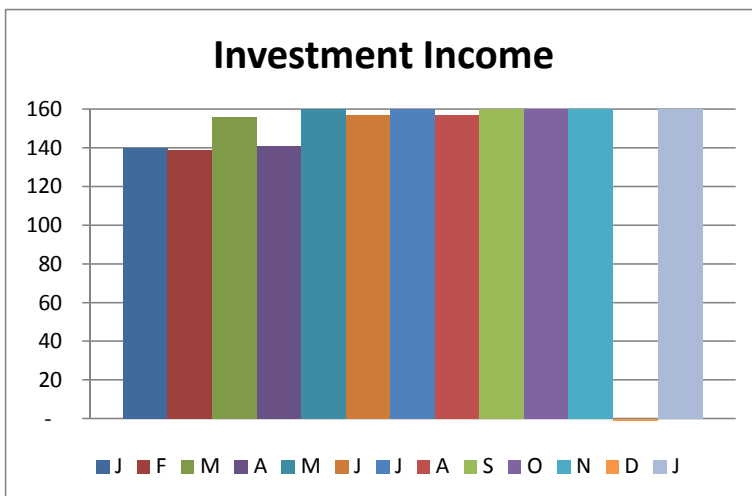
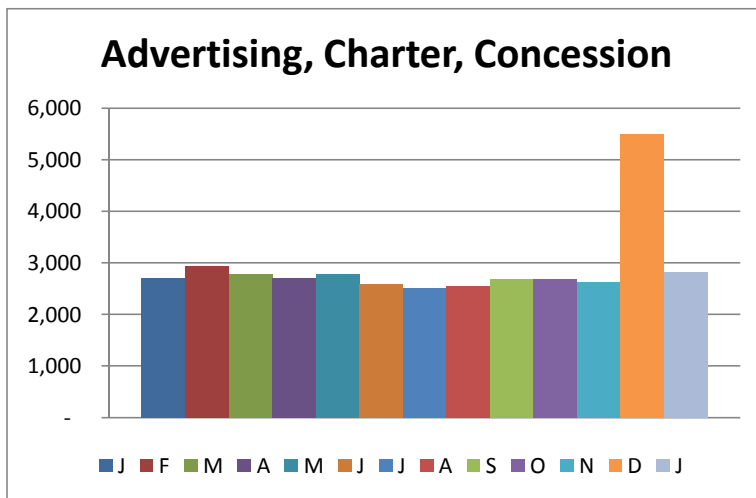
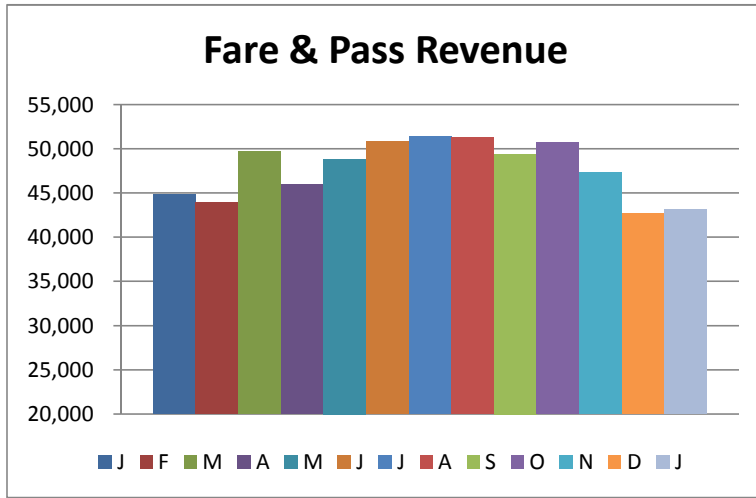
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Cash



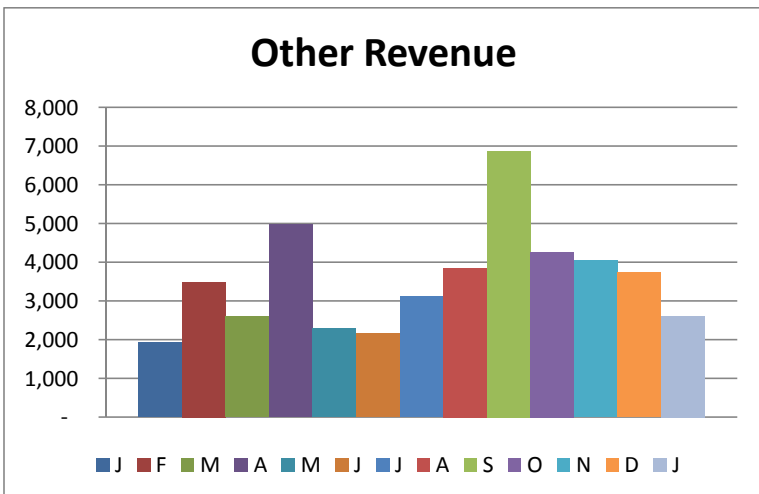
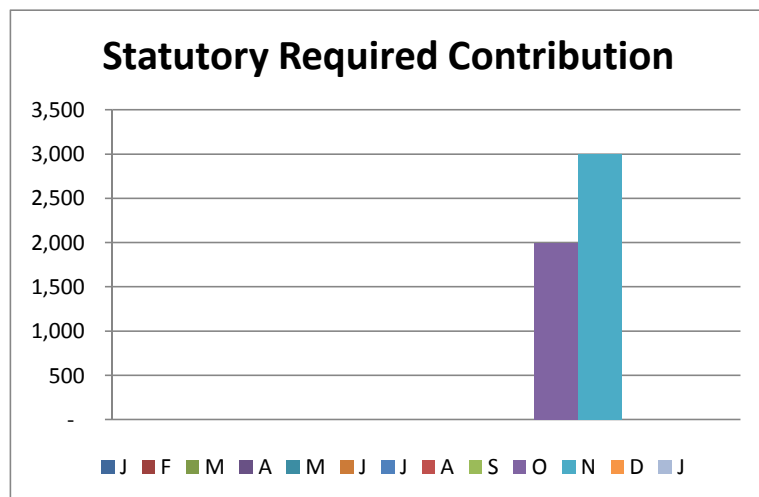
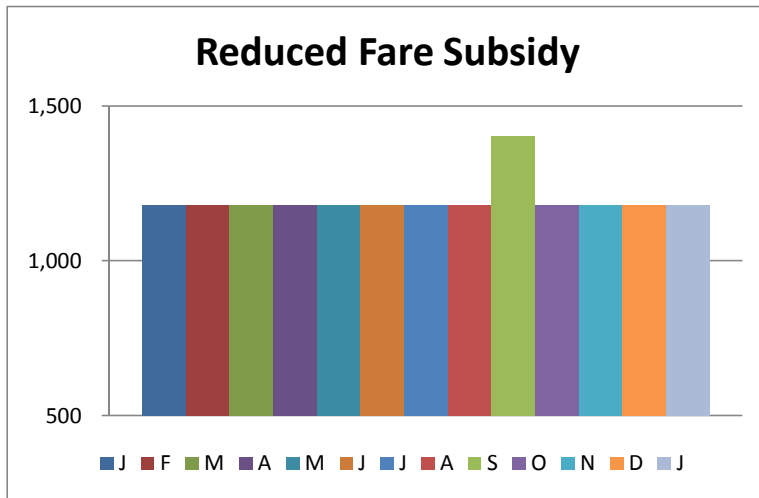
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Revenue

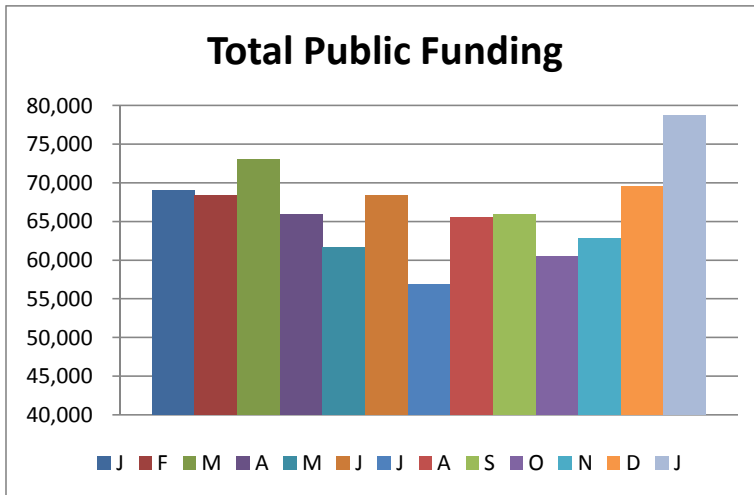
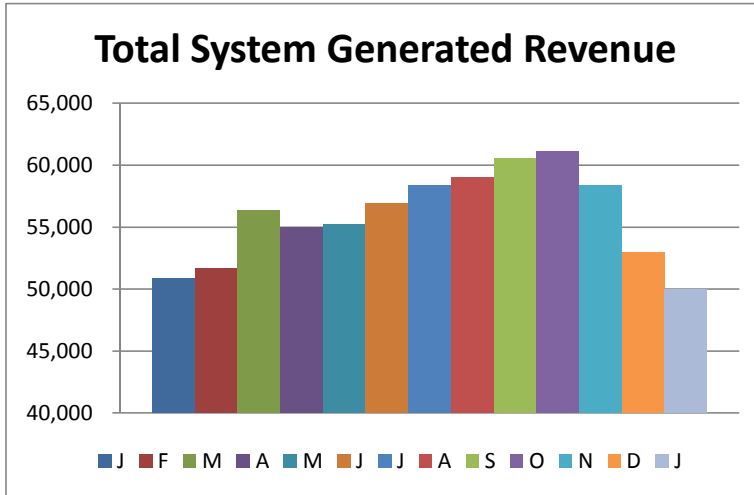


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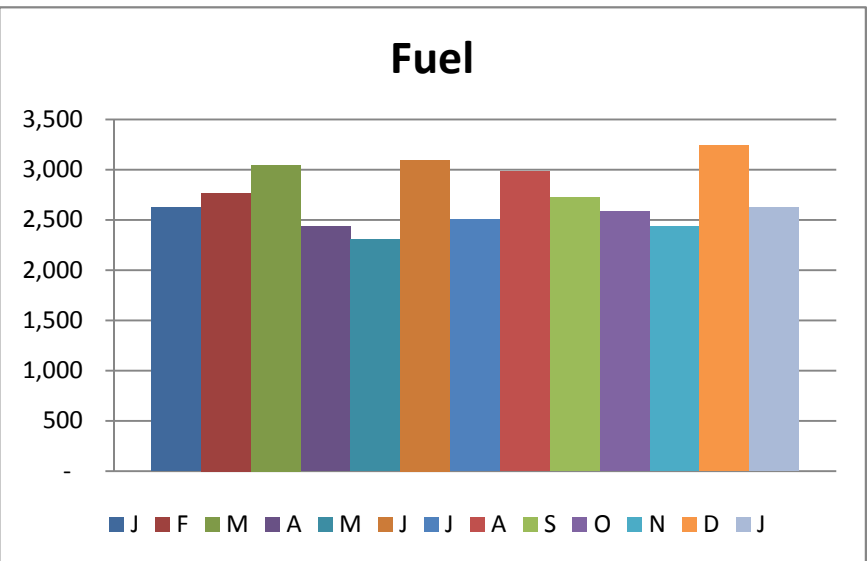
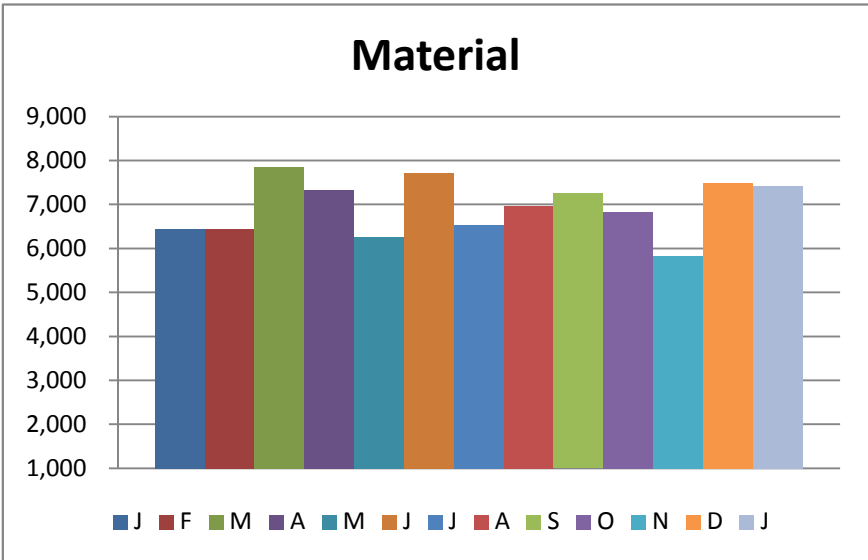
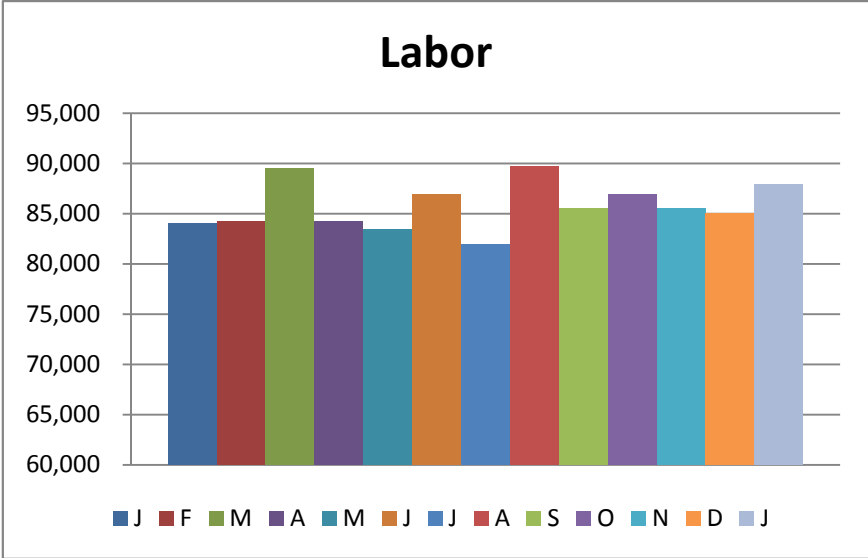
Revenue



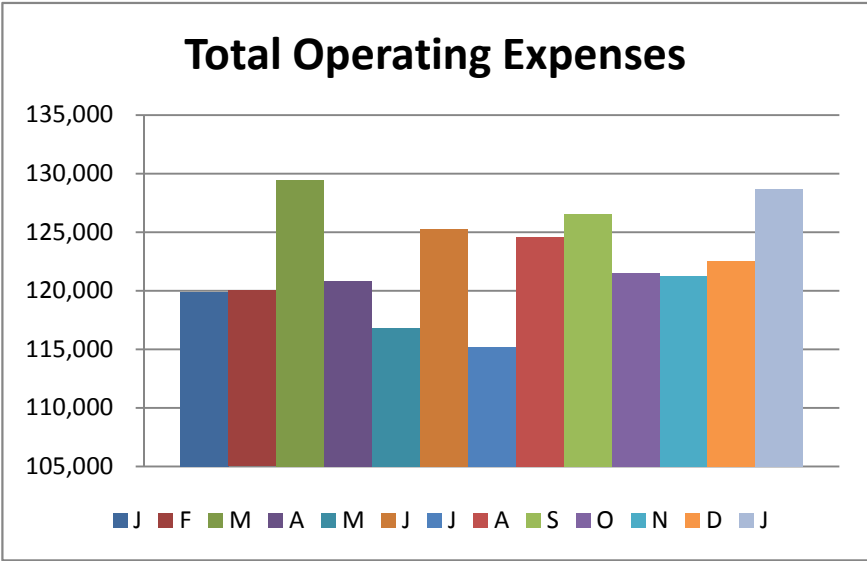
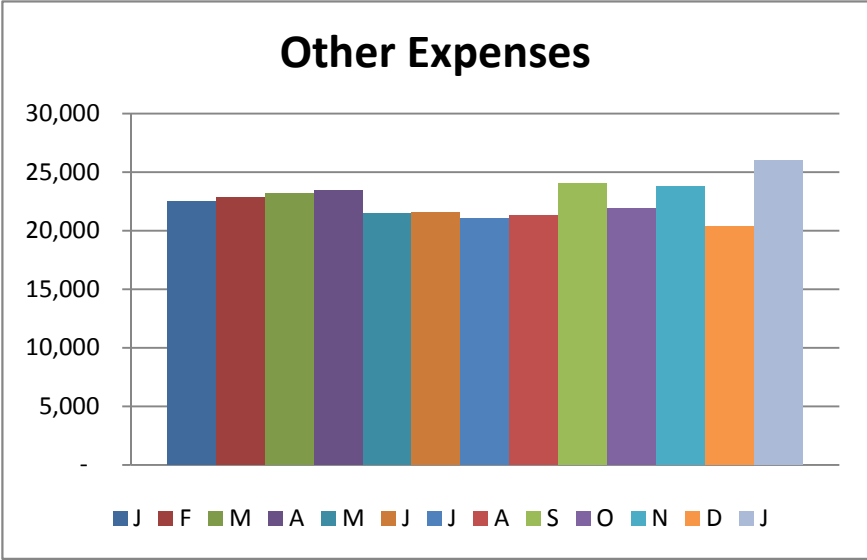
Chicago Transit Authority Revenue



Chicago Transit Authority Expenses

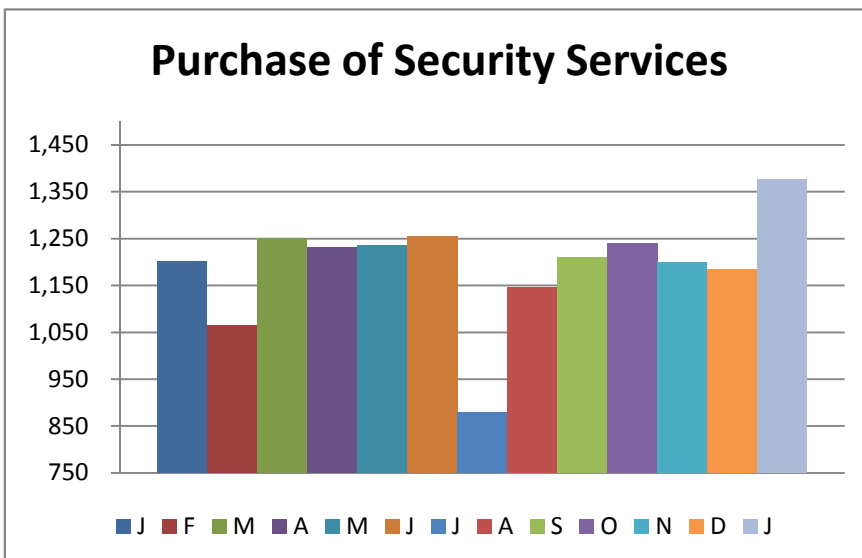
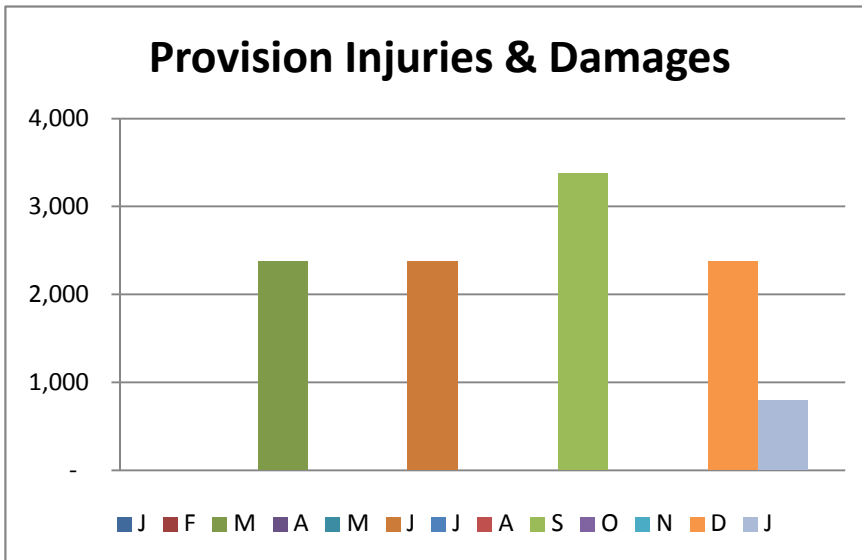
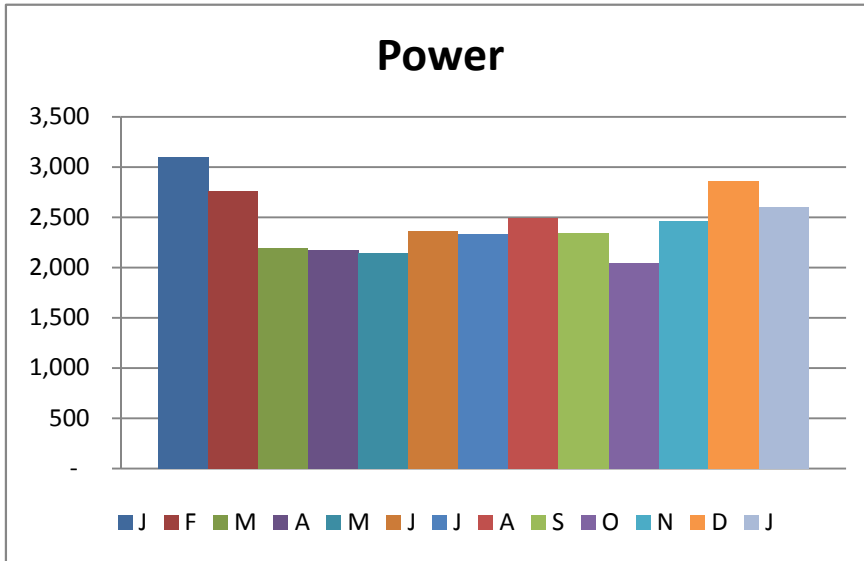


Chicago Transit Authority Expenses



Chicago Transit Authority

Expenses



Cash	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Unrestricted Cash	177	151	144	130	183	174	167	149	178	204	196	199	197
Damage Reserve	100	100	97	106	106	105	109	109	108	106	105	104	103
Funds Owed by RTA	333	323	353	357	318	330	334	285	323	308	298	290	310
Trust Portfolio Assets	397	406	413	427	439	295	302	316	405	413	429	275	603

Revenue	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Fare & Pass Revenue	44,877	43,918	49,680	45,982	48,827	50,829	51,376	51,278	49,431	50,764	47,357	42,688	43,174
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,404	1,180	1,180	1,180	1,180
Advertising, Charter, Concession	2,698	2,935	2,775	2,701	2,768	2,578	2,516	2,541	2,686	2,690	2,637	5,493	2,816
Investment Income	140	139	156	141	165	157	166	157	165	203	174	(155)	211
Statutory Required Contribution	-	-	-	-	-	-	-	-	-	2,000	3,000	-	-
Other Revenue	1,926	3,497	2,604	4,975	2,287	2,165	3,119	3,861	6,873	4,266	4,046	3,743	2,618
Total System Generated Revenue	50,821	51,669	56,395	54,979	55,228	56,909	58,356	59,017	60,559	61,103	58,394	52,950	49,999
Total Public Funding	69,099	68,343	73,061	65,885	61,619	68,350	56,854	65,541	65,967	60,422	62,881	69,551	78,707

Expenses	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Labor	83,998	84,197	89,550	84,268	83,416	86,891	81,953	89,715	85,558	86,924	85,560	85,016	87,882
Material	6,451	6,433	7,850	7,325	6,268	7,725	6,528	6,957	7,248	6,826	5,828	7,482	7,415
Fuel	2,625	2,766	3,046	2,435	2,303	3,094	2,505	2,980	2,726	2,584	2,433	3,242	2,627
Power	3,102	2,761	2,190	2,173	2,150	2,360	2,337	2,495	2,347	2,048	2,465	2,856	2,601
Provision Injuries & Damages	-	-	2,375	-	-	2,375	-	-	3,375	-	-	2,375	792
Purchase of Security Services	1,202	1,064	1,251	1,231	1,235	1,254	879	1,145	1,211	1,239	1,199	1,185	1,376
Other Expenses	22,541	22,792	23,195	23,432	21,475	21,561	21,009	21,266	24,060	21,905	23,790	20,346	26,014
Total Operating Expenses	119,920	120,012	129,457	120,864	116,847	125,258	115,210	124,558	126,525	121,525	121,274	122,502	128,706