



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for February 2016  
Date: April 6, 2016

### I. Summary

CTA's financial results are \$2.7 million favorable for February due to favorable variances for all operating expense categories as well as the sale of surplus property that was not anticipated in the budget.

Ridership for the month was 40.0 million and was 0.2 million less than budget. Ridership was 1.9 million or 4.9% higher than February 2015 due to milder weather and one additional weekday in February 2016.

### II. Cash & Liquidity

The chart below highlights CTA's cash position at February 2016 compared to February 2015.

	Feb 2016	Feb 2015	Increase (Decrease)
Unrestricted Cash	\$ 151.2	\$ 134.8	\$ 16.4
Damage Reserve	99.6	105.6	\$ (6.0)
Funds Owed by RTA	323.4	284.4	\$ 39.0
Trust Portfolio Assets	406.2	661.9	\$ (255.7)
Total Cash and Receivables	\$ 980.4	\$ 1,186.7	\$ (206.3)

CTA's total cash/receivables balance was equal to \$980.4 million. Unrestricted cash was \$16.4 million more than the prior year due to various receipts from the debt reserve substitution in August 2015, recent insurance settlements and other proceeds from land sales. The Damage Reserve is sufficiently funded and was \$6.0 million lower than last year reflecting payouts for settled claims. Funds owed by the RTA were approximately \$323.4 million which was \$39.0 million more 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
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Fare & Pass Revenue	\$ 43,918	\$ (367)	\$ 2,194	\$ 88,795	\$ (134)	\$ 2,589

- Fare and pass revenue for February was \$0.4 million unfavorable to budget and \$2.2 million favorable to prior year. The favorable variance to prior year is due to a combination of milder weather and one additional weekday. The average fare for the month was \$1.10 and was on par with budget and prior year.
- Year-to-date fare and pass revenue was \$0.1 million less than budget but was \$2.6 million more than prior year. Chicago experienced severe winter weather conditions in 2015, with the month of February tying the record for the coldest February ever in Chicago and was the third-snowiest February on record. The average fare for the year was \$1.13 per ride and was \$0.01 more than budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ (1,180)	\$ 2,360	\$ (2,360)	\$ (2,360)

- Reduced Fare Subsidy was less than budget for the month and year-to-date by \$1.2 million and \$2.4 million, respectively, due to the uncertainty regarding the State budget and funding for the free and reduced fare mandates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Advertising, Charter, Concession	\$ 2,935	\$ 300	\$ 425	\$ 5,633	\$ 345	\$ 833

- Advertising, Charter and Concessions Revenue was \$0.3 million more than budget for the month and year-to-date due to higher vehicle and platform advertising. The increase over prior year-to-date was also due to higher vehicle and platform advertising.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Investment income	\$ 139	\$ 66	\$ 71	\$ 279	\$ 133	\$ (192)

- Investment income was higher than budget for the month primarily due to a higher yield portfolio and a better investment strategy through security selection. The decrease over prior year is due to year-end market value adjustments.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Other Revenue	\$ 3,497	\$ 1,444	\$ 1,230	\$ 5,423	\$ 1,362	\$ 868

- Other Revenue was favorable to budget and prior year primarily due to the sale of surplus property.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Total System Generated Revenue	\$ 51,669	\$ 263	\$ 2,740	\$ 102,490	\$ (655)	\$ 1,737

- Total System-Generated Revenue was \$0.3 million more than budget for the month and \$2.7 million more than February 2015 primarily due to the sale of surplus property. The year-to-date is \$0.7 million less than budget due to the uncertainty regarding the State budget and funding for the free and reduced fare mandates. The year-to-date system-generated revenue is \$1.7 million more than prior year due higher farebox revenue, advertising revenue and sale of surplus property.

#### IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Labor	\$ 84,197	\$ 273	\$ (6,650)	\$ 168,195	\$ (1,086)	\$ (8,080)

- Labor expense was \$0.3 million favorable to budget for the month due to vacant positions. An additional work day in February 2016 versus prior year contributed to the unfavorable variance. Contractual wage increases that took effect in July 2015 and slightly higher fringe benefits in 2016 contributed to higher expenses compared to the prior February and to 2015 year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Material	\$ 6,433	\$ 654	\$ 622	\$ 12,884	\$ 1,245	\$ 873

- Material expense was \$0.7 million favorable to budget for the month and \$0.6 million lower than prior year due primarily to milder weather in 2016 and additional winter prep occurring at the end of 2015.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Fuel	\$ 2,766	\$ 250	\$ 1,361	\$ 5,392	\$ 667	\$ 3,262

- Fuel for Revenue Equipment expense was \$0.3 million favorable to budget for the month. As price is fixed, volume accounted for all of the variance to budget. Fuel expense is \$3.3 million favorable to the prior year-to-date primarily due to the significant reduction in the price of diesel fuel, slightly lower usage and a small increase in fuel efficiency.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Power	\$ 2,761	\$ 358	\$ 565	\$ 5,863	\$ 427	\$ 476

- The Electric Power for Revenue Equipment expense was \$0.4 million and \$0.6 million favorable to budget and prior year, respectively. \$0.2 million was due to lower consumption than assumed in the budget and \$0.2 was due to favorable prices. February was the second warmest February in the last ten years, contributing to lower consumption and price. Mild weather as well as two fewer billing days in February 2016 contributed to the positive variance versus the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Purchase of Security Services	\$ 1,064	\$ 161	\$ 79	\$ 2,267	\$ 183	\$ 23

- Purchase of Security Services was \$0.2 million favorable to budget for the month and year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Other Expenses	\$ 22,792	\$ 723	\$ (1,008)	\$ 45,333	\$ 1,083	\$ 438

- Other Expenses were favorable to budget by \$0.7 million but were unfavorable to prior year by \$1.0 million. The variance to budget and prior year was due to the timing of contractual expenses. Higher non-capital grant expenses of \$0.5 million contributed to the negative variance in February versus the prior year. This is offset by a corresponding increase in revenue. Of the total monthly other expenses, the pension obligation bond expense is \$10 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
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Total Operating Expenses	\$ 120,012	\$ 2,418	\$ (5,033)	\$ 239,932	\$ 2,518	\$ (3,008)

- Operating Expenses were \$2.4 million favorable to budget for the month due to favorability in all expense categories. The unfavorable variance to prior year was due primarily to higher labor expense.

## V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Recovery Ratio	51.48%	1.49		51.20%	0.39	

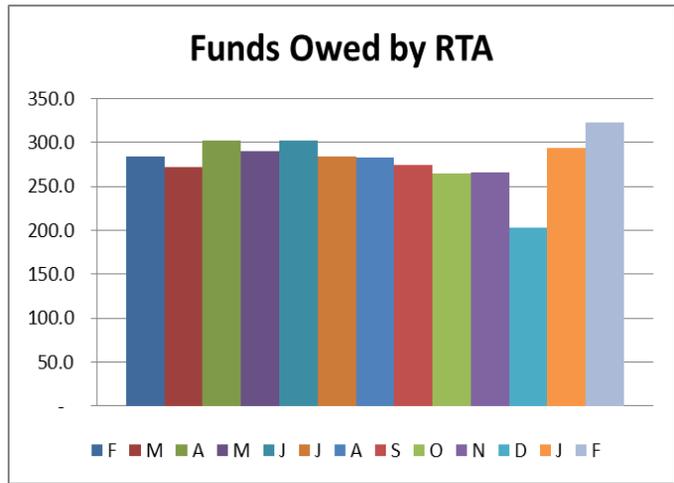
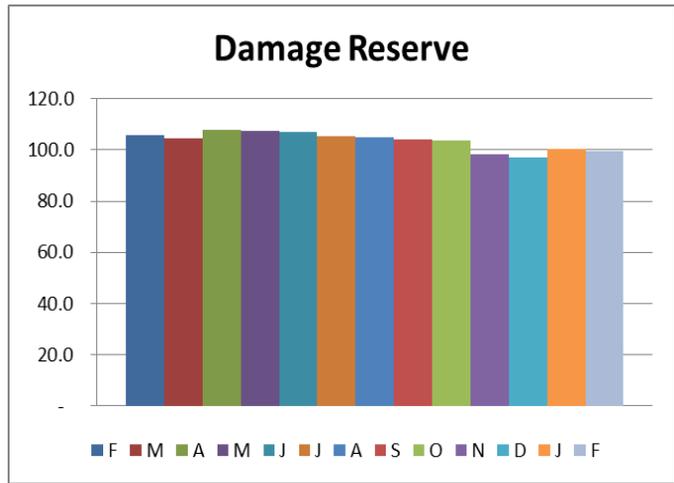
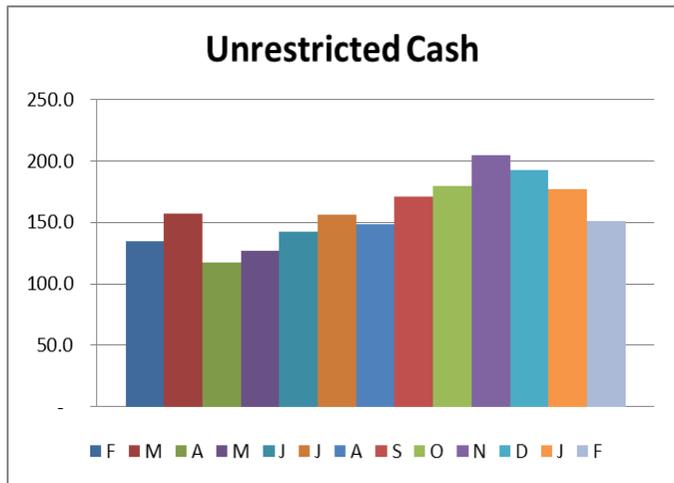
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 51.48% for the month. This was favorable to budget by 1.49 percentage points. For the year-to-date the recovery ratio is 51.20%.

## VI. Ridership

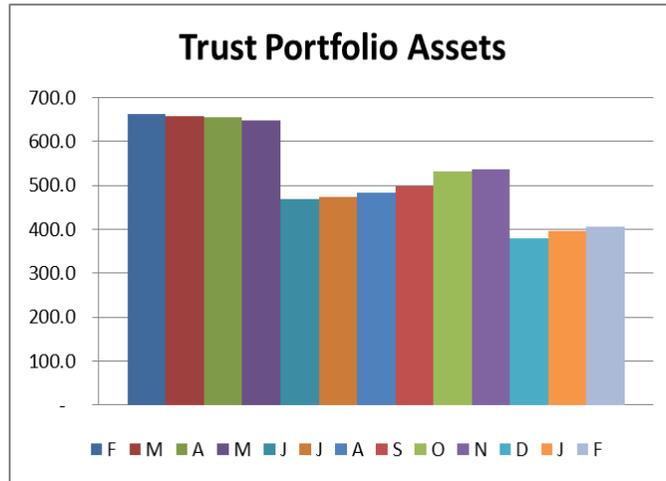
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-16	Budget Feb-16	Prior Year Feb16 vs. Feb15	2016	Budget 2016	Prior Year 2015
Bus	21,467	(530)	493	42,218	(1,056)	(160)
Rail	15,212	263	1,115	30,049	386	1,253
Rail to Rail Transfers	3,349	76	245	6,677	120	279
Total	40,028	(191)	1,853	78,944	(549)	1,372

- Ridership for the month of February was 40.0 million and was on 0.2 million lower than budget and was 1.9 million more than prior year. Calendar adjusted ridership was up 0.7% from prior year due to milder weather, an extra day due to leap year, an additional weekday compared to 2015, and two additional CPS school days this year.
- Ridership for the year-to-date was 78.9 million and was 0.5 million less than budget but was 1.4 million more than the prior year-to-date. Calendar adjusted ridership was up 0.9% from the prior year-to-date.
- More details on ridership can be found in the February Ridership Report.

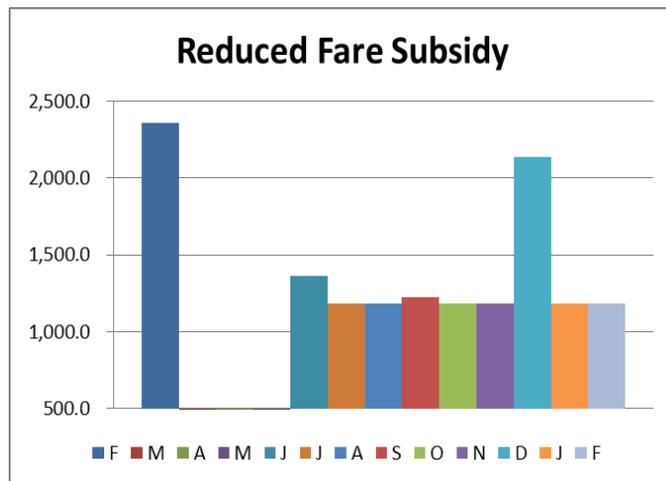
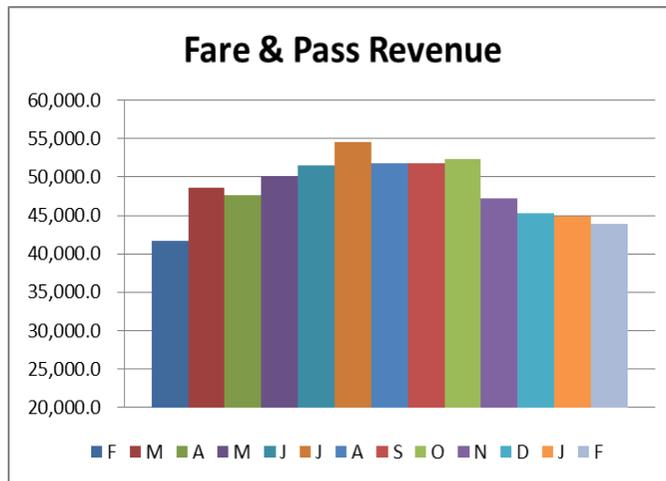
## Cash & Liquidity



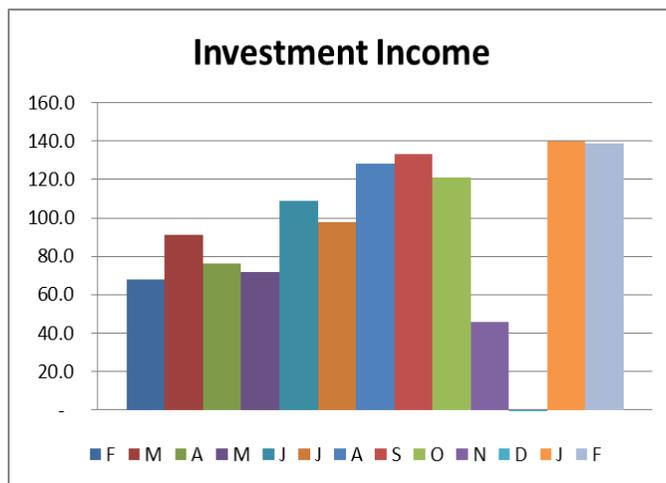
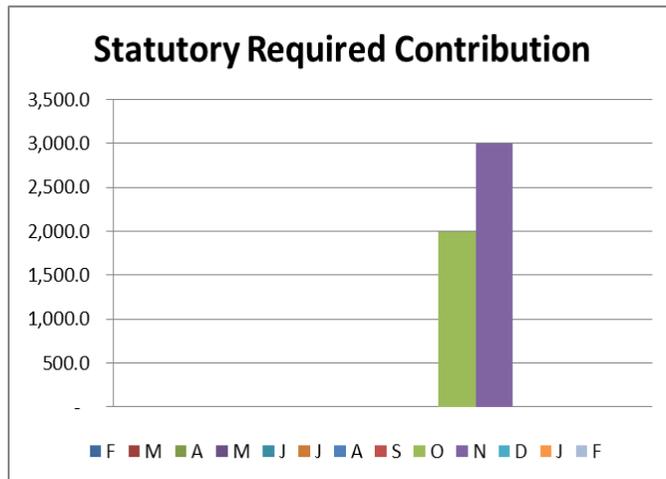
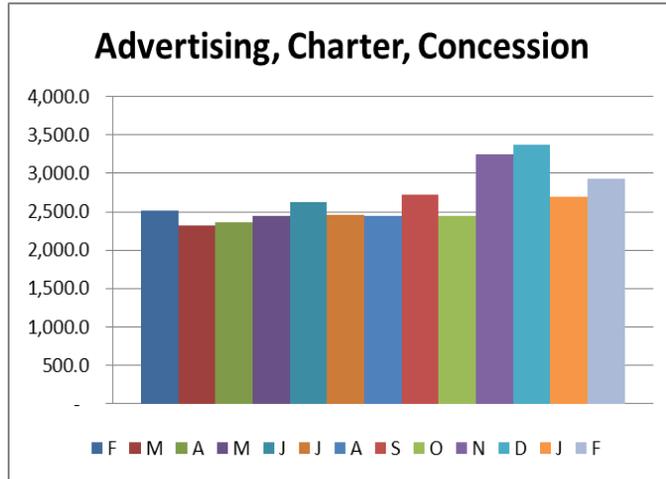
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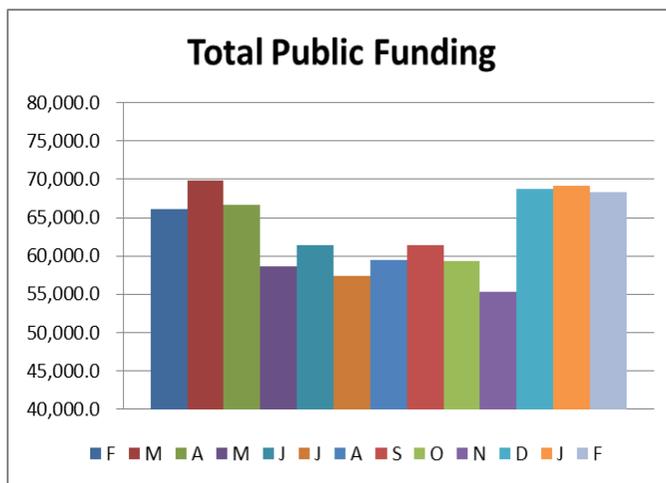
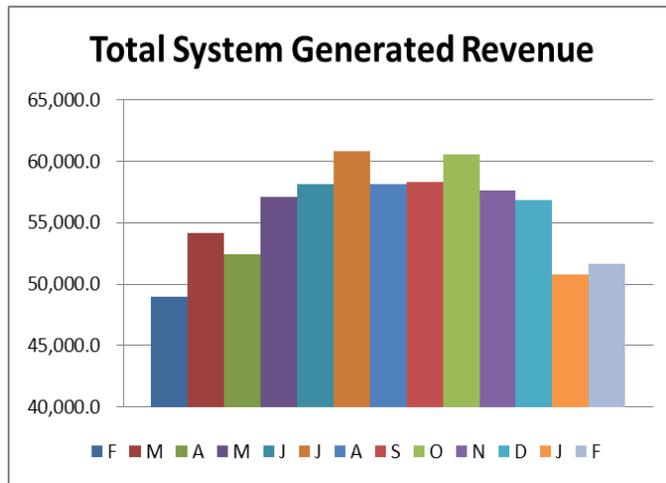
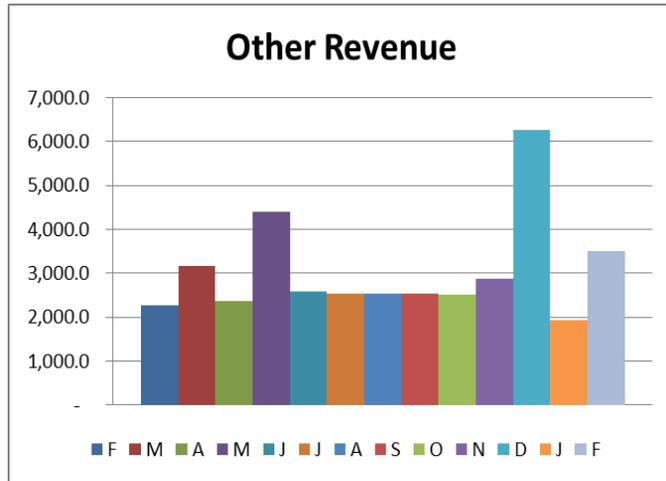
## Revenue



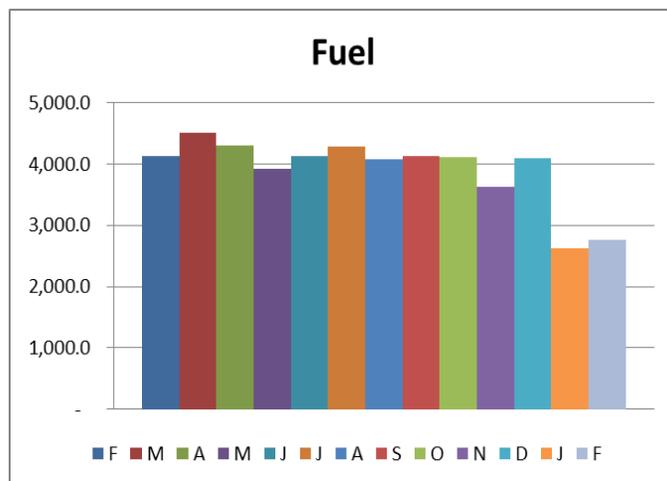
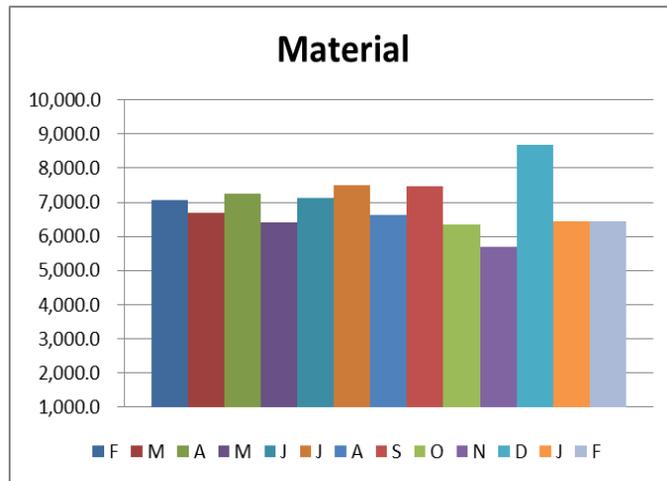
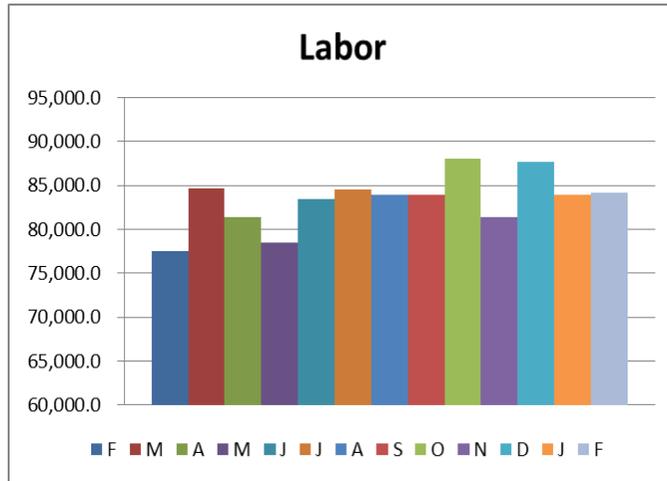
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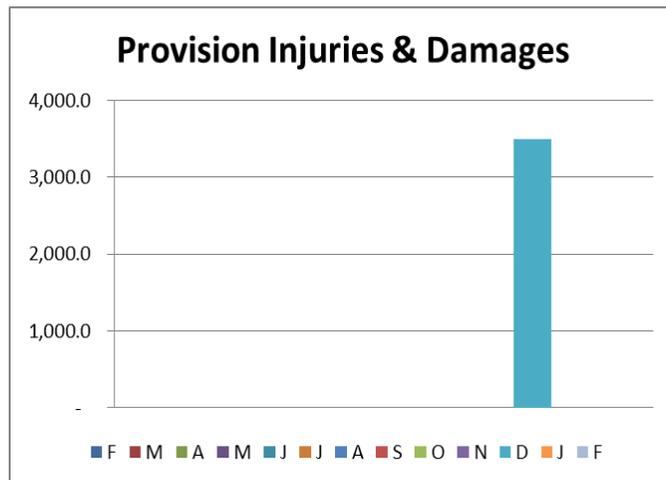
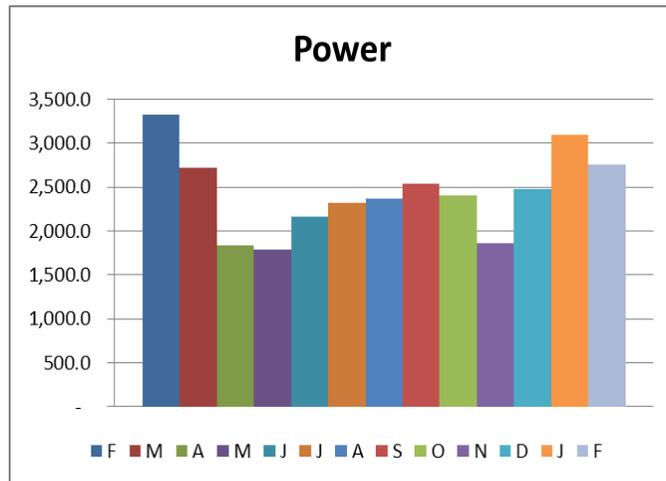
## Revenue (cont'd)



## Expenses



## Expenses (cont'd)



## Expenses (cont'd)

