



To: Chicago Transit Authority Board
From: Ron DeNard, Chief Financial Officer
Re: Financial Results for October 2013
Date: December 11, 2013

I. Summary

Overall financial results for October were slightly unfavorable to the reforecast by \$0.4 million in revenue and \$2.0 million in expenses. Year to date results are tracking ahead of the reforecast by \$3.4 million in revenue and \$6.3 million in expenses. We expect that the positive variance year to date will be reduced in future months but we remain on track with the overall reforecast.

Ridership for the month was 48.7 million and was 0.3 million less than budget. Year to date ridership was 447.9 million and was 1.4 million more than budget.

II. Cash & Liquidity

The chart below highlights CTA's cash position at October 2013 compared to October 2012.

	2013	2012	(Decrease)
Unrestricted Cash	\$ 105.2	\$ 135.3	\$ (30.1)
Damage Reserve	115.1	124.7	\$ (9.6)
Funds Owed by RTA	269.3	227.2	\$ 42.1
Trust Portfolio Assets	568.5	956.0	\$ (387.5)
Total Cash and Receivables	\$ 1,058.1	\$ 1,443.2	\$ (385.1)

CTA's total cash/receivables balance is equal to \$1.1 billion. Unrestricted cash was \$30.1 million less than the prior year. The cash in Damage Reserve is \$9.6 million lower than last year and is a source of short term borrowings if necessary. Funds owed by the RTA were approximately \$269.3 million which was \$42.1 million more than the prior year. CTA continues to work closely with the RTA to monitor their receivable balance owed; Trust Portfolio Assets represent bond proceeds held in Trust for funding capital projects and making required debt service payments. The balances will decrease as we meet our scheduled spend down plan and will increase as CTA receives additional bond proceeds or grant money. In September trust portfolio assets increased slightly from August due to the receipt of grant proceeds from the FTA.

III. Revenue

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Fare & Pass Revenue	\$ 50,922	\$ (86)	\$ 1,886	\$ 484,742	\$ 1,876	\$ 22,890

- Fare and pass revenue was on par with the Reforecast for the month and \$1.9 million more than October 2012. Revenue was on target with the reforecast this month as ridership levels continued to stay on track with the 2013 projections. The average fare for the month was \$1.05.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Reduced Fare Subsidy	\$ 1,217	\$ (15)	\$ (1,116)	\$ 19,513	\$ 513	\$ (3,600)

- Reduced Fare Subsidy is less than prior year due to the state reduction and is consistent with the reforecast. The YTD favorable variance is due to the receipt of an additional \$483k adjustment that was more than we anticipated for the grant prior period (7/1/12 – 6/30/13).

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Advertising, Charter, Concession	\$ 1,831	\$ (151)	\$ (128)	\$ 21,039	\$ (1,339)	\$ 2,103

- Advertising, Charter and Concessions Revenue is running below the Reforecast for the month and should finish 2013 at the original budget projection which is below the re-forecasted amount. For the year this category continues to track above 2012.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Investment income	\$ 22	\$ (19)	\$ (226)	\$ 253	\$ (43)	\$ (346)

- Investment Income Revenue was \$19,000 less than Reforecast for the month.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Other Revenue	\$ 2,804	\$ (174)	\$ 80	\$ 33,092	\$ 2,361	\$ 905

- All Other Revenue was on par with the Reforecast for the month. Year to date is \$2.4 million ahead of Reforecast due to a one-time rental payment for cellular service infrastructure.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Total System Generated Revenue	\$ 58,796	\$ (445)	\$ (2,504)	\$ 560,639	\$ 3,368	\$ 18,953

- Total System-Generated Revenue was \$0.4 million less than Reforecast for the month. The favorable YTD variance is primarily due to positive Fare & Pass revenue and other revenue as discussed in this section.

IV. Expenses

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Labor	\$ 81,763	\$ (190)	\$ (800)	\$ 786,557	\$ (185)	\$ (15,303)

- Labor Expense was on par with the Reforecast for the month and for the year to date. Labor is higher than prior year to date due to increases in salaries and employer pension contribution and the new customer service assistant program.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Material	\$ 5,198	\$ (1,840)	\$ 1,382	\$ 48,345	\$ 464	\$ 11,367

- Material Expense was over Reforecast by \$1.8 million. The unfavorable monthly variance was due primarily to the timing of material expenses. The Year to date material expense is slightly favorable to reforecast but the favorability will likely decline in the final two months.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Fuel	\$ 5,474	\$ 278	\$ 284	\$ 53,157	\$ 286	\$ (556)

- Fuel for Revenue Equipment expense was slightly favorable to Reforecast for the month and on target year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Power	\$ 2,099	\$ 28	\$ (225)	\$ 21,353	\$ (144)	\$ (1,706)

- Electric Power for Revenue Equipment was on target with the forecast for the month and year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Provision Injuries & Damages	\$ (2,000)	\$ 379	\$ 3,400	\$ (1,104)	\$ 2,137	\$ 22,304

- Provision for Injuries and Damages were favorable with the forecast. The Injuries and Damages Reserve is in a surplus position, allowing for the credit to be taken.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Purchase of Security Services	\$ 1,338	\$ (34)	\$ 1,555	\$ 21,428	\$ 55	\$ 8,025

- Purchase of Security Services was on par with Reforecast for the month and year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Other Expenses	\$ 21,332	\$ (652)	\$ (11,338)	\$ 192,150	\$ 3,648	\$ (83,755)

- Other Expenses was \$0.6 million more than Reforecast. The year to date positive variance is due to both lower than anticipated expenses and timing. Some expenses anticipated for Q3 will be realized in Q4. The expense is higher than prior year due to the impact of the elimination of a debt service reserve that produced a credit to reduce 2012 expenses. Other expenses consist of: Utilities, Advertising & Promotions, Travel & Meetings, Contractual Services, Leases & Rentals, Pension Obligation Bond, and General Expenses.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-13	Reforecast	Prior Year	Oct-13	Reforecast	Prior Year
	Oct-13	Oct-13	Oct13 vs. Oct12	Oct-13	Oct-13	Oct13 vs. Oct12
Total Operating Expenses	\$ 115,204	\$ (2,031)	\$ (5,742)	\$ 1,121,887	\$ 6,261	\$ (59,622)

- Operating Expenses were \$2.0 million more than Reforecast for the month, primarily due to the unfavorable variances in material and other expenses. As stated in last month's report, we expect that the positive variance year to date will be reduced in future months but we remain on track with the overall reforecast. Expenses in 2013 are higher than 2012 due to the elimination of pension bond debt service reserve in 2012 that lowered 2012 expenses.

V. Other

Category	Actual Oct-13	Variance to Budget Oct-13	Variance to Prior Year Oct13 vs. Oct12	Actual Oct-13	Variance to Budget Oct-13	Variance to Prior Year Oct13 vs. Oct12
Recovery Ratio	60.96%	(3.92)		60.57%	(1.74)	

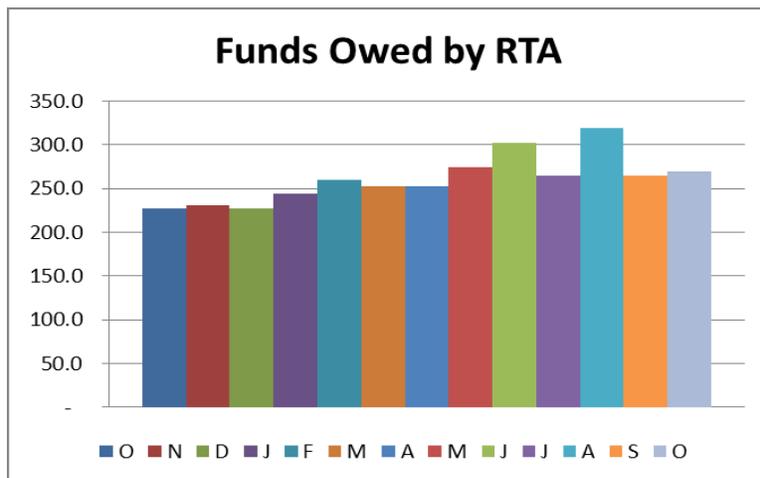
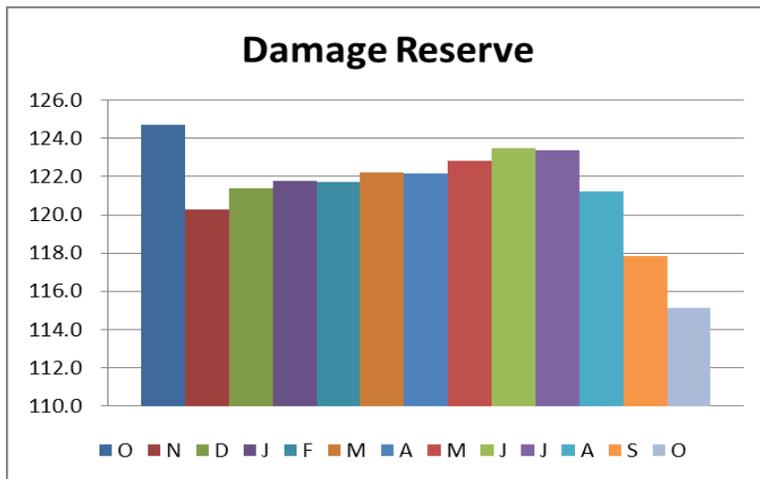
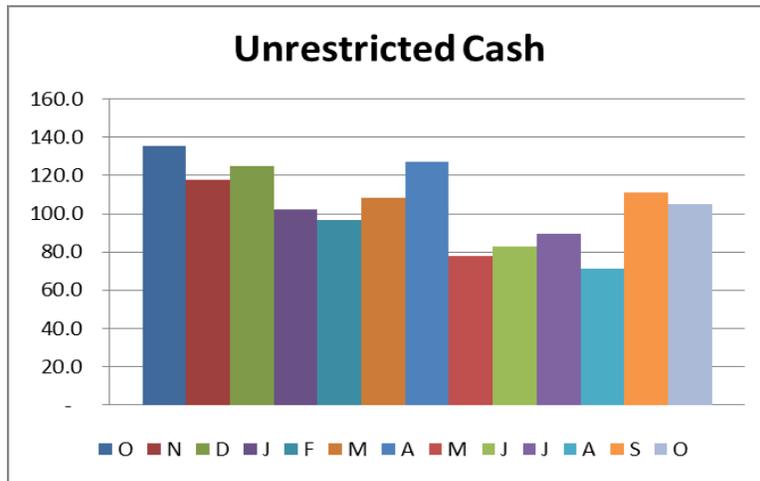
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 60.96% for the month and 60.57% for the year. This was unfavorable to budget by 3.92 percentage points for the month and 1.74 percentage points for the year to date.

VI. Ridership

Category	Actual Oct-13	Variance to Budget Oct-13	Variance to Prior Year Oct13 vs. Oct12	Actual Oct-13	Variance to Budget Oct-13	Variance to Prior Year Oct13 vs. Oct12
Bus	27,333	(671)	(1,560)	255,551	(526)	(9,149)
Rail	17,599	328	(227)	156,773	177	(3,619)
Rail to Rail Transfers	3,796	74	(48)	35,618	1,700	832
Total	48,728	(269)	(1,834)	447,943	1,350	(11,936)

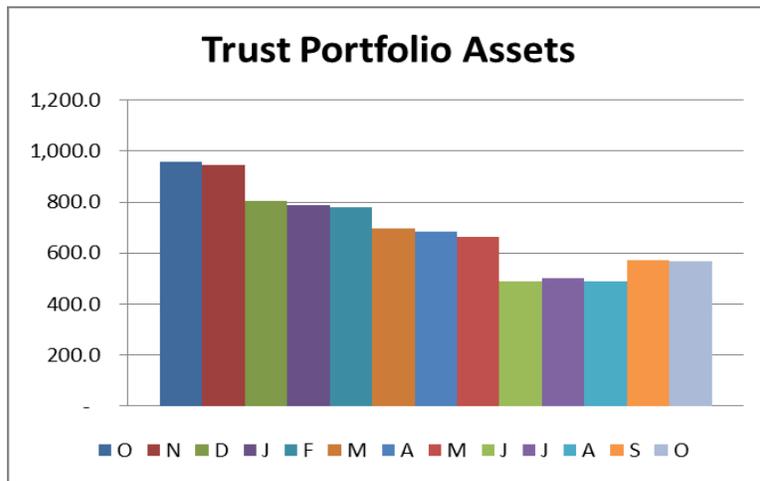
- Ridership for the month of October was 48.7 million and was 0.3 million less than budget and was 1.8 million less than prior year. Calendar adjusted ridership was down 3.6% from prior year.
- Ridership for the year to date was 447.9 million and was 1.4 million more than budget and 11.9 million less than prior year. Calendar adjusted ridership is down 2.5% over the prior year to date.

Appendix
Cash & Liquidity

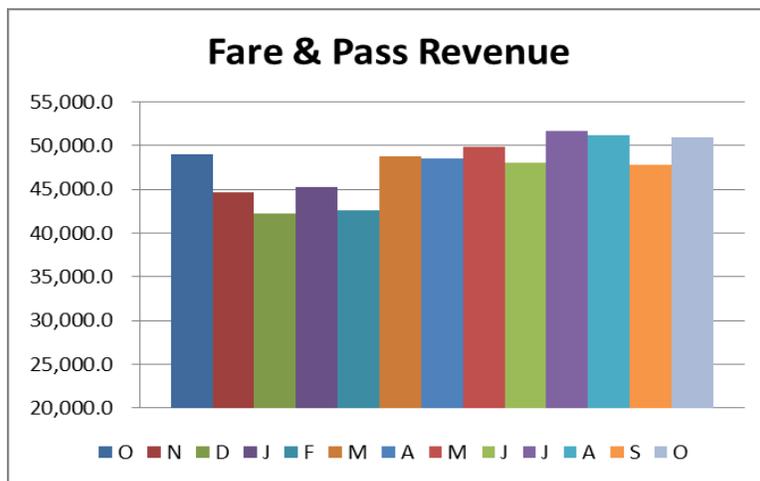
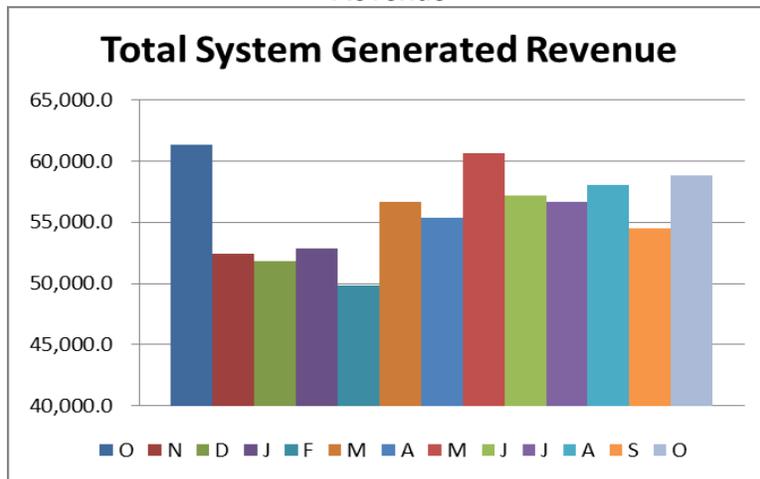


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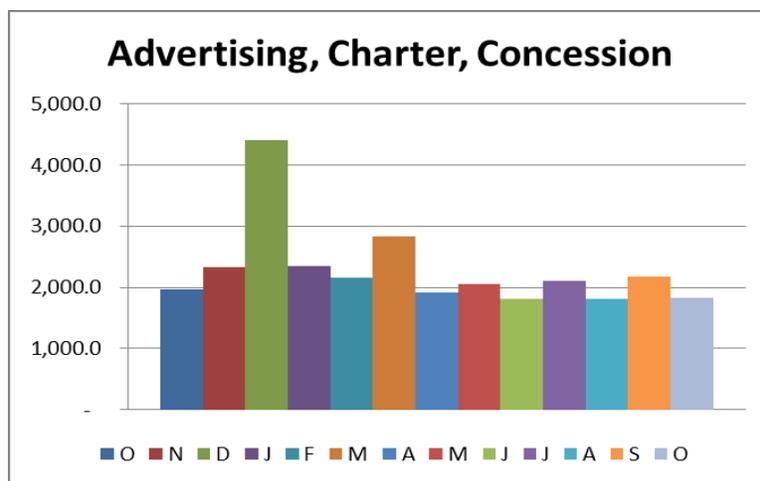
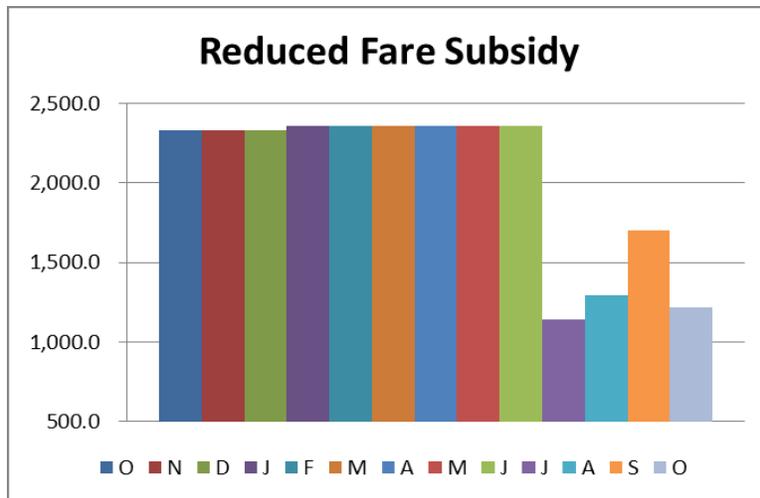
Cash & Liquidity (cont'd)



Revenue

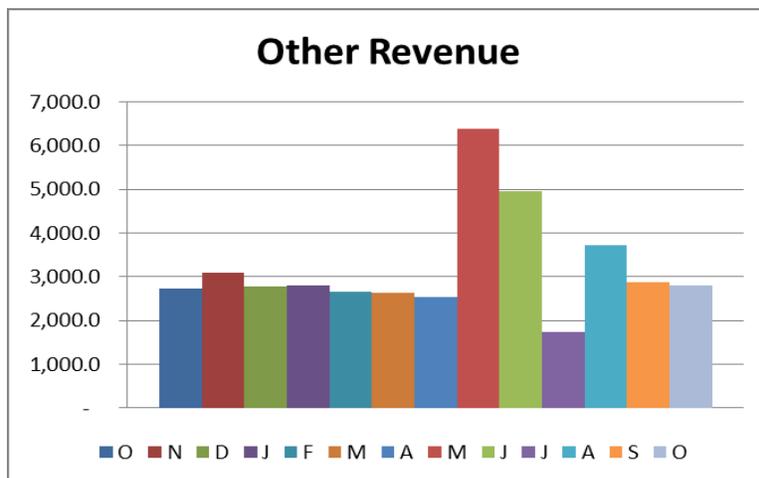
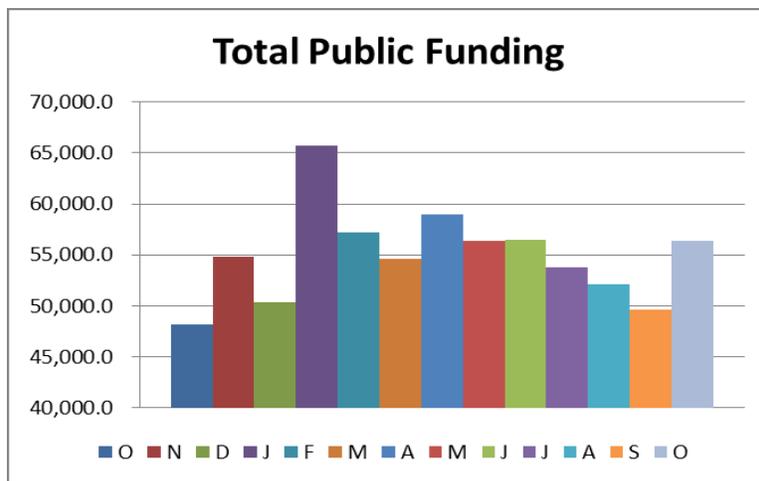
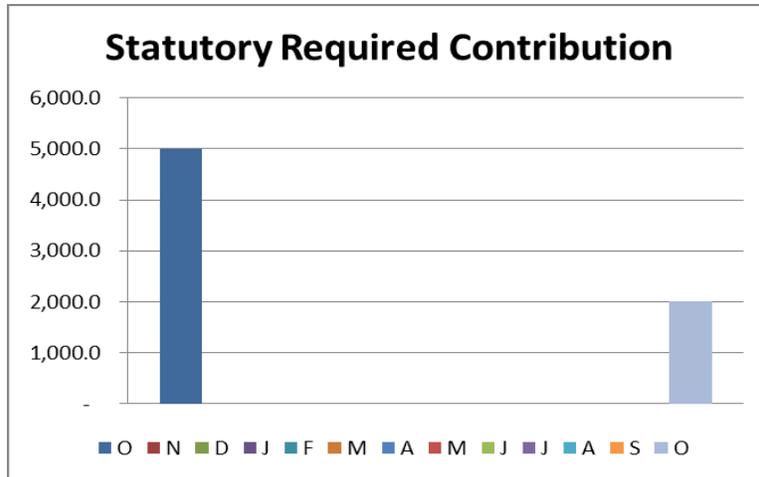


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Revenue (cont'd)

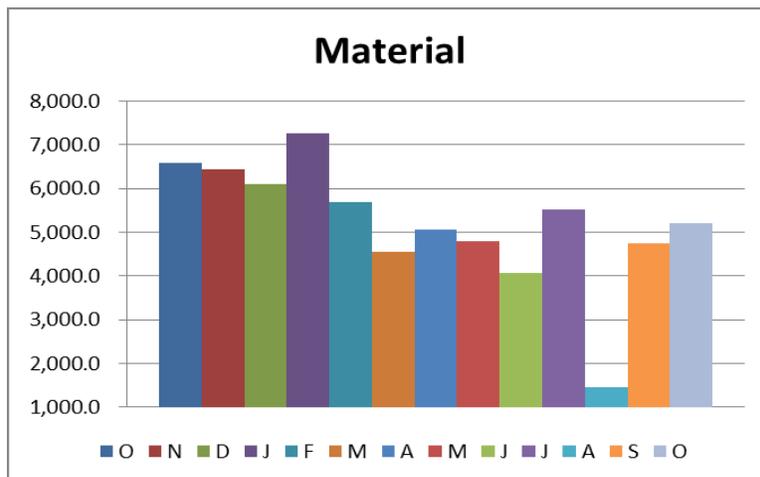
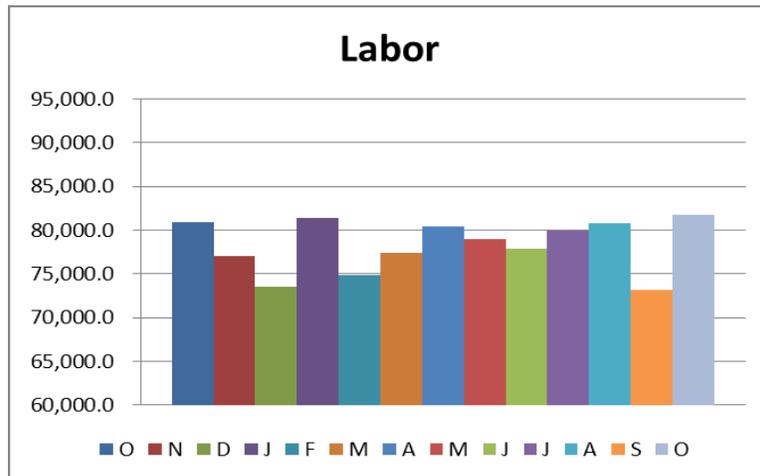
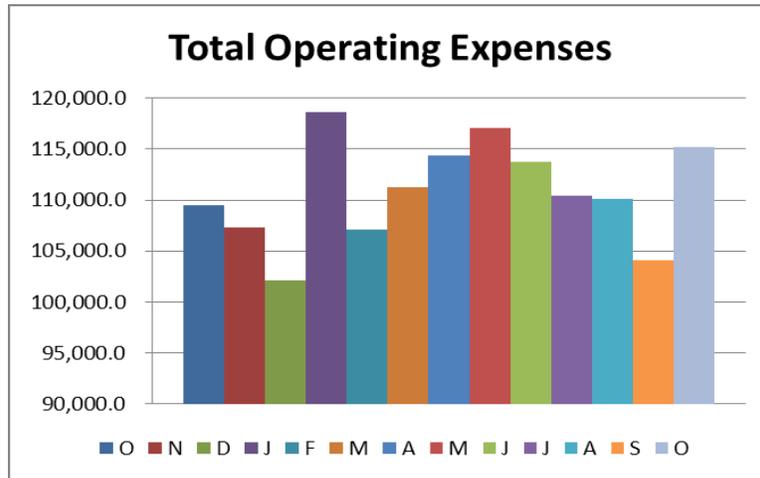


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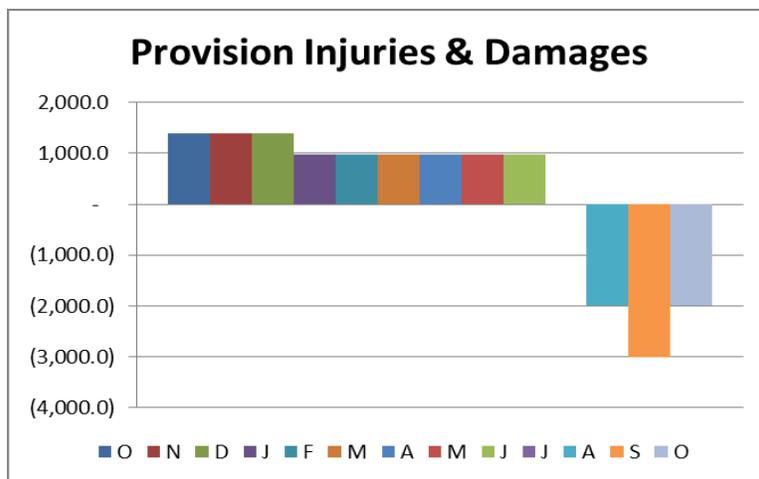
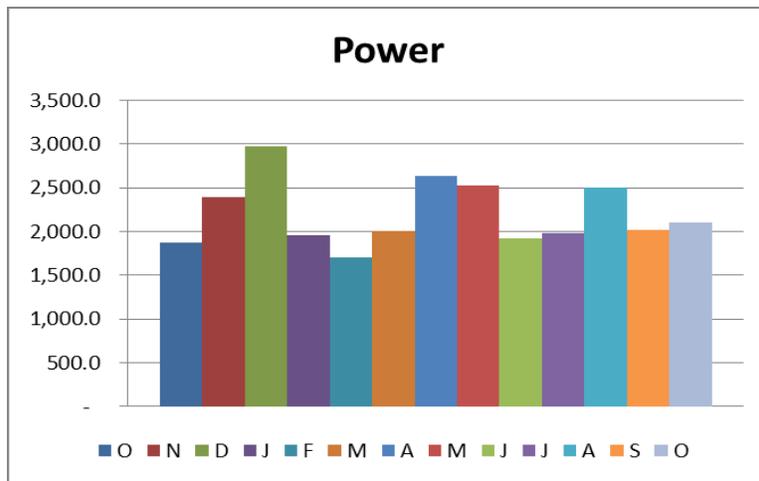
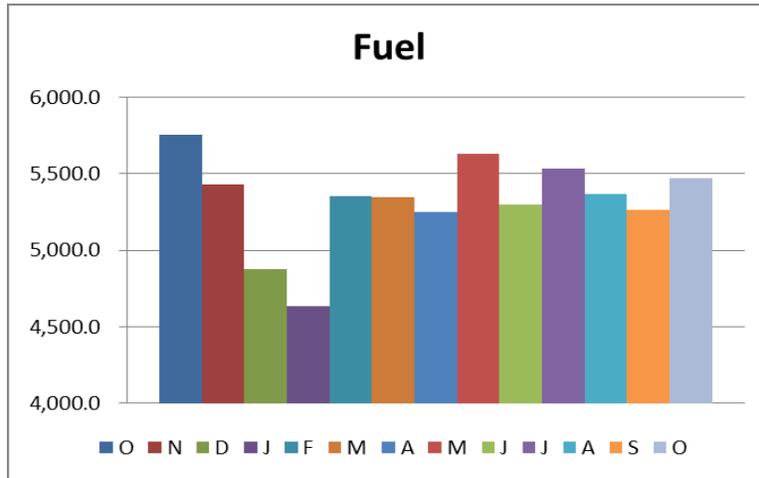
Revenue (cont'd)



Appendix
Expenses



Expenses (cont'd)



Appendix

Expenses (cont'd)

