



To: Chicago Transit Authority Board
From: Ron DeNard, Chief Financial Officer
Re: Financial Results for January 2014
Date: March 12, 2014

I. Summary

CTA's financial results are \$0.5 million unfavorable for the month of January. The unfavorable variance is due to higher expenses than budgeted for the month caused by several days of severe weather.

Ridership for the month was 38.0 million and was less than budget and prior year by 4.2 million and 4.6 million, respectively.

II. Cash & Liquidity

The chart below highlights CTA's cash position at January 2014 compared to January 2013.

	Jan 2014	Jan 2013	Increase (Decrease)
Unrestricted Cash	\$ 109.3	\$ 102.5	\$ 6.8
Damage Reserve	114.5	121.8	\$ (7.3)
Funds Owed by RTA	234.8	255.7	\$ (20.9)
Trust Portfolio Assets	416.4	787.9	\$ (371.5)
Total Cash and Receivables	\$ 875.0	\$ 1,267.9	\$ (392.9)

CTA's total cash/receivables balance is equal to \$875.0 million. Unrestricted cash was \$6.8 million more than the prior year. The cash in Damage Reserve is \$7.3 million lower than last year and is a source of short term borrowing if necessary. Funds owed by the RTA were approximately \$234.8 million which was \$20.9 million less 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.

III. Revenue

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Fare & Pass Revenue	\$ 44,509	\$ (1,208)	\$ (772)	\$ 44,509	\$ (1,208)	\$ (772)

- Fare and pass revenue was \$1.2 million less than budget for the month and \$0.8 million less than January 2013. Revenue was lower than budget this month primarily due to severe weather. The average fare for the month was \$1.17.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ (1,143)	\$ 1,217	\$ -	\$ (1,143)

- Reduced Fare Subsidy is consistent with the budget but less than prior year due to the State reduction in funding.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Advertising, Charter, Concession	\$ 2,206	\$ (45)	\$ (142)	\$ 2,206	\$ (45)	\$ (142)

- Advertising, Charter and Concessions Revenue is slightly unfavorable primarily due to lower special contract guarantees than anticipated in the budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Investment income	\$ 122	\$ -	\$ 85	\$ 122	\$ -	\$ 85

- Investment Income Revenue was on par with budget for the month.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Other Revenue	\$ 4,381	\$ 2,527	\$ 1,571	\$ 4,381	\$ 2,527	\$ 1,571

- Other Revenue was favorable to budget and prior year due to the receipt of final payment associated with an installment sale of property with the City of Chicago.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Total System Generated Revenue	\$ 52,435	\$ 1,274	\$ (401)	\$ 52,435	\$ 1,274	\$ (401)

- Total System-Generated Revenue was \$1.3 million more than budget for the month. The favorable variance is primarily due a one-time receipt in the other revenue category.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Labor	\$ 84,966	\$ (327)	\$ (3,603)	\$ 84,966	\$ (327)	\$ (3,603)

- Labor expense was \$0.3 million more than budget for the month and \$3.6 more than prior year. Overtime exceeded budget \$2.2 million due to the unseasonably cold and snowy weather. This was offset by delays in hiring in January. Labor expense is higher than the prior year because the Customer Service Assistant program was not in place in January 2013 and due to contractual increases in salaries.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Material	\$ 6,659	\$ (954)	\$ 603	\$ 6,659	\$ (954)	\$ 603

- Material Expense was over budget by \$1.0 million in January. The unfavorable monthly variance was due primarily to weather related preparations.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Fuel	\$ 5,307	\$ (350)	\$ (674)	\$ 5,307	\$ (350)	\$ (674)

- Fuel for Revenue Equipment expense was unfavorable for the month due to higher usage and price than anticipated in the budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Power	\$ 2,959	\$ 2	\$ (996)	\$ 2,959	\$ 2	\$ (996)

- The Electric Power for Revenue Equipment expense will be negative to budget in the first quarter due to the extreme weather. Additional trains must be run to keep tracks clear of ice and keeping trains warm in extreme cold uses additional power. Any additional January expense due to corrections in billing will be reflected in the year-to-date expenses in February.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Provision Injuries & Damages	\$ -	\$ -	\$ 983	\$ -	\$ -	\$ 983

- Provision for Injuries and Damages was on par with budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Purchase of Security Services	\$ 707	\$ 509	\$ 2,181	\$ 707	\$ 509	\$ 2,181

- Purchase of Security Services was favorable to budget by \$0.5 million primarily due to a one-time reclassification of charges eligible for grant reimbursement.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Other Expenses	\$ 22,648	\$ (673)	\$ (3,156)	\$ 22,648	\$ (673)	\$ (3,156)

- Other Expenses was \$0.7 million more than budget primarily due to weather-related utility expenses and timing relating to contractual services expenses. The monthly pension obligation bond expense is \$10.1 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-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Total Operating Expenses	\$ 123,245	\$ (1,795)	\$ (4,662)	\$ 123,245	\$ (1,795)	\$ (4,662)

- Operating Expenses were \$1.8 million more than budget for the month. The unfavorable variance for the month is primarily due to severe weather.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Recovery Ratio	50.60%	0.27		50.60%	0.27	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 50.6% for the month. This was favorable to budget by 0.27 percentage points.

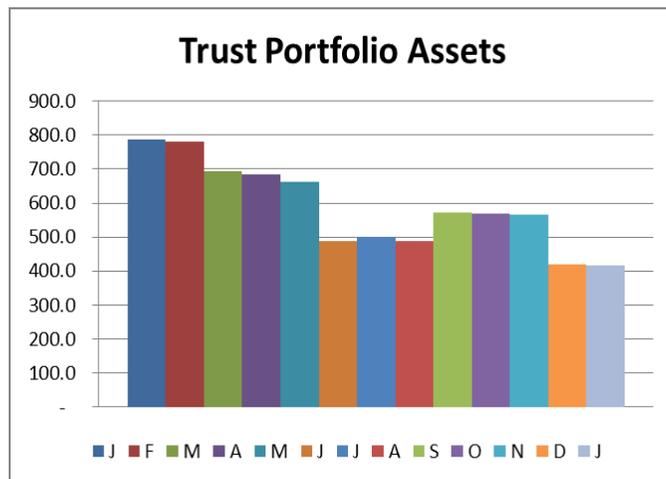
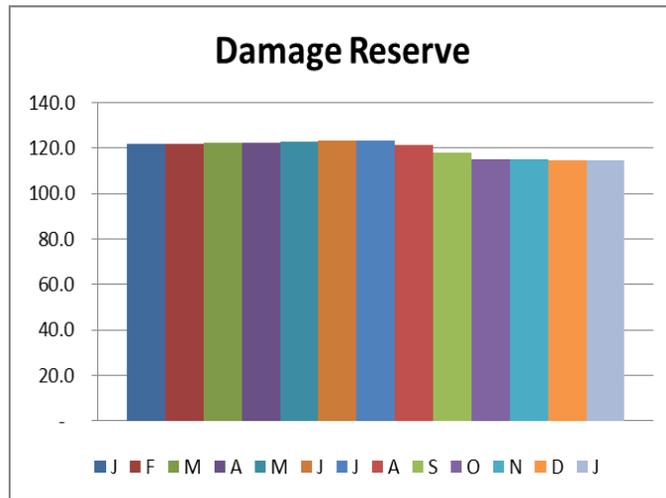
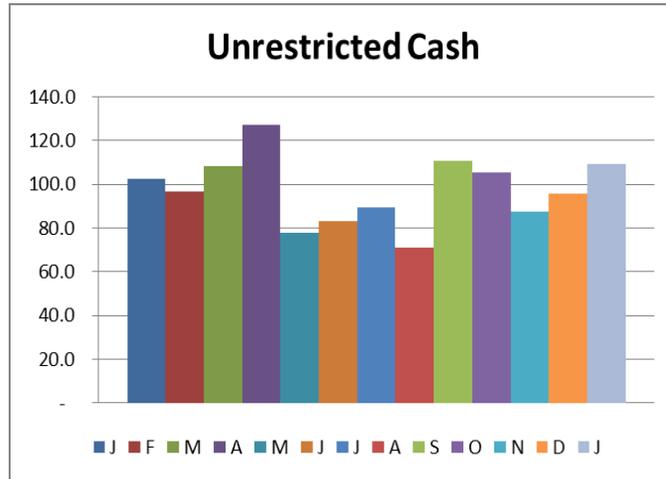
• Ridership

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-14	Budget Jan-14	Prior Year Jan14 vs. Jan13	2014	Budget 2014	Prior Year 2013
Bus	20,556	(3,486)	(4,120)	20,556	(3,486)	(4,120)
Rail	14,268	(622)	(490)	14,268	(622)	(490)
Rail to Rail Transfers	3,193	(73)	58	3,193	(73)	58
Total	38,017	(4,181)	(4,552)	38,017	(4,181)	(4,552)

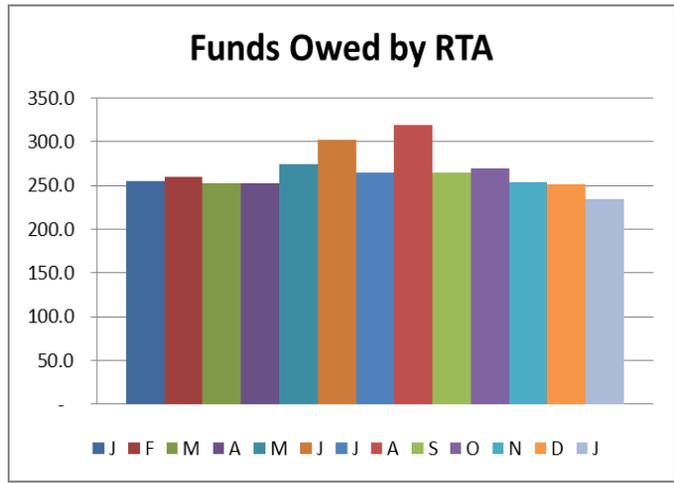
- Ridership for the month of January was 38.0 million and was 4.2 million less than budget and was 4.6 million less than prior year. Calendar adjusted ridership was down 10.6% from prior year.

Appendix

Cash & Liquidity

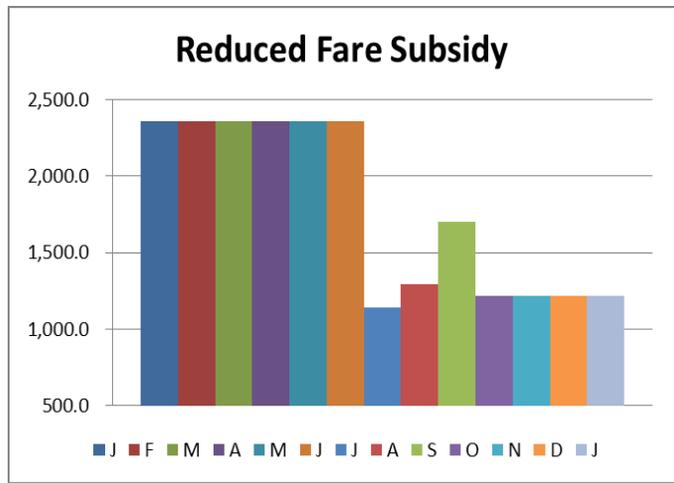
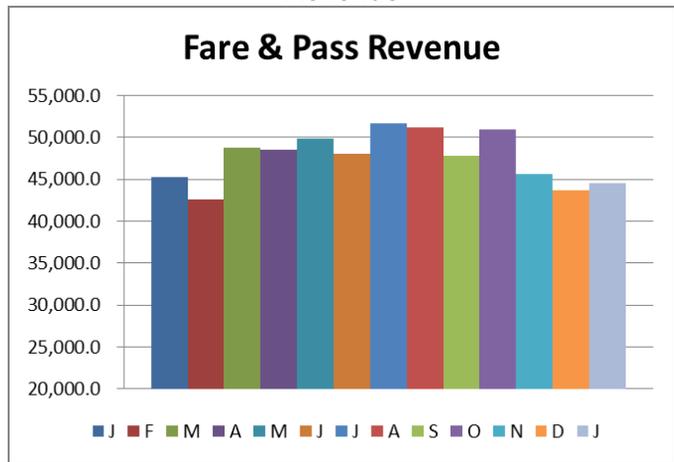


Cash & Liquidity (con't)

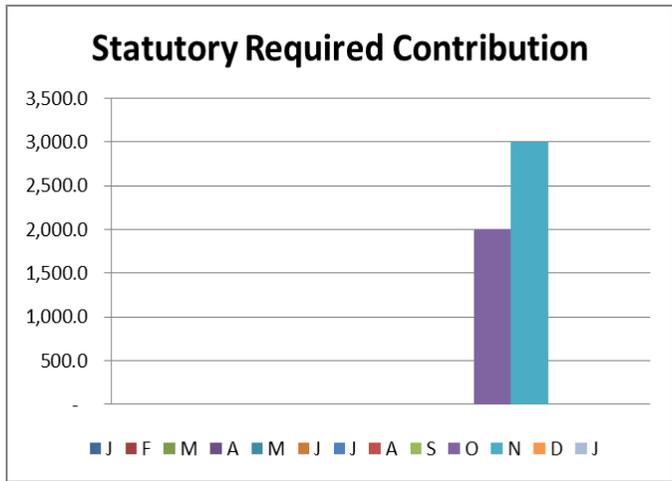
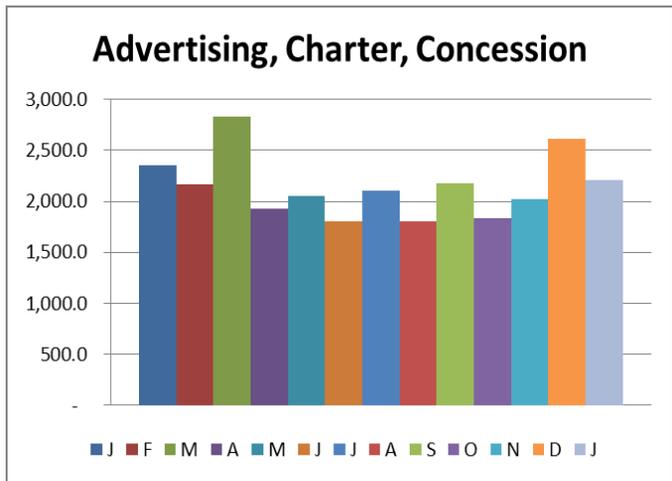
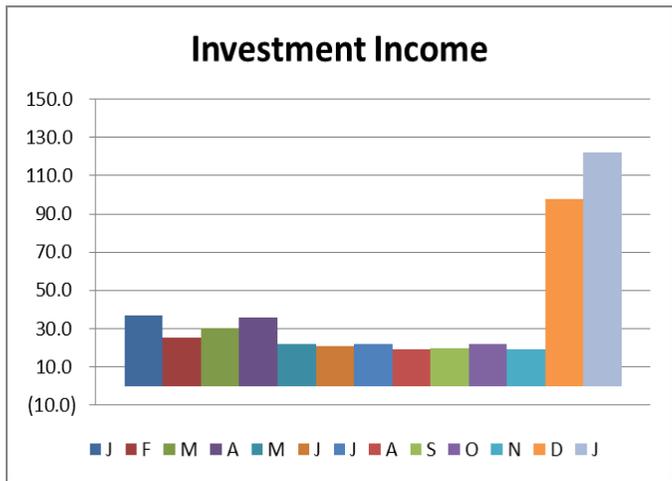


Appendix

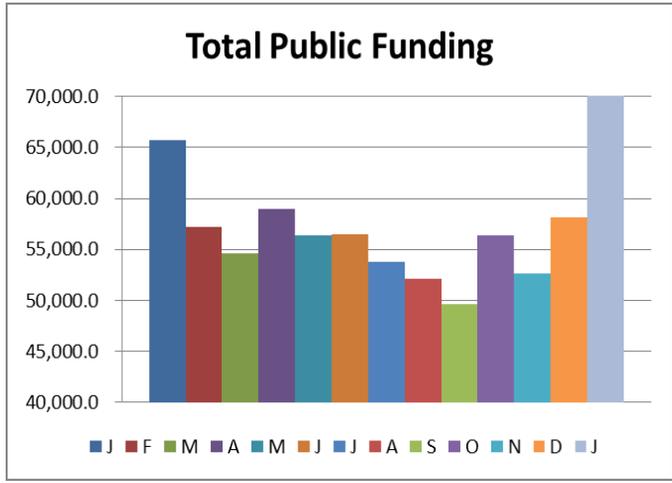
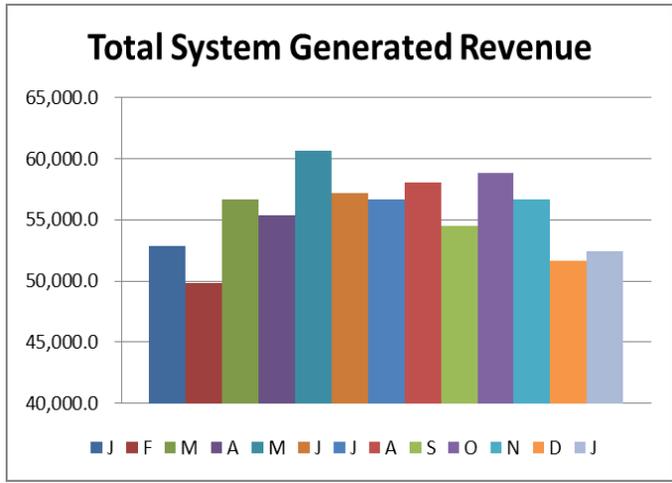
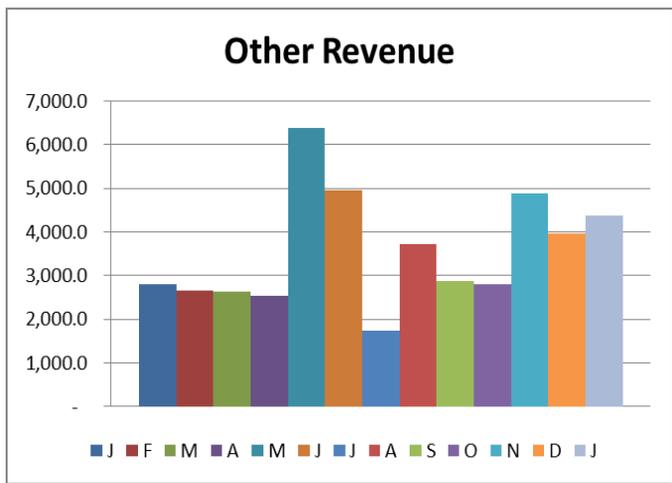
Revenue



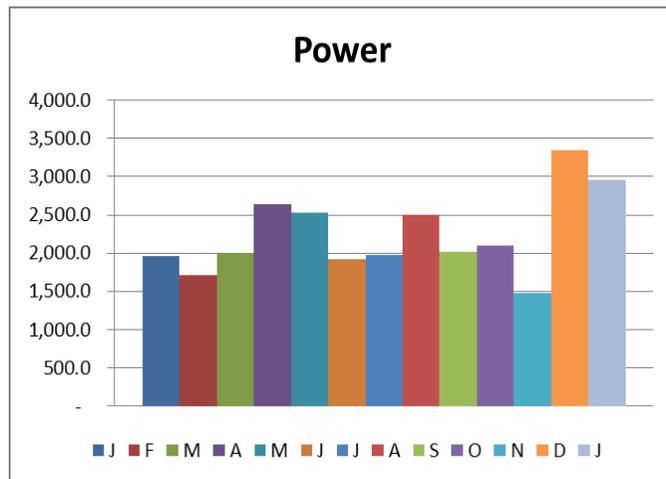
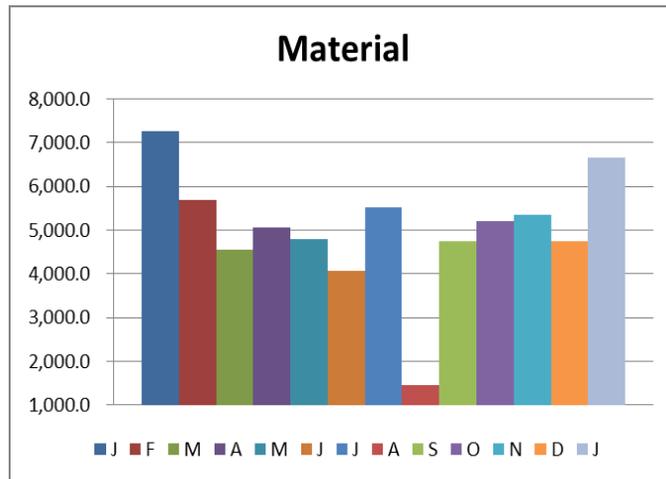
Revenue (con't)



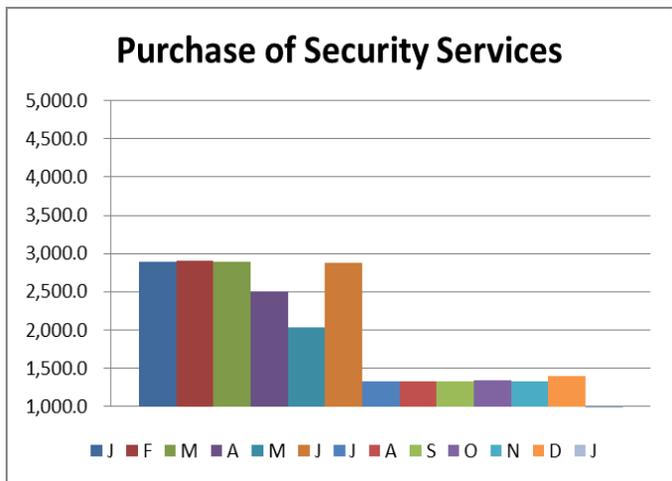
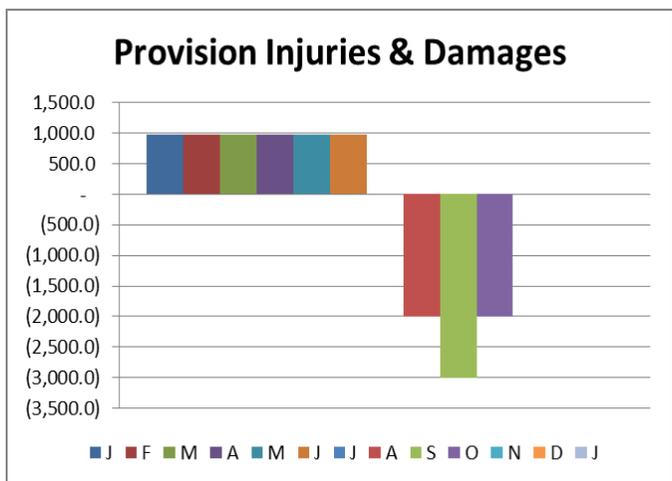
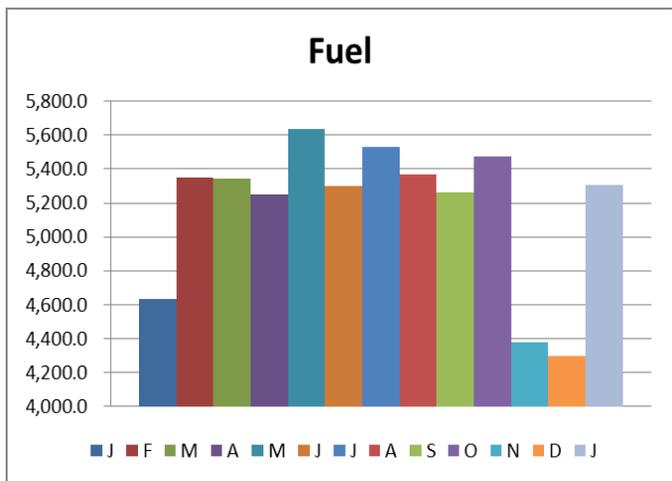
Revenue (con't)



Appendix Expenses



Expenses (con't)



Expenses (con't)

