



To: Chicago Transit Authority Board
From: Ron DeNard, Chief Financial Officer
Re: Financial Results for August 2013
Date: October 9, 2014

I. Summary

August results show the positive effects of actions taken as part of our budget reforecast. Overall results for August were positive to the reforecast by \$2.9 million in revenue and \$1.2 million in expenses. Year to date results are tracking ahead of forecast by \$3.3 million in revenue and \$6.1 million in expenses.

Ridership for the month was 45.2 million and was 0.4 million more than budget. Year to date ridership was 353.1 million and was 1.3 million more than budget.

II. Cash & Liquidity

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

	2013	2012	(Decrease)
Unrestricted Cash	\$ 71.2	\$ 106.7	\$ (35.5)
Damage Reserve	121.2	122.4	\$ (1.2)
Funds Owed by RTA	319.4	242.4	\$ 77.0
Trust Portfolio Assets	487.0	904.1	\$ (417.1)
Total Cash and Receivables	\$ 998.8	\$ 1,375.6	\$ (376.8)

CTA's total cash/receivables balance is equal to \$1.0 billion. Unrestricted cash was \$35.5 million less than the prior year. The cash in Damage Reserve is \$1.2 million lower than last year and is a source of short term borrowings if necessary. Funds owed by the RTA were approximately \$319.4 million which was \$77.0 million more than the prior year. CTA continues to work closely with the RTA to monitor their receivable balance owed; Trust Portfolio Assets are bond proceeds held in trust and are \$417.1 million less than prior year. This amount will decrease as we spend bond proceeds on capital projects and increase when we issue bonds for new projects.

III. Revenue

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Fare & Pass Revenue	\$ 51,200	\$ 1,059	\$ 2,850	\$ 386,064	\$ 1,827	\$ 18,082

- Fare and pass revenue was \$1.1 million more than Reforecast for the month and \$2.8 million more than August 2012. August was the second highest fare and pass revenue of any month in the history of the CTA. Both July and August trended higher for fare and pass revenue than was forecast based on the first 6 months of 2013. The average fare for the month was \$1.13.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Reduced Fare Subsidy	\$ 1,291	\$ 59	\$ (822)	\$ 16,595	\$ 59	\$ (1,851)

- Reduced Fare Subsidy is less than prior year due to the state reduction and consistent with the reforecast.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Advertising, Charter, Concession	\$ 1,808	\$ (537)	\$ 32	\$ 17,034	\$ (1,238)	\$ 2,274

- Advertising, Charter and Concessions Revenue was \$0.5 million less than Reforecast for the month and we continue to track above 2012. Vehicle and platform ads are running behind forecast but we expect to finish the year at the reforecast level with revenues coming in November and December.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Investment income	\$ 19	\$ (13)	\$ (16)	\$ 212	\$ (10)	\$ (104)

- Investment Income Revenue was \$13,000 less than Reforecast for the month. August results are lower than the projections based on the first six months.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Other Revenue	\$ 3,720	\$ 2,354	\$ (525)	\$ 27,417	\$ 2,642	\$ 870

- All Other Revenue was \$2.4 million more than Reforecast for the month due to a one-time rental payment for cellular service infrastructure along with additional parking lot revenue.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforercast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Total System Generated Revenue	\$ 58,039	\$ 2,922	\$ 1,519	\$ 447,321	\$ 3,280	\$ 19,271

- Total System-Generated Revenue was \$2.9 million more than Reforecast for the month. Favorable variance is 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
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Labor	\$ 80,786	\$ (4,187)	\$ (1,002)	\$ 631,679	\$ (1,917)	\$ (15,597)

- Labor Expense was \$4.2 million more than Reforecast for the month and \$1.9 million for the year to date. This is due to overtime expense related to Red Line South support, removing fare equipment, and an inventory assessment. Additional school service beginning on August 26 and one-time grievance settlements also contributed to the negative variance. Labor is higher than prior year due increases in salaries and employer pension contribution and the customer service assistant program.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Material	\$ 1,460	\$ 2,333	\$ 4,202	\$ 38,412	\$ 3,671	\$ 8,977

- Material Expense was under Reforecast by \$2.3 million. The favorable variance was due to a one-time credit based on an inventory assessment associated with supply chain improvements and lower obsolescence requirements. The Year to date material expense is tracking below 2012.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Fuel	\$ 5,369	\$ 188	\$ 361	\$ 42,418	\$ (40)	\$ (478)

- Fuel for Revenue Equipment expense was slightly lower than 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
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Power	\$ 2,497	\$ (392)	\$ (814)	\$ 17,239	\$ (154)	\$ (1,825)

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

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Provision Injuries & Damages	\$ (2,000)	\$ 379	\$ 3,400	\$ 3,896	\$ 379	\$ 14,504

- Provision for Injuries and Damages are consistent with the forecast.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Purchase of Security Services	\$ 1,331	\$ (27)	\$ 1,761	\$ 18,757	\$ 119	\$ 4,912

- Purchase of Security Services was on par with Reforecast for the month.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Other Expenses	\$ 20,667	\$ 2,895	\$ (10,508)	\$ 150,178	\$ 4,035	\$ (62,047)

- Other Expense was \$2.9 million less than Reforecast due to both lower spending in August and timing of expected payments. Approximately \$2 million of these anticipated expenses will be realized in future months. The expense is higher than prior year due to the impact of the elimination of a debt service reserve that reduced 2012 expenses.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Reforecast	Prior Year	Aug-13	Reforecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Total Operating Expenses	\$ 110,110	\$ 1,189	\$ (2,600)	\$ 902,579	\$ 6,094	\$ (51,554)

- Operating Expenses were \$1.2 million less than Reforecast for the month, primarily due to favorable variances in material and other expenses offsetting labor negative variance as detailed in this section. 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	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Forecast	Prior Year	Aug-13	Forecast	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Recovery Ratio	63.6%	4.20		60.2%	0.49	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 63.6% for the month and 60.2% for the year. This was favorable to budget by 4.2 percentage points for the month and favorable by 0.49 percentage points for the year to date.

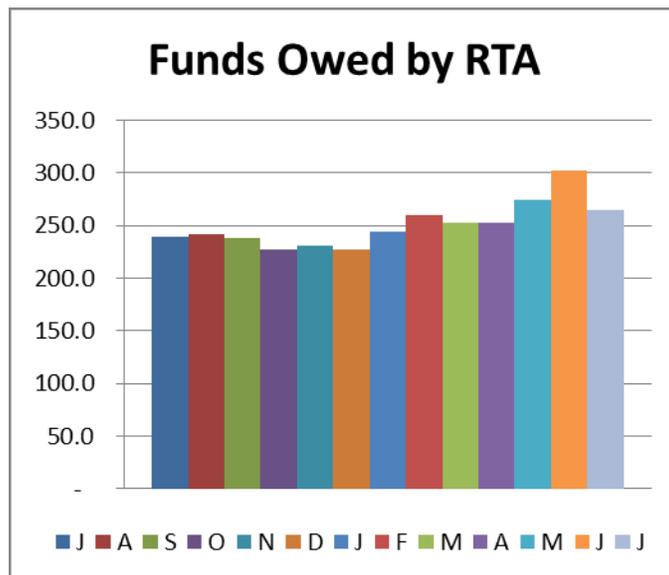
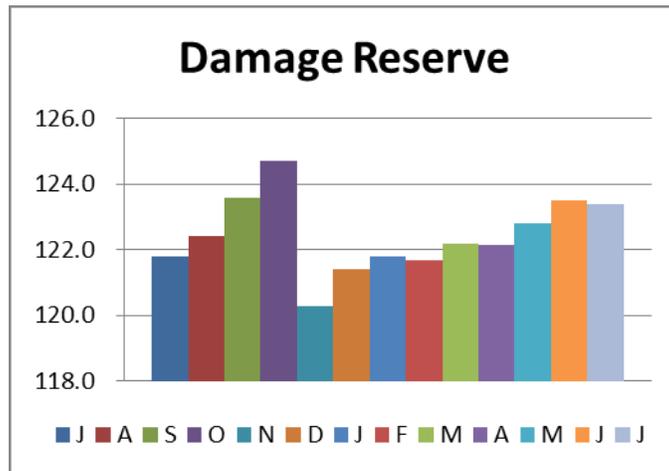
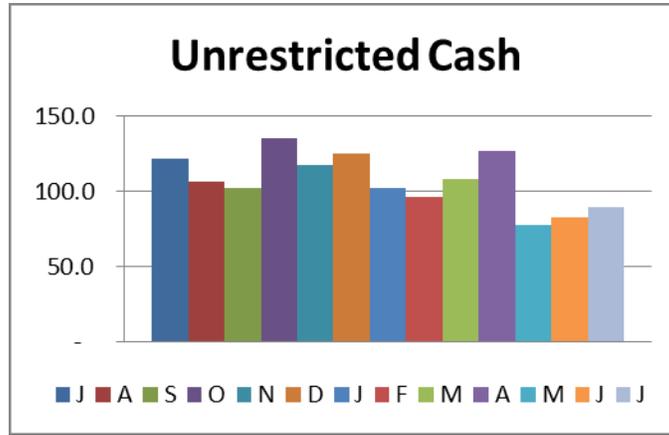
VI. Ridership

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-13	Budget	Prior Year	Aug-13	Budget	Prior Year
	Aug-13	Aug-13	Aug13 vs. Aug12	Aug-13	Aug-13	Aug13 vs. Aug12
Bus	25,395	140	(1,509)	202,114	118	(7,214)
Rail	16,234	202	(649)	123,173	28	(3,106)
Rail to Rail Transfers	3,568	56	(133)	27,852	1,162	466
Total	45,197	398	(2,292)	353,139	1,308	(9,854)

- Ridership for the month of August was 45.2 million and was 0.4 million more than budget and was 2.3 million less than prior year. Calendar adjusted ridership was down 3.8% from prior year.
- Ridership for the year to date was 353.1 million and was 1.3 million more than budget and 9.9 million less than prior year. Calendar adjusted ridership is down 2.5% over the prior year to date.

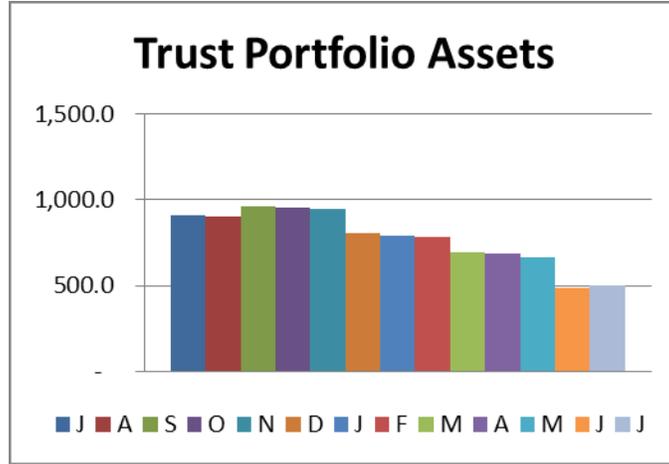
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Cash & Liquidity

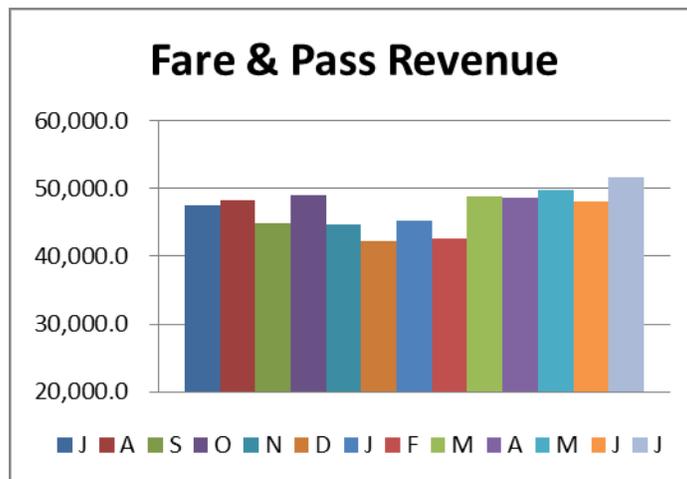
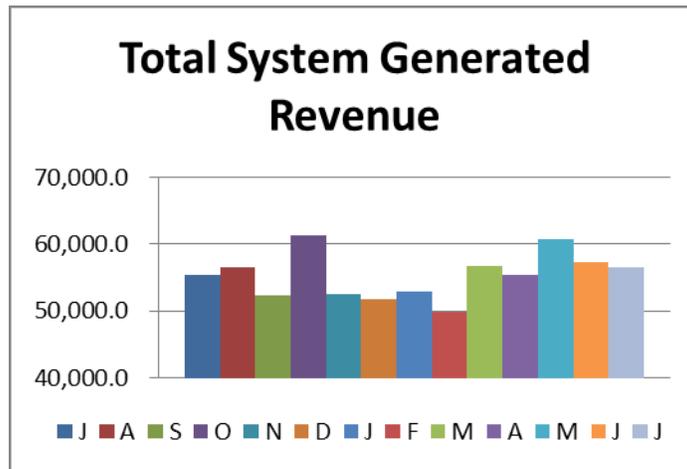


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Cash & Liquidity (cont'd)

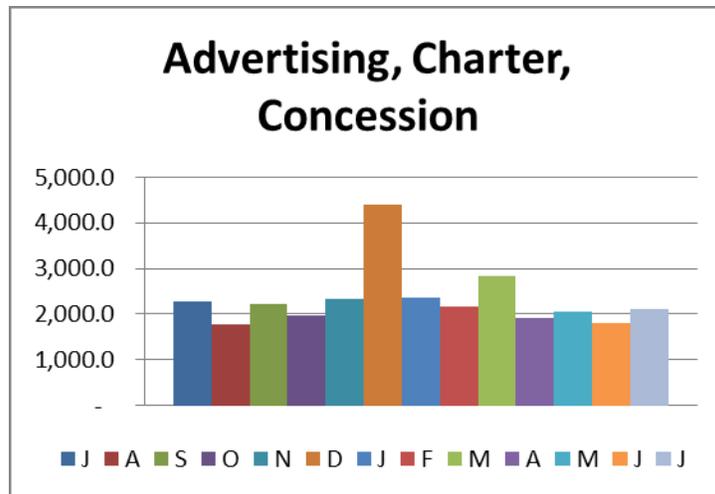
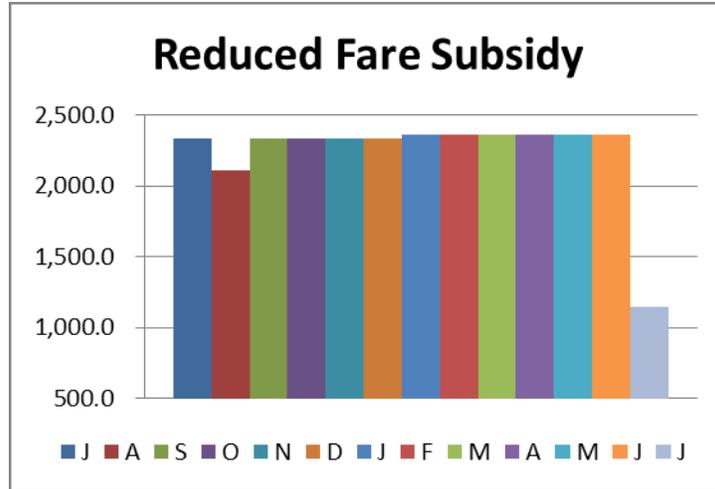


Revenue



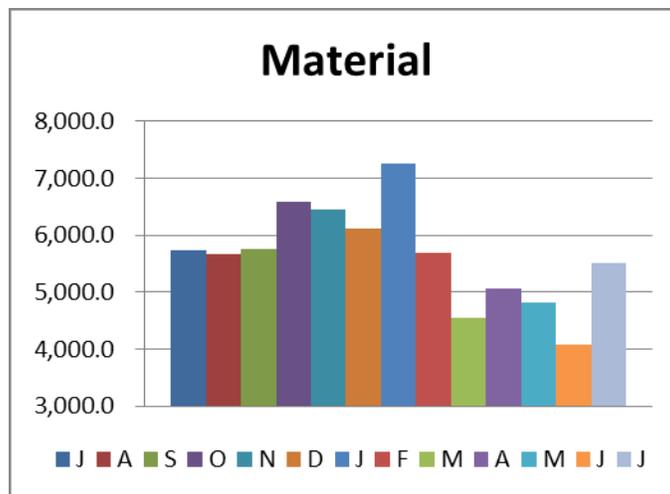
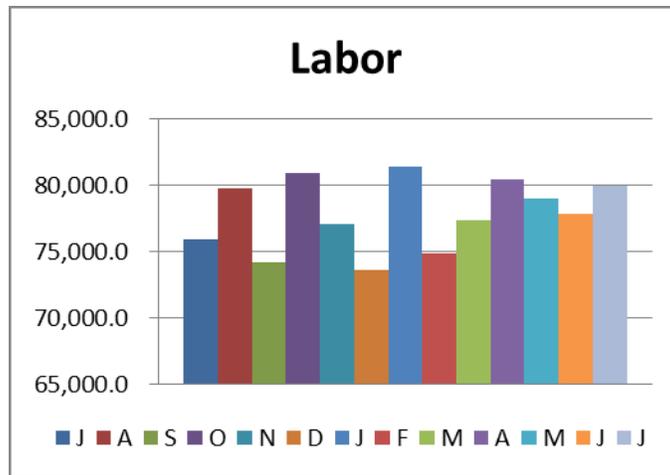
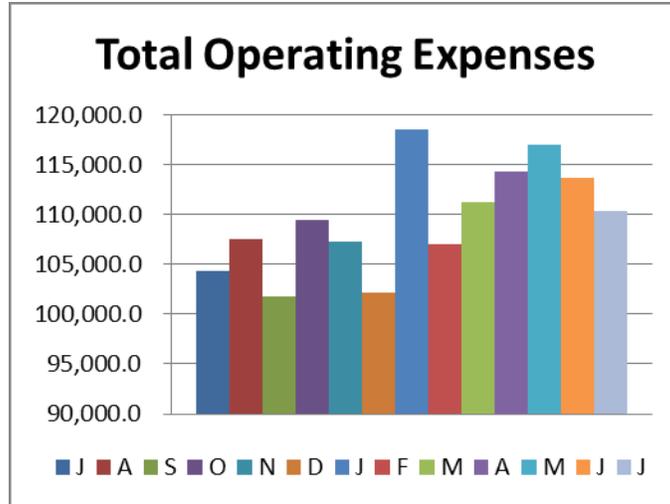
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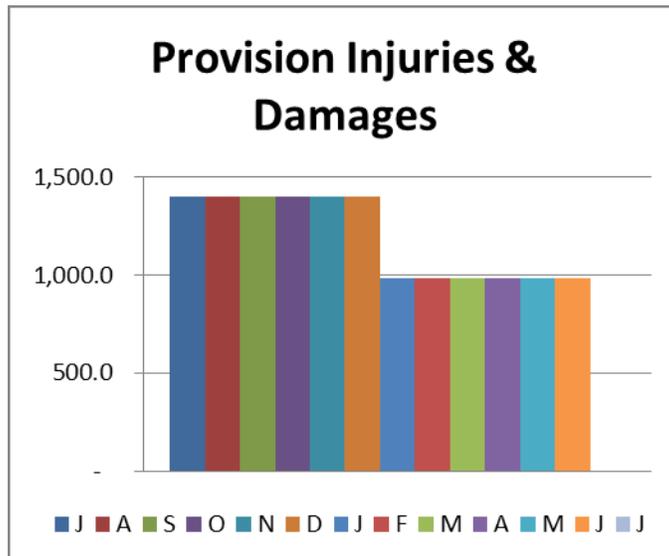
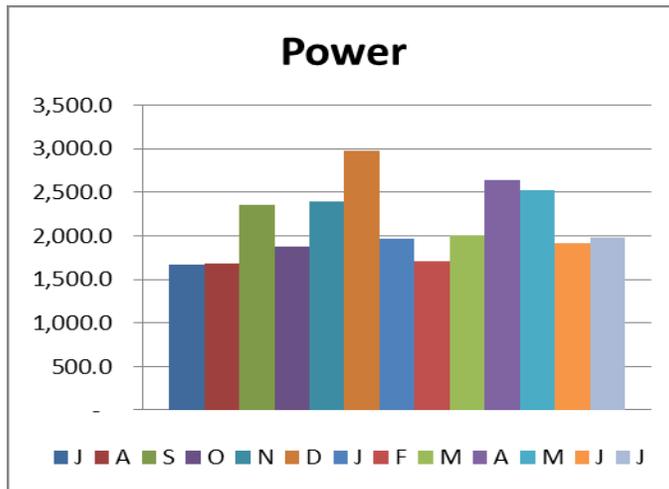
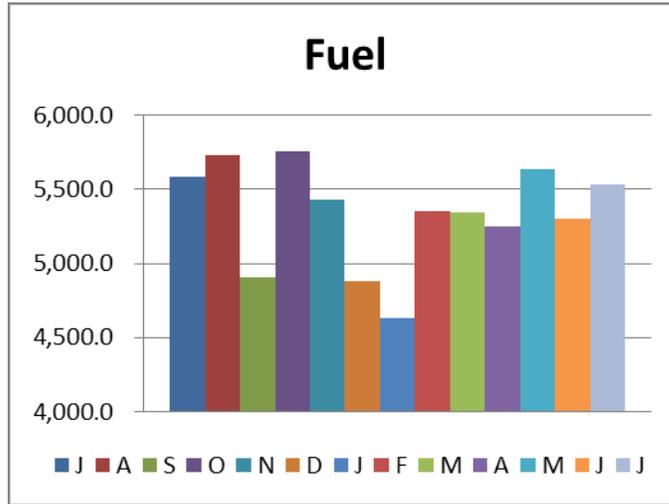


Appendix

Expenses



Expenses (cont'd)



Appendix

Expenses (cont'd)

