



To: Chicago Transit Authority Board
From: Ron DeNard, Chief Financial Officer
Re: Financial Results for June 2013
Date: August 7, 2013

I. Summary

CTA's financial results show a deficit of \$5.3 million for the month and \$11.5 million for the year to date. The year to date deficit is primarily due to system generated revenues that were lower than budget. A plan is being finalized to eliminate the deficit. The budget will be balanced at yearend.

Ridership for the month was 44.1 million and was 0.6 million more than budget. Year to date ridership was 262.9 million and was 0.2 million more than budget.

II. Cash & Liquidity

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

	2013	2012	(Decrease)
Unrestricted Cash	\$ 83.0	\$ 92.7	\$ (9.7)
Damage Reserve	123.5	120.8	\$ 2.7
Funds Owed by RTA	302.8	268.3	\$ 34.5
Trust Portfolio Assets	488.7	920.6	\$ (431.9)
Total Cash and Receivables	\$ 998.0	\$ 1,402.4	\$ (404.4)

CTA's total cash/receivables balance is equal to \$1.0 billion. Unrestricted cash was \$9.7 million less than the prior year. The cash in Damage Reserve is \$2.7 million higher than last year and is a source of short term borrowings if necessary. Funds owed by the RTA were approximately \$302.8 million which was \$34.5 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 \$431.9 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
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Fare & Pass Revenue	\$ 48,070	\$ (2,340)	\$ 251	\$ 283,230	\$ (10,219)	\$ 11,037

- Fare and pass revenue was \$2.3 million less than budget for the month and flat to June 2012. The average fare for the month was \$1.09 and was \$0.07 less than budget and was \$0.05 more than the June 2012.
- Year to date fare and pass revenue was \$10.2 million less than budget. The average fare for the year to date was \$1.08 per ride and was \$0.04 less than budget and \$0.08 more than June 2012 year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Reduced Fare Subsidy	\$ 2,360	\$ -	\$ 27	\$ 14,161	\$ -	\$ 161

- Reduced Fare Subsidy was on par with budget for the month and year to date. The CTA will see the impact of the State's reduction of the subsidy starting in July.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Advertising, Charter, Concession	\$ 1,806	\$ (215)	\$ (77)	\$ 13,119	\$ 759	\$ 2,414

- Advertising, Charter and Concessions Revenue was slightly less than budget for the month and was \$0.8 million more than budget for the year to date. We continue to track above 2012.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Investment income	\$ 21	\$ (12)	\$ (8)	\$ 171	\$ (58)	\$ (65)

- Investment Income Revenue was slightly less than budget for the month and was \$58,000 less than budget for the year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Other Revenue	\$ 4,958	\$ 2,556	\$ 1,821	\$ 21,968	\$ 2,570	\$ 2,935

- All Other Revenue was \$2.6 million more than budget for the month and year. The revenue is favorable versus receipt of a non-capital grant which is offset by an equal expense.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Total System Generated Revenue	\$ 57,215	\$ (11)	\$ 2,014	\$ 332,649	\$ (6,948)	\$ 16,483

- System-Generated Revenue was slightly less than budget for the month. Year to date System-Generated Revenue was \$6.9 million less than budget.

IV. Expenses

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Labor	\$ 77,845	\$ (4,309)	\$ (572)	\$ 470,929	\$ (8,829)	\$ (10,578)

- Labor Expense was \$4.3 million more than budget for the month. The unfavorable variance for the month is due to an increase in grievance settlements and additional support for the Red Line South project. Labor expense year to date was unfavorable to budget by \$8.8 million due to the adjusted timing of the hiring of the Customer Service Assistants in the rail stations and additional weather-related overtime in the first three months of the year. 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
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Material	\$ 4,078	\$ 1,018	\$ 1,816	\$ 31,435	\$ (2,496)	\$ 4,565

- Material Expense was under budget by \$1.0 million. Material expense for the year to date was \$2.5 million over budget due to keeping an older rail fleet in place longer than anticipated, an increase in both the replacement rate for parts and in the cost of components, and additional days of snow and sleet versus prior year. 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
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Fuel	\$ 5,301	\$ (1)	\$ 840	\$ 31,516	\$ 1,010	\$ (888)

- Fuel for Revenue Equipment was on par with budget for the month. Fuel expense was \$1.0 million less than budget for the year, primarily due to lower consumption.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Power	\$ 1,922	\$ (33)	\$ (134)	\$ 12,763	\$ (1,288)	\$ (707)

- Electric Power for Revenue Equipment was on par with budget for the month. Power expense year to date is higher due to higher usage than anticipated in the budget.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Provision Injuries & Damages	\$ 983	\$ -	\$ 1,617	\$ 5,896	\$ -	\$ 9,704

- Provision for Injuries and Damages Expense was on par with budget for the month and year.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Purchase of Security Services	\$ 2,875	\$ (1,239)	\$ 94	\$ 16,092	\$ (845)	\$ 1,424

- Purchase of Security Services was \$1.2 million unfavorable to budget for the month due to the timing of the customer service assistant program implementation and keeping security services in place until the Customer Service Assistant program reached full staffing at the end of the month. Year to date security expense was \$0.8 million more than budget for the year.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Other Expenses	\$ 20,729	\$ (695)	\$ (10,256)	\$ 113,462	\$ 7,937	\$ (46,468)

- Other Expense was \$0.7 million more than budget due to a non-capital grant expense that is \$3.0 million above budget. This is offset by an equal amount of non-capital grant revenue. Year to date other expenses was \$7.9 million less than budget. The favorable variance for the year to date is due to timing differences and savings for maintenance and repair contract costs. 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
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Total Operating Expenses	\$ 113,733	\$ (5,259)	\$ (6,593)	\$ 682,092	\$ (4,512)	\$ (42,948)

- Operating Expenses were \$5.3 million more than budget for the month, primarily due to unfavorable variances in labor and the additional non-capital grant expense. For the year to date period, operating expenses were \$4.5 million more than budget. 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
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Recovery Ratio	61.3%	(2.55)		59.3%	(1.61)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 61.3% for the month and 59.3% for the year. This was unfavorable to budget by 2.55 percentage points for the month and unfavorable by 1.61 percentage points for the year to date.

VI. Ridership

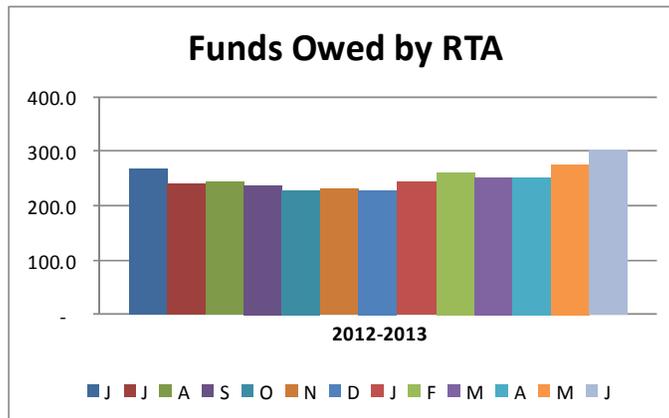
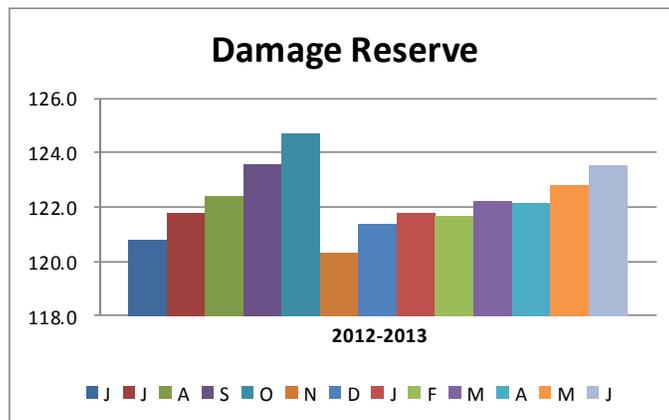
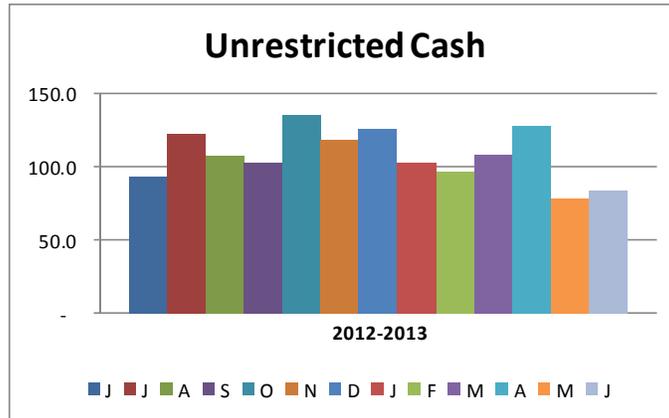
Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12	Jun-13	Budget Jun-13	Prior Year Jun13 vs. Jun12
Bus	25,078	622	(851)	151,717	(65)	(5,572)
Rail	15,256	(334)	(1,032)	90,901	(337)	(2,721)
Rail to Rail Transfers	3,790	291	126	20,286	602	69
Total	44,124	579	(1,757)	262,904	200	(8,224)

- Ridership for the month of June was 44.1 million and was 0.6 million more than budget and was 1.8 million less than prior year. Calendar adjusted ridership was down 1.9% from prior year.
- Ridership for the year to date was 262.9 million and was 0.2 million more than budget and 8.2 million less than prior year. Calendar adjusted ridership is down 2.4% over the prior year to date.

SEE APPENDIX

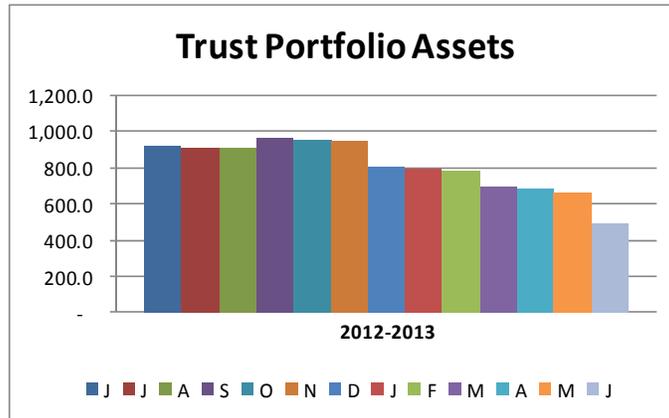
Appendix

Cash & Liquidity

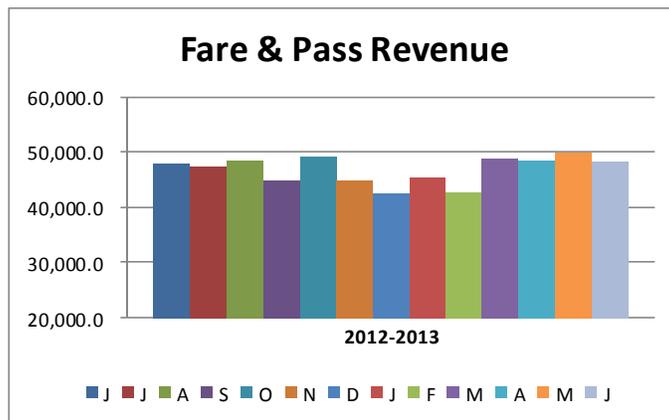
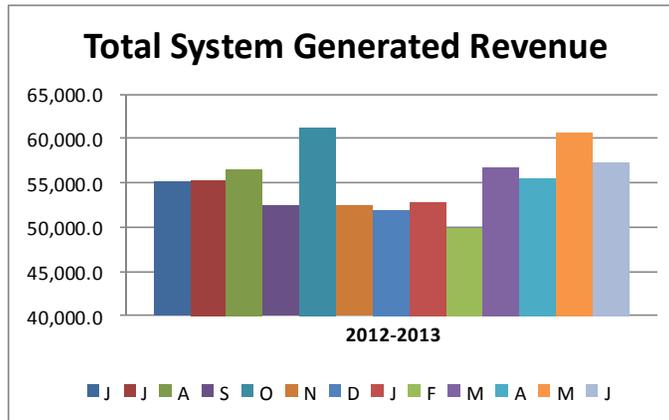


Appendix

Cash & Liquidity (cont'd.)

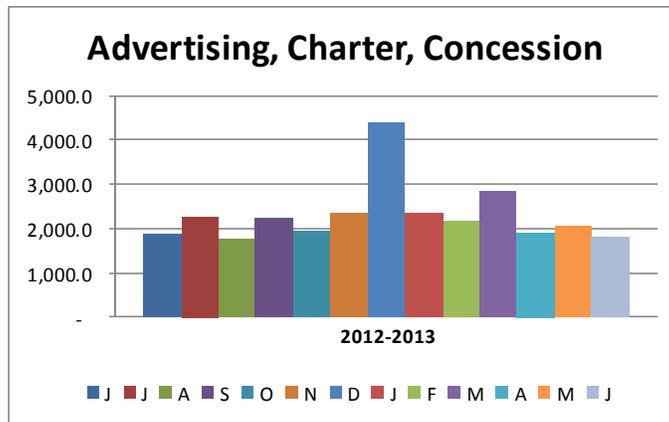
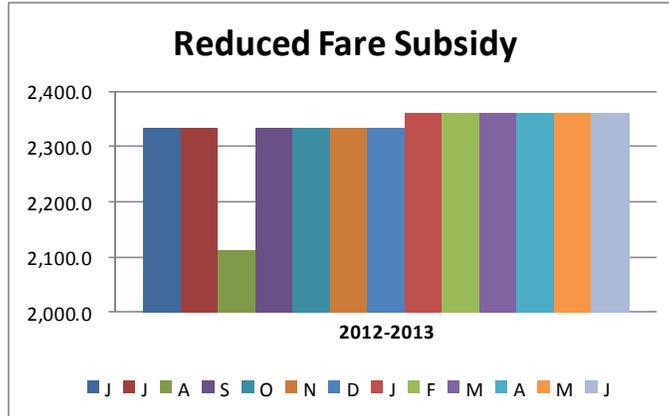


Revenue



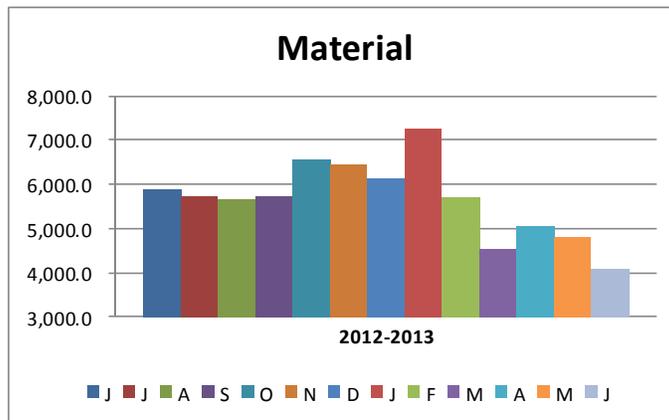
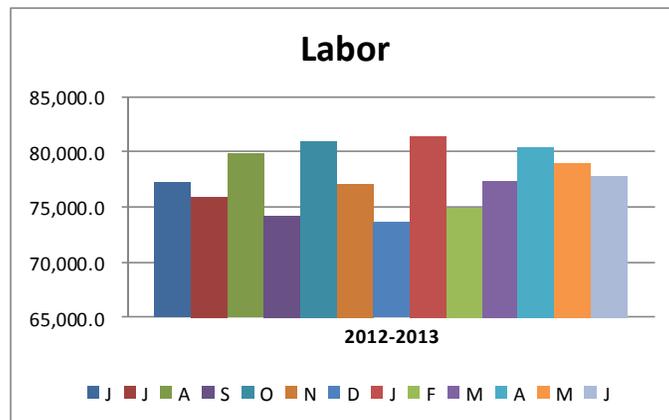
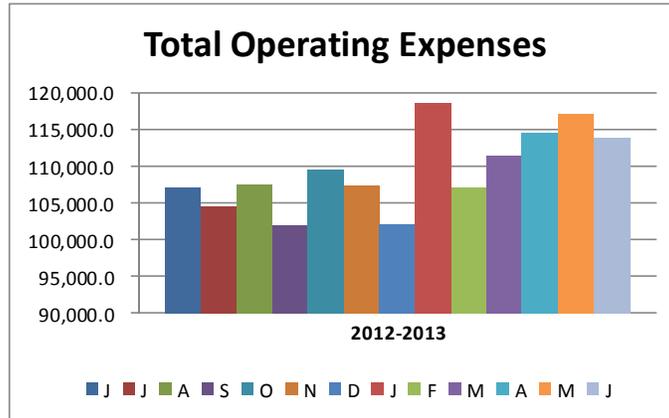
Appendix

Revenue (cont'd.)



Appendix

Expenses



Appendix

Expenses (cont'd.)

