



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for November 2016
Date: January 11, 2017

I. Summary

CTA's financial results are \$0.3 million unfavorable for November primarily due to lower fare and pass revenue. The year to date is \$2.6 million favorable to budget primarily due to lower operating expenses.

Ridership for the month was 41.0 million and was 1.4 million less than budget. Ridership was 0.2 million or 0.4% less than November 2015 due primarily to low gas prices. Bus reroutes related to the Adams Bridge construction project and competition from rideshare services such as Uber and Lyft also pushed ridership down. The CTA provided an all-time high of 1.15 million rail rides the day of the Cubs parade exceeding the previous high by over 0.2 million set a week earlier during the World Series. The year to date is less than budget and prior year by 18.4 million and 14.8 million, respectively.

II. Cash & Liquidity

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

	November 2016	November 2015	Increase (Decrease)
Unrestricted Cash	\$ 195.7	\$ 204.4	\$ (8.7)
Damage Reserve	104.9	98.1	\$ 6.8
Funds Owed by RTA	297.9	265.5	\$ 32.4
Trust Portfolio Assets	429.4	536.1	\$ (106.7)
Total Cash and Receivables	\$ 1,027.9	\$ 1,104.1	\$ (76.2)

CTA's total cash/receivables balance was equal to \$1.0 billion. Unrestricted cash was \$8.7 million less than the prior year due to timing of cash receipts and invoice payments. The Damage Reserve is sufficiently funded and was \$6.8 million higher than last year due to a transfer based on budgeted levels. Funds owed by the RTA were approximately \$297.9 million which was \$32.4 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
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Fare & Pass Revenue	\$ 47,357	\$ (465)	\$ 110	\$ 534,318	\$ (10,998)	\$ (7,450)

- Fare and pass revenue for November was \$0.5 million unfavorable to budget and \$0.1 million favorable to prior year. Lower bus cash and 7-Day Pass revenue was offset by increases in rail full fare, 1-Day Pass, and 3-Day Pass revenue for Cubs parade and celebrations in early November. The average fare for the month was \$1.16 and was \$0.03 higher than budget and \$0.01 higher than the prior year.
- Year-to-date fare and pass revenue was \$11.0 million lower than budget and \$7.5 million lower compared to prior year. The unfavorable variance to budget and prior year is mainly due to lower than anticipated bus cash, pay-per-use and 7-Day Pass revenues. The average fare for the year was \$1.16 per ride and was \$0.02 more than budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 13,205	\$ (12,757)	\$ 1,180

- Reduced Fare Subsidy was less than budget for the month and year-to-date by \$1.2 million and \$12.8 million based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Advertising, Charter, Concession	\$ 2,637	\$ 55	\$ (614)	\$ 29,526	\$ 785	\$ 1,650

- Advertising, Charter and Concessions Revenue was slightly higher than budget for the month due to higher concessions revenue and was \$0.8 million more than budget year-to-date due to higher vehicle and platform advertising and concessions revenue. The increase over prior year-to-date was also mainly due to higher vehicle and platform advertising.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Investment income	\$ 174	\$ 100	\$ 128	\$ 1,762	\$ 953	\$ 417

- Investment income was higher than budget for the month primarily due to a higher yielding portfolio and a better investment strategy through security selection. The year-to-date was favorable to budget due to higher short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Other Revenue	\$ 4,046	\$ 1,456	\$ 1,179	\$ 39,619	\$ 14,280	\$ 9,540

- Other Revenue was favorable to prior year and budget due to higher non-capital grant revenue. The year to date was favorable to budget and prior year primarily due to higher non-capital grant revenue and the sale of surplus property.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Total System Generated Revenue	\$ 58,394	\$ (34)	\$ 803	\$ 623,430	\$ (7,737)	\$ 5,338

- Total System-Generated Revenue was slightly less than budget for the month and less than budget year-to-date by \$7.7 million due to lower reduced fare subsidy and fare and pass revenue. It was \$0.8 million more than November 2015 due to higher non-capital grant revenue. The year-to-date system-generated revenue was \$5.3 million more than prior year due to higher advertising and non-capital grant revenue in addition to the sale of surplus property.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Labor	\$ 85,560	\$ (280)	\$ (4,220)	\$ 942,029	\$ (1,042)	\$ (32,182)

- Labor expense was \$0.3 million unfavorable to budget for the month due to overtime to cover the Cubs' events. Contractual wage increases that took effect in July 2015 and slightly higher fringe benefits in 2016 contributed to higher expenses compared to prior 2015 year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Material	\$ 5,828	\$ 234	\$ (144)	\$ 75,439	\$ 663	\$ (614)

- Material expense was favorable to budget for the month. The year to date was \$0.7 million favorable to budget due to lower spending on rail vehicle parts that were covered by warranties.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Fuel	\$ 2,433	\$ 828	\$ 1,187	\$ 29,497	\$ 4,709	\$ 16,247

- Fuel for Revenue Equipment expense was \$0.8 million favorable to budget in November, primarily due to lower consumption and prices. Fuel expense was \$1.2 million and \$16.2 million favorable compared to prior November and to 2015 year-to-date, respectively, mainly due to a significant reduction in the price of diesel fuel, lower usage and an increase in fuel efficiency.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Power	\$ 2,465	\$ 73	\$ (602)	\$ 26,427	\$ 2,078	\$ (86)

- The Electric Power for Revenue Equipment expense was \$0.1 million favorable to budget for the month due to lower prices and lower consumption. Year-to-date, expenses were \$2.1 million under budget, primarily due to favorable prices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Provision for Injuries & Damages	\$ -	\$ -	\$ -	\$ 8,125	\$ (1,000)	\$ (8,125)

- The Provision for Injuries & Damages expense was \$8.1 million higher than 2015 year-to-date due to timing.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Purchase of Security Services	\$ 1,199	\$ 25	\$ (15)	\$ 12,910	\$ 563	\$ 217

- Purchase of Security Services was slightly favorable to budget for the month and favorable year to date by \$0.6 million due to timing of expenses.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Other Expenses	\$ 23,790	\$ (1,154)	\$ (4,541)	\$ 247,025	\$ 4,372	\$ (13,056)

- Other Expenses were unfavorable to budget by \$1.2 million due to the timing of contractual expenses. The unfavorable variance to prior year was mainly due to new debt service and timing of invoices. Of the total monthly other expenses, the pension obligation bond expense is \$9 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
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Total Operating Expenses	\$ 121,274	\$ (273)	\$ (8,336)	\$ 1,341,452	\$ 10,344	\$ (37,598)

- Operating Expenses were \$0.3 million unfavorable to budget for the month due to the timing of contractual expenses. The unfavorable variance to prior year-to-date 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
	Nov-16	Budget Nov-16	Prior Year Nov16 vs. Nov15	2016	Budget 2016	Prior Year 2015
Recovery Ratio	57.42%	(0.15)		55.53%	(0.16)	

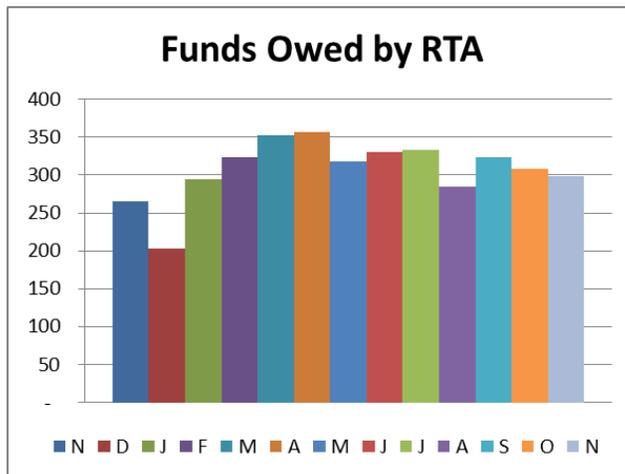
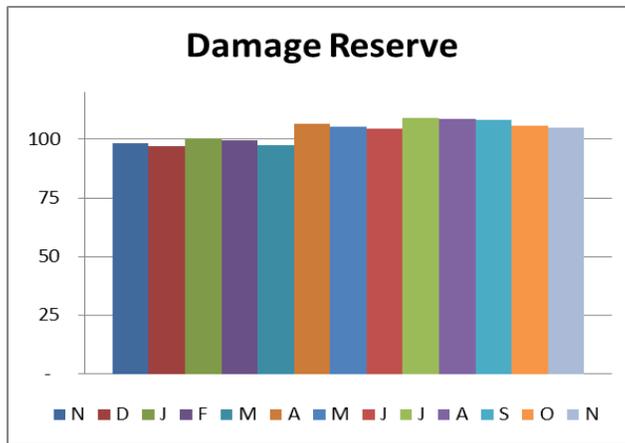
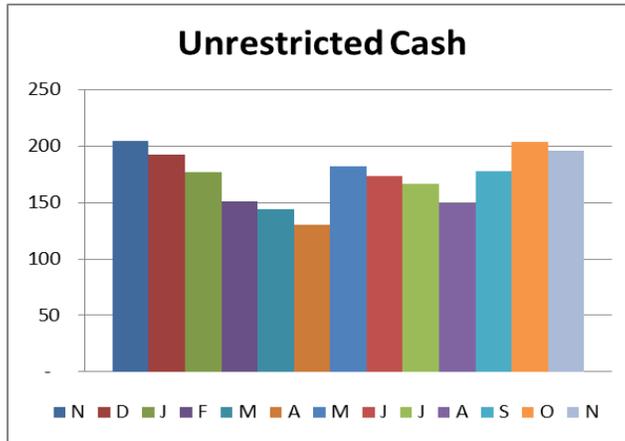
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 57.42% for the month. For the year-to-date the recovery ratio is 55.53% and 1.03 percentage points higher than the required recovery ratio.

VI. Ridership

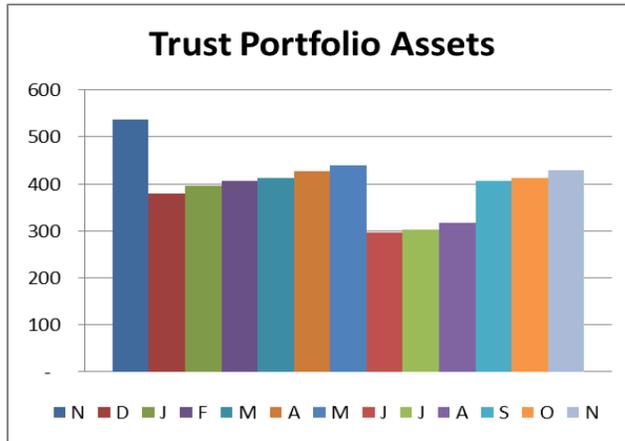
Category	Current Month			Full Year		
	Actual Nov-16	Variance to Budget Nov-16	Variance to Prior Year Nov16 vs. Nov15	Actual 2016	Variance to Budget 2016	Variance to Prior Year 2015
Bus	21,083	(1,249)	(572)	239,725	(13,796)	(13,220)
Rail	16,323	(152)	338	181,557	(3,776)	(1,259)
Rail to Rail Transfers	3,556	(24)	70	40,076	(780)	(283)
Total	40,963	(1,426)	(164)	461,358	(18,351)	(14,762)

- Ridership for the month of November was 41.0 million and was lower than budget and prior year by 1.4 million and 0.2 million, respectively.
- Calendar adjusted ridership was down 2.6% from prior year due to low gas prices.
- Ridership for the year-to-date was 461.4 million and was 18.4 million less than budget and was 14.8 million lower than the prior year-to-date. Calendar adjusted ridership was down 3.5% from the prior year-to-date.
- More details on ridership can be found in the November Ridership Report.

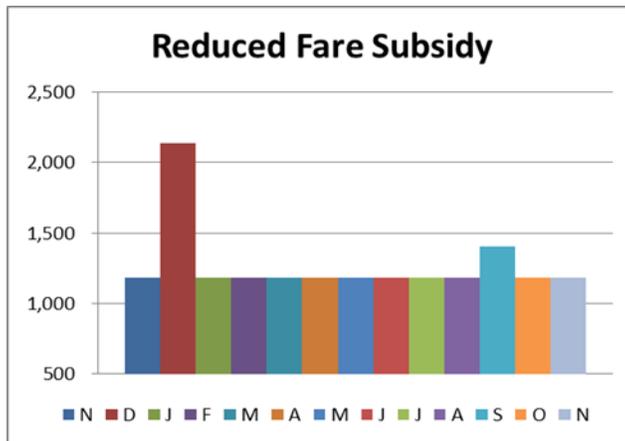
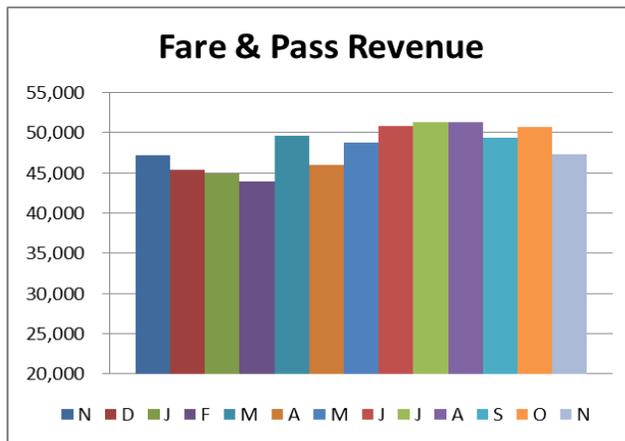
Cash



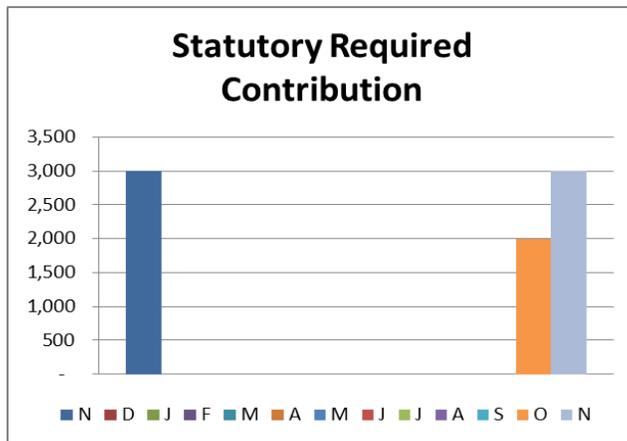
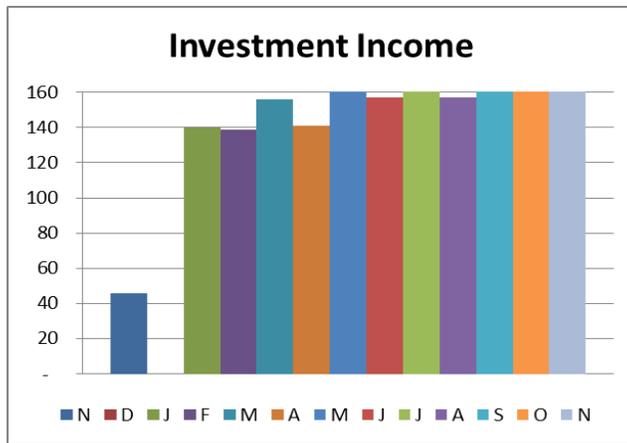
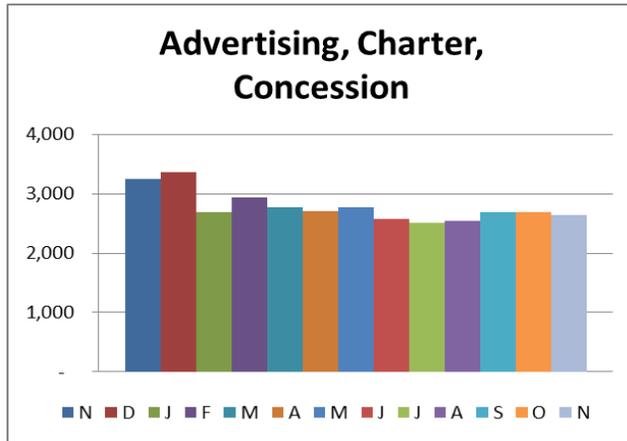
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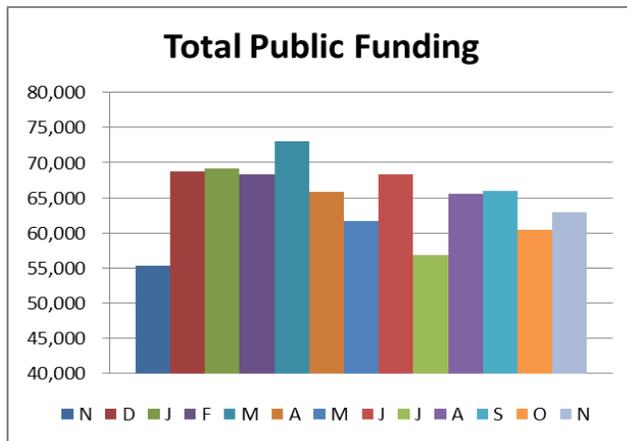
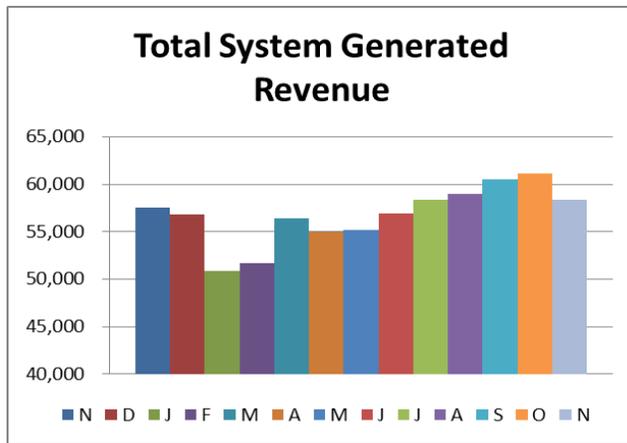
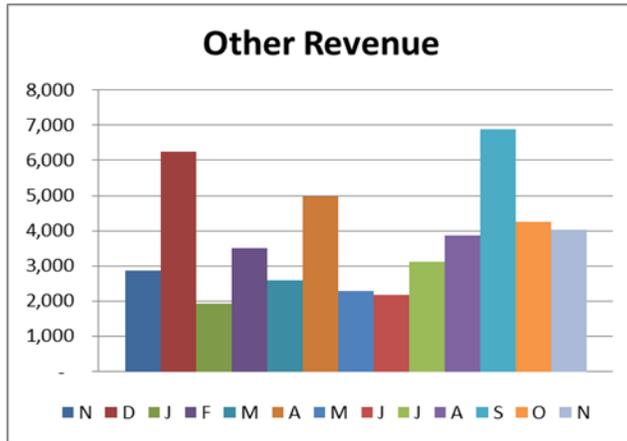
Revenue



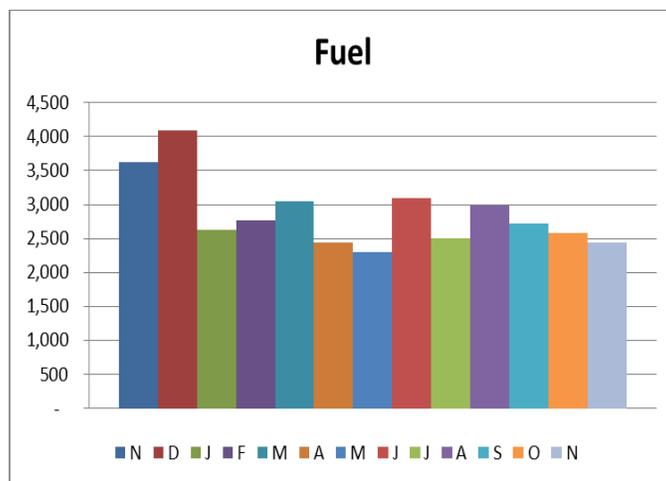
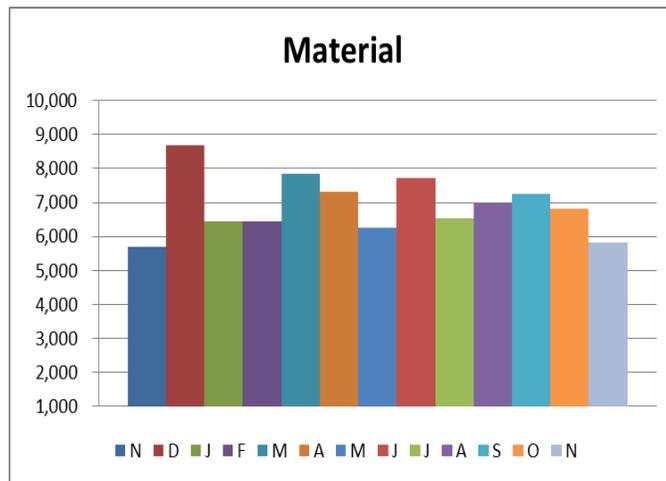
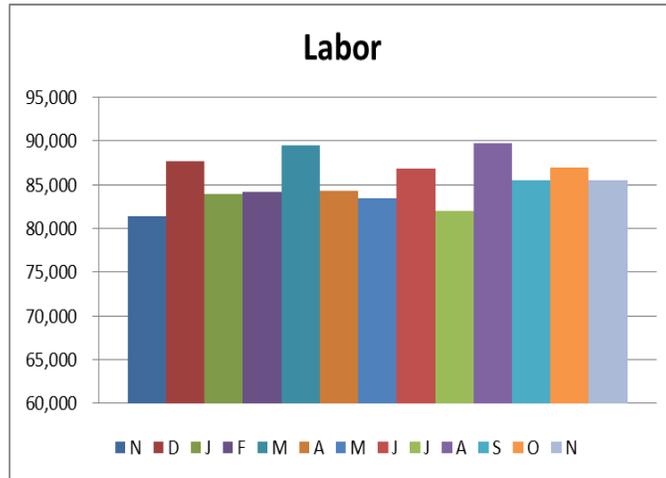
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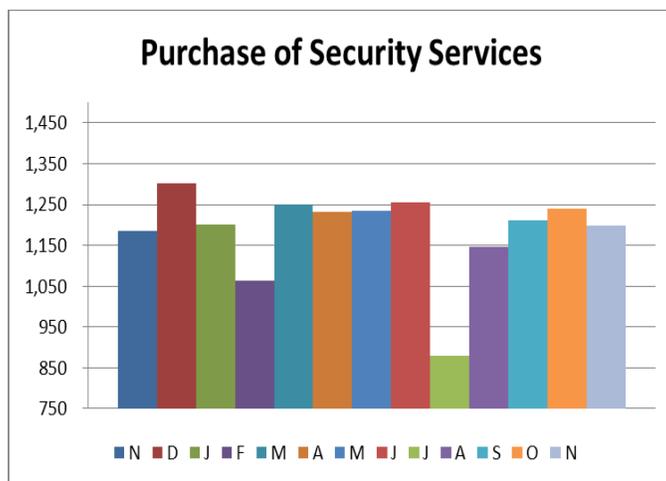
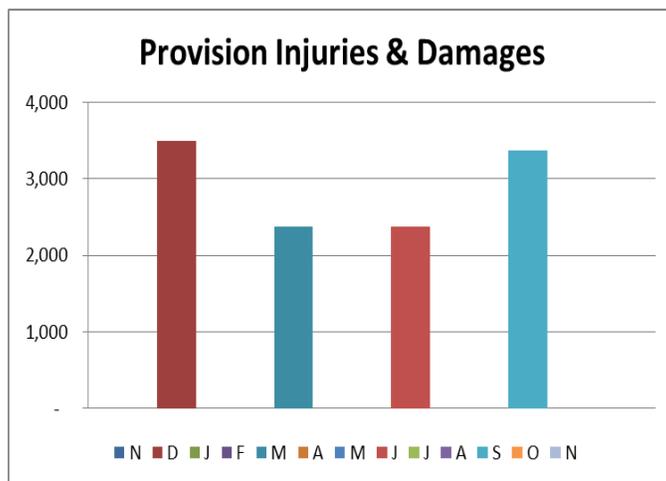
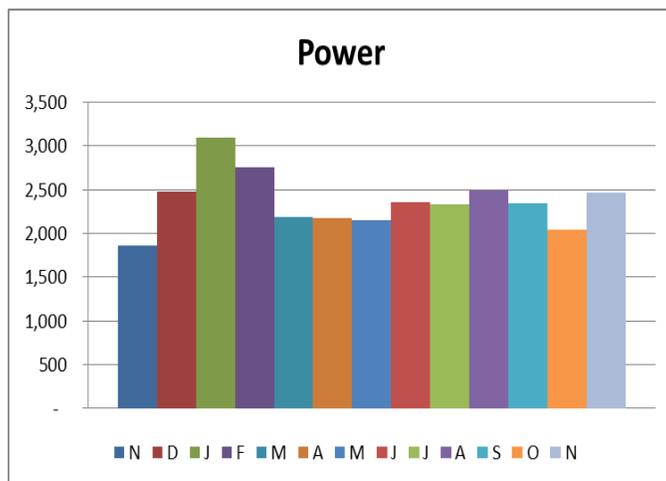
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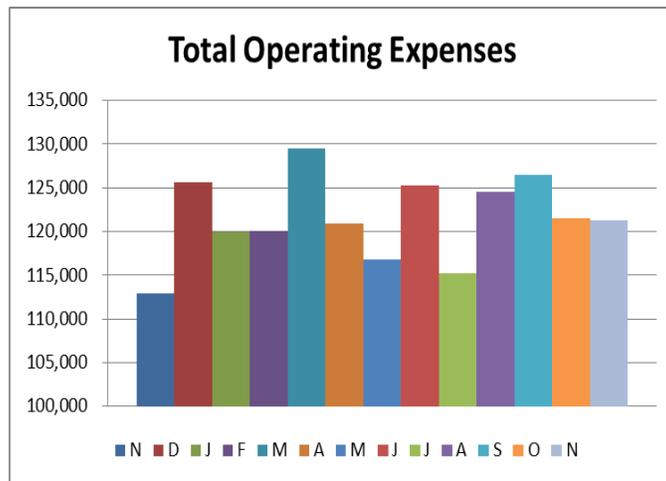
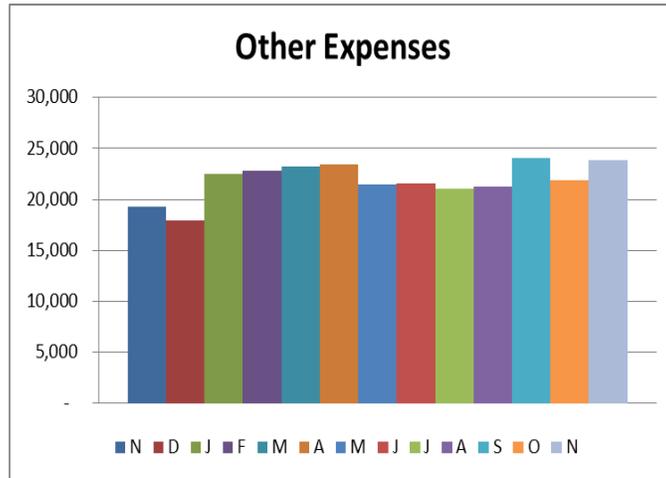
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Unrestricted Cash	204.4	192.6	176.9	151.2	143.8	130.1	182.5	173.8	166.5	149.0	177.7	203.9	195.7
Damage Reserve	98.1	97.0	100.3	99.6	97.3	106.4	105.5	104.6	109.2	108.7	108.1	105.6	104.9
Funds Owed by RTA	265.5	202.8	294.3	323.4	352.7	356.7	318.4	330.2	333.6	284.7	323.1	308.4	297.9
Trust Portfolio Assets	536.1	378.4	396.5	406.2	412.9	426.5	438.8	295.3	301.8	316.0	405.3	413.0	429.4

Revenue	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Fare & Pass Revenue	47,247.0	45,339.0	44,877.0	43,918.0	49,680.0	45,982.0	48,827.0	50,829.0	51,376.0	51,278.0	49,431.0	50,764.0	47,357.0
Reduced Fare Subsidy	1,180.0	2,136.0	1,180.0	1,180.0	1,180.0	1,180.0	1,180.0	1,180.0	1,180.0	1,180.0	1,404.0	1,180.0	1,180.0
Advertising, Charter, Concession	3,251.0	3,366.0	2,698.0	2,935.0	2,775.0	2,701.0	2,768.0	2,578.0	2,516.0	2,541.0	2,686.0	2,690.0	2,637.0
Investment Income	46.0	(222.0)	140.0	139.0	156.0	141.0	165.0	157.0	166.0	157.0	165.0	203.0	174.0
Statutory Required Contribution	3,000.0	-	-	-	-	-	-	-	-	-	-	2,000.0	3,000.0
Other Revenue	2,867.0	6,255.0	1,926.0	3,497.0	2,604.0	4,975.0	2,287.0	2,165.0	3,119.0	3,861.0	6,873.0	4,266.0	4,046.0
Total System Generated Revenue	57,591.0	56,875.0	50,821.0	51,669.0	56,395.0	54,979.0	55,228.0	56,909.0	58,356.0	59,017.0	60,559.0	61,103.0	58,394.0
Total Public Funding	55,347.0	68,786.0	69,099.0	68,343.0	73,061.0	65,885.0	61,619.0	68,350.0	56,854.0	65,541.0	65,967.0	60,422.0	62,881.0

Expenses	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Labor	81,340.0	87,639.0	83,998.0	84,197.0	89,550.0	84,268.0	83,416.0	86,891.0	81,953.0	89,715.0	85,558.0	86,924.0	85,560.0
Material	5,684.0	8,682.0	6,451.0	6,433.0	7,850.0	7,325.0	6,268.0	7,725.0	6,528.0	6,957.0	7,248.0	6,826.0	5,828.0
Fuel	3,619.0	4,086.0	2,625.0	2,766.0	3,046.0	2,435.0	2,303.0	3,094.0	2,505.0	2,980.0	2,726.0	2,584.0	2,433.0
Power	1,863.0	2,477.0	3,102.0	2,761.0	2,190.0	2,173.0	2,150.0	2,360.0	2,337.0	2,495.0	2,347.0	2,048.0	2,465.0
Provision Injuries & Damages	-	3,500.0	-	-	2,375.0	-	-	2,375.0	-	-	3,375.0	-	-
Purchase of Security Services	1,184.0	1,303.0	1,202.0	1,064.0	1,251.0	1,231.0	1,235.0	1,254.0	879.0	1,145.0	1,211.0	1,239.0	1,199.0
Other Expenses	19,249.0	17,974.0	22,541.0	22,792.0	23,195.0	23,432.0	21,475.0	21,561.0	21,009.0	21,266.0	24,060.0	21,905.0	23,790.0
Total Operating Expenses	112,939.0	125,661.0	119,920.0	120,012.0	129,457.0	120,864.0	116,847.0	125,258.0	115,210.0	124,558.0	126,525.0	121,525.0	121,274.0