



To: Chicago Transit Authority Board

From: Ron DeNard, Chief Financial Officer

Re: Financial Results for May 2013

Date: July 9, 2013

## I. Summary

The financial report has been reformatted to provide additional information and to make it easier to read. Graphs are included in the appendix for historical perspective.

CTA's financial results show a surplus of \$1.6 million for the month and a deficit of \$6.2 million for the year to date. The year to date deficit is primarily due to system generated revenues that were lower than budget.

Ridership for the month was 46.2 million and was 0.1 million more than budget. Year to date ridership was 218.8 million and was 0.4 million less than budget.

## II. Cash & Liquidity

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

	2013	2012	(Decrease)
Unrestricted Cash	\$ 77.8	\$ 104.1	\$ (26.3)
Damage Reserve	122.8	118.6	\$ 4.2
Funds Owed by RTA	275.0	254.2	\$ 20.8
Trust Portfolio Assets	662.0	1,078.0	\$ (416.0)
Total Cash and Receivables	\$ 1,137.6	\$ 1,554.9	\$ (417.3)

CTA's total cash/receivables balance is equal to \$1.1 billion. Unrestricted cash was \$26.3 million less than the prior year. The Damage Reserve is in a surplus position and is \$4.2 million higher than last year and The reserve is a source of short term borrowings if necessary. Funds owed by the RTA were approximately \$275.0 million which was \$20.8 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 \$416.0 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
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Fare & Pass Revenue	\$ 49,847	\$ (933)	\$ 2,874	\$ 235,160	\$ (7,879)	\$ 10,786

- Fare and pass revenue was \$0.9 million less than budget for the month. The average fare for the month was \$1.08 and was \$0.02 less than budget and was on par with the prior month.
- Year to date fare and pass revenue was \$7.9 million less than budget. The average fare for the year to date was \$1.08 per ride and was \$0.03 less than budget.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Reduced Fare Subsidy	\$ 2,360	\$ -	\$ 27	\$ 11,801	\$ -	\$ 134

- Reduced Fare Subsidy 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
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Advertising, Charter, Concession	\$ 2,049	\$ (235)	\$ 73	\$ 11,313	\$ 974	\$ 2,491

- Advertising, Charter and Concessions Revenue was slightly less than budget for the month and was \$1.0 million more than budget for the year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Investment income	\$ 22	\$ (18)	\$ (19)	\$ 150	\$ (46)	\$ (57)

- Investment Income Revenue was on par with budget for the month and was \$46,000 less than budget for the year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Other Revenue	\$ 6,387	\$ (168)	\$ 3,627	\$ 17,009	\$ 14	\$ 1,114

- All Other Revenue was \$0.2 million less than budget for the month and was \$14,000 more than budget for the year to date period. The revenue is favorable versus prior year due to the receipt of a security grant.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Total System Generated Revenue	\$ 60,665	\$ (1,353)	\$ 6,583	\$ 275,434	\$ (6,937)	\$ 14,469

- System-Generated Revenue was \$1.4 million less than budget for the month. Year to date System-Generated Revenue was \$6.9 million less than budget. The unfavorable variance for the year to date was primarily due to lower than anticipated farebox and pass revenue.

#### IV. Expenses

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Labor	\$ 79,031	\$ 1,800	\$ (747)	\$ 393,084	\$ (4,521)	\$ (10,006)

- Labor Expense was \$1.8 million less than budget for the month. The May positive variance is due to the timing of costs related to capital projects. Labor expense year to date was unfavorable to budget by \$4.5 million. Labor expense is unfavorable year to date due to the adjusted timing of the implementation 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
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Material	\$ 4,805	\$ (504)	\$ 1,167	\$ 27,358	\$ (3,514)	\$ 2,748

- Material Expense was over budget by \$0.5 million. Material expense for the year to date was \$3.5 million over budget due to keeping an older rail fleet in place longer than budgeted, 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.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Fuel	\$ 5,634	\$ (58)	\$ (662)	\$ 26,215	\$ 1,011	\$ (1,728)

- Fuel for Revenue Equipment was \$0.1 million more than 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
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Power	\$ 2,530	\$ (558)	\$ (990)	\$ 10,841	\$ (1,255)	\$ (574)

- Electric Power for Revenue Equipment was more than budget for the month and the year to date 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
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Provision Injuries & Damages	\$ 983	\$ -	\$ 1,617	\$ 4,913	\$ -	\$ 8,087

- 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
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Purchase of Security Services	\$ 2,035	\$ 76	\$ 876	\$ 13,217	\$ 394	\$ 1,329

- Purchase of Security Services was slightly favorable to budget for the month. Year to date security expense was \$0.4 million less than budget for the year.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Other Expenses	\$ 22,051	\$ 2,205	\$ (10,321)	\$ 92,733	\$ 8,631	\$ (36,212)

- Other Expense was \$2.2 million less than budget. Year to date other expenses was \$8.6 million less than budget. The favorable variance for the month and year to date is due to timing differences 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 caused 2012 expenses to be abnormally low as compared to 2013.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Total Operating Expenses	\$ 117,069	\$ 2,962	\$ (9,061)	\$ 568,360	\$ 747	\$ (36,355)

- Operating Expenses were \$3.0 million less than budget for the month, primarily due to favorable variances in the labor and other expense categories. For the year to date period, operating expenses were \$0.8 million less 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(one time item).

## V. Other

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Recovery Ratio	62.3%	0.55		58.9%	(1.45)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 62.3% for the month and 58.9% for the year. This was favorable to budget by 0.55 percentage points for the month and unfavorable by 1.45 percentage points for the year to date.

## VI. Ridership

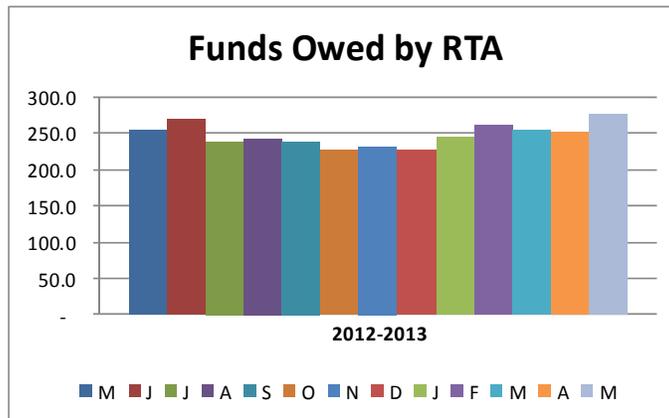
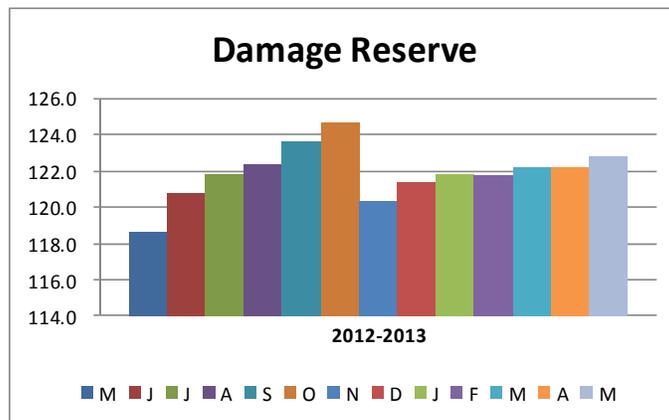
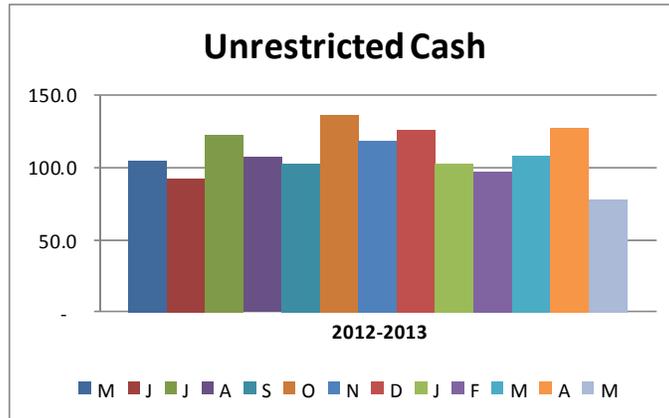
Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-13	Budget May-13	Prior Year May13 vs. May12	May-13	Budget May-13	Prior Year May13 vs. May12
Bus	26,856	183	(345)	126,640	(687)	(4,722)
Rail	15,715	(182)	(440)	75,645	(3)	(1,688)
Rail to Rail Transfers	3,628	126	57	16,496	311	(57)
Total	46,199	126	(727)	218,780	(379)	(6,467)

- Ridership for the month of May was 46.2 million and was 0.1 million more than budget and was 0.7 million less than prior year. Calendar adjusted ridership was down 1.6% from prior year.
- Ridership for the year to date was 218.8 million and was 0.4 million less than budget and 6.5 million less than prior year. Calendar adjusted ridership is down 2.5% over the prior year to date.

**SEE APPENDIX**

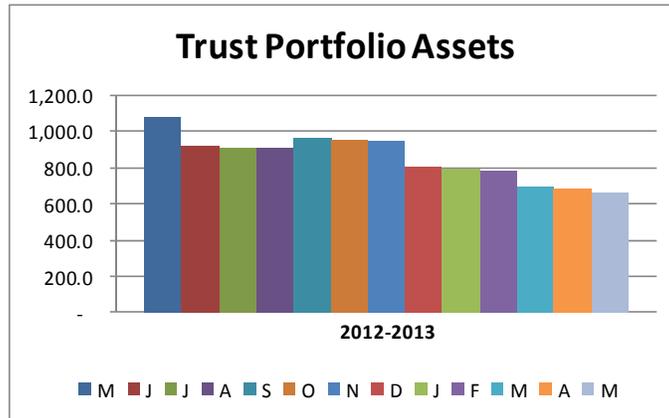
# Appendix

## Cash & Liquidity

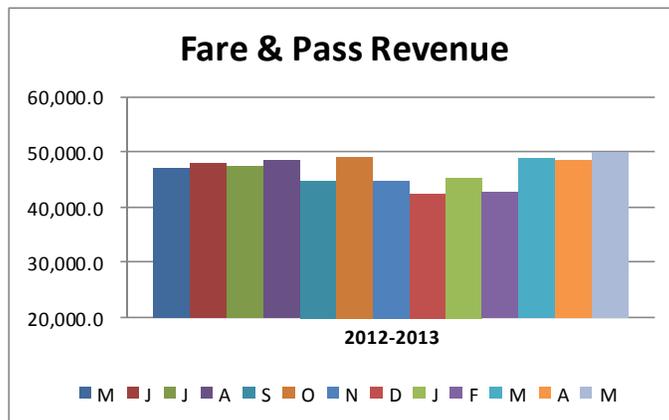
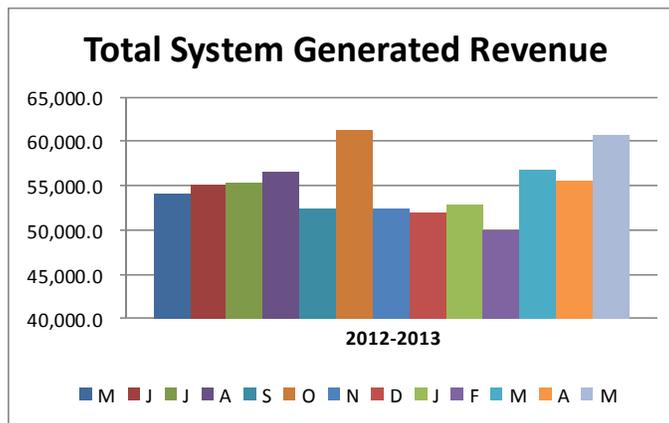


# Appendix

## Cash & Liquidity (cont'd.)

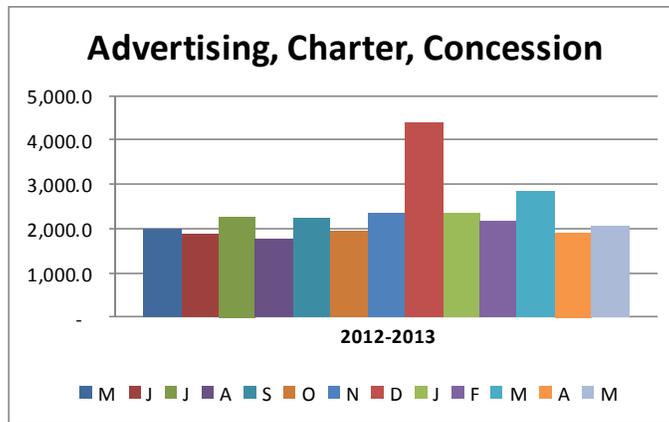
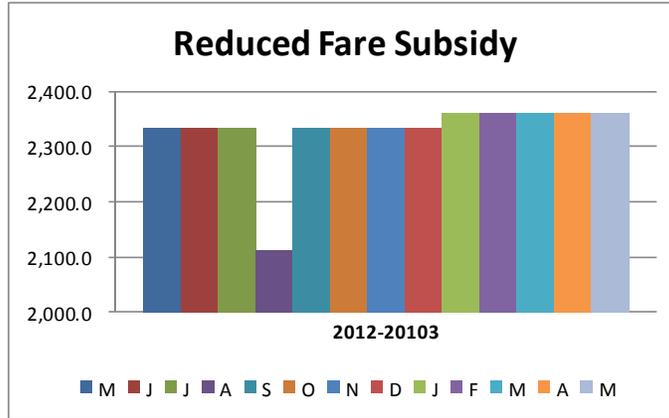


## Revenue



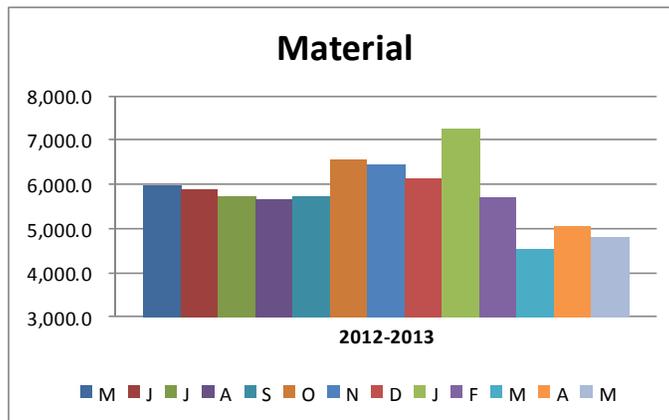
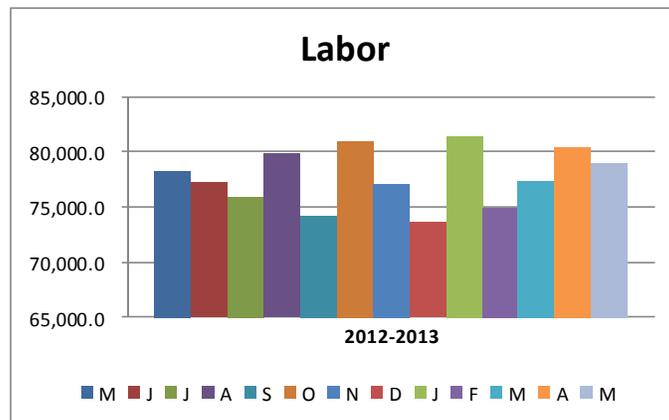
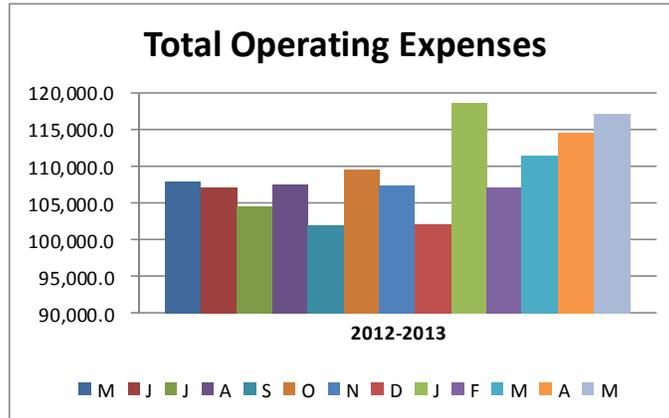
# Appendix

## Revenue (cont'd.)



# Appendix

## Expenses



# Appendix

## Expenses (cont'd.)

