



To: Chicago Transit Authority Board

From: Tom McKone, Acting Chief Financial Officer

Re: Financial Results for January 2016

Date: March 9, 2016

I. Summary

CTA's financial results are \$0.8 million unfavorable for January primarily due to the uncertainty regarding the free and reduced fare subsidy from the State.

Ridership for the month is 38.9 million and is 0.4 million less than budget. Ridership is 0.5 million or 1.2% lower than January 2015 due to one less workday in January 2016.

II. Cash & Liquidity

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

	Jan 2016	Jan 2015	Increase (Decrease)
Unrestricted Cash	\$ 176.9	\$ 127.7	\$ 49.2
Damage Reserve	100.3	105.8	\$ (5.5)
Funds Owed by RTA	294.3	268.0	\$ 26.3
Trust Portfolio Assets	396.5	663.6	\$ (267.1)
Total Cash and Receivables	\$ 968.0	\$ 1,165.1	\$ (197.1)

CTA's total cash/receivables balance is equal to \$968.0 million. Unrestricted cash was \$49.2 million more than the prior year due to receipt of \$23 million in proceeds from the debt reserve substitution in August, recent insurance settlements, and \$15 million in ICE grant funds from the RTA in March 2015. The Damage Reserve is sufficiently funded and was \$5.5 million lower than last year reflecting payouts for settled claims. Funds owed by the RTA were approximately \$294.3 million which was \$26.3 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.

III. Revenue

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Fare & Pass Revenue	\$ 44,877	\$ 233	\$ 395	\$ 44,877	\$ 233	\$ 395

- Fare and pass revenue for January was \$0.2 million favorable to budget and \$0.4 million favorable to prior year. The average fare for the month was \$1.15 and was \$0.01 more than budget and \$0.02 higher than last year due to increased rail ridership.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ (1,180)	\$ 1,180	\$ (1,180)	\$ (1,180)

- Reduced Fare Subsidy is \$1.2 million less than budget due to the uncertainty regarding the State budget and funding for the free and reduced fare mandates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Advertising, Charter, Concession	\$ 2,698	\$ 45	\$ 408	\$ 2,698	\$ 45	\$ 408

- Advertising, Charter and Concessions Revenue is slightly favorable to budget for the month. The increase over prior year is due to higher vehicle and platform advertising than anticipated and the annual increase in advertising contracts.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Investment income	\$ 140	\$ 67	\$ (264)	\$ 140	\$ 67	\$ (264)

- Investment income was higher than budget for the month primarily due to a higher yield portfolio and better security selection. The decrease over prior year is due to required year end market value adjustments.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Other Revenue	\$ 1,926	\$ (82)	\$ (363)	\$ 1,926	\$ (82)	\$ (363)

- Other Revenue was slightly unfavorable to budget for the month due to lower non-capital grant revenue offset by increased parking lot revenue. The decrease over the prior year is due to lower rentals, movie revenue and non-capital grant revenue.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Total System Generated Revenue	\$ 50,821	\$ (917)	\$ (1,003)	\$ 50,821	\$ (917)	\$ (1,003)

- Total System-Generated Revenue was \$0.9 million less than budget for the month and \$1 million less than prior year primarily due to the potential reduction in the State's free and reduced fare subsidy.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Labor	\$ 83,998	\$ (1,359)	\$ (1,430)	\$ 83,998	\$ (1,359)	\$ (1,430)

- Labor expense was \$1.4 million unfavorable to budget for the month due to higher overtime than anticipated. Labor expense is \$1.4 million more than 2015 due to contractual wage increases that took effect in July 2015 and slightly higher fringe benefits in 2016.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Material	\$ 6,451	\$ 592	\$ 251	\$ 6,451	\$ 592	\$ 251

- Material expense was \$0.6 million favorable to budget for the month and \$0.3 million lower than prior year due primarily to milder weather in 2016 and additional winter prep occurring at the end of 2015.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Fuel	\$ 2,625	\$ 417	\$ 1,901	\$ 2,625	\$ 417	\$ 1,901

- Fuel for Revenue Equipment expense was \$0.4 million favorable to budget for the month. Fuel expense is \$1.9 million favorable to prior year primarily due to the significant reduction in the price of diesel fuel and lower usage.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Power	\$ 3,102	\$ 69	\$ (89)	\$ 3,102	\$ 69	\$ (89)

- The Electric Power for Revenue Equipment expense was on par with budget and the prior year. An increase in ComEd regulatory fees led to a higher price in 2016.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Purchase of Security Services	\$ 1,202	\$ 22	\$ (56)	\$ 1,202	\$ 22	\$ (56)

- Purchase of Security Services was on par with budget for the month. Security expense was slightly unfavorable to prior year due to contract escalation.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Other Expenses	\$ 22,541	\$ 359	\$ 1,447	\$ 22,541	\$ 359	\$ 1,447

- Other Expenses were favorable to budget and prior year by \$0.4 million and \$1.4 million, respectively. The decrease over prior year is due to the timing of contractual expenses. Of the total monthly other expenses, the pension obligation bond expense is \$10 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-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Total Operating Expenses	\$ 119,920	\$ 100	\$ 2,024	\$ 119,920	\$ 100	\$ 2,024

- Operating Expenses were on par with budget for the month. The \$2.0 million favorable variance to prior year is due primarily to favorable fuel, materials and other expense.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Recovery Ratio	50.91%	(0.73)		50.91%	(0.73)	

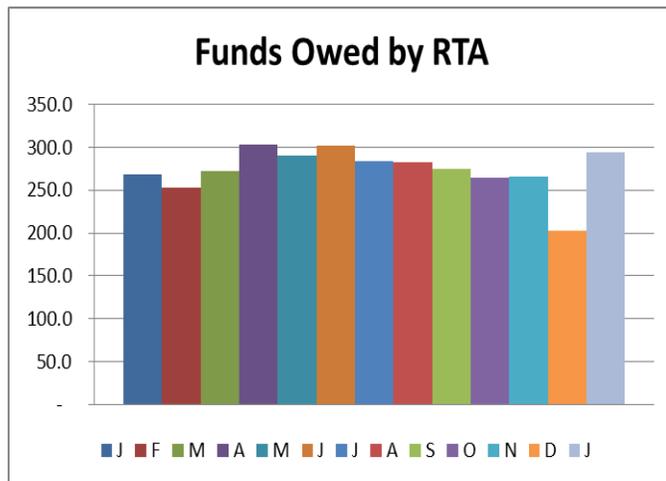
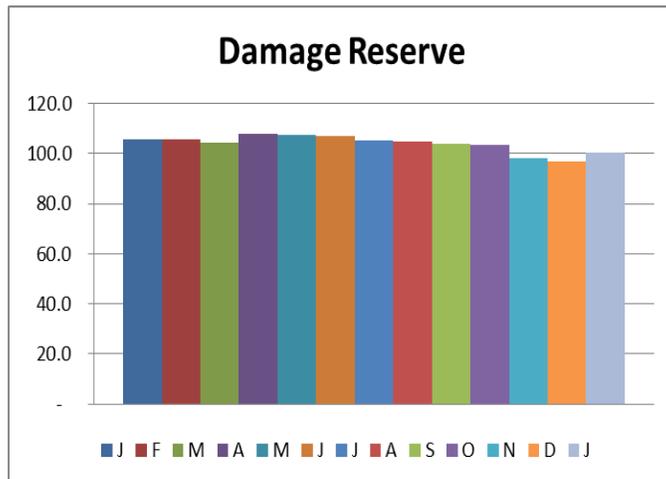
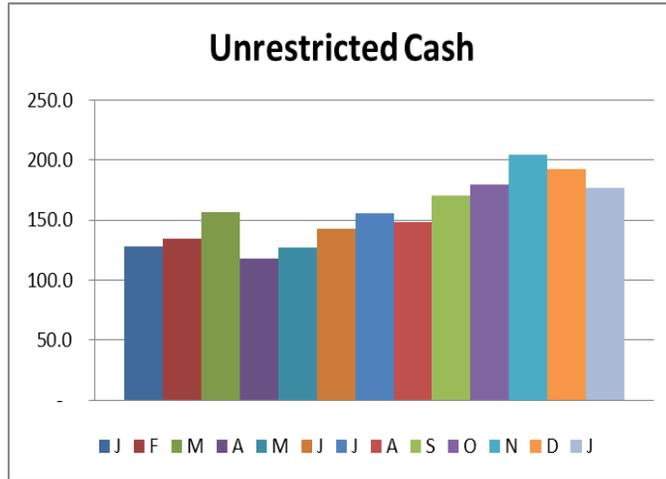
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 50.91% for the month. This was unfavorable to budget by 0.73 percentage points.

VI. Ridership

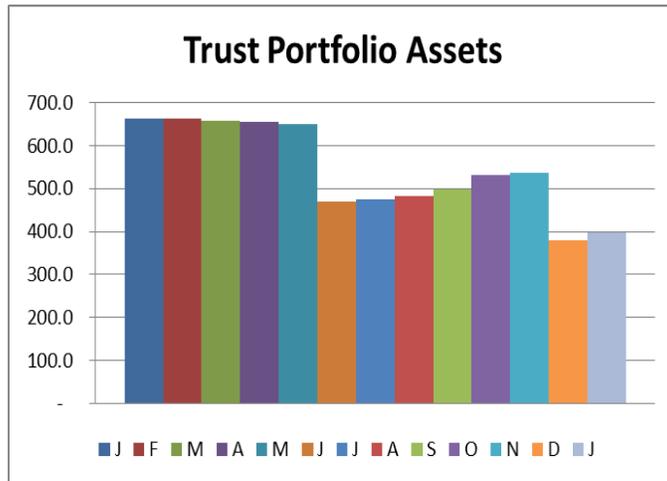
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-16	Budget Jan-16	Prior Year Jan16 vs. Jan15	2016	Budget 2016	Prior Year 2015
Bus	20,751	(525)	(653)	20,751	(525)	(653)
Rail	14,837	123	138	14,837	123	138
Rail to Rail Transfers	3,328	44	34	3,328	44	34
Total	38,916	(358)	(481)	38,916	(358)	(481)

- Ridership for the month of January was 38.9 million and was on 0.4 million lower than budget and was 0.5 million less than prior year. Calendar adjusted ridership was up 1.2% from prior year due to the fact that January 2016 had 20 workdays compared with 21 in January 2015.
- More details on ridership can be found in the January Ridership Report.

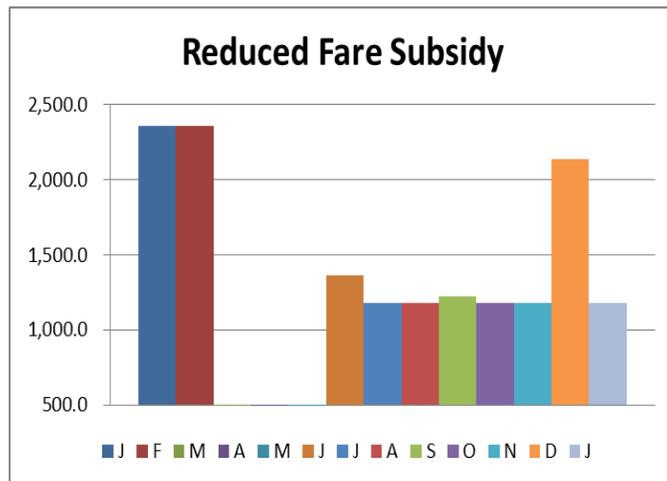
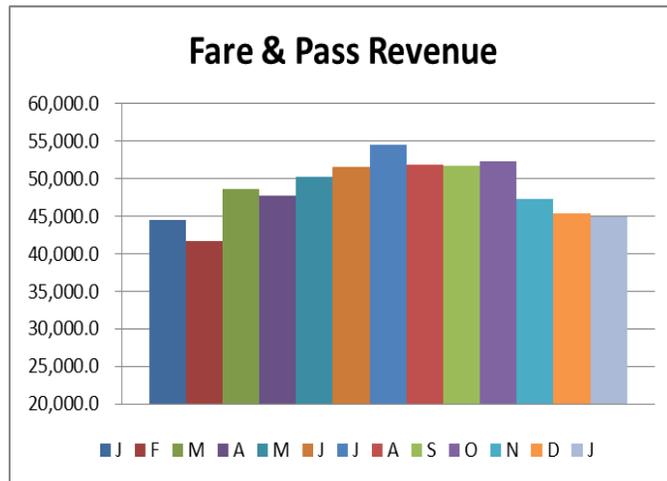
Cash & Liquidity



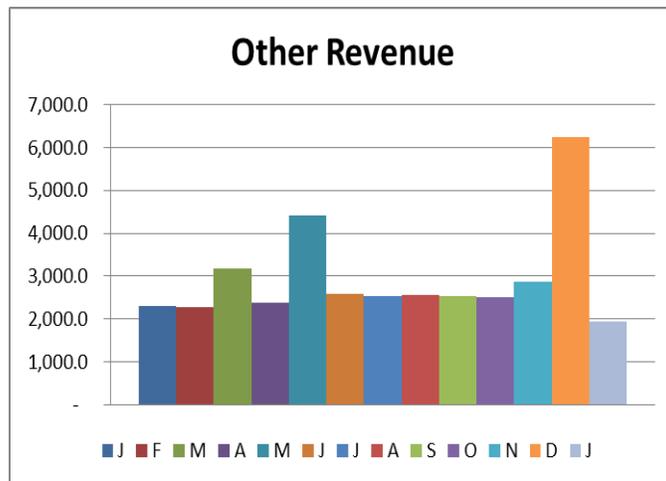
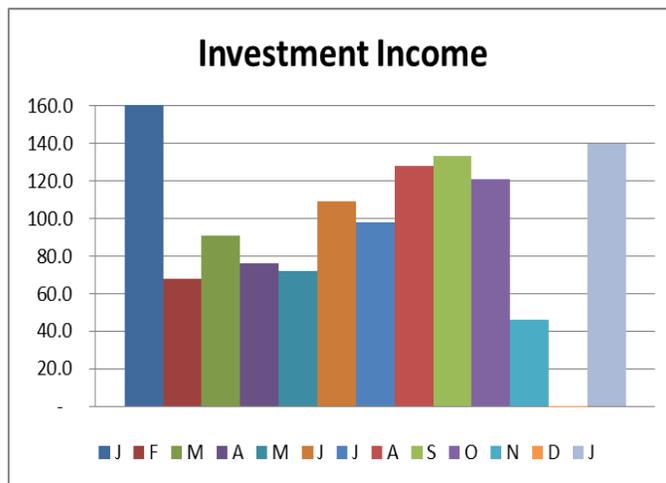
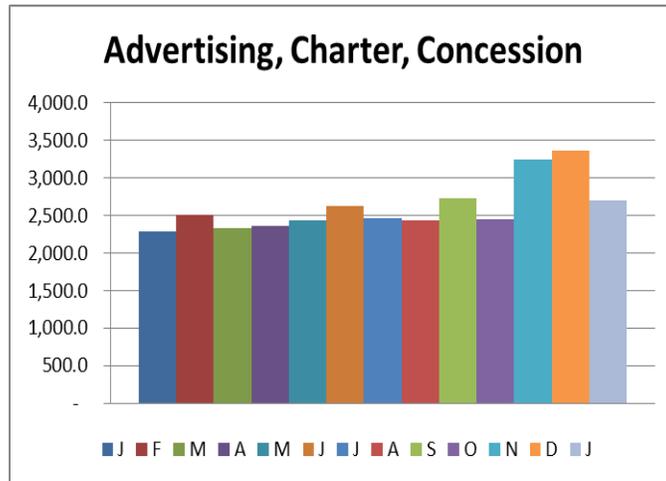
Cash & Liquidity (cont'd)



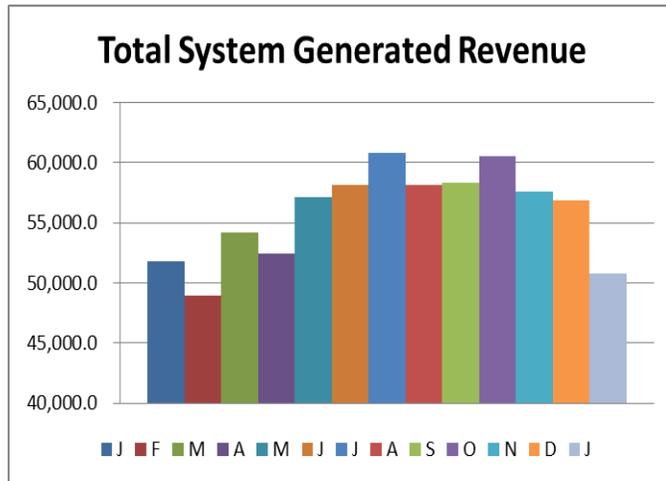
Revenue



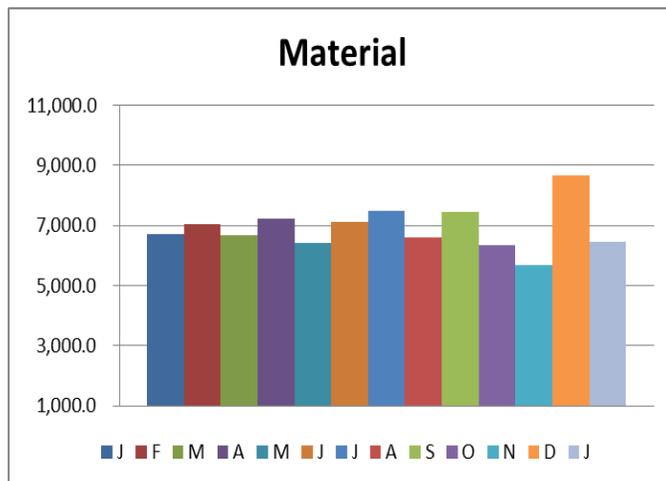
Revenue (cont'd)



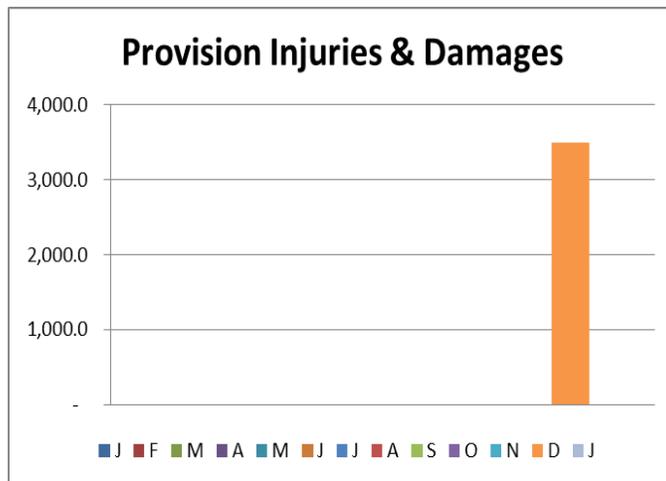
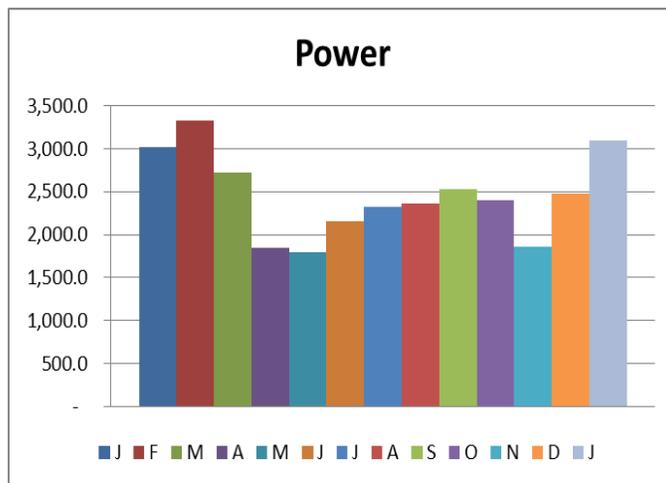
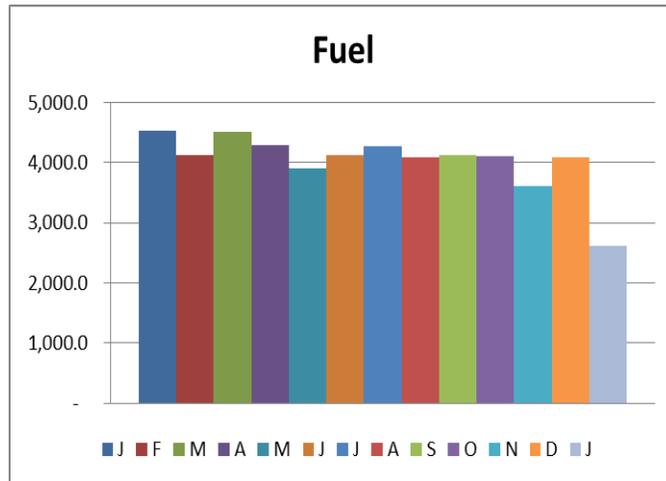
Revenue (cont'd)



Expenses



Expenses (cont'd)



Expenses (cont'd)

