



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for February 2017
Date: April 5, 2017

I. Summary

CTA's financial results are \$0.3 million favorable to budget for February primarily due to lower operating expenses. Results are \$0.9 million unfavorable to budget for year-to-date due to lower fare, pass, and reduced fare revenue.

Ridership for the month was 37.2 million and was 1.2 million less than budget. Ridership was 2.9 million or 7.2% less than February 2016. There was one fewer day in the month this year with last year being leap year. Also, low gas prices, bus reroutes related to the Adams Street Bridge construction project, and competition from rideshare services such as Uber and Lyft all contributed to the loss.

II. Cash & Liquidity

The chart below highlights CTA's cash position at February 2017 compared to February 2016.

	February 2017	February 2016	Increase (Decrease)
Unrestricted Cash	\$ 208.8	\$ 151.2	\$ 57.6
Damage Reserve	102.7	99.6	\$ 3.1
Funds Owed by RTA	304.9	362.4	\$ (57.5)
Trust Portfolio Assets	625.8	406.2	\$ 219.6
Total Cash and Receivables	\$ 1,242.2	\$ 1,019.4	\$ 222.8

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$57.6 million higher than the prior year due to timing of cash receipts and invoice payments. The Damage Reserve is sufficiently funded and was \$3.1 million higher than last year due to a transfer based on budgeted levels. Funds owed by the RTA were approximately \$304.9 million which was \$57.5 million less 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 increases when new debt is issued and decreases when payments are made.

III. Revenue

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Fare & Pass Revenue	\$ 41,278	\$ (2,576)	\$ (2,640)	\$ 84,452	\$ (3,913)	\$ (4,343)

- Fare and pass revenue for January was \$2.6 million unfavorable to budget and \$2.6 million unfavorable to prior year. One fewer day this year and lower-than-anticipated bus and rail full fare revenue contributed to the negative variance. The average fare for the month was \$1.11 and was \$0.03 lower than budget and \$0.01 higher than the prior year.
- Year-to-date fare and pass revenue was \$3.9 million lower than budget and \$4.3 million lower compared to prior year due to lower ridership. The average fare for the year was \$1.13 per ride and was \$0.03 less than budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 2,360	\$ (2,360)	\$ -

- Reduced Fare Subsidy was less than budget for the month and year-to-date by \$1.2 million and \$2.4 million, respectively, based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Advertising, Charter, Concession	\$ 2,807	\$ (21)	\$ (128)	\$ 5,623	\$ 16	\$ (10)

- Advertising, Charter and Concessions Revenue was slightly lower than budget for the month. The \$0.1 million decrease over prior February was due to the timing of vehicle and platform advertising. Year-to-date revenue is on par with budgeted and prior year levels.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Investment income	\$ 190	\$ 97	\$ 51	\$ 401	\$ 214	\$ 122

- Investment income was \$0.1 million higher than budget for the month and \$0.2 million favorable to budget year-to-date due to higher short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Other Revenue	\$ 2,248	\$ (35)	\$ (1,249)	\$ 4,866	\$ 366	\$ (557)

- Other Revenue was slightly unfavorable to budget primarily due to lower scrap material sales and the timing of non-capital grant revenue. The year-to-date was favorable to budget by \$0.4 million due to higher park & ride and rental revenues. Other revenue was \$1.2 million and \$0.6 million unfavorable compared to prior February and year-to-date, respectively, primarily due to the sale of surplus property in the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Total System Generated Revenue	\$ 47,703	\$ (3,715)	\$ (3,967)	\$ 97,702	\$ (5,676)	\$ (4,789)

- Total System-Generated Revenue was less than budget for the month and year-to-date by \$3.7 million and \$5.7 million, respectively, due to lower reduced fare subsidy and fare and pass revenue. It was less than February 2016 and prior year-to-date by \$4.0 million and \$4.8 million, respectively, due to lower fare and pass revenue and the sale of surplus property in 2016.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Labor	\$ 82,845	\$ 202	\$ 1,352	\$ 170,727	\$ 56	\$ (2,532)

- Labor expense was \$0.2 million favorable to budget for the month due to vacant positions and the effect of good weather on overtime cost. Slightly higher fringe benefits in 2017 contributed to higher expenses compared to 2016 year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Material	\$ 6,985	\$ 454	\$ (552)	\$ 14,400	\$ 724	\$ (1,516)

- Material expense was \$0.5 million favorable to budget for the month. The year-to-date was \$0.7 million favorable to budget due in part to better than expected weather in February and lower spending on vehicle parts.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Fuel	\$ 2,335	\$ 578	\$ 431	\$ 4,962	\$ 1,008	\$ 429

- Fuel for Revenue Equipment expense was \$0.6 million favorable to budget in February primarily due to lower consumption and favorable pricing. Fuel expense was \$0.4 million favorable compared to both February 2016 and 2016 year-to-date mainly due to a 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
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Power	\$ 2,684	\$ -	\$ 77	\$ 5,285	\$ 111	\$ 577

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

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Provision for Injuries & Damages	\$ 792	\$ -	\$ (792)	\$ 1,583	\$ -	\$ (1,583)

- The Provision for Injuries & Damages expense was \$1.6 million higher than 2016 year-to-date due to a change in the budget spread from quarterly to monthly.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Purchase of Security Services	\$ 1,276	\$ 127	\$ (212)	\$ 2,652	\$ 154	\$ (386)

- Purchase of Security Services was \$0.1 million favorable to budget for the month and favorable year-to-date by \$0.2 million due to timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Other Expenses	\$ 22,484	\$ 2,670	\$ 308	\$ 48,498	\$ 2,716	\$ (3,165)

- Other Expenses were favorable to budget by \$2.7 million for the month due to the timing of contractual expenses. The unfavorable variance to prior year to-date was mainly due to new debt service. 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
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Total Operating Expenses	\$ 119,402	\$ 4,031	\$ 611	\$ 248,108	\$ 4,770	\$ (8,175)

- Operating Expenses were \$4.0 million favorable 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 other expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-17	Budget Feb-17	Prior Year Feb17 vs. Feb16	2017	Budget 2017	Prior Year 2016
Recovery Ratio	48.94%	(0.99)		48.00%	(0.95)	

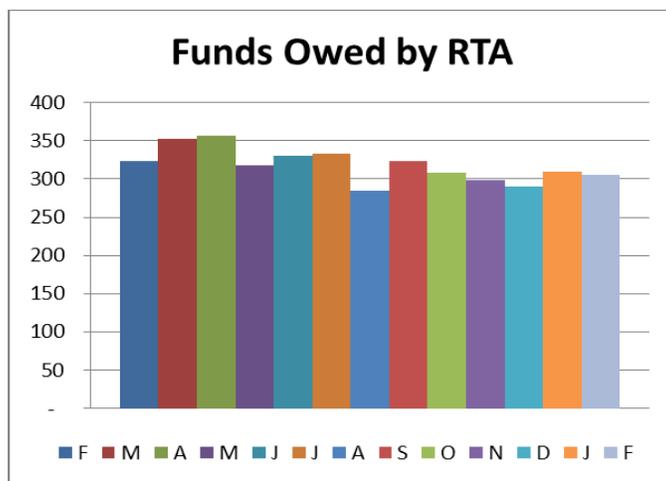
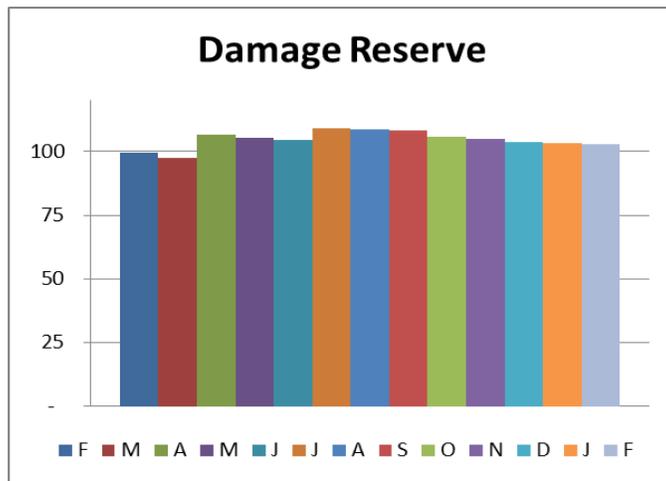
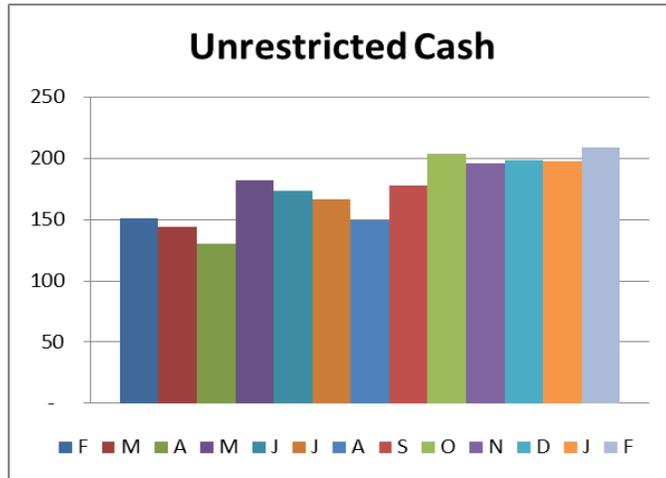
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 48.94% for the month. This was unfavorable to budget by 0.99 percentage points.

VI. Ridership

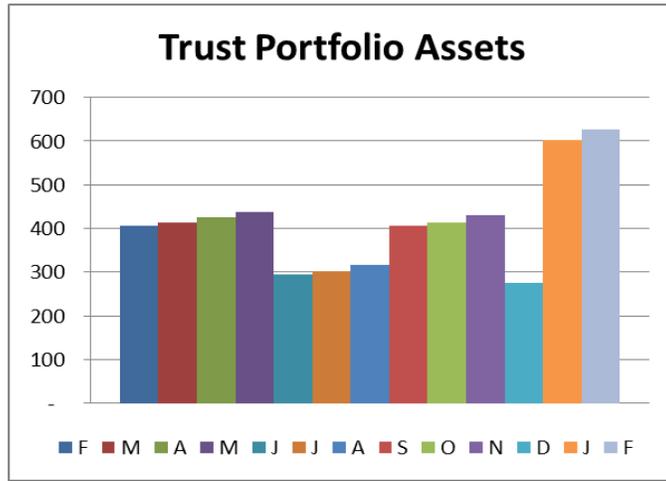
Category	Current Month			Full Year		
	Actual Feb-17	Variance to Budget Feb-17	Variance to Prior Year Feb17 vs. Feb16	Actual 2017	Variance to Budget 2017	Variance to Prior Year 2016
Bus	19,901	29	(1,566)	39,472	242	(2,746)
Rail	14,142	(1,089)	(1,070)	28,769	(1,425)	(1,280)
Rail to Rail Transfers	3,114	(175)	(236)	6,388	(264)	(289)
Total	37,157	(1,235)	(2,871)	74,629	(1,448)	(4,315)

- Ridership for the month of February was 37.2 million and was lower than budget and prior year by 1.2 million and 2.9 million, respectively.
- Calendar adjusted ridership was down 3.3% from prior year due to low gas prices, bus reroutes related to the Adams Street Bridge construction project, and competition from rideshare services such as Uber and Lyft.
- Ridership for the year-to-date was 74.6 million and was 1.4 million less than budget and was 4.3 million lower than the prior year-to-date. Calendar adjusted ridership was down 4.4% from the prior year-to-date.
- More details on ridership can be found in the February Ridership Report.

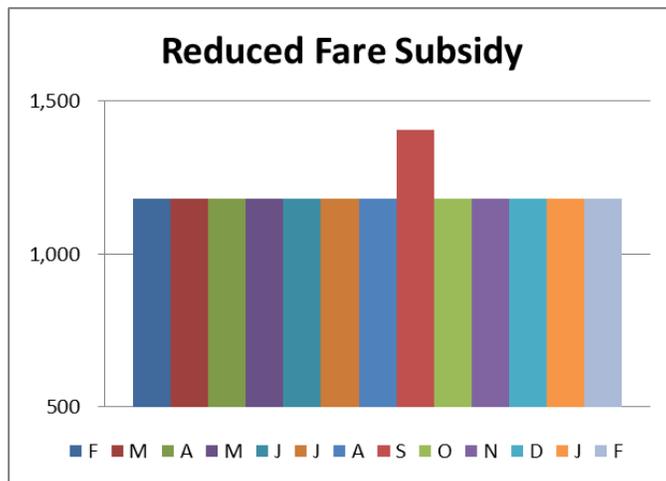
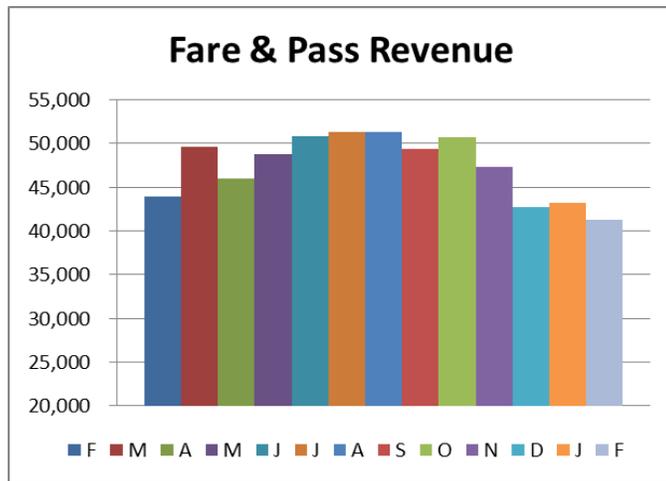
Cash



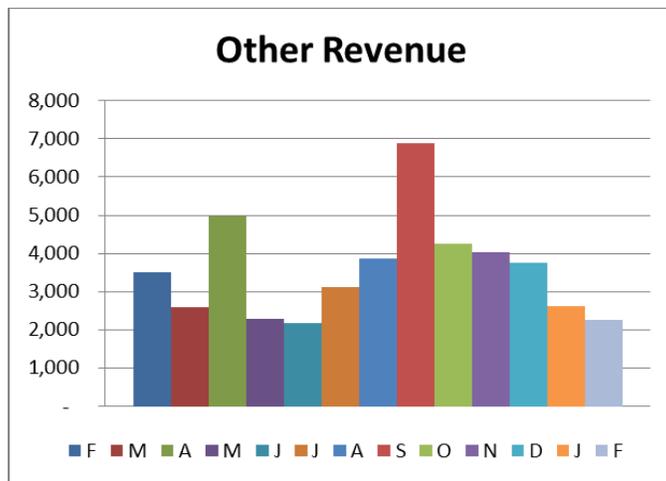
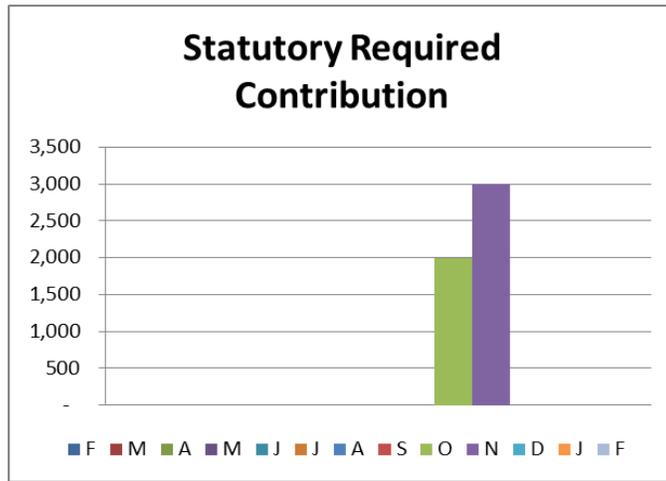
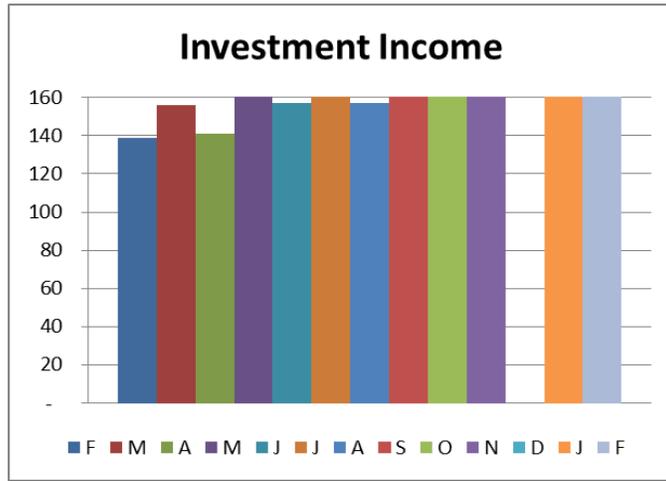
Cash Cont'd



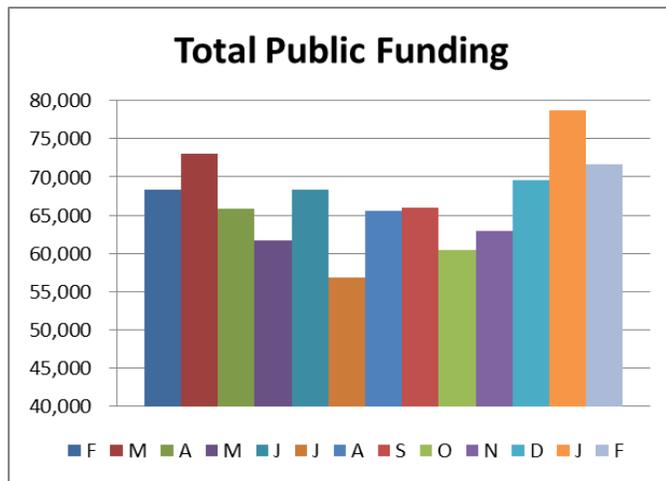
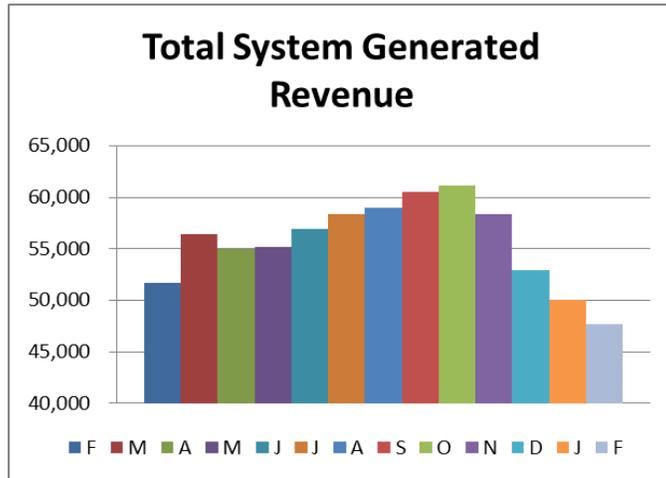
Revenue



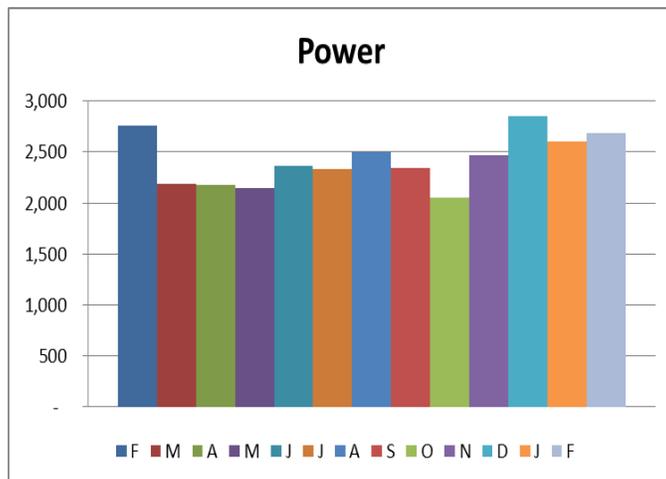
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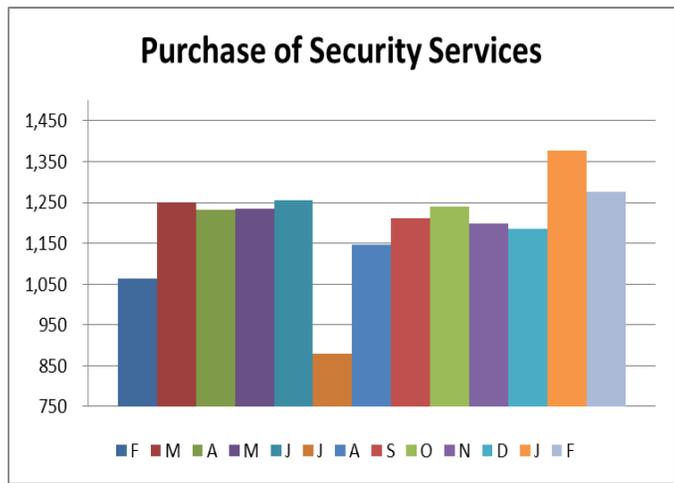
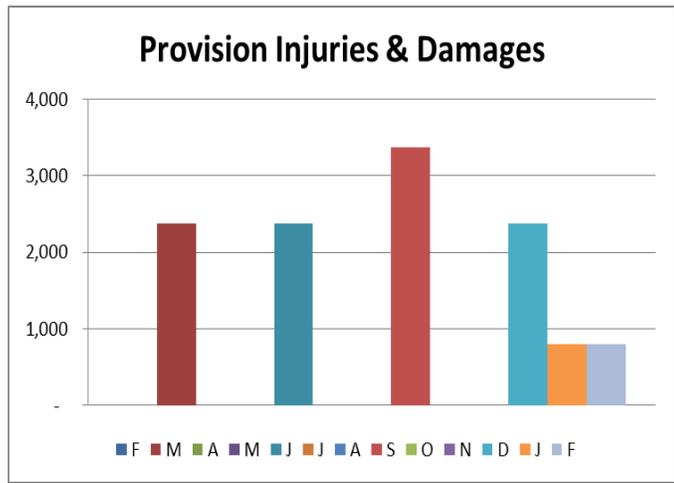
Revenue Cont'd



Expense



Expense Cont'd



Cash	Feb 16'	Mar 16'	April 16'	May 16'	Jun 16'	Jul 16'	Aug 17'	Sep 16'	Oct 16'	Nov 16'	Dec-16	Jan 17'	Feb 17'
Unrestricted Cash	151.2	143.8	130.1	182.5	173.8	166.5	149.0	177.7	203.9	195.7	199.1	197.4	209.0
Damage Reserve	99.6	97.3	106.4	105.5	104.6	109.2	108.7	108.1	105.6	104.9	103.8	103.4	103.0
Funds Owed by RTA	323.4	352.7	356.7	318.4	330.2	333.6	284.7	323.1	308.4	297.9	290.4	310.0	305.0
Trust Portfolio Assets	406.2	412.9	426.5	438.8	295.3	301.8	316.0	405.3	413.0	429.4	275.2	602.9	626.0

Revenue	Feb 16'	Mar 16'	April 16'	May 16'	Jun 16'	Jul 16'	Aug 17'	Sep 16'	Oct 16'	Nov 16'	42,720.0	Jan 17'	Feb 17'
Fare & Pass Revenue	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	42,688.0	43,174.0	41,278.0
Reduced Fare Subsidy	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	1,180.0	1,180.0	1,180.0
Advertising, Charter, Concession	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	5,493.0	2,816.0	2,807.0
Investment Income	139.0	156.0	141.0	165.0	157.0	166.0	157.0	165.0	203.0	174.0	-155.0	211.0	190.0
Statutory Required Contribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,000.0	3,000.0	0.0	0.0	0.0
Other Revenue	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	3,743.0	2,618.0	2,248.0
Total System Generated Revenue	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	52,950.0	49,999.0	47,703.0
Total Public Funding	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	69,551.0	78,707.0	71,699.0

Expense	Feb 16'	Mar 16'	April 16'	May 16'	Jun 16'	Jul 16'	Aug 17'	Sep 16'	Oct 16'	Nov 16'	42,720.0	Jan 17'	Feb 17'
Labor	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	85,016.0	87,882.0	82,845.0
Material	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	7,482.0	7,415.0	6,985.0
Fuel	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	3,242.0	2,627.0	2,335.0
Power	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	2,856.0	2,601.0	2,684.0
Provision Injuries & Damages	0.0	2,375.0	0.0	0.0	2,375.0	0.0	0.0	3,375.0	0.0	0.0	2,375.0	792.0	792.0
Purchase of Security Services	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	1,185.0	1,376.0	1,276.0
Other Expenses	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	20,346.0	26,014.0	22,484.0
Total Operating Expenses	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	122,502.0	128,706.0	119,402.0