



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for April 2017
Date: June 14, 2017

I. Summary

CTA's financial results are \$0.9 million favorable to budget for April primarily due to lower operating expenses. Results are \$0.6 million favorable to budget for year-to-date due to lower operating expenses.

Ridership for the month was 38.7 million and was 1.8 million less than budget. Ridership was 2.8 million or 6.7% less than April 2016 due to low gas prices and competition from rideshare services such as Uber and Lyft. There was also one fewer weekday and one additional Sunday this year.

II. Cash & Liquidity

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

	April 2017	April 2016	Increase (Decrease)
Unrestricted Cash	\$ 205.1	\$ 130.1	\$ 75.0
Damage Reserve	97.9	106.4	\$ (8.5)
Funds Owed by RTA	339.4	356.7	\$ (17.3)
Trust Portfolio Assets	650.2	426.5	\$ 223.7
Total Cash and Receivables	\$ 1,292.6	\$ 1,019.7	\$ 272.9

CTA's total cash/receivables balance was equal to \$1.3 billion. Unrestricted cash was \$75.0 million higher than the prior year due to timing of cash receipts and invoice payments. The Damage Reserve is sufficiently funded and was \$8.5 million lower than last year due to payments made in 2017. Funds owed by the RTA were approximately \$339.4 million which was \$17.3 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Fare & Pass Revenue	\$ 44,171	\$ (1,512)	\$ (1,811)	\$ 176,273	\$ (6,616)	\$ (8,183)

- Fare and pass revenue for April was \$1.5 million unfavorable to budget due to lower-than-anticipated rail full fare and 30-Day Pass revenue. It was unfavorable to prior year by \$1.8 million due to lower bus and rail ridership and one fewer weekday. The average fare for the month was \$1.14 and was \$0.01 higher than budget and \$0.03 higher than the prior year.
- Year-to-date fare and pass revenue was \$6.6 million unfavorable to budget and \$8.2 million lower compared to prior year due to lower ridership. The average fare for the year was \$1.14 per ride and was on par with budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 4,720	\$ (4,720)	\$ -

- Reduced Fare Subsidy was unfavorable to budget for the month and year-to-date by \$1.2 million and \$4.7 million, respectively, based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Advertising, Charter, Concession	\$ 2,914	\$ 119	\$ 213	\$ 11,339	\$ 131	\$ 230

- Advertising, Charter and Concessions Revenue was \$0.1 million higher than budget for the month and \$0.1 million higher year-to-date due to higher vehicle and platform advertising revenue. The \$0.2 million 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Investment income	\$ 229	\$ 135	\$ 87	\$ 862	\$ 488	\$ 286

- Investment income was \$0.1 million higher than budget for the month and \$0.5 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Other Revenue	\$ 3,875	\$ 1,501	\$ (1,101)	\$ 11,240	\$ 2,007	\$ (1,763)

- Other Revenue was favorable to budget by \$1.5 million due to higher non-capital grant revenue. It was unfavorable to prior year by \$1.1 million due to the sale of surplus property in April 2016. The year-to-date was favorable to budget by \$2.0 million due to higher non-capital grant, park & ride, and rental revenues. Other revenue was \$1.8 million unfavorable compared to prior year-to-date 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Total System Generated Revenue	\$ 52,368	\$ (937)	\$ (2,611)	\$ 204,434	\$ (8,711)	\$ (9,430)

- Total System-Generated Revenue was less than budget for the month and year-to-date by \$0.9 million and \$8.7 million, respectively, due to lower reduced fare subsidy and fare and pass revenue. It was less than April 2016 and prior year-to-date by \$2.6 million and \$9.4 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Labor	\$ 82,989	\$ (551)	\$ 1,279	\$ 347,771	\$ (90)	\$ (5,758)

- Labor expense was \$0.6 million unfavorable to budget for the month due to summer prep work for the facilities and infrastructure departments. 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Material	\$ 7,137	\$ (59)	\$ 189	\$ 29,710	\$ 24	\$ (1,651)

- Material expense was slightly unfavorable to budget for the month and the year-to-date was on par with budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Fuel	\$ 2,103	\$ 559	\$ 332	\$ 9,614	\$ 2,135	\$ 1,259

- Fuel for Revenue Equipment expense was \$0.6 million favorable to budget in April primarily due to lower consumption and favorable pricing. Fuel expense was \$0.3 million and \$1.3 million favorable compared to prior April and 2016 year-to-date, respectively, 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Power	\$ 1,907	\$ 232	\$ 265	\$ 9,074	\$ 894	\$ 1,151

- The Electric Power for Revenue Equipment expense was \$0.2 million favorable to budget for the month due to lower prices. Year-to-date, expenses were \$0.9 million under budget, primarily due to favorable prices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Provision for Injuries & Damages	\$ 792	\$ -	\$ (792)	\$ 3,167	\$ -	\$ (792)

- The Provision for Injuries & Damages expense was \$0.8 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Purchase of Security Services	\$ 1,373	\$ 30	\$ (142)	\$ 5,347	\$ 266	\$ (598)

- Purchase of Security Services was on par with budget for the month and favorable year-to-date by \$0.3 million due to the timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Other Expenses	\$ 24,586	\$ 1,644	\$ (1,153)	\$ 97,367	\$ 6,126	\$ (5,408)

- Other Expenses were favorable to budget by \$1.6 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
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Total Operating Expenses	\$ 120,887	\$ 1,855	\$ (23)	\$ 502,049	\$ 9,354	\$ (11,795)

- Operating Expenses were \$1.9 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 labor and other expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-17	Budget Apr-17	Prior Year Apr17 vs. Apr16	2017	Budget 2017	Prior Year 2016
Recovery Ratio	54.52%	1.05		49.85%	(1.03)	

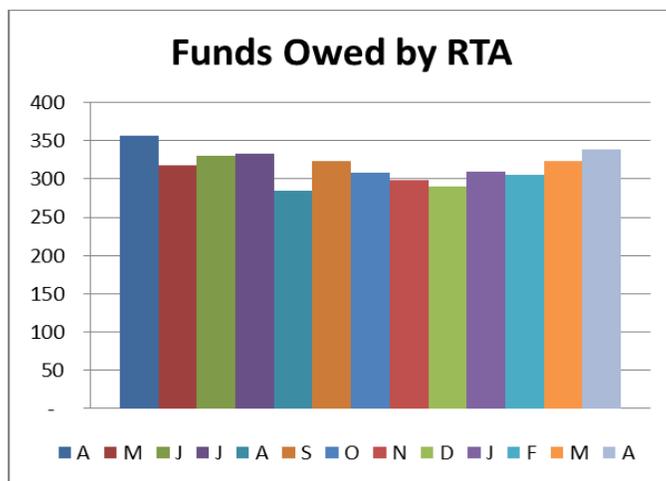
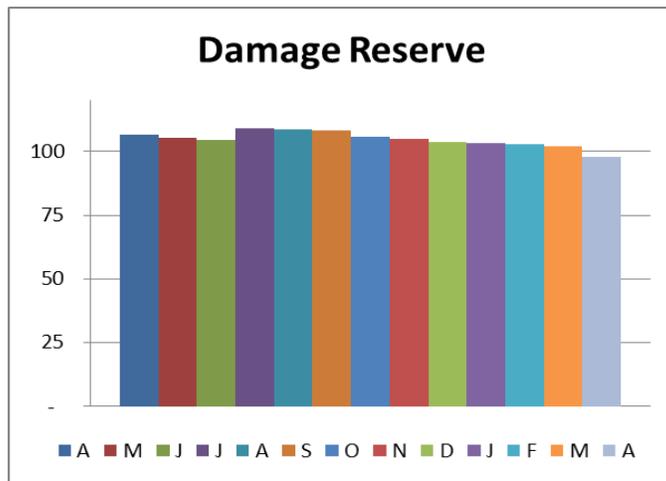
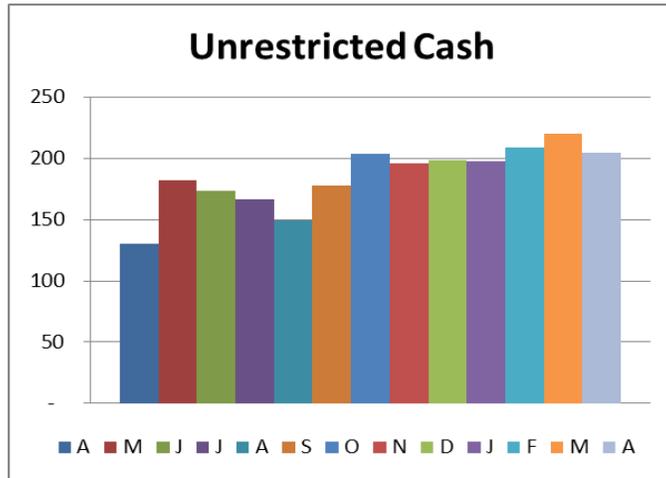
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 54.52% for the month. This was favorable to budget by 1.05 percentage points.

VI. Ridership

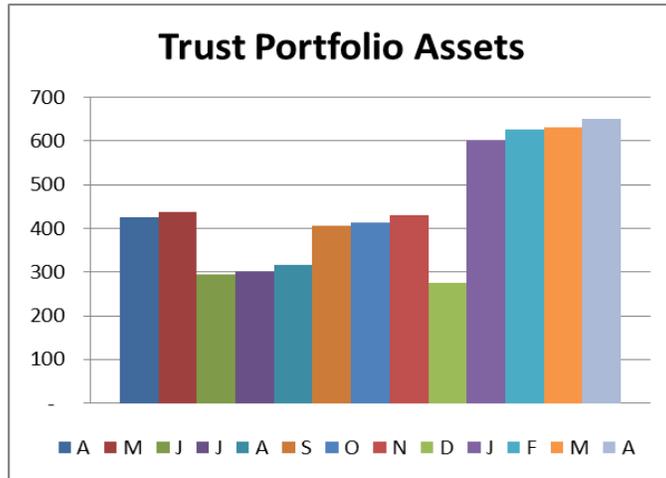
Category	Current Month			Full Year		
	Actual Apr-17	Variance to Budget Apr-17	Variance to Prior Year Apr17 vs. Apr16	Actual 2017	Variance to Budget 2017	Variance to Prior Year 2016
Bus	20,111	(345)	(1,597)	81,705	(605)	(5,562)
Rail	15,169	(1,262)	(972)	60,011	(4,009)	(2,856)
Rail to Rail Transfers	3,437	(213)	(219)	13,379	(701)	(645)
Total	38,718	(1,820)	(2,788)	155,095	(5,316)	(9,063)

- Ridership for the month of April was 38.7 million and was lower than budget and prior year by 1.8 million and 2.8 million, respectively.
- Calendar adjusted ridership was down 4.6% from prior year due to low gas prices and competition from rideshare services such as Uber and Lyft.
- Ridership for the year-to-date was 155.1 million and was 5.3 million less than budget and 9.1 million lower than the prior year-to-date. Calendar adjusted ridership was down 4.5% from the prior year-to-date.
- More details on ridership can be found in the April Ridership Report.

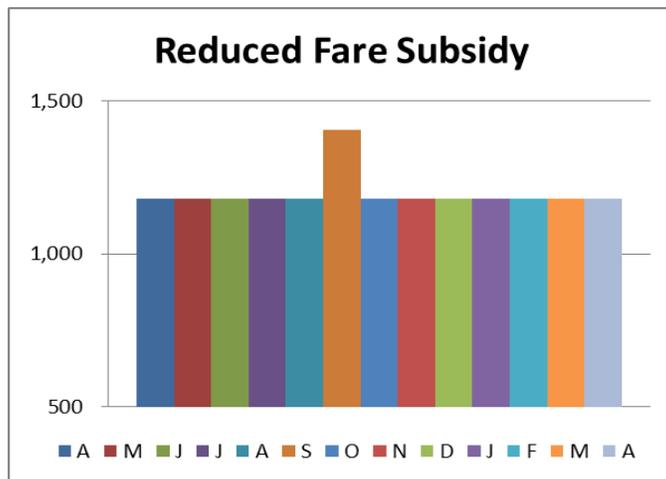
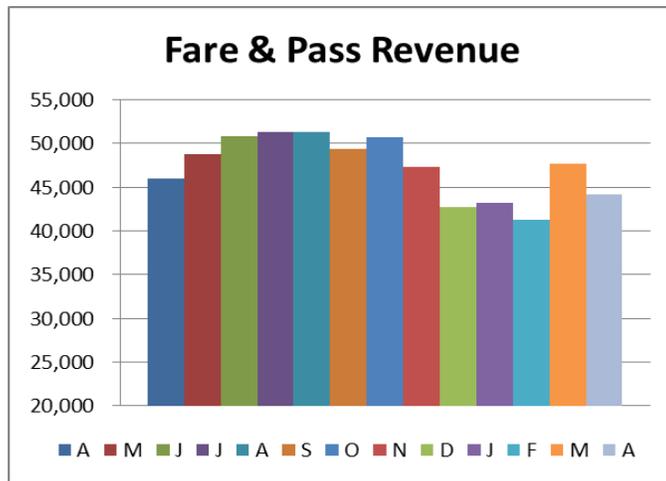
Cash



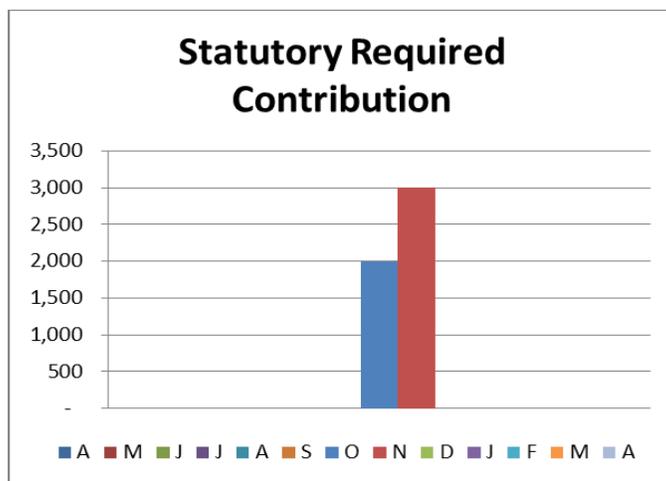
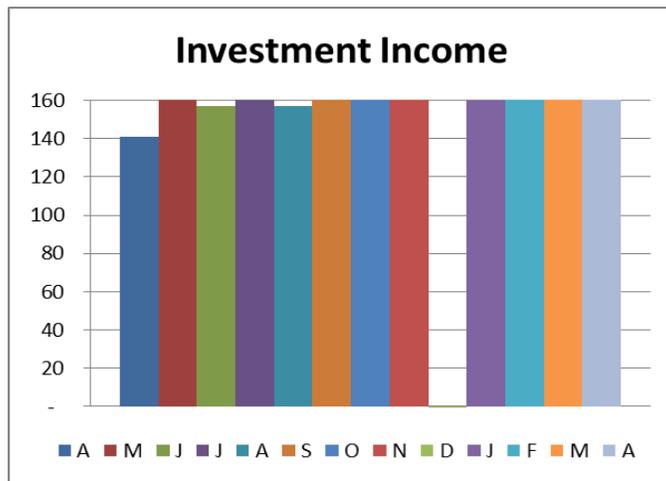
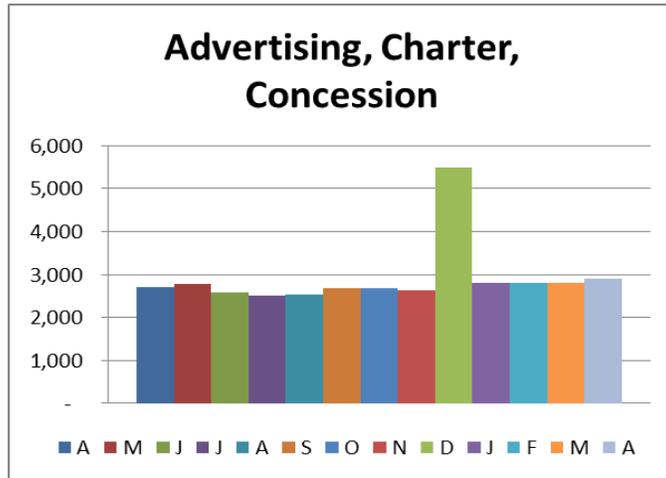
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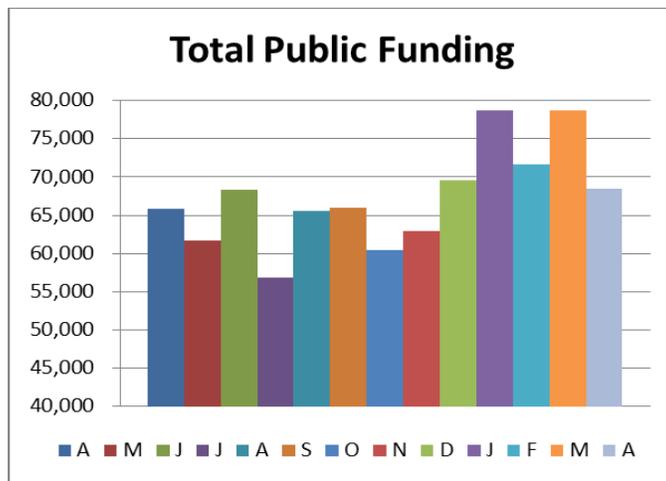
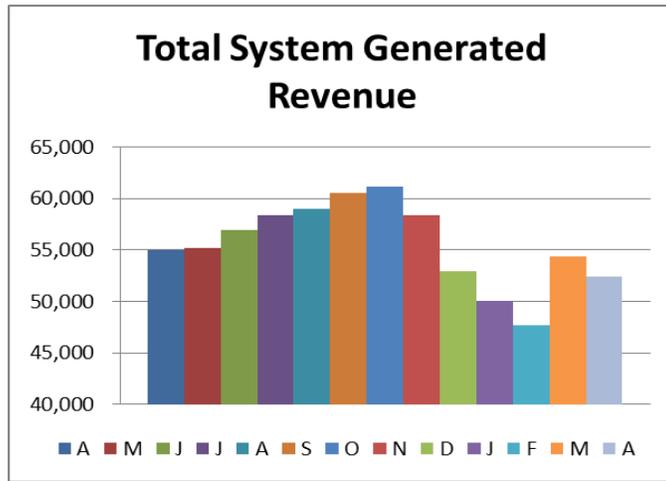
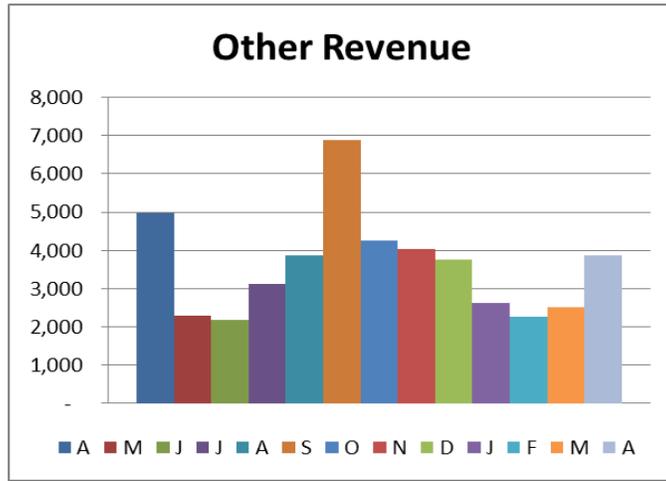
Revenue



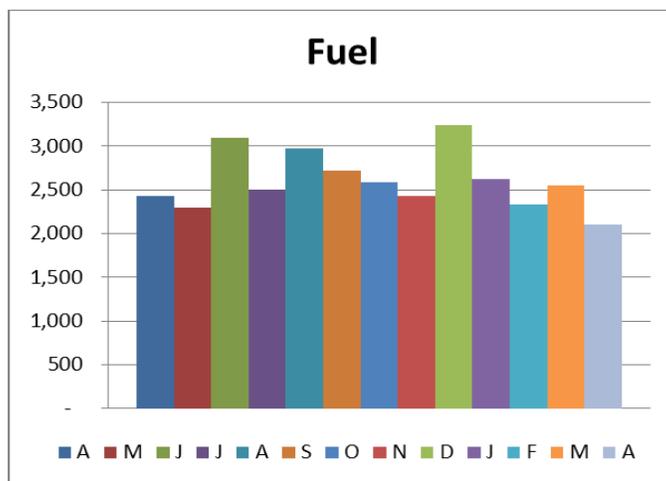
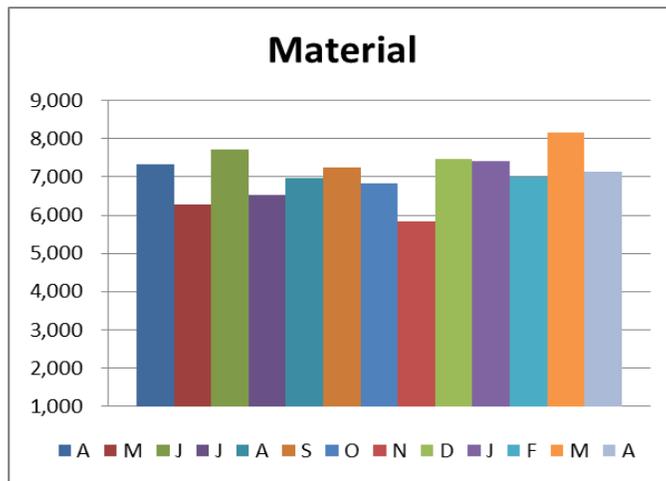
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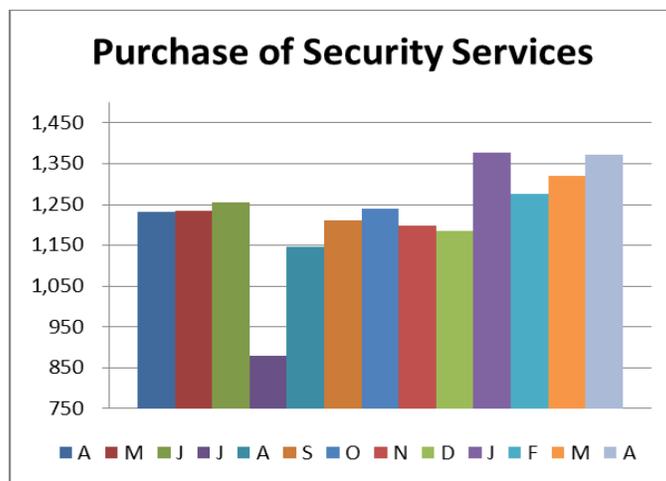
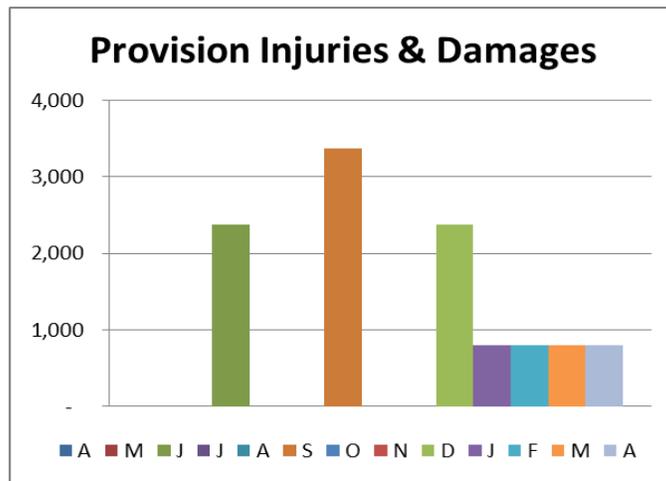
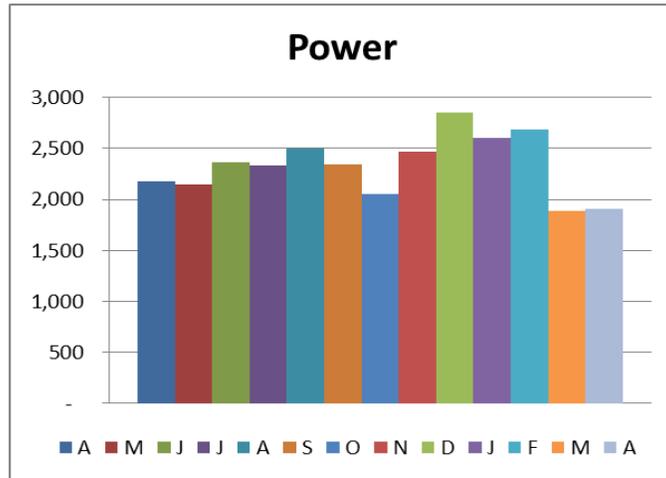
Revenue Continued



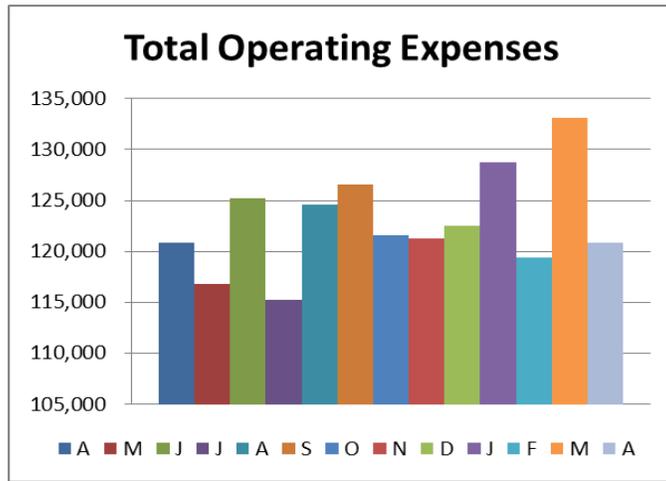
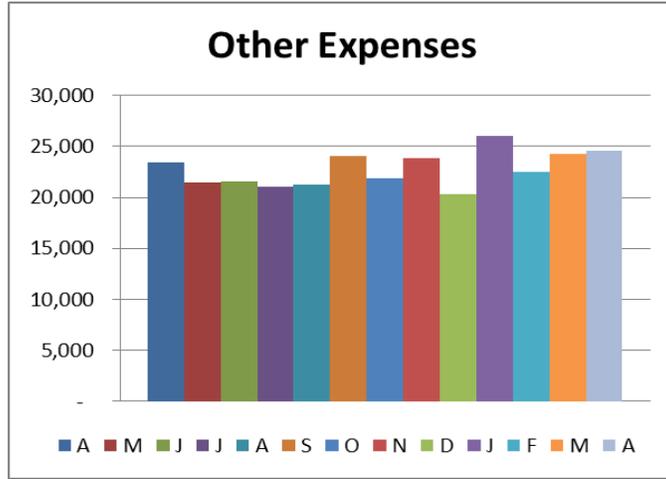
Revenue Continued



Expenses



Expenses Continued



Cash	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Unrestricted Cash	130	183	174	167	149	178	204	196	199	197	209	220	205
Damage Reserve	106	106	105	109	109	108	106	105	104	103	103	102	98
Funds Owed by RTA	357	318	330	334	285	323	308	298	290	310	305	323	339
Trust Portfolio Assets	427	439	295	302	316	405	413	429	275	603	626	631	650

Revenue	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Fare & Pass Revenue	45,982	48,827	50,829	51,376	51,278	49,431	50,764	47,357	42,688	43,174	41,278	47,650	44,171
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,180	1,404	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Advertising, Charter, Concession	2,701	2,768	2,578	2,516	2,541	2,686	2,690	2,637	5,493	2,816	2,807	2,803	2,914
Investment Income	141	165	157	166	157	165	203	174	(155)	211	190	233	229
Statutory Required Contribution	-	-	-	-	-	-	2,000	3,000	-	-	-	-	-
Other Revenue	4,975	2,287	2,165	3,119	3,861	6,873	4,266	4,046	3,743	2,618	2,248	2,499	3,875
Total System Generated Revenue	54,979	55,228	56,909	58,356	59,017	60,559	61,103	58,394	52,950	49,999	47,703	54,365	52,368
Total Public Funding	65,885	61,619	68,350	56,854	65,541	65,967	60,422	62,881	69,551	78,707	71,699	78,690	68,519

Expenses	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Labor	84,268	83,416	86,891	81,953	89,715	85,558	86,924	85,560	85,016	87,882	82,845	94,055	82,989
Material	7,325	6,268	7,725	6,528	6,957	7,248	6,826	5,828	7,482	7,415	6,985	8,173	7,137
Fuel	2,435	2,303	3,094	2,505	2,980	2,726	2,584	2,433	3,242	2,627	2,335	2,548	2,103
Power	2,173	2,150	2,360	2,337	2,495	2,347	2,048	2,465	2,856	2,601	2,684	1,881	1,907
Provision Injuries & Damages	-	-	2,375	-	-	3,375	-	-	2,375	792	792	792	792
Purchase of Security Services	1,231	1,235	1,254	879	1,145	1,211	1,239	1,199	1,185	1,376	1,276	1,321	1,373
Other Expenses	23,432	21,475	21,561	21,009	21,266	24,060	21,905	23,790	20,346	26,014	22,484	24,283	24,586
Total Operating Expenses	120,864	116,847	125,258	115,210	124,558	126,525	121,525	121,274	122,502	128,706	119,402	133,054	120,887