



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for March 2016
Date: May 11, 2016

I. Summary

CTA's financial results are \$0.7 million favorable for March due to the favorable variance in labor. The first quarter of 2016 is \$2.6 million favorable to budget primarily due to lower operating expenses.

Ridership for the month was 43.7 million and was 2.1 million less than budget. Ridership was 0.9 million or 2.0% less than March 2015 due to St. Patrick's Day weather and timing of the Easter weekend

II. Cash & Liquidity

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

	Mar 2016	Mar 2015	Increase (Decrease)
Unrestricted Cash	\$ 143.8	\$ 157.1	\$ (13.3)
Damage Reserve	97.3	104.5	\$ (7.2)
Funds Owed by RTA	352.7	272.4	\$ 80.3
Trust Portfolio Assets	412.9	658.6	\$ (245.7)
Total Cash and Receivables	\$ 1,006.7	\$ 1,192.6	\$ (185.9)

CTA's total cash/receivables balance was equal to \$1.0 billion. Unrestricted cash was \$13.3 million less than the prior year due to timing of certain invoice payments. The Damage Reserve is sufficiently funded and was \$7.2 million lower than last year reflecting payouts for settled claims. Funds owed by the RTA were approximately \$352.7 million which was \$80.3 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 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
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Fare & Pass Revenue	\$ 49,680	\$ 197	\$ 1,089	\$ 138,474	\$ 62	\$ 3,678

- Fare and pass revenue for March was \$0.2 million favorable to budget and \$1.1 million favorable to prior year. The favorable variance to prior year is due to milder weather. The average fare for the month was \$1.14 and was \$0.06 higher than budget and \$0.05 more than prior year. This increase in average fare in March is due to higher rail full fare and 30-day pass revenues.
- Year-to-date fare and pass revenue was slightly higher than budget but was \$3.7 million more than prior year. The favorable variance to prior year is due to a combination of milder weather and one additional weekday. Chicago experienced severe winter weather conditions in 2015, with the month of February tying the record for the coldest February ever in Chicago and was the third-snowiest February on record. The average fare for the year was \$1.13 per ride and was \$0.02 more than budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ 1,180	\$ 3,540	\$ (3,540)	\$ (1,180)

- Reduced Fare Subsidy was less than budget for the month and year-to-date by \$1.2 million and \$3.5 million, respectively, 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
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Advertising, Charter, Concession	\$ 2,775	\$ 85	\$ 448	\$ 8,409	\$ 430	\$ 1,281

- Advertising, Charter and Concessions Revenue was slightly higher than budget for the month and was \$0.4 million more for the year-to-date due to higher vehicle and platform advertising. The increase over prior year-to-date was also due to higher vehicle and platform advertising.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Investment income	\$ 156	\$ 82	\$ 65	\$ 435	\$ 215	\$ (127)

- 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 decrease over prior year to date is due to year-end market value adjustments.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Other Revenue	\$ 2,604	\$ 417	\$ (565)	\$ 8,027	\$ 1,779	\$ 302

- Other Revenue was \$0.4 higher than budget for the month due to additional pass-through non-capital grant revenues, and favorable to year-to-date budget and prior year primarily due to the sale of surplus property.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Total System Generated Revenue	\$ 56,395	\$ (399)	\$ 2,217	\$ 158,885	\$ (1,054)	\$ 3,954

- Total System-Generated Revenue was \$0.4 million less than budget for the month due to uncertainty in reduced fare subsidy revenue, and \$2.2 million more than March 2015 primarily due to higher fare and pass revenue. The year-to-date is \$1.1 million less than budget due to the uncertainty regarding the State budget and funding for the free and reduced fare mandates. The year-to-date system-generated revenue is \$4.0 million more than prior year due higher farebox revenue, advertising revenue and sale of surplus property.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Labor	\$ 89,550	\$ 1,085	\$ (4,838)	\$ 257,745	\$ (2)	\$ (12,918)

- Labor expense was \$1.1 million favorable to budget for the month due to vacant positions. Contractual wage increases that took effect in July 2015 and slightly higher fringe benefits in 2016 contributed to higher expenses compared to the prior March and to 2015 year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Material	\$ 7,850	\$ (637)	\$ (1,170)	\$ 20,734	\$ 608	\$ (297)

- Material expense was \$0.6 million unfavorable to budget for the month due to timing differences and is \$0.6 million favorable for the year to date. Material expense for the first quarter of 2016 was \$0.3 million higher than 2015.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Fuel	\$ 3,046	\$ (83)	\$ 1,468	\$ 8,438	\$ 584	\$ 4,729

- Fuel for Revenue Equipment expense was slightly higher than budget for the month. Fuel expense is \$4.7 million favorable to the prior year-to-date primarily due to the significant reduction in the price of diesel fuel, slightly lower usage and a small increase in fuel efficiency.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Power	\$ 2,190	\$ 440	\$ 533	\$ 8,053	\$ 867	\$ 1,009

- The Electric Power for Revenue Equipment expense was \$0.4 million and \$0.5 million favorable to budget and prior year, respectively. Lower consumption accounted for the \$0.4 million variance to budget. The year to date favorable variance is due to both lower consumption and favorable prices. February 2016 was the second warmest February in the last ten years, contributing to lower consumption and price.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Purchase of Security Services	\$ 1,251	\$ (26)	\$ (84)	\$ 3,517	\$ 157	\$ (60)

- Purchase of Security Services was \$0.2 million favorable to budget for the year to date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Other Expenses	\$ 23,195	\$ 367	\$ 992	\$ 68,528	\$ 1,450	\$ 1,430

- Other Expenses were favorable to budget and prior year by \$0.4 million and \$1.0 million, respectively. The variance to budget and prior year was due to the timing of contractual expenses. Higher non-capital grant expenses of \$0.3 million are offset by a corresponding increase in revenue. 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
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Total Operating Expenses	\$ 129,457	\$ 1,146	\$ (5,474)	\$ 369,389	\$ 3,664	\$ (8,483)

- Operating Expenses were \$1.1 million favorable to budget for the month due to favorability in labor, power and other expense categories. The unfavorable variance to prior year 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
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Recovery Ratio	51.76%	0.36		51.40%	0.38	

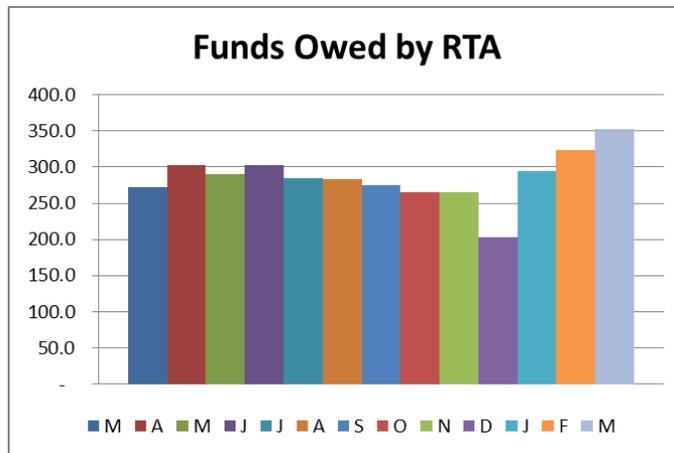
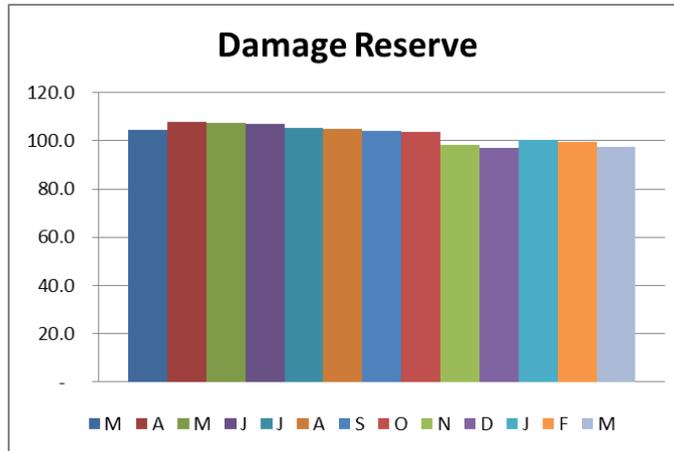
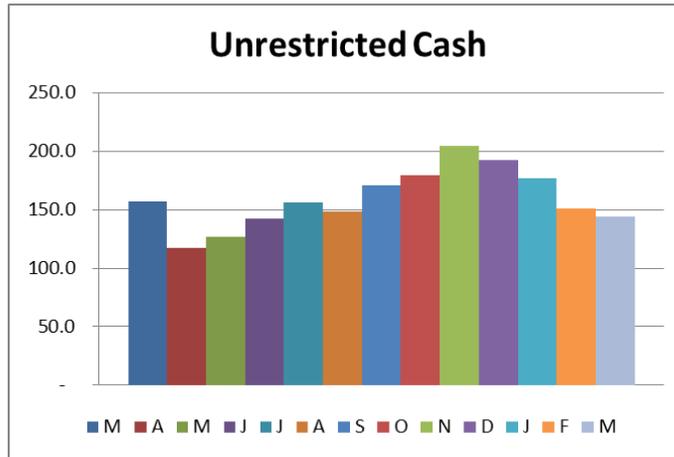
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 51.76% for the month. This was favorable to budget by 0.36 percentage points. For the year-to-date the recovery ratio is 51.40%.

VI. Ridership

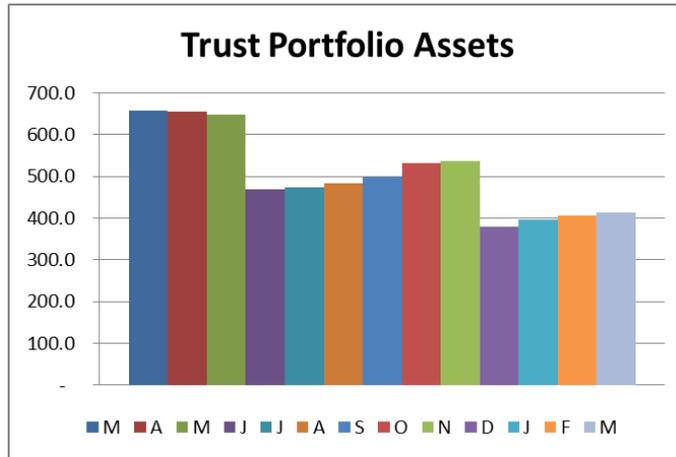
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-16	Budget Mar-16	Prior Year Mar16 vs. Mar15	2016	Budget 2016	Prior Year 2015
Bus	23,341	(1,659)	(1,180)	65,559	(2,715)	(1,340)
Rail	16,678	(371)	229	46,727	15	1,481
Rail to Rail Transfers	3,690	(75)	42	10,367	46	321
Total	43,708	(2,105)	(910)	122,653	(2,655)	462

- Ridership for the month of March was 43.7 million and was lower than budget and prior year by 2.1 million and 0.9 million, respectively.
- Calendar adjusted ridership was down 4.2% from prior year due to St. Patrick's Day weather and timing of the Easter weekend
- Ridership for the year-to-date was 122.7 million and was 2.7 million less than budget but was 0.5 million more than the prior year-to-date. Calendar adjusted ridership was down 0.9% from the prior year-to-date.
- More details on ridership can be found in the March Ridership Report.

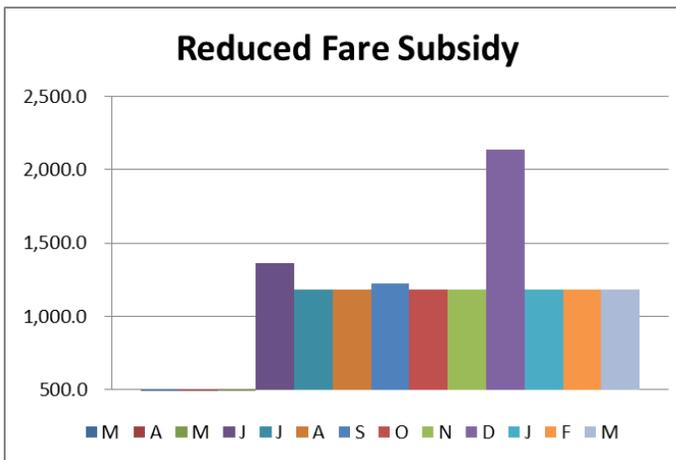
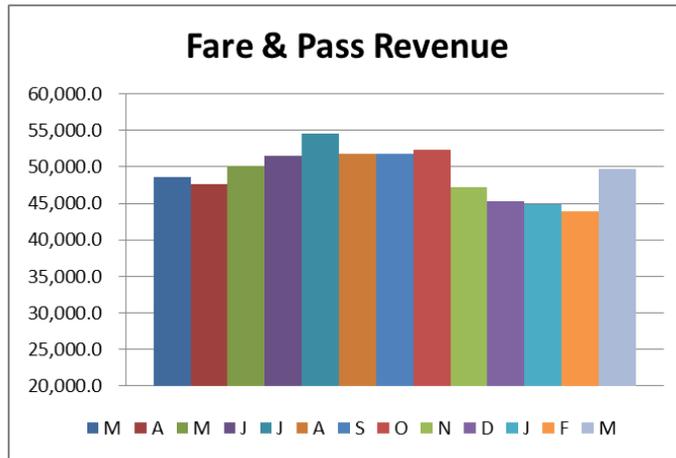
Cash and Liquidity



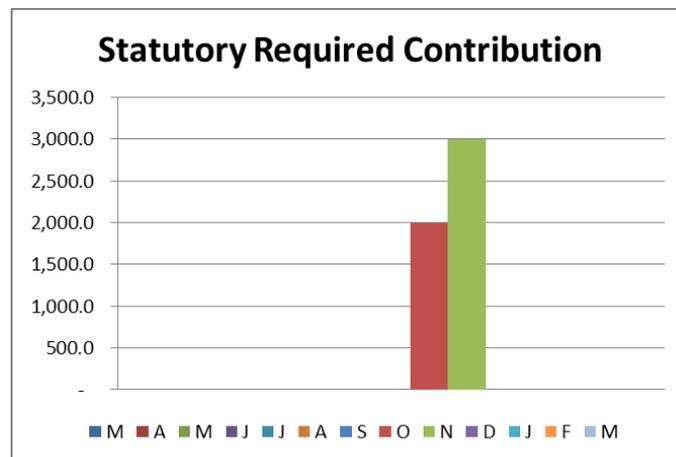
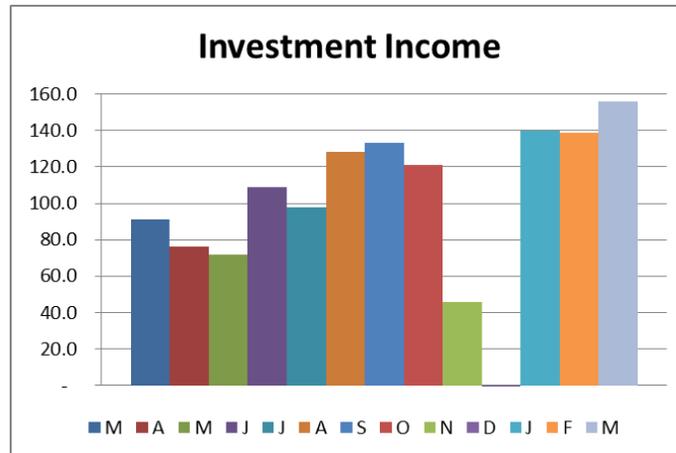
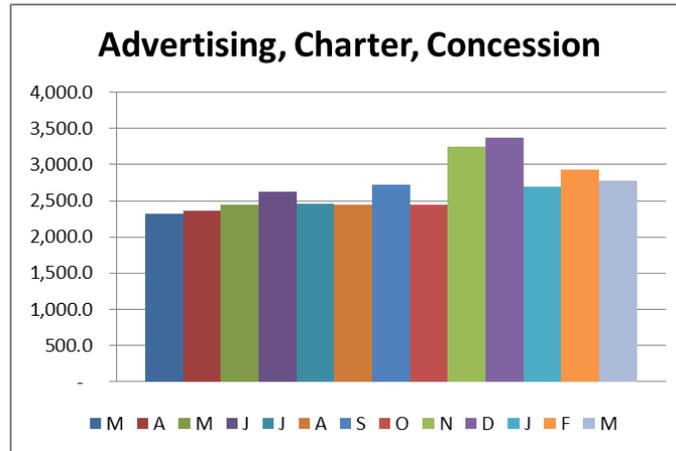
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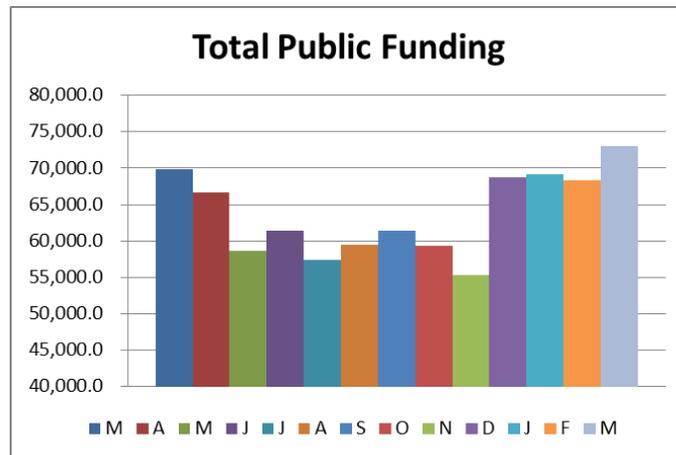
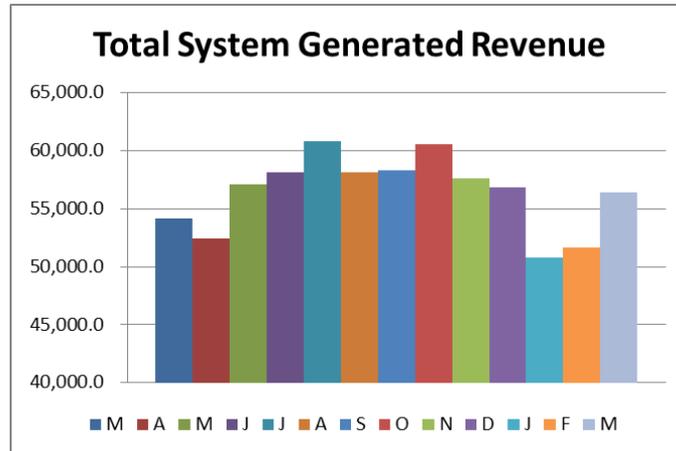
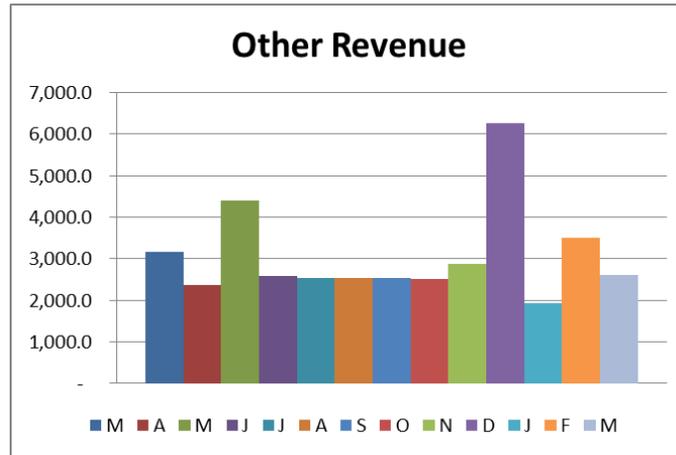
Revenue



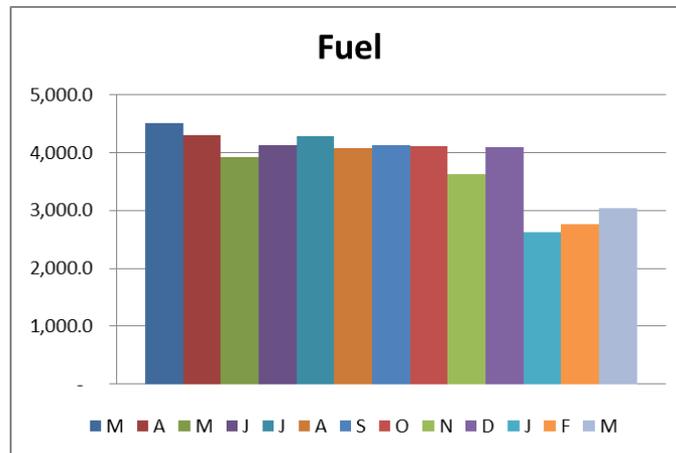
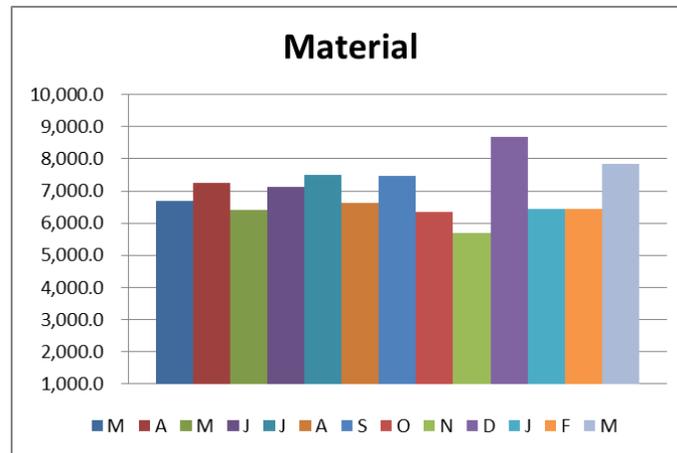
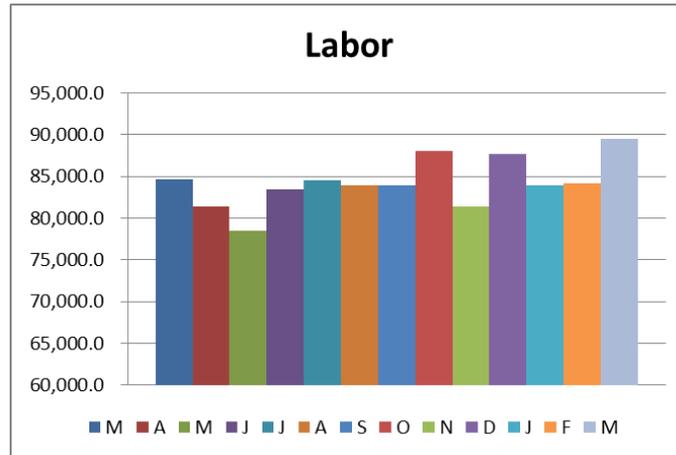
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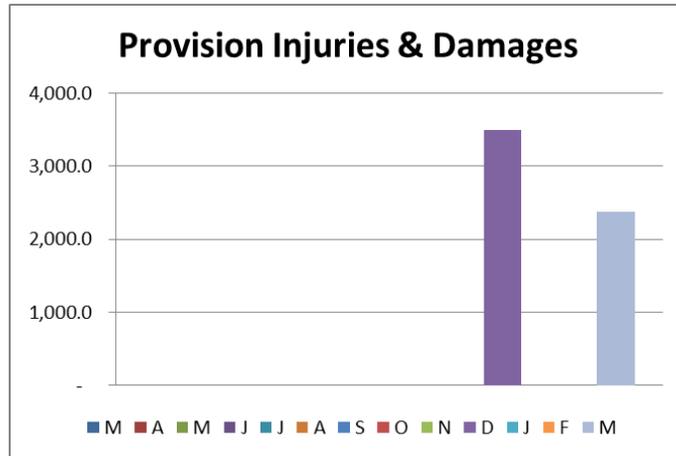
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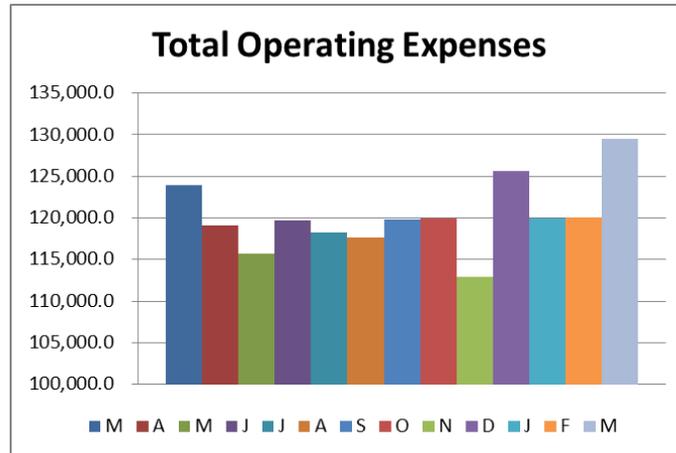
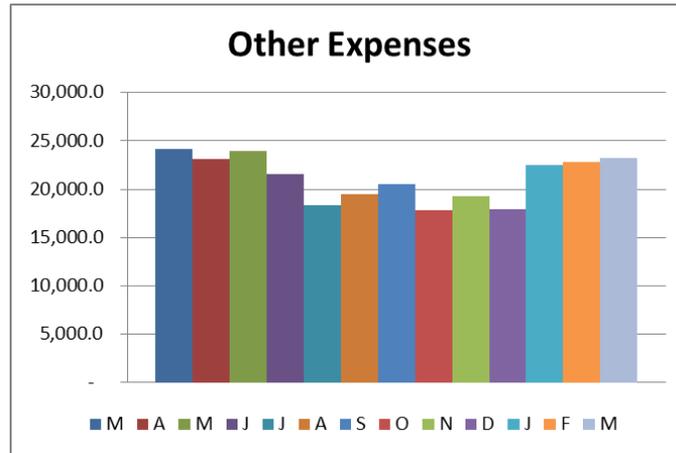
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct 205	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Unrestricted Cash	157.1	117.7	126.8	142.8	156.2	148.7	170.8	179.7	204.4	192.6	176.9	151.2	143.8
Damage Reserve	104.5	107.8	107.5	107.1	105.2	104.9	104.0	103.7	98.1	97.0	100.3	99.6	97.3
Funds Owed by RTA	272.4	302.8	290.7	302.1	284.0	282.6	274.9	264.8	265.5	202.8	294.3	323.4	352.7
Trust Portfolio Assets	658.6	656.0	649.5	468.6	474.3	483.0	499.0	532.1	536.1	378.4	396.5	406.2	412.9

Revenue	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct 205	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Fare & Pass Revenue	48,591.0	47,656.0	50,189.0	51,494.0	54,539.0	51,825.0	51,736.0	52,286.0	47,247.0	45,339.0	44,877.0	43,918.0	49,680.0
Reduced Fare Subsidy	-	-	-	1,360.0	1,180.0	1,180.0	1,224.0	1,180.0	1,180.0	2,136.0	1,180.0	1,180.0	1,180.0
Advertising, Charter, Concession	2,327.0	2,361.0	2,439.0	2,625.0	2,461.0	2,440.0	2,726.0	2,445.0	3,251.0	3,366.0	2,698.0	2,935.0	2,775.0
Investment Income	91.0	76.0	72.0	109.0	98.0	128.0	133.0	121.0	46.0	(222.0)	140.0	139.0	156.0
Statutory Required Contribution	-	-	-	-	-	-	-	2,000.0	3,000.0	-	-	-	-
Other Revenue	3,170.0	2,377.0	4,404.0	2,588.0	2,526.0	2,545.0	2,534.0	2,514.0	2,867.0	6,255.0	1,926.0	3,497.0	2,604.0
Total System Generated Revenue	54,179.0	52,471.0	57,103.0	58,175.0	60,803.0	58,118.0	58,352.0	60,547.0	57,591.0	56,875.0	50,821.0	51,669.0	56,395.0
Total Public Funding	69,807.0	66,651.0	58,644.0	61,467.0	57,411.0	59,502.0	61,411.0	59,352.0	55,347.0	68,786.0	69,099.0	68,343.0	73,061.0

Expenses	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct 205	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Labor	84,712.0	81,448.0	78,455.0	83,416.0	84,539.0	83,886.0	83,913.0	88,024.0	81,340.0	87,639.0	83,998.0	84,197.0	89,550.0
Material	6,680.0	7,243.0	6,418.0	7,133.0	7,488.0	6,612.0	7,455.0	6,356.0	5,684.0	8,682.0	6,451.0	6,433.0	7,850.0
Fuel	4,514.0	4,301.0	3,915.0	4,124.0	4,284.0	4,084.0	4,134.0	4,116.0	3,619.0	4,086.0	2,625.0	2,766.0	3,046.0
Power	2,723.0	1,841.0	1,793.0	2,161.0	2,319.0	2,364.0	2,535.0	2,403.0	1,863.0	2,477.0	3,102.0	2,761.0	2,190.0
Provision Injuries & Damages	-	-	-	-	-	-	-	-	-	3,500.0	-	-	2,375.0
Purchase of Security Services	1,167.0	1,199.0	1,245.0	1,229.0	1,200.0	1,211.0	1,201.0	1,201.0	1,184.0	1,303.0	1,202.0	1,064.0	1,251.0
Other Expenses	24,186.0	23,091.0	23,920.0	21,580.0	18,383.0	19,463.0	20,526.0	17,798.0	19,249.0	17,974.0	22,541.0	22,792.0	23,195.0
Total Operating Expenses	123,982.0	119,122.0	115,747.0	119,642.0	118,214.0	117,620.0	119,764.0	119,898.0	112,939.0	125,661.0	119,920.0	120,012.0	129,457.0