



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for March 2017  
Date: May 10, 2017

### I. Summary

CTA's financial results are \$0.6 million favorable to budget for March primarily due to lower operating expenses. Results are \$0.3 million unfavorable to budget for year-to-date due to lower fare, pass, and reduced fare revenue.

Ridership for the month was 41.7 million and was 2.0 million less than budget. Ridership was 2.0 million or 4.5% less than March 2016. Low gas prices and competition from rideshare services such as Uber and Lyft contributed to the loss.

### II. Cash & Liquidity

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

	March 2017	March 2016	Increase (Decrease)
Unrestricted Cash	\$ 219.5	\$ 143.8	\$ 75.7
Damage Reserve	102.2	97.3	\$ 4.9
Funds Owed by RTA	322.5	352.7	\$ (30.2)
Trust Portfolio Assets	630.5	412.9	\$ 217.6
Total Cash and Receivables	\$ 1,274.7	\$ 1,006.7	\$ 268.0

CTA's total cash/receivables balance was equal to \$1.3 billion. Unrestricted cash was \$75.7 million higher than the prior year due to timing of cash receipts and invoice payments. The Damage Reserve is sufficiently funded and was \$4.9 million higher than last year due to a transfer based on budgeted levels. Funds owed by the RTA were approximately \$322.5 million which was \$30.2 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 Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Mar-17	Mar-17	Mar17 vs. Mar16	2017	2017	2016
Fare & Pass Revenue	\$ 47,650	\$ (1,191)	\$ (2,030)	\$ 132,102	\$ (5,104)	\$ (6,373)

- Fare and pass revenue for March was \$1.2 million unfavorable to budget due to lower-than-anticipated rail full fare and pass revenue. It was unfavorable to prior year by \$2.0 million due to timing of revenue last year and lower bus and rail full fare revenue. The average fare for the month was \$1.14 and was \$0.03 higher than budget and \$0.01 higher than the prior year.
- Year-to-date fare and pass revenue was \$5.1 million unfavorable to budget and \$6.4 million lower compared to prior year due to lower ridership. The average fare for the year was \$1.14 per ride and was \$0.01 less than budget.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Mar-17	Mar-17	Mar17 vs. Mar16	2017	2017	2016
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 3,540	\$ (3,540)	\$ -

- Reduced Fare Subsidy was unfavorable to budget for the month and year-to-date by \$1.2 million and \$3.5 million, respectively, based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Mar-17	Mar-17	Mar17 vs. Mar16	2017	2017	2016
Advertising, Charter, Concession	\$ 2,803	\$ (5)	\$ 27	\$ 8,425	\$ 12	\$ 17

- Advertising, Charter and Concessions Revenue was at budget and slightly higher than prior year mainly due to higher vehicle and platform advertising revenue. Year-to-date revenue was at budgeted and prior year levels.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Investment income	\$ 233	\$ 139	\$ 77	\$ 634	\$ 353	\$ 199

- Investment income was \$0.1 million higher than budget for the month and \$0.4 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Other Revenue	\$ 2,499	\$ 140	\$ (105)	\$ 7,365	\$ 506	\$ (662)

- Other Revenue was favorable to budget by \$0.1 million due to higher scrap material sales and rental revenue. It was unfavorable to prior year by \$0.1 million due to lower non-capital grant revenue. The year-to-date was favorable to budget by \$0.5 million due to higher park & ride and rental revenues. Other revenue was \$0.7 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Total System Generated Revenue	\$ 54,365	\$ (2,097)	\$ (2,031)	\$ 152,066	\$ (7,774)	\$ (6,819)

- Total System-Generated Revenue was less than budget for the month and year-to-date by \$2.1 million and \$7.8 million, respectively, due to lower reduced fare subsidy and fare and pass revenue. It was less than March 2016 and prior year-to-date by \$2.0 million and \$6.8 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Labor	\$ 94,055	\$ 405	\$ (4,505)	\$ 264,782	\$ 462	\$ (7,037)

- Labor expense was \$0.4 million favorable to budget for the month due to managing vacant positions. 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Material	\$ 8,173	\$ (642)	\$ (324)	\$ 22,573	\$ 83	\$ (1,839)

- Material expense was \$0.6 million unfavorable to budget for the month. The year-to-date was \$0.1 million favorable to budget due in part to better than expected weather in 2017 and lower spending on vehicle parts.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Fuel	\$ 2,548	\$ 568	\$ 498	\$ 7,511	\$ 1,576	\$ 927

- Fuel for Revenue Equipment expense was \$0.6 million favorable to budget in March primarily due to lower consumption and favorable pricing. Fuel expense was \$0.5 million and \$0.9 million favorable compared to prior March 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Power	\$ 1,881	\$ 551	\$ 309	\$ 7,166	\$ 661	\$ 886

- The Electric Power for Revenue Equipment expense was \$0.6 million favorable to budget for the month due to lower prices. Year-to-date, expenses were \$0.7 million under budget, primarily due to favorable prices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Provision for Injuries & Damages	\$ 792	\$ -	\$ 1,583	\$ 2,375	\$ -	\$ -

- The Provision for Injuries & Damages expense was \$1.6 million favorable to March 2016 and on par with 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Purchase of Security Services	\$ 1,321	\$ 82	\$ (70)	\$ 3,973	\$ 236	\$ (456)

- 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 the timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Other Expenses	\$ 24,283	\$ 1,765	\$ (1,089)	\$ 72,782	\$ 4,481	\$ (4,254)

- Other Expenses were favorable to budget by \$1.8 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Total Operating Expenses	\$ 133,054	\$ 2,730	\$ (3,597)	\$ 381,162	\$ 7,500	\$ (11,773)

- Operating Expenses were \$2.7 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
	Mar-17	Budget Mar-17	Prior Year Mar17 vs. Mar16	2017	Budget 2017	Prior Year 2016
Recovery Ratio	49.21%	(0.82)		48.42%	(1.65)	

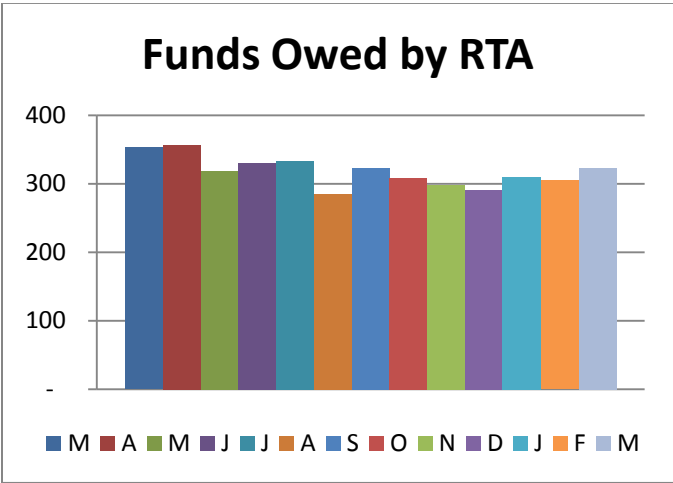
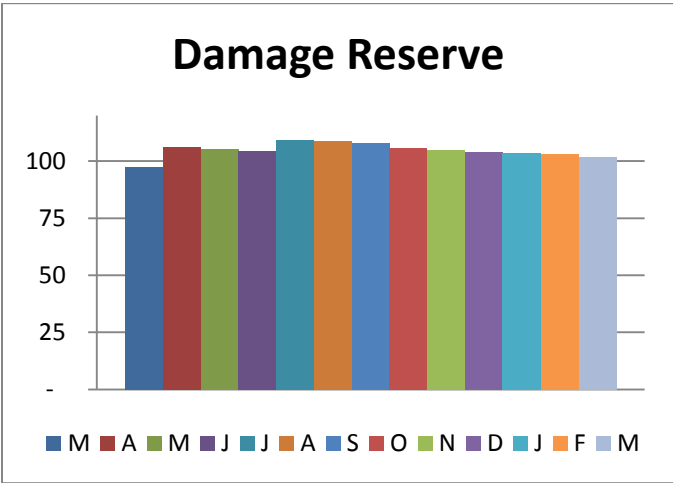
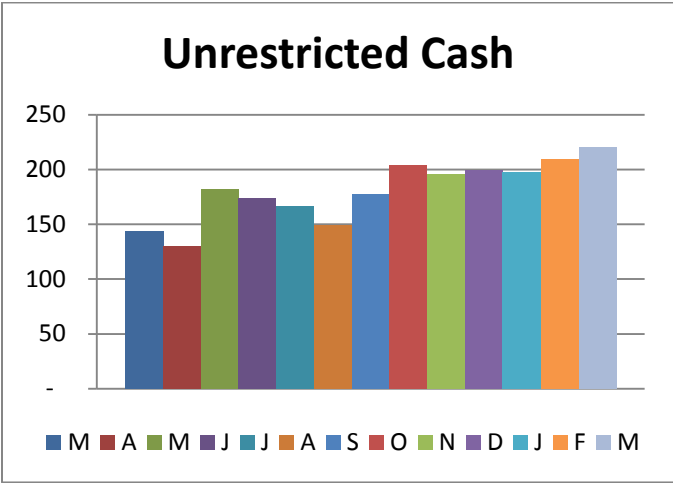
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 49.21% for the month. This was unfavorable to budget by 0.82 percentage points.

## VI. Ridership

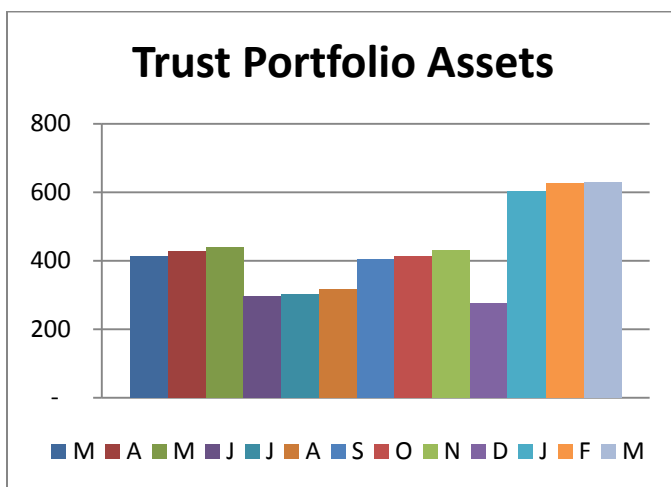
Category	Current Month			Full Year		
	Actual Mar-17	Variance to Budget Mar-17	Variance to Prior Year Mar17 vs. Mar16	Actual 2017	Variance to Budget 2017	Variance to Prior Year 2016
Bus	22,122	(502)	(1,218)	61,594	(261)	(3,965)
Rail	16,073	(1,323)	(605)	44,842	(2,748)	(1,884)
Rail to Rail Transfers	3,553	(223)	(137)	9,942	(488)	(426)
<b>Total</b>	<b>41,749</b>	<b>(2,048)</b>	<b>(1,960)</b>	<b>116,378</b>	<b>(3,496)</b>	<b>(6,275)</b>

- Ridership for the month of March was 41.7 million and was lower than budget and prior year by 2.0 million and 2.0 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 116.4 million and was 3.5 million less than budget and was 6.3 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 March Ridership Report.

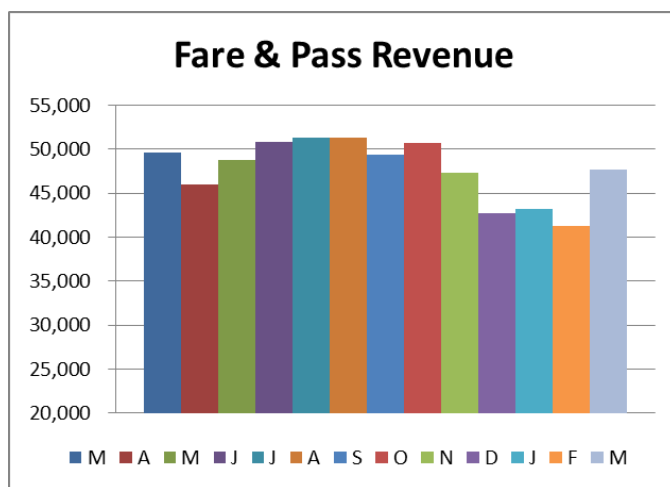
Cash & Liquidity



### Cash & Liquidity

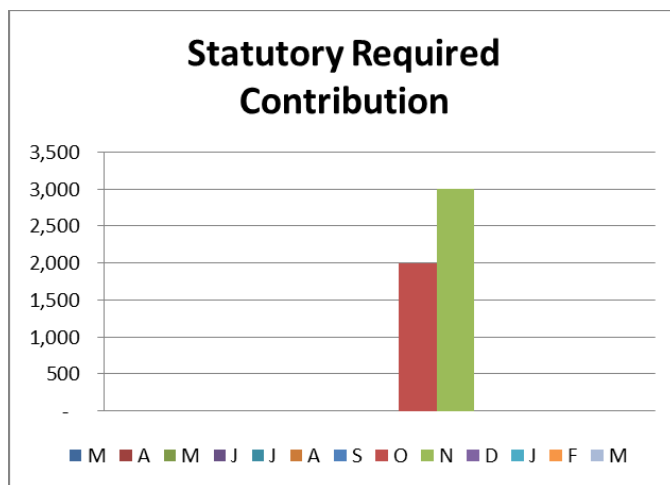
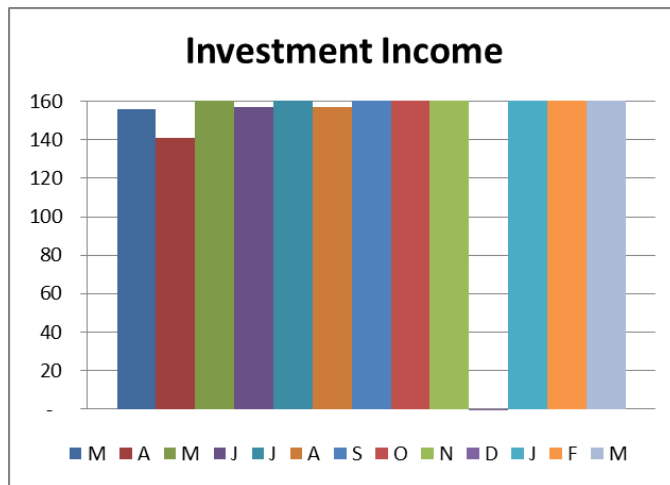
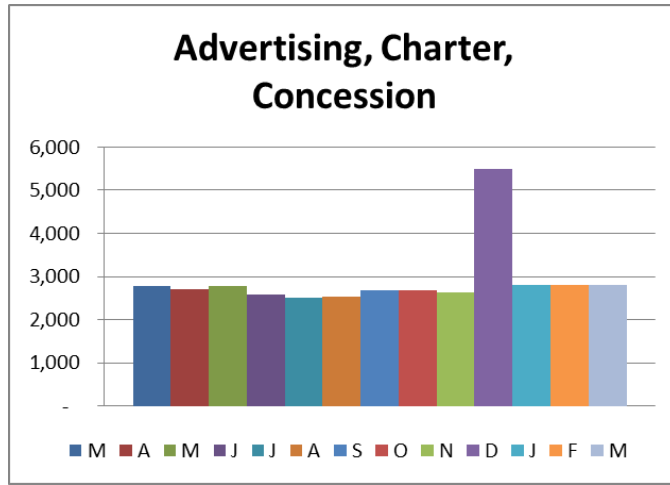


### Revenue

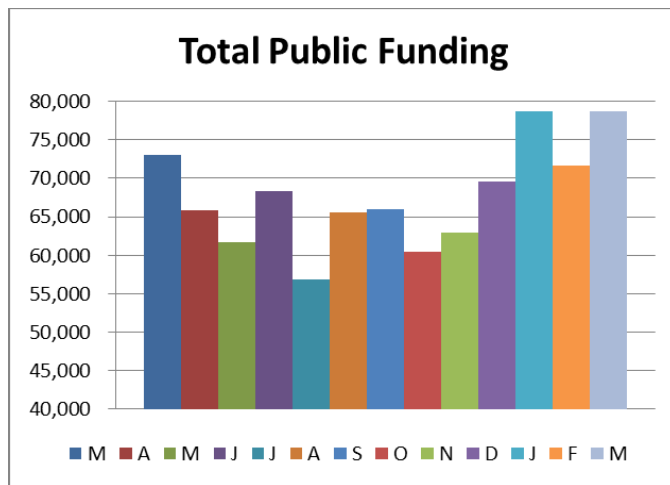
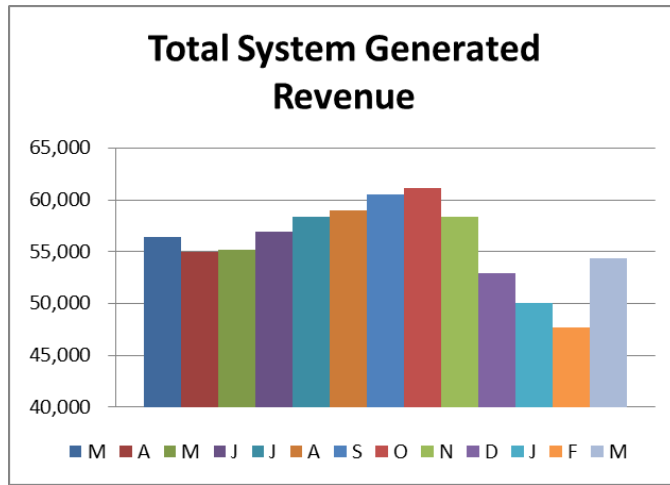
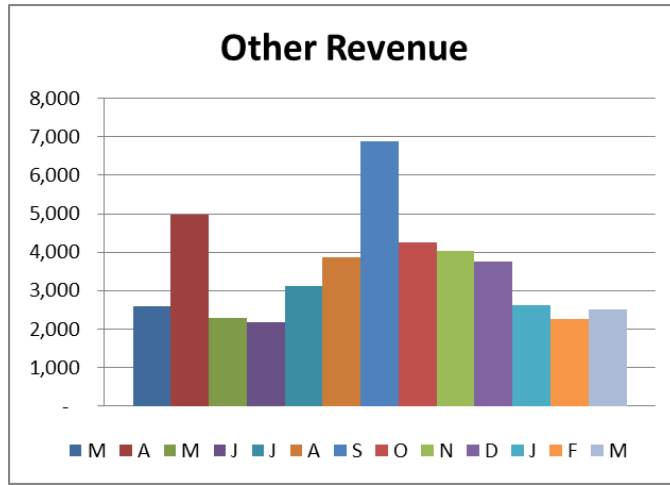




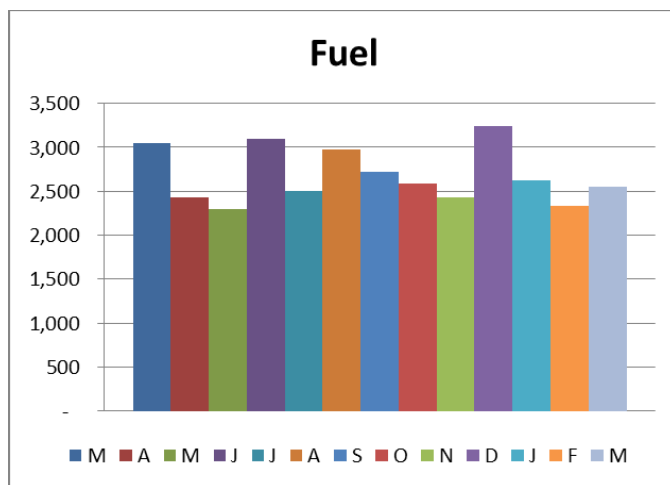
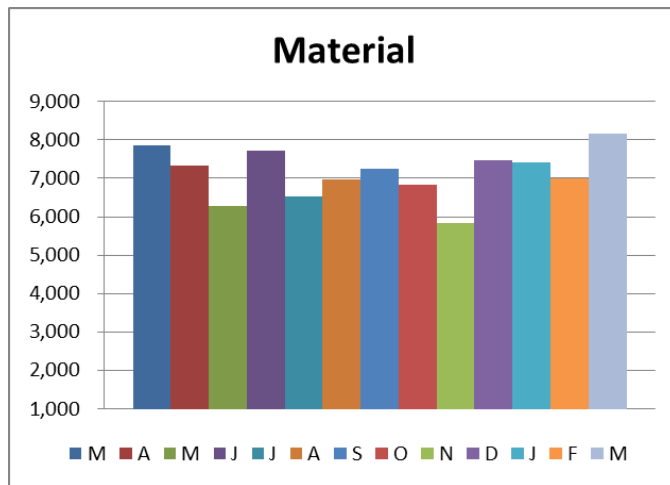
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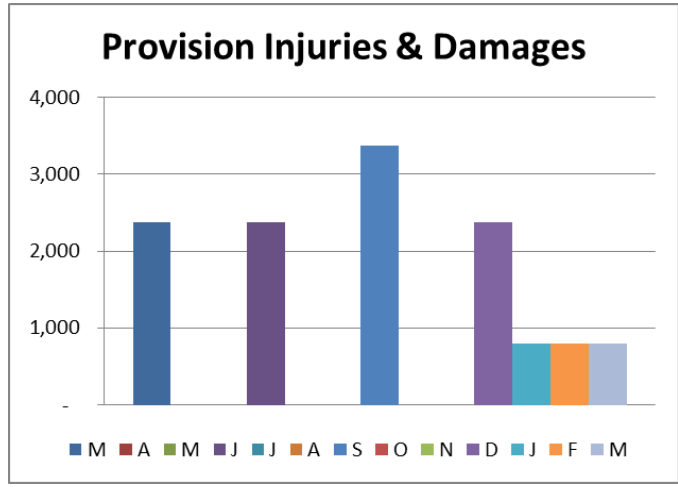
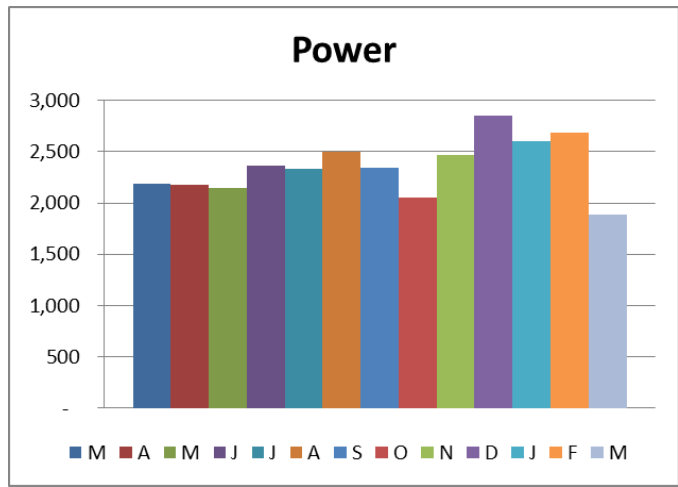
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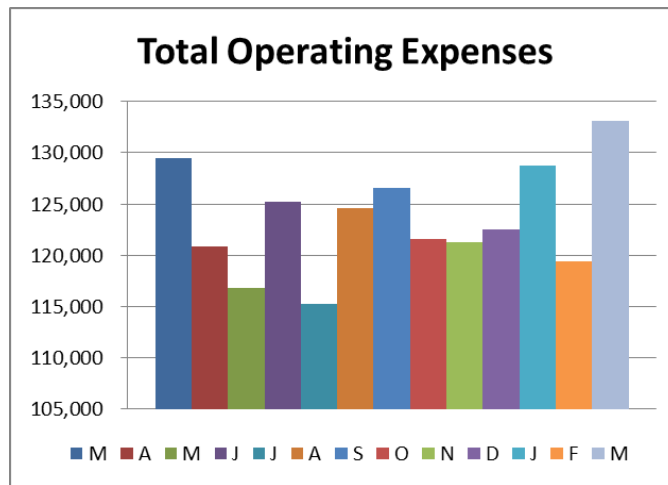
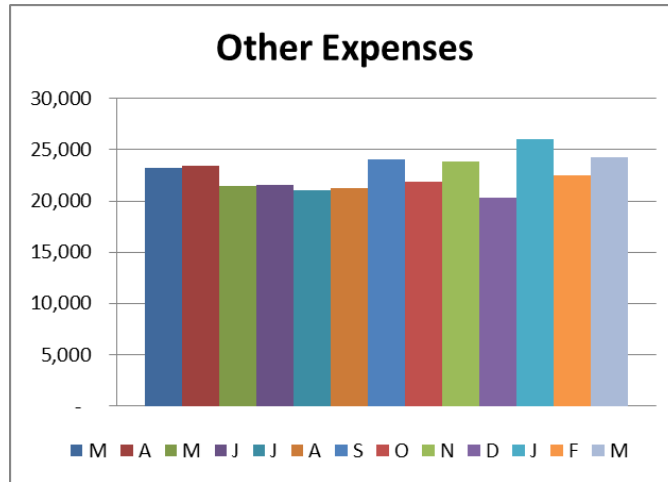
## Expenses



## Expenses Cont'd



## Expenses Cont'd



<b>Cash</b>	<b>Mar-16</b>	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>
Unrestricted Cash	144	130	183	174	167	149	178	204	196	199	197	209	220
Damage Reserve	97	106	106	105	109	109	108	106	105	104	103	103	102
Funds Owed by RTA	353	357	318	330	334	285	323	308	298	290	310	305	323
Trust Portfolio Assets	413	427	439	295	302	316	405	413	429	275	603	626	631

<b>Revenue</b>	<b>Mar-16</b>	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>
Fare & Pass Revenue	49,680	45,982	48,827	50,829	51,376	51,278	49,431	50,764	47,357	42,688	43,174	41,278	47,650
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,180	1,180	1,404	1,180	1,180	1,180	1,180	1,180	1,180
Advertising, Charter, Concession	2,775	2,701	2,768	2,578	2,516	2,541	2,686	2,690	2,637	5,493	2,816	2,807	2,803
Investment Income	156	141	165	157	166	157	165	203	174	(155)	211	190	233
Statutory Required Contribution	-	-	-	-	-	-	-	2,000	3,000	-	-	-	-
Other Revenue	2,604	4,975	2,287	2,165	3,119	3,861	6,873	4,266	4,046	3,743	2,618	2,248	2,499
Total System Generated Revenue	56,395	54,979	55,228	56,909	58,356	59,017	60,559	61,103	58,394	52,950	49,999	47,703	54,365
Total Public Funding	73,061	65,885	61,619	68,350	56,854	65,541	65,967	60,422	62,881	69,551	78,707	71,699	78,690

<b>Expenses</b>	<b>Mar-16</b>	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>
Labor	89,550	84,268	83,416	86,891	81,953	89,715	85,558	86,924	85,560	85,016	87,882	82,845	94,055
Material	7,850	7,325	6,268	7,725	6,528	6,957	7,248	6,826	5,828	7,482	7,415	6,985	8,173
Fuel	3,046	2,435	2,303	3,094	2,505	2,980	2,726	2,584	2,433	3,242	2,627	2,335	2,548
Power	2,190	2,173	2,150	2,360	2,337	2,495	2,347	2,048	2,465	2,856	2,601	2,684	1,881
Provision Injuries & Damages	2,375	-	-	2,375	-	-	3,375	-	-	2,375	792	792	792
Purchase of Security Services	1,251	1,231	1,235	1,254	879	1,145	1,211	1,239	1,199	1,185	1,376	1,276	1,321
Other Expenses	23,195	23,432	21,475	21,561	21,009	21,266	24,060	21,905	23,790	20,346	26,014	22,484	24,283
Total Operating Expenses	129,457	120,864	116,847	125,258	115,210	124,558	126,525	121,525	121,274	122,502	128,706	119,402	133,054