



To: Chicago Transit Authority Board
From: Ron DeNard, Chief Financial Officer
Re: Financial Results for April 2014
Date: June 11, 2014

I. Summary

CTA's financial results are \$0.6 million favorable for April and \$3.3 million unfavorable to budget for the year to date. The unfavorable variance is primarily due to higher expenses than budgeted caused by severe winter weather in the first quarter.

Ridership for the month is 44.3 million and is 0.4 million less than budget. For the year to date ridership is 166.5 million and is less than budget and prior year by 6.6 million and 6.1 million, respectively.

II. Cash & Liquidity

The chart below highlights CTA's cash position at April 2014 compared to April 2013.

	Apr 2014	Apr 2013	Increase (Decrease)
Unrestricted Cash	\$ 101.9	\$ 127.1	\$ (25.2)
Damage Reserve	111.5	122.2	\$ (10.7)
Funds Owed by RTA	275.2	252.1	\$ 23.1
Trust Portfolio Assets	420.6	684.2	\$ (263.6)
Total Cash and Receivables	\$ 909.2	\$ 1,185.6	\$ (276.4)

CTA's total cash/receivables balance is equal to \$909.2 million. Unrestricted cash was \$25.2 million less than the prior year. The cash in Damage Reserve is \$10.7 million lower than last year because of claims paid in 2014 and the credit taken from the Reserve in the second half of 2013 to offset the unexpected reduction in the State's reduced fare reimbursement program. Funds owed by the RTA were approximately \$275.2 million which was \$23.1 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. The balances will decrease as we meet our scheduled spend down plan and debt service payments and will increase as CTA receives additional bond proceeds or grant money.

III. Revenue

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Fare & Pass Revenue	\$ 49,852	\$ (437)	\$ 1,305	\$ 186,279	\$ (3,457)	\$ 966

- Fare and pass revenue was \$0.4 million less than budget for the month and \$1.3 million more than April 2013. Farebox revenue was favorable to budget offsetting pass revenue which was unfavorable. The average fare for the month was \$1.13 and on par with budget.
- Year to date fare and pass revenue was \$3.5 million less than budget, mainly due to the impact of the extreme winter weather during the first quarter. The average fare for the year to date is \$1.12 per ride and \$0.02 more than budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ (1,143)	\$ 4,869	\$ -	\$ (4,572)

- Reduced Fare Subsidy is consistent with the budget but less than prior year due to the State reduction in funding.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Advertising, Charter, Concession	\$ 2,226	\$ (56)	\$ 303	\$ 8,887	\$ (86)	\$ (377)

- Advertising, Charter and Concessions Revenue is slightly unfavorable to budget for the month and \$0.3 million more than April 2013. Year to date revenue was \$0.4 million less than prior year due to lower special contract guarantees.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Investment income	\$ 33	\$ 6	\$ (3)	\$ 182	\$ (28)	\$ 55

- Investment Income is on par with budget for the month. The year to date unfavorable variance is primarily due to a lower realized yield on investments and the impact of short duration investments in the Damage Reserve Fund. Staff has initiated a review of the investment policy and will be seeking to improve overall portfolio yield for the balance of 2014.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Other Revenue	\$ 2,813	\$ 744	\$ 279	\$ 13,476	\$ 5,351	\$ 2,853

- Other Revenue was favorable to budget for the month and prior year primarily due to additional non-capital grant revenue passed through to the Chicago Police Department for transit security services, as has occurred in prior months. This is matched by an equal expense in Other Expenses. Other Revenue is favorable for the year to date due to a sale of property with the City of Chicago, the additional grant revenue, and other miscellaneous revenue sources (such as parking lot revenue and scrap material sales) trending positively.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Total System Generated Revenue	\$ 56,142	\$ 257	\$ 741	\$ 213,693	\$ 1,779	\$ (1,076)

- Total System-Generated Revenue was \$0.3 million more than budget for the month due to additional non-capital grant revenue than anticipated as described above. The \$1.8 million year to date favorable variance is due to the additional non-capital grant revenue and sale of property, offsetting lower fare and pass revenues.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Labor	\$ 80,201	\$ 2,010	\$ 231	\$ 322,185	\$ 60	\$ (8,133)

- Labor expense was \$2.0 million less than budget for the month and \$0.2 million less than prior year, mainly due to reduced overtime and the adjusted hiring strategy. For the year to date labor expense was \$0.1 million less than budget and \$8.1 million more than prior year. Overtime for the first quarter exceeded budget by \$4.5 million due to the unseasonably cold and snowy weather. This has been offset by adjusting the hiring strategy. Labor expense is

higher than the prior year because the Customer Service Assistant program was not fully implemented as of April 2013 and due to contractual increases in wages and salaries.

Category	Current Month			Full Year		
	Actual Apr-14	Variance to Budget Apr-14	Variance to Prior Year Apr14 vs. Apr13	Actual 2014	Variance to Budget 2014	Variance to Prior Year 2013
Material	\$ 5,622	\$ (411)	\$ (559)	\$ 24,811	\$ (3,427)	\$ (2,258)

- Material Expense was over budget by \$0.4 million and \$3.4 million for the month and year, respectively. The unfavorable variance for the month and year was due primarily to weather-related expenses. As reported last month, the cumulative impact of the severe winter weather on vehicle parts will show up in March and April because the additional wear-and-tear of the winter requires that more parts be replaced in the spring as they are inspected.

Category	Current Month			Full Year		
	Actual Apr-14	Variance to Budget Apr-14	Variance to Prior Year Apr14 vs. Apr13	Actual 2014	Variance to Budget 2014	Variance to Prior Year 2013
Fuel	\$ 4,548	\$ 301	\$ 701	\$ 19,557	\$ 9	\$ 1,024

- Fuel for Revenue Equipment expense was \$0.3 million favorable to budget for the month based on a slightly lower volume and better pricing than anticipated. The year to date is on par with budget and we expect to continue on par with the overall budget for the remainder of 2014 by increasing the use of lower cost D2 fuel. Overall price per gallon was \$3.15 in April versus \$3.34 in March.

Category	Current Month			Full Year		
	Actual Apr-14	Variance to Budget Apr-14	Variance to Prior Year Apr14 vs. Apr13	Actual 2014	Variance to Budget 2014	Variance to Prior Year 2013
Power	\$ 2,382	\$ (300)	\$ 255	\$ 14,441	\$ (4,445)	\$ (6,130)

- The Electric Power for Revenue Equipment expense was unfavorable to budget for the month and year by \$0.3 million and \$4.4 million, respectively. The unfavorable variance for the month and year is due to the impact of severe weather conditions in the first quarter. The April expense includes additional expenses from March due to late billing. CTA is currently working with its energy advisors to implement a hedging strategy for the remainder of 2014 and beyond to mitigate price volatility.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Provision Injuries & Damages	\$ -	\$ -	\$ 983	\$ -	\$ -	\$ 3,931

- Provision for Injuries and Damages was on par with budget.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Purchase of Security Services	\$ 1,178	\$ 38	\$ 1,326	\$ 3,935	\$ 760	\$ 7,246

- Purchase of Security Services was slightly favorable to budget for the month. Security expense was \$0.8 million favorable for the year primarily due to a one-time reclassification of charges eligible for grant reimbursement.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Other Expenses	\$ 22,783	\$ (1,289)	\$ (5,291)	\$ 84,939	\$ 2,003	\$ (14,258)

- Other Expenses was unfavorable to budget for the month primarily due to timing of contractual services expenses. The year-to-date variance is a better reflection of overall expenses in this category. Expenses remain favorable in Other Expense for the year to date. Of the total other expenses, the monthly pension obligation bond expense is \$10.1 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-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Total Operating Expenses	\$ 116,713	\$ 349	\$ (2,354)	\$ 469,868	\$ (5,041)	\$ (18,578)

- Operating Expenses were \$0.3 million less than budget for the month and \$5.0 million more than budget for the year to date. The unfavorable variance for the year is primarily due to severe weather, primarily impacting materials and power categories.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Recovery Ratio	57.97%	0.98		54.58%	(0.03)	

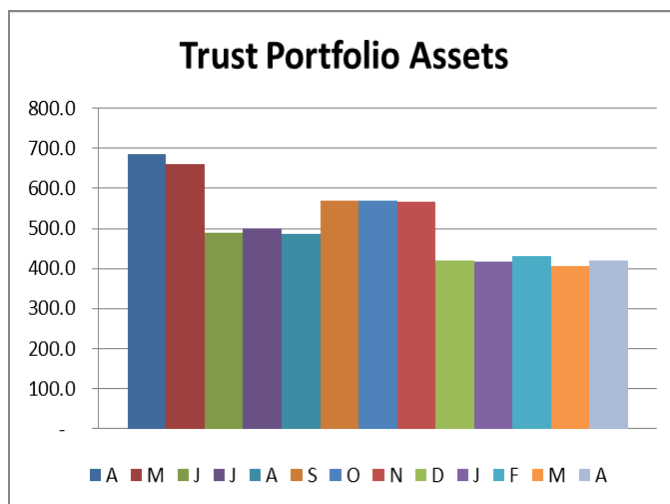
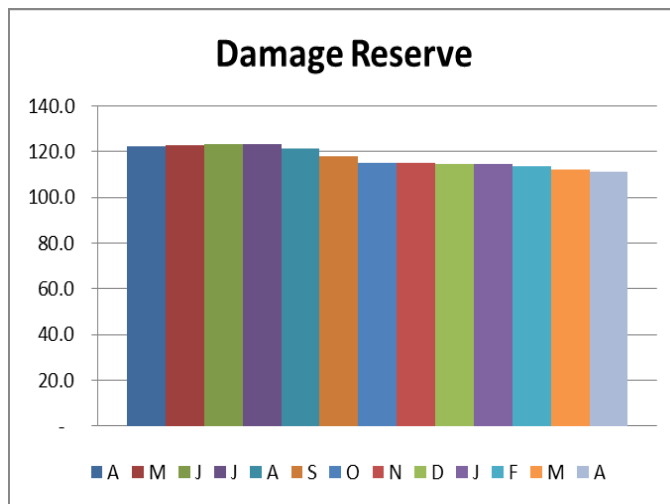
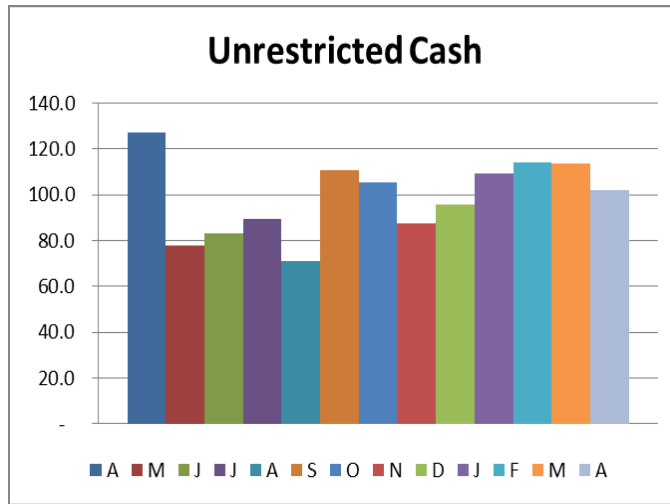
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 57.97% for the month. This was favorable to budget by 0.98 percentage points. For the year to date the recovery ratio was 54.58% and is essentially on par with budget.

- Ridership**

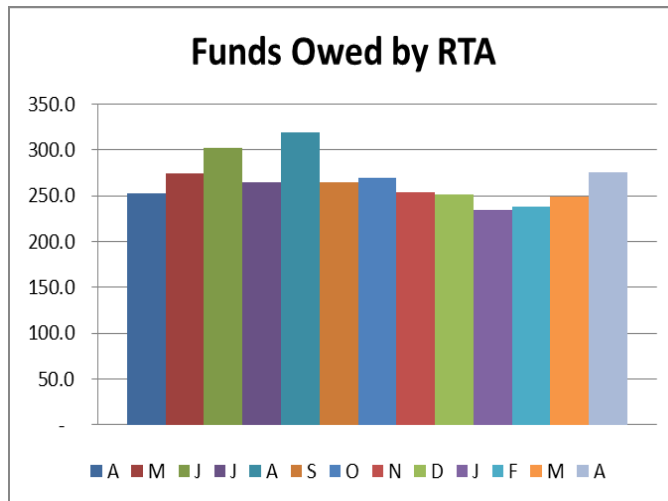
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Apr-14	Budget Apr-14	Prior Year Apr14 vs. Apr13	2014	Budget 2014	Prior Year 2013
Bus	23,919	(1,162)	(1,902)	90,842	(7,779)	(8,942)
Rail	16,599	573	713	61,877	882	1,947
Rail to Rail Transfers	3,757	160	338	13,815	313	948
Total	44,275	(430)	(851)	166,534	(6,585)	(6,047)

- Ridership for the month of April was 44.3 million and was 0.4 million less than budget and was 0.9 million less than prior year. Calendar adjusted ridership was down 1.9% from prior year.
- Ridership for the year to date was 166.5 million and was 6.6 million less than budget and was 6.0 million less than prior year. Calendar adjusted ridership was down 3.4% from prior year.

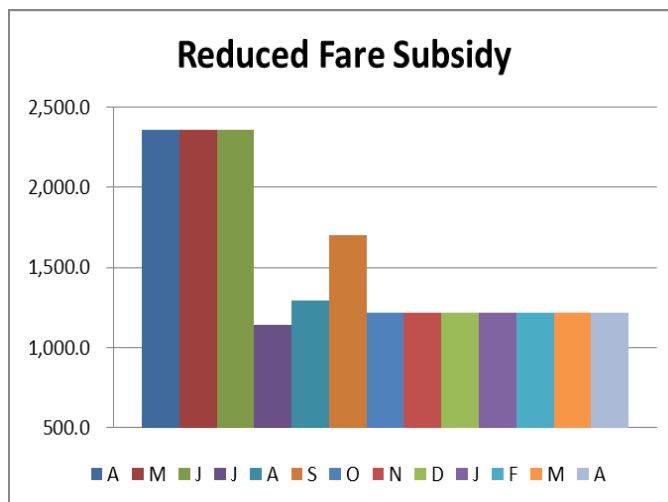
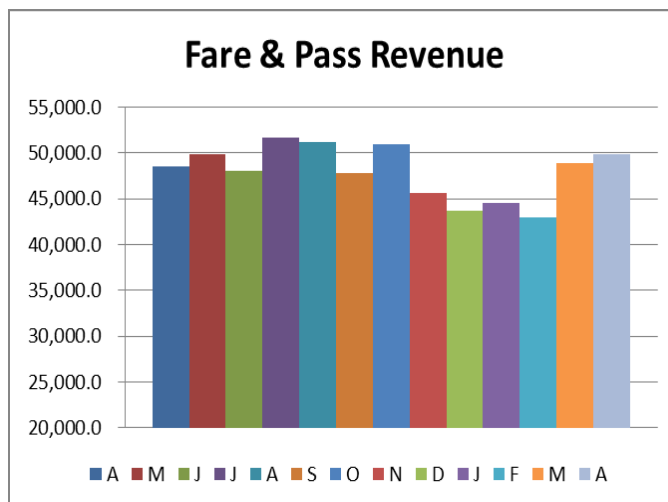
Cash & Liquidity



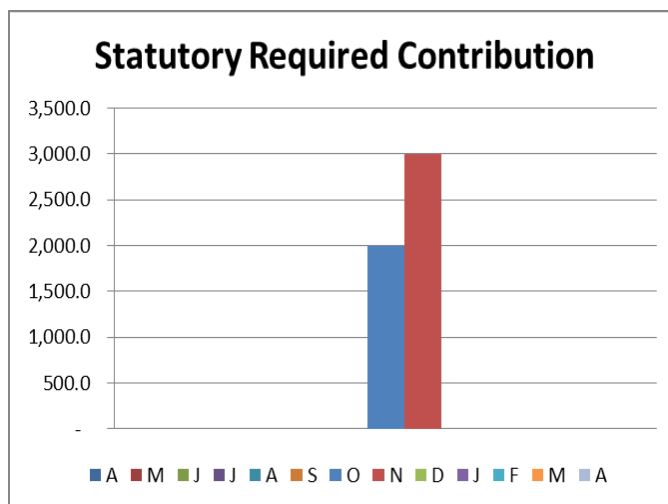
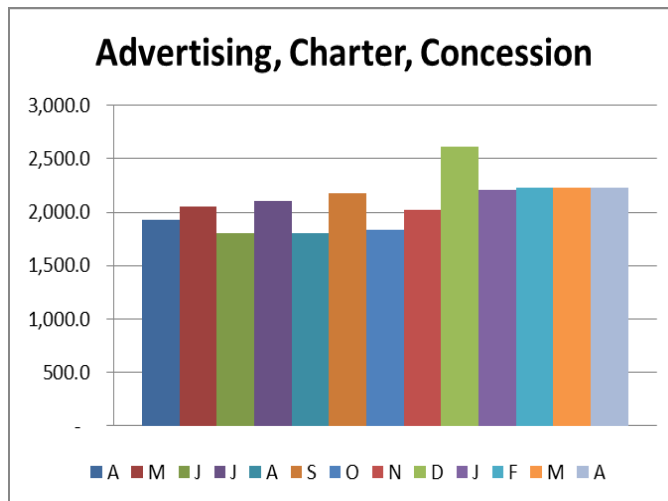
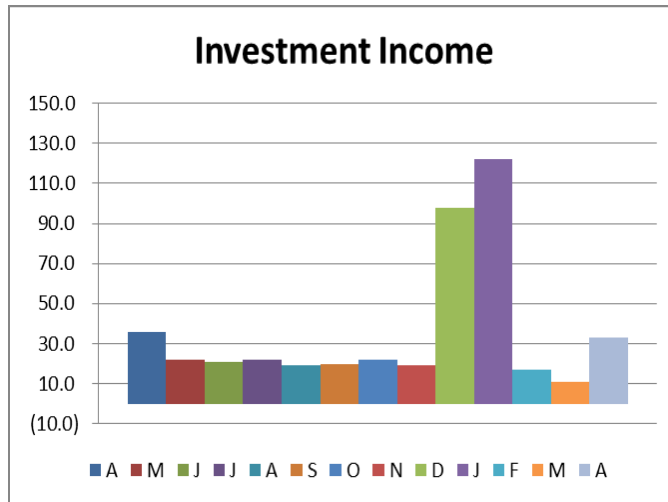
Cash & Liquidity (con't)



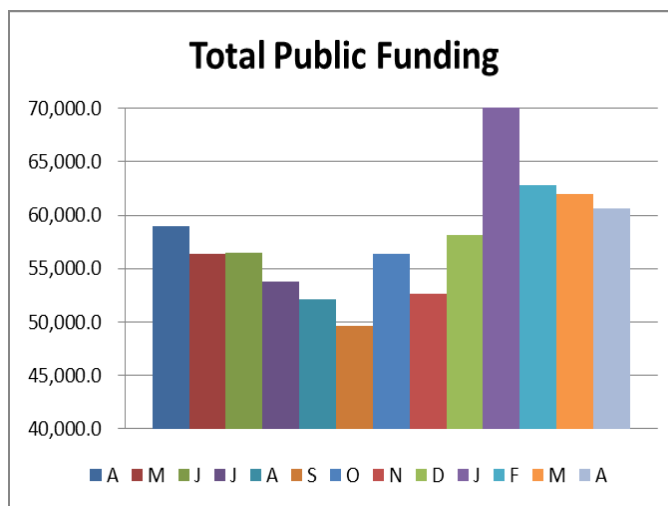
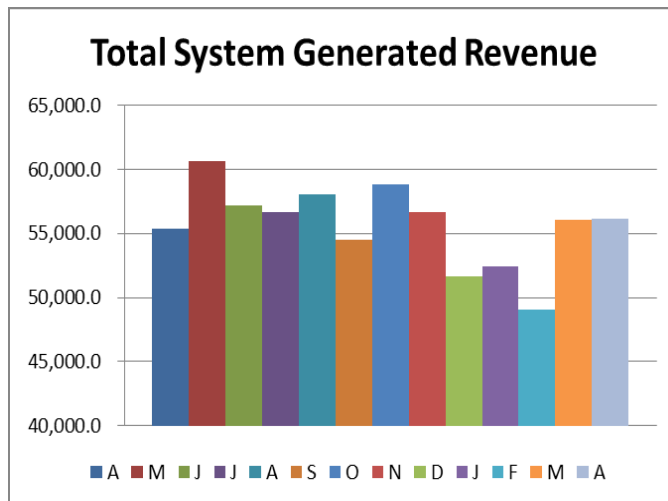
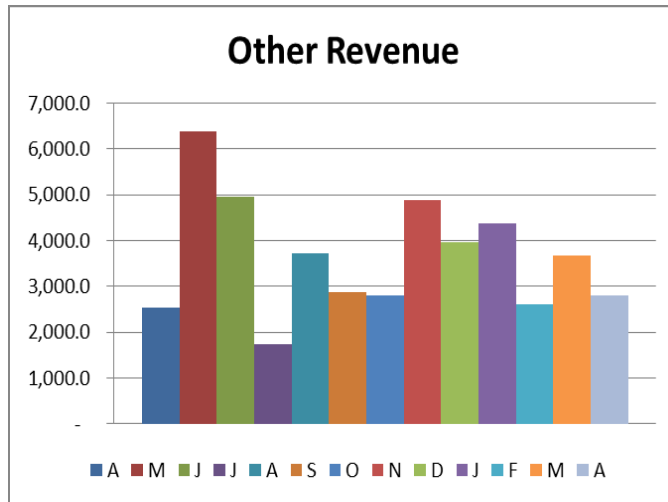
Revenue



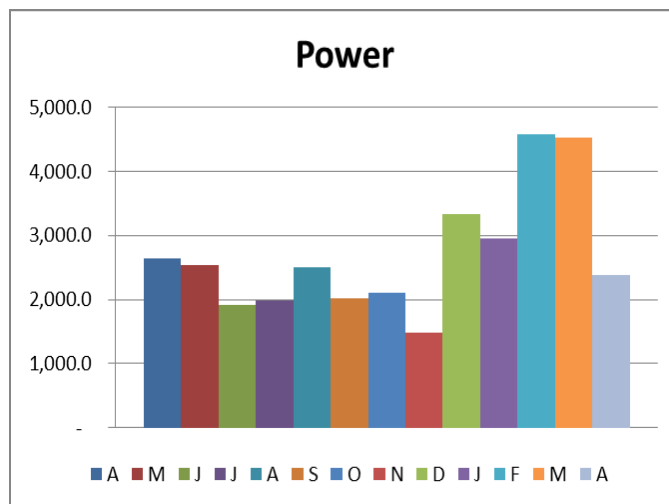
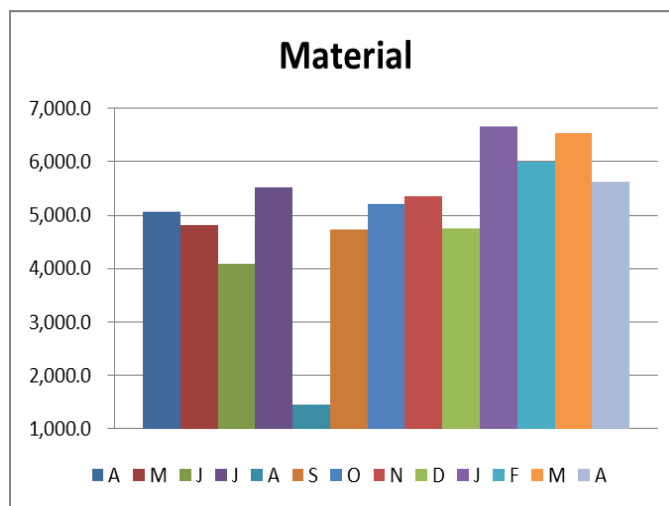
Revenue (con't)



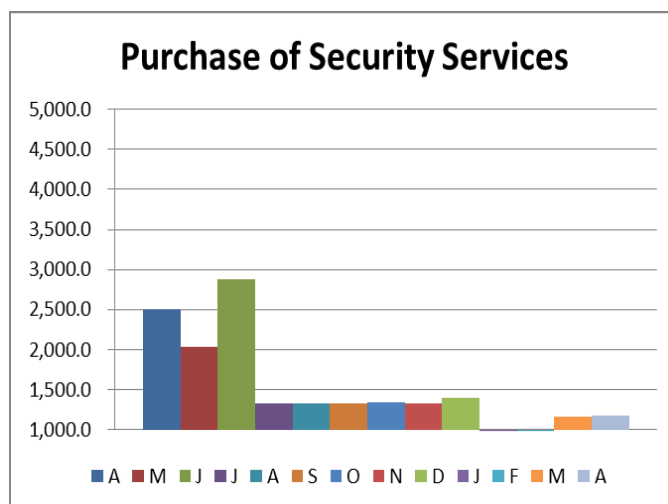
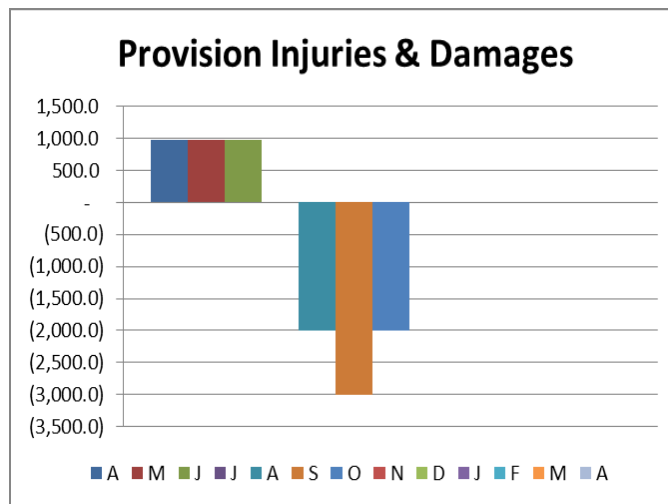
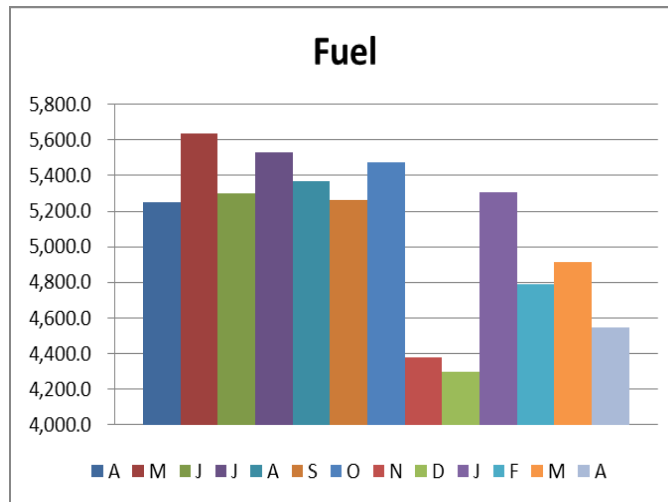
Revenue (con't)



Expenses



Expenses (con't)



Expenses (con't)

