



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for January 2018
Date: March 14, 2018

I. Summary

CTA's financial results are \$1.7 million unfavorable to budget for January due a combination of lower reduced fare revenues and higher materials and fuel expenses.

Ridership for the month was 36.6 million and was 0.4 million less than budget. Ridership was 0.9 million or 2.5% less than January 2017. Low gas prices, cold weather 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 January 2018 compared to January 2017.

	January 2018	January 2017	Increase (Decrease)
Unrestricted Cash	\$ 175,822	\$ 197,437	\$ (21,615)
Damage Reserve	79,648	103,371	\$ (23,723)
Funds Owed by RTA	346,318	335,025	\$ 11,293
Trust Portfolio Assets	503,043	602,949	\$ (99,906)
Total Cash and Receivables	\$ 1,104,831	\$ 1,238,782	\$ (133,951)

CTA's total cash/receivables balance was equal to \$1.1 billion. Unrestricted cash was \$21.6 million lower than the prior year due to timing of cash receipts and invoice payments. The Damage Reserve fund was \$23.7 million lower than last year due to an increase in settlement payments throughout 2017. Funds owed by the RTA were approximately \$346.3 million which was \$11.3 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
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Fare & Pass Revenue	\$ 45,231	\$ 209	\$ 2,057	\$ 45,231	\$ 209	\$ 2,057

- Fare and pass revenue for January was \$0.2 million favorable to budget and \$2.1 million favorable to prior year primarily due to the fare change implemented on January 7, 2018. The average fare for the month was \$1.24 and was \$0.02 higher than budget and \$0.09 higher than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 1,180	\$ (1,180)	\$ -

- Reduced Fare Subsidy was less than budget by \$1.2 million based on the reduction in expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Advertising, Charter, Concession	\$ 3,201	\$ (9)	\$ 385	\$ 3,201	\$ (9)	\$ 385

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

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Investment income	\$ 126	\$ (7)	\$ (84)	\$ 126	\$ (7)	\$ (84)

- Investment income was slightly unfavorable to budget and was approximately \$0.1 million less than prior year due to lower cash balances available for investment.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Other Revenue	\$ 3,852	\$ (206)	\$ 1,234	\$ 3,852	\$ (206)	\$ 1,234

- Other Revenue was \$0.2 million unfavorable to budget primarily due to lower non-capital grant revenue. The \$1.2 million increase over prior year was primarily due to the new ride-hailing fee revenue from the City of Chicago.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Total System Generated Revenue	\$ 53,590	\$ (1,193)	\$ 3,592	\$ 53,590	\$ (1,193)	\$ 3,592

- Total System-Generated Revenue was \$1.2 million less than budget primarily due to lower reduced fare revenue but was higher than prior year by \$3.6 million primarily due to an increase in fares and new ride hailing fee revenue.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Labor	\$ 89,645	\$ 416	\$ (1,763)	\$ 89,645	\$ 416	\$ (1,763)

- Labor expense was \$0.4 million favorable to budget for the month due to managing vacant positions. Slightly higher fringe benefits in 2018 contributed to higher expenses compared to 2017. Also, January 2018 had harsher weather compared to last January, resulting in higher overtime.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Material	\$ 8,250	\$ (602)	\$ (836)	\$ 8,250	\$ (602)	\$ (836)

- Material expense was \$0.6 million unfavorable to budget for the month. Material expense was \$0.8 million unfavorable to prior year, primarily due to higher vehicle part usage due to buses coming out of warranty and additional costs related to 2018 weather conditions.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Fuel	\$ 3,484	\$ (560)	\$ (857)	\$ 3,484	\$ (560)	\$ (857)

- Fuel for Revenue Equipment expense was \$0.6 million unfavorable to budget due to the supplier fully replenishing the tanks in January, resulting in more gallons delivered than normal. This factor, plus a fuel price increase, accounts for the \$0.9 million unfavorable variance to prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Power	\$ 2,844	\$ 88	\$ (243)	\$ 2,844	\$ 88	\$ (243)

- The Electric Power for Revenue Equipment expense was \$0.1 million favorable to budget for the month. Expenses were \$0.2 million unfavorable to prior year, primarily due to the harsher weather this January.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Provision for Injuries & Damages	\$ -	\$ -	\$ 792	\$ -	\$ -	\$ 792

- The Provision for Injuries & Damages expense is budgeted quarterly in 2018 and was budgeted monthly in 2017.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Purchase of Security Services	\$ 1,403	\$ 81	\$ (27)	\$ 1,403	\$ 81	\$ (27)

- Purchase of Security Services was \$0.1 million favorable to budget for the month but slightly higher than prior year due to timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Other Expenses	\$ 25,340	\$ 32	\$ 674	\$ 25,340	\$ 32	\$ 674

- The favorable variance to budget and prior year was mainly due to the timing of contractual services invoices and non-capital grant expense. The other expense category includes the pension obligation bond expense, utilities, maintenance contracts, services, and other expenses.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Total Operating Expenses	\$ 130,966	\$ (545)	\$ (2,260)	\$ 130,966	\$ (545)	\$ (2,260)

- Operating Expenses were \$0.5 million unfavorable to budget for the month due to higher materials usage and the timing of fuel costs. The unfavorable variance to prior year was due primarily to higher labor and materials expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-18	Budget Jan-18	Prior Year Jan18 vs. Jan17	2018	Budget 2018	Prior Year 2017
Recovery Ratio	49.89%	(1.25)		49.89%	(1.25)	

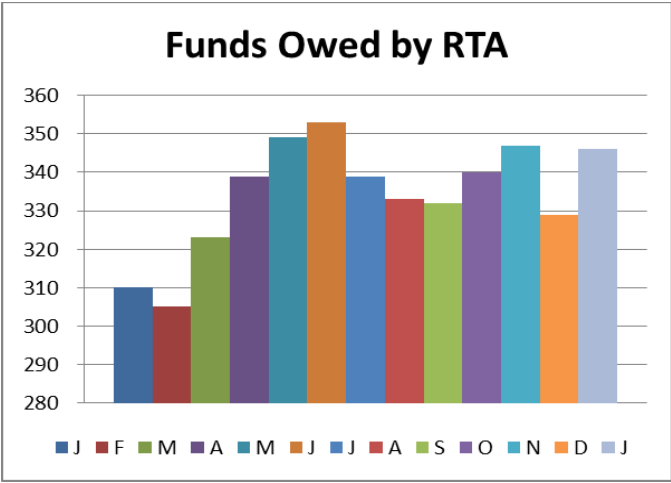
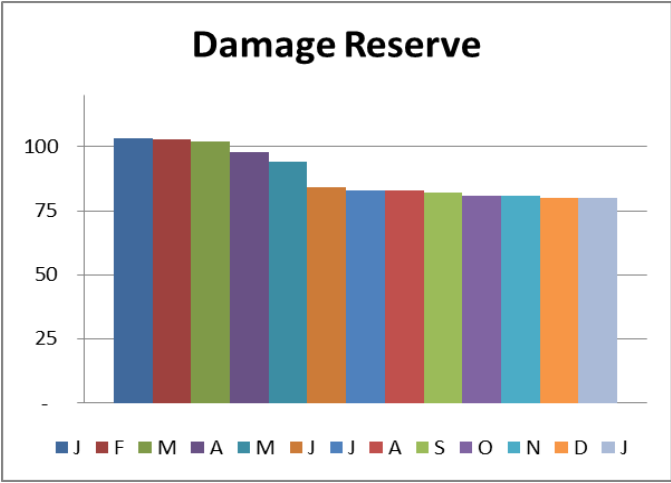
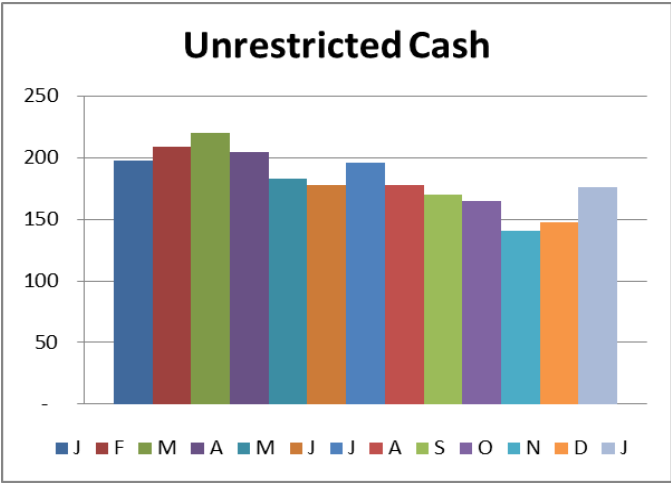
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 49.89% for the month. This was unfavorable to budget by 1.25 percentage points for the month but is on target to meet the RTA required recovery ratio.

VI. Ridership

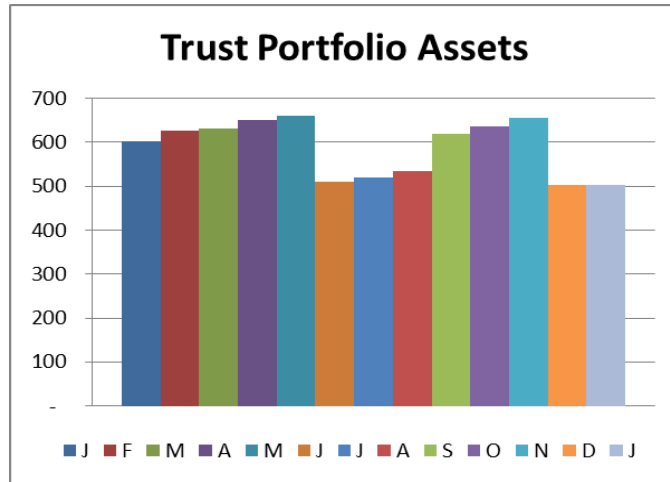
Category	Current Month			Full Year		
	Actual Jan-18	Variance to Budget Jan-18	Variance to Prior Year Jan18 vs. Jan17	Actual 2018	Variance to Budget 2018	Variance to Prior Year 2017
Bus	19,193	46	(378)	19,193	46	(378)
Rail	14,187	(356)	(440)	14,187	(356)	(440)
Rail to Rail Transfers	3,170	(115)	(104)	3,170	(115)	(104)
Total	36,550	(425)	(922)	36,550	(425)	(922)

- Ridership for the month of January was 36.6 million and was lower than budget and prior year by 0.4 million and 0.9 million, respectively.
- Calendar adjusted ridership was down 4.7% from prior year due to low gas prices.
- More details on ridership can be found in the January Ridership Report.

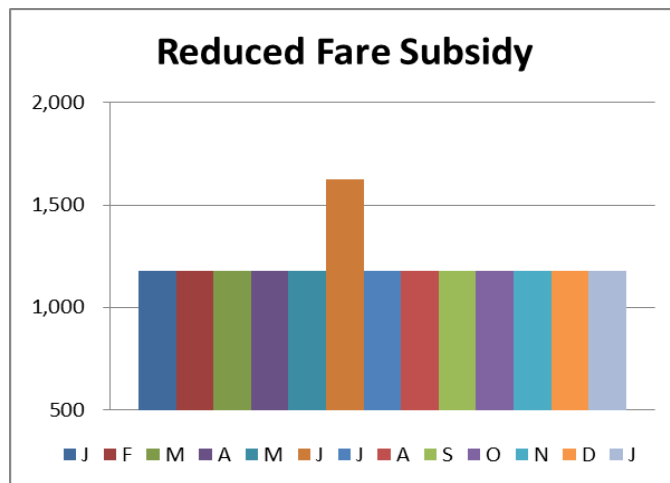
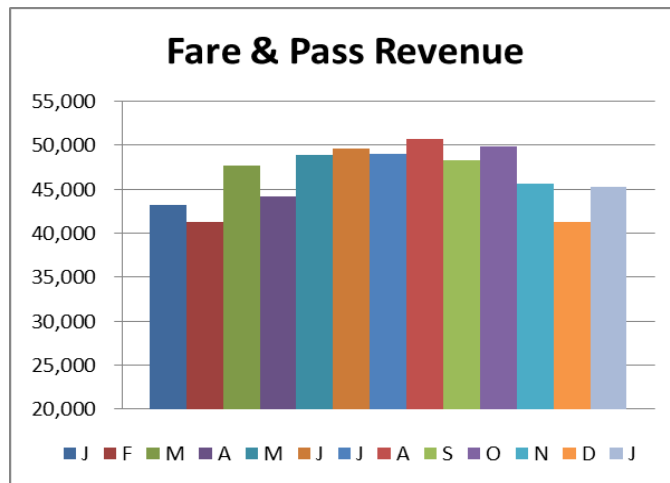
Cash & Liquidity



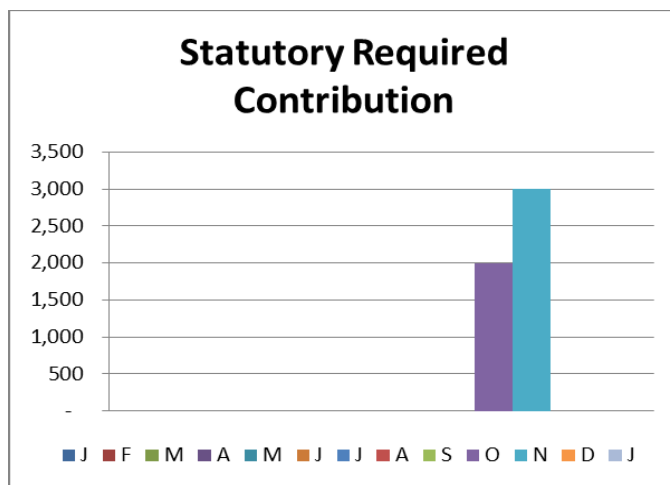
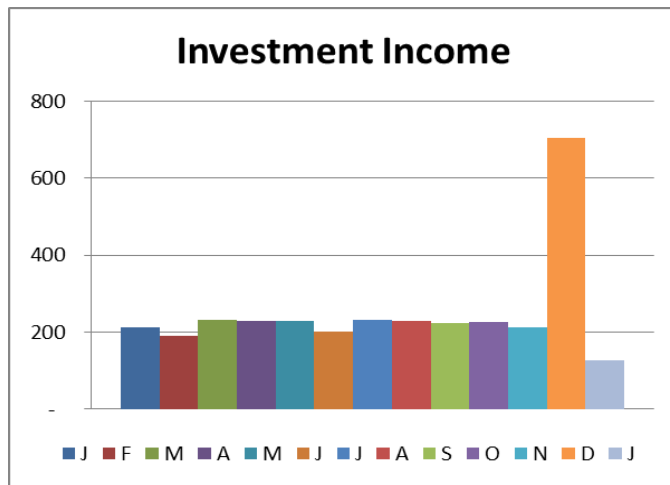
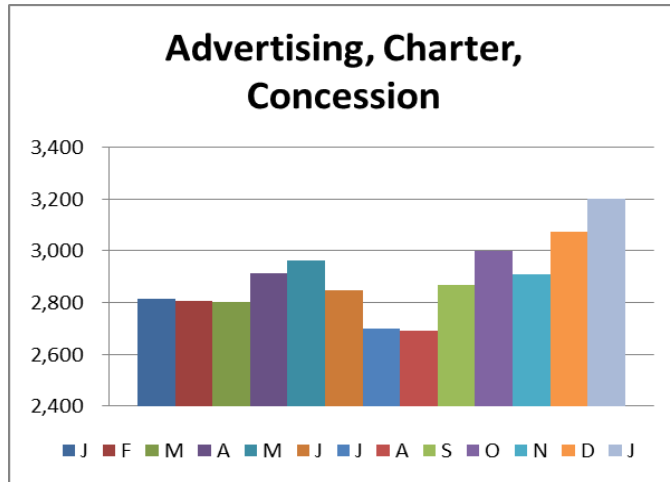
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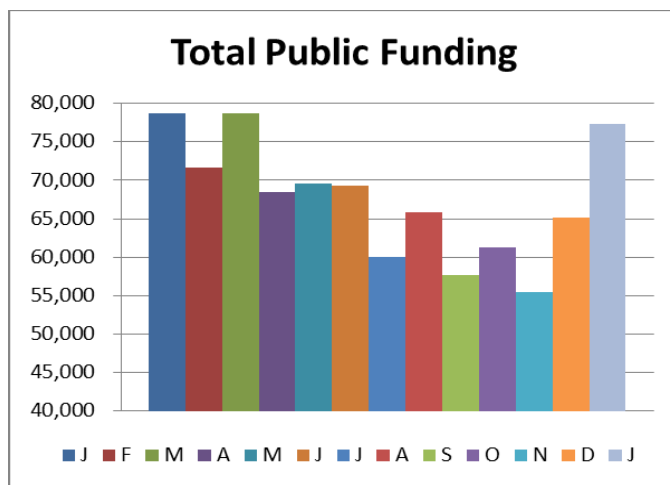
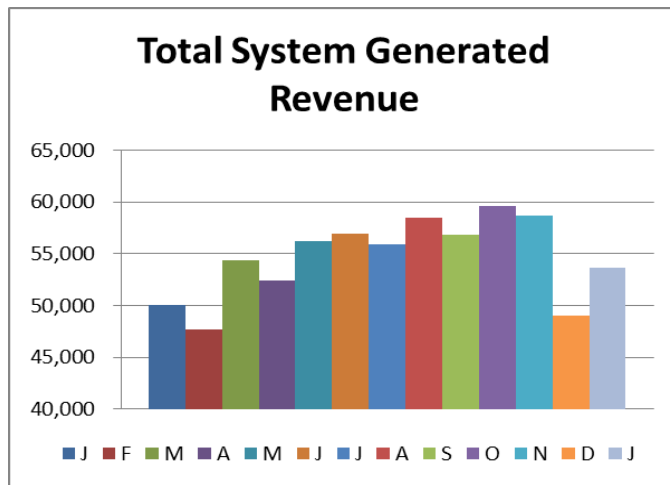
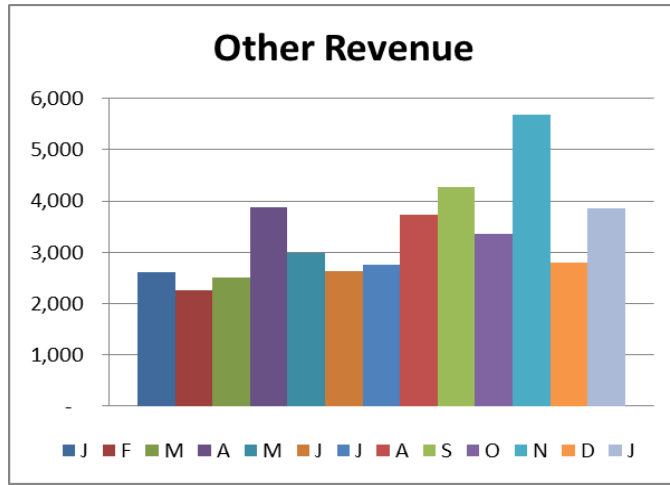
Revenue



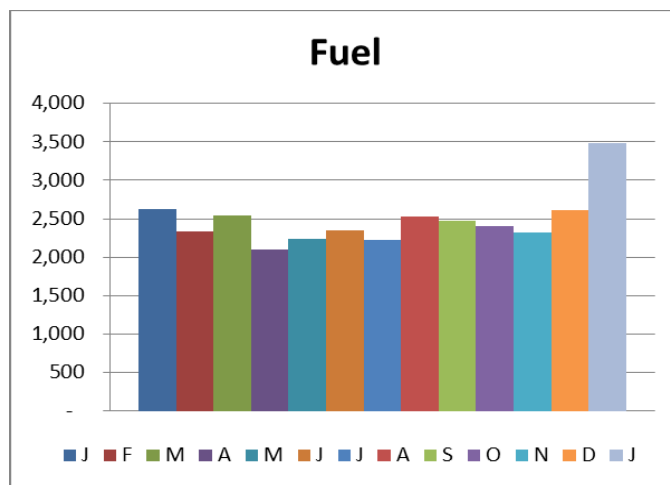
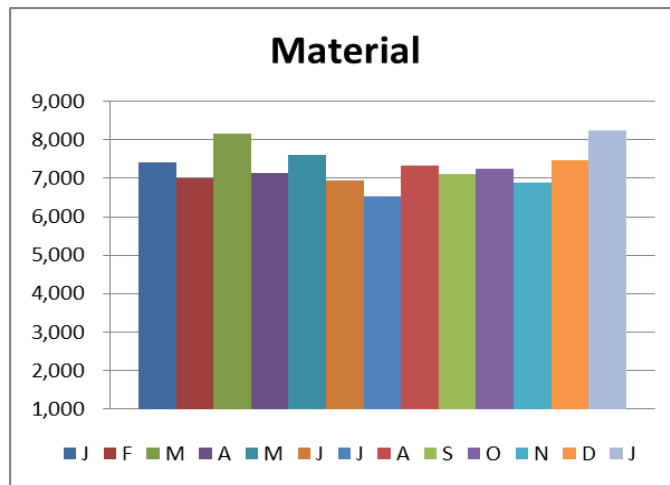
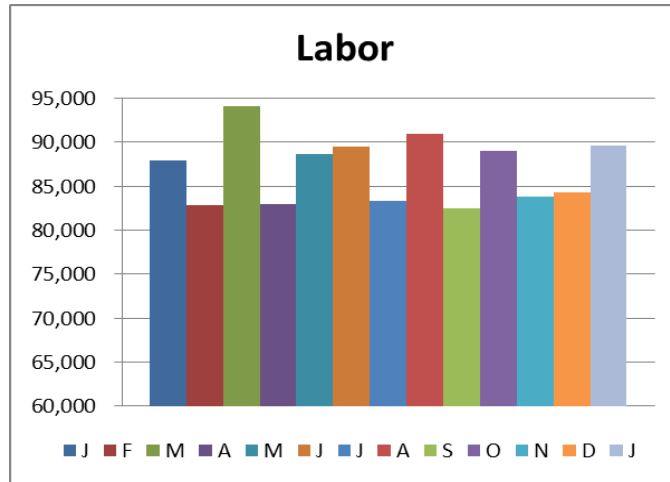
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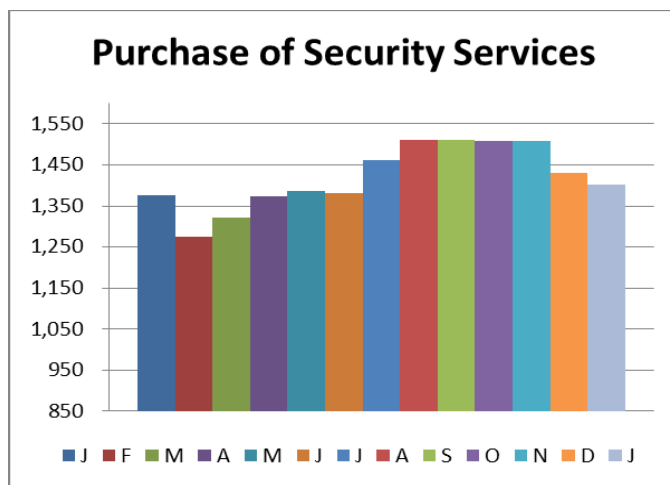
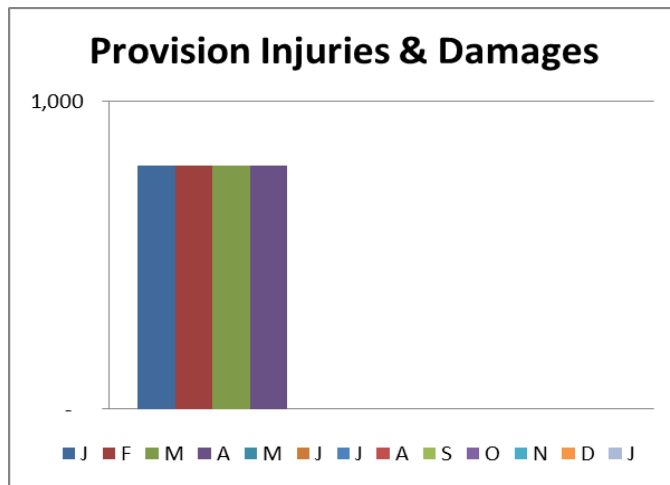
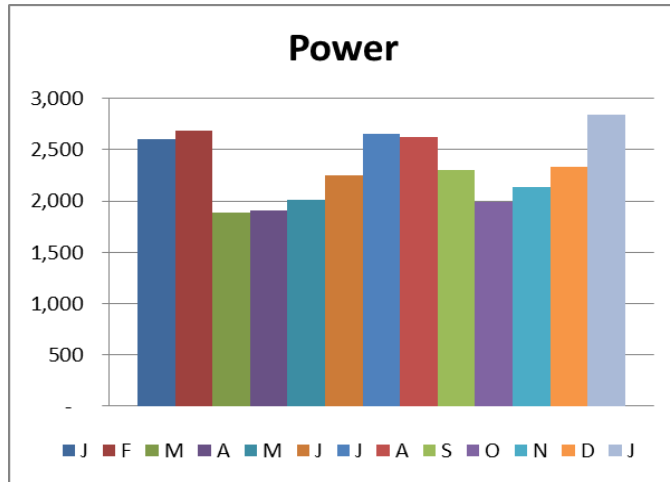
Revenue Cont'd



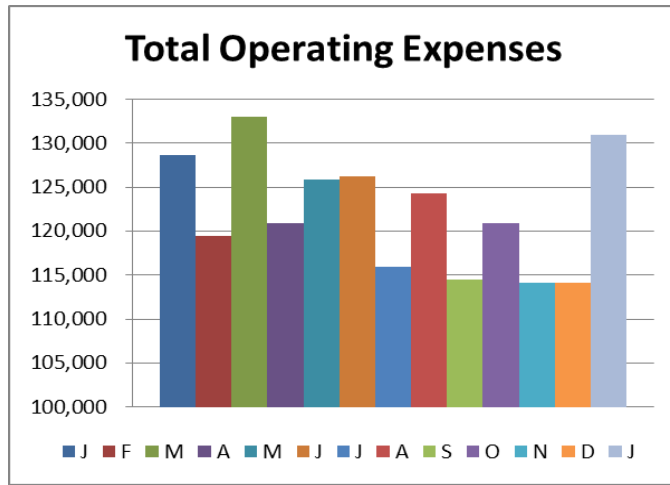
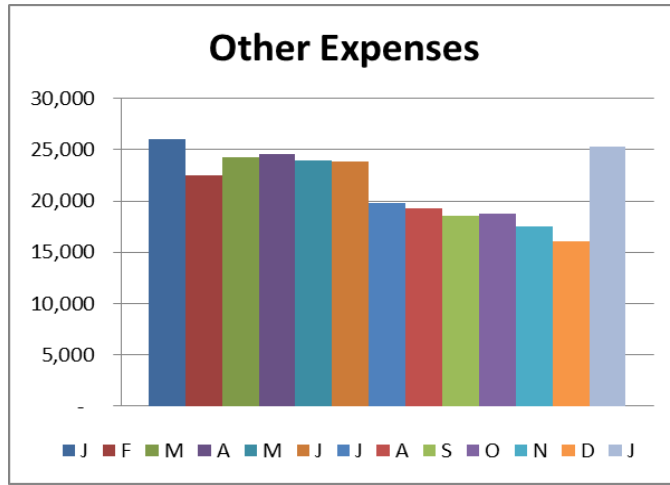
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
Unrestricted Cash	197	209	220	205	183	178	196	178	170	165	141	148	176
Damage Reserve	103	103	102	98	94	84	83	83	82	81	81	80	80
Funds Owed by RTA	310	305	323	339	349	353	339	333	332	340	347	329	346
Trust Portfolio Assets	603	626	631	650	660	510	520	534	620	636	655	503	503

Revenue	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
Fare & Pass Revenue	43,174	41,278	47,650	44,171	48,863	49,629	49,009	50,666	48,281	49,847	45,668	41,259	45,231
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,180	1,625	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Advertising, Charter, Concession	2,816	2,807	2,803	2,914	2,963	2,845	2,697	2,691	2,867	2,997	2,907	3,073	3,201
Investment Income	211	190	233	229	230	202	231	230	223	226	212	704	126
Statutory Required Contribution	-	-	-	-	-	-	-	-	-	2,000	3,000	-	-
Other Revenue	2,618	2,248	2,499	3,875	2,981	2,624	2,758	3,727	4,274	3,349	5,675	2,791	3,852
Total System Generated Revenue	49,999	47,703	54,365	52,368	56,217	56,924	55,875	58,494	56,825	59,599	58,642	49,007	53,590
Total Public Funding	78,707	71,699	78,690	68,519	69,633	69,346	60,058	65,831	57,662	61,316	55,512	65,165	77,376

Expenses	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
Labor	87,882	82,845	94,055	82,989	88,664	89,514	83,306	91,014	82,542	88,972	83,796	84,287	89,645
Material	7,415	6,985	8,173	7,137	7,597	6,933	6,521	7,336	7,096	7,259	6,874	7,456	8,250
Fuel	2,627	2,335	2,548	2,103	2,239	2,350	2,222	2,530	2,472	2,403	2,316	2,611	3,484
Power	2,601	2,684	1,881	1,907	2,014	2,252	2,650	2,622	2,298	1,993	2,140	2,328	2,844
Provision Injuries & Damages	792	792	792	792	-	-	-	-	-	-	-	-	-
Purchase of Security Services	1,376	1,276	1,321	1,373	1,386	1,382	1,461	1,510	1,510	1,508	1,508	1,430	1,403
Other Expenses	26,014	22,484	24,283	24,586	23,950	23,839	19,773	19,311	18,570	18,778	17,518	16,059	25,340
Total Operating Expenses	128,706	119,402	133,054	120,887	125,850	126,271	115,933	124,324	114,487	120,914	114,153	114,172	130,966