



To: Chicago Transit Authority Board
From: Ron DeNard, Chief Financial Officer
Re: Financial Results for February 2013
Date: April 24, 2013

I. Summary

The financial report has been reformatted to provide additional information and to make it easier to read. Graphs are included in the appendix for historical perspective.

CTA's financial results show a deficit for the month and year to date of \$5.3 million and \$4.5 million, respectively. The deficit for the month and year to date is primarily due to both system generated revenues that were lower than budget and expenses incurred that were higher than budget due to timing.

Ridership for the month was 40.7 million and was on par with budget. Year to date ridership was 83.3 million and was 0.1 million less than budget.

II. Cash & Liquidity

The chart below highlights CTA's cash position at February 2013 compared to February 2012 and year end 2012.

	2013	2012	(Decrease)
Unrestricted Cash	\$ 96.5	\$ 111.2	\$ (14.7)
Damage Reserve	121.7	111.6	10.1
Funds Owed by RTA	260.0	234.9	25.1
Trust Portfolio Assets	781.1	1,082.0	(300.8)
Total Cash and Receivables	<u>\$ 1,259.3</u>	<u>\$ 1,539.7</u>	<u>\$ (280.3)</u>

CTA's total cash/receivables balance is equal to \$1.3M continues to be equal to approximately one month of operating expense. Unrestricted cash was \$14.7 million less than the prior year. The cash in Damage reserve is higher than last year and is a source of short term borrowings if necessary. Funds owed by the RTA were approximately \$260.0 million which was \$25.1 million more than the prior year. CTA continues to work closely with the RTA to monitor their receivable balance owed; Trust Portfolio Asses are bond proceeds held in trust and are \$300.8 less than prior year. This amount will decrease as we spend bond proceeds on capital projects and increase when we issue bonds for new projects.

III. Ridership

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual YTD	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Total Ridership	40,724.0	24.0	(3,056.0)	83,294.0	(148.0)	(2,927.0)

- Ridership for the month of February was 40.7 million and was on par with budget but was 3.1 million less than prior year. Calendar adjusted ridership was down 3.1% from prior year.
- Bus ridership for the month of February was 23.7 million, which was on par with budget and 2.2 million or 8.6% less than February 2012. The calendar adjusted bus ridership was down 4.9% from prior year.
- Rail ridership for February was 17.1 million, which was on par with budget and 0.8 million or 4.6% less than February 2012. Calendar adjusted rail ridership was down 0.6% from prior year.
- For the month of February 2013, average weekday ridership decreased 2.46% from February 2012, average Saturday ridership decreased 6.07% and average Sunday ridership decreased 6.73%.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Bus	23,654.0	(60.0)	(2,238.0)	48,331.0	(477.0)	(2,240.0)
Rail	14,034.0	8.0	(737.0)	28,792.0	188.0	(645.0)
Rail to Rail Transfers	3,037.0	76.0	(81.0)	6,171.0	142.0	(43.0)

- Ridership for the year to date was 83.3 million and was 0.1 million less than budget and 2.9 million less than prior year. Calendar adjusted ridership is down 2.5% over the prior year to date.
- Bus ridership for the year to date was 48.3 million, which was 0.5 million or 1.0% less than budget and 2.2 million or 4.4% less than 2012. Calendar adjusted bus ridership is down 3.6% over the prior year to date.
- Rail ridership for the year to date was 35.0 million which was 0.3 million more than budget and 0.7 million or 1.9% less than 2012. Calendar adjusted rail ridership is down 1.1% over the prior year to date.
- For the full year of 2013, average weekday ridership decreased 2.19% from 2012, average Saturday ridership decreased 3.48% and average Sunday ridership decreased 6.00%.

- Free rides totaled 4.9 million for the month 10.1 million for the year. This was 0.2 million less than February 2012 and 0.1 million more for the year to date. Free rides for seniors went into effect on March 17, 2008. In September 2011, the free ride program for seniors was modified to subject the participants to a means test. Under the new program, seniors who do not qualify to ride free pay a reduced fare. The majority of free rides occurred on the bus system. Bus accounts for 4.0 million of the total free rides for the month while rail was 0.9 million.

IV. Revenue

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Total System Generated Revenue	\$ 49,850.0	\$ (4,342.0)	\$ (3,495.0)	\$ 102,687.0	\$ (2,827.0)	\$ (105.0)

- System-Generated Revenue was \$49.9 million for the month and was \$4.3 million less than budget for the month. Year to date System-Generated Revenue was \$102.7 million and was \$2.8 million less than budget. The unfavorable variance for the year to date was primarily due to lower than anticipated farebox, pass and other revenue.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Fare & Pass Revenue	\$ 42,658.0	\$ (3,523.0)	\$ (980.0)	\$ 87,940.0	\$ (2,940.0)	\$ 1,197.0

- Fare and pass revenue was \$42.7 million for the month and \$3.5 million less than budget. For the month, the average fare was \$1.05 and was \$0.09 less than budget. February was the first full month of the new fare structure. Customers were likely adjusting to the new prices. Preliminary March revenue results are higher than February and higher than prior year.
- Year to date fare and pass revenue was \$87.9 million and was \$2.9 million less than budget. The average fare for the year to date was \$1.06 per ride and was \$0.03 less than budget. Compared to the prior year to date, fare and pass revenue was \$1.2 million more than the 2012 year to date. The increase over the prior year to date was due to a higher average fare.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Reduced Fare Subsidy	\$ 2,360.0	-	\$ 27.0	\$ 4,720.0	-	\$ 54.0

- Reduced Fare Subsidy was \$2.4 million for the month and was on par with budget. For the year to date the reduced fare subsidy was \$4.7 million and was on par with budget.

Category	Current Month			Year to Date		
	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12
Advertising, Charter, Concession	\$ 2,162.0	\$ (215.0)	\$ 133.0	\$ 4,511.0	\$ 378.0	\$ 1,015.0

- Advertising, Charter and Concessions Revenue equaled \$2.2 million in February and \$4.5 million for the year. This was \$0.2 million less than budget for the month and was \$0.4 million more than budget for the year to date.

Category	Current Month			Year to Date		
	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12
Other Revenue	\$ 2,645.0	\$ (590.0)	\$ (2,656.0)	\$ 5,455.0	\$ (242.0)	\$ (2,346.0)

- All Other Revenue was \$2.6 million for the month and \$5.5 million for the year to date period. This was \$0.6 million less than budget for the month and was \$0.2 million less than budget for the year to date period due to corporate sponsorship revenue anticipated in the budget but not yet realized. The revenue is unfavorable to prior year due to a higher amount of 2012 primarily due to a security grant.

V. Expenses

Category	Current Month			Year to Date		
	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12
Total Operating Expenses	\$ 107,065.0	\$ (980.0)	\$ (1,439.0)	\$ 225,649.0	\$ (1,626.0)	\$ (12,877.0)

- Operating Expenses for the month and year equaled \$107.1 million and \$225.6 million, respectively. For the month, operating expenses were \$1.0 million more than budget, primarily due to labor expense. For the year to date period, operating expenses were \$1.6 million more than budget due to labor and materials expenses. This is a timing issue. Expenses will be re-classed to capital when applicable grant revenue is received. Expenses in 2013 are higher than 2012 due to elimination of pension bond debt reserve in 2012 that lowered 2012 expenses.

Category	Current Month			Year to Date		
	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12	Actual Feb13	Variance to Budget Feb13	Variance to Prior Year Feb13 vs. Feb12
Labor	\$ 74,864.0	\$ (3,972.0)	\$ (651.0)	\$ 156,227.0	\$ (3,996.0)	\$ (5,733.0)

- Labor Expense was \$74.9 million for the month of February and was \$4.0 million more than budget. Labor expense year to date equaled \$156.2 million and was unfavorable to budget by \$4.0 million. The unfavorable variance in labor for the month and year is due to timing of the receipt of grant funds for infrastructure work and vehicle maintenance starting early and being charged to operating expense. The expenses will be re-classed to capital when the

grant money is received in April. Also training expense for new hires is higher due to timing, and overtime is higher due to weather. Labor is higher than prior year due salary increases in the fringe rate, the hiring of the customer service assistant program and primarily the expenses that will be re-classed.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Material	\$ 5,682.0	\$ (372.0)	\$ 345.0	\$ 12,944.0	\$ (1,950.0)	\$ (645.0)

- Material Expense was \$5.7 million for the month and was over budget by \$0.4 million. Material expense for the year to date equaled \$12.9 million and was \$1.9 million over budget due to a delay in charges to capital projects and unexpected charges due to weather related issues.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Fuel	\$ 5,352.0	\$ (271.0)	\$ (702.0)	\$ 9,985.0	\$ 680.0	\$ (606.0)

- Fuel for Revenue Equipment was \$5.4 million for the month and was \$0.3 million more than budget for the month. Fuel expense was \$10.0 million for the year to date and was \$0.7 million less than budget.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Power	\$ 1,709.0	\$ 72.0	\$ 521.0	\$ 3,672.0	\$ 74.0	\$ 1,568.0

- Electric Power for Revenue Equipment was \$1.7 million for the month and \$3.7 million for the year. Power expense was \$0.1 million less than budget for the month and year to date.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Provision Injuries & Damages	\$ 983.0	\$ -	\$ 1,617.0	\$ 1,965.0	\$ -	\$ 3,235.0

- Provision for Injuries and Damages Expense was \$1.0 million for the month and \$2.0 million for the year to date and was on par with budget.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Purchase of Security Services	\$ 2,899.0	\$ 108.0	\$ 12.0	\$ 5,787.0	\$ 314.0	\$ 34.0

- Purchase of Security Services was \$2.9 million for the month and was \$0.1 million favorable to budget. Year to date security expense was \$5.8 million and was \$0.3 million less than budget.

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Other Expenses	\$ 15,575.0	\$ 3,456.0	\$ (2,582.0)	\$ 35,068.0	\$ 3,251.0	\$ (10,730.0)

- Other Expense equaled \$15.6 million for the month and was \$3.5 million less than budget. Year to date other expenses was \$35.1 million and was \$3.3 million less than budget. The favorable variance for the month and year to date is due to timing differences for maintenance and repair contract costs. The expense is higher than prior year due to the impact of the elimination of a debt reserve that caused 2012 expenses to be abnormally low as compared to 2013.

VI. Other

Category	Current Month			Year to Date		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12	Feb13	Budget Feb13	Prior Year Feb13 vs. Feb12
Recovery Ratio	57.3%	(5.8%)		55.6%	(2.3%)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 57.31% for the month and 55.55% for the year. This was unfavorable to budget by 5.8 percentage points for the month and by 2.3 percentage points for the year to date. As the expenses are reclassified out of operating expenses into capital – we expect the ratio to increase.

SEE APPENDIX