



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for February 2020
Date: April 8, 2020

I. Summary

CTA's financial results are \$0.7 million unfavorable to budget for February primarily due to lower than anticipated pay-per-use farebox revenue. Results are unfavorable to budget for year-to-date by \$1.7 million primarily due to higher than anticipated labor expenses.

Ridership for the month was 35.3 million, which was 0.6 million higher than budget and 0.7 million higher than February 2019. Ridership year-to-date was higher than budget and prior year by 1.8 million and 3.8 million, respectively. The ridership increase over the prior year-to-date was due to January 2019's polar vortex.

II. Cash & Liquidity

The chart below highlights CTA's cash position at February 2020 compared to February 2019.

	February 2020	February 2019	Increase (Decrease)
Unrestricted Cash	\$ 159,810	\$ 114,424	\$ 45,386
Damage Reserve	49,458	57,382	\$ (7,924)
Funds Owed by RTA	241,261	317,943	\$ (76,682)
Trust Portfolio Assets	355,553	467,511	\$ (111,958)
Total Cash and Receivables	\$ 806,082	\$ 957,260	\$ (151,178)

CTA's total cash/receivables balance was equal to \$806.1 million. Unrestricted cash was \$45.4 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$7.9 million lower than last year due to settlement payments. Funds owed by the RTA were approximately \$241.3 million which was \$76.7 million lower than the prior year due to the timing of payments from the State. 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
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Fare & Pass Revenue	\$ 43,798	\$ (1,084)	\$ 382	\$ 90,406	\$ (325)	\$ 3,754

- Fare and pass revenue for February was \$1.1 million unfavorable to budget primarily due to lower pay-per-use revenue on rail. It was \$0.4 million favorable to prior year due to higher pass revenue. The average fare for the month was \$1.24 per ride and was \$0.05 lower than budget and \$0.01 lower than the prior year.
- Year-to-date fare and pass revenue was \$0.3 million unfavorable to budget and \$3.8 million favorable to prior year due to milder winter weather this year versus January 2019's polar vortex, which resulted in significantly lower-than-average ridership and revenue. The average fare for the year was \$1.26 per ride and was \$0.04 lower than budget and \$0.02 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ 37	\$ 2,434	\$ -	\$ 74

- Reduced Fare Subsidy was on par with budget for the month and year-to-date based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Advertising, Charter, Concession	\$ 3,715	\$ 322	\$ 394	\$ 7,195	\$ 448	\$ 649

- Advertising, Charter and Concessions Revenue was \$0.3 million favorable to budget for the month and \$0.4 million favorable year-to-date. This revenue category was \$0.6 million higher than prior year-to-date due to an increase in the vehicle and platform advertising revenue minimum guarantee in 2020.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Investment income	\$ 251	\$ 1	\$ (24)	\$ 523	\$ 23	\$ (17)

- Investment income was slightly higher than budget and slightly less than prior year due to fluctuations in short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Other Revenue	\$ 3,247	\$ (581)	\$ (127)	\$ 6,777	\$ (866)	\$ (574)

- Other Revenue was \$0.6 million and \$0.9 million unfavorable to budget for the month and year-to-date, respectively, due to lower than anticipated non-capital grant and rental revenues in addition to the impact of increased parking taxes. Other revenue was unfavorable to February 2019 and prior year-to-date by \$0.1 million and \$0.6 million, respectively, primarily due to lower non-capital grant and miscellaneous revenues. This is offset by lower non-capital expense in the Other Expenses category.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Total System Generated Revenue	\$ 52,230	\$ (1,341)	\$ 663	\$ 107,335	\$ (721)	\$ 3,887

- Total System-Generated Revenue was lower than budget for the month by \$1.3 million due to lower fare and non-capital grant revenues and lower than budget for the year-to-date by \$0.7 million due to lower fare and pass revenue in addition to lower non-capital grant and rental revenues. It was \$3.9 million higher than prior year due to higher fare and pass and advertising revenue.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Labor	\$ 92,509	\$ (261)	\$ (7,486)	\$ 191,196	\$ (2,145)	\$ (12,979)

- Labor expense was unfavorable to budget by \$0.3 million for the month and \$2.1 million for the year-to-date due to the settlement of certain union contracts and increased fringe benefit and overtime costs. Labor expense was \$7.5 million unfavorable to February 2019 and \$13.0 million unfavorable to prior year-to-date due to negotiated union contract increases that took effect in July 2019 and higher fringe benefit costs.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Material	\$ 6,432	\$ (467)	\$ 99	\$ 13,474	\$ (411)	\$ 99

- Material expense was \$0.5 million unfavorable to budget for the month and \$0.4 million unfavorable year-to-date due to higher vehicle part usage. Material expense was \$0.1 million favorable to February 2019 and prior year-to-date due to additional costs in 2019 related to weather.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Fuel	\$ 3,507	\$ 226	\$ 6	\$ 7,194	\$ 482	\$ (54)

- Fuel for Revenue Equipment expense was \$0.2 million favorable to budget in February primarily due to lower than anticipated usage due to milder weather and price. Higher fuel prices account for the unfavorable variance to the prior year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Power	\$ 2,789	\$ -	\$ 209	\$ 5,561	\$ 616	\$ 832

- The Electric Power for Revenue Equipment expense was on par with budget for the month and \$0.6 million favorable year-to-date due to lower than anticipated usage as a result of milder weather. Expenses were \$0.8 million favorable to prior year-to-date primarily due to the harsher weather in 2019.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Provision for Injuries & Damages	\$ 1,833	\$ -	\$ (1,208)	\$ 3,667	\$ -	\$ (2,417)

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The unfavorable variance to 2019 for the month and year-to-date of \$1.2 million and \$2.4 million, respectively, is due to higher funding requirements in 2020.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Purchase of Security Services	\$ 1,667	\$ 37	\$ (404)	\$ 3,289	\$ 119	\$ (544)

- Purchase of Security Services was on par with budget for the month and \$0.4 million unfavorable to prior year. Year-to-date, expenses were \$0.1 million favorable budget and \$0.5 million unfavorable to prior year due to the timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Other Expenses	\$ 20,443	\$ 1,115	\$ 3,495	\$ 42,894	\$ 347	\$ 4,417

- Other expenses were \$1.1 million favorable to budget for the month and \$0.3 million favorable to budget for the year-to-date due to the timing of contractual services invoices. 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
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Total Operating Expenses	\$ 129,179	\$ 650	\$ (5,290)	\$ 267,275	\$ (991)	\$ (10,646)

- Operating Expenses were \$0.7 million favorable to budget for the month primarily due to the timing of contractual services invoices. The unfavorable variance to prior year-to-date was due to higher labor costs and an increase in funding requirements for the provision for injuries and damages.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Recovery Ratio	51.58%	0.09		50.39%	(0.05)	

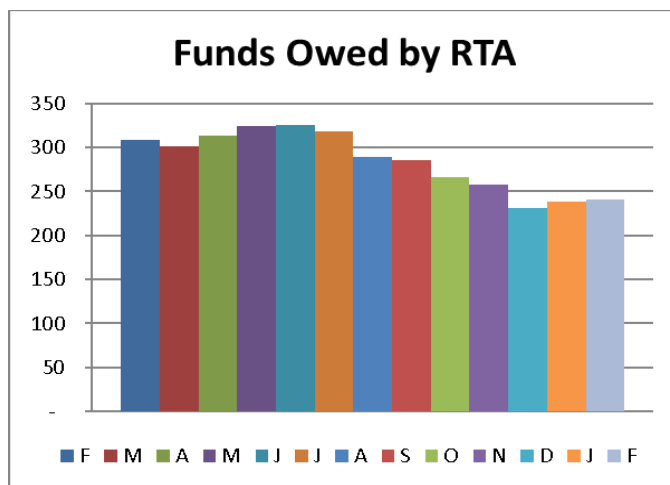
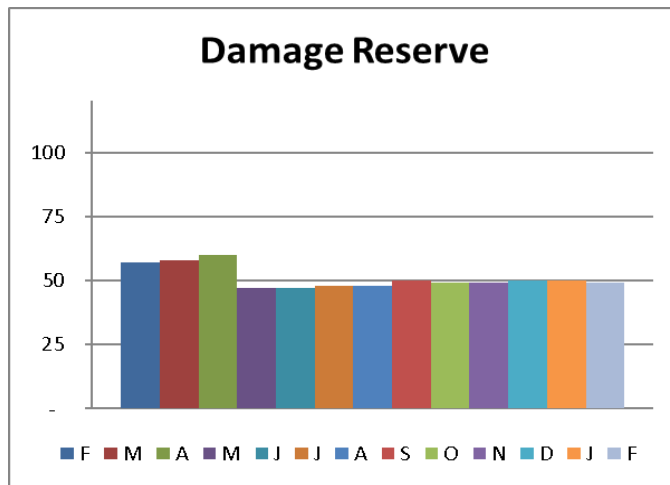
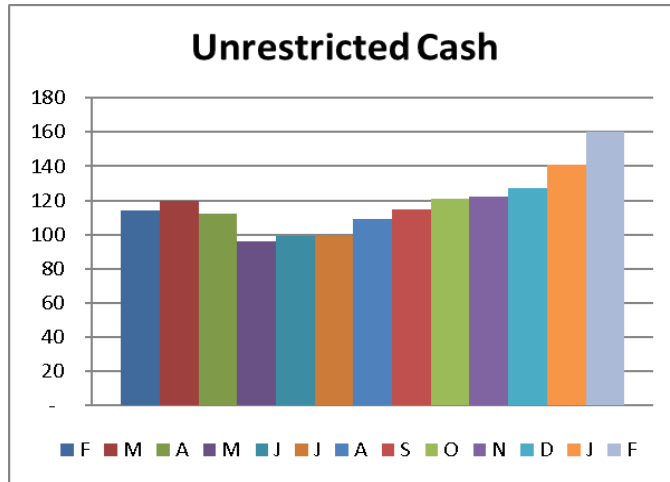
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 51.58% for the month. This was favorable to budget by 0.09 percentage points for the month. Year-to-date, the recovery ratio was 50.39%, which was unfavorable to budget by 0.05 percentage points but is on target to meet the RTA required recovery ratio of 54.75% for the year.

VI. Ridership

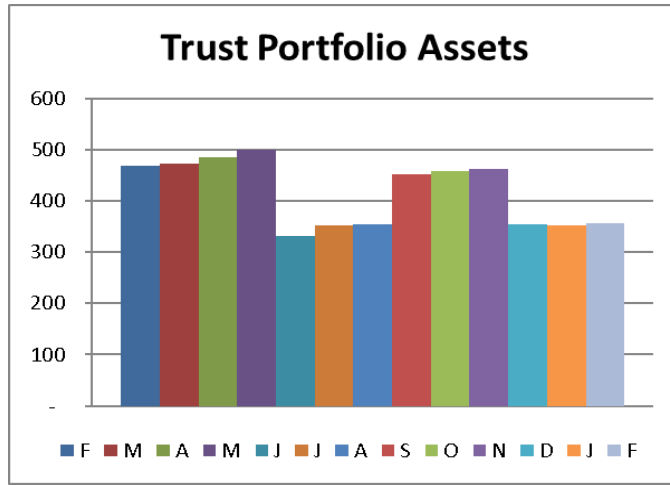
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Feb-20	Budget Feb-20	Prior Year Feb20 vs. Feb19	2020	Budget 2020	Prior Year 2019
Bus	19,030	660	751	38,513	1,699	2,780
Rail	13,366	(80)	(42)	27,420	115	878
Rail to Rail Transfers	2,933	(20)	(16)	6,060	29	176
Total	35,329	559	693	71,992	1,844	3,834

- Ridership for the month of February was 35.3 million and was higher than budget and prior year by 0.6 million and 0.7 million, respectively.
- Calendar adjusted ridership was down 0.2% from prior year due to relatively low gas prices and competition from rideshare services such as Uber and Lyft.
- Ridership for the year-to-date was 72.0 million and was 1.8 million higher than budget and 3.8 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 4.3% from the prior year-to-date.
- More details on ridership can be found in the February Ridership Report.

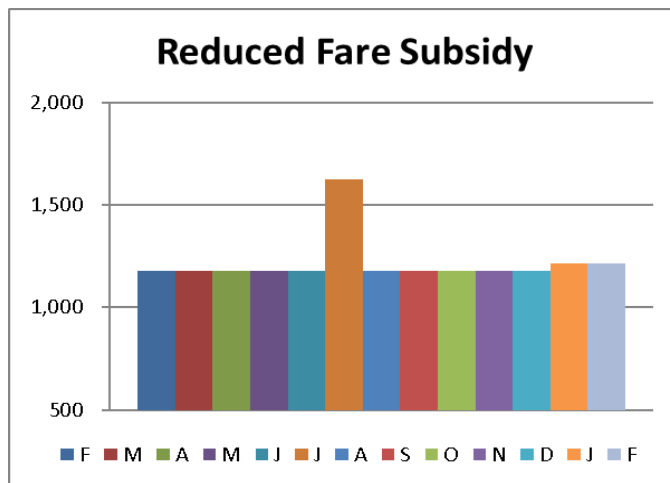
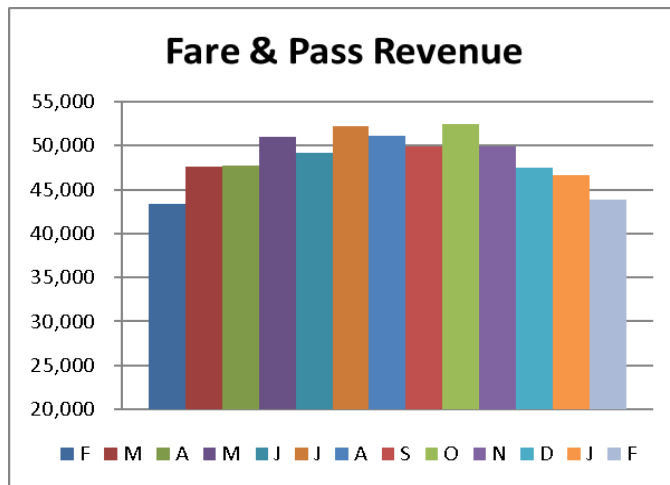
Cash and Liquidity



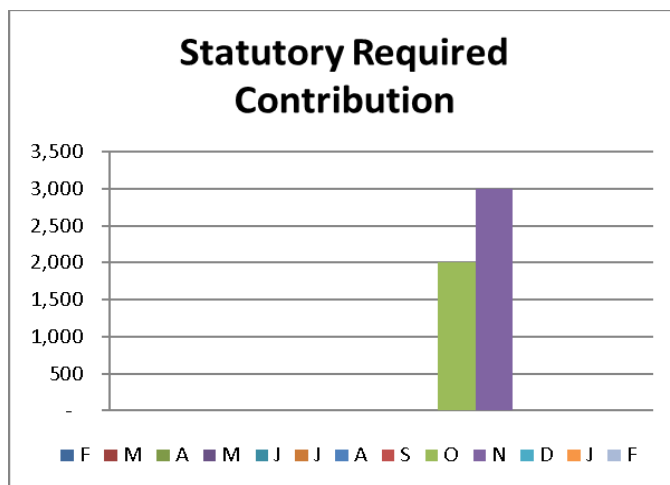
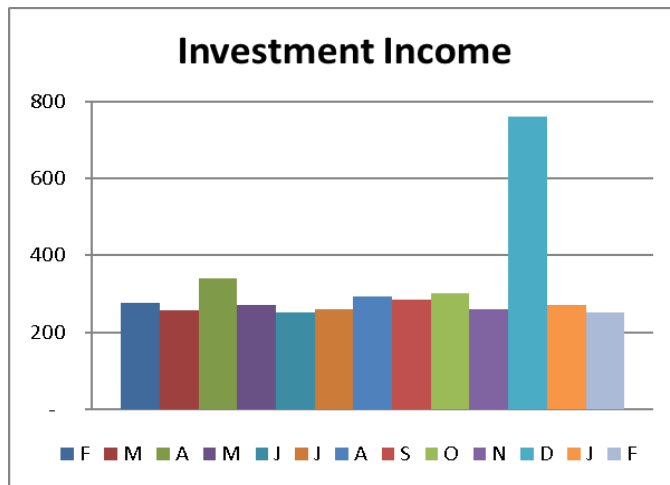
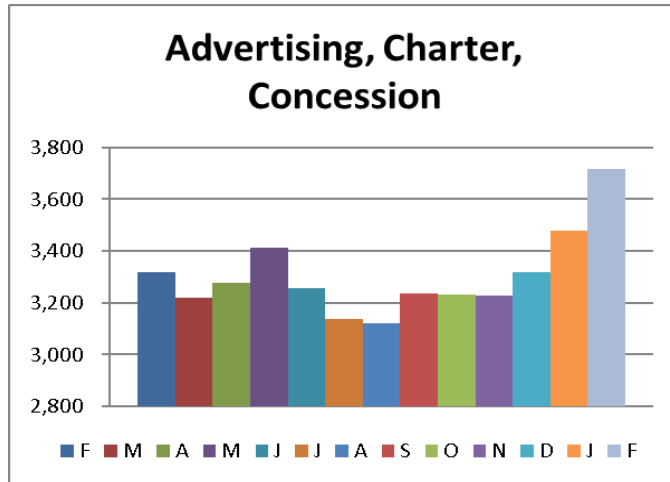
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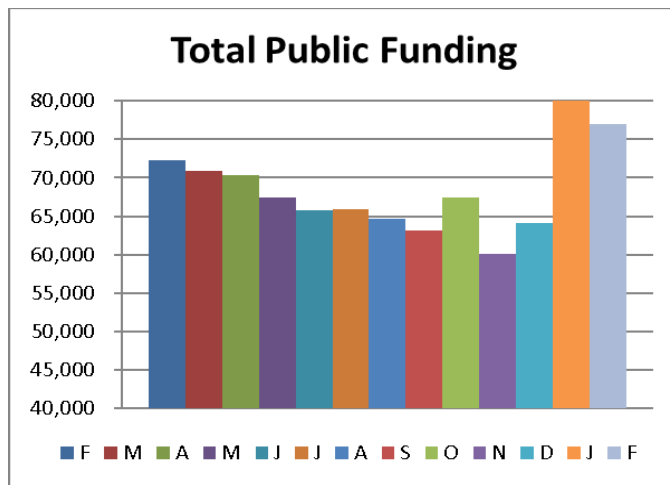
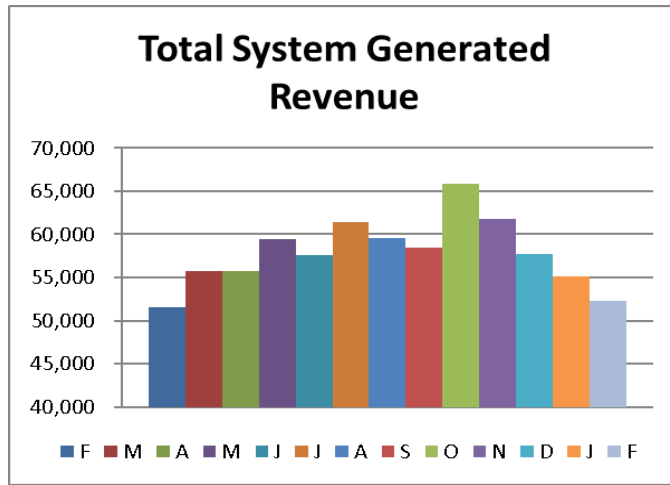
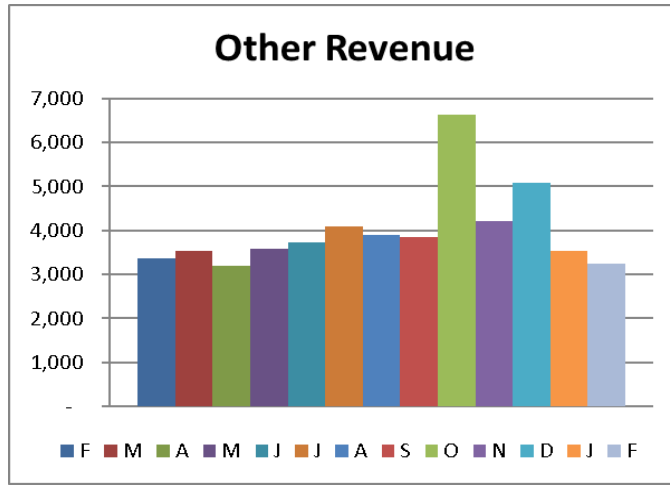
Revenue



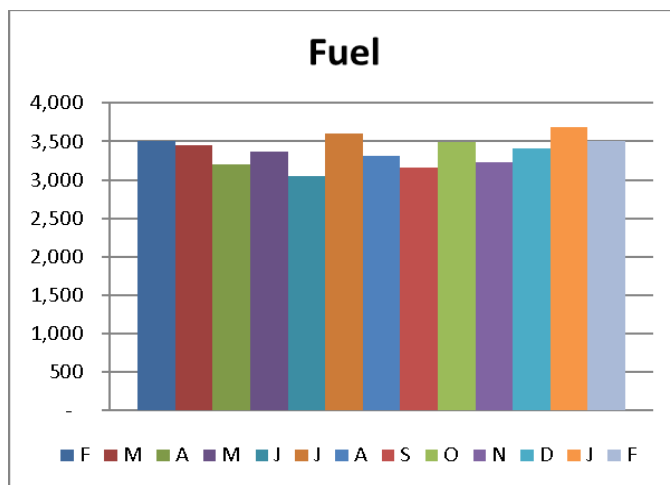
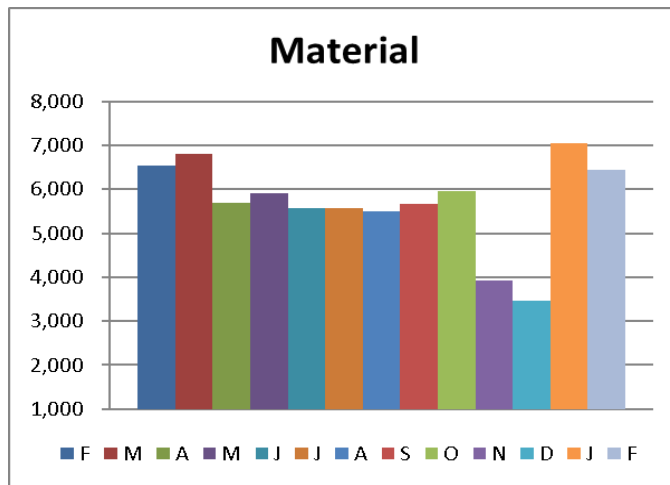
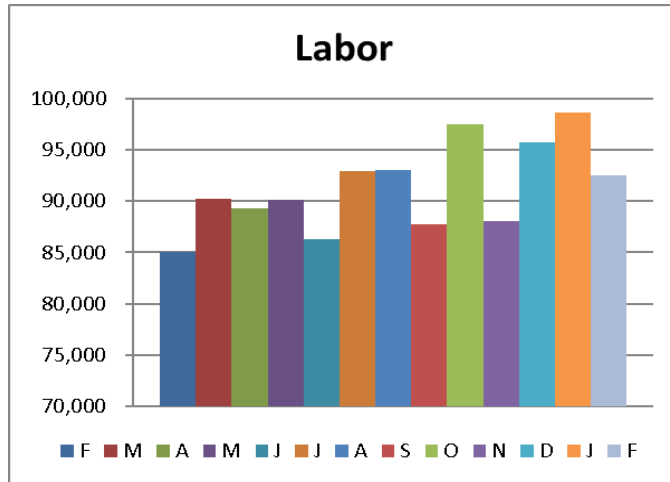
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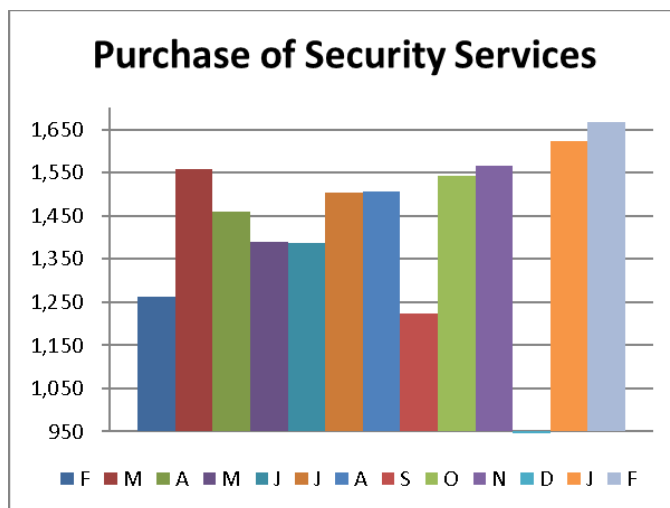
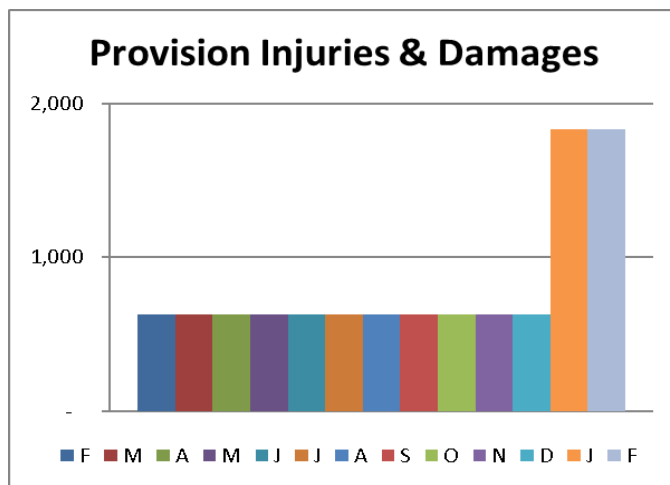
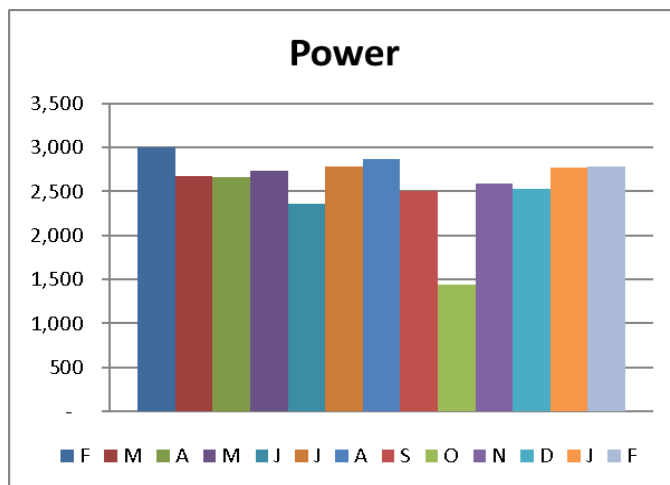
Revenue Cont'd



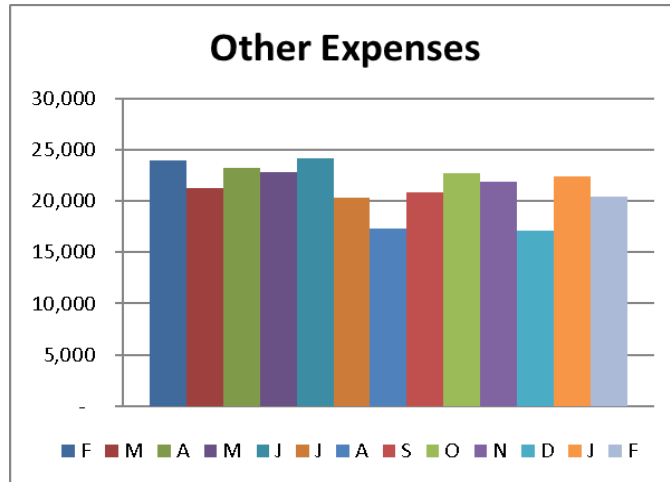
Expenses



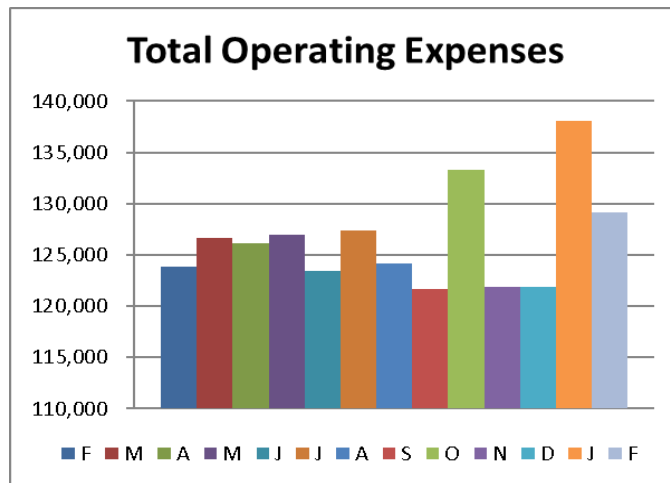
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Expenses Cont'd



Expenses Cont'd



Cash	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Unrestricted Cash	114	120	112	96	99	99	109	115	121	122	127	141	160
Damage Reserve	57	58	60	47	47	48	48	50	49	49	50	50	49
Funds Owed by RTA	309	301	314	324	326	318	289	286	266	258	231	238	241
Trust Portfolio Assets	468	473	485	500	331	351	353	452	458	461	354	351	356

Revenue	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Fare & Pass Revenue	43,416	47,591	47,741	51,027	49,212	52,247	51,064	49,965	52,498	49,861	47,438	46,608	43,798
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	1,217	1,217
Advertising, Charter, Concession	3,320	3,219	3,278	3,414	3,257	3,138	3,122	3,235	3,230	3,228	3,319	3,480	3,715
Investment Income	275	258	341	272	252	261	293	284	302	259	760	272	251
Statutory Required Contribution	-	-	-	-	-	-	-	-	2,000	3,000	-	-	-
Other Revenue	3,374	3,536	3,195	3,594	3,735	4,088	3,893	3,849	6,643	4,224	5,072	3,529	3,247
Total System Generated Revenue	51,566	55,784	55,735	59,486	57,637	61,360	59,553	58,512	65,853	61,752	57,769	55,106	52,230
Total Public Funding	72,323	70,843	70,381	67,490	65,820	65,970	64,623	63,205	67,478	60,151	64,102	82,989	76,950

Expenses	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Labor	85,024	90,206	89,260	90,095	86,253	92,900	93,001	87,743	97,545	88,041	95,693	98,687	92,509
Material	6,531	6,808	5,681	5,911	5,580	5,579	5,507	5,658	5,958	3,925	3,469	7,043	6,432
Fuel	3,512	3,445	3,208	3,364	3,047	3,599	3,314	3,154	3,487	3,232	3,405	3,688	3,507
Power	2,998	2,681	2,667	2,741	2,361	2,784	2,872	2,502	1,435	2,596	2,528	2,772	2,789
Provision Injuries & Damages	625	625	625	625	625	625	625	625	625	625	625	1,833	1,833
Purchase of Security Services	1,263	1,558	1,459	1,391	1,388	1,505	1,507	1,223	1,542	1,567	(965)	1,622	1,667
Other Expenses	23,938	21,304	23,215	22,849	24,202	20,339	17,349	20,811	22,739	21,917	17,115	22,451	20,443
Total Operating Expenses	123,890	126,627	126,116	126,976	123,457	127,330	124,176	121,718	133,332	121,903	121,871	138,095	129,179