



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for October 2021
Date: December 15, 2021

I. Summary

On March 13, 2020, the President of the United States declared a National Emergency concerning the Novel Coronavirus Disease (COVID-19) outbreak. CTA's financial results for the month and year to date are impacted by the effect of the COVID-19 pandemic. The financial results incorporate the amended budget approved at the May 2021 board meeting. CTA's financial results are \$4.9 million and \$39.0 million favorable to budget for October and year-to-date, respectively, primarily due to lower than anticipated labor and other expenses. Public funding for 2021 collected year-to-date totaled \$694.8 million, which is \$167.4 million favorable to budget. CTA has drawn down CARES funding of \$777.6 million, which is approximately 95.1% of CTA's CARES allocation.

Ridership for the month was 20.9 million, which was 4.2 million lower than budget and 7.3 million higher than October 2020. Ridership year-to-date was 0.5 million higher than budget and 15.2 million lower than prior year. The ridership decrease over the prior year-to-date was due to the COVID-19 pandemic.

II. Cash & Liquidity

The chart below highlights CTA's cash position at October 2021 compared to October 2020.

	October 2021	October 2020	Increase (Decrease)
Unrestricted Cash	\$ 217,337	\$ 171,123	\$ 46,214
Damage Reserve	61,005	44,106	\$ 16,899
Funds Owed by RTA	385,684	325,394	\$ 60,290
Trust Portfolio Assets	542,957	633,851	\$ (90,894)
Total Cash and Receivables	\$ 1,206,983	\$ 1,174,474	\$ 32,509

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$46.2 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$16.9 million higher than last year due to deposits into the fund offset by settlement payments. Funds owed by the RTA were approximately \$385.7 million which was \$60.3 million higher 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 Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Fare & Pass Revenue	\$ 26,337	\$ (962)	\$ 9,664	\$ 197,548	\$ (4,983)	\$ (7,467)

- Fare and pass revenue for October was \$1.0 million unfavorable to budget due to lower than expected 30-day pass revenue. It was \$9.7 million favorable to prior year due to higher ridership and promotional fares for select pass products. The average fare for the month was \$1.26 per ride and was \$0.17 higher than budget and \$0.04 higher than the prior year.
- Year-to-date fare and pass revenue was \$5.0 million unfavorable to budget due to lower than expected pass revenue. It was \$7.5 million unfavorable to prior year due to sharply lower ridership as a result of the current COVID-19 pandemic. The average fare for the year was \$1.24 per ride and was \$0.04 lower than budget and \$0.07 higher than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ -	\$ 12,210	\$ 38	\$ (184)

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

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Advertising, Charter, Concession	\$ 2,839	\$ 1,077	\$ 1,591	\$ 16,903	\$ (169)	\$ (2,209)

- Advertising, Charter and Concessions Revenue was \$1.1 million favorable to budget for the month due to additional vehicle and platform advertising revenue received as a result of a contract amendment. It was \$0.2 million unfavorable year-to-date due to lower than anticipated vehicle and platform advertising revenue. This revenue category was \$2.2 million lower than prior year-to-date due to the uncertainty of vehicle and platform advertising revenue minimum guarantee payments starting in April 2020 due to the COVID-19 pandemic.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Investment income	\$ 24	\$ (1)	\$ (13)	\$ 243	\$ (11)	\$ (1,092)

- Investment income was slightly unfavorable to budget for the month and \$1.1 million less than prior year-to-date due to lower short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Other Revenue	\$ 3,562	\$ 132	\$ 261	\$ 29,537	\$ 632	\$ (3,027)

- Other Revenue was \$0.1 million favorable to budget for the month due to an increase in non-capital grant revenues. It was \$0.6 million favorable to budget for the year-to-date due to higher than anticipated non-capital grant, parking lot, and movie generated revenues in addition to scrap material sales. Other revenue was \$0.3 million favorable to October 2020 due to higher non-capital grant and parking lot revenues and \$3.0 million unfavorable to prior year-to-date due to the monthly ride hailing fee received in 2020 but not in 2021 which was partially offset by higher non-capital grant revenue. Higher non-capital grant revenue is offset by higher non-capital grant expense in the Other Expenses category.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Total System Generated Revenue	\$ 35,979	\$ 246	\$ 11,503	\$ 258,440	\$ (4,493)	\$ (13,980)

- Total System-Generated Revenue was \$0.2 million higher than budget for the month due to higher than expected vehicle and platform advertising revenue. It was \$4.5 million lower than budget for the year-to-date due to lower than expected pass revenue. It was \$11.5 million higher than October 2020 due to higher fare and pass revenue and \$14.0 million lower than prior year-to-date due to sharply lower ridership as a result of the current COVID-19 pandemic.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Labor	\$ 102,383	\$ 2,131	\$ (6,787)	\$ 962,886	\$ 12,461	\$ (14,793)

- Labor expense was \$2.1 million favorable to budget for the month and \$12.5 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$6.8 million unfavorable to October 2020 and \$14.8 million unfavorable to prior year-to-date due to the timing of open positions.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Material	\$ 8,225	\$ (554)	\$ (2,495)	\$ 76,478	\$ (2,656)	\$ (13,010)

- Material expense was \$0.6 million and \$2.7 million unfavorable to budget for the month and year-to-date, respectively, due to vehicle parts usage. Material expense was \$2.5 million and \$13.0 million unfavorable to October 2020 and prior year-to-date due to vehicle parts usage and increased costs for cleaning supplies related to COVID-19.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Fuel	\$ 2,362	\$ 836	\$ 586	\$ 25,619	\$ 4,413	\$ 5,227

- Fuel for Revenue Equipment expense was \$0.8 million favorable to budget in October primarily due to lower than anticipated usage and fuel prices. Lower usage and fuel prices account for the favorable variance to the prior year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Power	\$ 1,889	\$ 606	\$ (45)	\$ 21,134	\$ 3,697	\$ (506)

- The Electric Power for Revenue Equipment expense was \$0.6 million favorable to budget for the month and \$3.7 million favorable year-to-date due to lower than anticipated usage. Expenses were \$0.5 million unfavorable to prior year-to-date primarily due to higher usage.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Provision for Injuries & Damages	\$ 2,640	\$ -	\$ (807)	\$ 26,400	\$ -	\$ (8,067)

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The unfavorable variance to 2020 for the month and year-to-date of \$0.8 million and \$8.1 million, respectively, is due to higher funding requirements in 2021.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Purchase of Security Services	\$ 1,233	\$ 448	\$ 407	\$ 13,196	\$ 2,761	\$ 3,430

- Purchase of Security Services was \$0.4 million favorable to budget for the month and \$0.4 million favorable to prior year due to the timing of invoices. Year-to-date, expenses were \$2.8 million favorable to budget and \$3.4 million favorable to prior year due to the timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Other Expenses	\$ 19,500	\$ 1,198	\$ (3,389)	\$ 199,885	\$ 22,812	\$ (9,913)

- Other expenses were \$1.2 million favorable to budget for the month and \$22.8 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$9.9 million unfavorable to prior year due to an increase in debt service costs on the TIFIA loans and 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 Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Total Operating Expenses	\$ 138,232	\$ 4,666	\$ (12,529)	\$ 1,325,598	\$ 43,489	\$ (37,631)

- Operating Expenses were \$4.7 million favorable to budget for the month primarily due to lower than anticipated other expenses and labor costs. The unfavorable variance to prior year-to-date was due to higher labor, material, and other expenses in addition to an increase in funding requirements for the provision for injuries and damages.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Recovery Ratio	40.10%	(14.65)		48.80%	(6.24)	

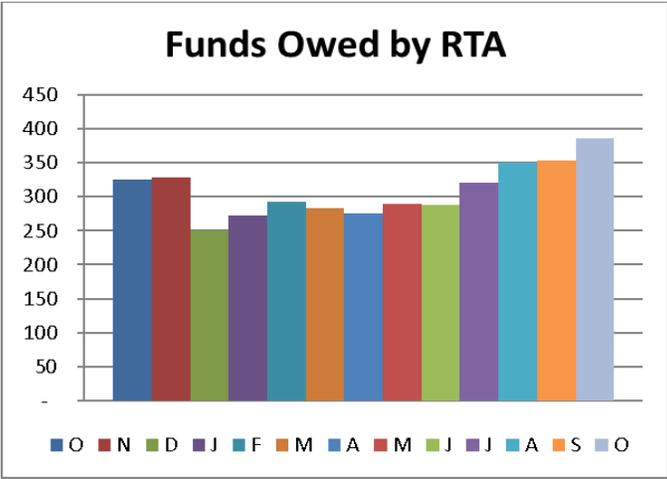
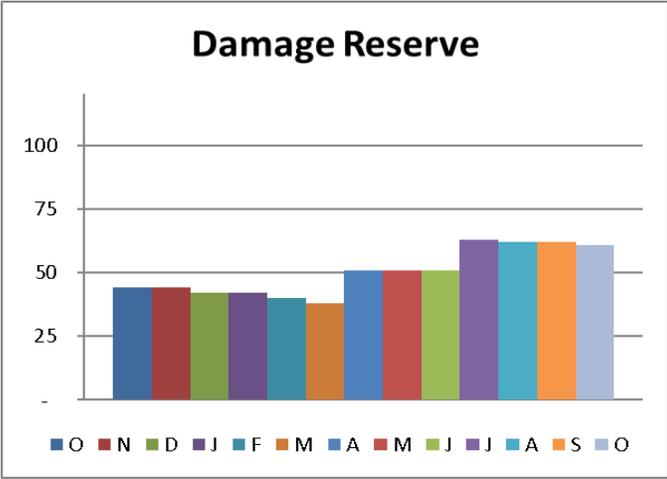
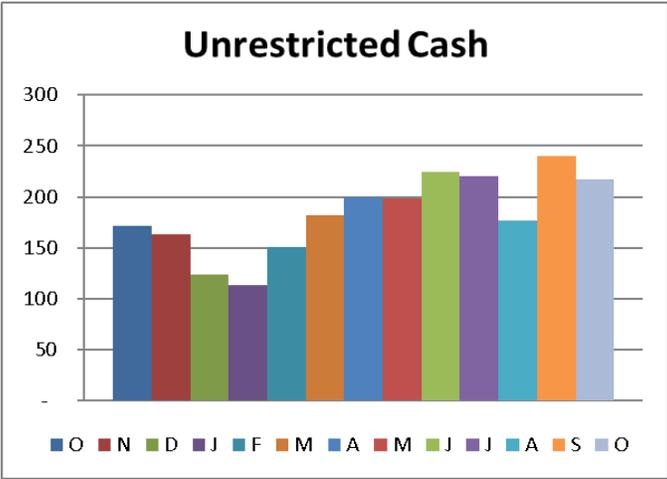
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 40.10% for the month. This was unfavorable to budget by 14.65 percentage points for the month. Year-to-date, the recovery ratio was 48.80%, which was unfavorable to budget by 6.24 percentage points. The RTA is including the Federal stimulus funds under the CARES Act as replacement fare revenues for recovery ratio purposes.

VI. Ridership

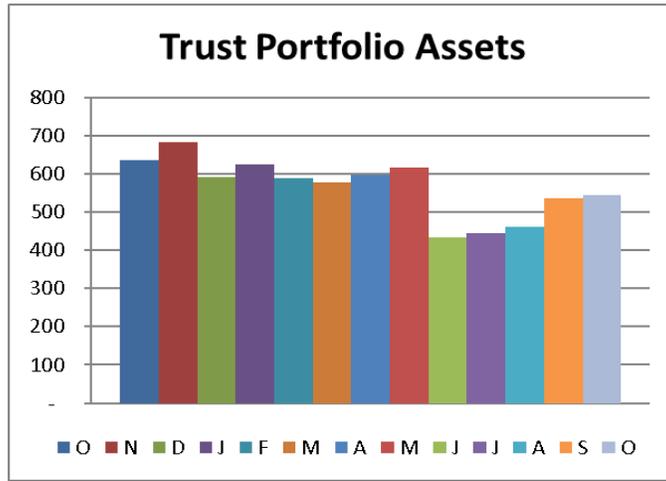
Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	Oct-21	Oct-21	Oct21 vs. Oct20	2021	2021	2020
Bus	11,906	(1,703)	3,019	96,258	(1,215)	(10,231)
Rail	7,676	(1,785)	3,771	53,440	2,903	(2,735)
Rail to Rail Transfers	1,353	(720)	508	10,122	(1,203)	(2,256)
Total	20,935	(4,208)	7,298	159,820	485	(15,223)

- Ridership for the month of October was 20.9 million and was 4.2 million lower than budget and 7.3 million higher than prior year.
- Calendar adjusted ridership was up 56.3% from prior year due to the COVID-19 pandemic and the current stage of re-opening for the City of Chicago. The City of Chicago fully re-opened on June 11, 2021.
- Ridership for the year-to-date was 159.8 million and was 0.5 million higher than budget and 15.2 million lower than the prior year-to-date.
- Calendar adjusted ridership was down 7.9% from the prior year-to-date.
- More details on ridership can be found in the October Ridership Report.

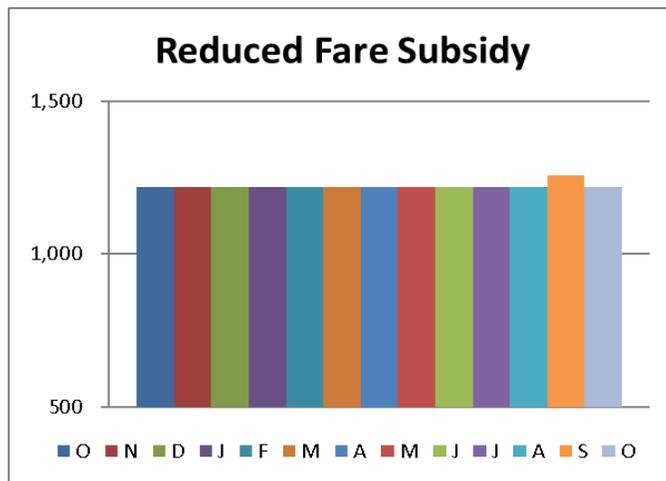
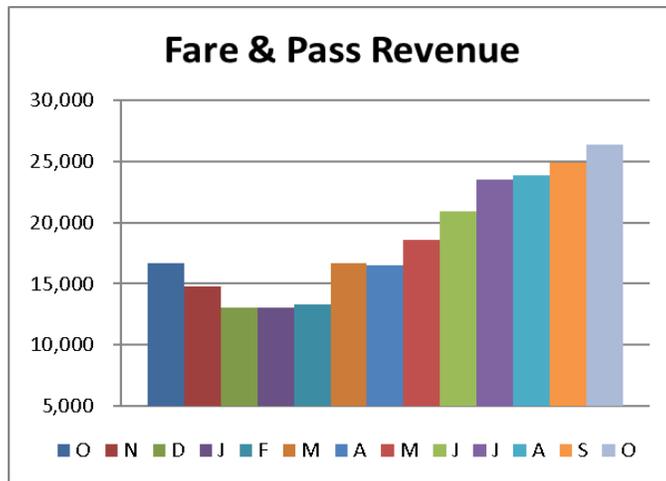
Cash & Liquidity



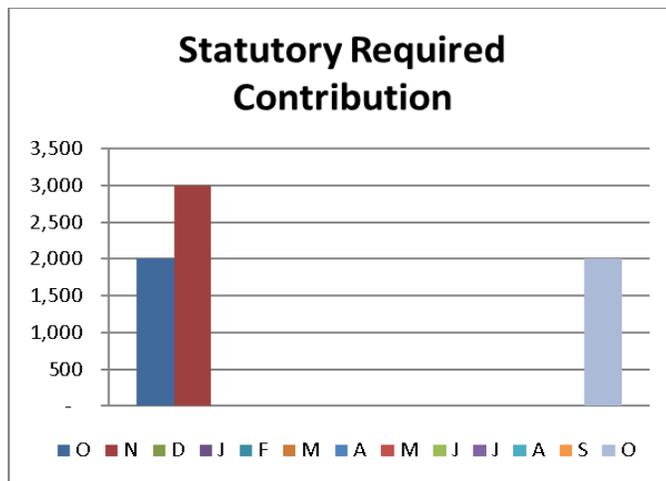
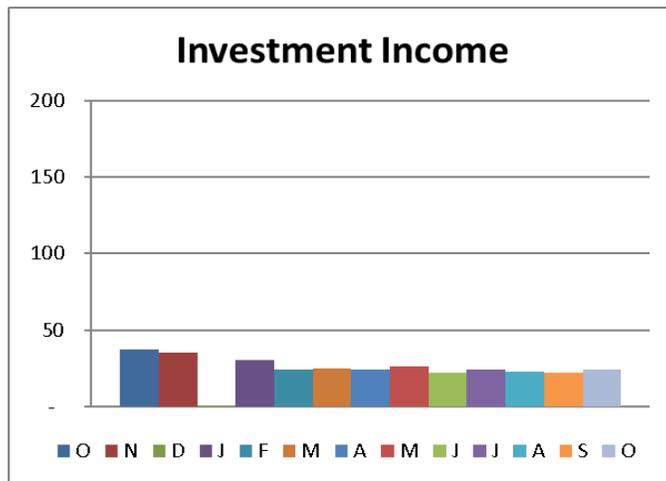
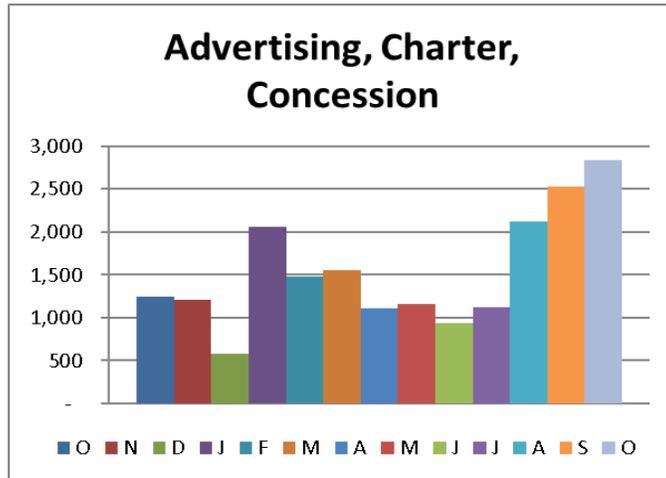
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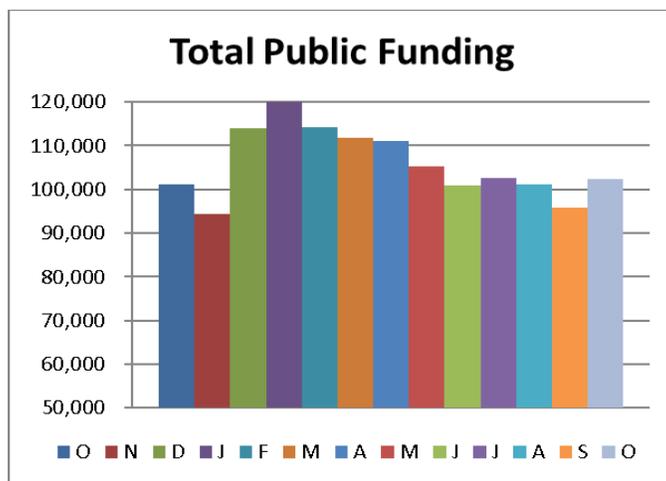
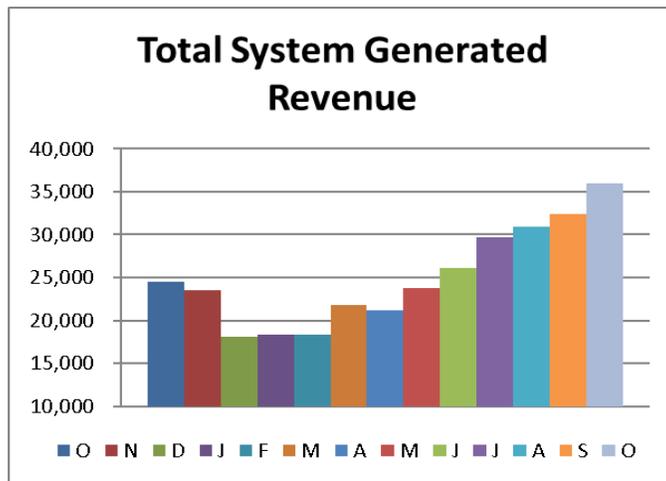
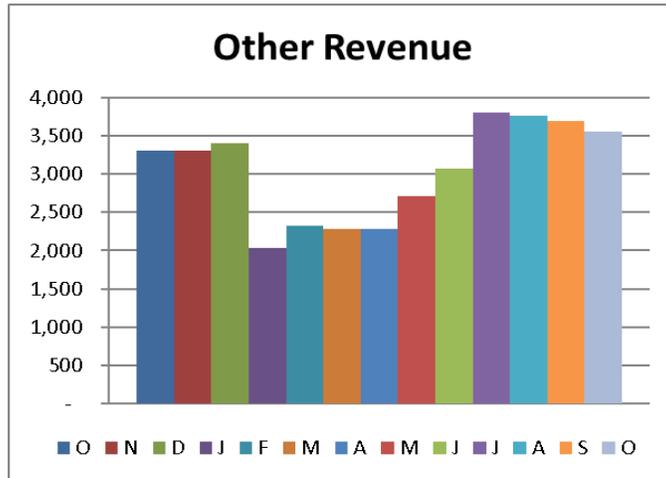
Revenue



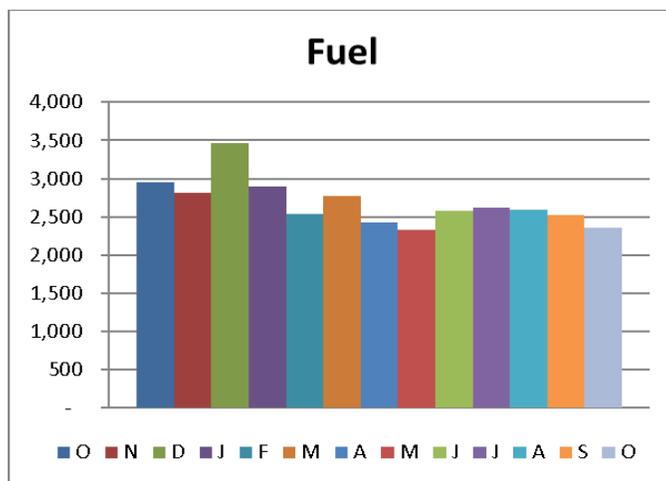
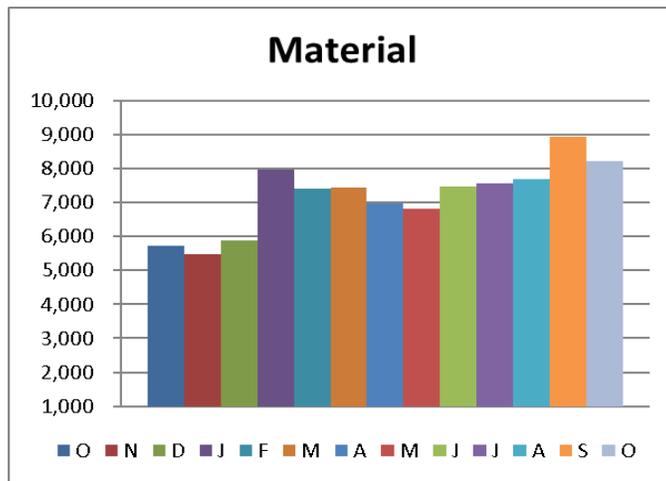
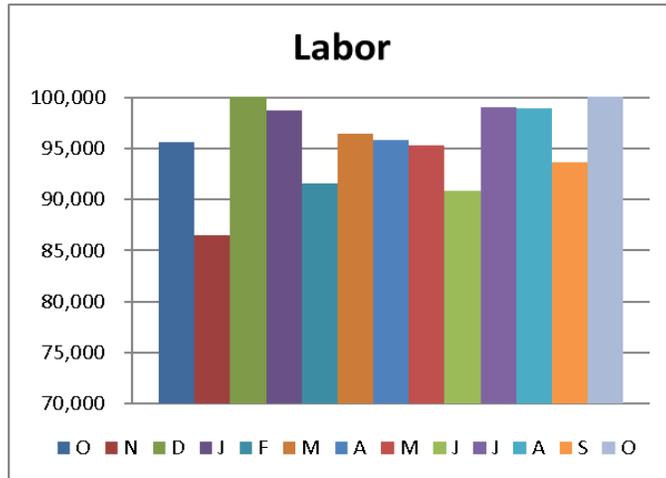
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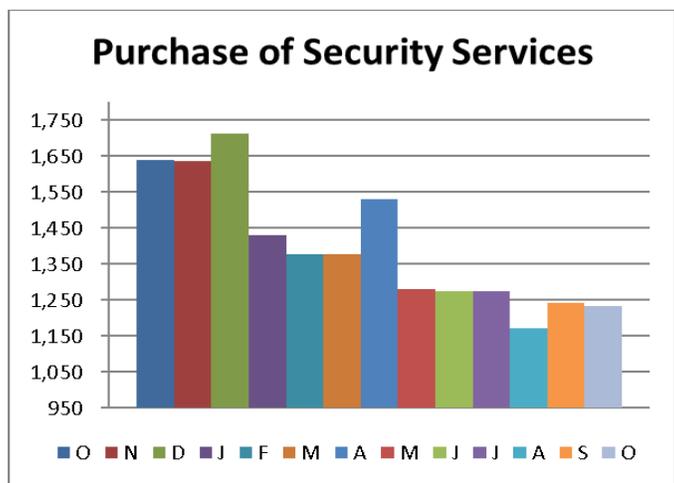
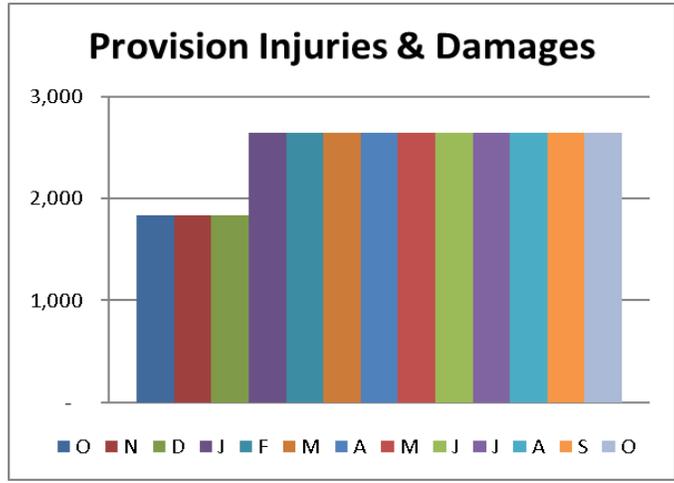
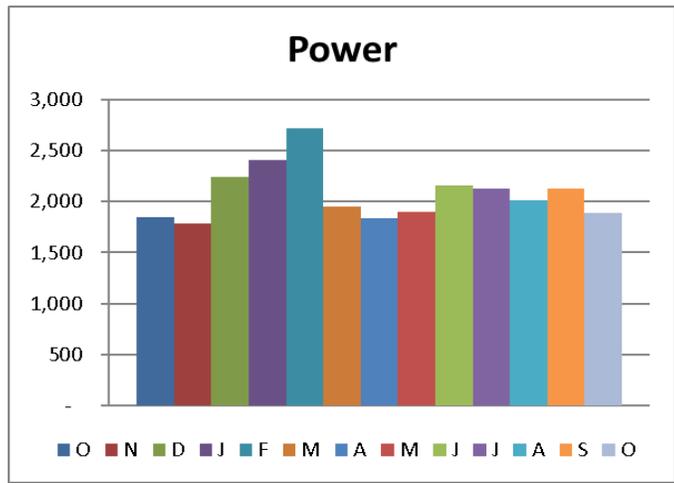
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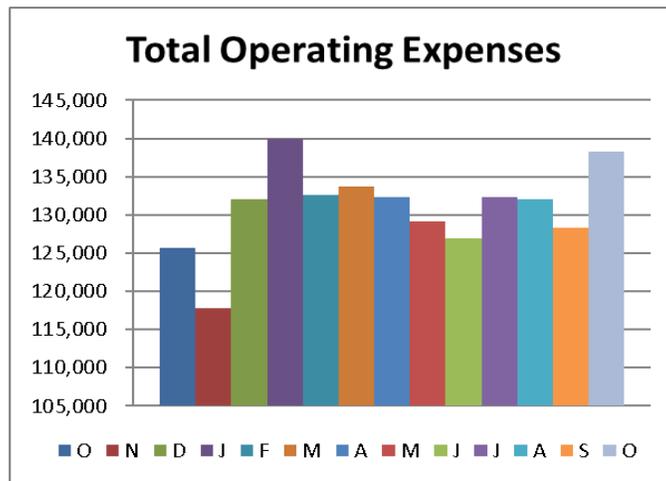
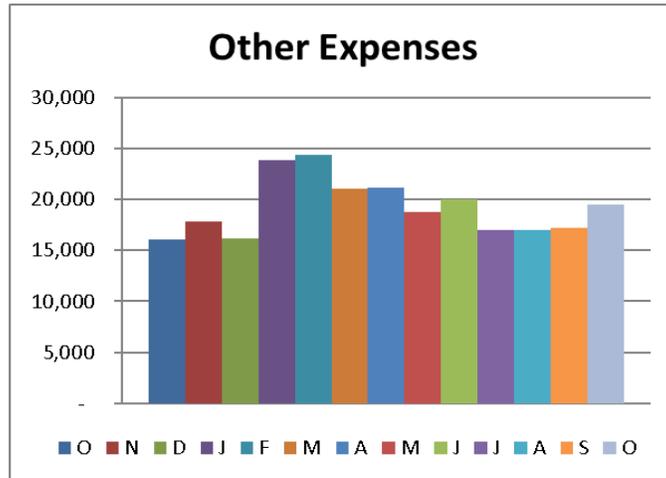
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Unrestricted Cash	171	163	124	113	151	182	199	198	224	220	177	240	217
Damage Reserve	44	44	42	42	40	38	51	51	51	63	62	62	61
Funds Owed by RTA	325	329	251	272	292	284	276	289	288	321	350	354	386
Trust Portfolio Assets	634	683	591	623	587	578	597	617	434	445	461	536	543

Revenue	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Fare & Pass Revenue	16,672	14,769	13,046	13,013	13,263	16,671	16,530	18,605	20,884	23,489	23,848	24,907	26,337
Reduced Fare Subsidy	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,255	1,217
Advertising, Charter, Concession	1,248	1,208	579	2,059	1,476	1,551	1,105	1,154	941	1,124	2,121	2,532	2,839
Investment Income	37	35	(149)	30	24	25	24	26	22	24	23	22	24
Statutory Required Contribution	2,000	3,000	-	-	-	-	-	-	-	-	-	-	2,000
Other Revenue	3,302	3,313	3,408	2,039	2,320	2,289	2,281	2,712	3,074	3,806	3,762	3,692	3,562
Total System Generated Revenue	24,476	23,542	18,101	18,359	18,301	21,752	21,157	23,715	26,138	29,660	30,972	32,408	35,979
Total Public Funding	101,227	94,277	113,938	121,550	114,347	111,927	111,190	105,369	100,840	102,700	101,137	95,844	102,253

Expenses	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Labor	95,596	86,474	100,786	98,703	91,587	96,475	95,816	95,358	90,837	99,104	99,008	93,616	102,383
Material	5,731	5,462	5,870	7,956	7,417	7,443	6,976	6,828	7,455	7,567	7,682	8,927	8,225
Fuel	2,948	2,818	3,460	2,901	2,539	2,767	2,430	2,325	2,573	2,614	2,586	2,523	2,362
Power	1,843	1,787	2,241	2,412	2,723	1,955	1,833	1,900	2,158	2,126	2,015	2,124	1,889
Provision Injuries & Damages	1,833	1,833	1,833	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640
Purchase of Security Services	1,640	1,637	1,713	1,431	1,378	1,378	1,531	1,281	1,276	1,275	1,171	1,242	1,233
Other Expenses	16,111	17,808	16,135	23,866	24,362	21,021	21,121	18,752	20,039	17,036	17,007	17,180	19,500
Total Operating Expenses	125,703	117,819	132,040	139,909	132,648	133,679	132,347	129,083	126,979	132,361	132,109	128,252	138,232