



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for January 2020  
Date: March 11, 2020

### I. Summary

CTA's financial results are \$1.0 million unfavorable to budget for January due to higher than anticipated labor expenses.

Ridership for the month was 36.7 million, which was 1.3 million higher than budget and 3.1 million higher than January 2019. The ridership increase over the prior year was due to January 2019's polar vortex.

### II. Cash & Liquidity

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

	January 2020	January 2019	Increase (Decrease)
Unrestricted Cash	\$ 141,355	\$ 98,166	\$ 43,189
Damage Reserve	49,859	57,619	\$ (7,760)
Funds Owed by RTA	238,115	322,527	\$ (84,412)
Trust Portfolio Assets	350,645	449,311	\$ (98,666)
Total Cash and Receivables	\$ 779,974	\$ 927,623	\$ (147,649)

CTA's total cash/receivables balance was equal to \$780.0 million. Unrestricted cash was \$43.2 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$7.8 million lower than last year due to settlement payments. Funds owed by the RTA were approximately \$238.1 million which was \$84.4 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 Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Jan-20	Jan-20	Jan20 vs. Jan19	2020	2020	2019
Fare & Pass Revenue	\$ 46,608	\$ 758	\$ 3,372	\$ 46,608	\$ 758	\$ 3,372

- Fare and pass revenue for January was \$0.8 million favorable to budget and \$3.4 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 month was \$1.27 per ride and was \$0.02 lower than budget and \$0.02 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Jan-20	Jan-20	Jan20 vs. Jan19	2020	2020	2019
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ 37	\$ 1,217	\$ -	\$ 37

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

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Jan-20	Jan-20	Jan20 vs. Jan19	2020	2020	2019
Advertising, Charter, Concession	\$ 3,480	\$ 125	\$ 255	\$ 3,480	\$ 125	\$ 255

- Advertising, Charter and Concessions Revenue was \$0.1 million favorable to budget for the month and \$0.3 million higher than prior year due to an increase in the vehicle and platform advertising revenue minimum guarantee in 2020.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Jan-20	Jan-20	Jan20 vs. Jan19	2020	2020	2019
Investment income	\$ 272	\$ 22	\$ 7	\$ 272	\$ 22	\$ 7

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

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Other Revenue	\$ 3,529	\$ (285)	\$ (447)	\$ 3,529	\$ (285)	\$ (447)

- Other Revenue for the month was \$0.3 million unfavorable to budget due to lower than anticipated rental revenue and the impact of increased parking taxes. Other revenue was lower than January 2019 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
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Total System Generated Revenue	\$ 55,106	\$ 621	\$ 3,224	\$ 55,106	\$ 621	\$ 3,224

- Total System-Generated Revenue was higher than budget for the month by \$0.6 million due to higher fare and advertising revenue. It was \$3.2 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
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Labor	\$ 98,687	\$ (1,883)	\$ (5,494)	\$ 98,687	\$ (1,883)	\$ (5,494)

- Labor expense was \$1.9 million unfavorable to budget for the month due to the settlement of certain union contracts and increased fringe benefit and overtime costs. Labor expense was \$5.5 million unfavorable to January 2019 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
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Material	\$ 7,043	\$ 56	\$ -	\$ 7,043	\$ 56	\$ -

- Material expense was \$0.1 million favorable to budget for the month due to targeted capital maintenance campaigns. Material expense was on par with January 2019.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Fuel	\$ 3,688	\$ 257	\$ (59)	\$ 3,688	\$ 257	\$ (59)

- Fuel for Revenue Equipment expense was \$0.3 million favorable to budget in January primarily due to lower than anticipated usage due to milder weather and price. Higher fuel prices account for the unfavorable variance to January 2019.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Power	\$ 2,772	\$ 616	\$ 623	\$ 2,772	\$ 616	\$ 623

- The Electric Power for Revenue Equipment expense was \$0.6 million favorable to budget for the month due to lower than anticipated usage due to milder weather. Expenses were \$0.6 million favorable to January 2019 primarily due to the harsher weather in 2019.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Provision for Injuries & Damages	\$ 1,833	\$ -	\$ (1,208)	\$ 1,833	\$ -	\$ (1,208)

- The Provision for Injuries & Damages expense was on par with budget for the month and \$1.2 million unfavorable to January 2019 due to higher funding requirements in 2020.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Purchase of Security Services	\$ 1,622	\$ 82	\$ (140)	\$ 1,622	\$ 82	\$ (140)

- Purchase of Security Services was \$0.1 million favorable to budget for the month and \$0.1 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
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Other Expenses	\$ 22,451	\$ (768)	\$ 922	\$ 22,451	\$ (768)	\$ 922

- Other expenses were \$0.8 million unfavorable to budget for the month due to the timing of contractual services invoices and \$0.9 million favorable to January 2019 due to the timing of 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
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Total Operating Expenses	\$ 138,095	\$ (1,641)	\$ (5,356)	\$ 138,095	\$ (1,641)	\$ (5,356)

- Operating Expenses were \$1.6 million unfavorable to budget for the month primarily due to higher labor costs. The unfavorable variance to prior year 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
	Jan-20	Budget Jan-20	Prior Year Jan20 vs. Jan19	2020	Budget 2020	Prior Year 2019
Recovery Ratio	49.31%	(0.13)		49.31%	(0.13)	

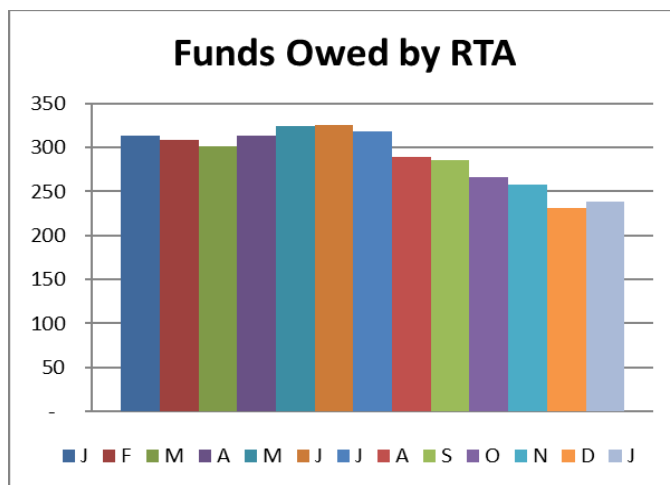
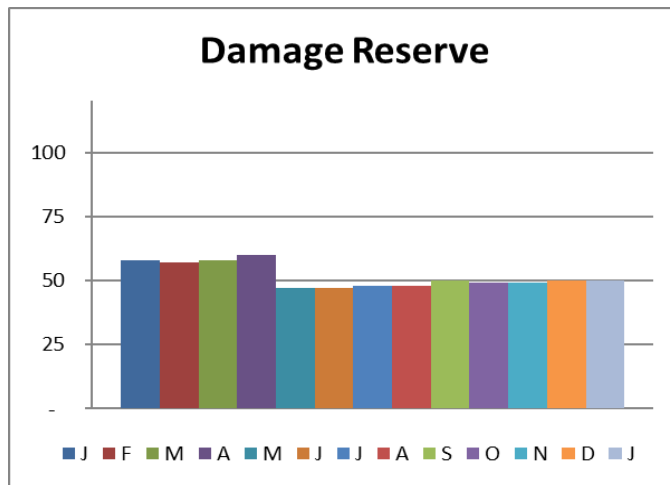
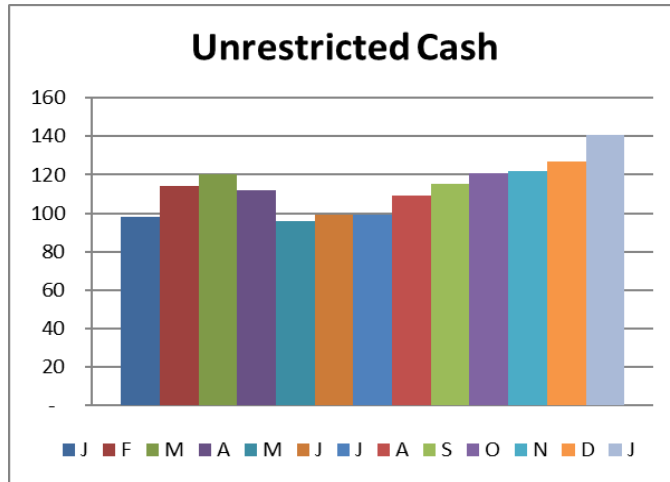
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 49.31% for the month. This was unfavorable to budget by 0.13 percentage points for the month but is on target to meet the RTA required recovery ratio of 54.75% for the year.

## VI. Ridership

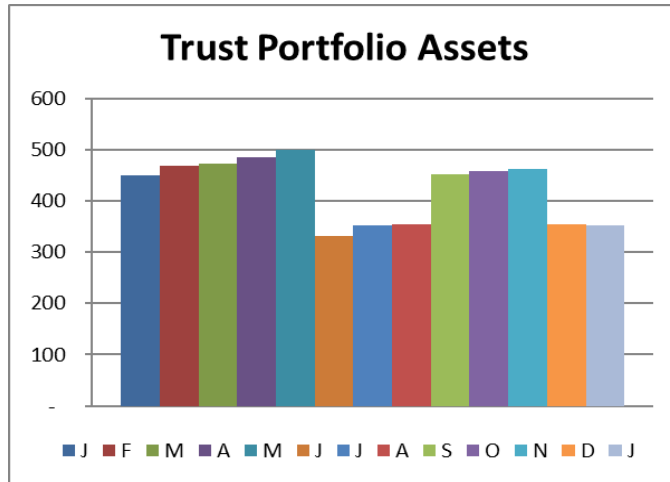
Category	Current Month			Full Year		
	Actual Jan-20	Variance to Budget Jan-20	Variance to Prior Year Jan20 vs. Jan19	Actual 2020	Variance to Budget 2020	Variance to Prior Year 2019
Bus	19,482	1,040	2,029	19,482	1,040	2,029
Rail	14,054	195	920	14,054	195	920
Rail to Rail Transfers	3,127	50	192	3,127	50	192
<b>Total</b>	<b>36,664</b>	<b>1,285</b>	<b>3,141</b>	<b>36,664</b>	<b>1,285</b>	<b>3,141</b>

- Ridership for the month of January was 36.7 million and was higher than budget and prior year by 1.3 million and 3.1 million, respectively.
- Calendar adjusted ridership was up 9.2% from prior year due to January 2019's polar vortex.
- More details on ridership can be found in the January Ridership Report.

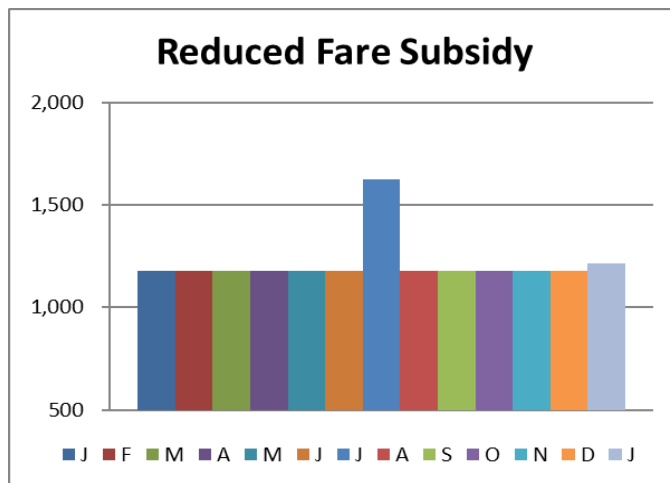
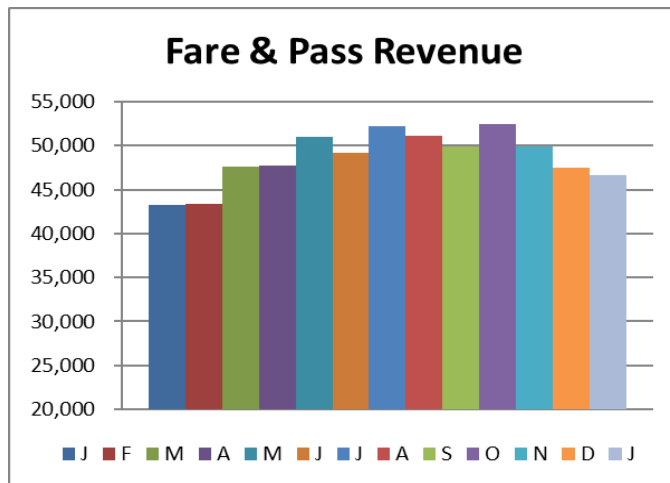
## Cash and Liquidity



Cash and Liquidity Cont'd

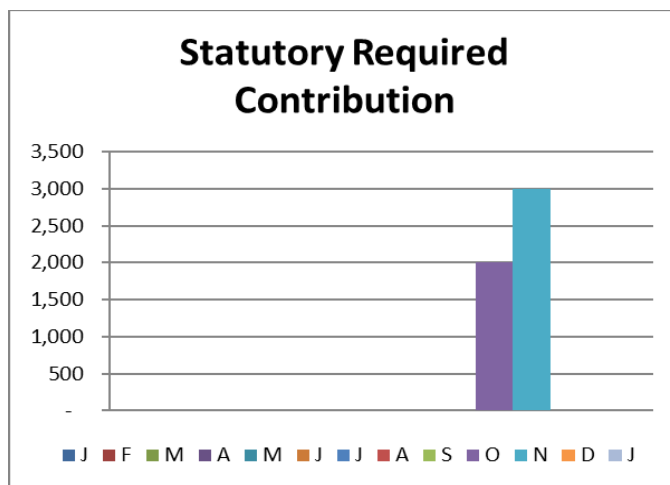
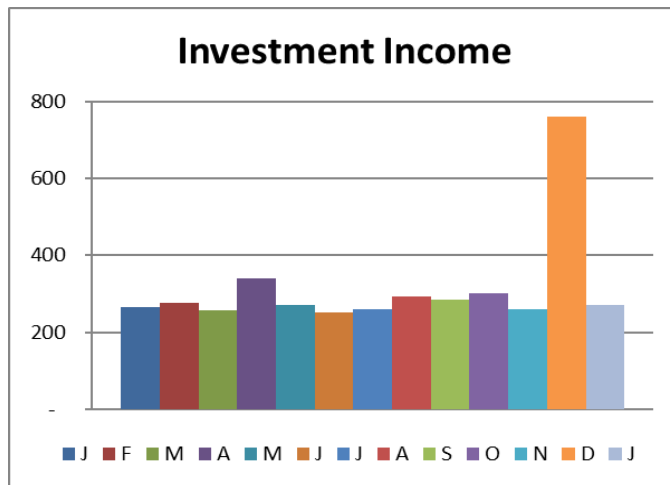
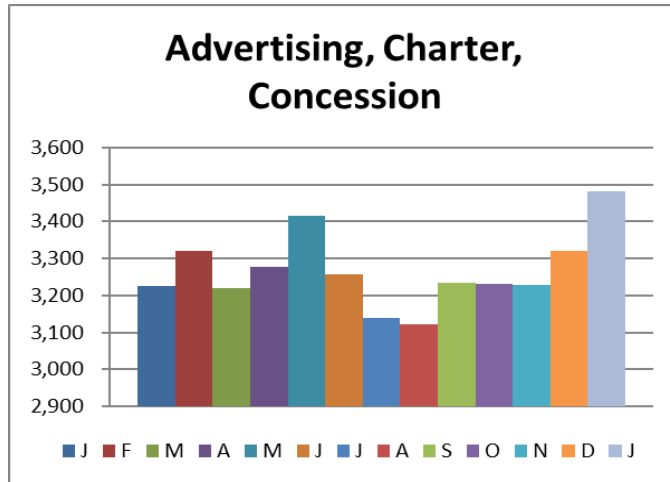


Revenue

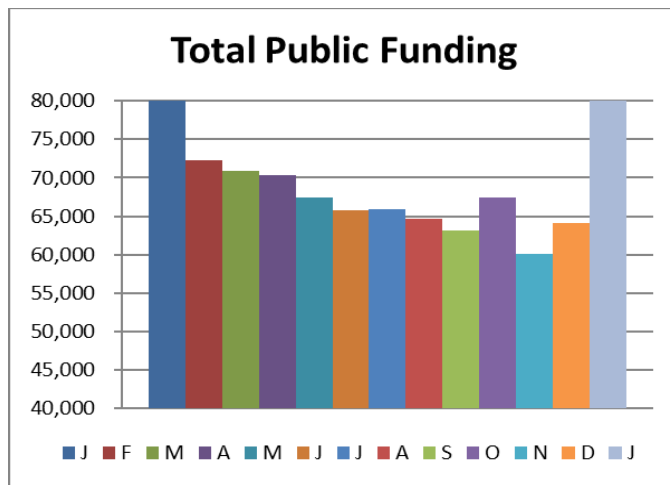
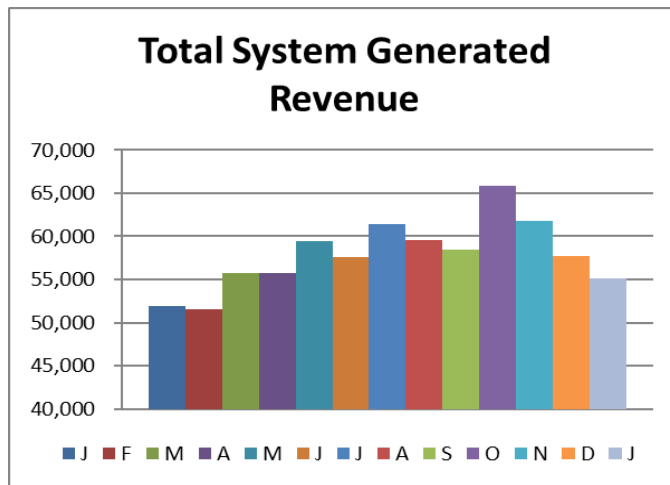
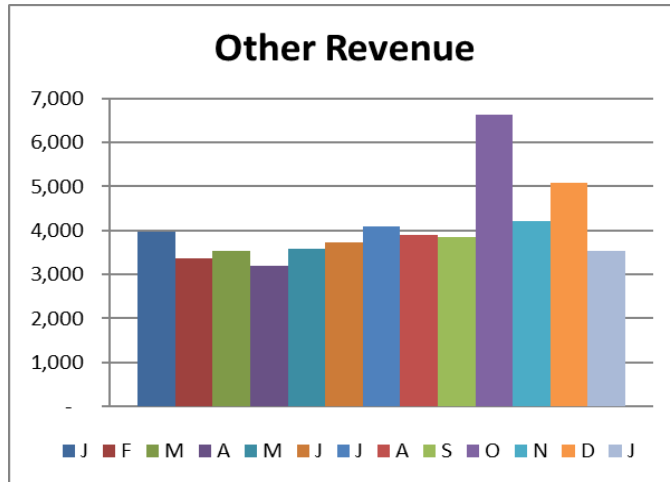




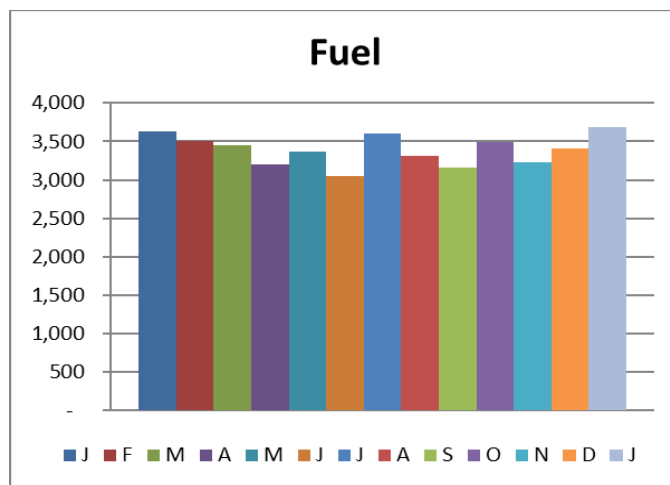
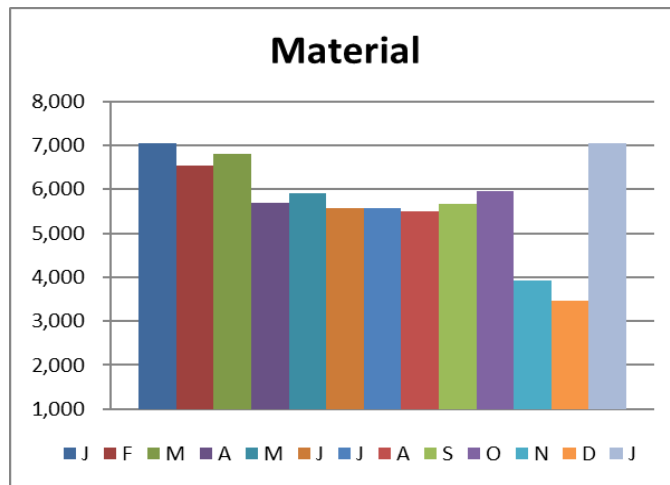
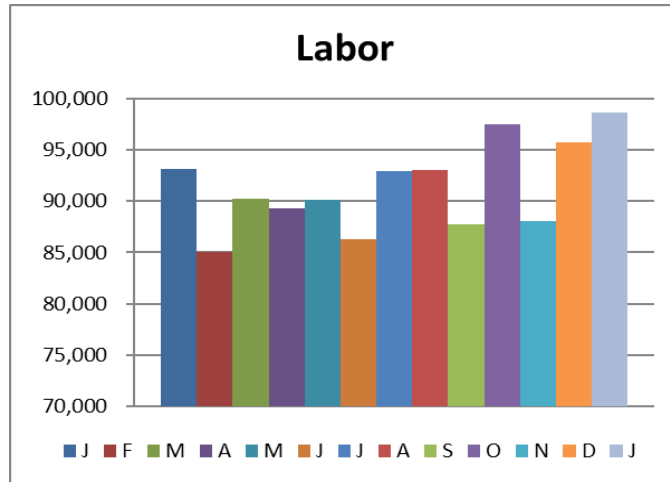
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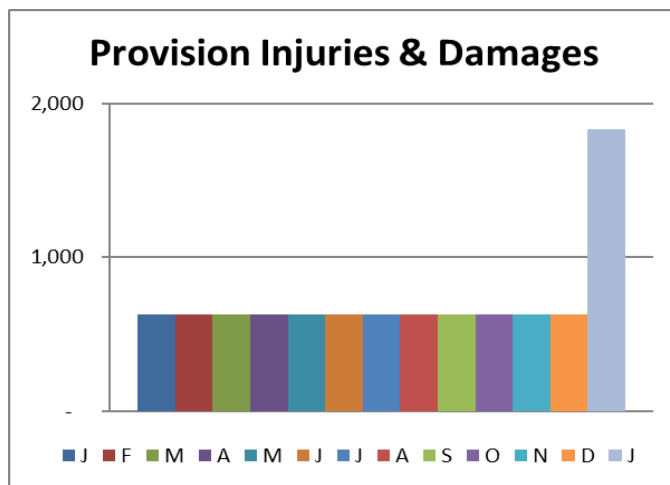
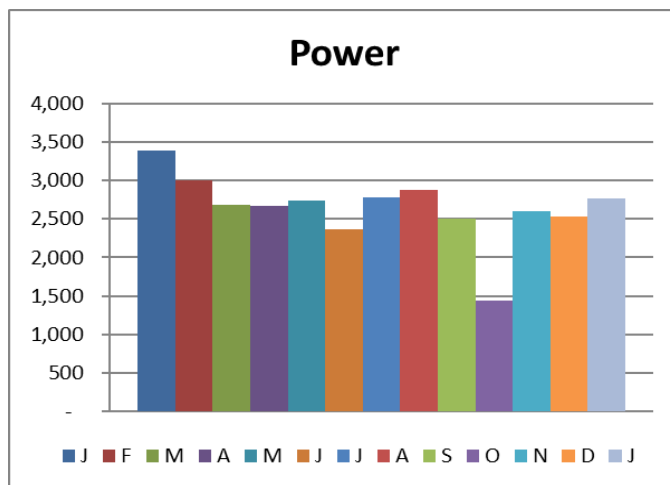
Revenue Cont'd



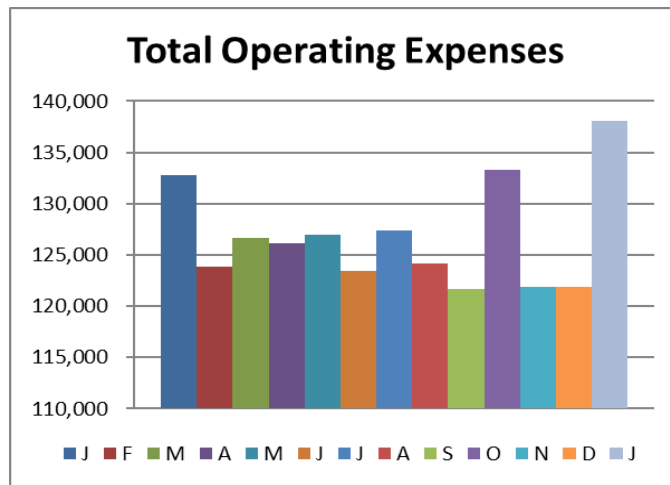
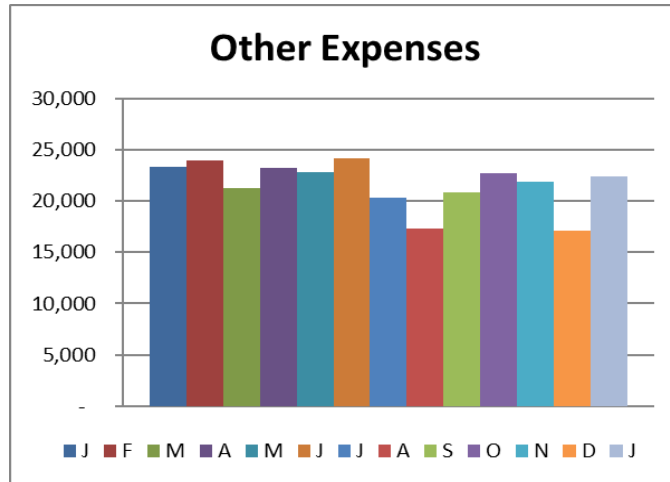
## Expenses



Expenses Cont'd



## Expenses Cont'd



Cash	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
Unrestricted Cash	98	114	120	112	96	99	99	109	115	121	122	127	141
Damage Reserve	58	57	58	60	47	47	48	48	50	49	49	50	50
Funds Owed by RTA	314	309	301	314	324	326	318	289	286	266	258	231	238
Trust Portfolio Assets	449	468	473	485	500	331	351	353	452	458	461	354	351

Revenue	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
Fare & Pass Revenue	43,236	43,416	47,591	47,741	51,027	49,212	52,247	51,064	49,965	52,498	49,861	47,438	46,608
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,180	1,180	1,625	1,180	1,180	1,180	1,180	1,180	1,217
Advertising, Charter, Concession	3,226	3,320	3,219	3,278	3,414	3,257	3,138	3,122	3,235	3,230	3,228	3,319	3,480
Investment Income	265	275	258	341	272	252	261	293	284	302	259	760	272
Statutory Required Contribution	-	-	-	-	-	-	-	-	-	2,000	3,000	-	-
Other Revenue	3,976	3,374	3,536	3,195	3,594	3,735	4,088	3,893	3,849	6,643	4,224	5,072	3,529
Total System Generated Revenue	51,882	51,566	55,784	55,735	59,486	57,637	61,360	59,553	58,512	65,853	61,752	57,769	55,106
Total Public Funding	80,857	72,323	70,843	70,381	67,490	65,820	65,970	64,623	63,205	67,478	60,151	64,102	82,989

Expenses	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
Labor	93,193	85,024	90,206	89,260	90,095	86,253	92,900	93,001	87,743	97,545	88,041	95,693	98,687
Material	7,043	6,531	6,808	5,681	5,911	5,580	5,579	5,507	5,658	5,958	3,925	3,469	7,043
Fuel	3,629	3,512	3,445	3,208	3,364	3,047	3,599	3,314	3,154	3,487	3,232	3,405	3,688
Power	3,395	2,998	2,681	2,667	2,741	2,361	2,784	2,872	2,502	1,435	2,596	2,528	2,772
Provision Injuries & Damages	625	625	625	625	625	625	625	625	625	625	625	625	1,833
Purchase of Security Services	1,482	1,263	1,558	1,459	1,391	1,388	1,505	1,507	1,223	1,542	1,567	(965)	1,622
Other Expenses	23,373	23,938	21,304	23,215	22,849	24,202	20,339	17,349	20,811	22,739	21,917	17,115	22,451
Total Operating Expenses	132,740	123,890	126,627	126,116	126,976	123,457	127,330	124,176	121,718	133,332	121,903	121,871	138,095