



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for March 2020  
Date: May 13, 2020

## 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 March 2020 financial results are impacted by the effect of the COVID-19 outbreak on the economy. CTA's financial results are \$19.3 million unfavorable to budget for March primarily due to lower than anticipated fare and pass revenue. Results are unfavorable to budget for year-to-date by \$19.7 million primarily due to lower than anticipated fare and pass revenue.

Ridership for the month was 23.1 million, which was 15.1 million lower than budget and 15.2 million lower than March 2019. Ridership year-to-date was lower than budget and prior year by 13.2 million and 11.3 million, respectively. 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 March 2020 compared to March 2019.

	March 2020	March 2019	Increase (Decrease)
Unrestricted Cash	\$ 188,699	\$ 119,733	\$ 68,966
Damage Reserve	49,005	58,123	\$ (9,118)
Funds Owed by RTA	267,318	300,703	\$ (33,385)
Trust Portfolio Assets	385,193	473,147	\$ (87,954)
Total Cash and Receivables	\$ 890,215	\$ 951,706	\$ (61,491)

CTA's total cash/receivables balance was equal to \$890.2 million. Unrestricted cash was \$69.0 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$9.1 million lower than last year due to settlement payments. Funds owed by the RTA were approximately \$267.3 million which was \$33.4 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	Variance to	Actual	Variance to	Variance to
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Fare & Pass Revenue	\$ 29,234	\$ (19,413)	\$ (18,357)	\$ 119,641	\$ (19,738)	\$ (14,603)

- Fare and pass revenue for March was \$19.4 million unfavorable to budget and \$18.4 million unfavorable to prior year due to sharply lower ridership as a result of the current COVID-19 pandemic. The average fare for the month was \$1.26 per ride and was \$0.01 lower than budget and \$0.02 higher than the prior year.
- Year-to-date fare and pass revenue was \$19.7 million unfavorable to budget and \$14.6 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 \$1.26 per ride and was \$0.03 lower than budget and on par with the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ 37	\$ 3,652	\$ -	\$ 111

- 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Advertising, Charter, Concession	\$ 3,618	\$ 251	\$ 399	\$ 10,813	\$ 698	\$ 1,048

- Advertising, Charter and Concessions Revenue was \$0.3 million favorable to budget for the month and \$0.7 million favorable year-to-date. This revenue category was \$1.0 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Investment income	\$ 195	\$ (55)	\$ (63)	\$ 718	\$ (32)	\$ (80)

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

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Other Revenue	\$ 3,515	\$ (320)	\$ (21)	\$ 10,292	\$ (1,186)	\$ (594)

- Other Revenue was \$0.3 million and \$1.2 million unfavorable to budget for the month and year-to-date, respectively, due to lower than anticipated non-capital grant, rental, and scrap material sales revenues in addition to the impact of increased parking taxes. Other revenue was slightly unfavorable to March 2019 and unfavorable to prior year-to-date by \$0.6 million primarily due to lower non-capital grant, scrap material sales, and rental 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Total System Generated Revenue	\$ 37,779	\$ (19,538)	\$ (18,005)	\$ 145,114	\$ (20,259)	\$ (14,118)

- Total System-Generated Revenue was lower than budget for the month and year-to-date by \$19.5 million and \$20.3 million, respectively due to sharply lower ridership as a result of the current COVID-19 pandemic. It was \$18.0 million lower than prior year 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Labor	\$ 98,284	\$ (477)	\$ (8,079)	\$ 289,481	\$ (2,621)	\$ (21,058)

- Labor expense was unfavorable to budget by \$0.5 million for the month and \$2.6 million for the year-to-date due to the settlement of certain union contracts and increased fringe benefit and overtime costs. Labor expense was \$8.1 million unfavorable to March 2019 and \$21.1 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Material	\$ 7,066	\$ (827)	\$ (257)	\$ 20,540	\$ (1,238)	\$ (158)

- Material expense was \$0.8 million unfavorable to budget for the month due to increased costs for cleaning supplies related to COVID-19 and vehicle parts usage and \$1.2 million unfavorable year-to-date due to higher vehicle part usage. Material expense was \$0.3 million and \$0.2 million unfavorable to March 2019 and prior year-to-date due to higher vehicle parts usage, respectively.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Fuel	\$ 3,203	\$ 518	\$ 242	\$ 10,397	\$ 1,000	\$ 188

- Fuel for Revenue Equipment expense was \$0.5 million favorable to budget in March primarily due to lower than anticipated usage and price. Lower usage accounts for the favorable variance to the prior year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Power	\$ 2,111	\$ 572	\$ 570	\$ 7,672	\$ 1,188	\$ 1,402

- The Electric Power for Revenue Equipment expense was \$0.6 million favorable to budget for the month and \$1.2 million favorable year-to-date due to lower than anticipated usage. Expenses were \$1.4 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Provision for Injuries & Damages	\$ 1,833	\$ -	\$ (1,208)	\$ 5,500	\$ -	\$ (3,625)

- 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 \$3.6 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Purchase of Security Services	\$ 1,678	\$ 26	\$ (120)	\$ 4,967	\$ 145	\$ (664)

- Purchase of Security Services was on par with budget for the month and \$0.1 million unfavorable to prior year. Year-to-date, expenses were \$0.1 million favorable budget and \$0.7 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Other Expenses	\$ 21,659	\$ 438	\$ (354)	\$ 64,552	\$ 785	\$ 4,062

- Other expenses were \$0.4 million favorable to budget for the month and \$0.8 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$4.1 million favorable due to moving capital debt service costs from the operating budget to the State's new capital pay-go funding. 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Total Operating Expenses	\$ 135,835	\$ 250	\$ (9,207)	\$ 403,109	\$ (741)	\$ (19,853)

- Operating Expenses were \$0.3 million favorable to budget for the month primarily due to lower fuel and electric power for revenue equipment expenses. 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
	Mar-20	Budget Mar-20	Prior Year Mar20 vs. Mar19	2020	Budget 2020	Prior Year 2019
Recovery Ratio	35.18%	(17.05)		45.22%	(5.82)	

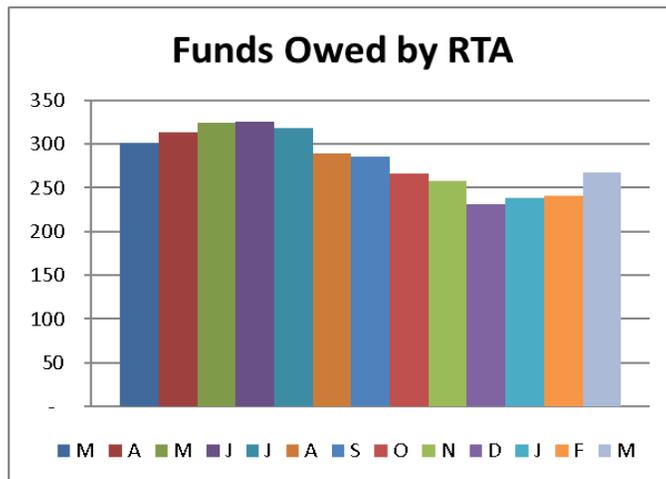
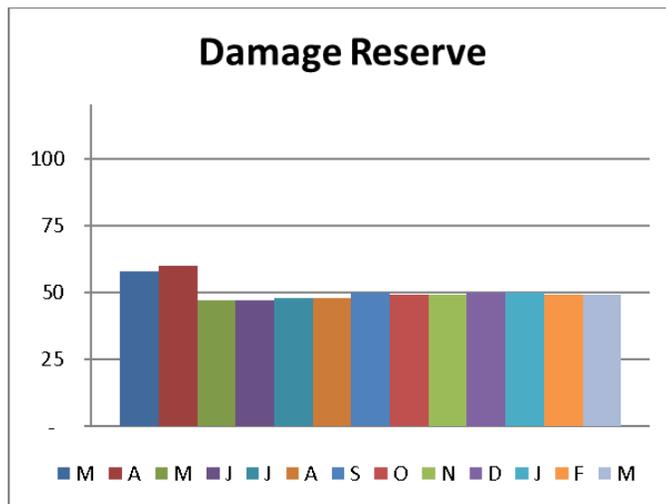
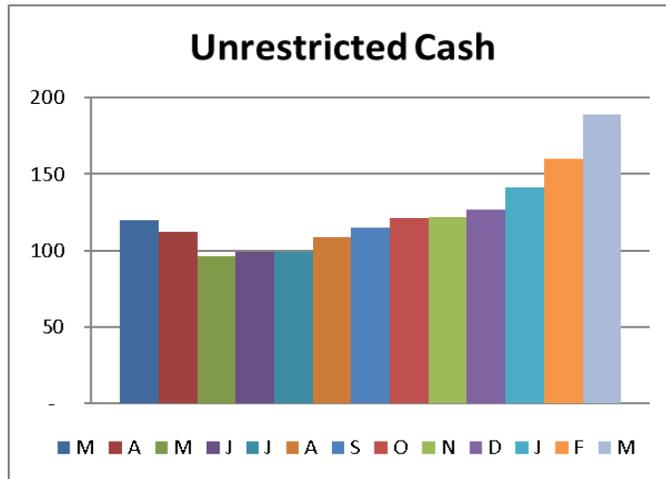
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 35.18% for the month. This was unfavorable to budget by 17.05 percentage points for the month. Year-to-date, the recovery ratio was 45.22%, which was unfavorable to budget by 5.82 percentage points. Due to the COVID-19 pandemic, fare and pass revenues have decreased significantly, which also causes an unfavorable variance in the recovery ratio. While final determination has not been made, the RTA is currently planning to count the Federal stimulus funds under the CARES Act as replacement fare revenues for recovery ratio purposes.

## VI. Ridership

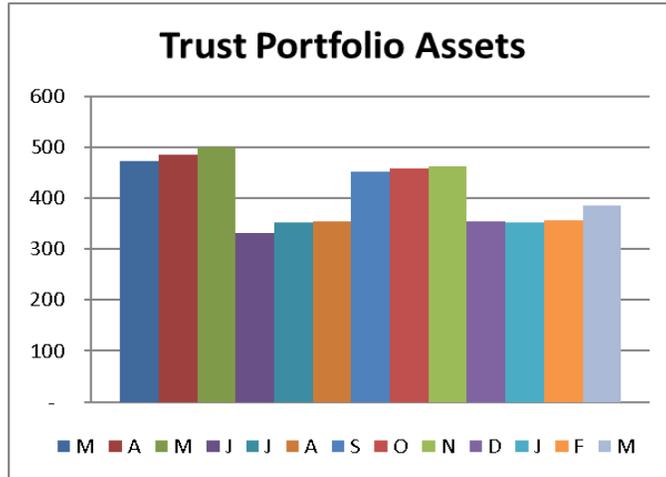
Category	Current Month			Full Year		
	Actual Mar-20	Variance to Budget Mar-20	Variance to Prior Year Mar20 vs. Mar19	Actual 2020	Variance to Budget 2020	Variance to Prior Year 2019
Bus	13,341	(6,880)	(6,926)	51,853	(5,181)	(4,147)
Rail	8,024	(6,711)	(6,722)	35,444	(6,595)	(5,844)
Rail to Rail Transfers	1,770	(1,483)	(1,503)	7,830	(1,454)	(1,327)
<b>Total</b>	<b>23,135</b>	<b>(15,074)</b>	<b>(15,151)</b>	<b>95,128</b>	<b>(13,230)</b>	<b>(11,317)</b>

- Ridership for the month of March was 23.1 million and was lower than budget and prior year by 15.1 million and 15.2 million, respectively.
- Calendar adjusted ridership was down 40.7% from prior year due to the COVID-19 pandemic.
- Ridership for the year-to-date was 95.1 million and was 13.2 million lower than budget and 11.3 million lower than the prior year-to-date.
- Calendar adjusted ridership was down 12.1% from the prior year-to-date.
- More details on ridership can be found in the March Ridership Report.

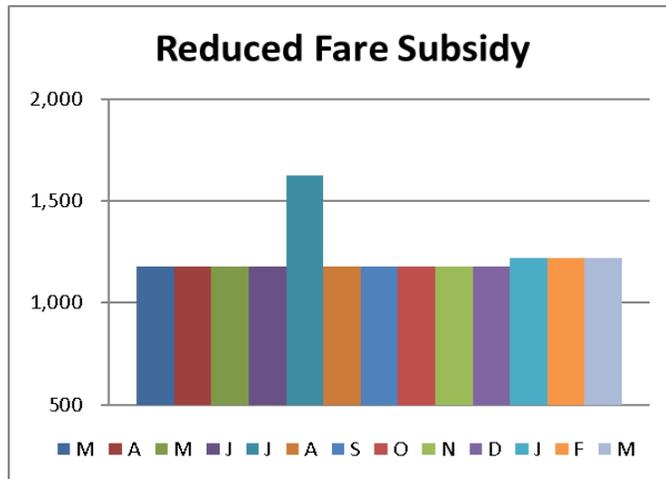
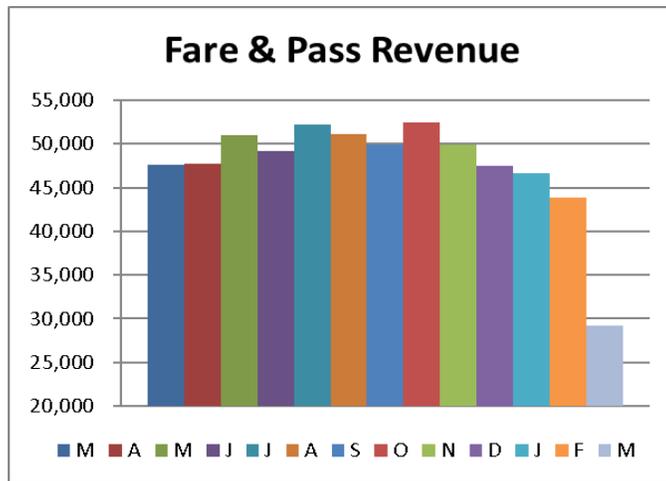
## Cash and Liquidity



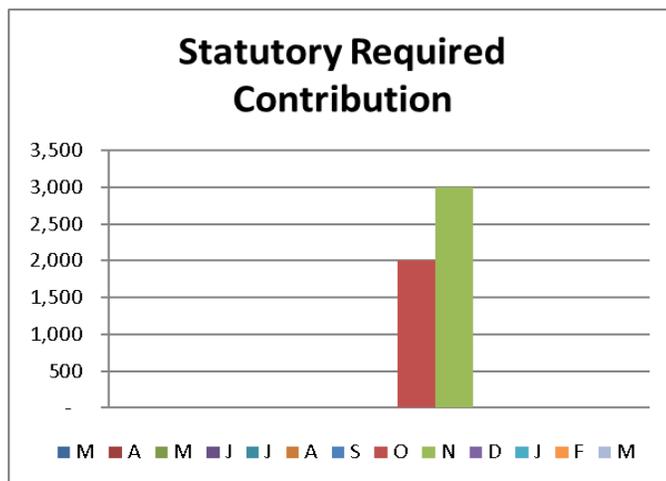
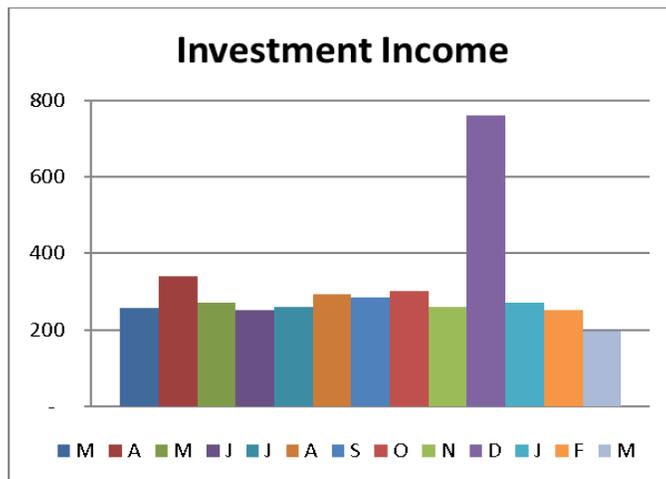
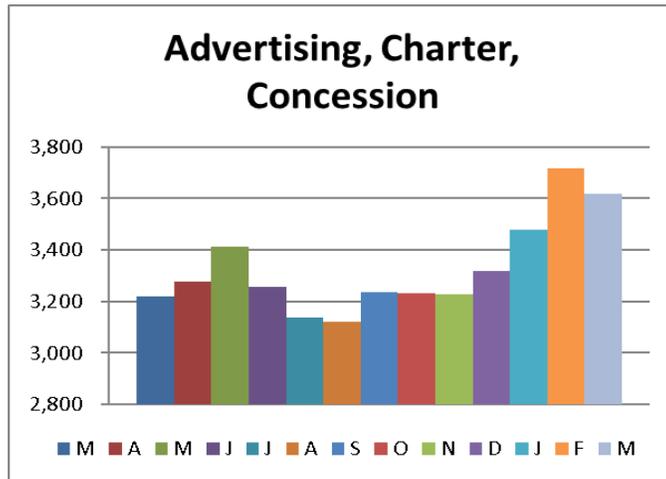
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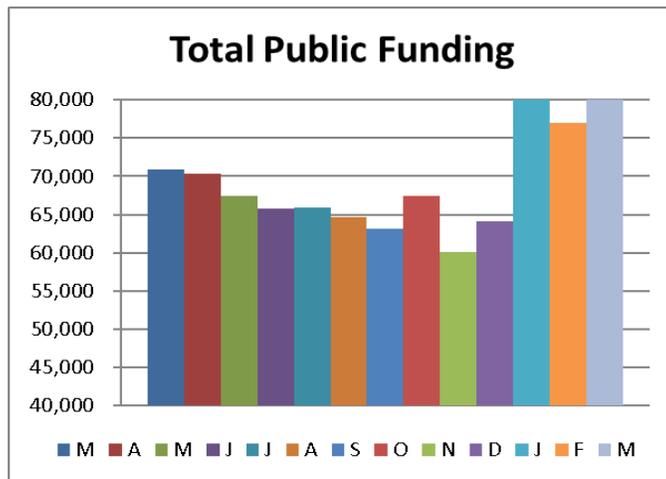
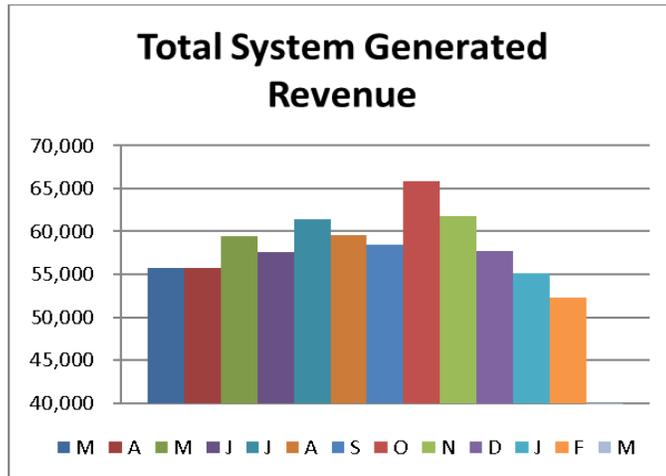
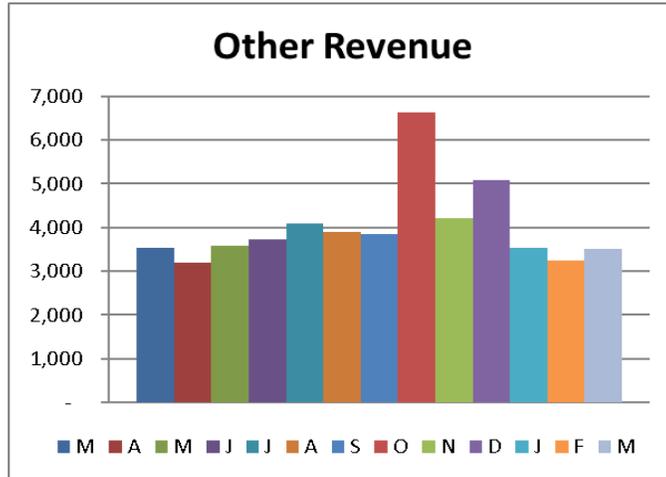
Revenue



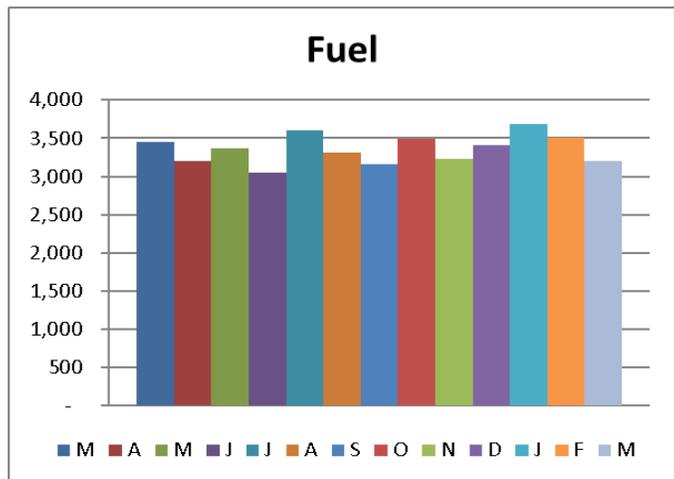
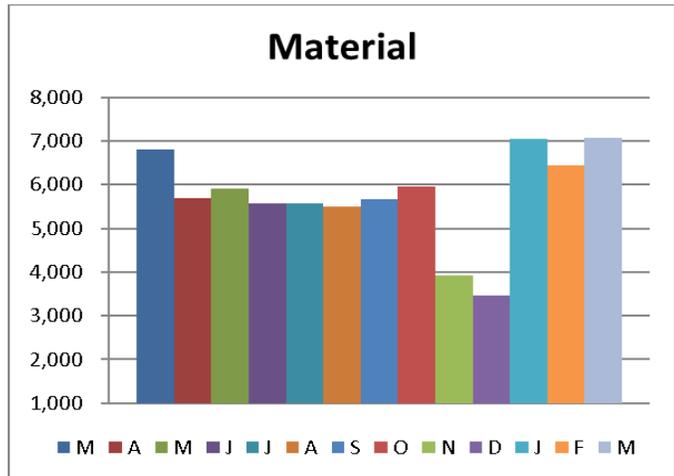
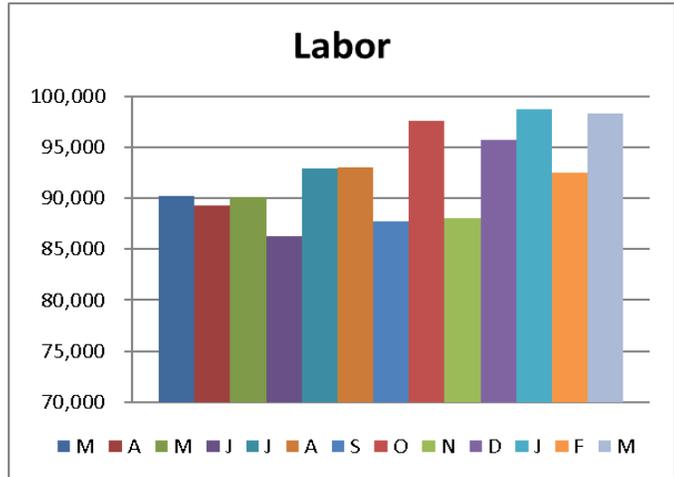
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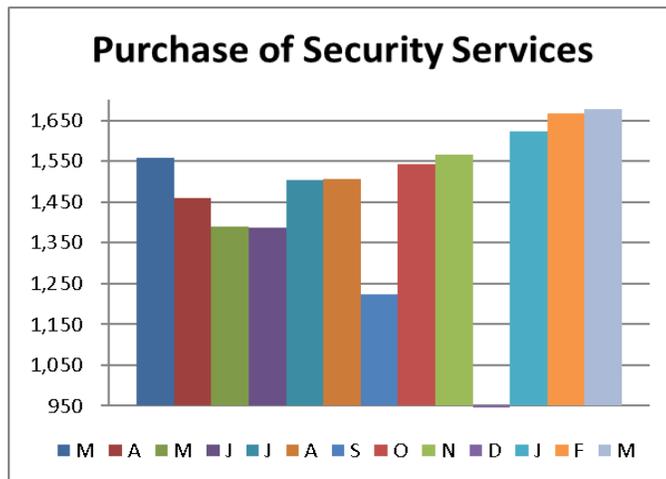
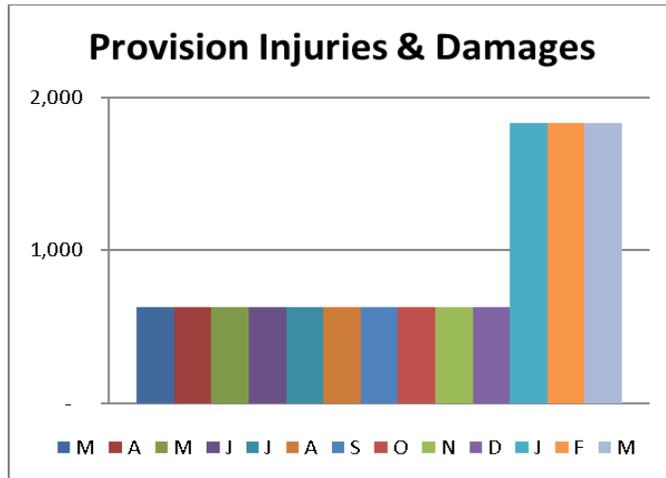
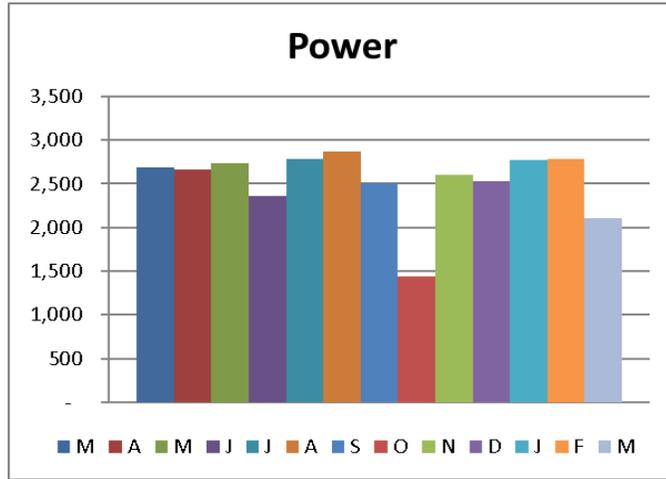
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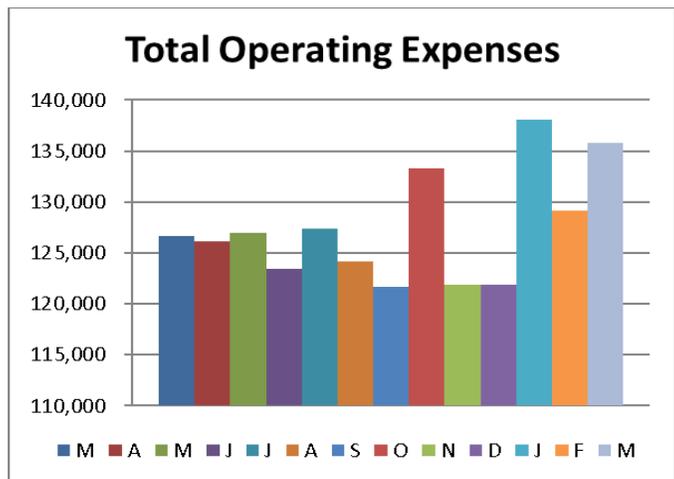
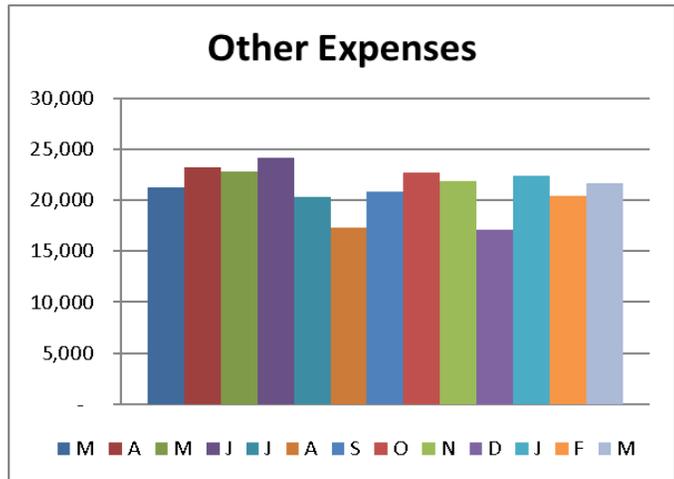
## Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Unrestricted Cash	120	112	96	99	99	109	115	121	122	127	141	160	189
Damage Reserve	58	60	47	47	48	48	50	49	49	50	50	49	49
Funds Owed by RTA	301	314	324	326	318	289	286	266	258	231	238	241	267
Trust Portfolio Assets	473	485	500	331	351	353	452	458	461	354	351	356	385

Revenue	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Fare & Pass Revenue	47,591	47,741	51,027	49,212	52,247	51,064	49,965	52,498	49,861	47,438	46,608	43,798	29,234
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,625	1,180	1,180	1,180	1,180	1,180	1,217	1,217	1,217
Advertising, Charter, Concession	3,219	3,278	3,414	3,257	3,138	3,122	3,235	3,230	3,228	3,319	3,480	3,715	3,618
Investment Income	258	341	272	252	261	293	284	302	259	760	272	251	195
Statutory Required Contribution	-	-	-	-	-	-	-	2,000	3,000	-	-	-	-
Other Revenue	3,536	3,195	3,594	3,735	4,088	3,893	3,849	6,643	4,224	5,072	3,529	3,247	3,515
Total System Generated Revenue	55,784	55,735	59,486	57,637	61,360	59,553	58,512	65,853	61,752	57,769	55,106	52,230	37,779
Total Public Funding	70,843	70,381	67,490	65,820	65,970	64,623	63,205	67,478	60,151	64,102	82,989	76,950	98,056

Expenses	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Labor	90,206	89,260	90,095	86,253	92,900	93,001	87,743	97,545	88,041	95,693	98,687	92,509	98,284
Material	6,808	5,681	5,911	5,580	5,579	5,507	5,658	5,958	3,925	3,469	7,043	6,432	7,066
Fuel	3,445	3,208	3,364	3,047	3,599	3,314	3,154	3,487	3,232	3,405	3,688	3,507	3,203
Power	2,681	2,667	2,741	2,361	2,784	2,872	2,502	1,435	2,596	2,528	2,772	2,789	2,111
Provision Injuries & Damages	625	625	625	625	625	625	625	625	625	625	1,833	1,833	1,833
Purchase of Security Services	1,558	1,459	1,391	1,388	1,505	1,507	1,223	1,542	1,567	(965)	1,622	1,667	1,678
Other Expenses	21,304	23,215	22,849	24,202	20,339	17,349	20,811	22,739	21,917	17,115	22,451	20,443	21,659
Total Operating Expenses	126,627	126,116	126,976	123,457	127,330	124,176	121,718	133,332	121,903	121,871	138,095	129,179	135,835