



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for March 2019
Date: May 8, 2019

I. Summary

CTA's financial results are \$1.1 million favorable to budget for March due to the timing of contractual services invoices. Results are unfavorable to budget for year-to-date by \$2.8 million due to significantly lower-than-average ridership during the January 2019 polar vortex and lower reduced fare reimbursements from the State.

Ridership for the month was 38.3 million and was 0.8 million lower than budget. Ridership was 1.6 million less than March 2018. Ridership year-to-date was lower than budget and prior year by 3.7 million and 5.1 million, respectively. The ridership loss over the prior year to date was due to historically cold weather, relatively low gas prices, and competition from rideshare services such as Uber and Lyft. The ridership loss was partially offset by the timing of CPS Spring Break that occurred in March 2018 and will be observed in April 2019.

II. Cash & Liquidity

The chart below highlights CTA's cash position at March 2019 compared to March 2018.

	March 2019	March 2018	Increase (Decrease)
Unrestricted Cash	\$ 119,733	\$ 108,257	\$ 11,476
Damage Reserve	58,123	77,584	\$ (19,461)
Funds Owed by RTA	300,703	347,871	\$ (47,168)
Trust Portfolio Assets	473,147	531,170	\$ (58,023)
Total Cash and Receivables	\$ 951,706	\$ 1,064,882	\$ (113,176)

CTA's total cash/receivables balance was equal to \$951.7 million. Unrestricted cash was \$11.5 million higher than the prior year due to the timing of cash receipts and invoice payments particularly related to capital reimbursements from the State. The Damage Reserve fund was \$19.5 million lower than last year due to an increase in settlement payments throughout 2018. Funds owed by the RTA were approximately \$300.7 million which was \$47.2 million less 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-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Fare & Pass Revenue	\$ 47,591	\$ (1,220)	\$ (1,373)	\$ 134,243	\$ (3,268)	\$ (2,840)

- Fare and pass revenue for March was \$1.2 million unfavorable to budget and \$1.4 million unfavorable to prior year due to wintry weather and lower weekend ridership. The average fare for the month was \$1.24 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 \$3.3 million unfavorable to budget and \$2.8 million unfavorable to prior year due to lower ridership during January 2019's extreme cold weather as well as wintry weather in March. The average fare for the year was \$1.26 per ride and was \$0.01 higher than budget and \$0.03 higher than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 3,540	\$ (3,540)	\$ -

- Reduced Fare Subsidy was less than budget for the month and year-to-date by \$1.2 million and \$3.5 million, respectively, based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Advertising, Charter, Concession	\$ 3,219	\$ (31)	\$ 80	\$ 9,765	\$ (29)	\$ 261

- Advertising, Charter and Concessions Revenue was slightly below budget for the month and year-to-date and \$0.3 million higher than prior year-to-date due to an increase in the advertising revenue minimum guarantee in 2019.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Investment income	\$ 258	\$ 86	\$ 45	\$ 798	\$ 320	\$ 138

- Investment income was \$0.1 million and \$0.3 million higher than budget for the month and year-to-date, respectively, due to higher short-term market rates.

Category	Current Month			Full Year		
	Actual Mar-19	Variance to Budget Mar-19	Variance to Prior Year Mar19 vs. Mar18	Actual 2019	Variance to Budget 2019	Variance to Prior Year 2018
Other Revenue	\$ 3,536	\$ (43)	\$ (379)	\$ 10,886	\$ 93	\$ (743)

- Other Revenue for the month was slightly below budget and unfavorable to prior year by \$0.4 million primarily due to lower than anticipated rentals and miscellaneous revenues partially offset by higher non-capital grant revenues. Year-to-date, other revenue was favorable to budget by \$0.1 million due to higher than anticipated non-capital grant revenue. Other revenue was unfavorable to prior year-to-date by \$0.7 million primarily due to lower non-capital grant, rentals, and BAB subsidy revenues.

Category	Current Month			Full Year		
	Actual Mar-19	Variance to Budget Mar-19	Variance to Prior Year Mar19 vs. Mar18	Actual 2019	Variance to Budget 2019	Variance to Prior Year 2018
Total System Generated Revenue	\$ 55,784	\$ (2,388)	\$ (1,628)	\$ 159,232	\$ (6,424)	\$ (3,183)

- Total System-Generated Revenue was lower than budget for the month and year-to-date by \$2.4 million and \$6.4 million, respectively, due to lower fare and reduced fare revenues. It was less than prior year-to-date by \$3.2 million due to lower fare revenue.

IV. Expenses

Category	Current Month			Full Year		
	Actual Mar-19	Variance to Budget Mar-19	Variance to Prior Year Mar19 vs. Mar18	Actual 2019	Variance to Budget 2019	Variance to Prior Year 2018
Labor	\$ 90,206	\$ 77	\$ 3,124	\$ 268,422	\$ (75)	\$ (604)

- Labor expense was \$0.1 million favorable to budget for the month and \$0.1 million unfavorable year-to-date due to harsh weather conditions resulting in higher overtime. Labor expense was \$0.6 million unfavorable to prior year to date primarily due to higher overtime associated with the 2019 polar vortex.

Category	Current Month			Full Year		
	Actual Mar-19	Variance to Budget Mar-19	Variance to Prior Year Mar19 vs. Mar18	Actual 2019	Variance to Budget 2019	Variance to Prior Year 2018
Material	\$ 6,808	\$ 429	\$ 983	\$ 20,382	\$ 77	\$ 2,791

- Material expense was \$0.4 million favorable to budget for the month and \$0.1 million favorable year-to-date due to timing of invoices. Material expense was \$1.0 million and \$2.8 million favorable to March 2018 and prior year-to-date, respectively, due to cost management measures.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Fuel	\$ 3,445	\$ 393	\$ (1,085)	\$ 10,586	\$ 748	\$ (1,890)

- Fuel for Revenue Equipment expense was \$0.4 million favorable to budget in March primarily due to a decrease in the price of diesel fuel. 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
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Power	\$ 2,681	\$ 92	\$ (136)	\$ 9,074	\$ 148	\$ (944)

- The Electric Power for Revenue Equipment expense was \$0.1 million favorable to budget for the month. Year-to-date, expenses were \$0.9 million unfavorable to prior year, primarily due to the harsher weather this year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Provision for Injuries & Damages	\$ 625	\$ -	\$ 625	\$ 1,875	\$ -	\$ (625)

- The Provision for Injuries & Damages expense is budgeted monthly in 2019 and was budgeted quarterly in 2018.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Purchase of Security Services	\$ 1,558	\$ 51	\$ (148)	\$ 4,303	\$ 524	\$ (102)

- Purchase of Security Services was \$0.1 million favorable to budget for the month and \$0.1 million unfavorable to prior year. Year-to-date, expenses were \$0.5 million favorable to budget 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
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Other Expenses	\$ 21,304	\$ 2,403	\$ 2,257	\$ 68,615	\$ 2,177	\$ 3,607

- The \$2.4 million and \$2.2 million favorable variances to budget for the month and year-to-date, respectively, were mainly 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
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Total Operating Expenses	\$ 126,627	\$ 3,444	\$ 5,619	\$ 383,256	\$ 3,598	\$ 2,234

- Operating Expenses were \$3.4 million favorable to budget for the month primarily due to the timing of contractual services invoices. The favorable variance to prior year-to-date was due primarily to the timing of contractual services invoices and cost containment measures for materials.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Recovery Ratio	54.35%	(0.02)		50.98%	(1.39)	

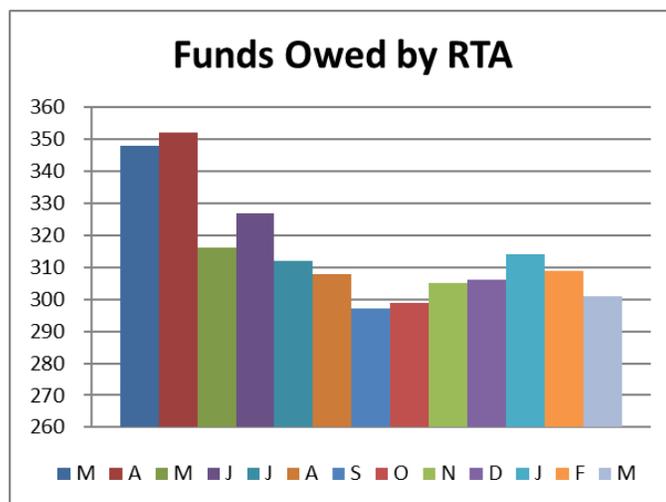
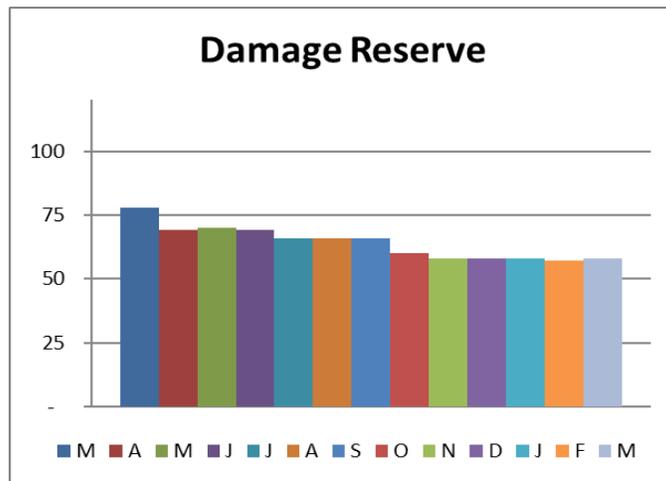
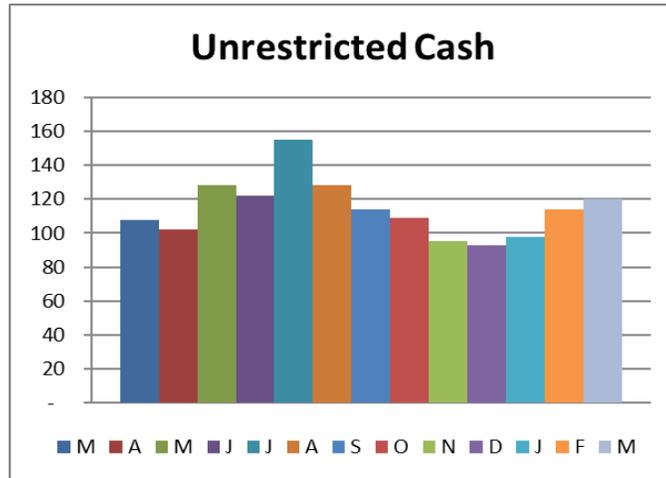
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 54.35% for the month. This was unfavorable to budget by 0.02 percentage points for the month. Year-to-date, the recovery ratio was 50.98%, which was unfavorable to budget by 1.39 percentage points but is on target to meet the RTA required recovery ratio of 54.75% for the year.

VI. Ridership

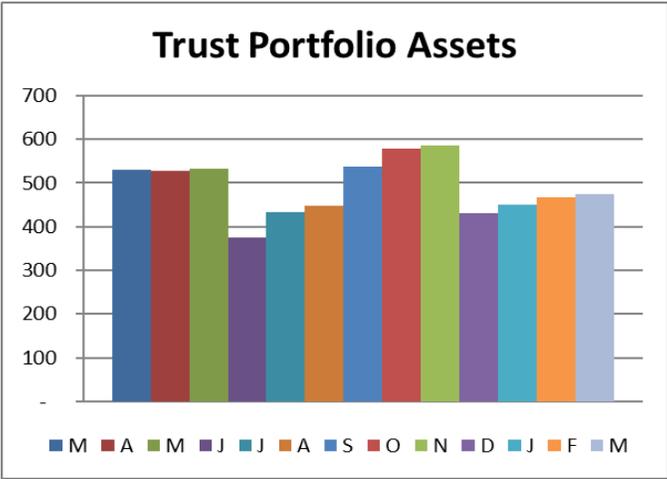
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Mar-19	Budget Mar-19	Prior Year Mar19 vs. Mar18	2019	Budget 2019	Prior Year 2018
Bus	20,267	(219)	(686)	56,000	(1,731)	(2,677)
Rail	14,746	(488)	(767)	41,288	(1,686)	(1,985)
Rail to Rail Transfers	3,273	(80)	(168)	9,157	(332)	(441)
Total	38,286	(787)	(1,621)	106,445	(3,749)	(5,102)

- Ridership for the month of March was 38.3 million and was lower than budget and prior year by 0.8 million and 1.6 million, respectively.
- Calendar adjusted ridership was down 1.8% from prior year due to historically cold weather, relatively low gas prices, and competition from rideshare services such as Uber and Lyft. The ridership loss was partially offset by the timing of CPS Spring Break that occurred in March 2018 and will be observed in April 2019.
- Ridership for the year-to-date was 106.4 million and was 3.7 million lower than budget and 5.1 million lower than the prior year-to-date.
- Calendar adjusted ridership was down 3.7% from the prior year-to-date.
- More details on ridership can be found in the March Ridership Report.

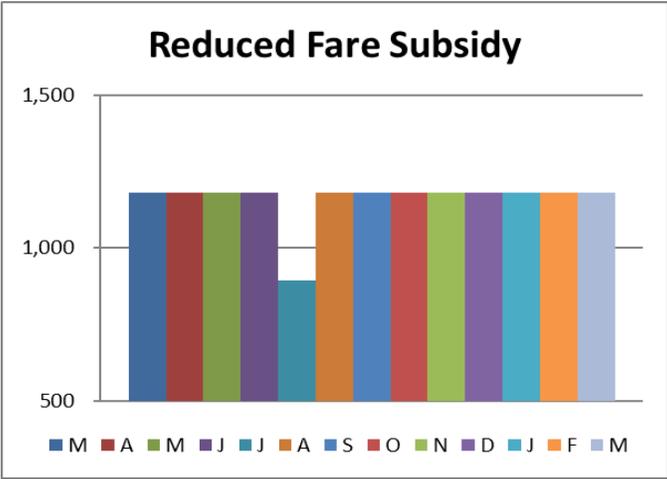
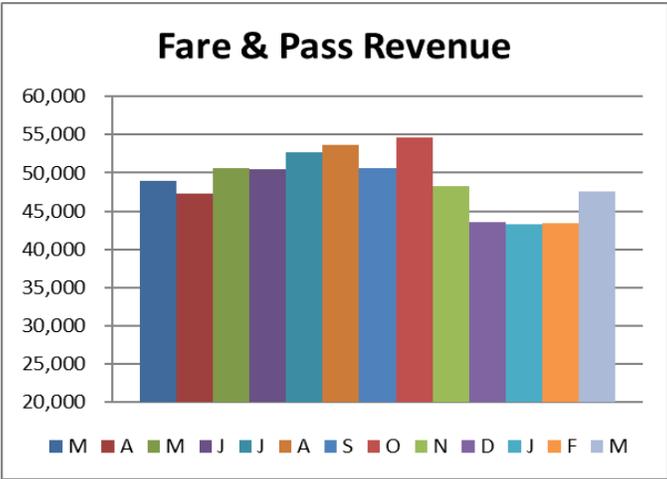
Cash & Liquidity



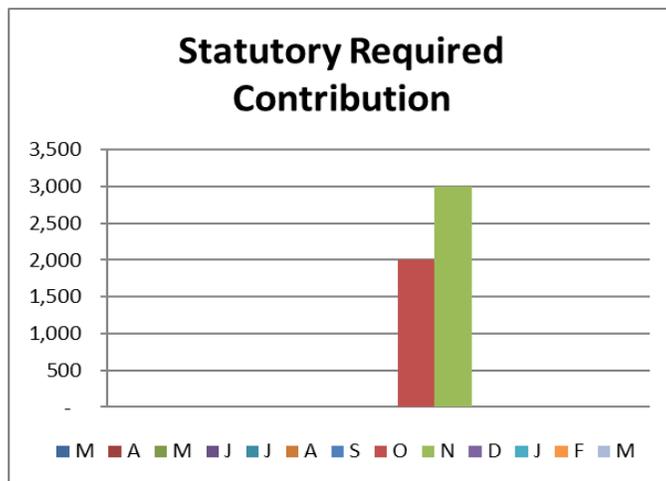
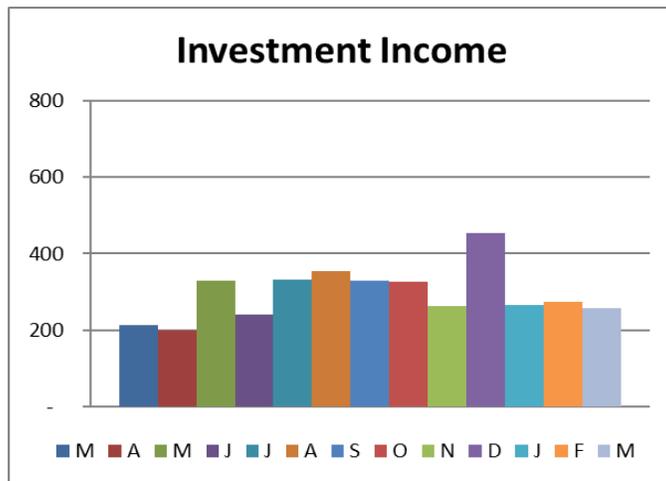
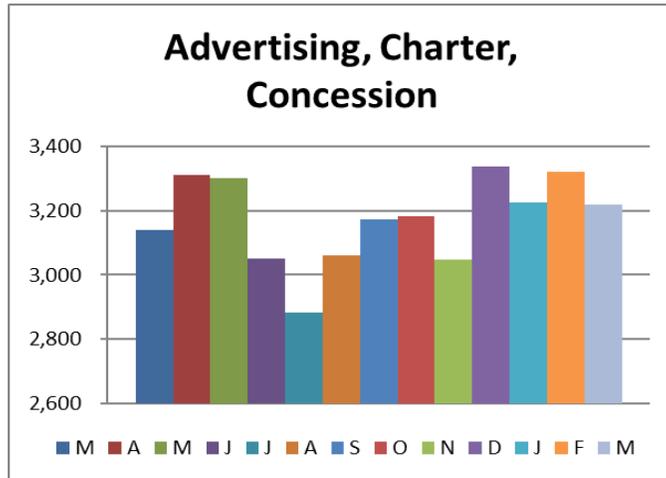
Cash Liquidity Cont'd



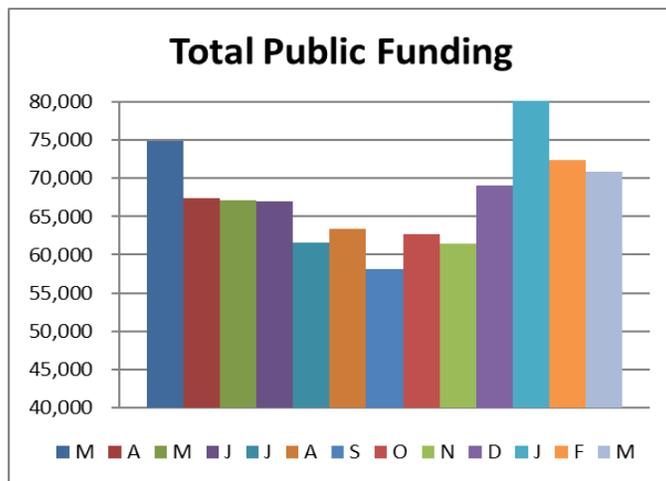
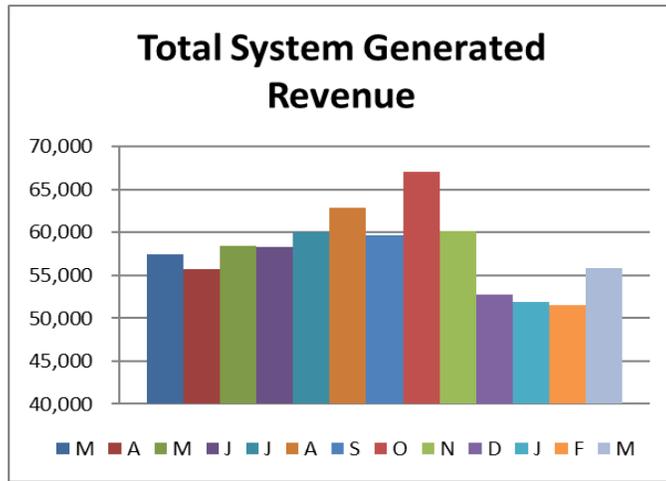
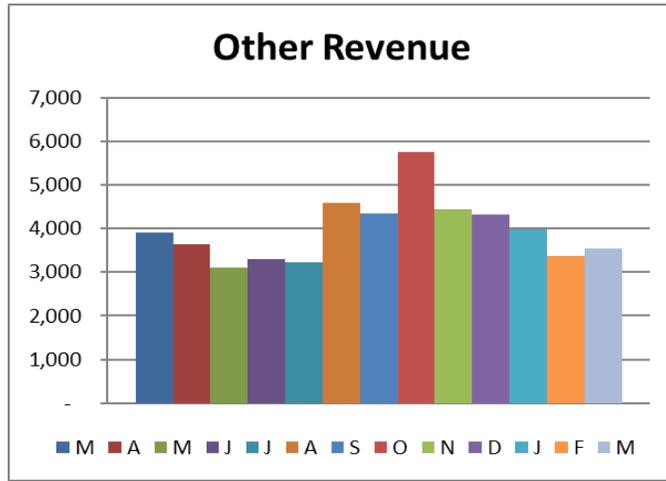
Revenue



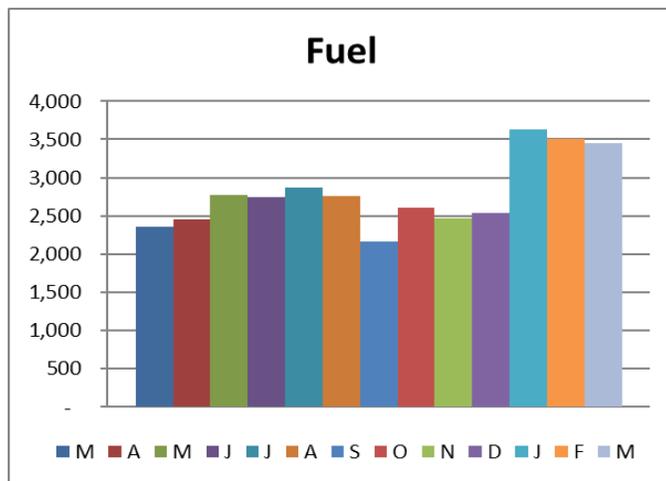
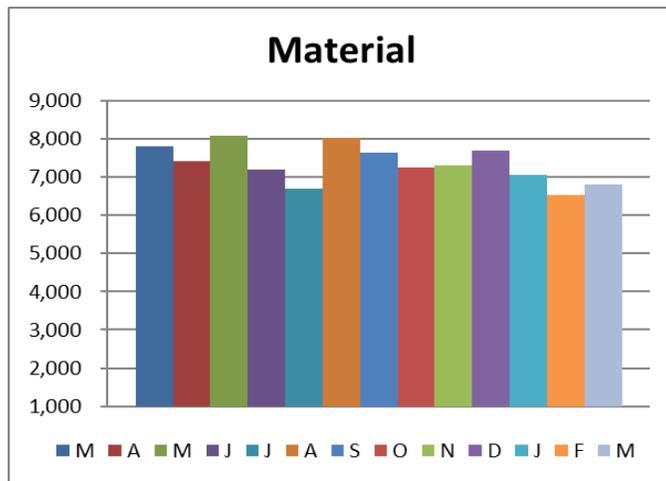
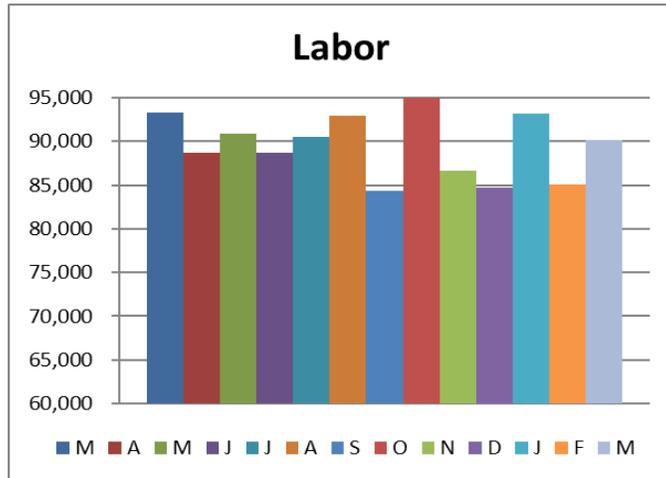
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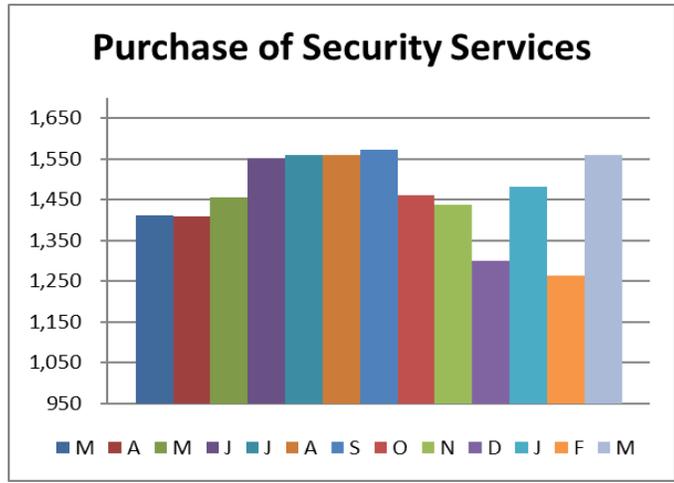
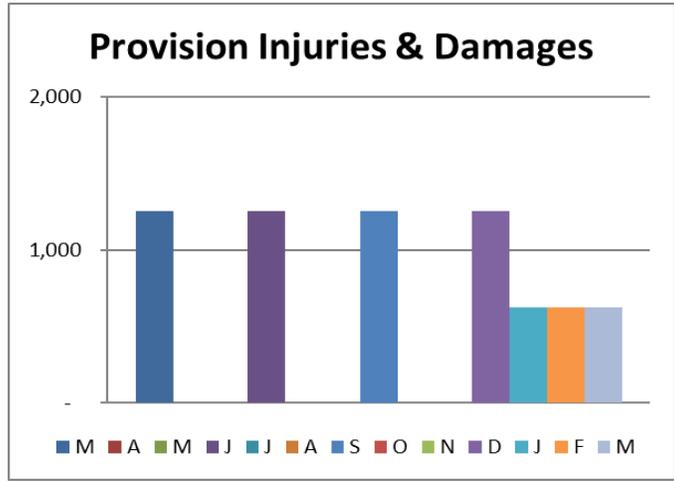
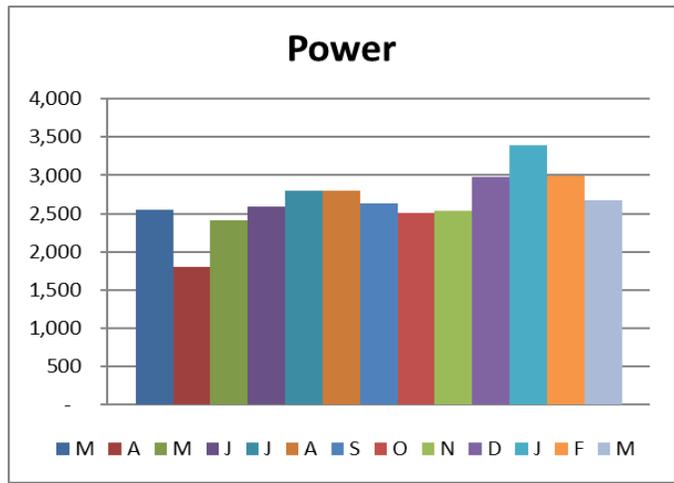
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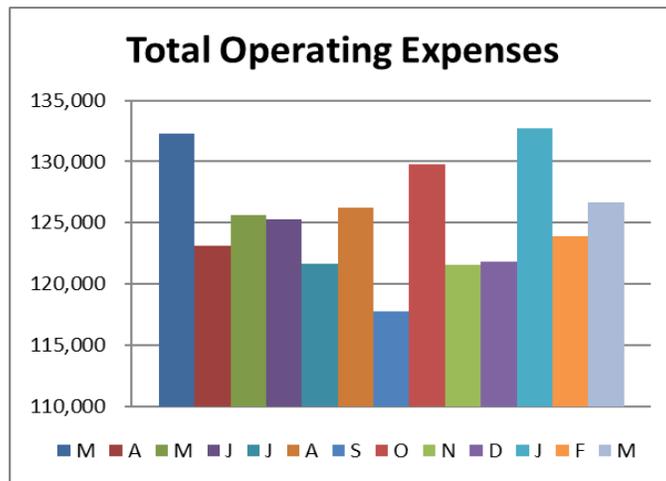
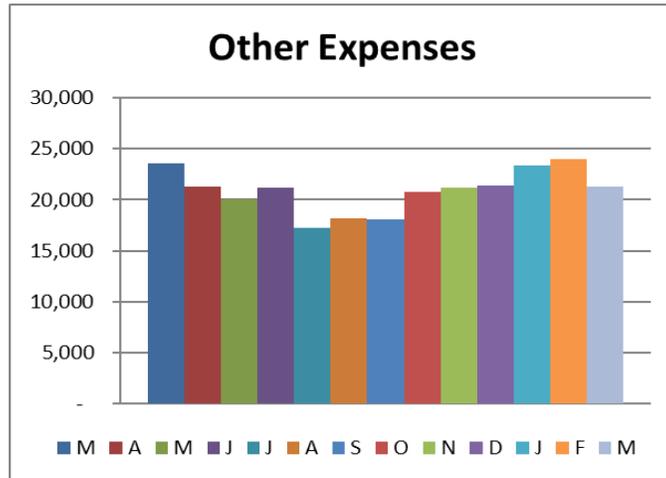
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Unrestricted Cash	108	102	128	122	155	128	114	109	95	93	98	114	120
Damage Reserve	78	69	70	69	66	66	66	60	58	58	58	57	58
Funds Owed by RTA	348	352	316	327	312	308	297	299	305	306	314	309	301
Trust Portfolio Assets	531	527	532	376	434	447	537	578	586	430	449	468	473

Revenue	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Fare & Pass Revenue	48,965	47,335	50,568	50,533	52,640	53,714	50,594	54,595	48,219	43,510	43,236	43,416	47,591
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	895	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Advertising, Charter, Concession	3,139	3,309	3,301	3,050	2,883	3,061	3,171	3,181	3,048	3,336	3,226	3,320	3,219
Investment Income	213	198	330	241	332	353	328	327	262	453	265	275	258
Statutory Required Contribution	-	-	-	-	-	-	-	2,000	3,000	-	-	-	-
Other Revenue	3,915	3,635	3,109	3,293	3,230	4,586	4,345	5,765	4,434	4,314	3,976	3,374	3,536
Total System Generated Revenue	57,412	55,658	58,488	58,296	59,980	62,895	59,618	67,048	60,143	52,794	51,882	51,566	55,784
Total Public Funding	74,834	67,466	67,151	66,938	61,622	63,329	58,121	62,728	61,417	69,030	80,857	72,323	70,843

Expenses	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Labor	93,329	88,722	90,888	88,719	90,462	92,918	84,405	95,214	86,658	84,653	93,193	85,024	90,206
Material	7,791	7,424	8,075	7,196	6,706	8,031	7,640	7,237	7,312	7,680	7,043	6,531	6,808
Fuel	2,360	2,453	2,768	2,750	2,875	2,765	2,165	2,601	2,473	2,535	3,629	3,512	3,445
Power	2,545	1,799	2,414	2,585	2,796	2,793	2,630	2,508	2,531	2,977	3,395	2,998	2,681
Provision Injuries & Damages	1,250	-	-	1,250	-	-	1,250	-	-	1,250	625	625	625
Purchase of Security Services	1,410	1,409	1,455	1,551	1,558	1,560	1,573	1,460	1,437	1,299	1,482	1,263	1,558
Other Expenses	23,562	21,318	20,039	21,183	17,206	18,157	18,076	20,756	21,149	21,430	23,373	23,938	21,304
Total Operating Expenses	132,247	123,123	125,639	125,234	121,602	126,224	117,739	129,776	121,560	121,824	132,740	123,890	126,627