



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for May 2021
Date: July 14, 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 \$8.2 million and \$12.4 million favorable to budget for May and year-to-date, respectively, primarily due to lower than anticipated labor and other expenses. Public funding for 2021 collected year-to-date totaled \$274.1 million, which is \$51.8 million favorable to budget. CTA has drawn down CARES funding of \$178.9 million related to public funding shortfalls and \$527.9 million related to operating losses for a grand total CARES draw of \$706.8 million, which is approximately 86.5% of CTA's CARES allocation.

Ridership for the month was 14.9 million, which was 1.4 million higher than budget and 5.9 million higher than May 2020. Ridership year-to-date was 2.6 million higher than budget and 48.7 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 May 2021 compared to May 2020.

	May 2021	May 2020	Increase (Decrease)
Unrestricted Cash	\$ 198,217	\$ 113,013	\$ 85,204
Damage Reserve	51,227	45,451	\$ 5,776
Funds Owed by RTA	289,201	264,576	\$ 24,625
Trust Portfolio Assets	616,665	429,245	\$ 187,420
Total Cash and Receivables	\$ 1,155,310	\$ 852,285	\$ 303,025

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$85.2 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$5.8 million higher than last year due to settlement payments offset by deposits into the fund. Funds owed by the RTA were approximately \$289.2 million which was \$24.6 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	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	May-21	May-21	May21 vs. May20	2021	2021	2020
Fare & Pass Revenue	\$ 18,605	\$ (275)	\$ 12,999	\$ 78,082	\$ (931)	\$ (55,242)

- Fare and pass revenue for May was \$0.3 million unfavorable to budget due to lower than expected pass revenue during the month. It was \$13.0 million favorable to prior year due to the temporary suspension of fare collection on buses earlier in the COVID-19 pandemic that has since resumed along with higher ridership. The average fare for the month was \$1.25 per ride and was \$0.15 lower than budget and \$0.63 higher than the prior year.
- Year-to-date fare and pass revenue was \$0.9 million unfavorable to budget due to lower than expected pass revenue. It was \$55.2 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 \$1.23 per ride and was \$0.07 lower than budget and \$0.04 higher than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	May-21	May-21	May21 vs. May20	2021	2021	2020
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ -	\$ 6,086	\$ -	\$ (223)

- 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
	May-21	Amended Budget	Prior Year	2021	Amended Budget	Prior Year
	May-21	May-21	May21 vs. May20	2021	2021	2020
Advertising, Charter, Concession	\$ 1,154	\$ (619)	\$ 266	\$ 7,346	\$ (1,301)	\$ (5,014)

- Advertising, Charter and Concessions Revenue was \$0.6 million unfavorable to budget for the month and \$1.3 million unfavorable year-to-date due to lower than anticipated vehicle and platform advertising revenue. This revenue category was \$5.0 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
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Investment income	\$ 26	\$ 1	\$ (99)	\$ 128	\$ (1)	\$ (903)

- Investment income was on par with budget for the month and \$0.9 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
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Other Revenue	\$ 2,712	\$ (276)	\$ (257)	\$ 11,641	\$ (426)	\$ (4,313)

- Other Revenue was \$0.3 million and \$0.4 million unfavorable to budget for the month and year-to-date, respectively, due to lower than anticipated rental and parking lot revenues. Other revenue was \$0.3 million and \$4.3 million unfavorable to May 2020 and prior year-to-date due to the monthly ride hailing fee received in 2020 but not in 2021 in addition to lower parking lot, rental, and movie generated revenues.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Total System Generated Revenue	\$ 23,715	\$ (1,169)	\$ 12,909	\$ 103,283	\$ (2,659)	\$ (65,694)

- Total System-Generated Revenue was lower than budget for the month and year-to-date by \$1.2 million and \$2.7 million, respectively, due to lower than expected pass revenue and vehicle and platform advertising revenue. It was \$12.9 million higher than May 2020 due to the temporary suspension of fare collection on buses earlier in the COVID-19 pandemic that has since resumed along with higher ridership and \$65.7 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
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Labor	\$ 95,358	\$ 3,531	\$ (5,363)	\$ 477,939	\$ 5,079	\$ (5,023)

- Labor expense was \$3.5 million favorable to budget for the month and \$5.1 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$5.4 million unfavorable to May 2020 and \$5.0 million unfavorable to prior year-to-date due to the timing of open positions.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Material	\$ 6,828	\$ 219	\$ (835)	\$ 36,621	\$ (24)	\$ (4,192)

- Material expense was \$0.2 million favorable to budget for the month and slightly unfavorable year-to-date due to vehicle parts usage. Material expense was \$0.8 million and \$4.2 million unfavorable to May 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	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Fuel	\$ 2,325	\$ 830	\$ 519	\$ 12,962	\$ 1,338	\$ 2,940

- Fuel for Revenue Equipment expense was \$0.8 million favorable to budget in May primarily due to lower than anticipated usage. Lower usage and fuel prices account 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
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Power	\$ 1,900	\$ 410	\$ (277)	\$ 10,823	\$ 1,024	\$ 246

- The Electric Power for Revenue Equipment expense was \$0.4 million favorable to budget for the month and \$1.0 million favorable year-to-date due to lower than anticipated usage. Expenses were \$0.2 million favorable to prior year-to-date primarily due to lower usage.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Provision for Injuries & Damages	\$ 2,640	\$ -	\$ (807)	\$ 13,200	\$ -	\$ (4,033)

- 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 \$4.0 million, respectively, is due to higher funding requirements in 2021.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Purchase of Security Services	\$ 1,281	\$ 401	\$ 397	\$ 6,999	\$ 551	\$ 1,321

- 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 \$0.6 million favorable to budget and \$1.3 million favorable to prior year due to the timing of invoices.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Other Expenses	\$ 18,752	\$ 3,979	\$ (1,704)	\$ 109,123	\$ 7,066	\$ (6,700)

- Other expenses were \$4.0 million favorable to budget for the month and \$7.1 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$6.7 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	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Total Operating Expenses	\$ 129,083	\$ 9,370	\$ (8,071)	\$ 667,665	\$ 15,034	\$ (15,442)

- Operating Expenses were \$9.4 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, other, and material 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	Variance to	Actual	Variance to	Variance to
	May-21	Amended Budget May-21	Prior Year May21 vs. May20	2021	Amended Budget 2021	Prior Year 2020
Recovery Ratio	58.89%	3.89		56.28%	1.01	

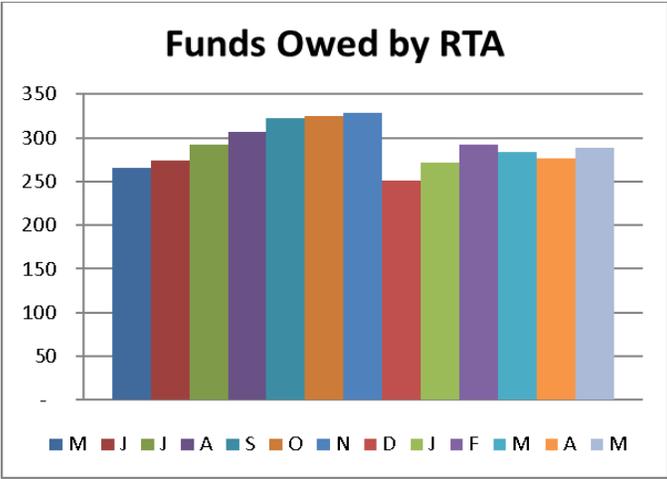
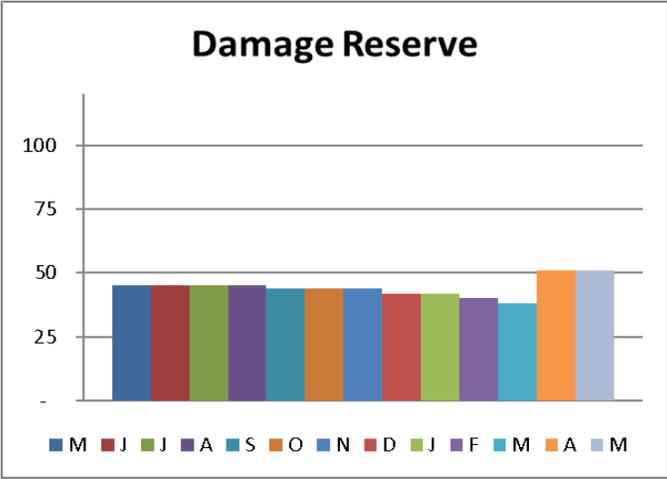
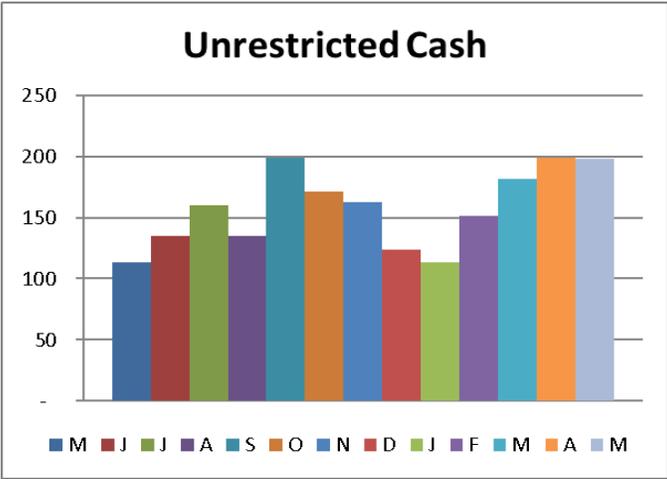
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 58.89% for the month. This was favorable to budget by 3.89 percentage points for the month. Year-to-date, the recovery ratio was 56.28%, which was favorable to budget by 1.01 percentage points. The RTA is including the Federal stimulus funds under the CARES Act as replacement fare revenues for recovery ratio purposes.

VI. Ridership

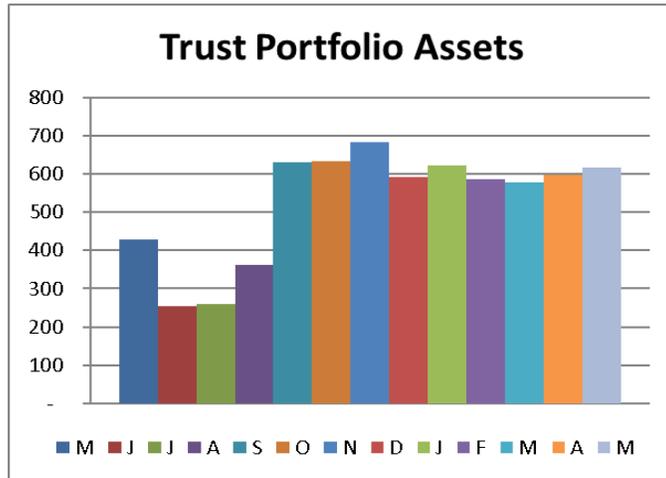
Category	Current Month			Full Year		
	Actual	Variance to Amended Budget	Variance to Prior Year	Actual	Variance to Amended Budget	Variance to Prior Year
	May-21	May-21	May21 vs. May20	2021	2021	2020
Bus	9,198	(38)	2,375	40,894	175	(23,634)
Rail	4,768	1,284	2,938	18,760	2,039	(20,364)
Rail to Rail Transfers	956	177	551	3,978	364	(4,674)
Total	14,922	1,423	5,865	63,631	2,578	(48,673)

- Ridership for the month of May was 14.9 million and was 1.4 million higher than budget and 5.9 million higher than prior year.
- Calendar adjusted ridership was up 64.5% from prior year due to the temporary suspension of fare collection on buses earlier in the COVID-19 pandemic that has since resumed along with higher ridership.
- Ridership for the year-to-date was 63.6 million and was 2.6 million higher than budget and 48.7 million lower than the prior year-to-date.
- Calendar adjusted ridership was down 42.7% from the prior year-to-date.
- More details on ridership can be found in the May Ridership Report.

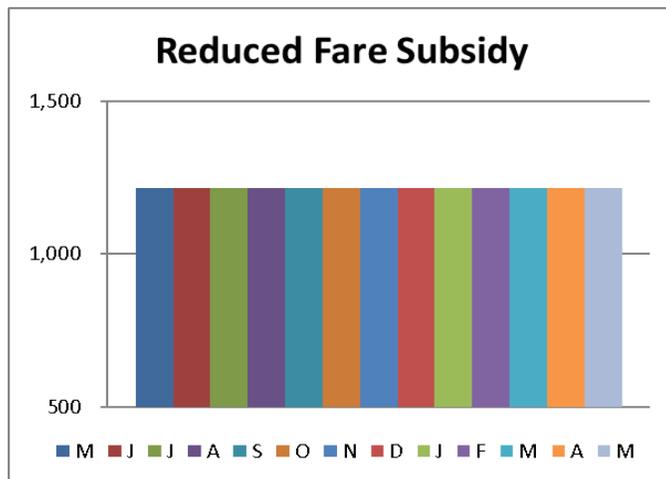
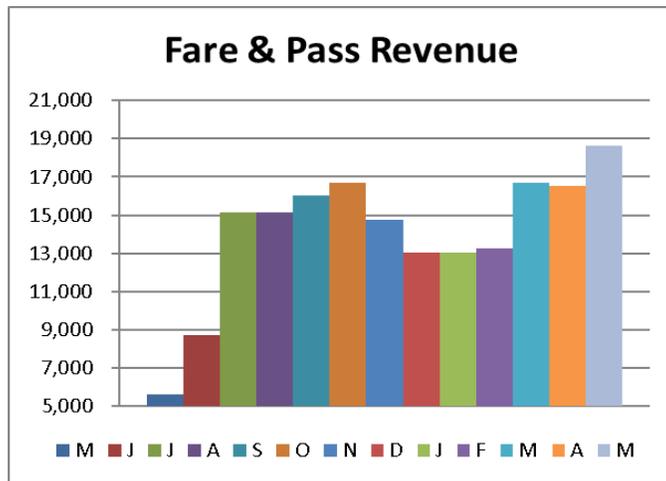
Cash & Liquidity



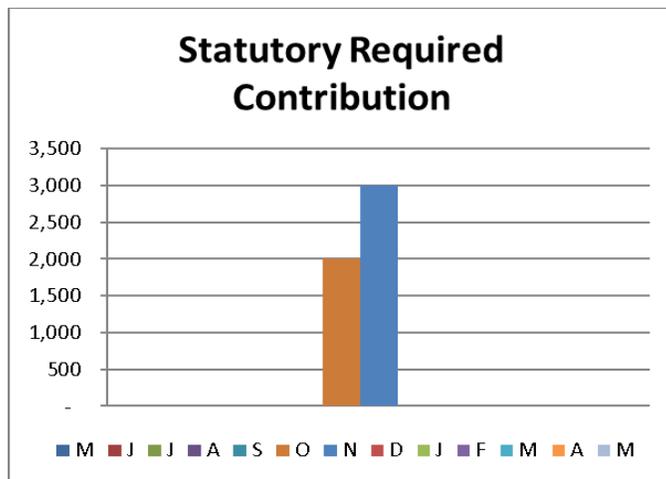
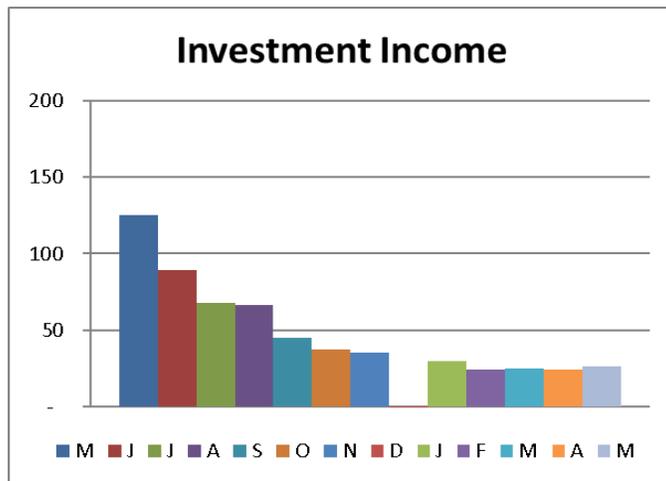
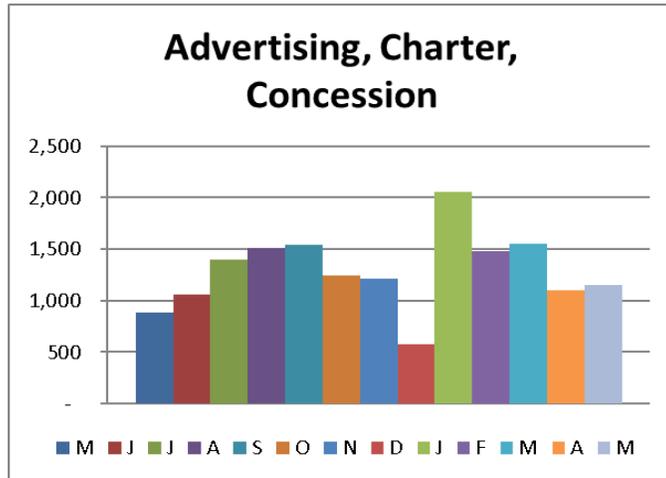
Cash & Liquidity Cont'd



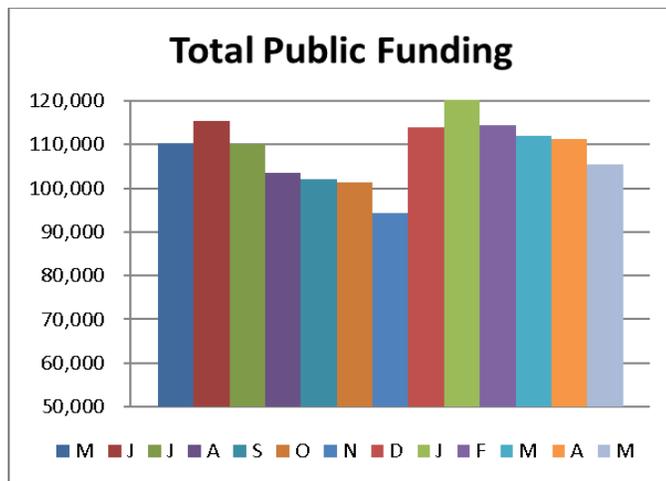
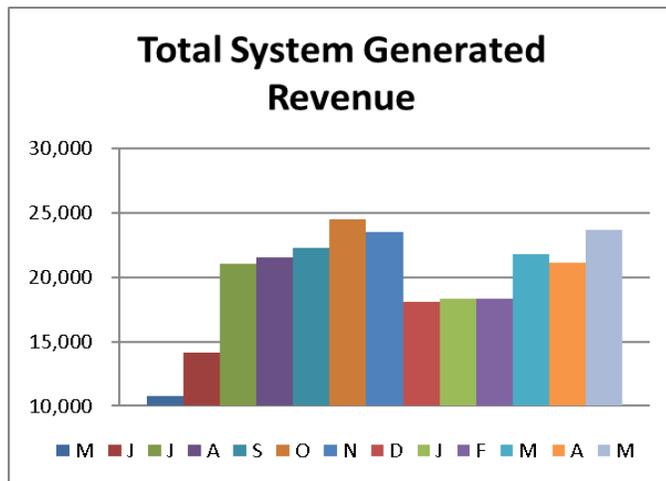
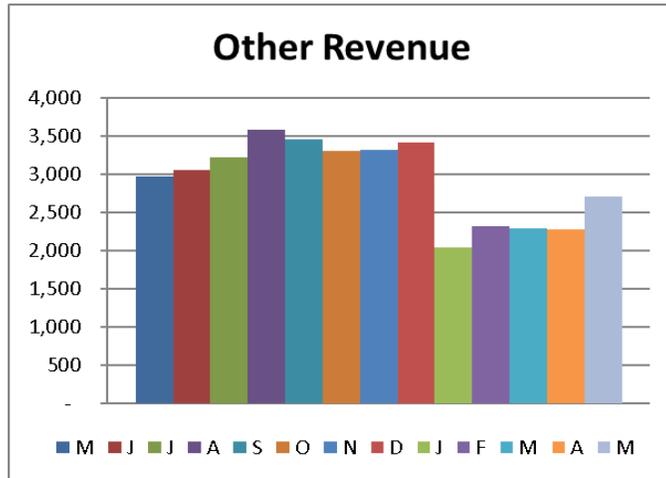
Revenue



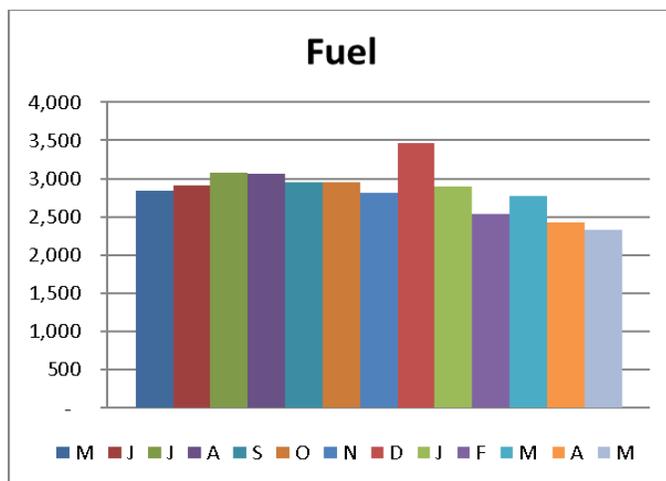
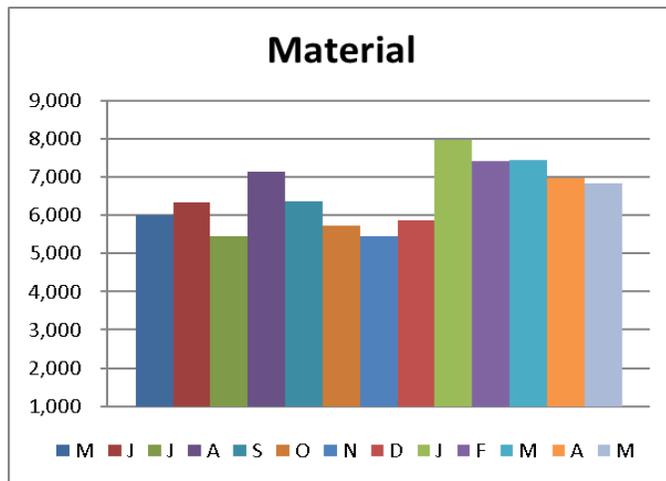
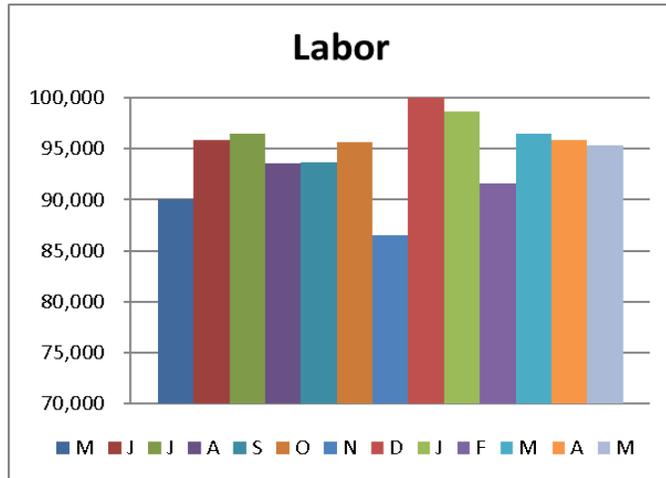
Revenue Cont'd



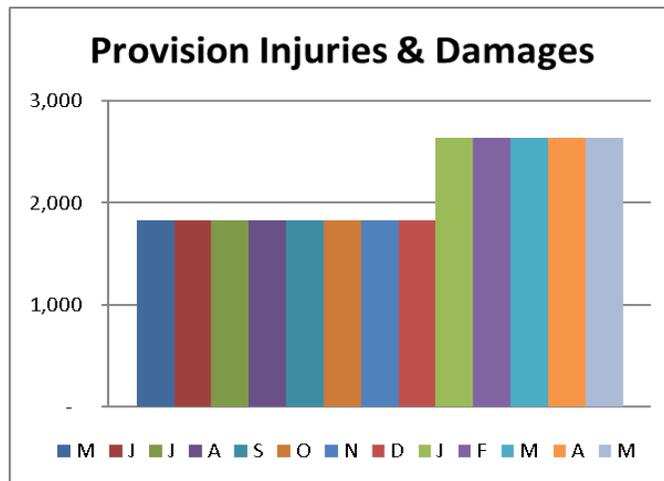
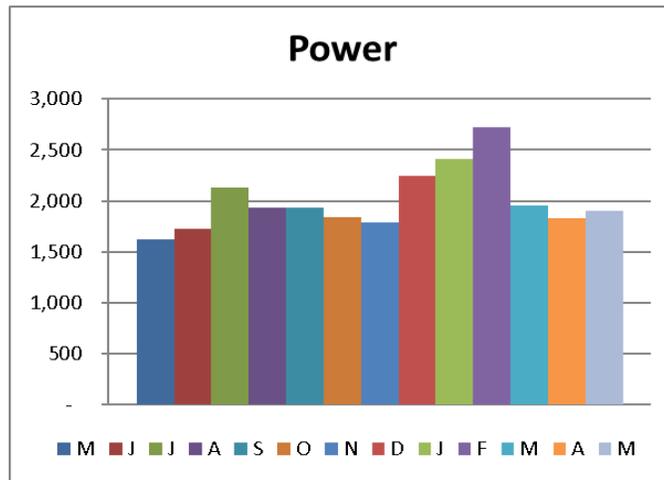
Revenue Cont'd



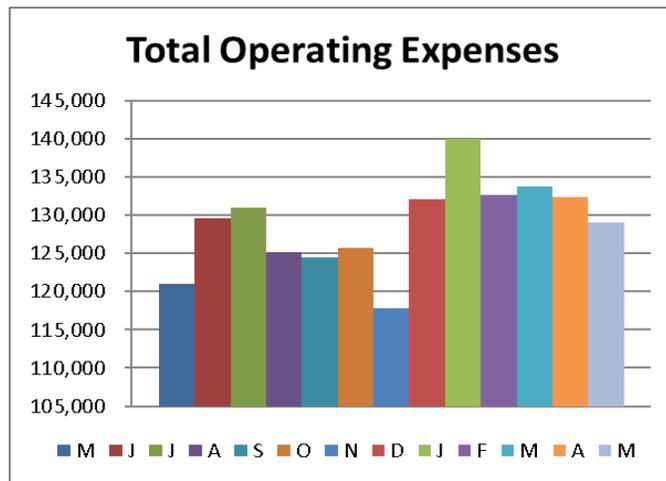
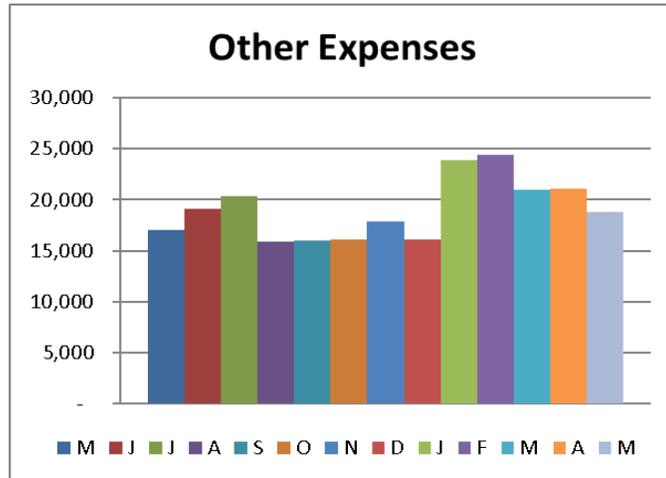
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Unrestricted Cash	113	135	160	135	199	171	163	124	113	151	182	199	198
Damage Reserve	45	45	45	45	44	44	44	42	42	40	38	51	51
Funds Owed by RTA	265	274	292	307	323	325	329	251	272	292	284	276	289
Trust Portfolio Assets	429	253	260	363	630	634	683	591	623	587	578	597	617

Revenue	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Fare & Pass Revenue	5,606	8,711	15,138	15,158	16,012	16,672	14,769	13,046	13,013	13,263	16,671	16,530	18,605
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	1,217	1,217
Advertising, Charter, Concession	888	1,054	1,396	1,515	1,538	1,248	1,208	579	2,059	1,476	1,551	1,105	1,154
Investment Income	125	89	68	66	45	37	35	(149)	30	24	25	24	26
Statutory Required Contribution	-	-	-	-	-	2,000	3,000	-	-	-	-	-	-
Other Revenue	2,969	3,058	3,222	3,579	3,450	3,302	3,313	3,408	2,039	2,320	2,289	2,281	2,712
Total System Generated Revenue	10,805	14,129	21,040	21,535	22,263	24,476	23,542	18,101	18,359	18,301	21,752	21,157	23,715
Total Public Funding	110,207	115,392	109,955	103,562	102,164	101,227	94,277	113,938	121,550	114,347	111,927	111,190	105,369

Expenses	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Labor	89,995	95,900	96,434	93,574	93,674	95,596	86,474	100,786	98,703	91,587	96,475	95,816	95,358
Material	5,993	6,343	5,460	7,142	6,364	5,731	5,462	5,870	7,956	7,417	7,443	6,976	6,828
Fuel	2,843	2,907	3,078	3,062	2,949	2,948	2,818	3,460	2,901	2,539	2,767	2,430	2,325
Power	1,622	1,721	2,125	1,937	1,932	1,843	1,787	2,241	2,412	2,723	1,955	1,833	1,900
Provision Injuries & Damages	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	2,640	2,640	2,640	2,640	2,640
Purchase of Security Services	1,678	1,685	1,670	1,673	1,638	1,640	1,637	1,713	1,431	1,378	1,378	1,531	1,281
Other Expenses	17,047	19,131	20,395	15,876	16,037	16,111	17,808	16,135	23,866	24,362	21,021	21,121	18,752
Total Operating Expenses	121,012	129,521	130,995	125,097	124,428	125,703	117,819	132,040	139,909	132,648	133,679	132,347	129,083