



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for September 2020  
Date: November 18, 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 financial results for the month and year to date are impacted by the effect of the COVID-19 pandemic on the economy. CTA's financial results are \$33.7 million unfavorable to budget for September primarily due to lower than anticipated fare and pass revenue. Results are unfavorable to budget for year-to-date by \$251.9 million primarily due to lower than anticipated fare and pass revenue. Public funding year-to-date totaled \$481.6 million, which is \$89.1 million unfavorable to budget. CTA has drawn down CARES funding of \$72.6 million related to public funding shortfalls and \$251.9 million related to operating losses for a grand total CARES draw of \$324.5 million, which is approximately 39.7% of the 2020 CARES budget.

Ridership for the month was 13.2 million, which was 26.6 million lower than budget and 26.9 million lower than September 2019. Ridership year-to-date was lower than budget and prior year by 175.8 million and 180.1 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 September 2020 compared to September 2019.

	September 2020	September 2019	Increase (Decrease)
Unrestricted Cash	\$ 198,606	\$ 115,363	\$ 83,243
Damage Reserve	44,481	49,529	\$ (5,048)
Funds Owed by RTA	322,640	286,074	\$ 36,566
Trust Portfolio Assets	629,857	452,427	\$ 177,430
Total Cash and Receivables	\$ 1,195,584	\$ 903,393	\$ 292,191

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$83.2 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$5.0 million lower than last year due to settlement payments. Funds owed by the RTA were approximately \$322.6 million which was \$36.6 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Fare & Pass Revenue	\$ 16,012	\$ (35,079)	\$ (33,953)	\$ 188,342	\$ (251,815)	\$ (247,158)

- Fare and pass revenue for September was \$35.1 million unfavorable to budget and \$34.0 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 \$1.22 per ride and was \$0.07 lower than budget and \$0.03 lower than the prior year.
- Year-to-date fare and pass revenue was \$251.8 million unfavorable to budget and \$247.2 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 \$1.17 per ride and was \$0.14 lower than budget and \$0.11 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ 37	\$ 11,177	\$ 223	\$ 111

- Reduced Fare Subsidy was on par with budget for the month and was \$0.2 million favorable to budget for the 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Advertising, Charter, Concession	\$ 1,538	\$ (1,766)	\$ (1,697)	\$ 17,863	\$ (11,951)	\$ (11,346)

- Advertising, Charter and Concessions Revenue was \$1.8 million unfavorable to budget for the month and \$12.0 million unfavorable year-to-date. This revenue category was \$11.3 million lower than prior year-to-date. The unfavorability to budget and prior year was 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Investment income	\$ 45	\$ (205)	\$ (238)	\$ 1,299	\$ (951)	\$ (1,202)

- Investment income was \$0.2 million lower than budget for the month and \$1.2 million less than prior year-to-date due to lower than expected short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Other Revenue	\$ 3,450	\$ (669)	\$ (398)	\$ 29,263	\$ (5,974)	\$ (3,977)

- Other Revenue was \$0.7 million unfavorable to budget for the month due to lower parking lot revenue which is further impacted by an increase in parking taxes and lower than anticipated rental and miscellaneous revenues. Year-to-date, other revenue was \$6.0 million unfavorable to budget due to lower parking lot revenue and lower than anticipated non-capital grant and rental revenues. Other revenue was \$0.4 million and \$4.0 million unfavorable to September 2019 and prior year-to-date, respectively, primarily due to lower non-capital grant, parking lot, rental, and scrap material sales revenues. Lower non-capital grant revenue 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Total System Generated Revenue	\$ 22,263	\$ (37,719)	\$ (36,249)	\$ 247,944	\$ (270,470)	\$ (263,572)

- Total System-Generated Revenue was lower than budget for the month and year-to-date by \$37.7 million and \$270.5 million, respectively, due to sharply lower ridership as a result of the current COVID-19 pandemic. It was \$36.2 million and \$263.6 million lower than September 2019 and prior year-to-date, respectively, 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Labor	\$ 93,674	\$ 23	\$ (5,931)	\$ 852,497	\$ (2,809)	\$ (44,822)

- Labor expense was slightly favorable to budget for the month and \$2.8 million unfavorable for the year-to-date due to the settlement of certain union contracts and increased fringe benefit and overtime costs. Labor expense was \$5.9 million unfavorable to September 2019 due to higher fringe benefit costs and \$44.8 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Material	\$ 6,364	\$ 120	\$ (706)	\$ 57,737	\$ (1,446)	\$ (3,439)

- Material expense was \$0.1 million favorable to budget for the month due to the timing of material purchases and \$1.4 million unfavorable year-to-date due to increased costs for cleaning supplies related to COVID-19 and vehicle parts usage. Material expense was \$0.7 million unfavorable to September 2019 due to the timing of material purchases and \$3.4 million unfavorable to prior year-to-date due to higher vehicle parts usage.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Fuel	\$ 2,949	\$ 496	\$ 205	\$ 27,899	\$ 5,201	\$ 2,374

- Fuel for Revenue Equipment expense was \$0.5 million favorable to budget in September 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Power	\$ 1,932	\$ 662	\$ 570	\$ 18,784	\$ 5,603	\$ 6,217

- The Electric Power for Revenue Equipment expense was \$0.7 million favorable to budget for the month and \$5.6 million favorable year-to-date due to lower than anticipated usage. Expenses were \$6.2 million favorable to prior year-to-date primarily due to the harsher weather in 2019 and lower usage in 2020.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Provision for Injuries & Damages	\$ 1,833	\$ -	\$ (1,208)	\$ 16,500	\$ -	\$ (10,875)

- 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 \$10.9 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Purchase of Security Services	\$ 1,638	\$ 66	\$ (415)	\$ 14,986	\$ 348	\$ (2,210)

- Purchase of Security Services was \$0.1 million favorable to budget for the month and \$0.4 million unfavorable to prior year. Year-to-date, expenses were \$0.3 million favorable to budget and \$2.2 million unfavorable to prior year due to increased costs under the private security contracts in 2020.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Other Expenses	\$ 16,037	\$ 2,665	\$ 4,775	\$ 173,862	\$ 11,671	\$ 23,519

- Other expenses were \$2.7 million favorable to budget for the month and \$11.7 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$23.5 million favorable to prior year due to moving a portion of the capital debt service costs from the operating budget to the capital budget. 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Total Operating Expenses	\$ 124,428	\$ 4,033	\$ (2,710)	\$ 1,162,264	\$ 18,568	\$ (29,236)

- Operating Expenses were \$4.0 million favorable to budget for the month primarily due to the timing of contractual services invoices. 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
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Recovery Ratio	55.66%	(2.77)		53.03%	(1.83)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 55.66% for the month. This was unfavorable to budget by 2.77 percentage points for the month. Year-to-date, the recovery ratio was 53.03%, which was unfavorable to budget by 1.83 percentage points. Due to the COVID-19 pandemic, fare and pass revenues have decreased significantly, which also causes an unfavorable variance

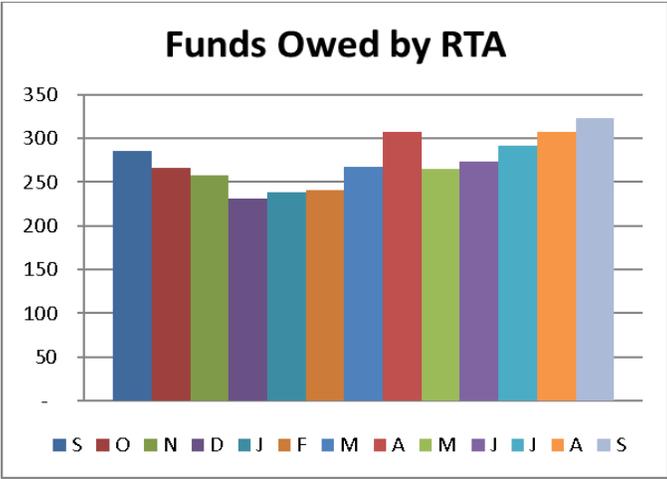
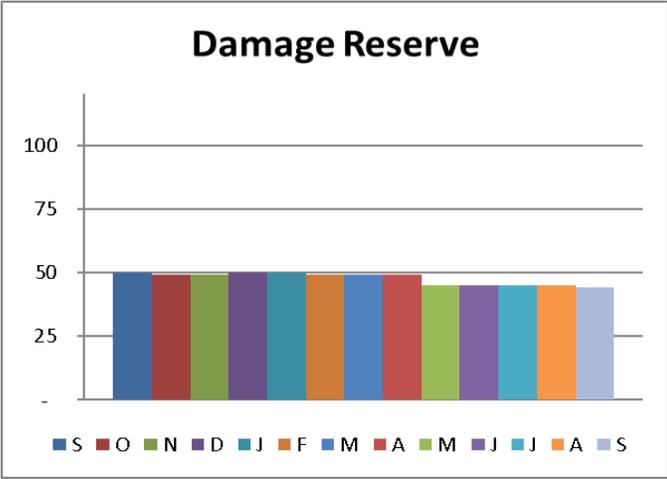
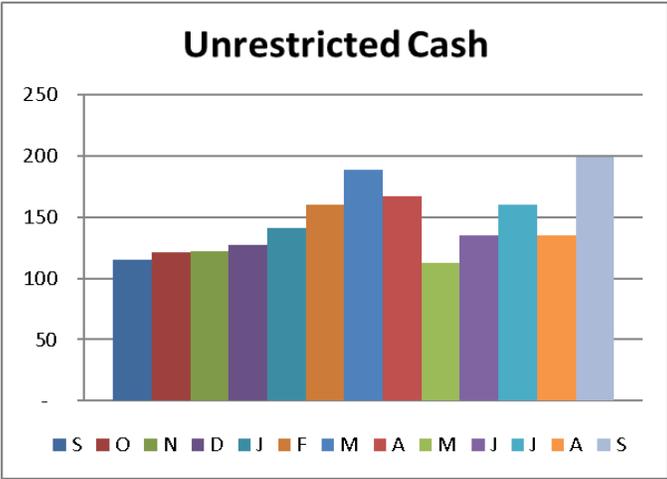
in the recovery ratio. The RTA is including the Federal stimulus funds under the CARES Act as replacement fare revenues for recovery ratio purposes.

## VI. Ridership

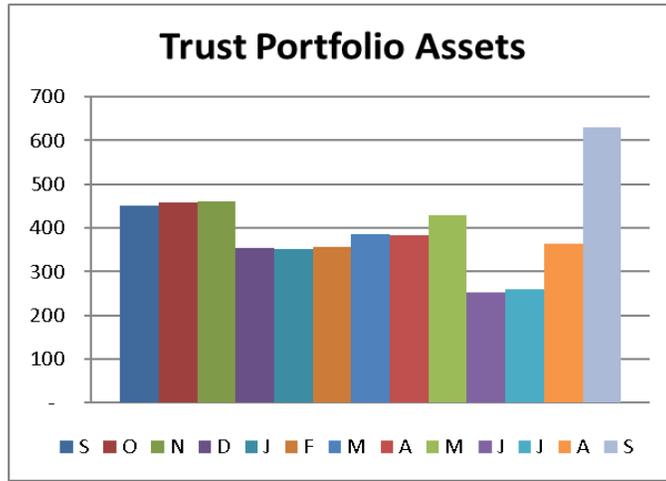
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Sep-20	Budget Sep-20	Prior Year Sep20 vs. Sep19	2020	Budget 2020	Prior Year 2019
Bus	8,593	(12,038)	(12,264)	97,602	(78,489)	(79,614)
Rail	3,746	(11,964)	(12,019)	52,270	(79,686)	(82,261)
Rail to Rail Transfers	811	(2,602)	(2,603)	11,533	(17,643)	(18,233)
<b>Total</b>	<b>13,150</b>	<b>(26,603)</b>	<b>(26,886)</b>	<b>161,405</b>	<b>(175,818)</b>	<b>(180,109)</b>

- Ridership for the month of September was 13.2 million and was lower than budget and prior year by 26.6 million and 26.9 million, respectively.
- Calendar adjusted ridership was down 67.8% from prior year due to the COVID-19 pandemic.
- Ridership for the year-to-date was 161.4 million and was 175.8 million lower than budget and 180.1 million lower than the prior year-to-date.
- Calendar adjusted ridership was down 53.2% from the prior year-to-date.
- More details on ridership can be found in the September Ridership Report.

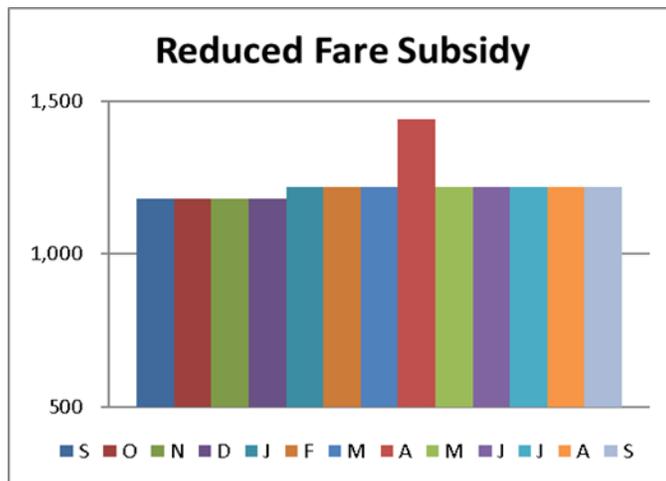
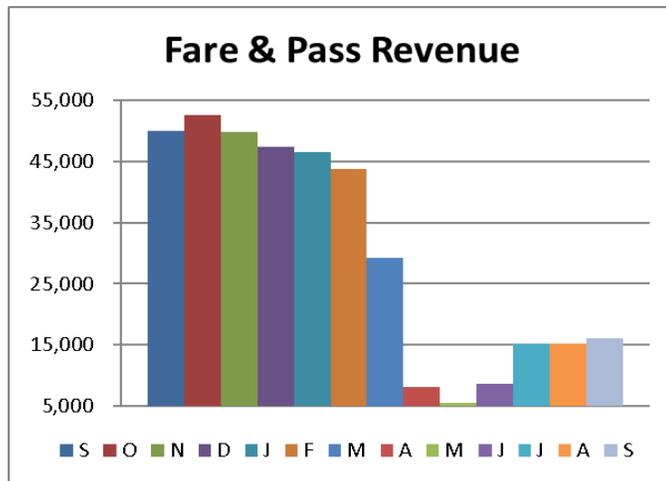
Cash & Liquidity



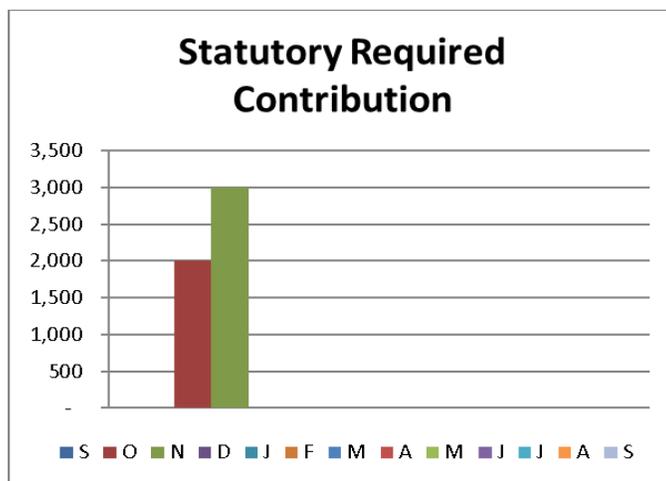
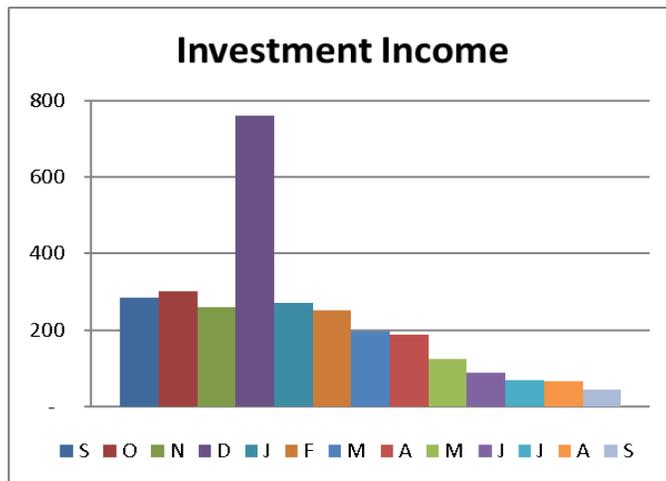
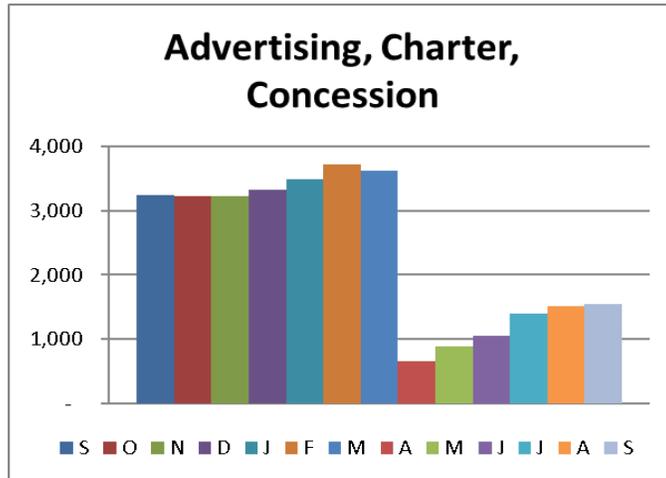
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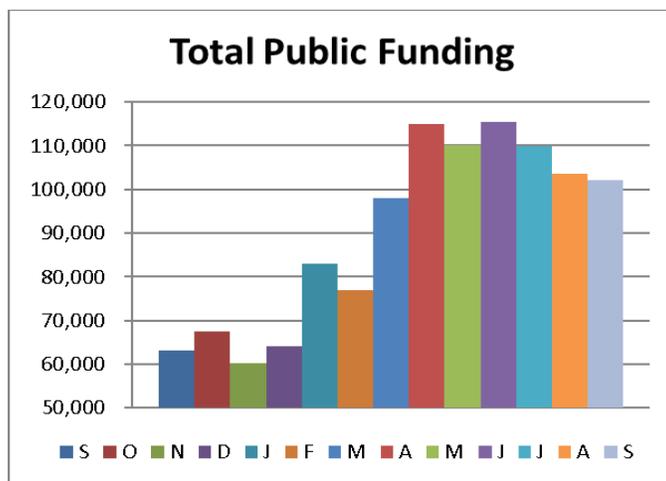
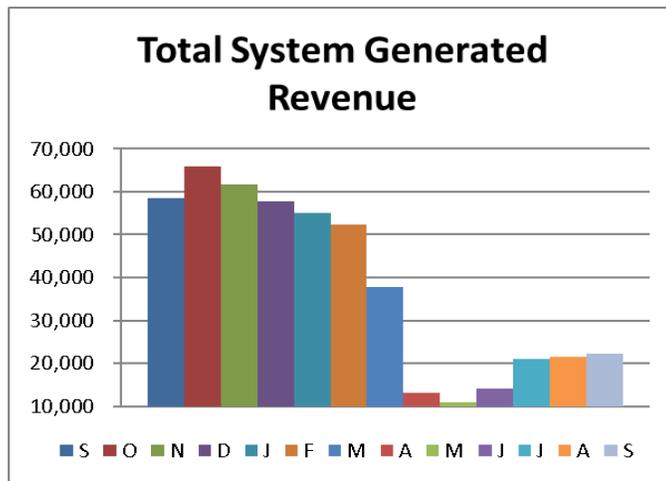
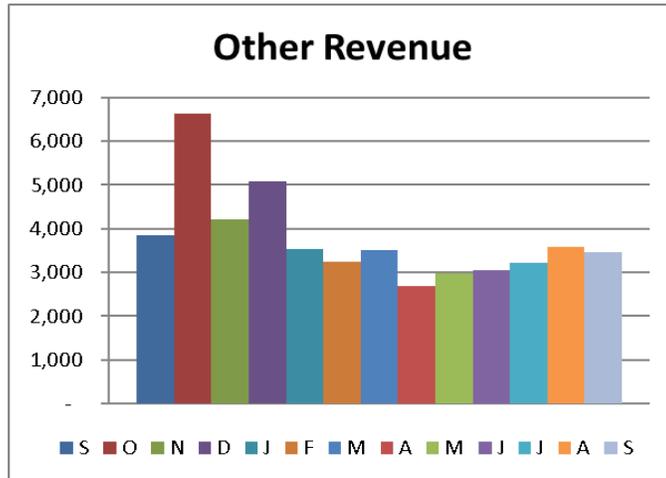
Revenue



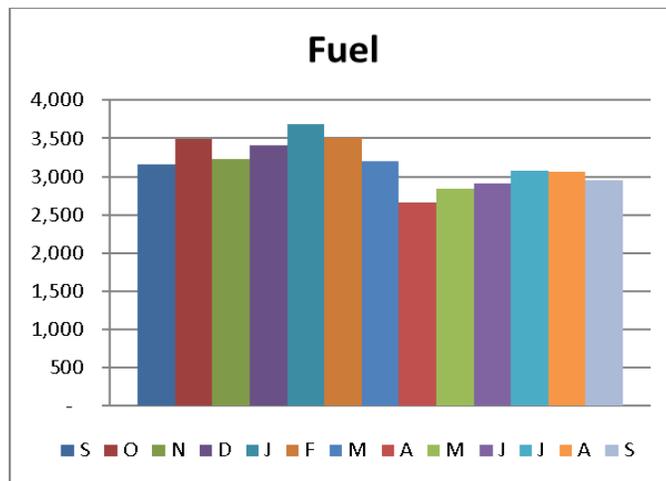
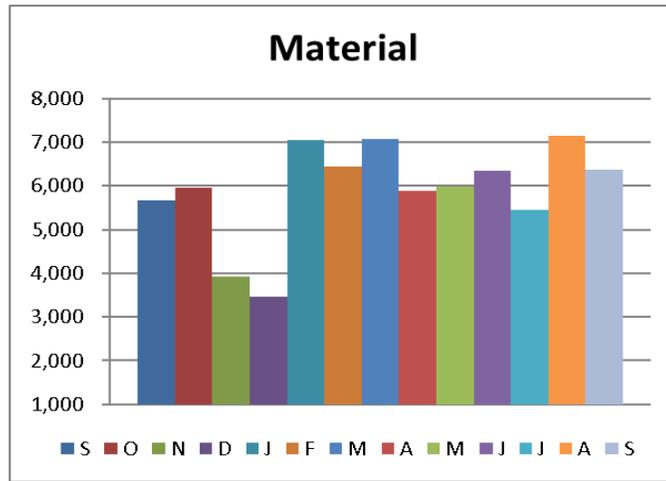
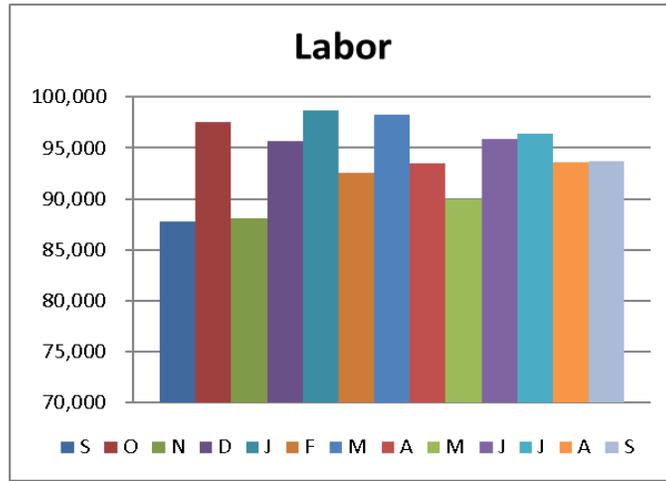
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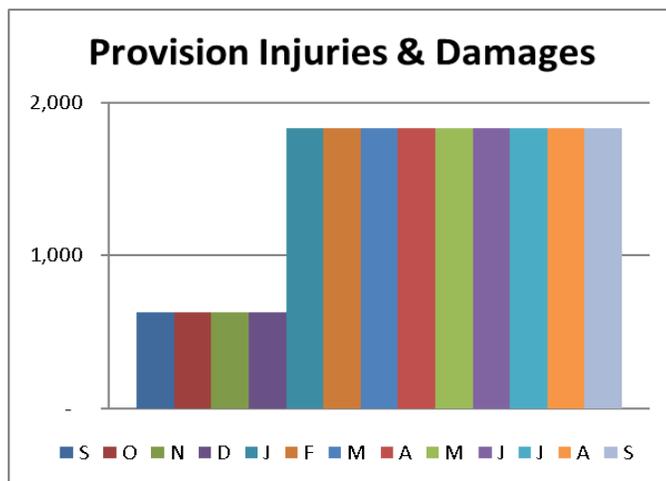
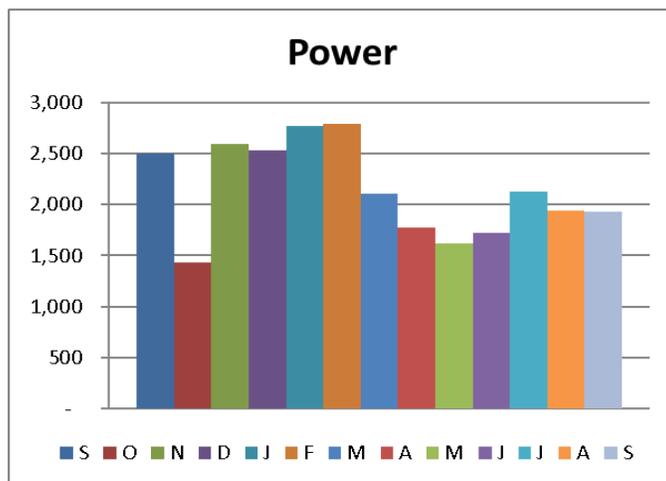
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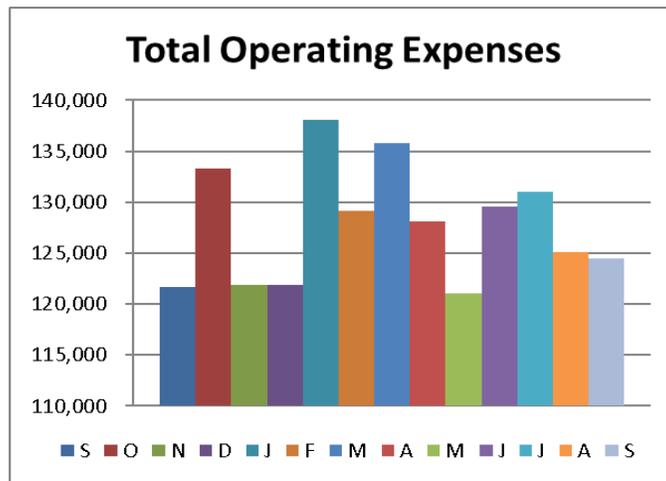
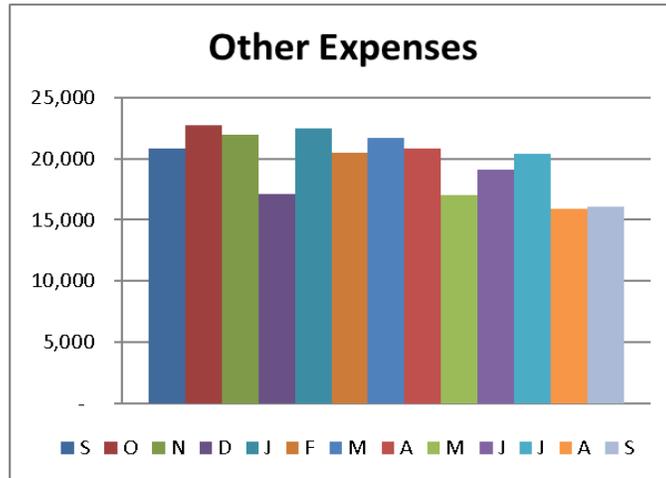
## Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Unrestricted Cash	115	121	122	127	141	160	189	167	113	135	160	135	199
Damage Reserve	50	49	49	50	50	49	49	49	45	45	45	45	44
Funds Owed by RTA	286	266	258	231	238	241	267	307	265	274	292	307	323
Trust Portfolio Assets	452	458	461	354	351	356	385	384	429	253	260	363	630

Revenue	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Fare & Pass Revenue	49,965	52,498	49,861	47,438	46,608	43,798	29,234	8,077	5,606	8,711	15,138	15,158	16,012
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,217	1,217	1,217	1,440	1,217	1,217	1,217	1,217	1,217
Advertising, Charter, Concession	3,235	3,230	3,228	3,319	3,480	3,715	3,618	659	888	1,054	1,396	1,515	1,538
Investment Income	284	302	259	760	272	251	195	188	125	89	68	66	45
Statutory Required Contribution	-	2,000	3,000	-	-	-	-	-	-	-	-	-	-
Other Revenue	3,849	6,643	4,224	5,072	3,529	3,247	3,515	2,693	2,969	3,058	3,222	3,579	3,450
Total System Generated Revenue	58,512	65,853	61,752	57,769	55,106	52,230	37,779	13,057	10,805	14,129	21,040	21,535	22,263
Total Public Funding	63,205	67,478	60,151	64,102	82,989	76,950	98,056	115,045	110,207	115,392	109,955	103,562	102,164

Expenses	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Labor	87,743	97,545	88,041	95,693	98,687	92,509	98,284	93,440	89,995	95,900	96,434	93,574	93,674
Material	5,658	5,958	3,925	3,469	7,043	6,432	7,066	5,895	5,993	6,343	5,460	7,142	6,364
Fuel	3,154	3,487	3,232	3,405	3,688	3,507	3,203	2,661	2,843	2,907	3,078	3,062	2,949
Power	2,502	1,435	2,596	2,528	2,772	2,789	2,111	1,774	1,622	1,721	2,125	1,937	1,932
Provision Injuries & Damages	625	625	625	625	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833
Purchase of Security Services	1,223	1,542	1,567	(965)	1,622	1,667	1,678	1,675	1,678	1,685	1,670	1,673	1,638
Other Expenses	20,811	22,739	21,917	17,115	22,451	20,443	21,659	20,823	17,047	19,131	20,395	15,876	16,037
Total Operating Expenses	121,718	133,332	121,903	121,871	138,095	129,179	135,835	128,102	121,012	129,521	130,995	125,097	124,428