



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for January 2019
Date: March 13, 2019

I. Summary

CTA's financial results are \$3.0 million unfavorable to budget for January due to significantly lower-than-average ridership during the polar vortex and lower reduced fare reimbursements from the State.

Ridership for the month was 33.5 million and was 2.8 million lower than budget. Ridership was 3.0 million less than January 2018. Ridership was significantly lower than normal during the Polar Vortex at the end of January 2019. January 30th was the lowest ridership day since at least 2001 with only 222 thousand rides. This was only 15% of the normal 1.5 million weekday total for this time of year. There were 581 thousand rides on January 31st, which was 34% of normal.

II. Cash & Liquidity

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

	January 2019	January 2018	Increase (Decrease)
Unrestricted Cash	\$ 98,166	\$ 175,822	\$ (77,656)
Damage Reserve	57,619	79,648	\$ (22,029)
Funds Owed by RTA	314,051	318,387	\$ (4,336)
Trust Portfolio Assets	449,311	503,043	\$ (53,732)
Total Cash and Receivables	\$ 919,147	\$ 1,076,900	\$ (157,753)

CTA's total cash/receivables balance was equal to \$0.9 billion. Unrestricted cash was \$77.7 million lower than the prior year due to retroactive payments resulting from the negotiated wage agreements as well as the timing of cash receipts and invoice payments particularly related to capital reimbursements from the State. The Damage Reserve fund was \$22.0 million lower than last year due to an increase in settlement payments throughout 2018. Funds owed by the RTA were approximately \$314.1 million which was \$4.3 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
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Fare & Pass Revenue	\$ 43,236	\$ (2,209)	\$ (1,995)	\$ 43,236	\$ (2,209)	\$ (1,995)

- Fare and pass revenue for January was \$2.2 million unfavorable to budget and \$2.0 million unfavorable to prior year due to significantly lower-than-average ridership during the polar vortex. Fare revenue loss due to the vortex exceeded \$2.0 million for the agency. The average fare for the month was \$1.29 and was \$0.04 higher than budget and \$0.05 higher than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Reduced Fare Subsidy	\$ 1,180	\$ (1,180)	\$ -	\$ 1,180	\$ (1,180)	\$ -

- Reduced Fare Subsidy was less than budget by \$1.2 million based on expected reimbursements from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Advertising, Charter, Concession	\$ 3,226	\$ (28)	\$ 25	\$ 3,226	\$ (28)	\$ 25

- Advertising, Charter and Concessions Revenue was slightly lower than budget for the month and higher than prior year 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
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Investment income	\$ 265	\$ 183	\$ 139	\$ 265	\$ 183	\$ 139

- Investment income was \$0.2 million and \$0.1 million higher than budget and prior year, respectively, due to higher short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Other Revenue	\$ 3,976	\$ 372	\$ 124	\$ 3,976	\$ 372	\$ 124

- Other Revenue was favorable to budget for the month by \$0.4 million primarily due to higher non-capital grant revenue. Other revenue was higher than January 2018 by \$0.1 million primarily due to higher non-capital grant revenue and an increase in miscellaneous revenues.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Total System Generated Revenue	\$ 51,882	\$ (2,863)	\$ (1,708)	\$ 51,882	\$ (2,863)	\$ (1,708)

- Total System-Generated Revenue was \$2.9 million and \$1.7 million lower than budget and prior year, respectively, due to lower fare revenue.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Labor	\$ 93,193	\$ (194)	\$ (3,548)	\$ 93,193	\$ (194)	\$ (3,548)

- Labor expense was \$0.2 million unfavorable to budget for the month due to harsh weather conditions resulting in higher overtime. Negotiated union contract increases that took effect in February 2018 contributed to higher expenses compared to January 2018.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Material	\$ 7,043	\$ (344)	\$ 1,207	\$ 7,043	\$ (344)	\$ 1,207

- Material expense was \$0.3 million unfavorable to budget for the month due to additional costs related to 2019 weather conditions. Material expense was \$1.2 million favorable to January 2018 due to cost containment measures.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Fuel	\$ 3,629	\$ 224	\$ (145)	\$ 3,629	\$ 224	\$ (145)

- Fuel for Revenue Equipment expense was \$0.2 million favorable to budget in January primarily due to a decrease in the price of diesel fuel. Higher fuel prices accounts for the unfavorable variance to January 2018.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Power	\$ 3,395	\$ 1	\$ (551)	\$ 3,395	\$ 1	\$ (551)

- The Electric Power for Revenue Equipment expense was on par with budget for the month. Expenses were \$0.6 million unfavorable to prior year, primarily due to the harsher weather this January.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Provision for Injuries & Damages	\$ 625	\$ -	\$ (625)	\$ 625	\$ -	\$ (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
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Purchase of Security Services	\$ 1,482	\$ 127	\$ (79)	\$ 1,482	\$ 127	\$ (79)

- 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-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Other Expenses	\$ 23,373	\$ 92	\$ 1,967	\$ 23,373	\$ 92	\$ 1,967

- The \$0.1 million and \$2.0 million favorable variances to budget and prior year, respectively, were mainly due to the timing of contractual services invoices and cost containment measures. 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-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Total Operating Expenses	\$ 132,740	\$ (94)	\$ (1,773)	\$ 132,740	\$ (94)	\$ (1,773)

- Operating Expenses were \$0.1 million unfavorable to budget for the month due to higher materials usage and overtime resulting from harsh weather. The unfavorable variance to prior year was due primarily to higher labor from contractual wage increases.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Recovery Ratio	47.64%	(2.78)		47.64%	(2.78)	

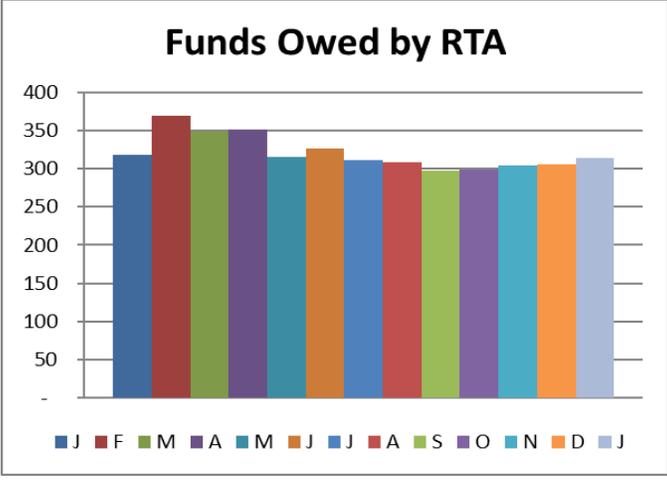
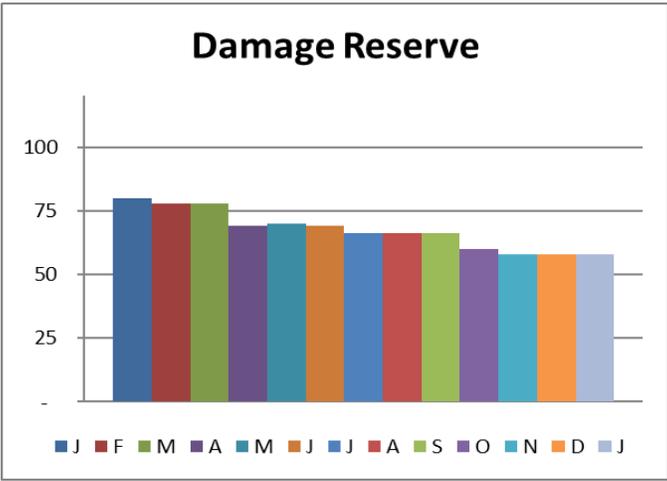
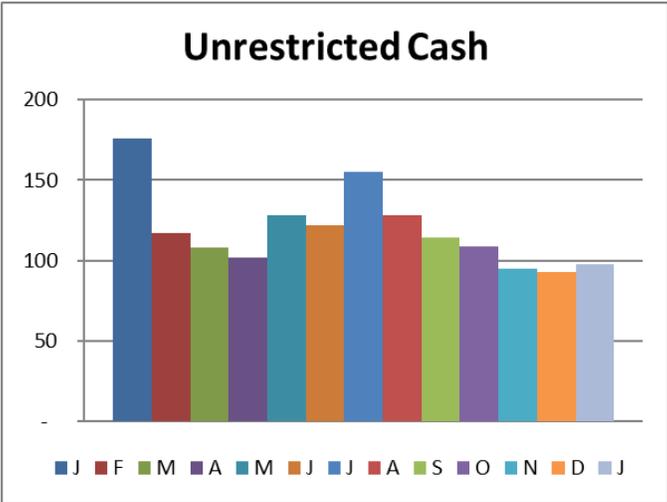
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 47.64% for the month. This was unfavorable to budget by 2.78 percentage points for the month but is on target to meet the RTA required recovery ratio of 54.75% for the year.

VI. Ridership

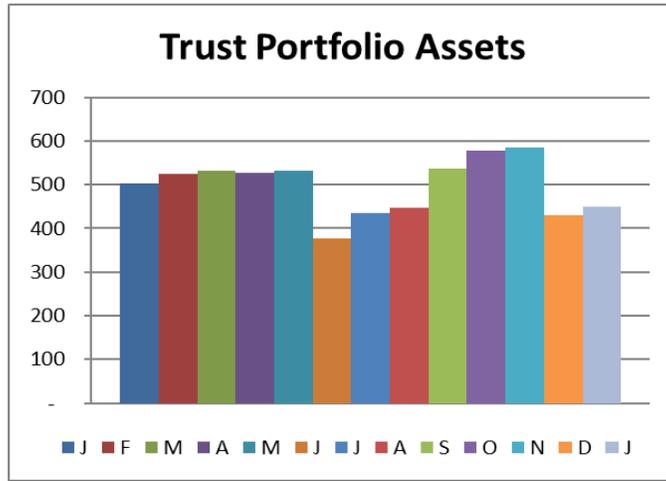
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jan-19	Budget Jan-19	Prior Year Jan19 vs. Jan18	2019	Budget 2019	Prior Year 2018
Bus	17,454	(1,495)	(1,739)	17,454	(1,495)	(1,739)
Rail	13,134	(1,043)	(1,053)	13,134	(1,043)	(1,053)
Rail to Rail Transfers	2,935	(225)	(236)	2,935	(225)	(236)
Total	33,523	(2,763)	(3,028)	33,523	(2,763)	(3,028)

- Ridership for the month of January was 33.5 million and was lower than budget and prior year by 2.8 million and 3.0 million, respectively.
- Calendar adjusted ridership was down 8.2% from prior year, which was far more than normal due primarily to the Polar Vortex days on January 30th and January 31st. January 30th was the lowest ridership day since at least 2001 with only 222 thousand rides. This was only 15% of the normal 1.5 million weekday total for this time of year. There were 581 thousand rides on January 31st, which was 34% of normal.
- More details on ridership can be found in the January Ridership Report.

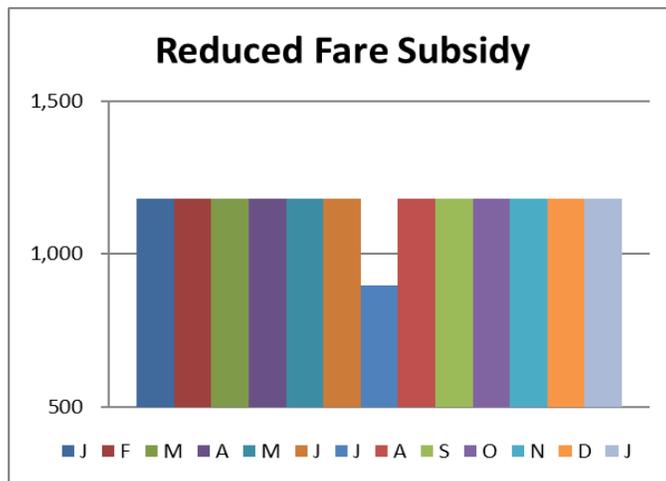
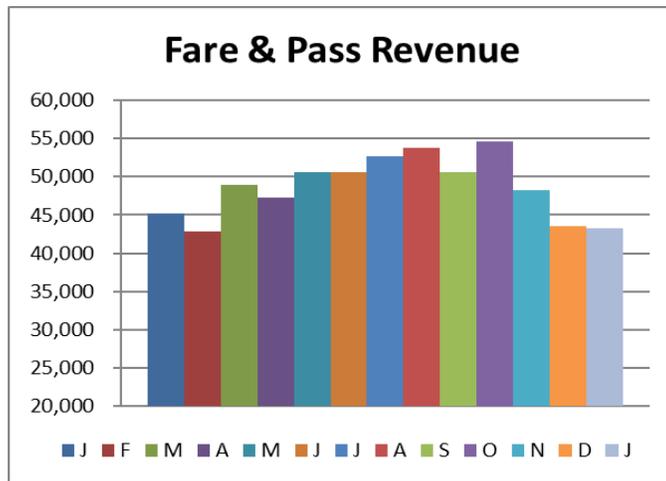
Cash & Liquidity



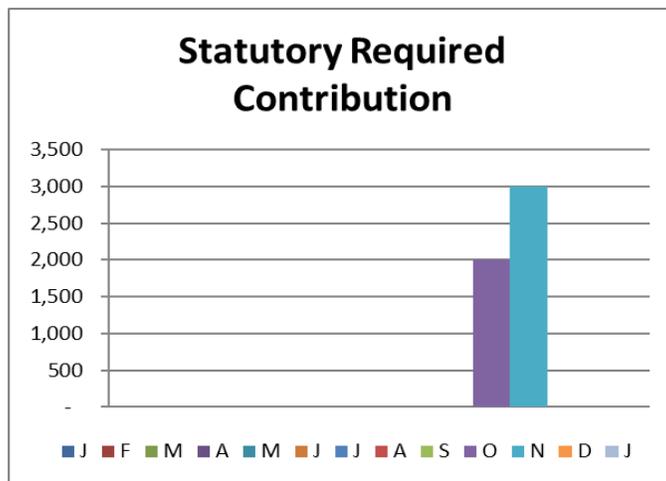
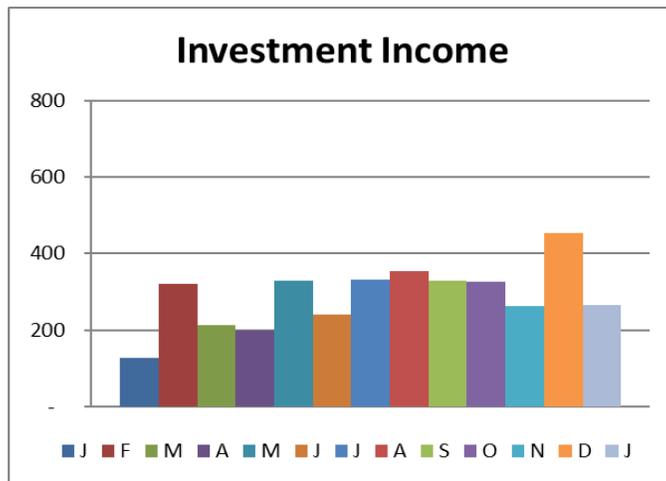
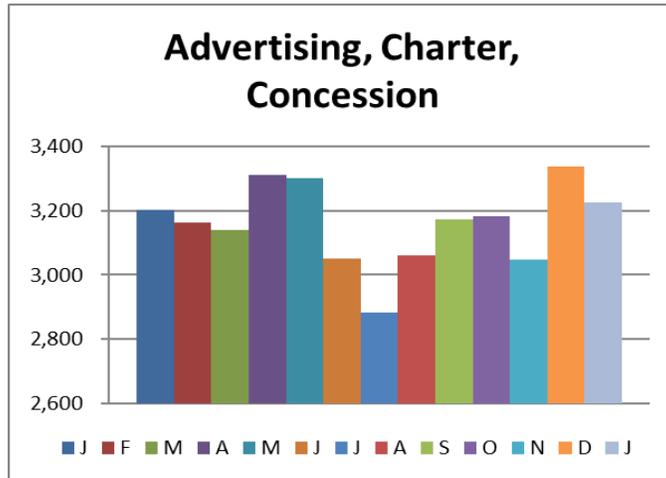
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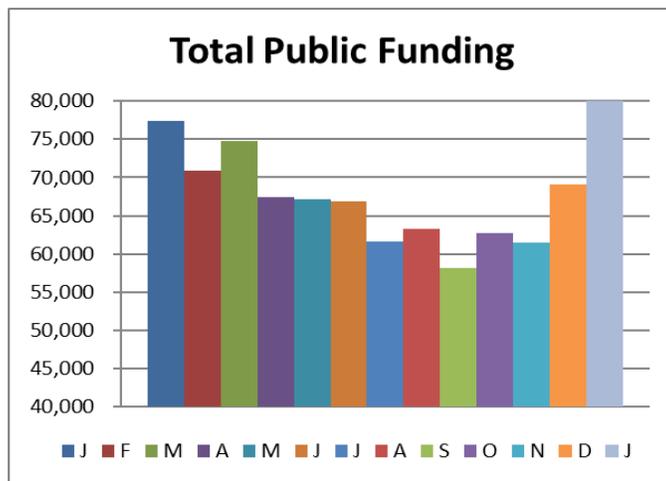
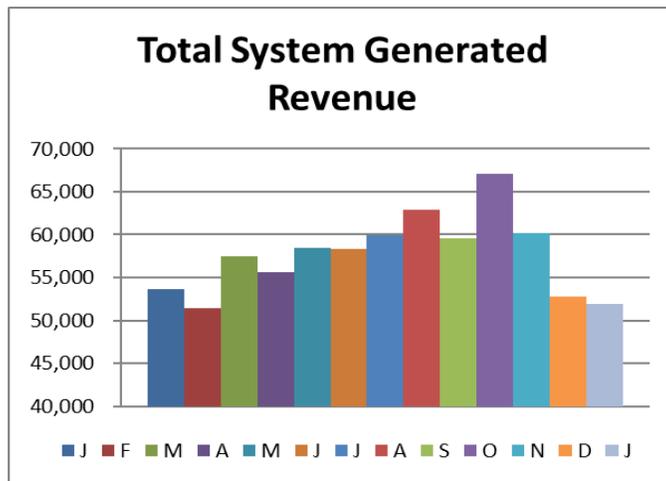
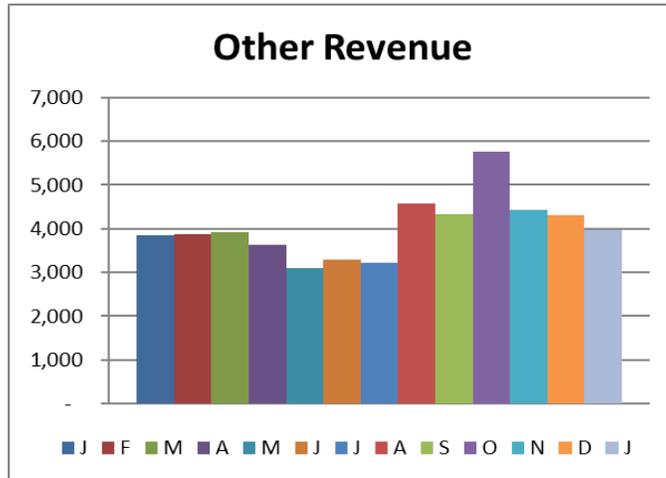
Revenue



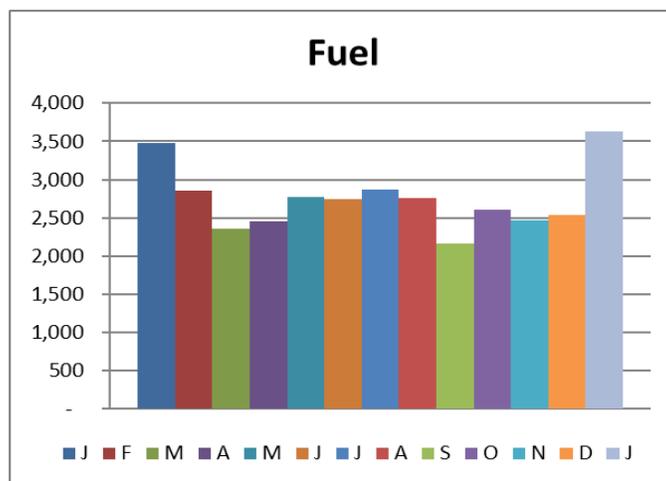
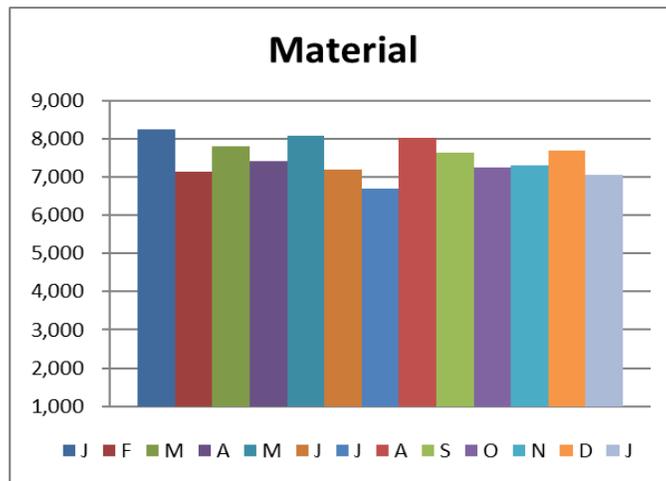
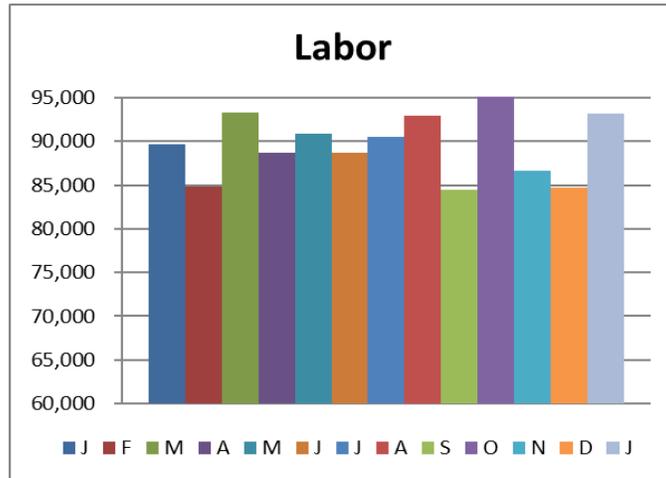
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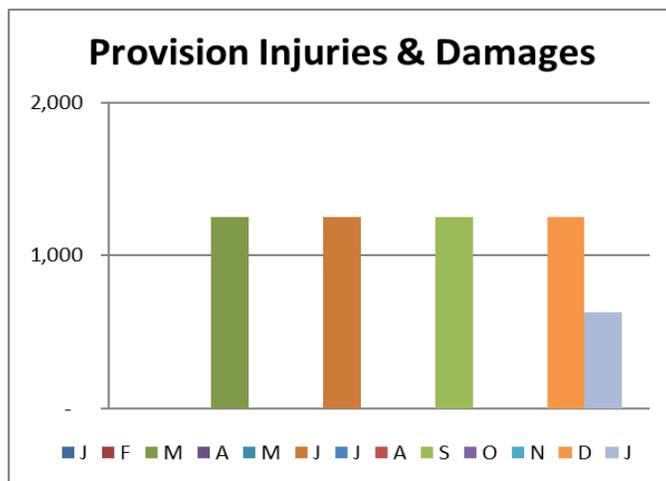
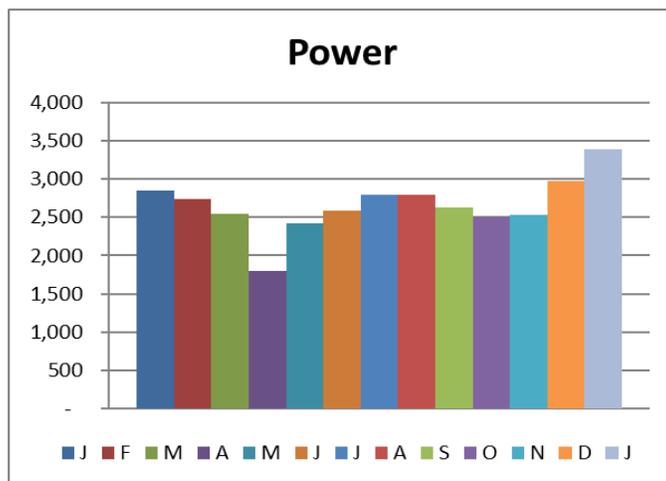
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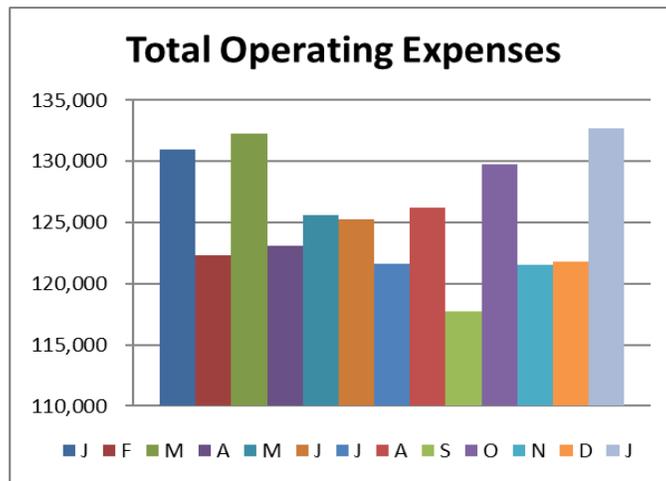
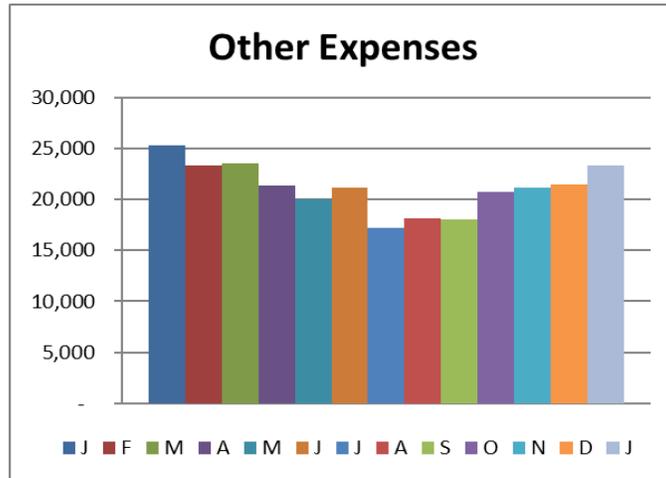
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Unrestricted Cash	176	117	108	102	128	122	155	128	114	109	95	93	98
Damage Reserve	80	78	78	69	70	69	66	66	66	60	58	58	58
Funds Owed by RTA	318	370	348	352	316	327	312	308	297	299	305	306	314
Trust Portfolio Assets	503	525	531	527	532	376	434	447	537	578	586	430	449

Revenue	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Fare & Pass Revenue	45,231	42,887	48,965	47,335	50,568	50,533	52,640	53,714	50,594	54,595	48,219	43,510	43,236
Reduced Fare Subsidy	1,180	1,180	1,180	1,180	1,180	1,180	895	1,180	1,180	1,180	1,180	1,180	1,180
Advertising, Charter, Concession	3,201	3,163	3,139	3,309	3,301	3,050	2,883	3,061	3,171	3,181	3,048	3,336	3,226
Investment Income	126	320	213	198	330	241	332	353	328	327	262	453	265
Statutory Required Contribution	-	-	-	-	-	-	-	-	-	2,000	3,000	-	-
Other Revenue	3,852	3,862	3,915	3,635	3,109	3,293	3,230	4,586	4,345	5,765	4,434	4,314	3,976
Total System Generated Revenue	53,590	51,412	57,412	55,658	58,488	58,296	59,980	62,895	59,618	67,048	60,143	52,794	51,882
Total Public Funding	77,376	70,865	74,834	67,466	67,151	66,938	61,622	63,329	58,121	62,728	61,417	69,030	80,857

Expenses	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Labor	89,645	84,844	93,329	88,722	90,888	88,719	90,462	92,918	84,405	95,214	86,658	84,653	93,193
Material	8,250	7,133	7,791	7,424	8,075	7,196	6,706	8,031	7,640	7,237	7,312	7,680	7,043
Fuel	3,484	2,852	2,360	2,453	2,768	2,750	2,875	2,765	2,165	2,601	2,473	2,535	3,629
Power	2,844	2,741	2,545	1,799	2,414	2,585	2,796	2,793	2,630	2,508	2,531	2,977	3,395
Provision Injuries & Damages	-	-	1,250	-	-	1,250	-	-	1,250	-	-	1,250	625
Purchase of Security Services	1,403	1,387	1,410	1,409	1,455	1,551	1,558	1,560	1,573	1,460	1,437	1,299	1,482
Other Expenses	25,340	23,320	23,562	21,318	20,039	21,183	17,206	18,157	18,076	20,756	21,149	21,430	23,373
Total Operating Expenses	130,966	122,277	132,247	123,123	125,639	125,234	121,602	126,224	117,739	129,776	121,560	121,824	132,740