



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for October 2023
Date: December 13, 2023

I. Summary

CTA's financial results for the month and year to date are impacted by the effect of the COVID-19 pandemic. CTA's financial results are \$10.0 million and \$108.2 million favorable to budget for October and year-to-date, respectively, primarily due to lower than anticipated labor costs and other expenses. Public funding for 2023 collected year-to-date totaled \$781.9 million, which is \$5.9 million favorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$111.1 million of CRRSAA funding, which is approximately 30.8% of CTA's CRRSAA allocation, \$210.5 million of ARP funding, which is approximately 23.1% of CTA's ARP allocation, and \$24.4 million of ARP Discretionary funding, which is approximately 20.6% of CTA's ARP Discretionary allocation.

Ridership for the month was 26.8 million, which was 2.0 million higher than budget and 3.2 million higher than October 2022. Ridership year-to-date was 13.1 million higher than budget and 29.5 million higher than the prior year. The ridership increase over the prior year-to-date was due to continued recovery from the COVID-19 pandemic.

II. Cash & Liquidity

The chart below highlights CTA's cash position at October 2023 compared to October 2022.

	October 2023	October 2022	Increase (Decrease)
Unrestricted Cash	\$ 199,885	\$ 185,579	\$ 14,306
Damage Reserve	71,541	79,238	\$ (7,697)
Funds Owed by RTA	323,702	335,758	\$ (12,056)
Trust Portfolio Assets	640,623	691,529	\$ (50,906)
Total Cash and Receivables	\$ 1,235,751	\$ 1,292,104	\$ (56,353)

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$14.3 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$7.7 million lower than last year due to settlement payments offset by deposits into the fund. Funds owed by the RTA were approximately \$323.7 million which was \$12.1 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
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Fare & Pass Revenue	\$ 30,989	\$ 623	\$ 2,258	\$ 275,377	\$ 10,410	\$ 30,560

- Fare and pass revenue for October was \$0.6 million favorable to budget due to higher than expected bus and rail full fare revenues in addition to higher 7-day and 1-day pass revenue. It was \$2.3 million favorable to prior year primarily due to higher fare and pass revenues. The average fare for the month was \$1.16 per ride and was \$0.07 lower than budget and \$0.06 lower than the prior year.
- Year-to-date fare and pass revenue was \$10.4 million favorable to budget due to higher than expected bus and rail full fare revenue in addition to 7-day pass revenue. It was \$30.6 million favorable to prior year due to the continued recovery from the COVID-19 pandemic. The average fare for the year was \$1.18 per ride and was \$0.02 lower than budget and \$0.02 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ -	\$ 12,172	\$ -	\$ -

- 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
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Advertising, Charter, Concession	\$ 2,164	\$ (574)	\$ (472)	\$ 24,714	\$ (2,635)	\$ (1,570)

- Advertising, Charter and Concessions Revenue was \$0.6 million unfavorable to budget for the month due to lower than anticipated vehicle and platform advertising revenue. It was \$2.6 million unfavorable to budget for the year-to-date due to lower than anticipated vehicle and platform advertising revenues received in 2023. This revenue category was \$1.6 million lower than prior year due to less vehicle and platform advertising revenues received in 2023.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Oct-23	Oct-23	Oct23 vs. Oct22	2023	2023	2022
Investment income	\$ 979	\$ 771	\$ 529	\$ 7,714	\$ 5,631	\$ 5,899

- Investment income was \$0.8 million and \$5.6 million favorable to budget for the month and the year-to-date, respectively. It was \$5.9 million higher than prior year-to-date due to fluctuations in the short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Oct-23	Oct-23	Oct23 vs. Oct22	2023	2023	2022
Other Revenue	\$ 2,261	\$ 154	\$ (532)	\$ 19,832	\$ 952	\$ (3,714)

- Other Revenue was \$0.2 million favorable to budget for the month due to higher than expected movie generated revenue and \$1.0 million favorable for the year-to-date due to higher than expected movie generated and rental revenues. Other revenue was \$0.5 million unfavorable to October 2022 and \$3.7 million unfavorable to the prior year-to-date due to lower non-capital grant and miscellaneous revenues. Lower non-capital grant revenue is offset by lower non-capital grant expense in the Other Expenses category.

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Oct-23	Oct-23	Oct23 vs. Oct22	2023	2023	2022
Total System Generated Revenue	\$ 39,609	\$ 975	\$ 1,784	\$ 341,809	\$ 14,359	\$ 31,176

- Total System-Generated Revenue was \$1.0 million favorable to budget for the month due to higher than anticipated fare revenue and investment income. It was \$14.4 million higher than budget for the year-to-date due to higher than expected fare and pass revenue in addition to investment income. It was \$1.8 million and \$31.2 million higher than October 2022 and prior year-to-date, respectively, due to higher fare and pass revenue and investment income.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
	Oct-23	Oct-23	Oct23 vs. Oct22	2023	2023	2022
Labor	\$ 108,450	\$ 3,654	\$ (9,521)	\$ 1,004,985	\$ 59,735	\$ (66,958)

- Labor expense was \$3.7 million favorable to budget for the month and \$59.7 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$9.5 million

unfavorable to October 2022 and \$67.0 million unfavorable to prior year-to-date due to the timing of open positions and the impact of contractual wage increases.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Material	\$ 10,184	\$ 154	\$ (2,278)	\$ 96,036	\$ (15)	\$ (10,799)

- Material expense was \$0.2 million favorable to budget for the month and slightly unfavorable year-to-date due to the timing of vehicle parts usage, most of the bus fleet being out of warranty, and the increase in cost of materials. Material expense was \$2.3 million unfavorable to October 2022 and \$10.8 million unfavorable to prior year-to-date due to the timing of vehicle part usage and the increase in cost of materials.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Fuel	\$ 3,213	\$ 1,085	\$ (1,189)	\$ 32,023	\$ 11,406	\$ (9,358)

- Fuel for Revenue Equipment expense was \$1.1 million favorable to budget in October and \$11.4 million favorable year-to-date primarily due to lower than anticipated usage. 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
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Power	\$ 2,138	\$ 840	\$ (1,220)	\$ 22,034	\$ 3,704	\$ (6,999)

- The Electric Power for Revenue Equipment expense was \$0.8 million favorable to budget for the month of October. Year-to-date traction power expense was \$3.7 million favorable to budget due to lower than anticipated usage. In May 2022, CTA began receiving a credit toward traction power expenses from ComEd due to the Carbon-Free Energy Resources Adjustment (CFRA) resulting from a provision in the Climate and Equitable Jobs Act (CEJA) signed by the Governor in September 2021. Traction power expense was \$7.0 million unfavorable to prior year-to-date because of the CFRA charge starting in mid-2023 compared to a credit in 2022. CTA received CFRA credits through May 2023; however, the adjustment is anticipated to result in an additional charge from June through the remainder of the year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Provision for Injuries & Damages	\$ 1,683	\$ -	\$ 957	\$ 16,833	\$ -	\$ 9,567

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The expense was \$9.6 million favorable to the prior year-to-date due to funding requirements.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Purchase of Security Services	\$ 6,790	\$ (3,360)	\$ (4,489)	\$ 49,139	\$ (14,847)	\$ (30,152)

- Purchase of Security Services was \$3.4 million unfavorable to budget for the month and \$4.5 million unfavorable to October 2022 due to the timing of invoices and an increase in private security services. Year-to-date, expenses were \$14.8 million unfavorable to budget and \$30.2 million unfavorable to prior year due to the timing of invoices for police and the increase in private security services.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Other Expenses	\$ 15,160	\$ 6,625	\$ 1,308	\$ 202,407	\$ 33,831	\$ 4,493

- Other expenses were \$6.6 million favorable to budget for the month and \$33.8 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$4.5 million favorable to prior year 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
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Total Operating Expenses	\$ 147,618	\$ 8,997	\$ (16,432)	\$ 1,423,458	\$ 93,813	\$ (110,206)

- Operating Expenses were \$9.0 million and \$93.8 million favorable to budget for the month and year-to-date, respectively, primarily due to lower than anticipated labor costs and other expenses. The unfavorable variance to prior year-to-date was primarily due to higher labor costs in addition to higher security, material, and fuel expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Recovery Ratio	36.56%	(7.95)		47.60%	(4.20)	

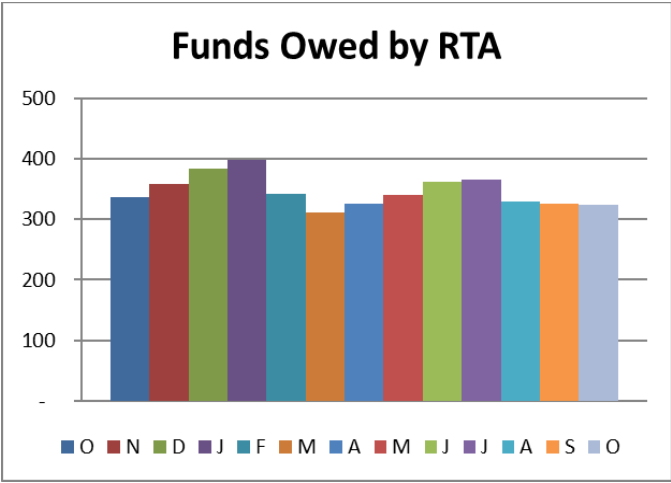
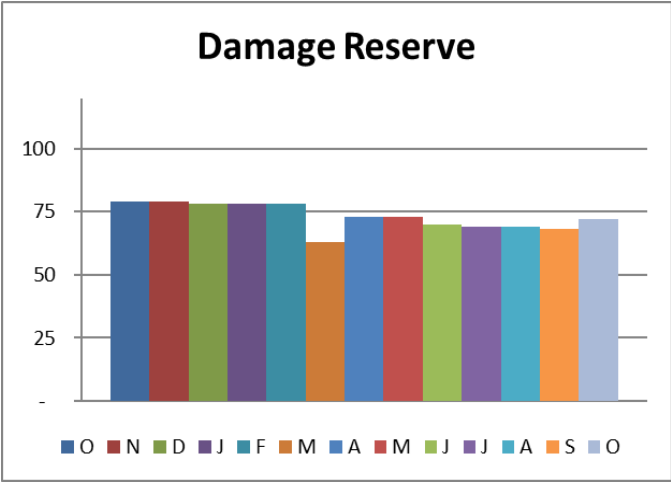
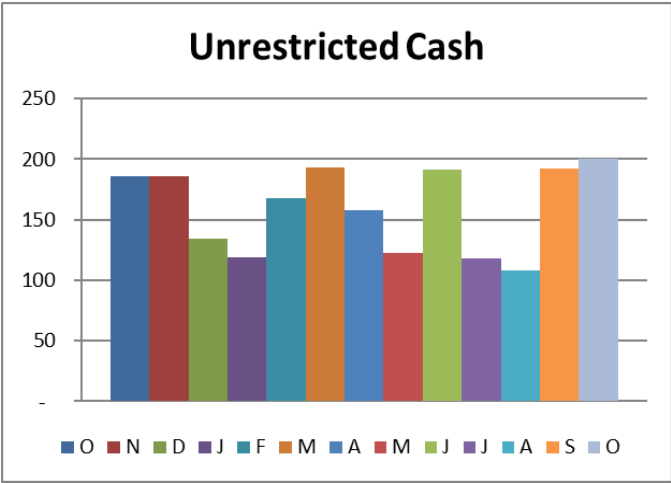
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 36.56% for the month. This was unfavorable to budget by 7.95 percentage points for the month. Year-to-date, the recovery ratio was 47.60%, which was unfavorable to budget by 4.20 percentage points and favorable to the RTA required recovery ratio of 42.00% by 5.60 percentage points. The RTA is including the Federal stimulus funds under the CARES, CRRSAA, and ARP Acts as replacement fare revenues for recovery ratio purposes. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic. The legislature further extended the waiver through 2025.

VI. Ridership

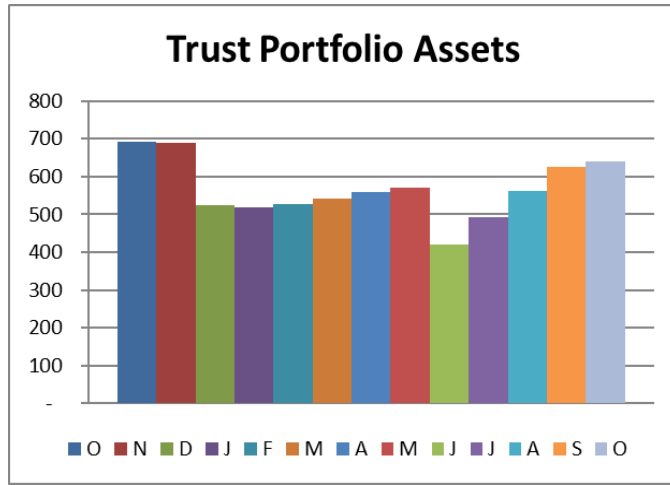
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-23	Budget Oct-23	Prior Year Oct23 vs. Oct22	2023	Budget 2023	Prior Year 2022
Bus	15,242	2,010	1,942	134,496	13,214	17,629
Rail	9,835	65	1,128	83,860	(79)	10,616
Rail to Rail Transfers	1,675	(58)	106	14,900	(63)	1,267
Total	26,752	2,018	3,176	233,256	13,072	29,512

- Ridership for the month of October was 26.8 million and was 2.0 million higher than budget and 3.2 million higher than prior year.
- Calendar adjusted ridership was up 12.1% from prior year due to continued recovery from the COVID-19 pandemic.
- Ridership for the year-to-date was 233.3 million and was 13.1 million higher than budget and 29.5 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 14.6% from the prior year-to-date.
- More details on ridership can be found in the October Ridership Report.

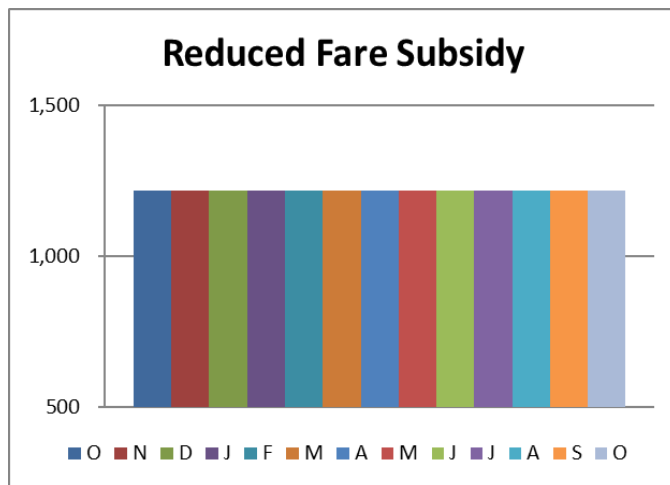
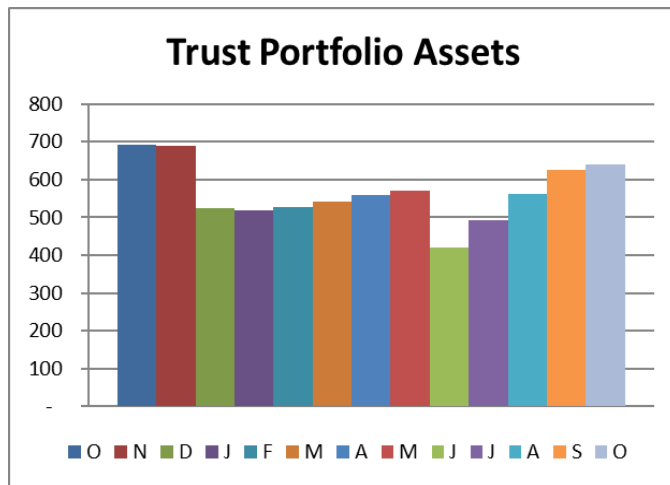
Cash & Liquidity



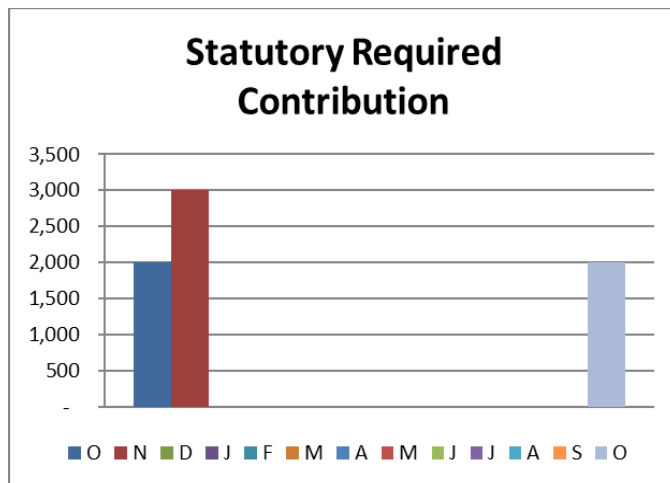
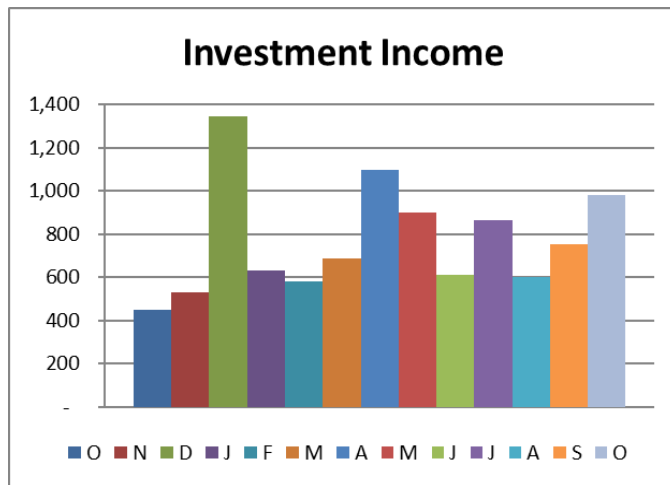
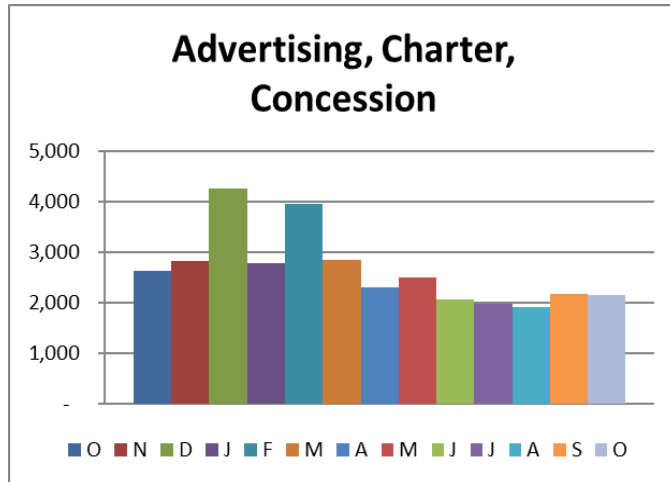
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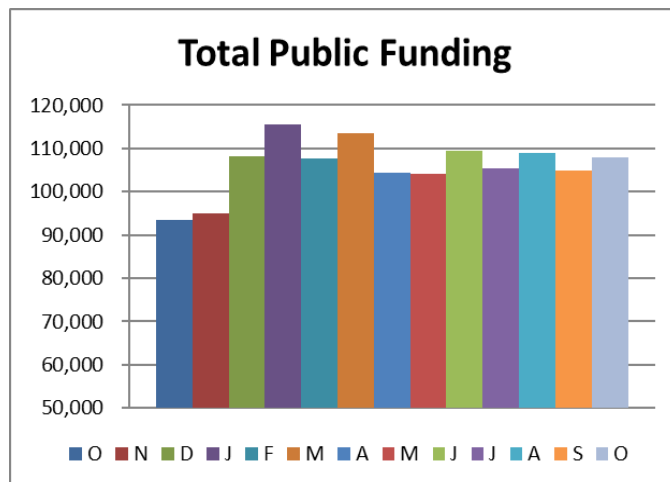
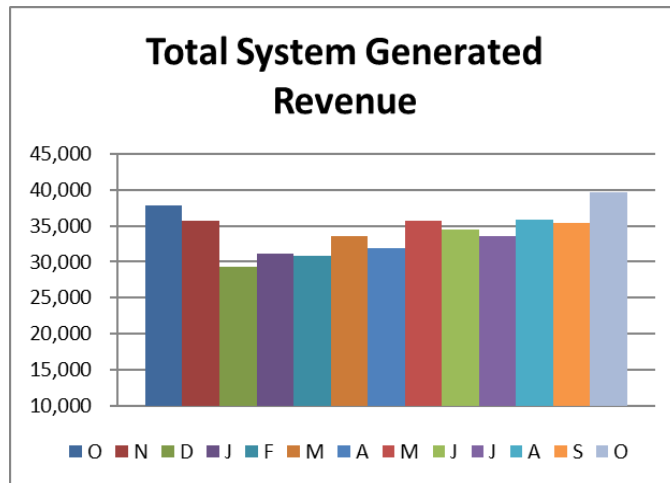
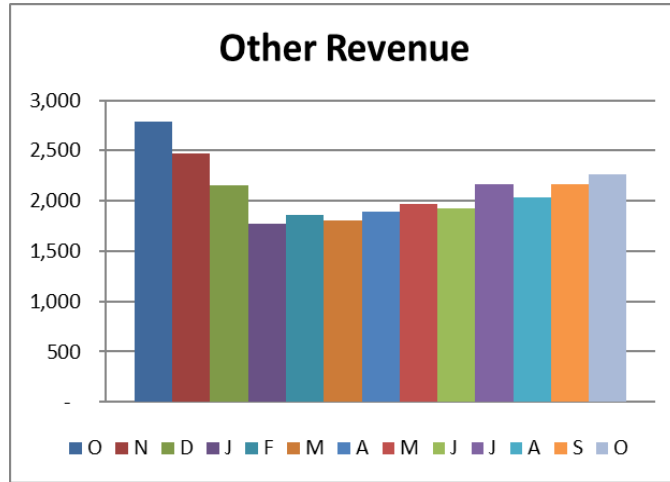
Revenue



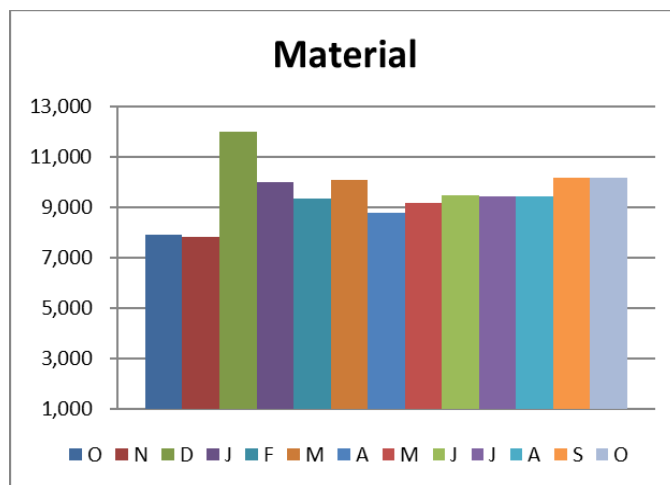
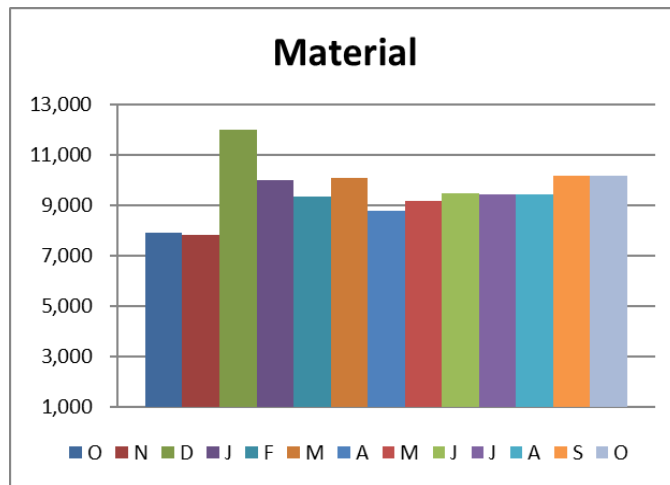
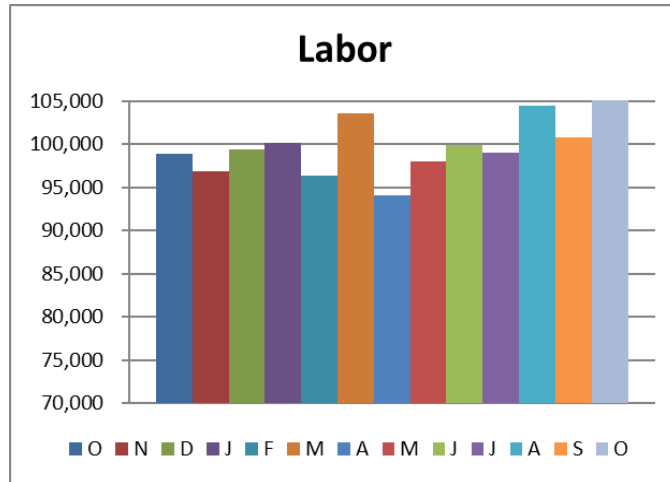
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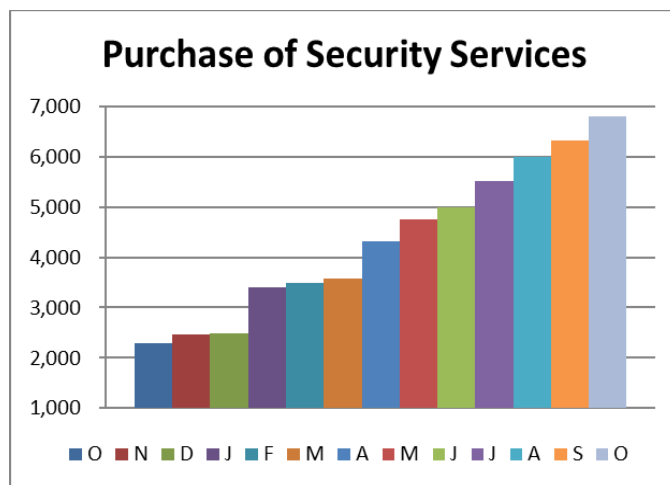
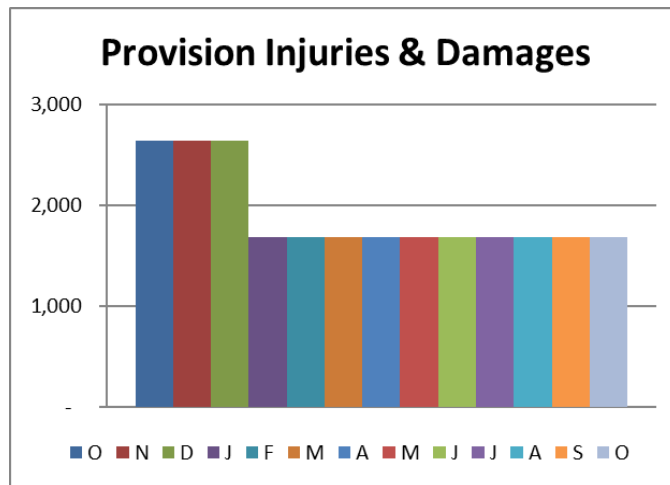
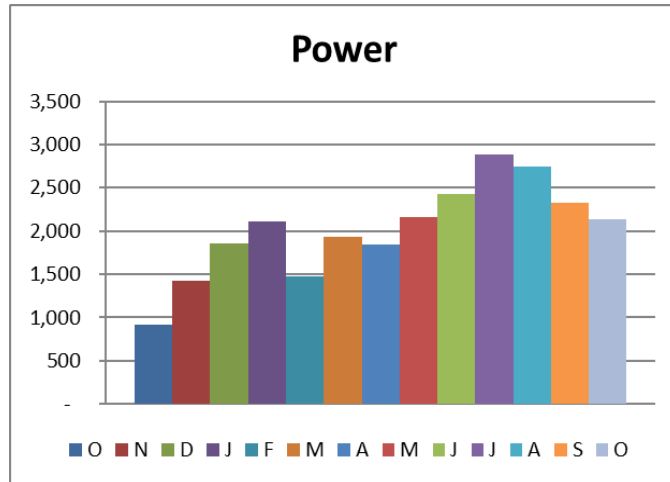
Revenue Cont'd



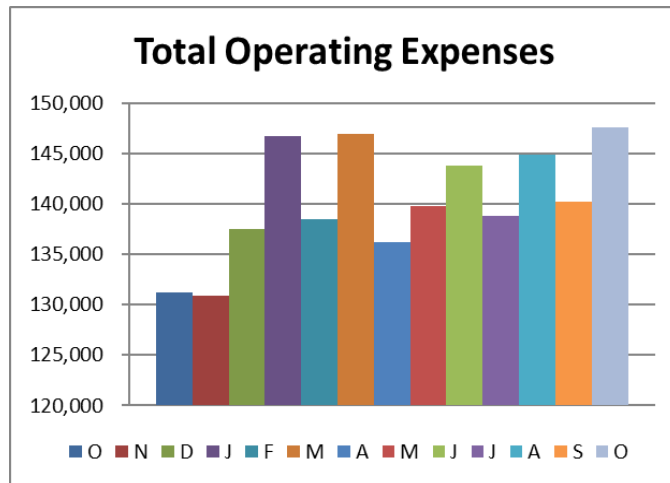
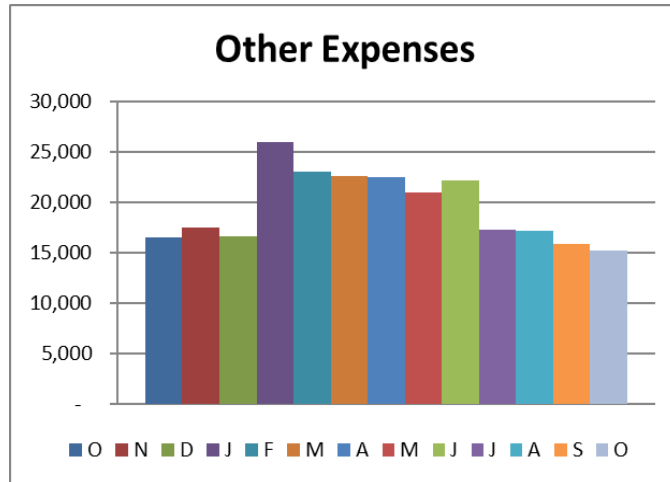
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
Unrestricted Cash	186	186	134	119	168	193	158	123	191	118	108	192	200
Damage Reserve	79	79	78	78	78	63	73	73	70	69	69	68	72
Funds Owed by RTA	336	358	383	398	341	312	326	340	361	366	329	325	324
Trust Portfolio Assets	692	689	524	519	528	542	558	571	419	492	563	626	641

Revenue	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
Fare & Pass Revenue	28,731	25,695	20,379	24,665	23,168	26,982	25,320	29,088	28,602	27,329	30,118	29,118	30,989
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	2,635	2,838	4,266	2,793	3,957	2,846	2,311	2,504	2,060	1,984	1,923	2,171	2,164
Investment Income	450	529	1,346	633	582	689	1,099	901	613	866	602	751	979
Statutory Required Contribution	2,000	3,000	-	-	-	-	-	-	-	-	-	-	2,000
Other Revenue	2,792	2,468	2,155	1,768	1,860	1,800	1,888	1,966	1,920	2,162	2,038	2,169	2,261
Total System Generated Revenue	37,826	35,746	29,363	31,076	30,785	33,535	31,835	35,676	34,412	33,558	35,898	35,425	39,609
Total Public Funding	93,360	95,090	108,099	115,664	107,728	113,453	104,337	104,117	109,341	105,275	108,960	104,766	108,009

Expenses	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
Labor	98,929	96,881	99,360	100,139	96,413	103,624	94,137	97,980	99,957	99,066	104,436	100,783	108,450
Material	7,906	7,805	12,009	9,990	9,341	10,080	8,773	9,167	9,463	9,416	9,447	10,175	10,184
Fuel	2,024	2,097	2,439	3,530	3,143	3,464	2,900	3,157	3,110	3,027	3,410	3,069	3,213
Power	919	1,428	1,861	2,104	1,476	1,935	1,847	2,156	2,422	2,880	2,750	2,325	2,138
Provision Injuries & Damages	2,640	2,640	2,640	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683
Purchase of Security Services	2,300	2,464	2,493	3,400	3,489	3,576	4,317	4,753	4,986	5,509	5,994	6,325	6,790
Other Expenses	16,468	17,521	16,660	25,893	22,967	22,624	22,515	20,896	22,132	17,252	17,137	15,830	15,160
Total Operating Expenses	131,186	130,836	137,462	146,740	138,513	146,988	136,172	139,793	143,753	138,833	144,858	140,191	147,618