



To: Chicago Transit Authority Board
From: Tom McKone, Chief Financial Officer
Re: Financial Results for August 2024
Date: October 9, 2024

I. Summary

CTA's financial results are \$4.4 million favorable to budget for August primarily due to lower than budgeted contractual services and other expenses. Results are \$79.8 million favorable to budget for the year-to-date primarily due to lower than budgeted labor costs and other expenses. Public funding for 2024 collected year-to-date totaled \$621.6 million, which is \$5.1 million unfavorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$175.2 million of CRRSAA funding, which is approximately 48.5% of CTA's CRRSAA allocation, \$390.2 million of ARP funding, which is approximately 42.8% of CTA's ARP allocation, and \$48.5 million of ARP Discretionary funding, which is approximately 41.0% of CTA's ARP Discretionary allocation.

Ridership for the month was 27.3 million, which was 0.6 million higher than budget and 1.6 million higher than August 2023. Ridership year-to-date was 11.8 million higher than budget and 22.7 million higher than the prior year. The increased YOY ridership is primarily driven by CTA's continued expansion of service.

II. Cash & Liquidity

The chart below highlights CTA's cash position in August 2024 compared to August 2023.

	August 2024	August 2023	Increase (Decrease)
Unrestricted Cash	\$ 137,395	\$ 108,317	\$ 29,078
Damage Reserve	58,340	68,647	\$ (10,307)
Funds Owed by RTA	355,487	329,006	\$ 26,481
Trust Portfolio Assets	433,604	563,258	\$ (129,654)
Total Cash and Receivables	\$ 984,826	\$ 1,069,228	\$ (84,402)

CTA's total cash/receivables balance was equal to \$984.8 million. Unrestricted cash was \$29.1 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$10.3 million lower than last year due to settlement payments offset by deposits into the fund. Funds owed by the RTA were approximately \$355.5 million which was \$26.5 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
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Fare & Pass Revenue	\$ 31,786	\$ (390)	\$ 1,668	\$ 232,837	\$ 3,268	\$ 17,566

- Fare and pass revenue for August was \$0.4 million unfavorable to budget due to lower-than-expected full fare revenue on both Bus and Rail. This was a \$1.7 million increase over prior year driven by a 1.6 million increase in ridership specifically with pass customers. The average fare for the month was \$1.17 per ride which was \$0.04 lower than budget and \$0.01 lower than the prior year.
- Year-to-date fare and pass revenue was \$3.3 million above budget, primarily driven by higher-than-expected pass revenue from increased ridership. Compared to prior year, this was \$17.6 million higher, attributed to expanded service delivery and demand leading to increased ridership. The average fare for the year-to-date was \$1.15 per ride and was \$0.05 lower than budget and \$0.05 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Reduced Fare Subsidy	\$ 1,321	\$ -	\$ 103	\$ 10,565	\$ -	\$ 828

- Reduced Fare Subsidy was on par with budget for the month and year-to-date and \$0.8 million favorable to prior year-to-date based on a higher expected reimbursement from the State in 2024 compared to 2023.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Advertising, Charter, Concession	\$ 3,116	\$ 373	\$ 1,193	\$ 21,476	\$ (952)	\$ 1,096

- Advertising, Charter and Concessions Revenue was \$0.4 million favorable to budget for the month due to bus charter service provided during the Democratic National Convention, which was partially offset by lower than anticipated vehicle and platform advertising revenue. The year-to-date revenue was \$1.0 million unfavorable to budget primarily due to lower than

budgeted advertising revenue. This revenue category was \$1.1 million higher than prior year-to-date due to bus charter services provided during the Democratic National Convention, which was partially offset by a decrease in vehicle and platform advertising revenues in 2024 related to the timing of revenue receipts.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Investment income	\$ 869	\$ 453	\$ 267	\$ 8,294	\$ 4,961	\$ 2,310

- Investment income was \$0.5 million and \$5.0 million favorable to budget for the month and the year-to-date, respectively. This is a \$2.3 million increase over prior year-to-date due to fluctuations in the short-term market rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Other Revenue	\$ 1,862	\$ (23)	\$ (176)	\$ 15,381	\$ 300	\$ (21)

- Other Revenue was in line with budget for the month. Year-to-Date was \$0.3 million favorable to budget, driven by higher rental revenue and scrap material sales. For the month, other revenue was \$0.2 million unfavorable to prior year due to decreased non-capital grant revenue. Year-to-Date was slightly unfavorable compared to prior year, primarily from lower movie-generated revenue and non-capital grant revenues, partially offset by increased parking lot revenue and scrap material sales. The decline in non-capital grant revenue is balanced by a matching decrease in non-capital grant expenses.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Total System Generated Revenue	\$ 38,954	\$ 412	\$ 3,056	\$ 288,554	\$ 7,578	\$ 21,779

- Total System-Generated Revenue was \$0.4 million and \$7.6 million favorable to budget for the month and the year-to-date, respectively, due to higher than anticipated pass revenue and investment income. It was \$3.1 million and \$21.8 million higher than August 2023 and prior year-to-date, respectively, due to higher pass revenue and investment income.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Labor	\$ 120,283	\$ (3,592)	\$ (15,847)	\$ 871,272	\$ 39,018	\$ (75,519)

- Labor expense was \$3.6 million unfavorable to budget for the month primarily due to the support for the Democratic National Convention. Year-to-date was \$39.0 million favorable to budget due to lower labor costs linked to lower than budgeted headcount. Labor expense was \$15.8 million higher than August 2023 and Year-to-date labor expense was \$75.5 million higher, primarily due to contractual wage increases and increased hiring to fill vacant positions necessary for service delivery.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Material	\$ 11,187	\$ 180	\$ (1,739)	\$ 85,347	\$ 1,739	\$ (9,669)

- Material expense was \$0.2 million favorable to budget for the month and \$1.7 million favorable for the year-to-date due to the timing of vehicle parts usage. This was \$1.7 million unfavorable to August 2023 and \$9.7 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
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Fuel	\$ 3,616	\$ 765	\$ (206)	\$ 27,594	\$ 5,407	\$ (1,853)

- Fuel for Revenue Equipment expense was \$0.8 million favorable to budget in August and \$5.4 million favorable year-to-date due to lower than anticipated usage and lower fuel prices. Compared to prior year, fuel is \$0.2 million higher for August and \$1.9 million higher year-to-date driven by slightly higher usage.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Power	\$ 3,091	\$ (36)	\$ (341)	\$ 23,390	\$ 1,377	\$ (5,820)

- The Electric Power for Revenue Equipment expense was slightly unfavorable to budget for the month but was \$1.4 million favorable to budget for the year-to-date due to lower than anticipated usage. Traction power expense was \$5.8 million unfavorable to prior year-to-date due to higher ComEd rates.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Provision for Injuries & Damages	\$ 1,654	\$ -	\$ 29	\$ 13,233	\$ -	\$ 233

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The expense was \$0.2 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
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Purchase of Security Services	\$ 7,295	\$ (1,866)	\$ (1,301)	\$ 59,546	\$ (16,113)	\$ (23,521)

- Purchase of Security Services was \$1.9 million unfavorable to budget for the month and \$1.3 million unfavorable to August 2023 due to additional private security services on the system. On a year-to-date basis, expenses were \$16.1 million unfavorable to budget and \$23.5 million unfavorable to prior year due to the increase in private security services. These results are consistent with our forecast for the year for security services.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Other Expenses	\$ 18,200	\$ 8,575	\$ (1,063)	\$ 179,142	\$ 40,814	\$ (7,725)

- Other expenses were \$8.6 million favorable to budget for the month and \$40.8 million favorable to budget for the year-to-date due to the timing of contractual services invoices and additional credit for the pension obligation bond expense. Other expenses year-to-date were \$7.7 million higher than prior year due to increased costs for contractual services and debt service for TIFIA loans. 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
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Total Operating Expenses	\$ 165,327	\$ 4,026	\$ (20,469)	\$ 1,259,524	\$ 72,243	\$ (123,874)

- Operating Expenses were \$4.0 million favorable to budget for the month due to lower than anticipated other expenses. Operating Expenses were \$72.2 million favorable to budget for the year-to-date 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 expenses, which are detailed above.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Recovery Ratio	50.96%	(0.85)		51.19%	(4.70)	

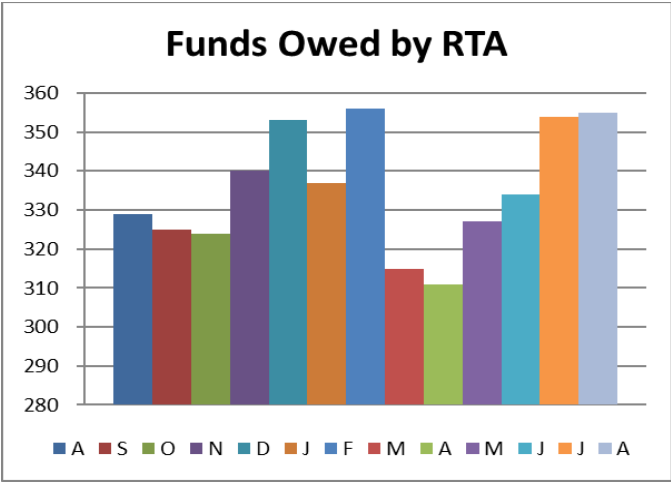
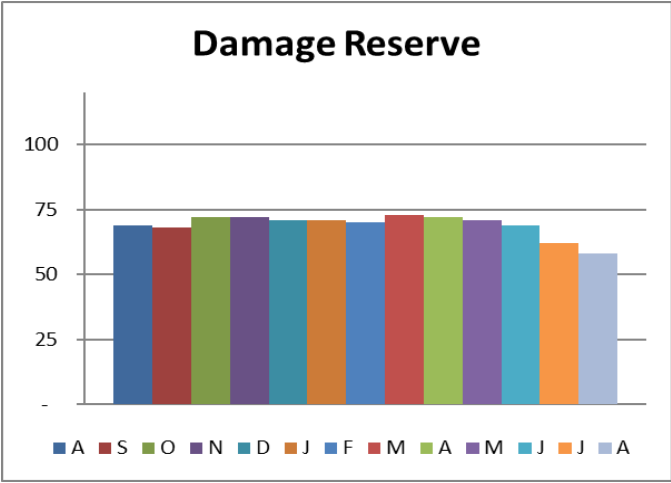
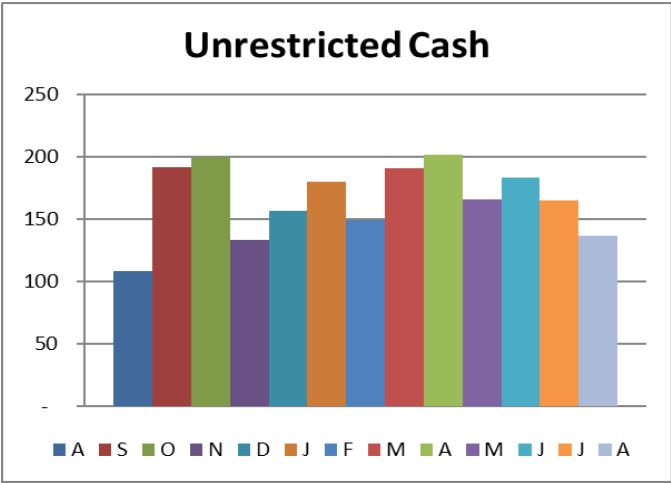
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 50.96% for the month. This was unfavorable to budget by 0.85 percentage points for the month. Year-to-date, the recovery ratio was 51.19%, which was unfavorable to budget by 4.70 percentage points but favorable to the RTA required recovery ratio of 42.00% by 9.19 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

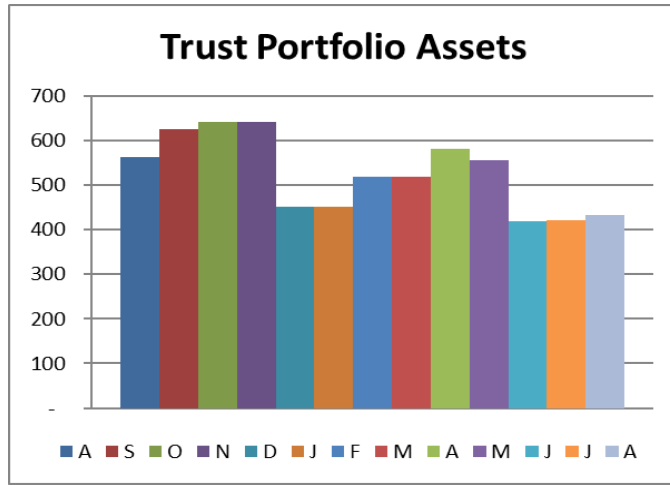
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Aug-24	Budget Aug-24	Prior Year Aug24 vs. Aug23	2024	Budget 2024	Prior Year 2023
Bus	15,535	365	1,006	119,653	8,365	15,196
Rail	10,001	208	557	70,955	2,866	6,342
Rail to Rail Transfers	1,743	17	76	12,747	551	1,167
Total	27,279	590	1,639	203,354	11,782	22,704

- Ridership for the month of August was 27.3 million and was 0.6 million higher than budget and 1.6 million higher than prior year.
- Calendar adjusted ridership was up 7.3% from prior year due to increased ridership from CTA's continued expansion of service delivery.
- Ridership for the year-to-date was 203.4 million and was 11.8 million higher than budget and 22.7 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 11.9% from the prior year-to-date.
- More details on ridership can be found in the August Ridership Report.

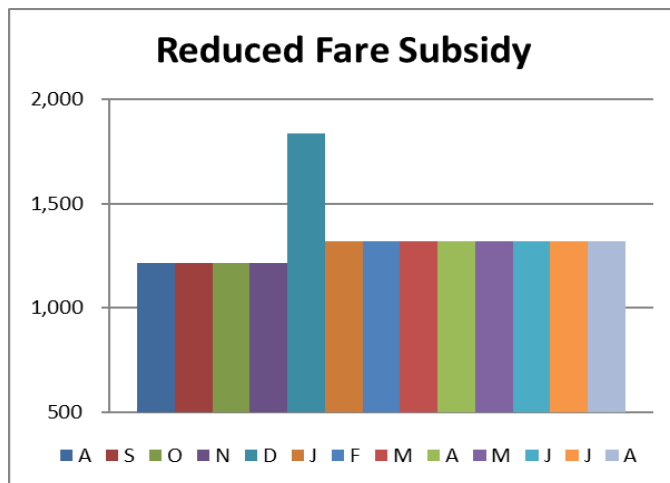
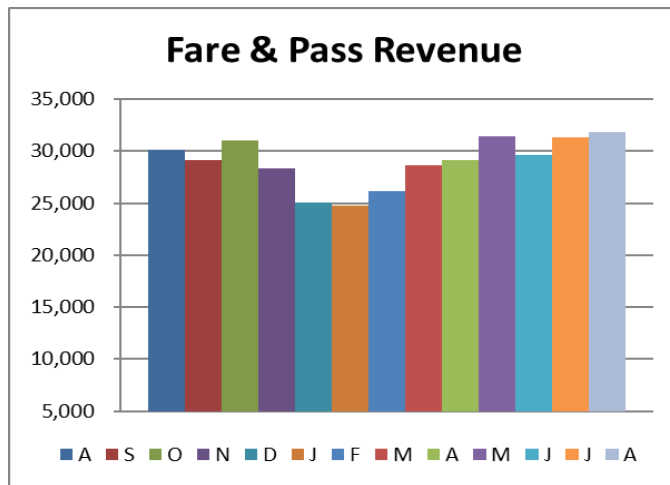
Cash & Liquidity



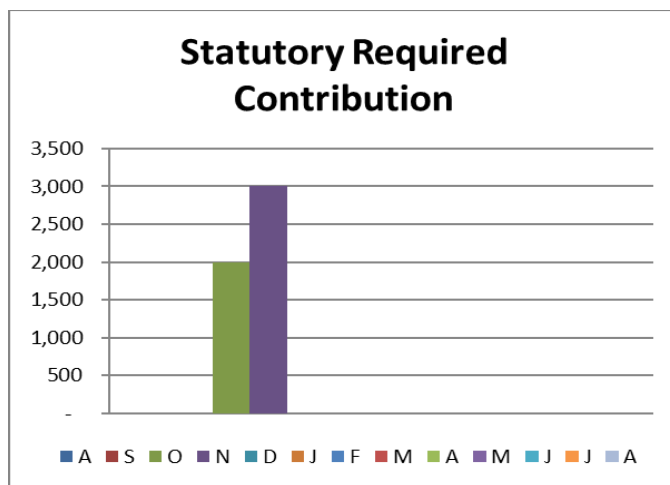
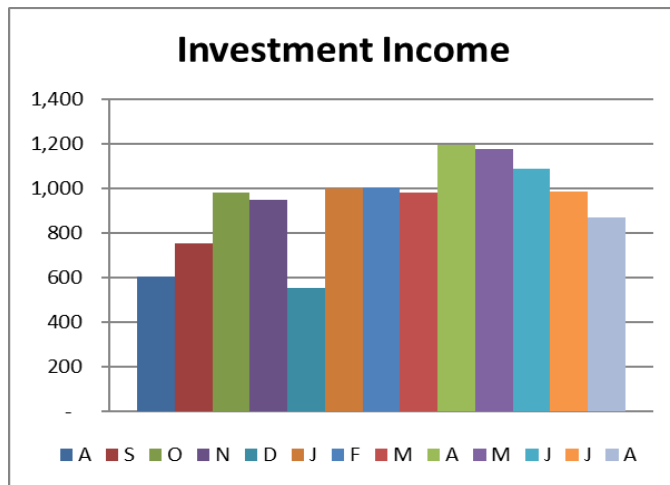
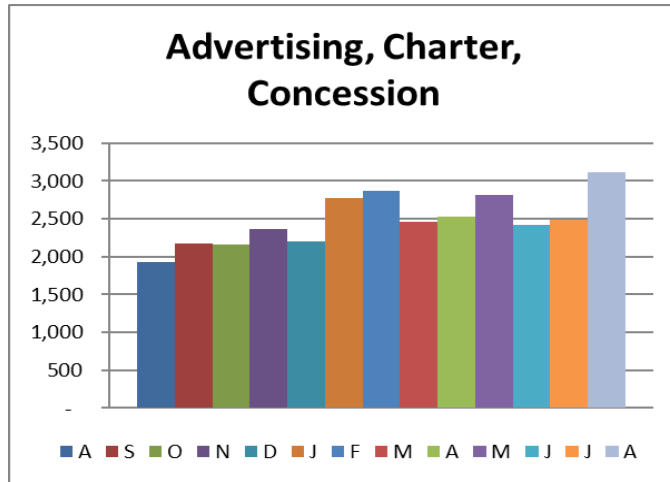
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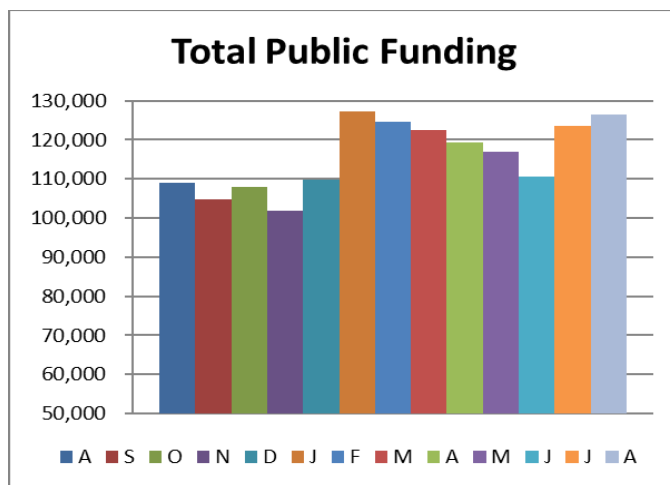
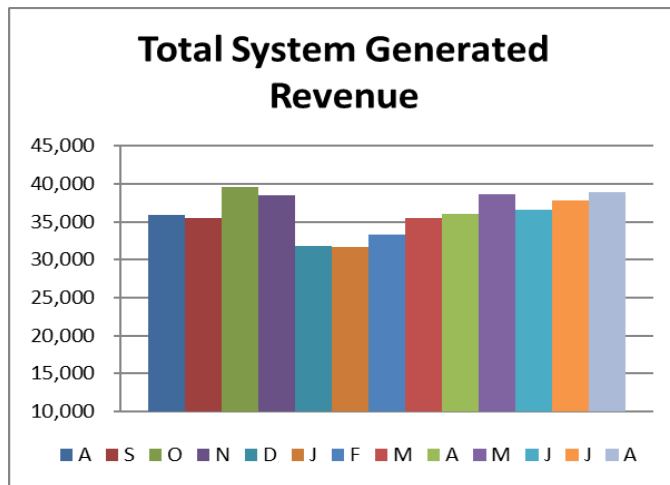
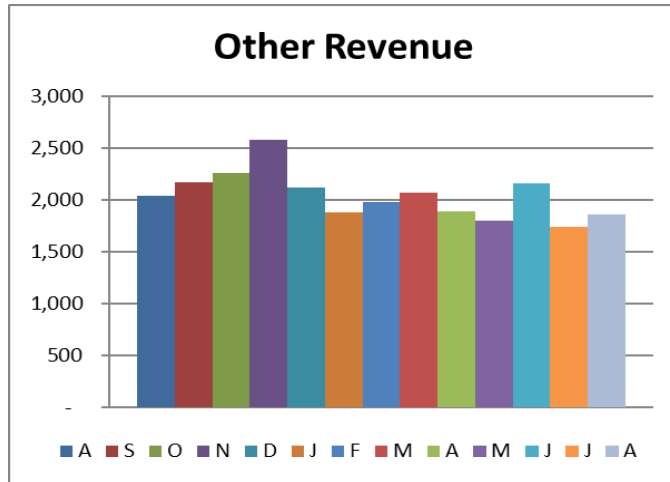
Revenue



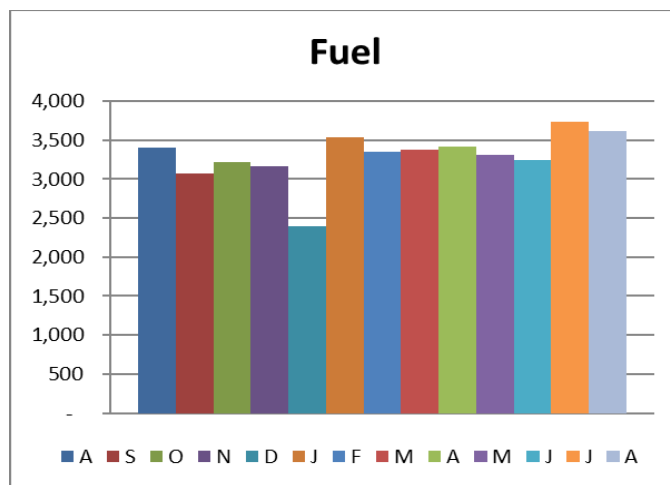
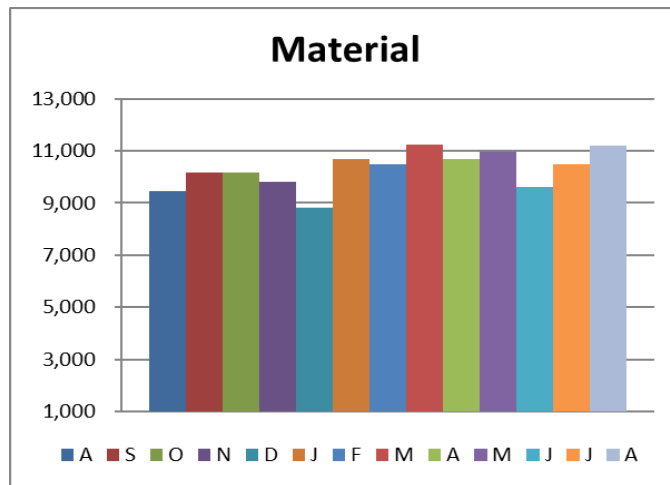
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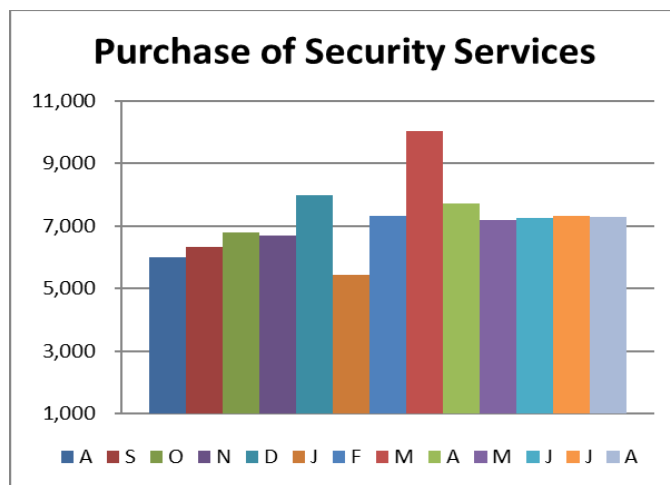
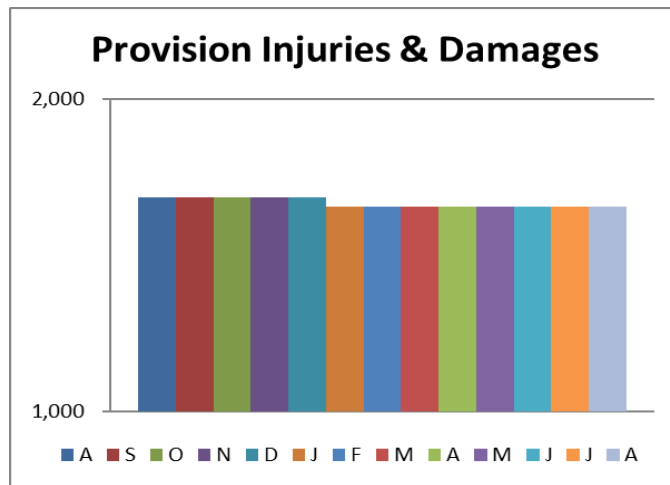
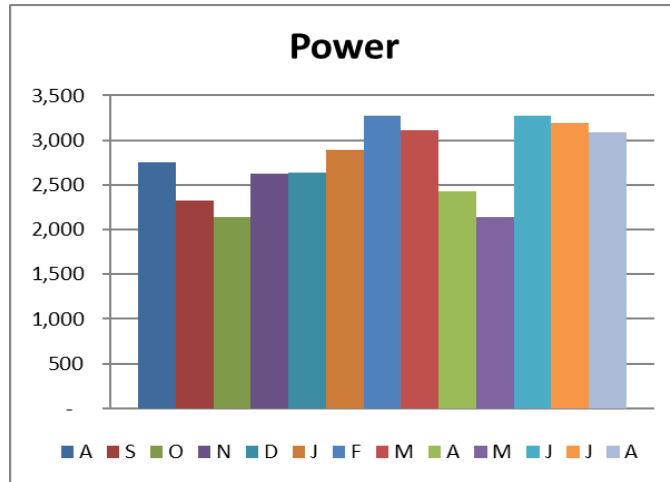
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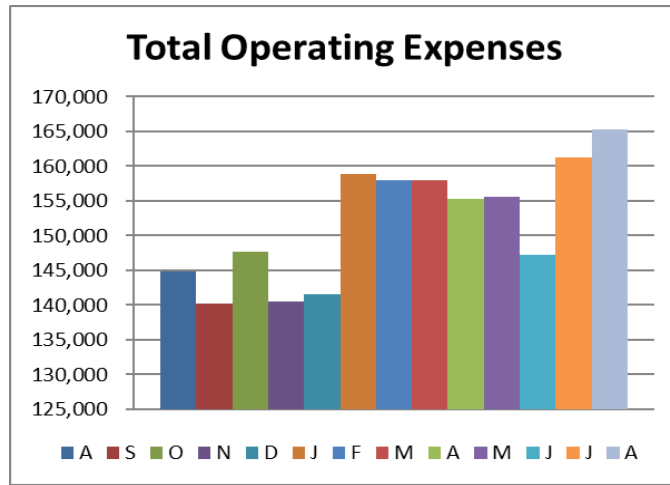
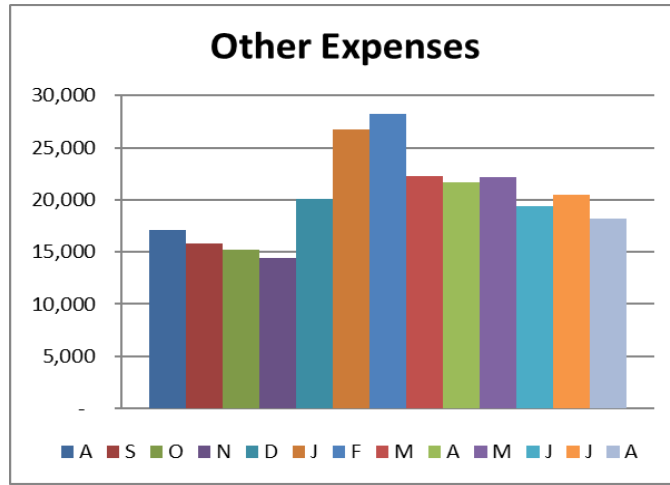
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Unrestricted Cash	108	192	200	133	157	180	149	191	202	166	183	165	137
Damage Reserve	69	68	72	72	71	71	70	73	72	71	69	62	58
Funds Owed by RTA	329	325	324	340	353	337	356	315	311	327	334	354	355
Trust Portfolio Assets	563	626	641	641	452	451	518	520	581	556	420	421	434

Revenue	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Fare & Pass Revenue	30,118	29,118	30,989	28,368	25,065	24,741	26,187	28,640	29,108	31,448	29,650	31,275	31,786
Reduced Fare Subsidy	1,217	1,217	1,217	1,217	1,838	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Advertising, Charter, Concession	1,923	2,171	2,164	2,366	2,205	2,768	2,869	2,463	2,531	2,821	2,415	2,494	3,116
Investment Income	602	751	979	947	553	1,000	1,003	981	1,194	1,174	1,087	986	869
Statutory Required Contribution	-	-	2,000	3,000	-	-	-	-	-	-	-	-	-
Other Revenue	2,038	2,169	2,261	2,579	2,120	1,881	1,983	2,068	1,890	1,803	2,153	1,741	1,862
Total System Generated Revenue	35,898	35,425	39,609	38,476	31,781	31,711	33,362	35,474	36,044	38,567	36,626	37,816	38,954
Total Public Funding	108,960	104,766	108,009	101,979	109,712	127,184	124,632	122,524	119,222	116,989	110,613	123,433	126,373

Expenses	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Labor	104,436	100,783	108,450	102,056	97,846	107,938	103,653	106,363	107,678	108,087	102,882	114,387	120,283
Material	9,447	10,175	10,184	9,812	8,825	10,687	10,504	11,247	10,668	10,977	9,596	10,481	11,187
Fuel	3,410	3,069	3,213	3,159	2,400	3,531	3,346	3,379	3,423	3,314	3,247	3,738	3,616
Power	2,750	2,325	2,138	2,625	2,640	2,891	3,271	3,107	2,429	2,144	3,269	3,188	3,091
Provision Injuries & Damages	1,683	1,683	1,683	1,683	1,683	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654
Purchase of Security Services	5,994	6,325	6,790	6,699	7,977	5,446	7,319	10,014	7,717	7,177	7,251	7,326	7,295
Other Expenses	17,137	15,830	15,160	14,421	20,123	26,748	28,248	22,234	21,697	22,202	19,339	20,474	18,200
Total Operating Expenses	144,858	140,191	147,618	140,455	141,494	158,895	157,994	157,998	155,266	155,556	147,239	161,249	165,327