



To: Chicago Transit Authority Board
From: Tom McKone, Chief Financial Officer
Re: Financial Results for July 2024
Date: September 11, 2024

I. Summary

CTA's financial results are \$9.9 million and \$75.4 million favorable to budget for July and year-to-date, respectively, primarily due to lower than anticipated labor costs and other expenses. Public funding for 2024 collected year-to-date totaled \$532.0 million, which is \$1.4 million unfavorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$167.5 million of CRRSAA funding, which is approximately 46.4% of CTA's CRRSAA allocation, \$368.5 million of ARP funding, which is approximately 40.4% of CTA's ARP allocation, and \$45.6 million of ARP Discretionary funding, which is approximately 38.5% of CTA's ARP Discretionary allocation.

Ridership for the month was 26.6 million, which was 1.7 million higher than budget and 3.6 million higher than July 2023. Ridership year-to-date was 11.2 million higher than budget and 21.1 million higher than the prior year. The increased YOY ridership is driven by CTA's continued expansion of service.

II. Cash & Liquidity

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

	July 2024	July 2023	Increase (Decrease)
Unrestricted Cash	\$ 164,963	\$ 118,081	\$ 46,882
Damage Reserve	61,794	69,032	\$ (7,238)
Funds Owed by RTA	353,967	365,910	\$ (11,943)
Trust Portfolio Assets	420,973	491,837	\$ (70,864)
Total Cash and Receivables	\$ 1,001,697	\$ 1,044,860	\$ (43,163)

CTA's total cash/receivables balance was equal to \$1.0 billion. Unrestricted cash was \$46.9 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$7.2 million lower than last year due to settlement payments offset by deposits into the fund. Funds owed by the RTA were approximately \$354.0 million which was \$11.9 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Fare & Pass Revenue	\$ 31,275	\$ 1,127	\$ 3,947	\$ 201,051	\$ 3,659	\$ 15,898

- Fare and pass revenue for July was \$1.1 million favorable to budget due to higher-than-expected pass revenue. This was a \$3.9 million increase over prior year due to higher full fare revenues from increased ridership in addition to higher pass revenue. The average fare for the month was \$1.18 per ride and was \$0.04 lower than budget and \$0.01 lower than the prior year.
- Year-to-date fare and pass revenue was \$3.7 million favorable to budget due to higher-than-expected pass revenue from higher pass riders. This was \$15.9 million favorable to prior year due to increased ridership from expanded service. The average fare for the year was \$1.14 per ride and was \$0.06 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Reduced Fare Subsidy	\$ 1,321	\$ -	\$ 104	\$ 9,244	\$ -	\$ 724

- Reduced Fare Subsidy was on par with budget for the month and year-to-date and \$0.7 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Advertising, Charter, Concession	\$ 2,494	\$ (172)	\$ 509	\$ 18,360	\$ (1,324)	\$ (97)

- Advertising, Charter and Concessions Revenue was \$0.2 million unfavorable to budget for the month and \$1.3 million unfavorable year-to-date due to lower than anticipated vehicle and platform advertising, concession, and billboard revenues. This revenue category was \$0.1 million lower than prior year-to-date due to a decrease in vehicle and platform advertising revenues in 2024.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Investment income	\$ 986	\$ 569	\$ 119	\$ 7,425	\$ 4,508	\$ 2,043

- Investment income was \$0.6 million and \$4.5 million favorable to budget for the month and the year-to-date, respectively. This is a \$2.0 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Other Revenue	\$ 1,741	\$ (144)	\$ (421)	\$ 13,519	\$ 323	\$ 154

- Other Revenue was \$0.1 million unfavorable to budget for the month due to lower miscellaneous and non-capital grant revenues. It was \$0.3 million favorable to budget for the year-to-date due to higher than anticipated rental revenue, scrap material sales, and non-capital grant revenue. Other revenue was \$0.4 million unfavorable to July 2023 due to lower non-capital grant and rental revenues. It was \$0.2 million favorable to the prior year-to-date due to higher non-capital grant, parking, and rental revenues in addition to scrap material sales. Higher non-capital grant revenue is offset by higher non-capital grant expense in the Other Expenses category.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Total System Generated Revenue	\$ 37,816	\$ 1,380	\$ 4,257	\$ 249,599	\$ 7,166	\$ 18,723

- Total System-Generated Revenue was \$1.4 million and \$7.2 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 \$4.3 million and \$18.7 million higher than July 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Labor	\$ 114,387	\$ 3,656	\$ (15,321)	\$ 750,989	\$ 42,610	\$ (59,673)

- Labor expense was \$3.7 million favorable to budget for the month and \$42.6 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$15.3 million unfavorable to July 2023 and \$59.7 million unfavorable to prior year-to-date due to the

impact of contractual wage increases and increased hiring to fill vacant positions required to increase service.

Category	Current Month			Full Year		
	Actual Jul-24	Variance to Budget Jul-24	Variance to Prior Year Jul24 vs. Jul23	Actual 2024	Variance to Budget 2024	Variance to Prior Year 2023
Material	\$ 10,481	\$ (75)	\$ (1,066)	\$ 74,160	\$ 1,559	\$ (7,930)

- Material expense was \$0.1 million unfavorable to budget for the month and \$1.6 million favorable for the year-to-date due to the timing of vehicle parts usage. This was \$1.1 million unfavorable to July 2023 and \$7.9 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 Jul-24	Variance to Budget Jul-24	Variance to Prior Year Jul24 vs. Jul23	Actual 2024	Variance to Budget 2024	Variance to Prior Year 2023
Fuel	\$ 3,738	\$ 355	\$ (711)	\$ 23,978	\$ 4,643	\$ (1,646)

- Fuel for Revenue Equipment expense was \$0.4 million favorable to budget in July and \$4.6 million favorable year-to-date due to lower than anticipated usage and lower fuel prices. Slightly higher usage accounts for the unfavorable variance to the prior year-to-date.

Category	Current Month			Full Year		
	Actual Jul-24	Variance to Budget Jul-24	Variance to Prior Year Jul24 vs. Jul23	Actual 2024	Variance to Budget 2024	Variance to Prior Year 2023
Power	\$ 3,188	\$ 64	\$ (308)	\$ 20,299	\$ 1,413	\$ (5,478)

- The Electric Power for Revenue Equipment expense was \$0.1 million favorable to budget for the month. This was \$1.4 million favorable to budget for the year-to-date due to lower than anticipated usage. Traction power expense was \$5.5 million unfavorable to prior year-to-date due to higher ComEd rates.

Category	Current Month			Full Year		
	Actual Jul-24	Variance to Budget Jul-24	Variance to Prior Year Jul24 vs. Jul23	Actual 2024	Variance to Budget 2024	Variance to Prior Year 2023
Provision for Injuries & Damages	\$ 1,654	\$ -	\$ 29	\$ 11,579	\$ -	\$ 204

- 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Purchase of Security Services	\$ 7,326	\$ (1,897)	\$ (1,817)	\$ 52,251	\$ (14,247)	\$ (22,220)

- Purchase of Security Services was \$1.9 million unfavorable to budget for the month and \$1.8 million unfavorable to July 2023 due to the timing of invoices and an increase in private security services. Year-to-date, expenses were \$14.2 million unfavorable to budget and \$22.2 million unfavorable to prior year due to the increase in private security services.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Other Expenses	\$ 20,474	\$ 6,439	\$ (3,222)	\$ 160,941	\$ 32,239	\$ (6,662)

- Other expenses were \$6.4 million favorable to budget for the month and \$32.2 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 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
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Total Operating Expenses	\$ 161,249	\$ 8,543	\$ (22,416)	\$ 1,094,197	\$ 68,217	\$ (103,405)

- Operating Expenses were \$8.5 million and \$68.2 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 expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Recovery Ratio	56.76%	1.59		51.23%	(5.26)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 56.76% for the month. This was favorable to budget by 1.59 percentage points for the month. Year-to-date, the recovery ratio was 51.23%, which was unfavorable to budget by 5.26 percentage points and favorable to the RTA required recovery ratio of 42.00% by 9.23 percentage points. The RTA is including the Federal

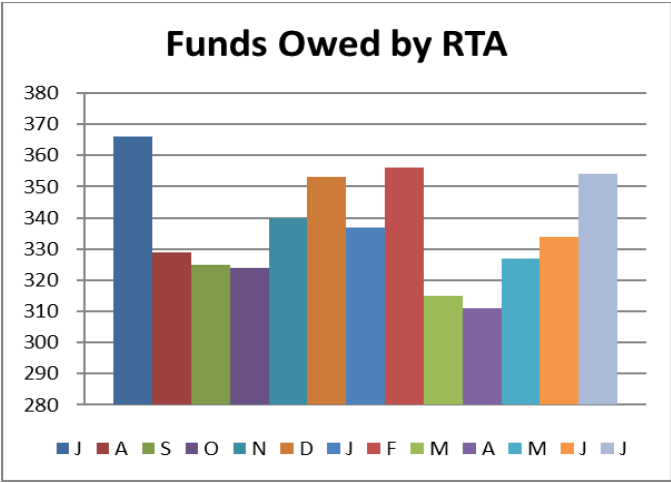
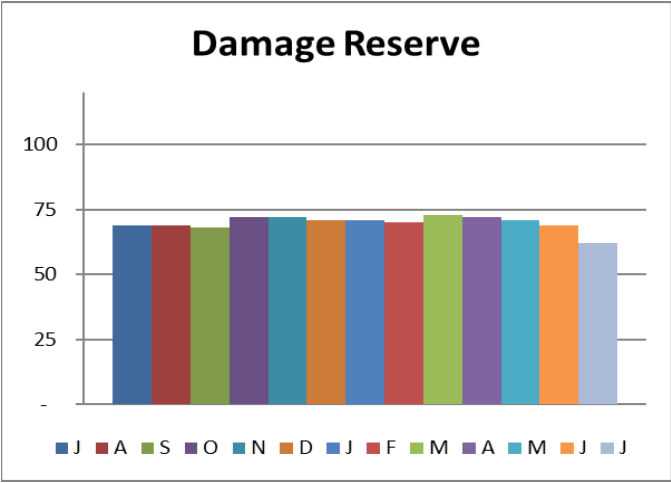
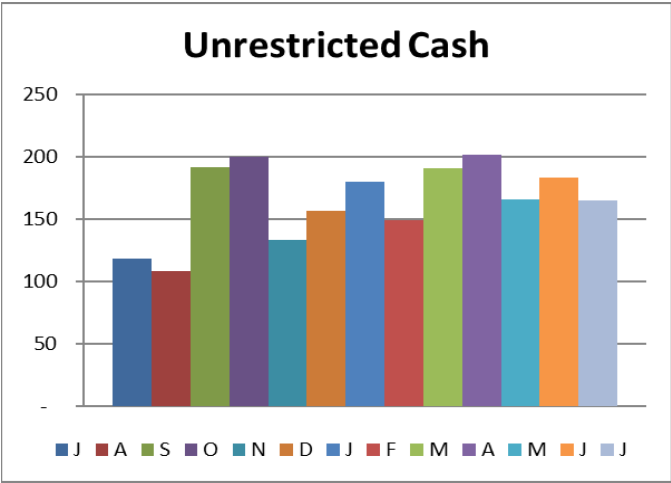
stimulus funds under the CARES, CRRSAA, and ARP Acts as replacement fare revenues for recovery ratio purposes. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic. The legislature further extended the waiver through 2025.

VI. Ridership

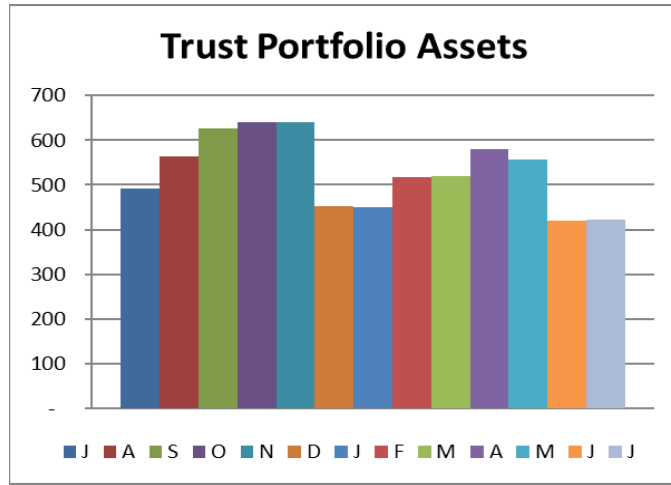
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-24	Budget Jul-24	Prior Year Jul24 vs. Jul23	2024	Budget 2024	Prior Year 2023
Bus	15,307	1,167	2,308	104,118	8,000	14,190
Rail	9,522	415	1,010	60,954	2,658	5,785
Rail to Rail Transfers	1,758	147	249	11,003	534	1,091
Total	26,587	1,730	3,567	176,075	11,193	21,065

- Ridership for the month of July was 26.6 million and was 1.7 million higher than budget and 3.6 million higher than prior year.
- Calendar adjusted ridership was up 12.8% from prior year due to increased ridership from CTA's continued expansion of service.
- Ridership for the year-to-date was 176.1 million and was 11.2 million higher than budget and 21.1 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 12.7% from the prior year-to-date.
- More details on ridership can be found in the July Ridership Report.

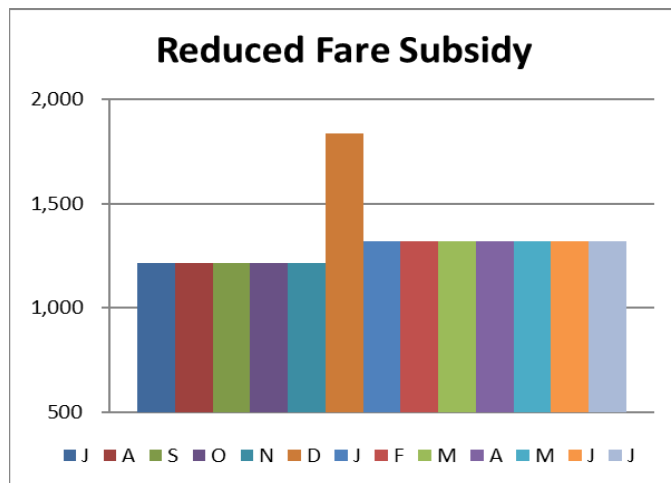
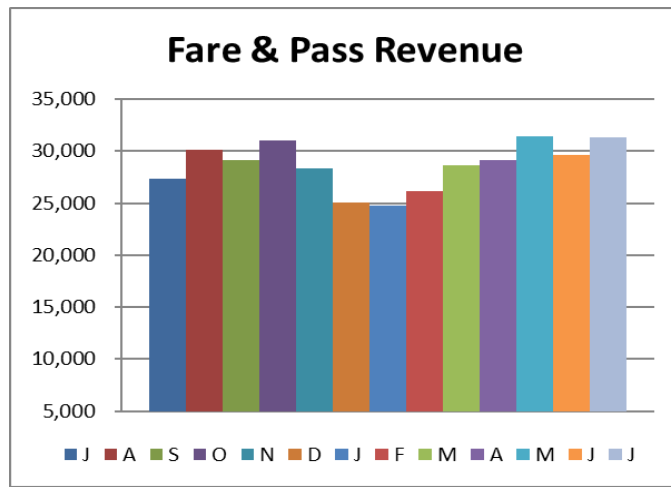
Cash & Liquidity



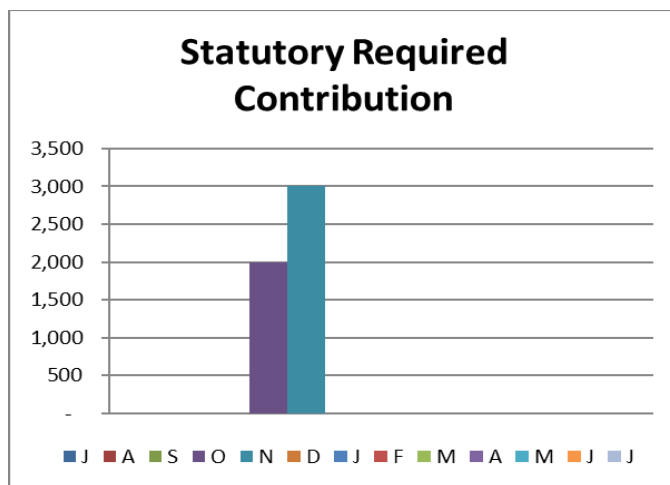
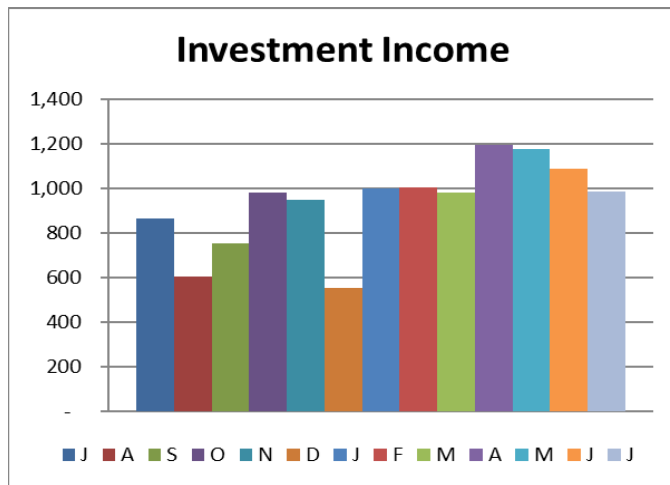
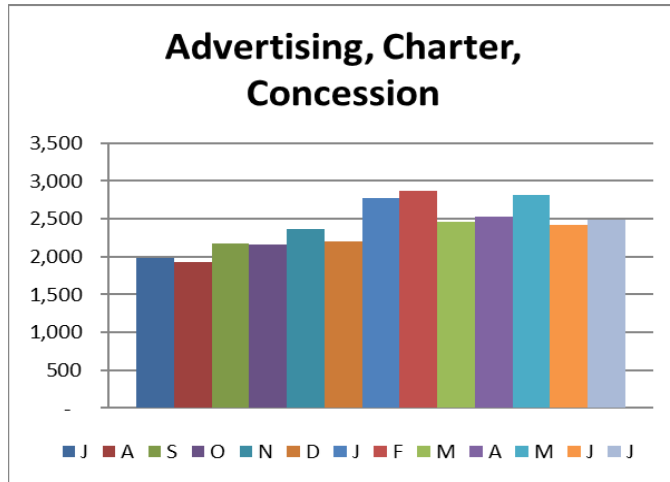
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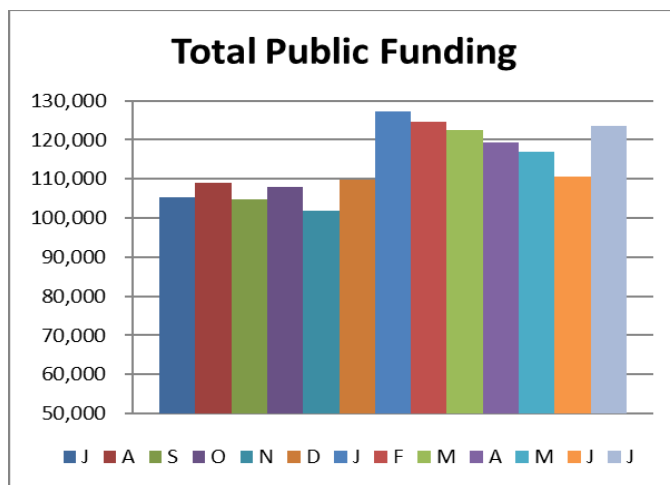
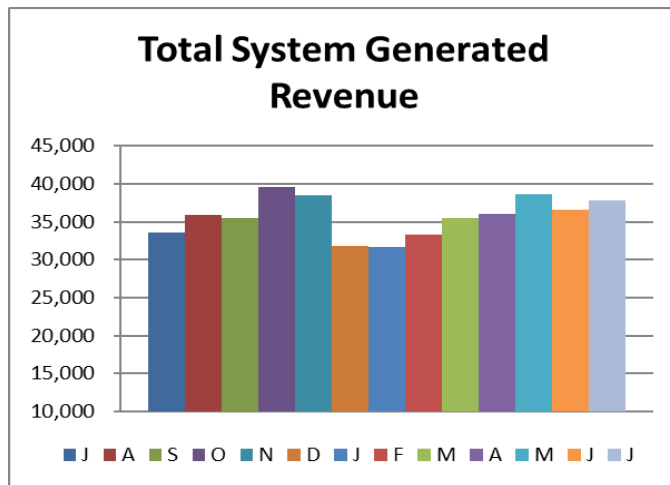
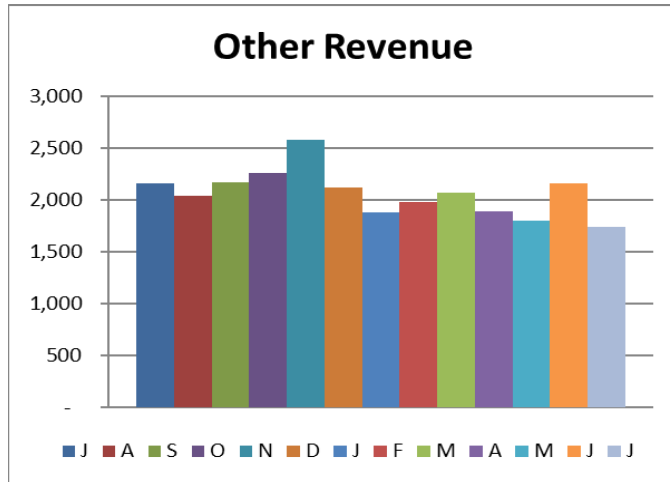
Revenue



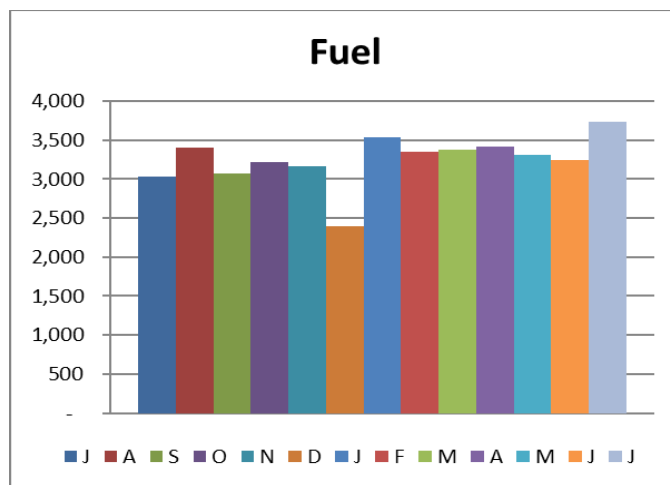
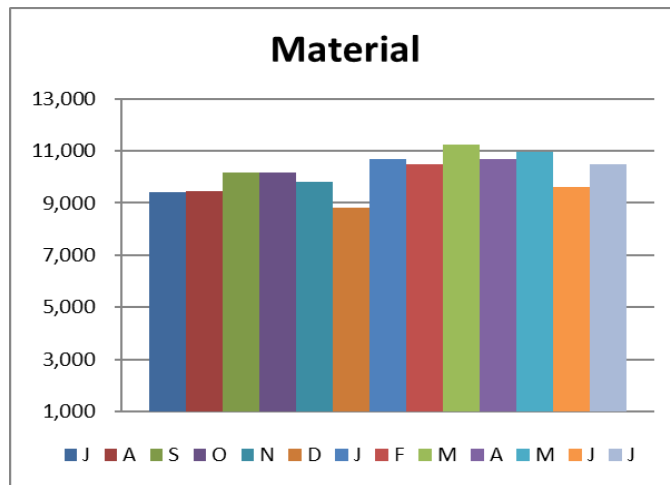
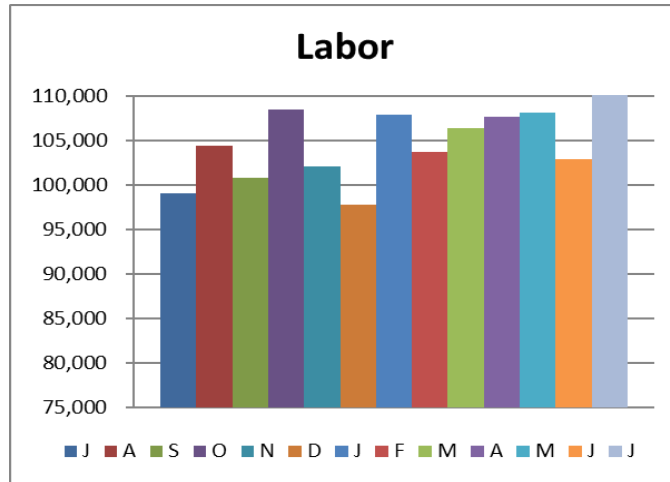
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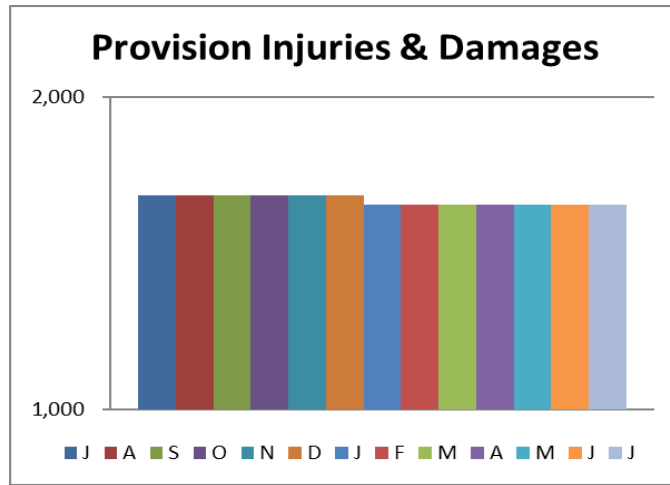
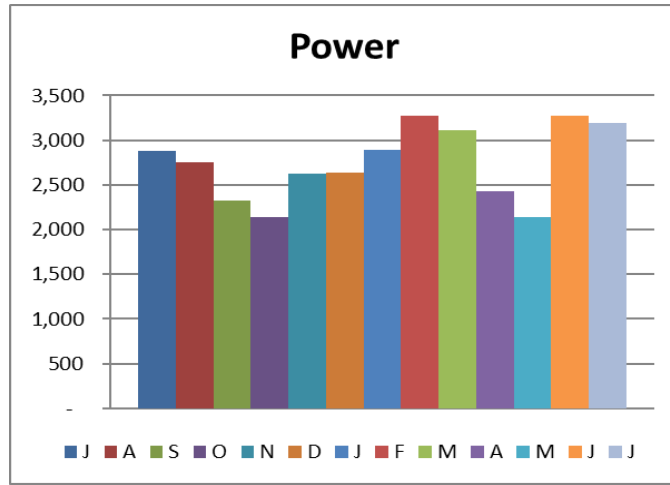
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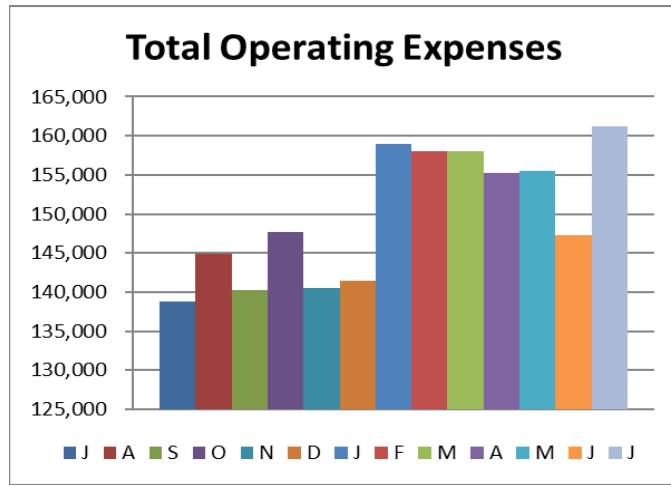
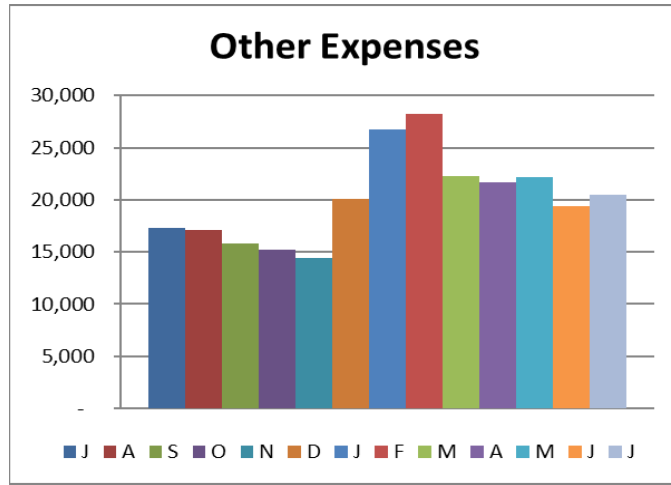
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Unrestricted Cash	118	108	192	200	133	157	180	149	191	202	166	183	165
Damage Reserve	69	69	68	72	72	71	71	70	73	72	71	69	62
Funds Owed by RTA	366	329	325	324	340	353	337	356	315	311	327	334	354
Trust Portfolio Assets	492	563	626	641	641	452	451	518	520	581	556	420	421

Revenue	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Fare & Pass Revenue	27,329	30,118	29,118	30,989	28,368	25,065	24,741	26,187	28,640	29,108	31,448	29,650	31,275
Reduced Fare Subsidy	1,217	1,217	1,217	1,217	1,217	1,838	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Advertising, Charter, Concession	1,984	1,923	2,171	2,164	2,366	2,205	2,768	2,869	2,463	2,531	2,821	2,415	2,494
Investment Income	866	602	751	979	947	553	1,000	1,003	981	1,194	1,174	1,087	986
Statutory Required Contribution	-	-	-	2,000	3,000	-	-	-	-	-	-	-	-
Other Revenue	2,162	2,038	2,169	2,261	2,579	2,120	1,881	1,983	2,068	1,890	1,803	2,153	1,741
Total System Generated Revenue	33,558	35,898	35,425	39,609	38,476	31,781	31,711	33,362	35,474	36,044	38,567	36,626	37,816
Total Public Funding	105,275	108,960	104,766	108,009	101,979	109,712	127,184	124,632	122,524	119,222	116,989	110,613	123,433

Expenses	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Labor	99,066	104,436	100,783	108,450	102,056	97,846	107,938	103,653	106,363	107,678	108,087	102,882	114,387
Material	9,416	9,447	10,175	10,184	9,812	8,825	10,687	10,504	11,247	10,668	10,977	9,596	10,481
Fuel	3,027	3,410	3,069	3,213	3,159	2,400	3,531	3,346	3,379	3,423	3,314	3,247	3,738
Power	2,880	2,750	2,325	2,138	2,625	2,640	2,891	3,271	3,107	2,429	2,144	3,269	3,188
Provision Injuries & Damages	1,683	1,683	1,683	1,683	1,683	1,683	1,654	1,654	1,654	1,654	1,654	1,654	1,654
Purchase of Security Services	5,509	5,994	6,325	6,790	6,699	7,977	5,446	7,319	10,014	7,717	7,177	7,251	7,326
Other Expenses	17,252	17,137	15,830	15,160	14,421	20,123	26,748	28,248	22,234	21,697	22,202	19,339	20,474
Total Operating Expenses	138,833	144,858	140,191	147,618	140,455	141,494	158,895	157,994	157,998	155,266	155,556	147,239	161,249