



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for December 2023
Date: February 14, 2024

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 \$20.4 million and \$140.6 million favorable to budget for December 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 \$931.3 million, which is \$8.7 million favorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$113.5 million of CRRSAA funding, which is approximately 31.4% of CTA's CRRSAA allocation, \$217.0 million of ARP funding, which is approximately 23.8% of CTA's ARP allocation, and \$25.3 million of ARP Discretionary funding, which is approximately 21.4% of CTA's ARP Discretionary allocation.

Ridership for the month was 22.1 million, which was 1.7 million higher than budget and 3.2 million higher than December 2022. Ridership year-to-date was 16.2 million higher than budget and 35.6 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 December 2023 compared to December 2022.

	December 2023	December 2022	Increase (Decrease)
Unrestricted Cash	\$ 156,837	\$ 133,733	\$ 23,104
Damage Reserve	71,484	78,255	\$ (6,771)
Funds Owed by RTA	352,819	376,494	\$ (23,675)
Trust Portfolio Assets	452,418	523,856	\$ (71,438)
Total Cash and Receivables	\$ 1,033,558	\$ 1,112,338	\$ (78,780)

CTA's total cash/receivables balance was equal to \$1.0 billion. Unrestricted cash was \$23.1 million higher than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$6.8 million lower than last year due to settlement payments offset by deposits into the fund. Funds owed by the RTA were approximately \$352.8 million which was \$23.7 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Fare & Pass Revenue	\$ 25,065	\$ 1,492	\$ 4,686	\$ 328,810	\$ 13,258	\$ 37,919

- Fare and pass revenue for December was \$1.5 million favorable to budget due to higher than expected pass revenue in addition to rail full fare revenue from O'Hare. It was \$4.7 million favorable to prior year primarily due to higher fare and pass revenues. The average fare for the month was \$1.14 per ride and was \$0.02 lower than budget and \$0.06 higher than the prior year.
- Year-to-date fare and pass revenue was \$13.3 million favorable to budget due to higher than expected bus and rail full fare revenue in addition to 7-day pass revenue. It was \$37.9 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Reduced Fare Subsidy	\$ 1,838	\$ 621	\$ 621	\$ 15,227	\$ 621	\$ 621

- Reduced Fare Subsidy was \$0.6 million favorable to budget for the month and year-to-date based on a higher than expected reimbursement from the State.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Advertising, Charter, Concession	\$ 2,205	\$ (533)	\$ (2,061)	\$ 29,285	\$ (3,540)	\$ (4,102)

- Advertising, Charter and Concessions Revenue was \$0.5 million unfavorable to budget for the month due to lower than anticipated vehicle and platform advertising revenue. It was \$3.5 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 \$4.1 million lower than prior year due to less vehicle and platform advertising revenues received in 2023.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Investment income	\$ 553	\$ 345	\$ (792)	\$ 9,214	\$ 6,714	\$ 5,525

- Investment income was \$0.3 million and \$6.7 million favorable to budget for the month and the year-to-date, respectively. It was \$5.5 million higher than 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Other Revenue	\$ 2,120	\$ 13	\$ (36)	\$ 24,530	\$ 1,437	\$ (3,638)

- Other Revenue was slightly favorable to budget for the month and \$1.4 million favorable for the year-to-date due to higher than expected movie generated and rental revenues. Other revenue was slightly unfavorable to December 2022 and \$3.6 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	Variance to	Actual	Variance to	Variance to
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Total System Generated Revenue	\$ 31,781	\$ 1,937	\$ 2,418	\$ 412,066	\$ 18,490	\$ 36,324

- Total System-Generated Revenue was \$1.9 million favorable to budget for the month due to higher than anticipated pass revenue, reduced fare subsidy, and investment income. It was \$18.5 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 \$2.4 million and \$36.3 million higher than December 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	Variance to	Actual	Variance to	Variance to
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Labor	\$ 97,846	\$ 16,038	\$ 1,515	\$ 1,204,887	\$ 79,566	\$ (70,618)

- Labor expense was \$16.0 million favorable to budget for the month and \$79.6 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$1.5 million favorable to December 2022 and \$70.6 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Material	\$ 8,825	\$ 332	\$ 3,184	\$ 114,673	\$ -	\$ (9,622)

- Material expense was \$0.3 million favorable to budget for the month and on par with budget year-to-date due to the timing of vehicle parts usage. Material expense was \$3.2 million favorable to December 2022 and \$9.6 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Fuel	\$ 2,400	\$ 1,895	\$ 40	\$ 37,581	\$ 14,154	\$ (10,380)

- Fuel for Revenue Equipment expense was \$1.9 million favorable to budget in December and \$14.2 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Power	\$ 2,640	\$ 823	\$ (779)	\$ 27,298	\$ 5,219	\$ (8,975)

- The Electric Power for Revenue Equipment expense was \$0.8 million favorable to budget for the month of December. Year-to-date traction power expense was \$5.2 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 \$9.0 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 resulted 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Provision for Injuries & Damages	\$ 1,683	\$ -	\$ 957	\$ 20,200	\$ -	\$ 11,480

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The expense was \$11.5 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Purchase of Security Services	\$ 7,977	\$ (4,548)	\$ (5,485)	\$ 63,815	\$ (22,665)	\$ (39,871)

- Purchase of Security Services was \$4.5 million unfavorable to budget for the month and \$5.5 million unfavorable to December 2022 due to the timing of invoices and an increase in private security services. Year-to-date, expenses were \$22.7 million unfavorable to budget and \$39.9 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Other Expenses	\$ 20,123	\$ 3,954	\$ (3,463)	\$ 236,951	\$ 45,870	\$ 4,129

- Other expenses were \$4.0 million favorable to budget for the month and \$45.9 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$4.1 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Total Operating Expenses	\$ 141,494	\$ 18,494	\$ (4,032)	\$ 1,705,407	\$ 122,144	\$ (123,857)

- Operating Expenses were \$18.5 million and \$122.1 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
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Recovery Ratio	33.02%	(8.18)		45.71%	(4.37)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 33.02% for the month. This was unfavorable to budget by 8.18 percentage points for the month. Year-to-date, the recovery ratio was 45.71%, which was unfavorable to budget by 4.37 percentage points and favorable to the RTA required recovery ratio of 42.00% by 3.71 percentage points. The RTA is including the Federal

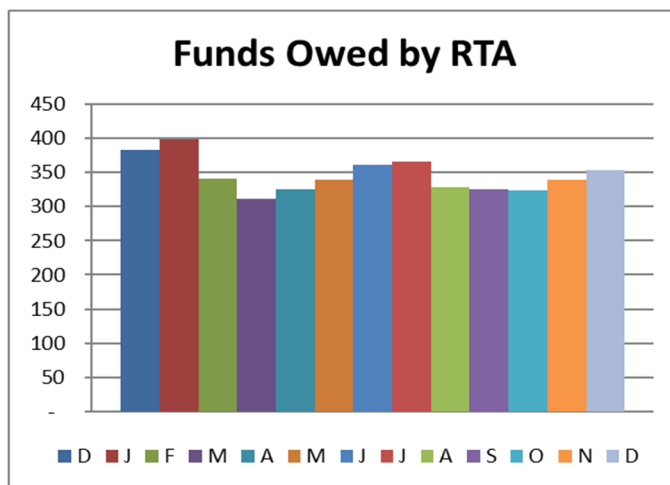
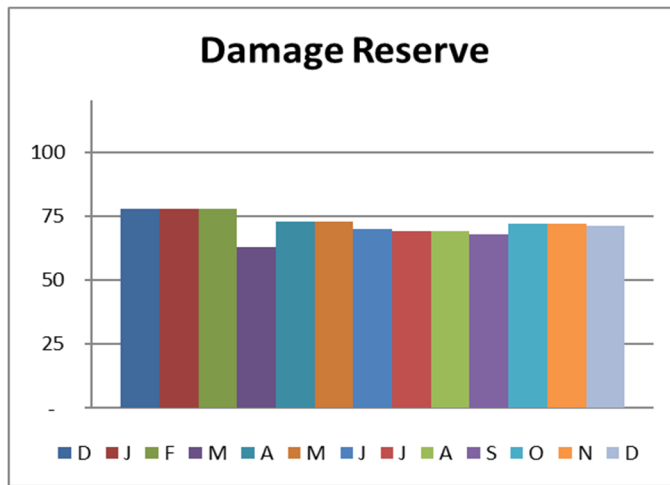
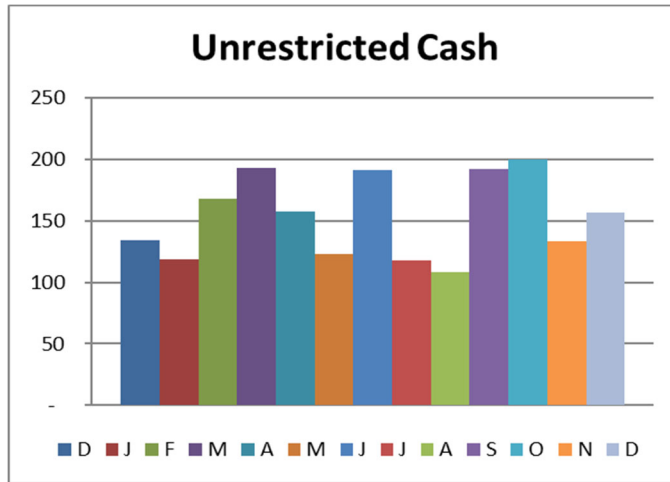
stimulus funds under the CARES, CRRSAA, and ARP Acts as replacement fare revenues for recovery ratio purposes. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic. The legislature further extended the waiver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

VI. Ridership

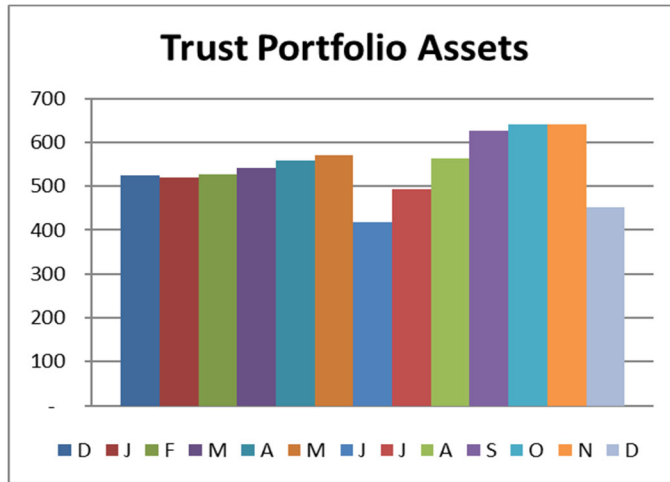
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Dec-23	Budget Dec-23	Prior Year Dec23 vs. Dec22	2023	Budget 2023	Prior Year 2022
Bus	13,309	1,915	2,217	161,699	16,815	21,685
Rail	7,494	(90)	927	99,843	(259)	12,536
Rail to Rail Transfers	1,272	(155)	71	17,604	(370)	1,386
Total	22,075	1,670	3,214	279,147	16,186	35,608

- Ridership for the month of December was 22.1 million and was 1.7 million higher than budget and 3.2 million higher than prior year.
- Calendar adjusted ridership was up 19.2% from prior year due to continued recovery from the COVID-19 pandemic.
- Ridership for the year-to-date was 279.1 million and was 16.2 million higher than budget and 35.6 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 14.9% from the prior year-to-date.
- More details on ridership can be found in the December Ridership Report.

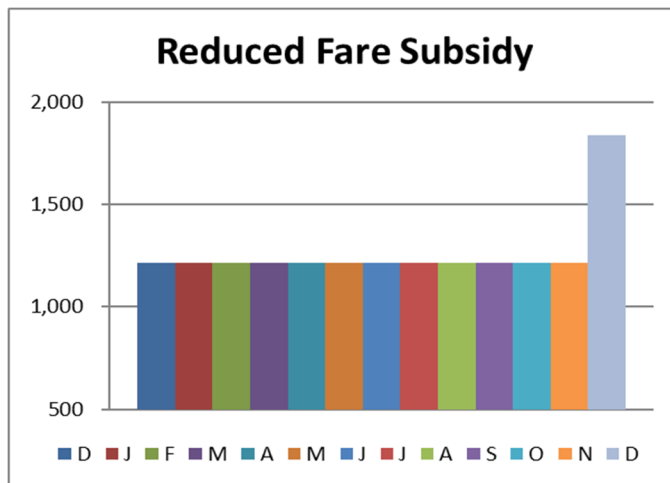
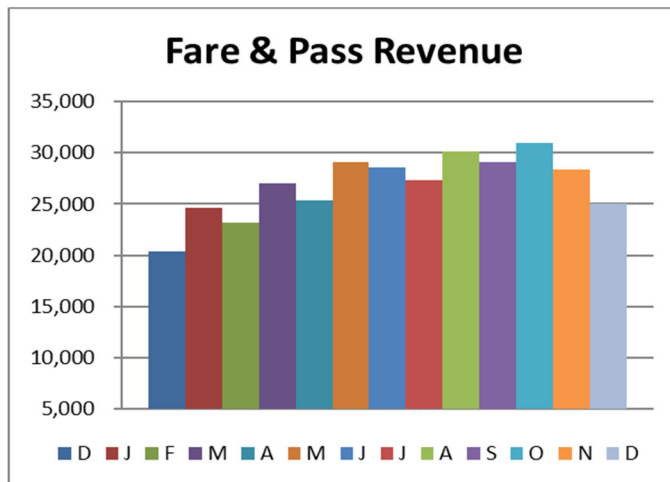
Cash & Liquidity



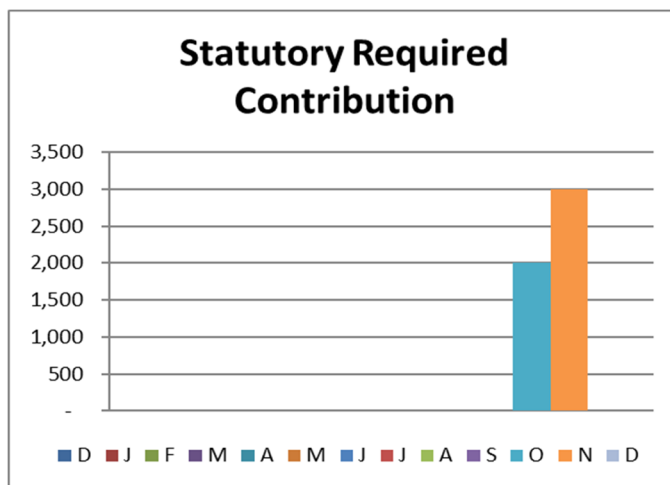
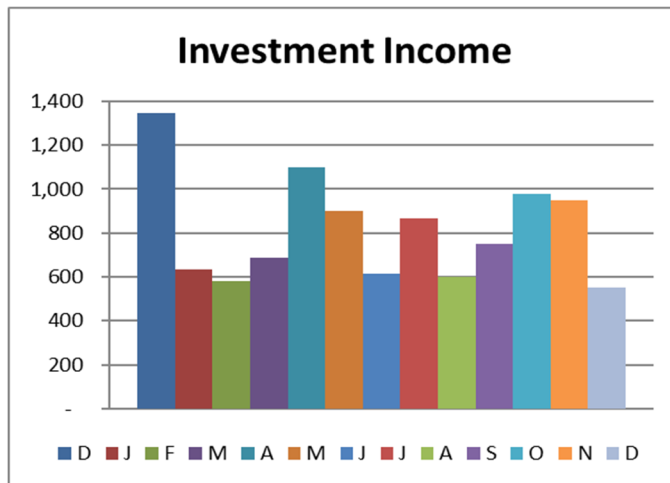
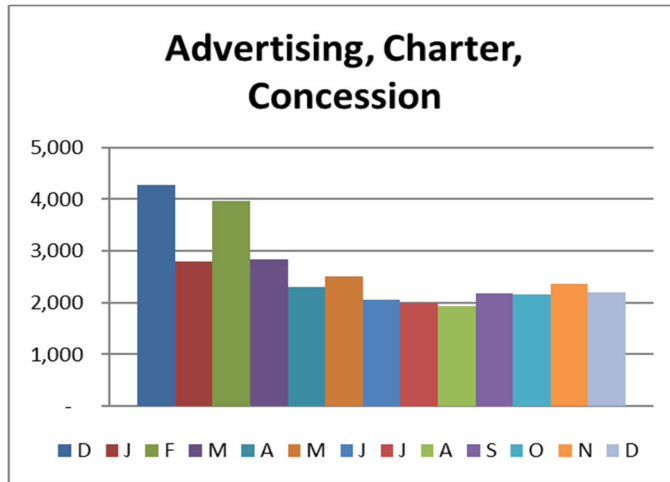
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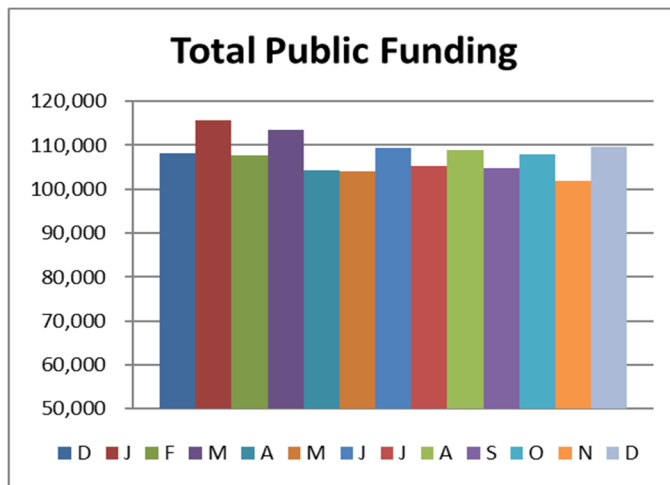
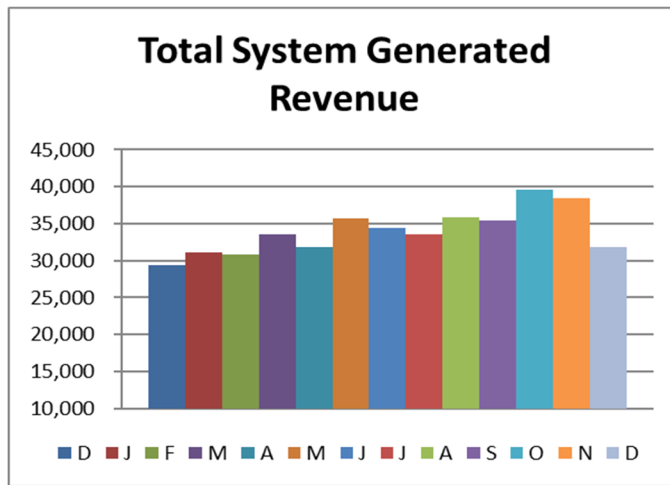
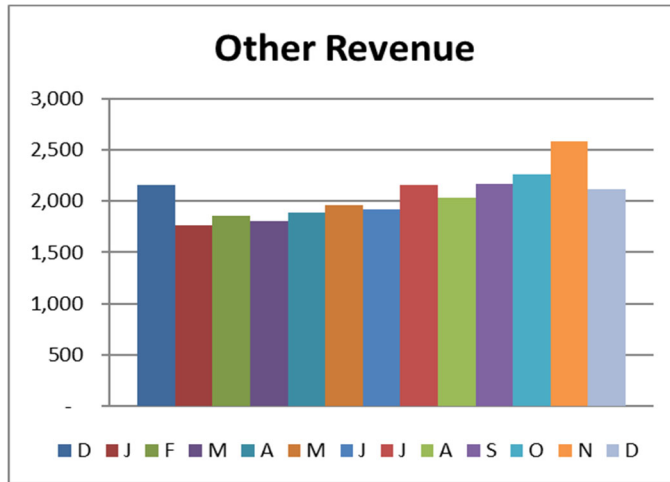
Revenue



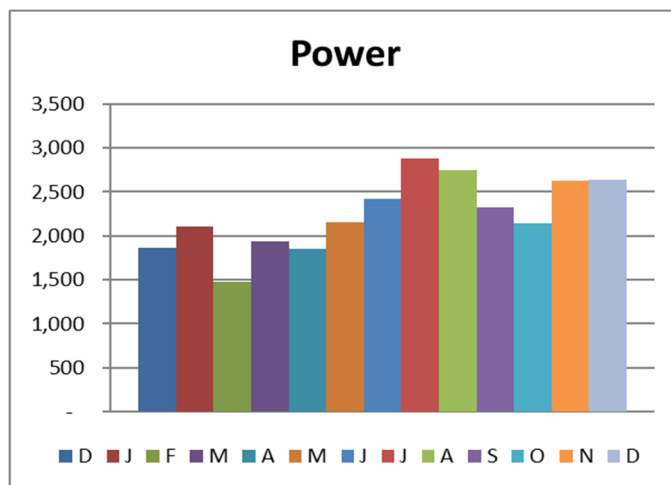
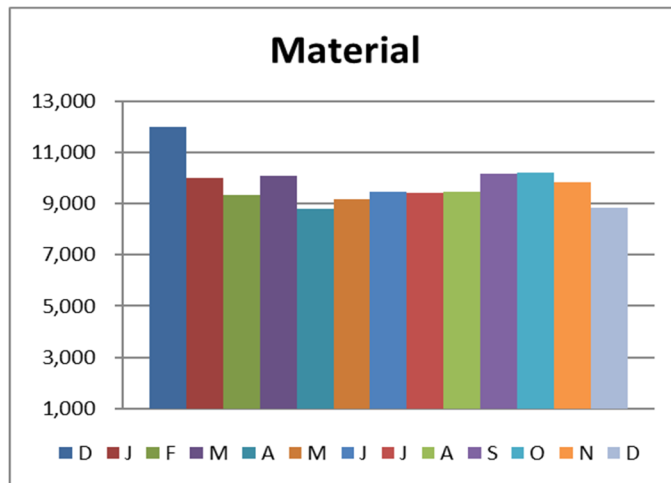
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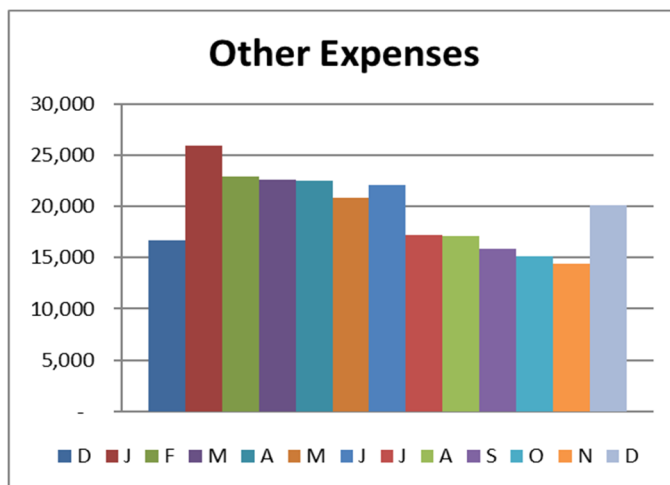
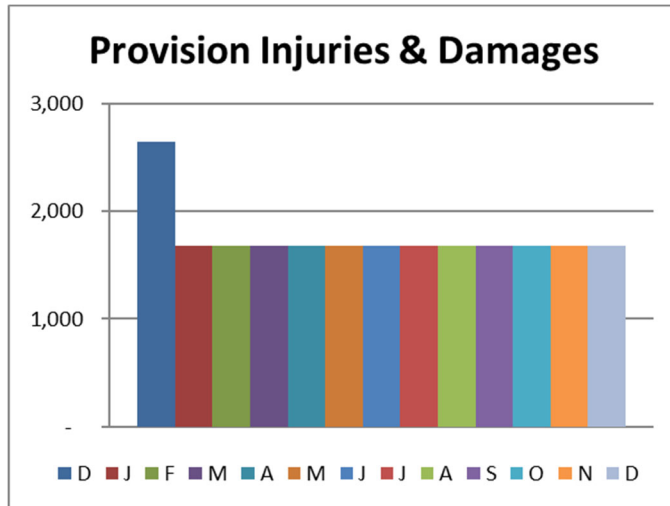
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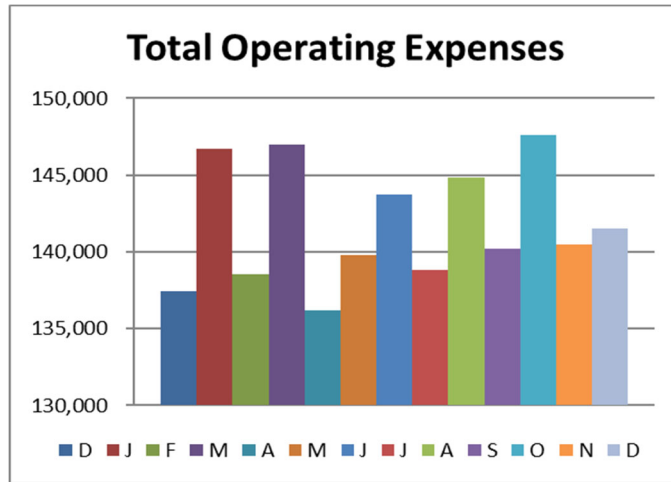
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Unrestricted Cash	134	119	168	193	158	123	191	118	108	192	200	133	157
Damage Reserve	78	78	78	63	73	73	70	69	69	68	72	72	71
Funds Owed by RTA	383	398	341	312	326	340	361	366	329	325	324	340	353
Trust Portfolio Assets	524	519	528	542	558	571	419	492	563	626	641	641	452

Revenue	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Fare & Pass Revenue	20,379	24,665	23,168	26,982	25,320	29,088	28,602	27,329	30,118	29,118	30,989	28,368	25,065
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	1,838
Advertising, Charter, Concession	4,266	2,793	3,957	2,846	2,311	2,504	2,060	1,984	1,923	2,171	2,164	2,366	2,205
Investment Income	1,346	633	582	689	1,099	901	613	866	602	751	979	947	553
Statutory Required Contribution	-	-	-	-	-	-	-	-	-	-	2,000	3,000	-
Other Revenue	2,155	1,768	1,860	1,800	1,888	1,966	1,920	2,162	2,038	2,169	2,261	2,579	2,120
Total System Generated Revenue	29,363	31,076	30,785	33,535	31,835	35,676	34,412	33,558	35,898	35,425	39,609	38,476	31,781
Total Public Funding	108,099	115,664	107,728	113,453	104,337	104,117	109,341	105,275	108,960	104,766	108,009	101,979	109,712

Expenses	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Labor	99,360	100,139	96,413	103,624	94,137	97,980	99,957	99,066	104,436	100,783	108,450	102,056	97,846
Material	12,009	9,990	9,341	10,080	8,773	9,167	9,463	9,416	9,447	10,175	10,184	9,812	8,825
Fuel	2,439	3,530	3,143	3,464	2,900	3,157	3,110	3,027	3,410	3,069	3,213	3,159	2,400
Power	1,861	2,104	1,476	1,935	1,847	2,156	2,422	2,880	2,750	2,325	2,138	2,625	2,640
Provision Injuries & Damages	2,640	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683
Purchase of Security Services	2,493	3,400	3,489	3,576	4,317	4,753	4,986	5,509	5,994	6,325	6,790	6,699	7,977
Other Expenses	16,660	25,893	22,967	22,624	22,515	20,896	22,132	17,252	17,137	15,830	15,160	14,421	20,123
Total Operating Expenses	137,462	146,740	138,513	146,988	136,172	139,793	143,753	138,833	144,858	140,191	147,618	140,455	141,494