



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for July 2023  
Date: September 22, 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 \$10.1 million and \$79.3 million favorable to budget for July and year-to-date, respectively, primarily due to lower than anticipated labor costs. Public funding for 2023 collected year-to-date totaled \$512.4 million, which is \$0.8 million unfavorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$98.1 million of CRRSAA funding, which is approximately 27.2% of CTA's CRRSAA allocation, \$174.0 million of ARP funding, which is approximately 19.1% of CTA's ARP allocation, and \$19.6 million of ARP Discretionary funding, which is approximately 16.6% of CTA's ARP Discretionary allocation.

Ridership for the month was 23.0 million, which was 0.7 million higher than budget and 2.1 million higher than July 2022. Ridership year-to-date was 7.4 million higher than budget and 20.6 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 July 2023 compared to July 2022.

	July 2023	July 2022	Increase (Decrease)
Unrestricted Cash	\$ 118,081	\$ 180,677	\$ (62,596)
Damage Reserve	69,032	73,432	\$ (4,400)
Funds Owed by RTA	365,910	316,409	\$ 49,501
Trust Portfolio Assets	491,837	587,484	\$ (95,647)
Total Cash and Receivables	\$ 1,044,860	\$ 1,158,002	\$ (113,142)

CTA's total cash/receivables balance was equal to \$1.0 billion. Unrestricted cash was \$62.6 million lower than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$4.4 million lower than last year due to settlement payments offset by deposits into the fund. Funds owed by the RTA were approximately \$365.9 million which was \$49.5 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Fare & Pass Revenue	\$ 27,329	\$ 802	\$ 1,546	\$ 185,153	\$ 8,286	\$ 23,688

- Fare and pass revenue for July was \$0.8 million favorable to budget due to higher than expected pass revenue offset by lower bus and rail fare revenues. It was \$1.5 million favorable to prior year primarily due to higher pass revenue. The average fare for the month was \$1.19 per ride and was on par with budget and \$0.05 lower than the prior year.
- Year-to-date fare and pass revenue was \$8.3 million favorable to budget due to higher than expected bus and rail full fare revenue in addition to 7-day pass revenue. It was \$23.7 million favorable to prior year due to the continued recovery from the COVID-19 pandemic. The average fare for the year was \$1.19 per ride and was on par with budget and \$0.01 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ -	\$ 8,520	\$ -	\$ -

- 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Advertising, Charter, Concession	\$ 1,984	\$ (751)	\$ (762)	\$ 18,456	\$ (683)	\$ (404)

- Advertising, Charter and Concessions Revenue was \$0.8 million unfavorable to budget for the month due to lower than anticipated vehicle and platform advertising revenue. It was \$0.7 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 \$0.4 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Investment income	\$ 866	\$ 658	\$ 613	\$ 5,383	\$ 3,924	\$ 4,701

- Investment income was \$0.7 million and \$3.9 million favorable to budget for the month and the year-to-date, respectively. It was \$4.7 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Other Revenue	\$ 2,162	\$ 49	\$ (332)	\$ 13,365	\$ 814	\$ (2,253)

- Other Revenue was slightly favorable to budget for the month due to higher than expected rentals and non-capital grant revenues and \$0.8 million favorable for the year-to-date due to higher than expected movie generated and rental revenues. Other revenue was \$0.3 million unfavorable to July 2022 and \$2.3 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Total System Generated Revenue	\$ 33,558	\$ 758	\$ 1,064	\$ 230,877	\$ 12,342	\$ 25,732

- Total System-Generated Revenue was \$0.8 million and \$12.3 million higher than budget for the month and the year-to-date, respectively, due to higher than expected pass revenue in addition to investment income. It was \$1.1 million and \$25.7 million higher than July 2022 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-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Labor	\$ 99,066	\$ 5,474	\$ (12,673)	\$ 691,316	\$ 48,348	\$ (43,955)

- Labor expense was \$5.5 million favorable to budget for the month and \$48.3 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$12.7 million unfavorable to July 2022 and \$44.0 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Material	\$ 9,416	\$ 84	\$ (1,219)	\$ 66,230	\$ (323)	\$ (6,871)

- Material expense was \$0.1 million favorable to budget for the month and \$0.3 million 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 \$1.2 million unfavorable to July 2022 and \$6.9 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	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Fuel	\$ 3,027	\$ 1,269	\$ (1,266)	\$ 22,332	\$ 8,070	\$ (6,517)

- Fuel for Revenue Equipment expense was \$1.3 million favorable to budget in July and \$8.1 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Power	\$ 2,880	\$ 444	\$ (1,709)	\$ 14,820	\$ 1,722	\$ (2,394)

- The Electric Power for Revenue Equipment expense was \$0.4 million favorable to budget for the month of July. 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. Year-to-date traction power expense was \$1.7 million favorable to budget due to lower than anticipated usage. Traction power expense was \$1.7 million unfavorable to prior year-to-date because of the CFRA charge in July 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Provision for Injuries & Damages	\$ 1,683	\$ -	\$ 957	\$ 11,783	\$ -	\$ 6,697

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The expense was \$6.7 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-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Purchase of Security Services	\$ 5,509	\$ (2,080)	\$ (3,743)	\$ 30,031	\$ (6,027)	\$ (17,737)

- Purchase of Security Services was \$2.1 million unfavorable to budget for the month and \$3.7 million unfavorable to July 2022 due to the timing of invoices and an increase in private security services. Year-to-date, expenses were \$6.0 million unfavorable to budget and \$17.7 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Other Expenses	\$ 17,252	\$ 4,102	\$ (618)	\$ 154,279	\$ 15,212	\$ (8,540)

- Other expenses were \$4.1 million favorable to budget for the month and \$15.2 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$8.5 million unfavorable 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Total Operating Expenses	\$ 138,833	\$ 9,294	\$ (20,271)	\$ 990,792	\$ 67,003	\$ (79,317)

- Operating Expenses were \$9.3 million and \$67.0 million favorable to budget for the month and year-to-date, respectively, primarily due to lower than anticipated labor costs. 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
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Recovery Ratio	59.62%	10.10		48.07%	(5.49)	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 59.62% for the month. This was favorable to budget by 10.10 percentage points for the month. Year-to-date, the recovery ratio was 48.07%, which was unfavorable to budget by 5.49 percentage points and favorable to the RTA required

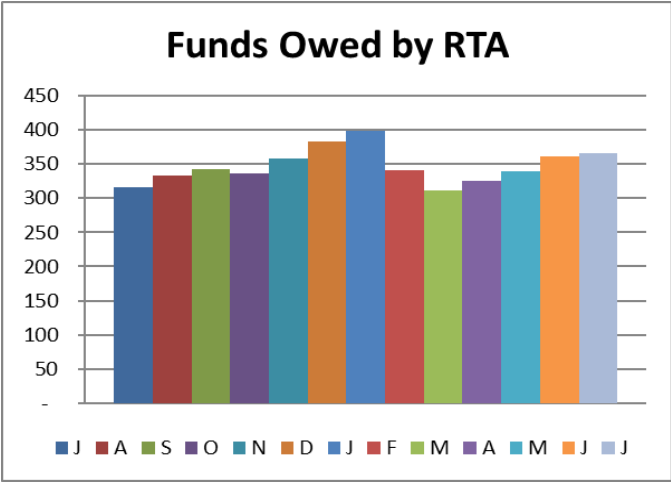
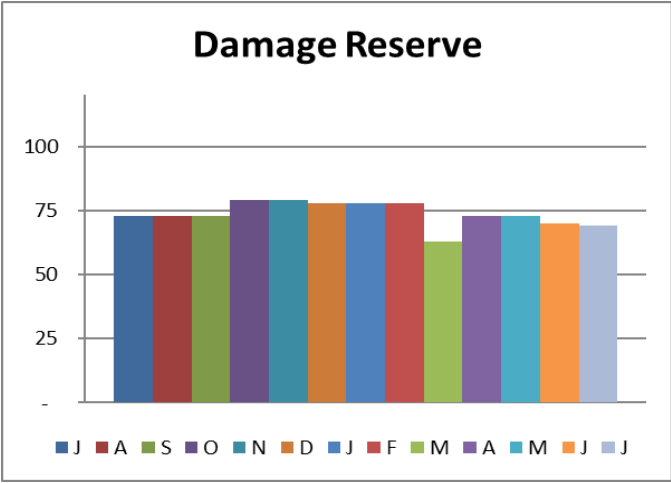
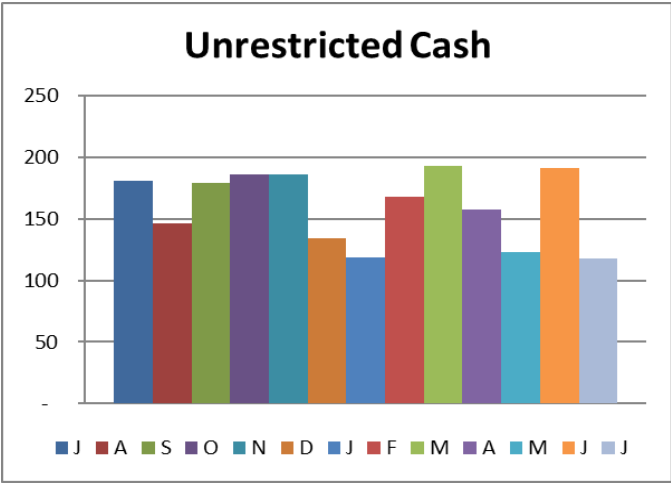
recovery ratio of 42.00% by 6.07 percentage points. The RTA is including the Federal stimulus funds under the CARES, CRRSAA, and ARP Acts as replacement fare revenues for recovery ratio purposes. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic.

## VI. Ridership

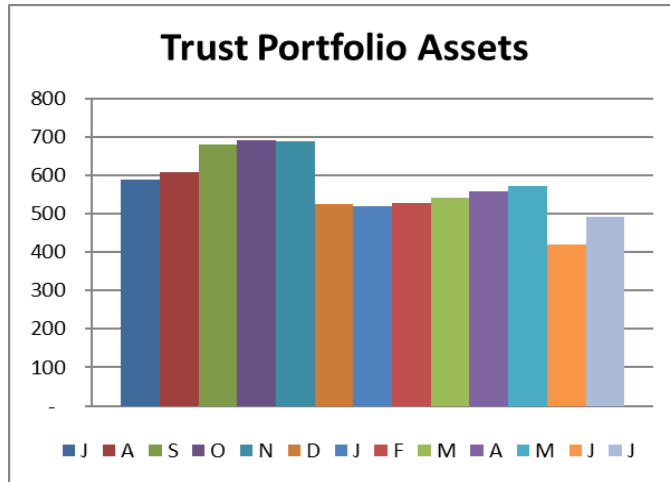
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Jul-23	Budget Jul-23	Prior Year Jul23 vs. Jul22	2023	Budget 2023	Prior Year 2022
Bus	12,999	1,103	1,445	89,928	7,901	12,270
Rail	8,512	(307)	624	55,169	(515)	7,418
Rail to Rail Transfers	1,509	(93)	46	9,913	45	912
<b>Total</b>	<b>23,019</b>	<b>702</b>	<b>2,114</b>	<b>155,010</b>	<b>7,431</b>	<b>20,601</b>

- Ridership for the month of July was 23.0 million and was 0.7 million higher than budget and 2.1 million higher than prior year.
- Calendar adjusted ridership was up 10.1% from prior year due to continued recovery from the COVID-19 pandemic.
- Ridership for the year-to-date was 155.0 million and was 7.4 million higher than budget and 20.6 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 15.4% from the prior year-to-date.
- More details on ridership can be found in the July Ridership Report.

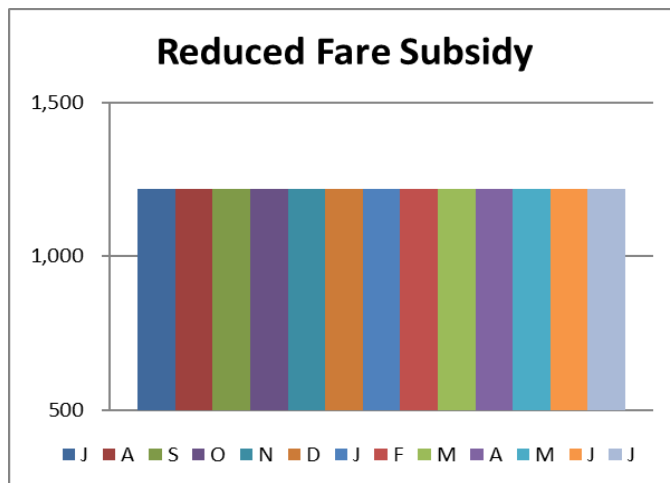
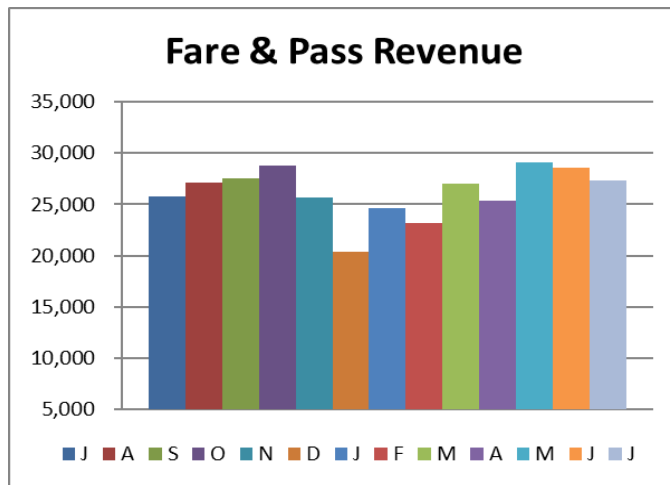
Cash & Liquidity



Cash & Liquidity Cont'd

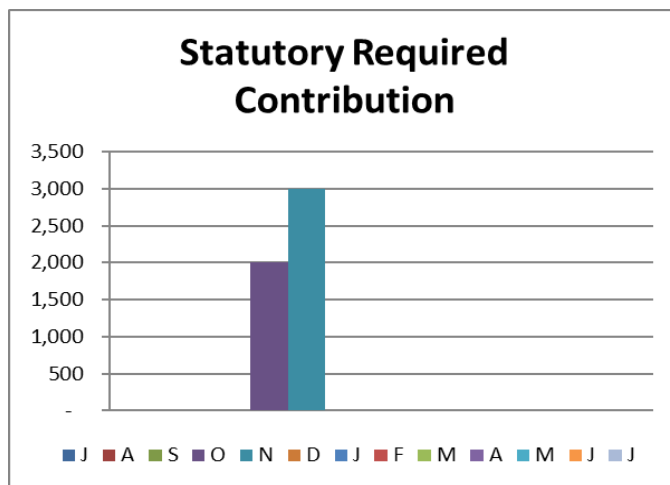
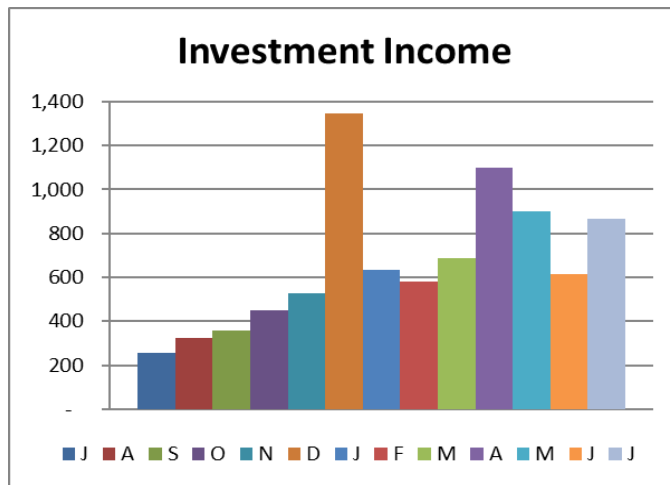
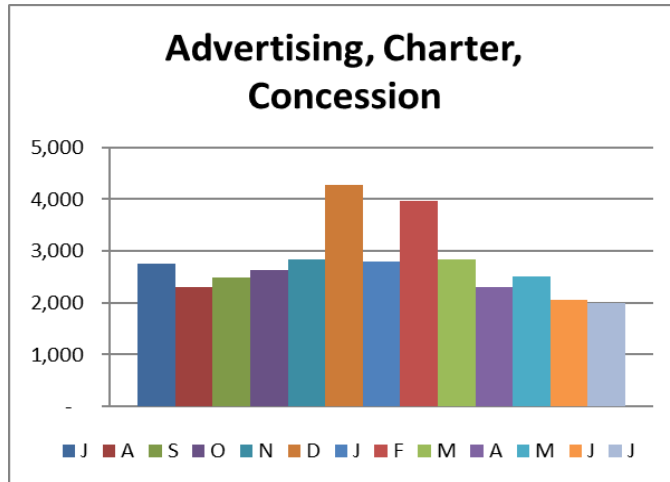


Revenue

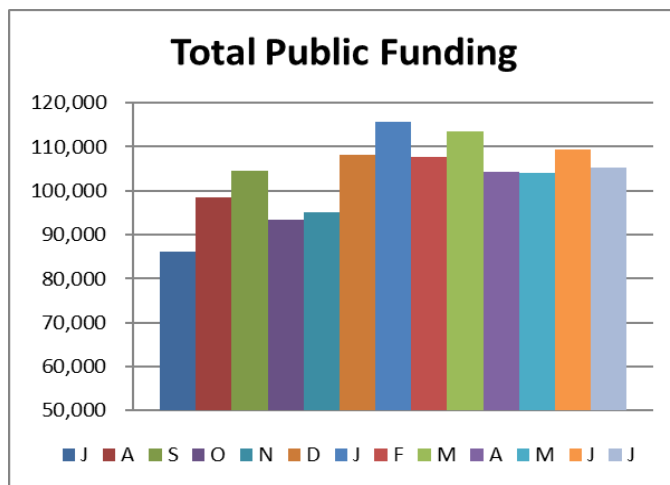
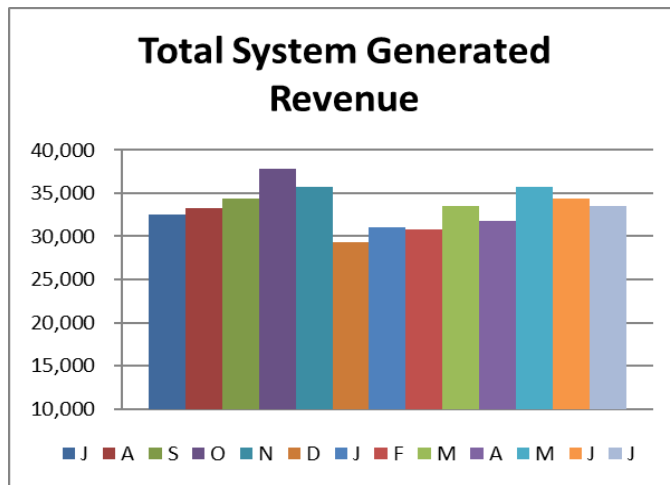
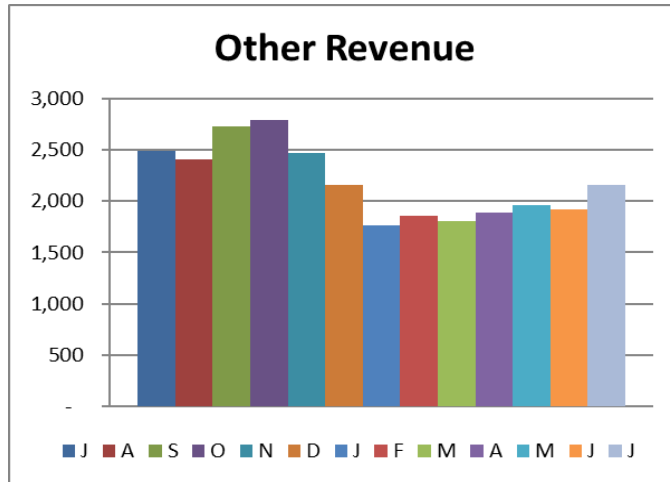




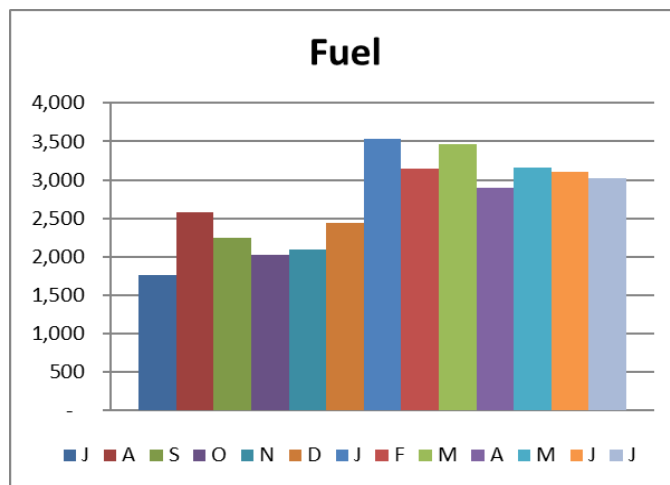
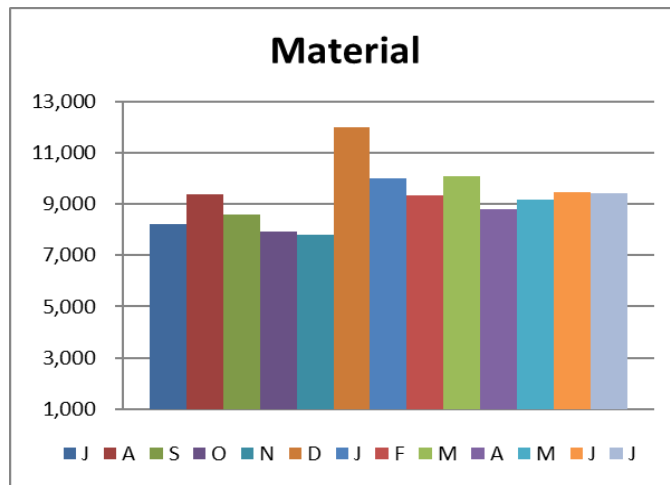
Revenue Cont'd



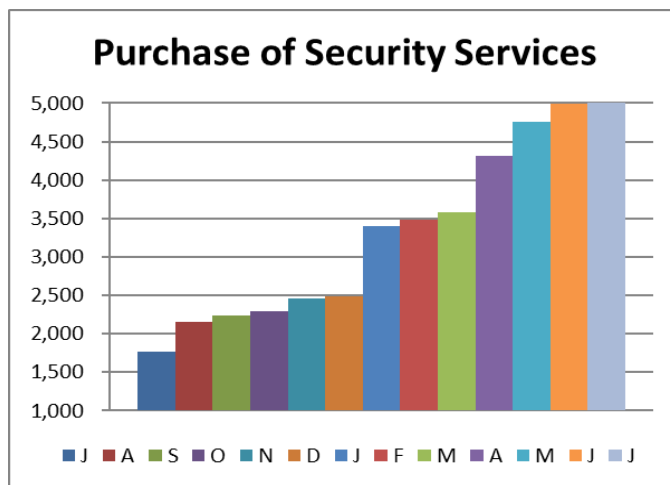
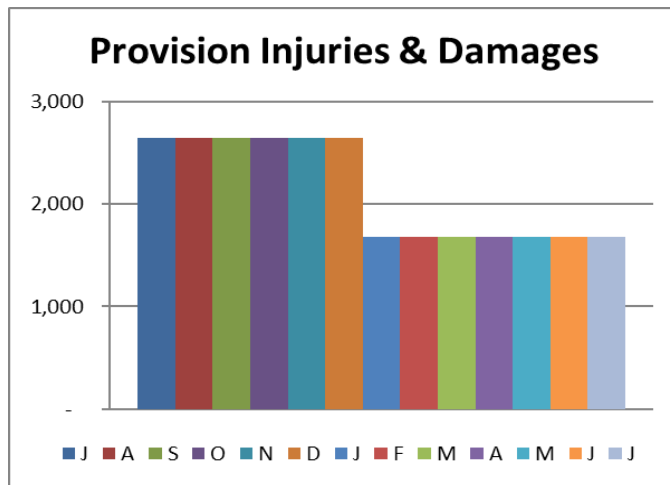
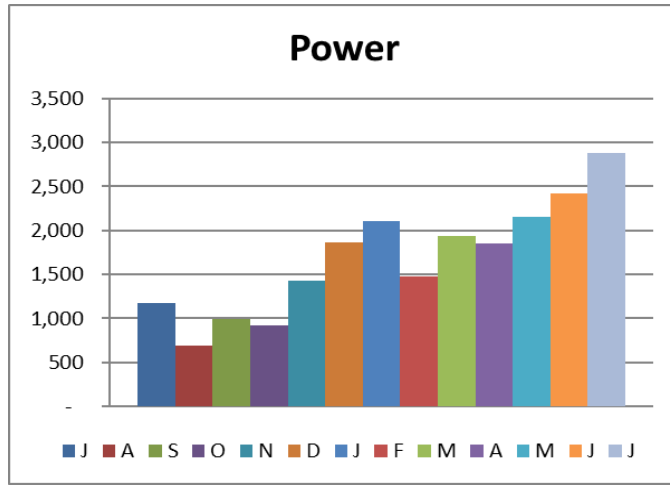
Revenue Cont'd



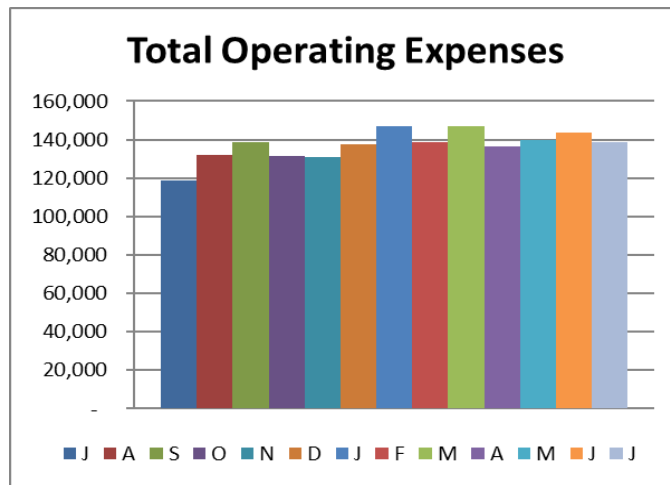
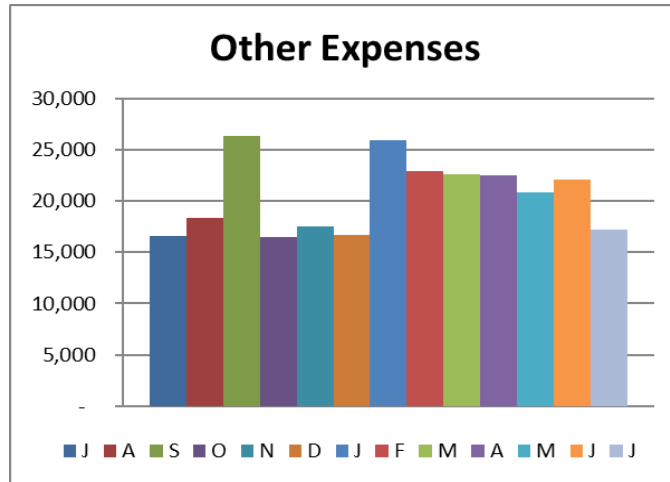
## Expenses



Expenses Cont'd



Expenses Cont'd



<b>Cash</b>	<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>
Unrestricted Cash	181	146	179	186	186	134	119	168	193	158	123	191	118
Damage Reserve	73	73	73	79	79	78	78	78	63	73	73	70	69
Funds Owed by RTA	316	333	342	336	358	383	398	341	312	326	340	361	366
Trust Portfolio Assets	587	609	680	692	689	524	519	528	542	558	571	419	492

<b>Revenue</b>	<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>
Fare & Pass Revenue	25,783	27,066	27,555	28,731	25,695	20,379	24,665	23,168	26,982	25,320	29,088	28,602	27,329
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	2,747	2,294	2,493	2,635	2,838	4,266	2,793	3,957	2,846	2,311	2,504	2,060	1,984
Investment Income	254	325	359	450	529	1,346	633	582	689	1,099	901	613	866
Statutory Required Contribution	-	-	-	2,000	3,000	-	-	-	-	-	-	-	-
Other Revenue	2,494	2,406	2,729	2,792	2,468	2,155	1,768	1,860	1,800	1,888	1,966	1,920	2,162
Total System Generated Revenue	32,494	33,308	34,354	37,826	35,746	29,363	31,076	30,785	33,535	31,835	35,676	34,412	33,558
Total Public Funding	86,068	98,476	104,453	93,360	95,090	108,099	115,664	107,728	113,453	104,337	104,117	109,341	105,275

<b>Expenses</b>	<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>
Labor	86,393	96,015	95,722	98,929	96,881	99,360	100,139	96,413	103,624	94,137	97,980	99,957	99,066
Material	8,197	9,369	8,604	7,906	7,805	12,009	9,990	9,341	10,080	8,773	9,167	9,463	9,416
Fuel	1,760	2,579	2,248	2,024	2,097	2,439	3,530	3,143	3,464	2,900	3,157	3,110	3,027
Power	1,171	691	998	919	1,428	1,861	2,104	1,476	1,935	1,847	2,156	2,422	2,880
Provision Injuries & Damages	2,640	2,640	2,640	2,640	2,640	2,640	1,683	1,683	1,683	1,683	1,683	1,683	1,683
Purchase of Security Services	1,767	2,150	2,243	2,300	2,464	2,493	3,400	3,489	3,576	4,317	4,753	4,986	5,509
Other Expenses	16,634	18,341	26,351	16,468	17,521	16,660	25,893	22,967	22,624	22,515	20,896	22,132	17,252
Total Operating Expenses	118,562	131,785	138,807	131,186	130,836	137,462	146,740	138,513	146,988	136,172	139,793	143,753	138,833