



To: Chicago Transit Authority Board
 From: Jeremy Fine, Chief Financial Officer
 Re: Financial Results for October 2022
 Date: December 14, 2022

I. Summary

CTA's financial results for the month and year to date are impacted by the effect of the COVID-19 pandemic. The financial results incorporate the amended budget approved at the May 2022 board meeting. CTA's financial results are \$15.3 million and \$121.5 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 2022 collected year-to-date totaled \$774.3 million, which is \$31.2 million favorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$53.1 million of CRRSAA funding, which is approximately 14.7% of CTA's CRRSAA allocation, \$47.6 million of ARP funding, which is approximately 5.2% of CTA's ARP allocation, and \$2.6 million of ARP Discretionary funding, which is approximately 2.2% of CTA's ARP Discretionary allocation.

Ridership for the month was 23.6 million, which was 0.2 million higher than budget and 2.6 million higher than October 2021. Ridership year-to-date was 2.2 million lower than budget and 43.9 million higher than prior year. The ridership increase over the prior year-to-date was due to the COVID-19 pandemic and the current stage of re-opening for the City of Chicago.

II. Cash & Liquidity

The chart below highlights CTA's cash position at October 2022 compared to October 2021.

	October 2022	October 2021	Increase (Decrease)
Unrestricted Cash	\$ 185,579	\$ 217,337	\$ (31,758)
Damage Reserve	79,238	61,005	\$ 18,233
Funds Owed by RTA	335,758	319,230	\$ 16,528
Trust Portfolio Assets	691,529	542,957	\$ 148,572
Total Cash and Receivables	\$ 1,292,104	\$ 1,140,529	\$ 151,575

CTA's total cash/receivables balance was equal to \$1.3 billion. Unrestricted cash was \$31.8 million lower than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$18.2 million higher than last year due to deposits into the fund offset by settlement payments. Funds owed by the RTA were approximately \$335.8 million which was \$16.5 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
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Fare & Pass Revenue	\$ 28,731	\$ 314	\$ 2,394	\$ 244,817	\$ 3,026	\$ 47,269

- Fare and pass revenue for October was \$0.3 million favorable to budget due to higher than expected full fare revenue on rail. It was \$2.4 million favorable to prior year due to higher ridership. The average fare for the month was \$1.22 per ride and was on par with budget and \$0.04 lower than the prior year.
- Year-to-date fare and pass revenue was \$3.0 million favorable to budget due to higher than expected fare revenue. It was \$47.3 million favorable to prior year due to the COVID-19 pandemic and the current stage of re-opening for the City of Chicago. The average fare for the year was \$1.20 per ride and was \$0.03 higher than budget and \$0.03 lower than the prior year.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ -	\$ 12,172	\$ -	\$ (38)

- 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-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Advertising, Charter, Concession	\$ 2,635	\$ 285	\$ (203)	\$ 26,284	\$ 3,565	\$ 9,381

- Advertising, Charter and Concessions Revenue was \$0.3 million and \$3.6 million favorable to budget for the month and year-to-date, respectively, due to higher than anticipated vehicle and platform advertising and special contract guarantee revenues received in 2022. This revenue category was \$9.4 million higher than prior year-to-date due to additional vehicle and platform advertising revenue received in 2022.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Investment income	\$ 450	\$ 408	\$ 426	\$ 1,815	\$ 1,417	\$ 1,572

- Investment income was \$0.4 million and \$1.4 million higher than budget for the month and the year-to-date, respectively. It was \$1.6 million higher than the 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
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Other Revenue	\$ 2,792	\$ 181	\$ (770)	\$ 23,545	\$ 321	\$ (5,992)

- Other Revenue was \$0.2 million favorable to budget for the month due to higher than expected non-capital grant revenue. It was \$0.3 million higher than budget for the year-to-date due to higher than expected parking and non-capital grant revenues. Other revenue was \$0.8 million unfavorable to October 2021 and \$6.0 million unfavorable to the prior year-to-date due to lower non-capital grant revenue. 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
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Total System Generated Revenue	\$ 37,826	\$ 1,189	\$ 1,847	\$ 310,633	\$ 8,331	\$ 52,192

- Total System-Generated Revenue was \$1.2 million and \$8.3 million higher than budget for the month and year-to-date, respectively, due to higher than expected fare and vehicle and platform advertising revenues. It was \$1.8 million higher than October 2021 due to higher fare and pass revenues and \$52.2 million higher than prior year-to-date due to higher fare and pass revenues.

IV. Expenses

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Labor	\$ 98,929	\$ 5,827	\$ 3,454	\$ 938,028	\$ 75,036	\$ 24,859

- Labor expense was \$5.8 million favorable to budget for the month and \$75.0 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$3.5 million favorable to October 2021 and \$24.9 million favorable to prior year-to-date due to the timing of open positions.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Material	\$ 7,906	\$ 1,146	\$ 320	\$ 85,238	\$ (266)	\$ (8,760)

- Material expense was \$1.1 million favorable to budget for the month and \$0.3 million unfavorable year-to-date due to the timing of vehicle parts usage. Material expense was \$0.3 million favorable to October 2021 due to the timing of vehicle part usage. It was \$8.8 million unfavorable to prior 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.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Fuel	\$ 2,024	\$ 855	\$ 338	\$ 22,665	\$ 5,403	\$ 2,955

- Fuel for Revenue Equipment expense was \$0.9 million favorable to budget in October and \$5.4 million favorable year-to-date primarily due to lower than anticipated usage and fuel prices. Lower usage and fuel prices account for the favorable variance to the prior year-to-date.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Power	\$ 919	\$ 1,869	\$ 970	\$ 15,035	\$ 12,683	\$ 6,099

- The Electric Power for Revenue Equipment expense was \$1.9 million favorable to budget for the month and \$12.7 million favorable year-to-date due to lower than anticipated usage. In May, CTA began receiving a credit for traction power from ComEd as part of the Carbon Free Energy Resources Adjustment (CFERA) credit as a result of a provision in the Climate and Equitable Jobs Act (CEJA) signed by the Governor in September 2021. CTA will be eligible for these credits through May 2023. Expenses were \$6.1 million favorable to prior year-to-date primarily due to the CFERA credit and slightly lower usage.

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Provision for Injuries & Damages	\$ 2,640	\$ -	\$ -	\$ 26,400	\$ -	\$ -

- The Provision for Injuries & Damages expense was on par with budget for the month and year-to-date. The expense was on par with 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-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Purchase of Security Services	\$ 2,300	\$ (111)	\$ (1,067)	\$ 18,987	\$ 1,535	\$ (5,792)

- Purchase of Security Services was \$0.1 million unfavorable to budget for the month and \$1.1 million unfavorable to October 2021 due to the timing of invoices and an increase in private security services. Year-to-date, expenses were \$1.5 million favorable to budget and \$5.8 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-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Other Expenses	\$ 16,468	\$ 4,511	\$ 3,031	\$ 206,900	\$ 18,790	\$ (7,014)

- Other expenses were \$4.5 million favorable to budget for the month and \$18.8 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$7.0 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
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Total Operating Expenses	\$ 131,186	\$ 14,097	\$ 7,046	\$ 1,313,252	\$ 113,182	\$ 12,347

- Operating Expenses were \$14.1 million favorable to budget for the month primarily due to lower than anticipated labor costs and other expenses. The favorable variance to prior year-to-date was primarily due to lower labor expenses.

V. Recovery Ratio

Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Recovery Ratio	54.02%	9.24		55.41%	3.02	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 54.02% for the month. This was favorable to budget by 9.24 percentage points for the month. Year-to-date, the recovery ratio was 55.41%, which was favorable to budget by 3.02 percentage points and favorable to the RTA required recovery ratio of 54.75% by 0.66 percentage points. The RTA is including the Federal stimulus funds under the CARES, CRRSAA, and ARP Acts as replacement fare revenues for recovery ratio

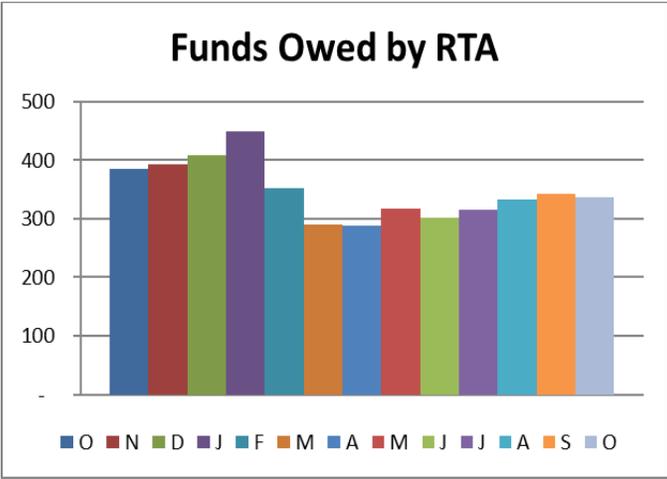
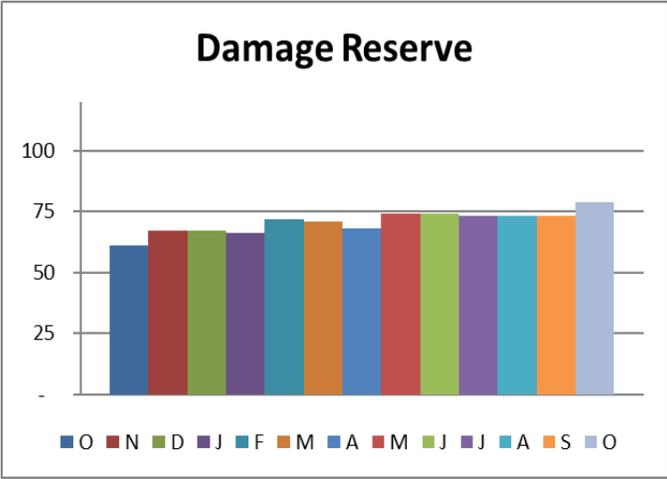
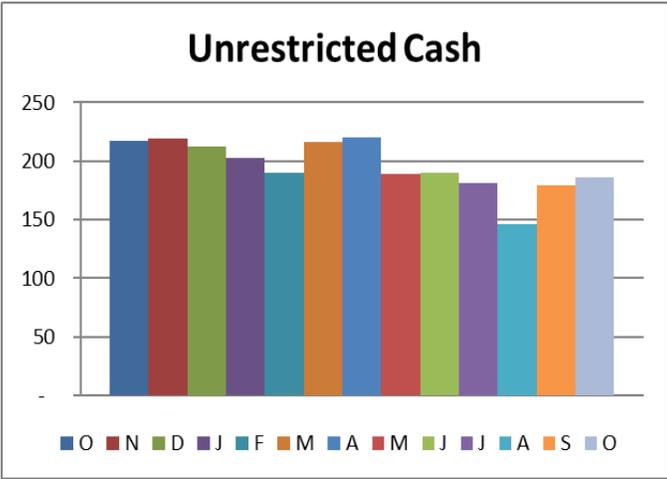
purposes. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic.

VI. Ridership

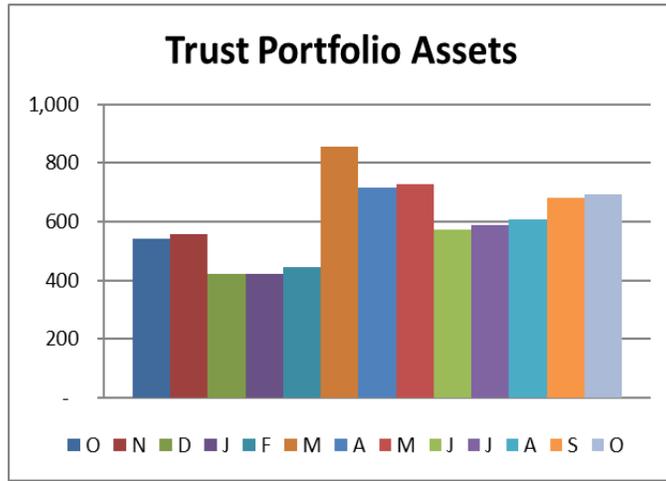
Category	Current Month			Full Year		
	Actual	Variance to	Variance to	Actual	Variance to	Variance to
	Oct-22	Budget Oct-22	Prior Year Oct22 vs. Oct21	2022	Budget 2022	Prior Year 2021
Bus	13,301	694	1,395	116,866	2,763	20,609
Rail	8,707	(758)	1,031	73,244	(5,991)	19,805
Rail to Rail Transfers	1,569	270	216	13,633	1,064	3,510
Total	23,576	206	2,641	203,743	(2,164)	43,923

- Ridership for the month of October was 23.6 million and was 0.2 million higher than budget and 2.6 million higher than prior year.
- Calendar adjusted ridership was up 12.7% from prior year due to the COVID-19 pandemic and the current stage of re-opening for the City of Chicago. The City of Chicago fully re-opened on June 11, 2021.
- Ridership for the year-to-date was 203.7 million and was 2.2 million lower than budget and 43.9 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 27.3% from the prior year-to-date.
- More details on ridership can be found in the October Ridership Report.

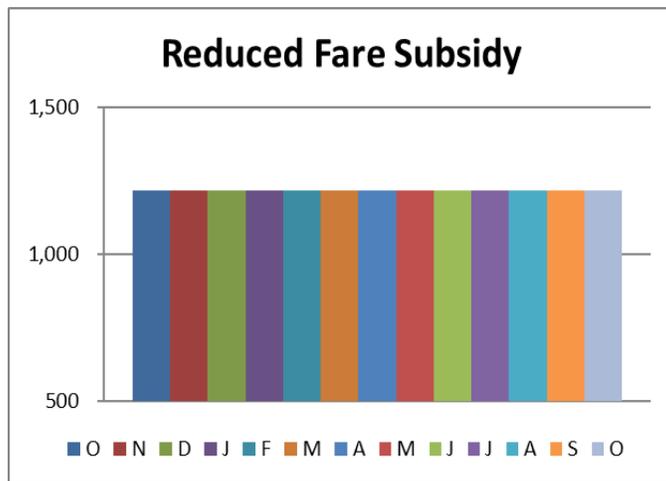
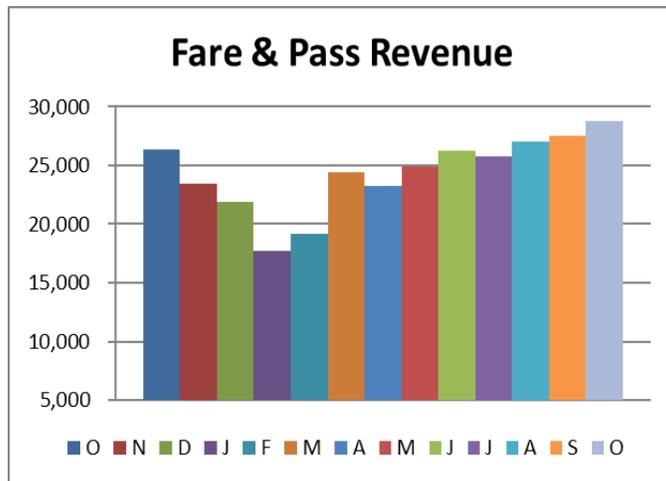
Cash & Liquidity



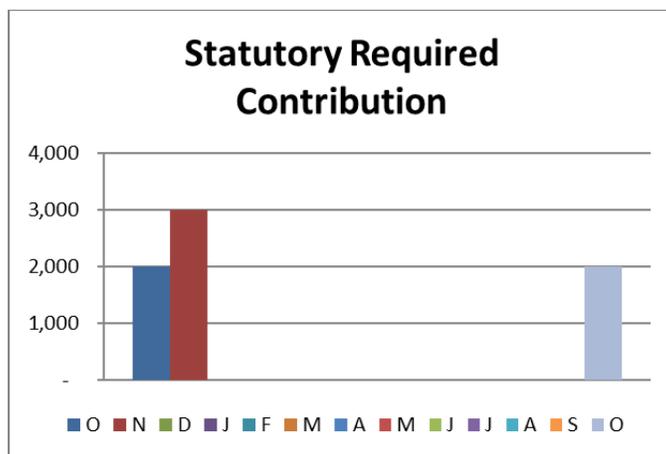
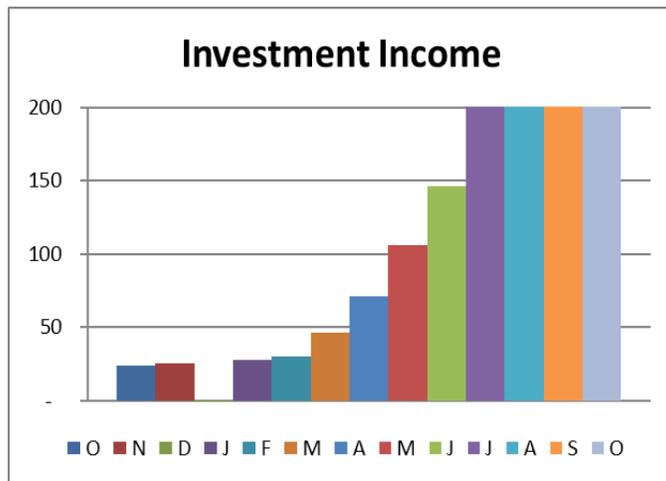
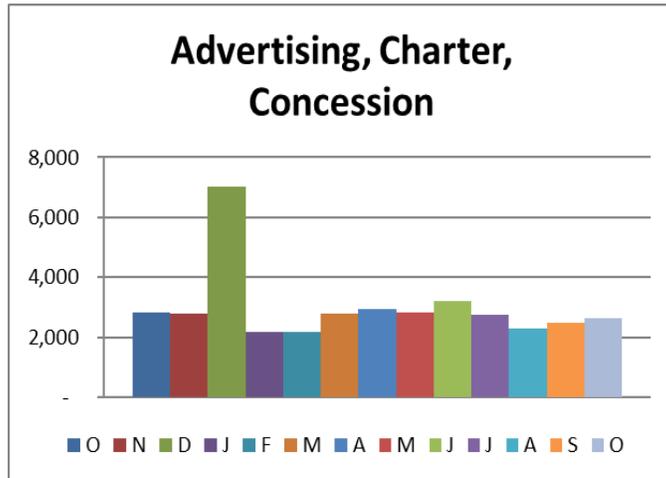
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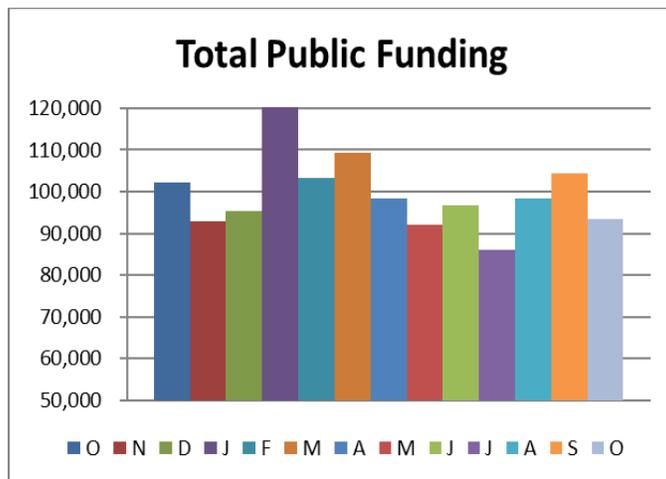
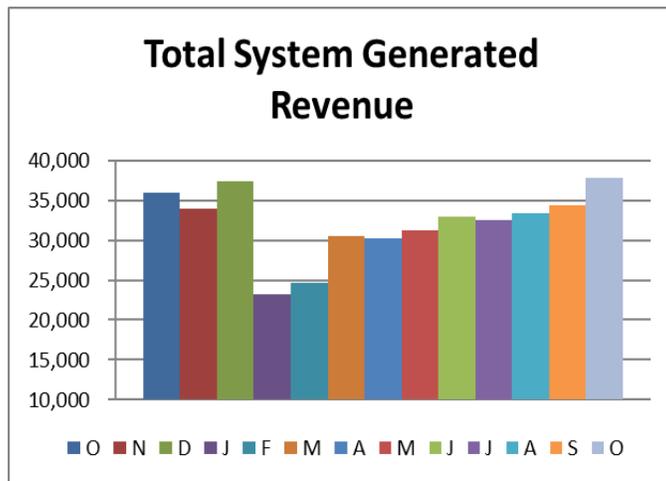
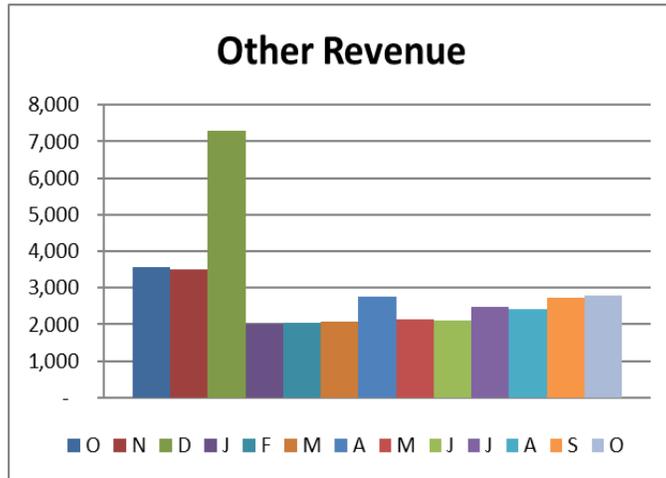
Revenue



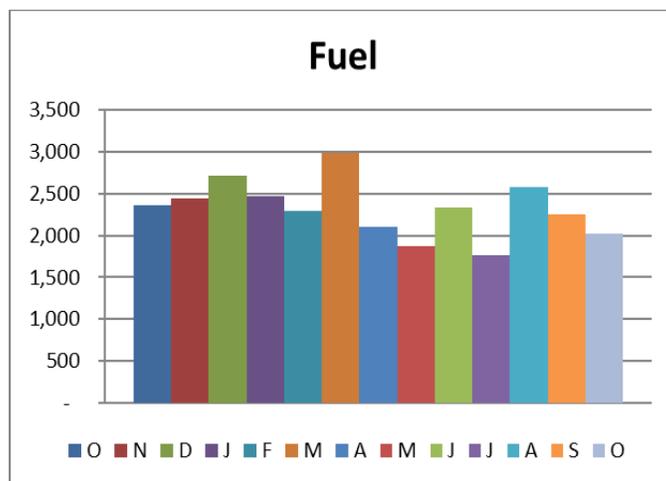
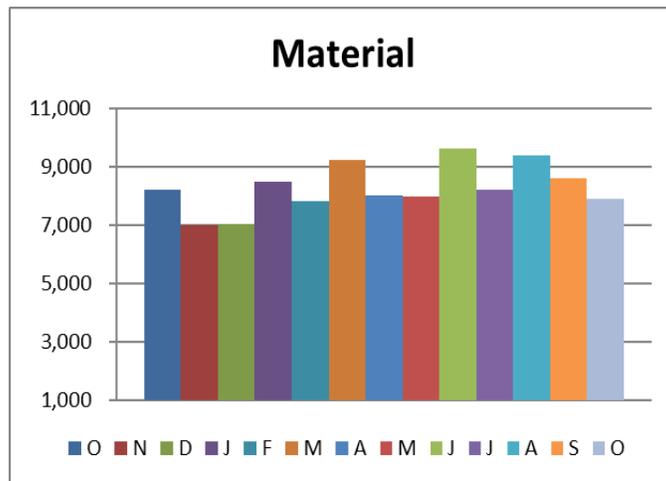
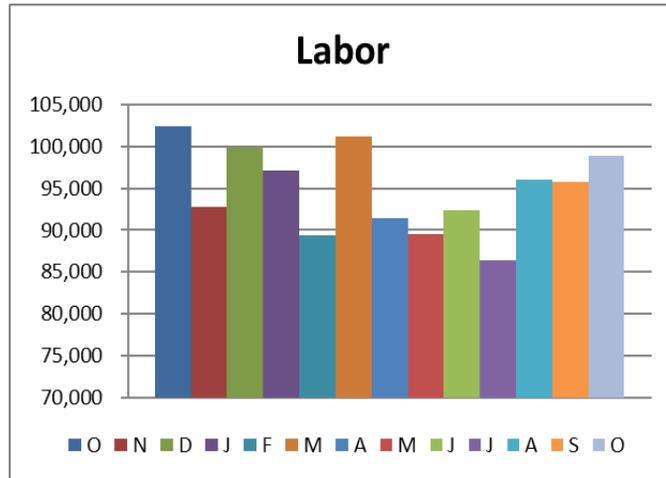
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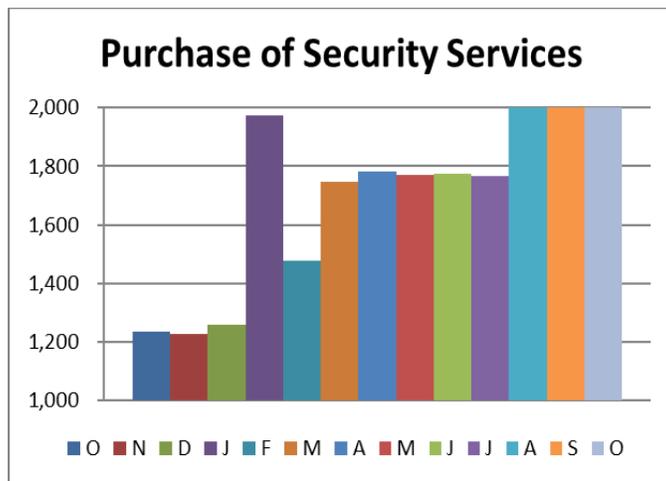
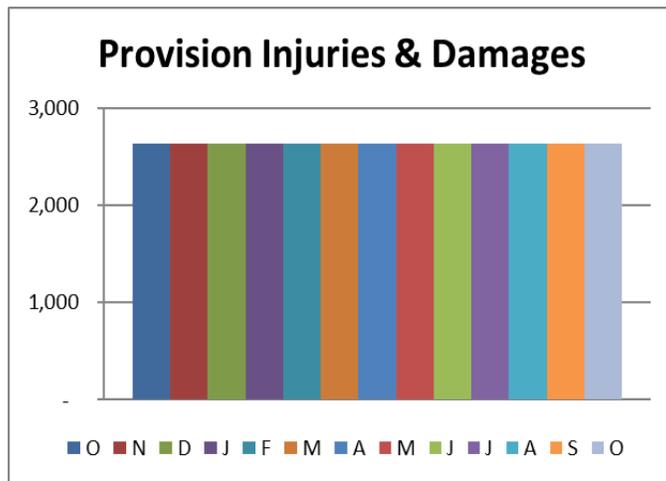
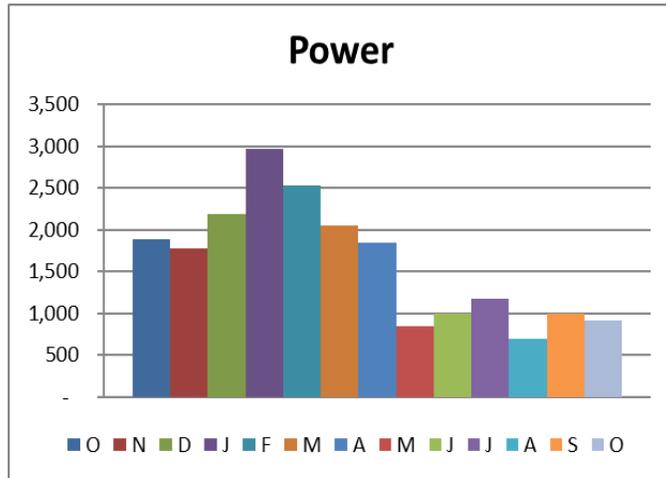
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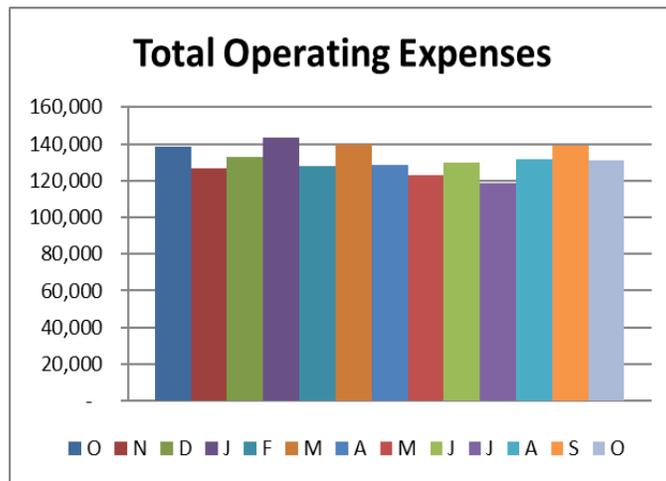
Expenses



Expenses Cont'd



Expenses Cont'd



Cash	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Unrestricted Cash	217	219	212	203	190	216	220	189	190	181	146	179	186
Damage Reserve	61	67	67	66	72	71	68	74	74	73	73	73	79
Funds Owed by RTA	386	392	408	449	353	290	288	317	301	316	333	342	336
Trust Portfolio Assets	543	557	421	422	446	854	714	728	572	587	609	680	692

Revenue	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Fare & Pass Revenue	26,337	23,456	21,860	17,751	19,132	24,407	23,282	24,898	26,212	25,783	27,066	27,555	28,731
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	2,839	2,779	7,006	2,187	2,171	2,786	2,928	2,833	3,209	2,747	2,294	2,493	2,635
Investment Income	24	25	(7)	28	30	46	71	106	146	254	325	359	450
Statutory Required Contribution	2,000	3,000	-	-	-	-	-	-	-	-	-	-	2,000
Other Revenue	3,562	3,512	7,295	2,008	2,035	2,063	2,770	2,137	2,111	2,494	2,406	2,729	2,792
Total System Generated Revenue	35,979	33,989	37,372	23,191	24,585	30,519	30,268	31,191	32,895	32,494	33,308	34,354	37,826
Total Public Funding	102,253	92,940	95,460	120,421	103,238	109,338	98,477	91,979	96,809	86,068	98,476	104,453	93,360

Expenses	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Labor	102,383	92,741	99,882	97,105	89,423	101,121	91,454	89,550	92,316	86,393	96,015	95,722	98,929
Material	8,225	7,001	7,020	8,491	7,829	9,227	8,013	7,991	9,610	8,197	9,369	8,604	7,906
Fuel	2,362	2,439	2,720	2,467	2,298	2,991	2,097	1,867	2,334	1,760	2,579	2,248	2,024
Power	1,889	1,781	2,191	2,975	2,537	2,053	1,851	840	1,000	1,171	691	998	919
Provision Injuries & Damages	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640
Purchase of Security Services	1,233	1,227	1,258	1,974	1,478	1,747	1,782	1,771	1,775	1,767	2,150	2,243	2,300
Other Expenses	19,500	19,100	17,121	27,962	21,619	20,077	20,907	18,511	20,029	16,634	18,341	26,351	16,468
Total Operating Expenses	138,232	126,929	132,832	143,613	127,823	139,857	128,745	123,170	129,704	118,562	131,785	138,807	131,186