To: Chicago Transit Authority Board

From: Tom McKone, Chief Financial Officer

Re: Financial Results for May 2026

Date: July 8, 2026

I. Summary

CTA's financial results for May show a favorable variance of $1.1 million, mainly due to lower contractual services expenses. For the year-to-date results, the CTA is $4.7 million favorable to budget, primarily driven by lower labor, traction power, and contractual services expenses. Public funding collected for 2026 year-to-date totaled $452.5 million, which is $59.7 million favorable to budget. Note that this report of May results references the original 2026 budget. The Budget Amendment adopted in June will be incorporated next month when the June results are reported.

Ridership for the month was 30.6 million, which was 2.6 million higher than budget and 0.7 million higher than May 2025. Ridership year-to-date was 9.5 million higher than budget and 3.5 million higher than the prior year.

II. Revenue

	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Fare & Pass Revenue	$ 31,562	$ 102	$ (2,585)	$ 142,243	$ (1,588)	$ (665)

In May, fare and pass revenue was $0.1 million favorable to budget, primarily due to higher-than-expected 30-day and 1-day pass revenue. Compared to prior year, this reflects a revenue decrease of $2.6 million, primarily attributed to decreases in full-fare rail and bus revenues in addition to lower 7-day and 1-day pass revenue. The average fare for the month was $1.03 per ride, which was $0.09 lower than the budgeted rate. The unfavorable rate to budget was driven by an increase in unpaid rides related to a ridership reporting update implemented this year, higher ridership for pass holders, and a higher mix of student fare cash riders than budgeted. Excluding the impact of the change in reporting, the rate per rider was only $0.03 below budget.

Year-to-date fare and pass revenue was $1.6 million unfavorable to budget due to lower-than-expected bus fare cash, full-fare bus and rail, and 7-day pass revenue. Compared to the previous year, revenue decreased $0.7 million, largely attributable to lower bus fare cash revenue and 7-day pass revenue. The average fare for the year was $1.03, which was $0.09 lower than the budgeted rate and $0.03 lower than the average fare in the prior year. Excluding the impact of the change in reporting, the rate per rider was only $0.02 below budget.

	Current Month			Full Year		
		Variance to	Variance to		Variance to	Variance to
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Reduced Fare Subsidy	$ 1,598	$ -	$ 145	$ 7,990	$ -	$ 726

The Reduced Fare Subsidy was on par with budget for the month and year-to-date. It was $0.1 million and $0.7 million favorable over May 2025 and the year-to-date, respectively, due to a higher reimbursement from the State in 2026 compared to 2025.

	Current Month			Full Year		
		Variance to	Variance to		Variance to	Variance to
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Advertising, Charter, Concession	$ 2,519	$ (344)	$ 58	$ 12,656	$ (1,643)	$ 246

Advertising, Charter, and Concessions Revenue was $0.3 million and $1.6 million unfavorable to budget for the month and year-to-date, respectively, primarily due to lower-than-expected vehicle and platform advertising revenue, with advertising spend diverted to markets hosting the FIFA World Cup. Year-to-date, revenue was $0.2 million higher than the prior year due to an increase in vehicle and platform advertising revenue.

	Current Month			Full Year		
		Variance to	Variance to		Variance to	Variance to
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Investment income	$ 1,243	$ 326	$ (1,513)	$ 6,288	$ 445	$ (7,305)

Investment income was $0.3 million favorable to budget for the month and $0.4 million favorable to budget for the year-to-date. In total, it was $7.3 million lower than prior year due to a decrease in the cash and investments balance as CTA continues to draw down the designated operating reserve as expected.

	Current Month			Full Year		
		Variance to	Variance to		Variance to	Variance to
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Other Revenue	$ 1,989	$ 49	$ (852)	$ 10,290	$ 704	$ (1,317)

Other Revenue was slightly favorable to budget for the month. It was $0.7 million favorable to budget for the year-to-date due to higher-than-expected non-capital grant revenue and a gain on the sale of property. Compared to prior year, Other Revenue was $0.9 million lower for the month and $1.3 million lower year-to-date, primarily due to decreased rental and non-capital grant revenues. Non-capital grant revenue is balanced by a corresponding amount in non-capital grant expenses.

Category	Current Month Actual May-26	Current Month Variance to Budget May-26	Current Month Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Full Year Variance to Budget 2026	Full Year Variance to Prior Year 2025
Total System Generated Revenue	$ 38,911	$ 132	$ (4,748)	$ 179,467	$ (2,082)	$ (8,313)

Total System-Generated Revenue was $0.1 million favorable to budget for the month, primarily due to higher-than-anticipated investment income and pass revenue. For the year-to-date, total system revenue was $2.1 million unfavorable to budget due to lower fare revenue and vehicle and platform advertising revenues. Compared to 2025, system generated revenue decreased by $4.7 million for the month and $8.3 million year-to-date due to lower investment income, as anticipated.

III. Expenses

Category	Current Month Actual May-26	Current Month Variance to Budget May-26	Current Month Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Full Year Variance to Budget 2026	Full Year Variance to Prior Year 2025
Labor	$ 122,221	$ (1,066)	$ (3,081)	$ 626,296	$ 2,710	$ (32,820)

Labor expense was $1.1 million unfavorable to budget for the month due to exempt labor increases that were not included in the budget, and $2.7 million favorable year-to-date due to the timing of filling open positions. Labor expense was $3.1 million higher than May 2025 and $32.8 million higher than prior year-to-date primarily due to contractual wage increases and increased staffing necessary for service delivery, resulting in a 3% increase in scheduled Transit Operation (STO) hours worked over the prior year. In particular, the service increases associated with the Frequent Bus Network, which were rolled out gradually throughout 2025, are now fully implemented.

Category	Current Month Actual May-26	Current Month Variance to Budget May-26	Current Month Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Full Year Variance to Budget 2026	Full Year Variance to Prior Year 2025
Material	$ 11,579	$ 937	$ (133)	$ 61,190	$ 482	$ (6,017)

Material expense was $0.9 million favorable to budget for the month and $0.5 million favorable to budget for the year-to-date due to the timing of bus vehicle parts utilization. Material expense was $0.1 million higher than in May 2025 and $6.0 million higher than the prior year-to-date due to higher than anticipated bus vehicle parts utilization and pricing.

Category	Current Month Actual May-26	Current Month Variance to Budget May-26	Current Month Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Full Year Variance to Budget 2026	Full Year Variance to Prior Year 2025
Fuel	$ 3,721	$ (273)	$ (263)	$ 20,055	$ (1,590)	$ (1,924)

Fuel for Revenue Equipment expense was $0.3 million unfavorable to budget for the month driven by higher fuel rate and $1.6 million unfavorable year-to-date driven by higher-than-expected usage and higher fuel rate. Compared to prior year, fuel is $0.3 million higher for May due to the higher fuel rate and $1.9 million higher year-to-date driven by higher rate, along with higher usage related to additional service, increasing fuel consumption 0.3 million gallons over prior year-to-date. Actual rate per gallon was $2.92 in May compared to the budgeted rate of $2.65 per gallon and prior year rate of $2.63. Year-to-date actual rate per gallon was $2.90 compared to the budgeted rate of $2.73 per gallon and prior year rate of $2.73. CTA's hedge of 2026 fuel purchases have kept the average price well below the unhedged price of $3.79 per gallon.

	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Power	$ 3,108	$ 715	$ (2,039)	$ 13,871	$ 7,024	$ 4,482

Traction Power for Revenue Equipment expense was favorable to budget by $0.7 million for the month and $7.0 million year-to-date, primarily due to lower-than-expected ComEd rates related to CFRA credits. Compared to prior periods, traction power expense increased by $2.0 million versus May 2025 and decreased by $4.5 million year-to-date. The actual year-to-date rate was $82.71 per MWh, which is $40.29 below the budgeted rate of $123.00 per MWh. This favorable variance is largely attributable to year-to-date CFRA credits of $35.30 per MWh.

	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Provision for Injuries & Damages	$ 2,903	$ -	$ (1,048)	$ 14,517	$ -	$ (5,241)

The Provision for Injuries & Damages expense was on par with budget for both the month and the year-to-date. The expense was $5.2 million unfavorable to the prior year-to-date due to funding requirements.

	Current Month			Full Year		
	Actual	Variance to Budget	Variance to Prior Year	Actual	Variance to Budget	Variance to Prior Year
Category	**May-26**	**May-26**	**May26 vs. May25**	**2026**	**2026**	**2025**
Purchase of Security Services	$ 9,811	$ (2,965)	$ (2,810)	$ 46,803	$ (12,574)	$ (11,509)

Purchase of Security Services was $3.0 million and $12.6 million unfavorable to budget for the month and year-to-date, respectively, driven by an increase in police and security guard expenses consistent with CTA's security plan. Compared to 2025, expenses were $2.8 million higher for the month and $11.5 million higher for the year-to-date due to additional police and private security deployments on the system in 2026.

Category	Current Month Actual May-26	Variance to Budget May-26	Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Variance to Budget 2026	Variance to Prior Year 2025
Other Expenses	$ 21,637	$ 3,653	$ 263	$ 122,563	$ 10,749	$ 1,237

Other expenses were $3.7 million favorable to budget for the month. The favorable variance was spread across all the categories, primarily due to the timing of invoice payments in Contractual Services, lower expense on POB Interest and no draws on the TIFIA Rail Cars debt service which was included in the budget. On a year-to-date basis, other expenses were $10.7 million favorable to budget, primarily due to timing of invoice payments for contractual services, lower than expected electric costs, and no draws on the TIFIA Rail Cars debt service.

The other expense category includes the pension obligation bond expense, utilities, maintenance contracts, services, and other expenses.

Category	Current Month Actual May-26	Variance to Budget May-26	Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Variance to Budget 2026	Variance to Prior Year 2025
Total Operating Expenses	$ 174,979	$ 1,000	$ (9,111)	$ 905,294	$ 6,801	$ (51,792)

Operating Expenses were $1.0 million favorable to budget for the month due to lower traction power, material, and other expenses. For the year-to-date, expenses were $6.8 million favorable due to lower traction power, other expenses, and labor costs. Compared to the prior year, expenses were $9.1 million higher for the month and $51.8 million higher year-to-date, mainly due to increased labor and security costs as detailed above.

IV. Recovery Ratio

Category	Current Month Actual May-26	Variance to Budget May-26	Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Variance to Budget 2026	Variance to Prior Year 2025
Recovery Ratio	25.23%	0.47		22.52%	0.21	

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues against overall expenses, was 25.23% for the month. This was favorable to budget by 0.47 percentage points for the month. Year-to-date, the recovery ratio was 22.52%, which was favorable to budget by 0.21 percentage points and favorable to the RTA required recovery ratio of 20.00% by 2.52 percentage points. For 2026, the Northern Illinois Transit Authority Act waives the statutory recovery ratio requirement.

V. Ridership

Category	Current Month Actual May-26	Current Month Variance to Budget May-26	Current Month Variance to Prior Year May26 vs. May25	Full Year Actual 2026	Full Year Variance to Budget 2026	Full Year Variance to Prior Year 2025
Bus	18,197	2,032	361	83,489	7,284	1,505
Rail	10,554	482	351	47,035	1,998	2,081
Rail to Rail Transfers	1,813	38	(49)	7,812	191	(86)
Total	30,564	2,553	664	138,336	9,474	3,501

- Ridership for May was 30.6 million, 2.6 million higher than budget and 0.7 million higher than prior year. Excluding free rides and transfers, ridership was 0.4m higher than budget.
- Calendar adjusted ridership was up 3.8% from prior year due to increased ridership from CTA's continued expansion of service delivery.
- Ridership for the year-to-date was 138.3 million, 9.5 million higher than budget and 3.5 million higher than the prior year-to-date. Excluding free rides and transfers, ridership was 0.7 million higher than budget.
- Calendar adjusted ridership was up 3.0% from the prior year-to-date.
- More details on ridership can be found in the May Ridership Report.

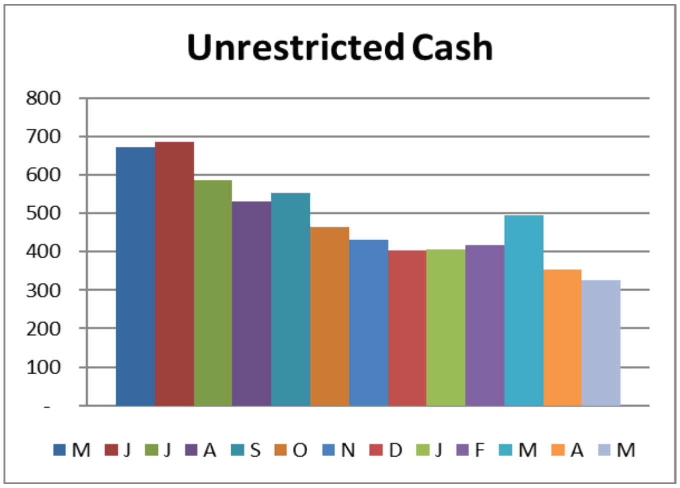
VI. Cash & Liquidity

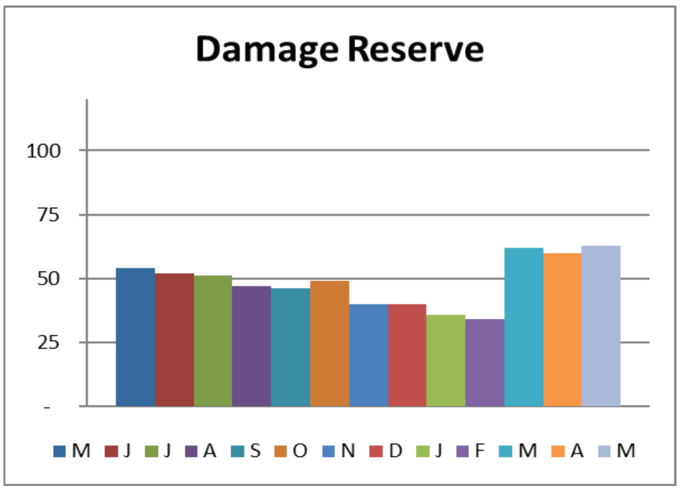
The chart below highlights CTA's cash position in May 2026 compared to May 2025.

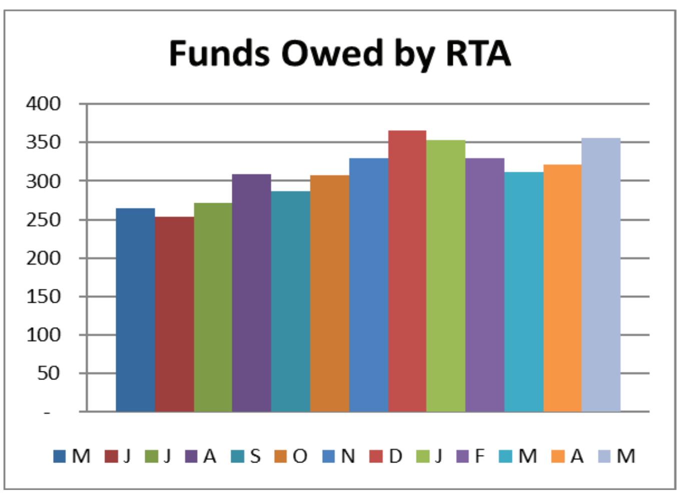
	May 2026	May 2025	Increase (Decrease)
Unrestricted Cash	$ 326,479	$ 671,754	$ (345,275)
Damage Reserve	62,942	53,771	$ 9,171
Funds Owed by RTA	356,006	263,862	$ 92,144
Trust Portfolio Assets	640,126	576,983	$ 63,143
Total Cash and Receivables	$ 1,385,553	$ 1,566,370	$ (180,817)

CTA's total cash/receivables balance was $1.4 billion. Unrestricted cash was $345.3 million lower than the prior year, primarily due to the drawdown of designated relief funds as they were utilized throughout 2025 and this year, in addition to the timing of cash receipts and invoice payments. No funds were used from the designated reserve in May, with a remaining balance of $103.2 million at the end of May. The Damage Reserve fund was $9.2 million higher than last year due to deposits into the fund, partially offset by settlement payments in 2025 and 2026, including YTD payments totaling $12.0 million. Funds owed by the RTA were approximately $356.0 million, which was $92.1 million higher than the prior year due to the timing of payments from the State. Trust Portfolio Assets represent bond proceeds held in Trust for funding capital projects and making required debt service payments and therefore decrease when payments are made.

Cash & Liquidity







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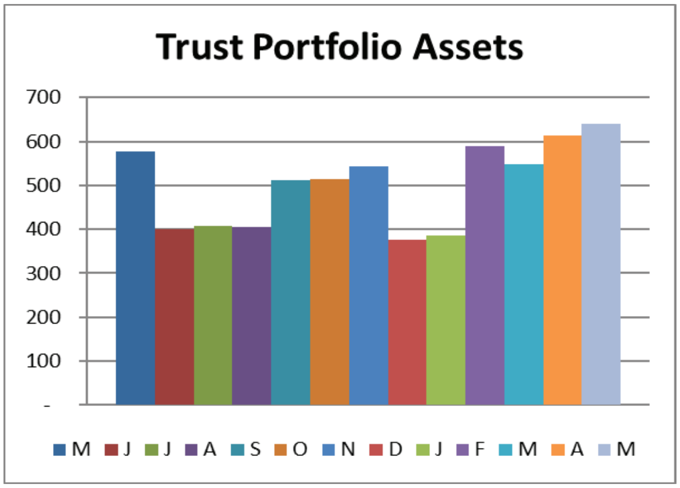
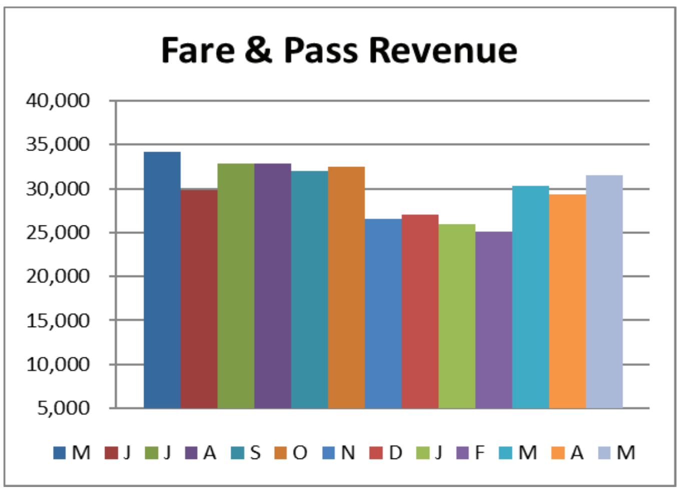
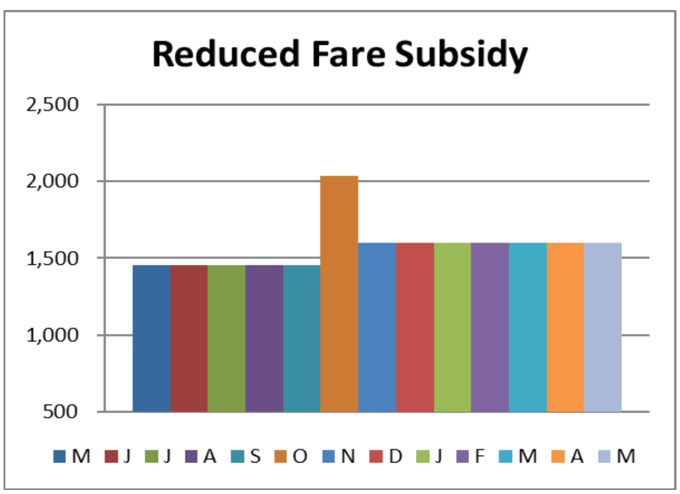


Revenue





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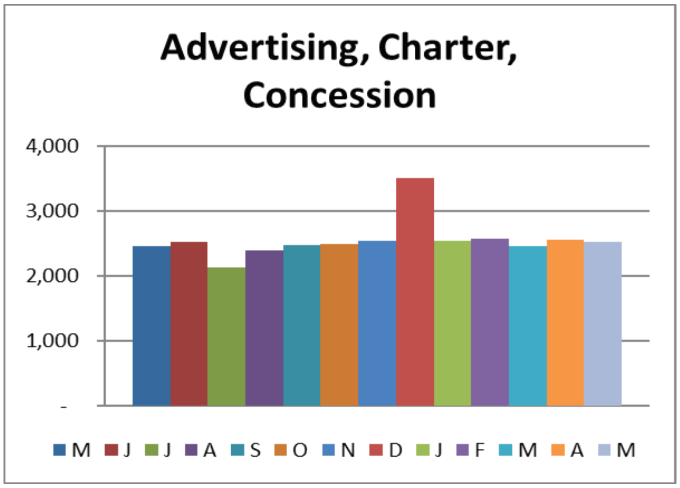

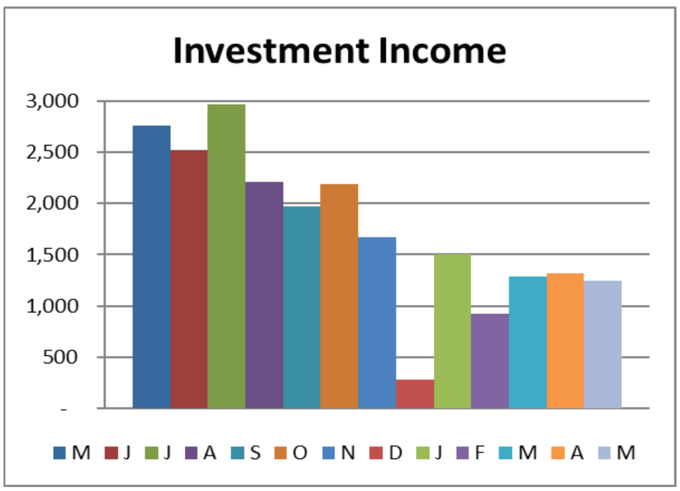

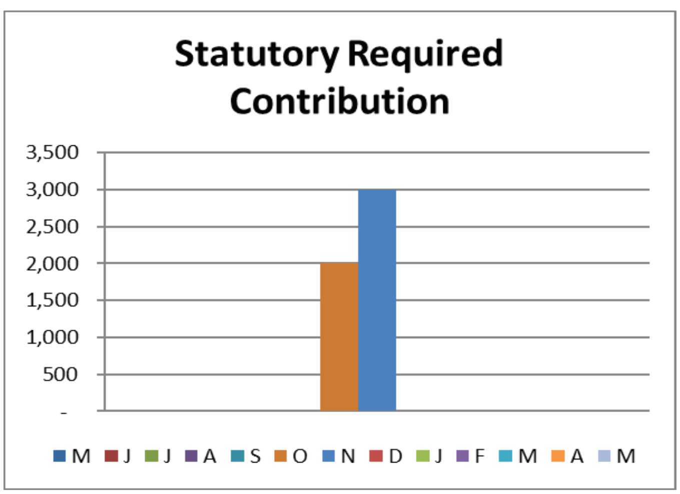

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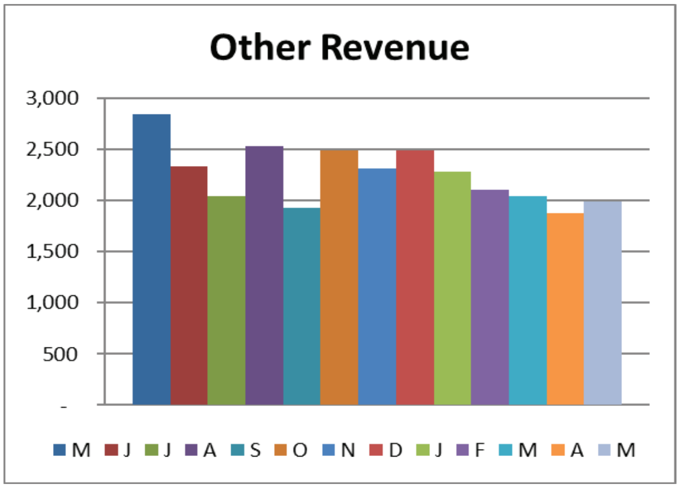

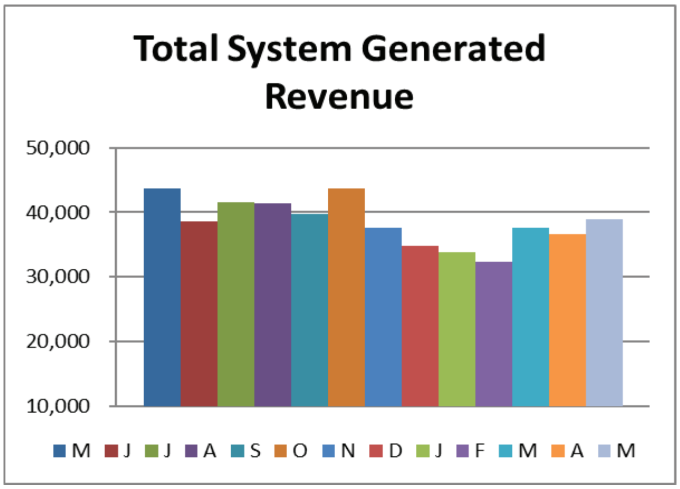

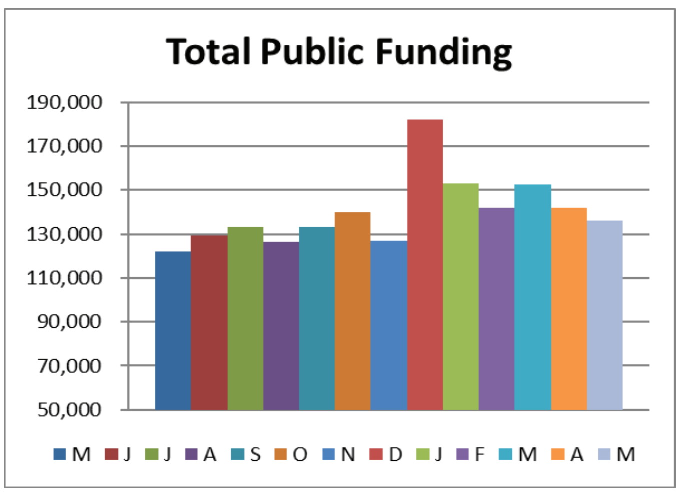

Expenses


Labor
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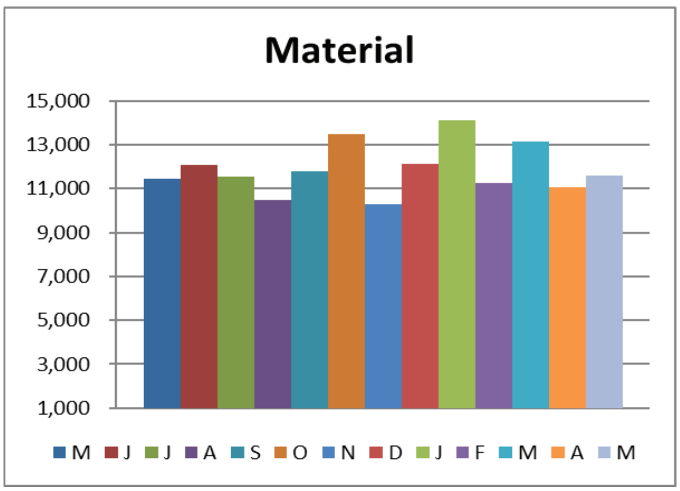
Material
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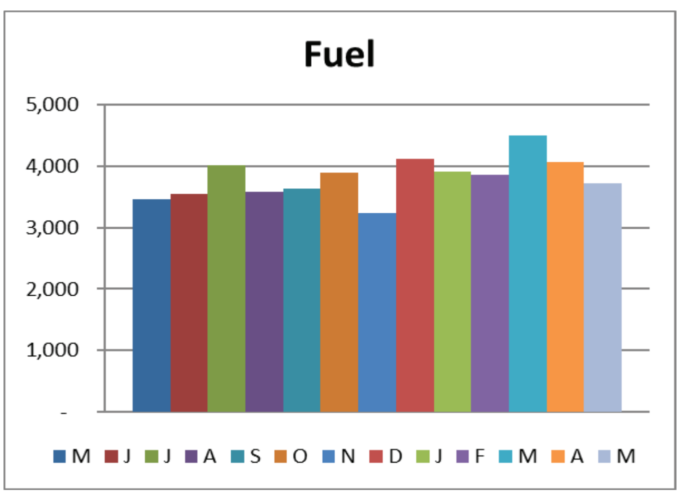
Fuel
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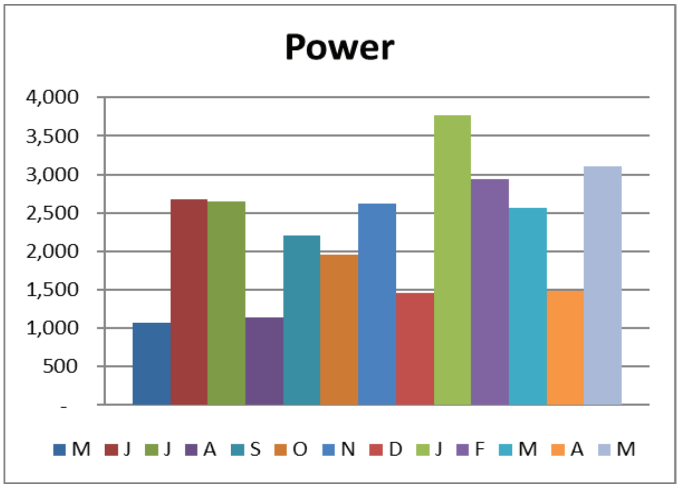
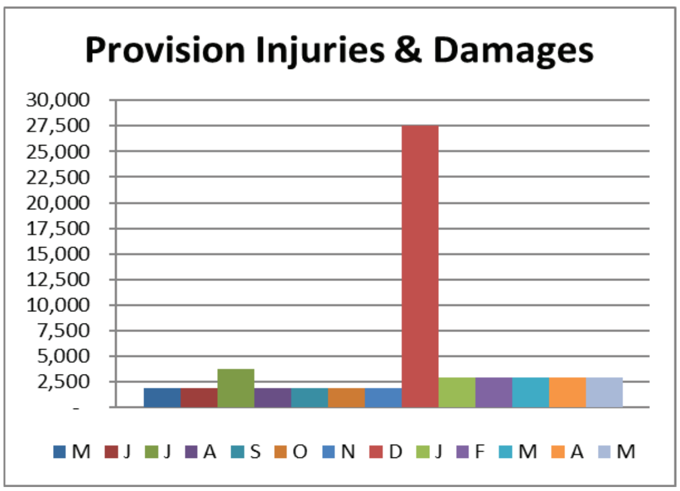
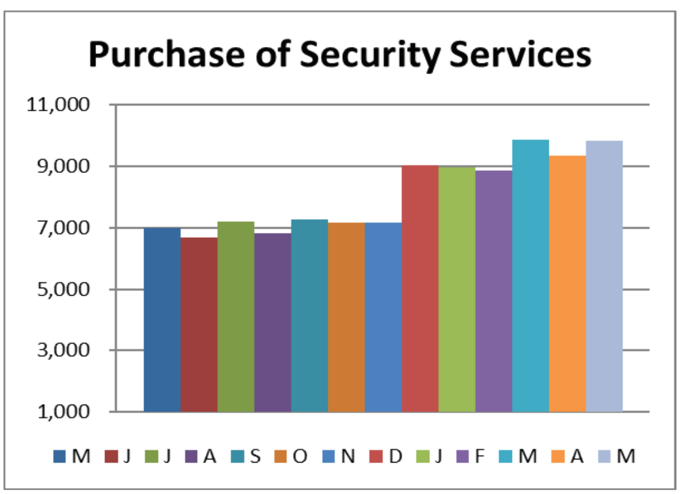
Expenses Cont'd







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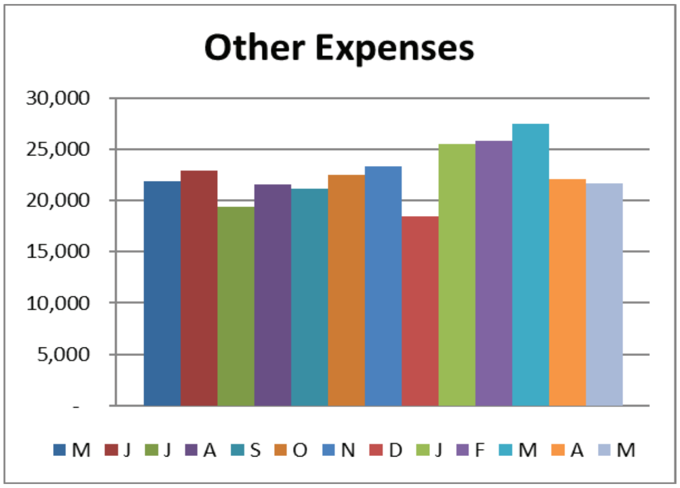

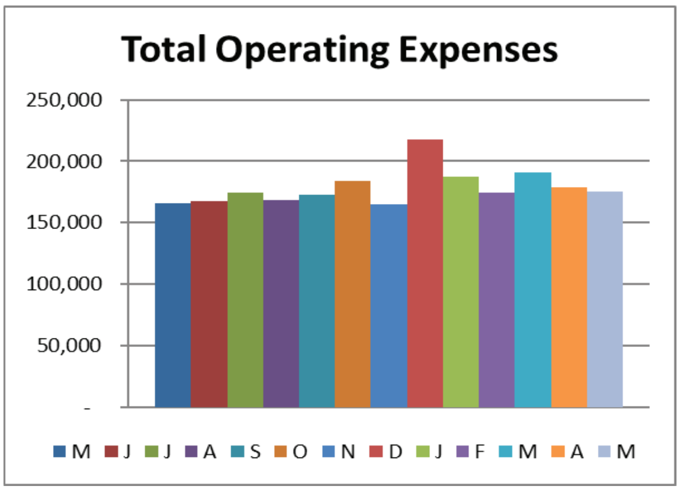

Cash	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Unrestricted Cash	672	687	586	532	553	463	430	402	406	416	494	354	326
Damage Reserve	54	52	51	47	46	49	40	40	36	34	62	60	63
Funds Owed by RTA	264	253	272	309	286	308	330	366	353	330	312	321	356
Trust Portfolio Assets	577	401	407	406	511	513	542	375	386	590	547	614	640

Revenue	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Fare & Pass Revenue	34,147	29,774	32,880	32,844	31,974	32,514	26,531	27,003	25,948	25,137	30,293	29,304	31,562
Reduced Fare Subsidy	1,453	1,453	1,453	1,453	1,453	2,034	1,598	1,598	1,598	1,598	1,598	1,598	1,598
Advertising, Charter, Concession	2,461	2,531	2,134	2,389	2,482	2,487	2,534	3,508	2,542	2,578	2,467	2,551	2,519
Investment Income	2,757	2,523	2,969	2,207	1,973	2,194	1,673	275	1,507	925	1,291	1,322	1,243
Statutory Required Contribution	-	-	-	-	-	2,000	3,000	-	-	-	-	-	-
Other Revenue	2,841	2,333	2,039	2,532	1,923	2,487	2,308	2,492	2,283	2,107	2,039	1,872	1,989
Total System Generated Revenue	43,659	38,614	41,474	41,424	39,805	43,716	37,645	34,875	33,878	32,345	37,687	36,646	38,911
Total Public Funding	122,210	129,165	133,126	126,485	133,119	139,851	126,848	182,343	153,276	141,893	152,706	141,884	136,068

Expenses	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Labor	119,140	118,042	126,116	122,508	125,013	132,680	116,060	144,502	127,976	118,602	129,886	127,611	122,221
Material	11,446	12,076	11,551	10,504	11,768	13,464	10,280	12,115	14,136	11,261	13,146	11,069	11,579
Fuel	3,458	3,555	4,014	3,582	3,628	3,902	3,235	4,126	3,906	3,859	4,498	4,070	3,721
Power	1,069	2,673	2,651	1,141	2,212	1,957	2,618	1,460	3,776	2,938	2,569	1,479	3,108
Provision Injuries & Damages	1,855	1,855	3,710	1,855	1,855	1,855	1,855	27,560	2,903	2,903	2,903	2,903	2,903
Purchase of Security Services	7,001	6,666	7,203	6,804	7,274	7,168	7,150	9,016	8,947	8,853	9,856	9,336	9,811
Other Expenses	21,900	22,911	19,354	21,515	21,174	22,541	23,295	18,438	25,509	25,822	27,534	22,061	21,637
Total Operating Expenses	165,869	167,778	174,600	167,909	172,924	183,567	164,493	217,218	187,154	174,238	190,393	178,530	174,979