



To: Chicago Transit Authority Board  
From: Jeremy Fine, Chief Financial Officer  
Re: Financial Results for August 2022  
Date: October 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 \$20.1 million and \$99.4 million favorable to budget for August 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 \$604.4 million, which is \$27.5 million favorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$48.2 million of CRRSAA funding, which is approximately 13.3% of CTA's CRRSAA allocation, \$33.8 million of ARP funding, which is approximately 3.7% of CTA's ARP allocation, and \$0.8 million of ARP Discretionary funding, which is approximately 0.7% of CTA's ARP Discretionary allocation.

Ridership for the month was 22.3 million, which was slightly higher than budget and 3.3 million higher than August 2021. Ridership year-to-date was 2.5 million lower than budget and 38.9 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 August 2022 compared to August 2021.

|                            | August<br>2022 | August<br>2021 | Increase<br>(Decrease) |
|----------------------------|----------------|----------------|------------------------|
| Unrestricted Cash          | \$ 145,670     | \$ 176,601     | \$ (30,931)            |
| Damage Reserve             | 73,191         | 61,774         | \$ 11,417              |
| Funds Owed by RTA          | 333,031        | 306,296        | \$ 26,735              |
| Trust Portfolio Assets     | 608,815        | 460,556        | \$ 148,259             |
| Total Cash and Receivables | \$ 1,160,707   | \$ 1,005,227   | \$ 155,480             |

CTA's total cash/receivables balance was equal to \$1.2 billion. Unrestricted cash was \$30.9 million lower than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$11.4 million higher than last year due to deposits into the fund offset by settlement payments. Funds owed by the RTA were approximately \$333.0 million which was \$26.7 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        |
|                     | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022       | Budget<br>2022 | Prior Year<br>2021 |
| Fare & Pass Revenue | \$ 27,066     | \$ 678           | \$ 3,218                      | \$ 188,531 | \$ 2,105       | \$ 42,227          |

- Fare and pass revenue for August was \$0.7 million favorable to budget due to higher than expected full fare revenue on rail. It was \$3.2 million favorable to prior year due to higher ridership and promotional fares for select pass products. The average fare for the month was \$1.21 per ride and was \$0.03 higher than budget and \$0.04 lower than the prior year.
- Year-to-date fare and pass revenue was \$2.1 million favorable to budget due to higher than expected fare revenue. It was \$42.2 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 \$0.04 lower than the prior year.

| Category             | Current Month |                  |                               | Full Year |                |                    |
|----------------------|---------------|------------------|-------------------------------|-----------|----------------|--------------------|
|                      | Actual        | Variance to      | Variance to                   | Actual    | Variance to    | Variance to        |
|                      | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Reduced Fare Subsidy | \$ 1,217      | \$ -             | \$ -                          | \$ 9,737  | \$ -           | \$ -               |

- 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        |
|                                  | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Advertising, Charter, Concession | \$ 2,294      | \$ 77            | \$ 173                        | \$ 21,155 | \$ 3,120       | \$ 9,623           |

- Advertising, Charter and Concessions Revenue was \$0.1 million and \$3.1 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 \$9.6 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        |
|                   | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Investment income | \$ 325        | \$ 283           | \$ 302                        | \$ 1,006  | \$ 692         | \$ 809             |

- Investment income was \$0.3 million and \$0.7 million higher than budget for the month and the year-to-date, respectively. It was \$0.8 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        |
|               | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Other Revenue | \$ 2,406      | \$ (191)         | \$ (1,356)                    | \$ 18,023 | \$ 36          | \$ (4,260)         |

- Other Revenue was \$0.2 million unfavorable to budget for the month due to lower than expected non-capital grant, miscellaneous, and rental revenues. It was slightly higher than budget for the year-to-date due to higher than expected miscellaneous revenue. Other revenue was \$1.4 million unfavorable to August 2021 and \$4.3 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        |
|                                | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022       | Budget<br>2022 | Prior Year<br>2021 |
| Total System Generated Revenue | \$ 33,308     | \$ 847           | \$ 2,336                      | \$ 238,452 | \$ 5,954       | \$ 48,399          |

- Total System-Generated Revenue was \$0.8 million and \$6.0 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 \$2.3 million higher than August 2021 due to higher fare and pass revenues and \$48.4 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        |
|          | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022       | Budget<br>2022 | Prior Year<br>2021 |
| Labor    | \$ 96,015     | \$ 13,952        | \$ 2,993                      | \$ 743,376 | \$ 61,522      | \$ 23,511          |

- Labor expense was \$14.0 million favorable to budget for the month and \$61.5 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$3.0 million favorable to August 2021 and \$23.5 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        |
|          | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Material | \$ 9,369      | \$ (618)         | \$ (1,686)                    | \$ 68,728 | \$ (2,011)     | \$ (9,402)         |

- Material expense was \$0.6 million unfavorable to budget for the month and \$2.0 million unfavorable year-to-date due to the timing of vehicle parts usage. Material expense was \$1.7 million and \$9.4 million unfavorable to August 2021 and prior year-to-date, respectively, 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        |
|          | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Fuel     | \$ 2,579      | \$ 530           | \$ 8                          | \$ 18,393 | \$ 4,030       | \$ 2,341           |

- Fuel for Revenue Equipment expense was \$0.5 million favorable to budget in August and \$4.0 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        |
|          | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Power    | \$ 691        | \$ 2,294         | \$ 1,323                      | \$ 13,117 | \$ 8,896       | \$ 4,003           |

- The Electric Power for Revenue Equipment expense was \$2.3 million favorable to budget for the month and \$8.9 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 \$4.0 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        |
|                                  | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022      | Budget<br>2022 | Prior Year<br>2021 |
| Provision for Injuries & Damages | \$ 2,640      | \$ -             | \$ -                          | \$ 21,120 | \$ -           | \$ -               |

- 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     |
|                               | Aug-22        | Budget Aug-22 | Prior Year Aug22 vs. Aug21 | 2022      | Budget 2022 | Prior Year 2021 |
| Purchase of Security Services | \$ 2,150      | \$ 39         | \$ (979)                   | \$ 14,444 | \$ 1,700    | \$ (3,724)      |

- Purchase of Security Services was slightly favorable to budget for the month and \$1.0 million unfavorable to August 2021 due to the timing of invoices. Year-to-date, expenses were \$1.7 million favorable to budget and \$3.7 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     |
|                | Aug-22        | Budget Aug-22 | Prior Year Aug22 vs. Aug21 | 2022       | Budget 2022 | Prior Year 2021 |
| Other Expenses | \$ 18,341     | \$ 3,009      | \$ (1,334)                 | \$ 164,080 | \$ 19,344   | \$ (875)        |

- Other expenses were \$3.0 million favorable to budget for the month and \$19.3 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$0.9 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     |
|                          | Aug-22        | Budget Aug-22 | Prior Year Aug22 vs. Aug21 | 2022         | Budget 2022 | Prior Year 2021 |
| Total Operating Expenses | \$ 131,785    | \$ 19,205     | \$ 324                     | \$ 1,043,259 | \$ 93,481   | \$ 15,855       |

- Operating Expenses were \$19.2 million favorable to budget for the month primarily due to lower than anticipated labor and other costs. 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     |
|                | Aug-22        | Budget Aug-22 | Prior Year Aug22 vs. Aug21 | 2022      | Budget 2022 | Prior Year 2021 |
| Recovery Ratio | 55.48%        | 2.94          |                            | 56.46%    | 2.96        |                 |

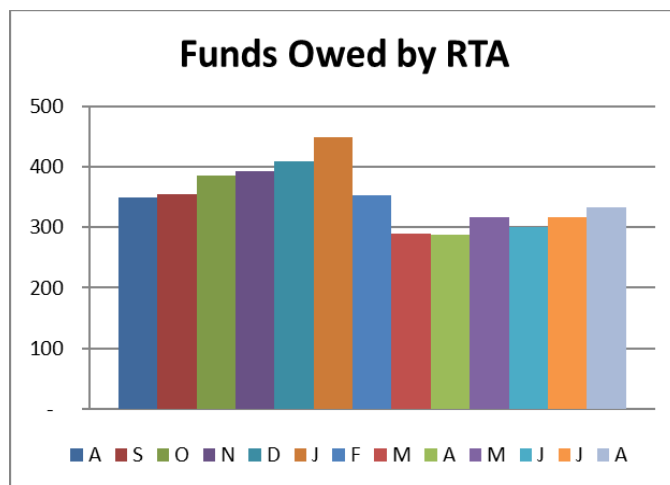
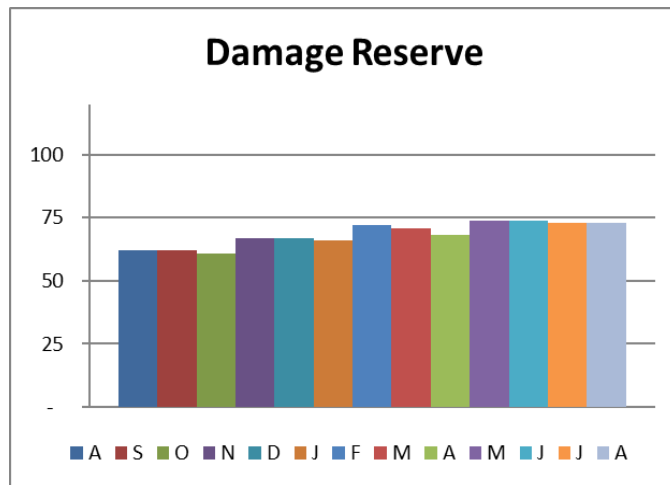
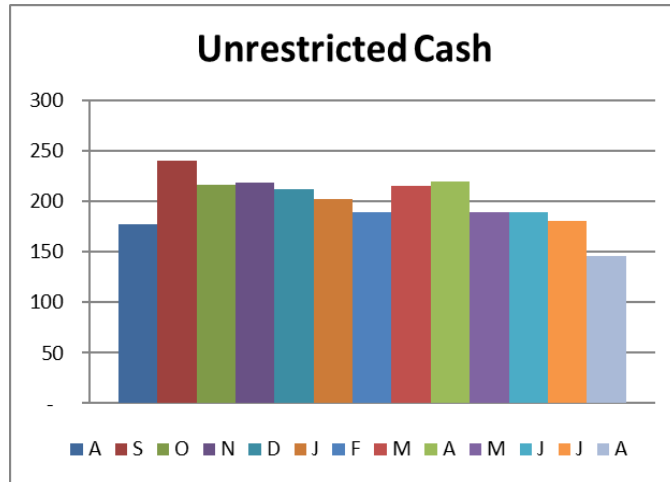
- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 55.48% for the month. This was favorable to budget by 2.94 percentage points for the month. Year-to-date, the recovery ratio was 56.46%, which was favorable to budget by 2.96 percentage points and favorable to the RTA required recovery ratio of 54.75% by 1.71 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.

## VI. Ridership

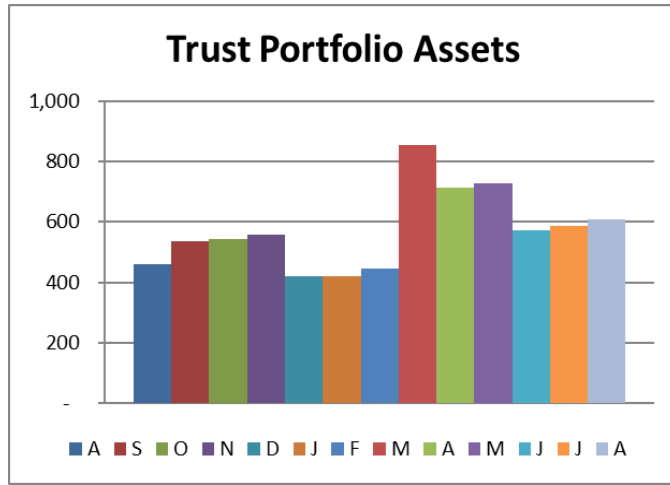
| Category               | Current Month |                  |                               | Full Year      |                |                    |
|------------------------|---------------|------------------|-------------------------------|----------------|----------------|--------------------|
|                        | Actual        | Variance to      | Variance to                   | Actual         | Variance to    | Variance to        |
|                        | Aug-22        | Budget<br>Aug-22 | Prior Year<br>Aug22 vs. Aug21 | 2022           | Budget<br>2022 | Prior Year<br>2021 |
| Bus                    | 12,642        | 797              | 1,692                         | 90,300         | 1,550          | 18,006             |
| Rail                   | 8,143         | (884)            | 1,284                         | 55,894         | (4,556)        | 17,811             |
| Rail to Rail Transfers | 1,506         | 91               | 304                           | 10,507         | 521            | 3,045              |
| <b>Total</b>           | <b>22,291</b> | <b>4</b>         | <b>3,280</b>                  | <b>156,700</b> | <b>(2,485)</b> | <b>38,862</b>      |

- Ridership for the month of August was 22.3 million and was slightly higher than budget and 3.3 million higher than prior year.
- Calendar adjusted ridership was up 15.3% 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 156.7 million and was 2.5 million lower than budget and 38.9 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 32.7% from the prior year-to-date.
- More details on ridership can be found in the August Ridership Report.

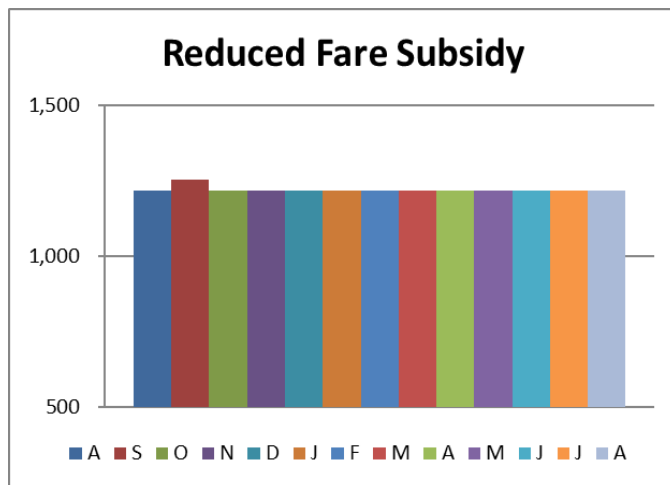
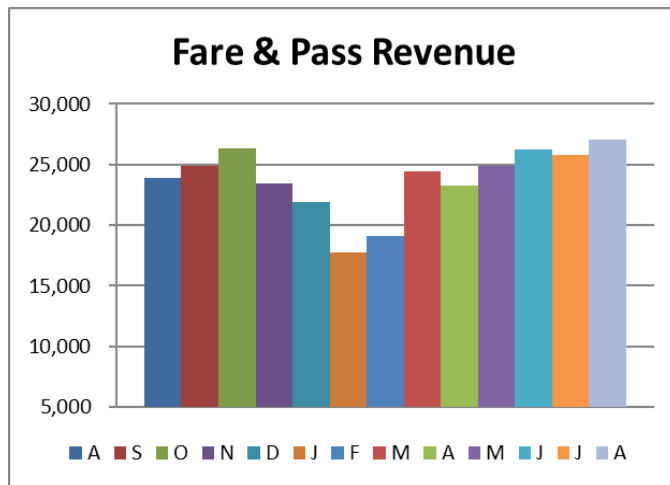
## Cash and Liquidity



Cash & Liquidity Cont'd

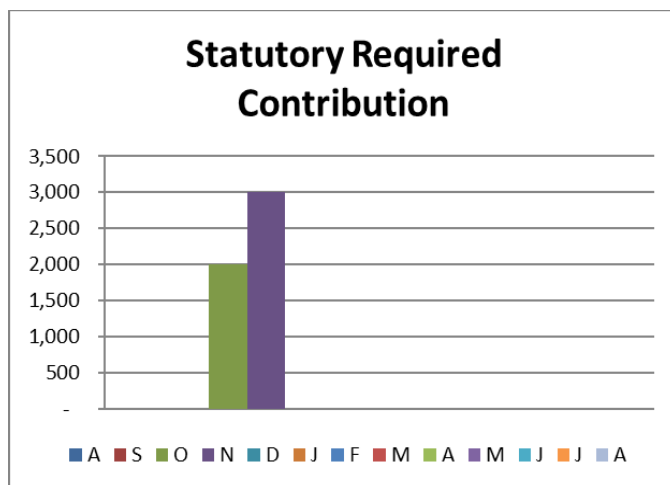
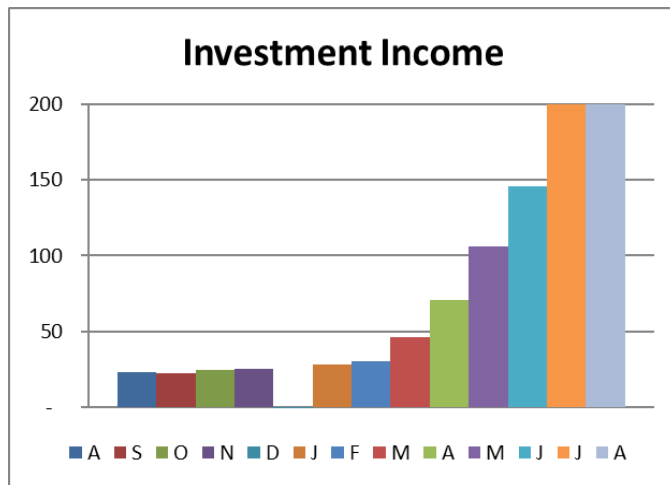
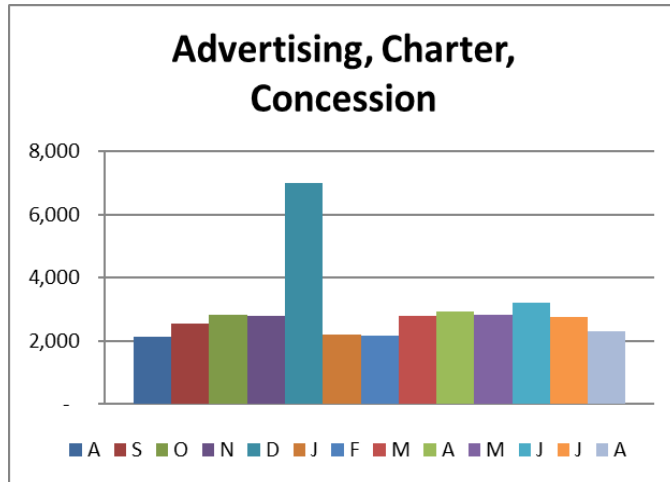


Revenue

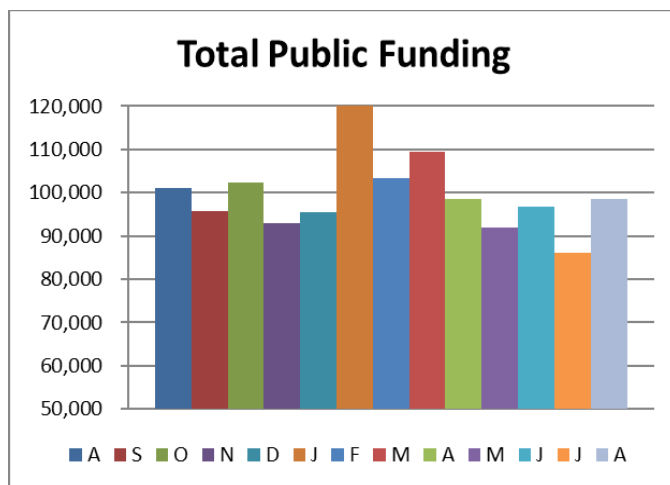
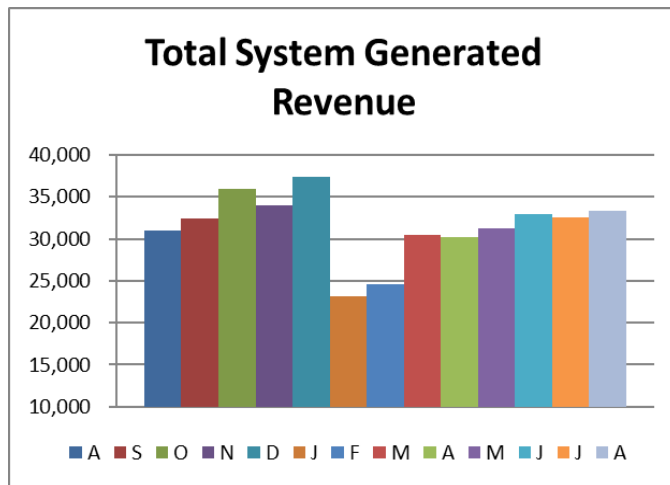
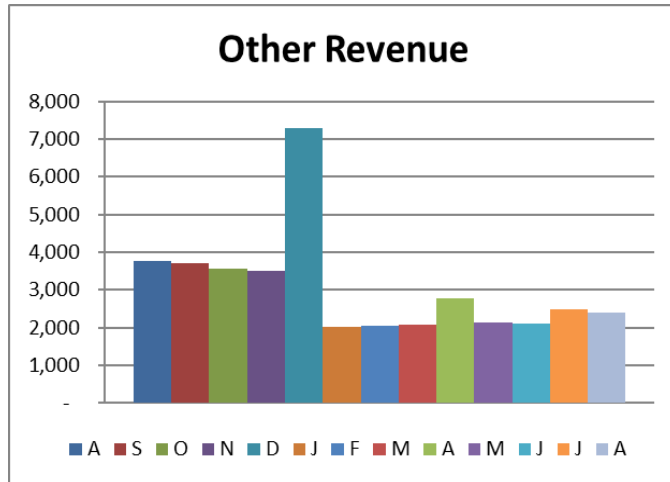




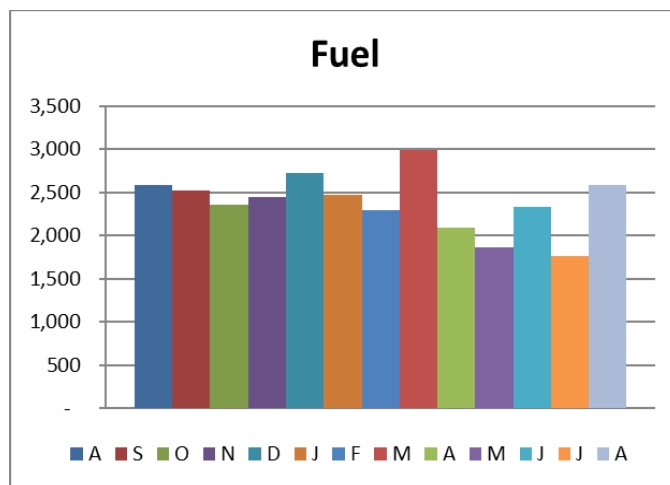
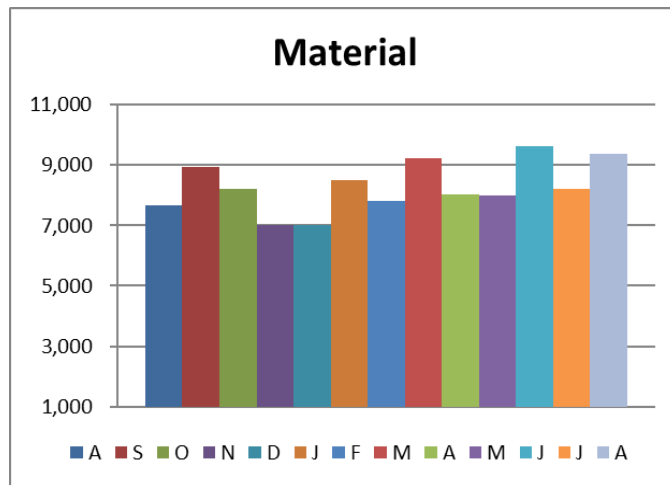
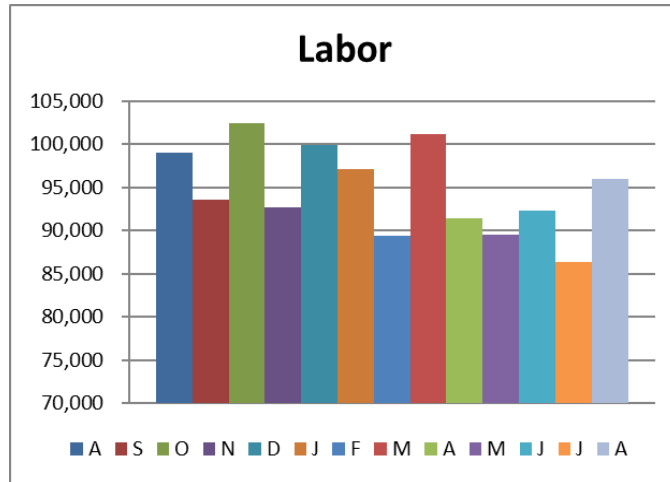
Revenue Cont'd



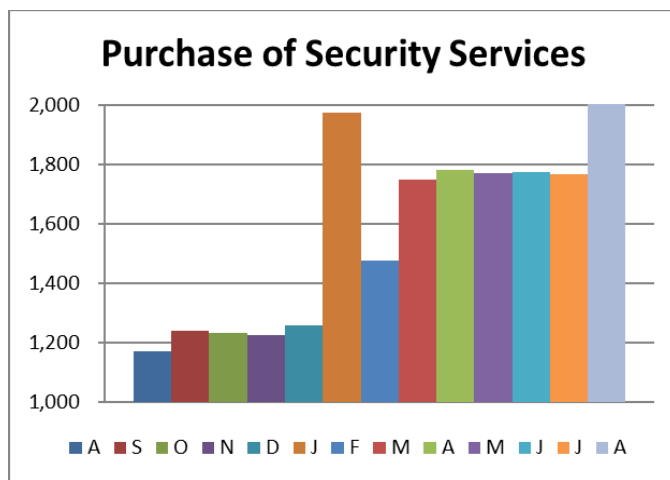
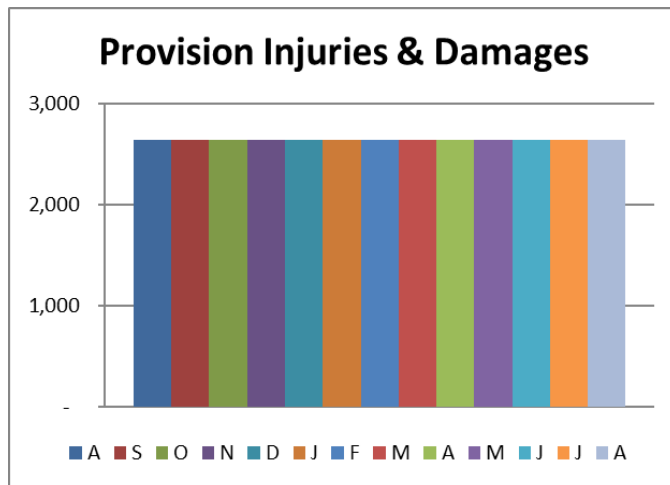
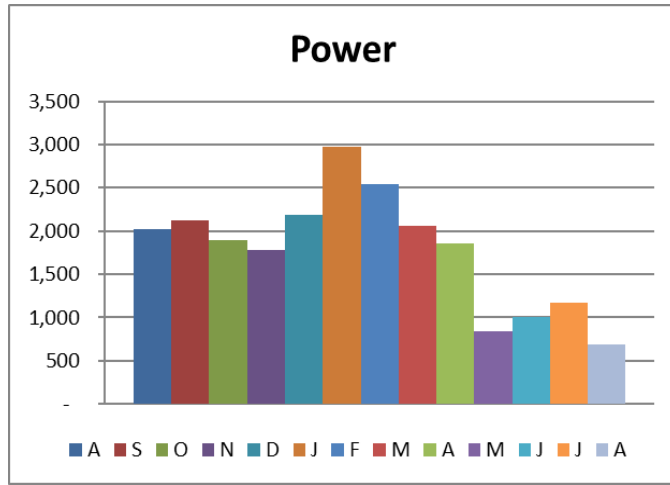
Revenue Cont'd



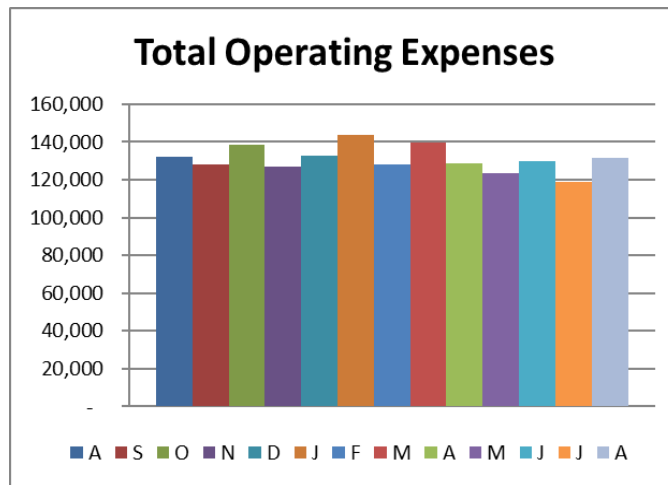
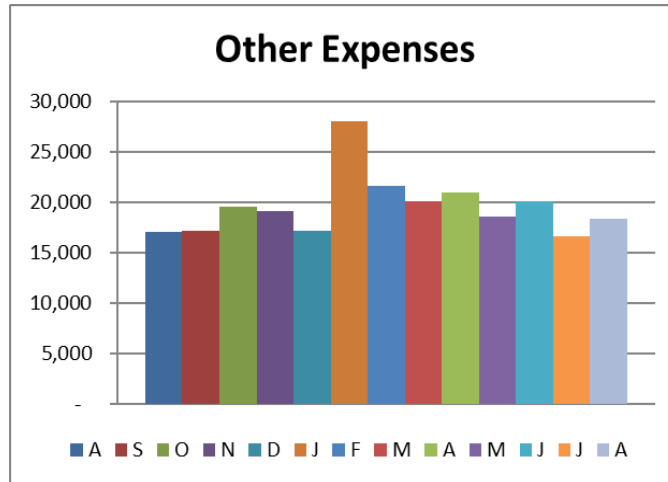
## Expenses



Expenses Cont'd



## Expenses Cont'd



| Cash                   | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Unrestricted Cash      | 177    | 240    | 217    | 219    | 212    | 203    | 190    | 216    | 220    | 189    | 190    | 181    | 146    |
| Damage Reserve         | 62     | 62     | 61     | 67     | 67     | 66     | 72     | 71     | 68     | 74     | 74     | 73     | 73     |
| Funds Owed by RTA      | 350    | 354    | 386    | 392    | 408    | 449    | 353    | 290    | 288    | 317    | 301    | 316    | 333    |
| Trust Portfolio Assets | 461    | 536    | 543    | 557    | 421    | 422    | 446    | 854    | 714    | 728    | 572    | 587    | 609    |

| Revenue                          | Aug-21  | Sep-21 | Oct-21  | Nov-21 | Dec-21 | Jan-22  | Feb-22  | Mar-22  | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 |
|----------------------------------|---------|--------|---------|--------|--------|---------|---------|---------|--------|--------|--------|--------|--------|
| Fare & Pass Revenue              | 23,848  | 24,907 | 26,337  | 23,456 | 21,860 | 17,751  | 19,132  | 24,407  | 23,282 | 24,898 | 26,212 | 25,783 | 27,066 |
| Reduced Fare Subsidy             | 1,217   | 1,255  | 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 | 2,121   | 2,532  | 2,839   | 2,779  | 7,006  | 2,187   | 2,171   | 2,786   | 2,928  | 2,833  | 3,209  | 2,747  | 2,294  |
| Investment Income                | 23      | 22     | 24      | 25     | (7)    | 28      | 30      | 46      | 71     | 106    | 146    | 254    | 325    |
| Statutory Required Contribution  | -       | -      | 2,000   | 3,000  | -      | -       | -       | -       | -      | -      | -      | -      | -      |
| Other Revenue                    | 3,762   | 3,692  | 3,562   | 3,512  | 7,295  | 2,008   | 2,035   | 2,063   | 2,770  | 2,137  | 2,111  | 2,494  | 2,406  |
| Total System Generated Revenue   | 30,972  | 32,408 | 35,979  | 33,989 | 37,372 | 23,191  | 24,585  | 30,519  | 30,268 | 31,191 | 32,895 | 32,494 | 33,308 |
| Total Public Funding             | 101,137 | 95,844 | 102,253 | 92,940 | 95,460 | 120,421 | 103,238 | 109,338 | 98,477 | 91,979 | 96,809 | 86,068 | 98,476 |

| Expenses                      | Aug-21  | Sep-21  | Oct-21  | Nov-21  | Dec-21  | Jan-22  | Feb-22  | Mar-22  | Apr-22  | May-22  | Jun-22  | Jul-22  | Aug-22  |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Labor                         | 99,008  | 93,616  | 102,383 | 92,741  | 99,882  | 97,105  | 89,423  | 101,121 | 91,454  | 89,550  | 92,316  | 86,393  | 96,015  |
| Material                      | 7,682   | 8,927   | 8,225   | 7,001   | 7,020   | 8,491   | 7,829   | 9,227   | 8,013   | 7,991   | 9,610   | 8,197   | 9,369   |
| Fuel                          | 2,586   | 2,523   | 2,362   | 2,439   | 2,720   | 2,467   | 2,298   | 2,991   | 2,097   | 1,867   | 2,334   | 1,760   | 2,579   |
| Power                         | 2,015   | 2,124   | 1,889   | 1,781   | 2,191   | 2,975   | 2,537   | 2,053   | 1,851   | 840     | 1,000   | 1,171   | 691     |
| 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 | 1,171   | 1,242   | 1,233   | 1,227   | 1,258   | 1,974   | 1,478   | 1,747   | 1,782   | 1,771   | 1,775   | 1,767   | 2,150   |
| Other Expenses                | 17,007  | 17,180  | 19,500  | 19,100  | 17,121  | 27,962  | 21,619  | 20,077  | 20,907  | 18,511  | 20,029  | 16,634  | 18,341  |
| Total Operating Expenses      | 132,109 | 128,252 | 138,232 | 126,929 | 132,832 | 143,613 | 127,823 | 139,857 | 128,745 | 123,170 | 129,704 | 118,562 | 131,785 |