



To: Chicago Transit Authority Board
From: Jeremy Fine, Chief Financial Officer
Re: Financial Results for September 2022
Date: November 15, 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 \$6.8 million and \$106.2 million favorable to budget for September 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 \$688.4 million, which is \$29.3 million favorable to budget. CTA has drawn down the full amount of CARES funding of \$817.5 million in addition to \$51.8 million of CRRSAA funding, which is approximately 14.3% of CTA's CRRSAA allocation, \$44.1 million of ARP funding, which is approximately 4.8% of CTA's ARP allocation, and \$2.1 million of ARP Discretionary funding, which is approximately 1.8% of CTA's ARP Discretionary allocation.

Ridership for the month was 23.5 million, which was 0.1 million higher than budget and 2.4 million higher than September 2021. Ridership year-to-date was 2.4 million lower than budget and 41.3 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 September 2022 compared to September 2021.

	September 2022	September 2021	Increase (Decrease)
Unrestricted Cash	\$ 178,807	\$ 240,033	\$ (61,226)
Damage Reserve	73,012	61,507	\$ 11,505
Funds Owed by RTA	342,119	299,766	\$ 42,353
Trust Portfolio Assets	680,027	535,754	\$ 144,273
Total Cash and Receivables	\$ 1,273,965	\$ 1,137,060	\$ 136,905

CTA's total cash/receivables balance was equal to \$1.3 billion. Unrestricted cash was \$61.2 million lower than the prior year due to the timing of cash receipts and invoice payments. The Damage Reserve fund was \$11.5 million higher than last year due to deposits into the fund offset by settlement payments. Funds owed by the RTA were approximately \$342.1 million which was \$42.4 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Fare & Pass Revenue	\$ 27,555	\$ 606	\$ 2,648	\$ 216,086	\$ 2,711	\$ 44,875

- Fare and pass revenue for September was \$0.6 million favorable to budget due to higher than expected full fare revenue on rail. It was \$2.6 million favorable to prior year due to higher ridership. The average fare for the month was \$1.17 per ride and was \$0.02 higher than budget and \$0.01 lower than the prior year.
- Year-to-date fare and pass revenue was \$2.7 million favorable to budget due to higher than expected fare revenue. It was \$44.9 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Reduced Fare Subsidy	\$ 1,217	\$ -	\$ (38)	\$ 10,954	\$ -	\$ (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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Advertising, Charter, Concession	\$ 2,493	\$ 159	\$ (38)	\$ 23,648	\$ 3,279	\$ 9,584

- Advertising, Charter and Concessions Revenue was \$0.2 million and \$3.3 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Investment income	\$ 359	\$ 318	\$ 337	\$ 1,365	\$ 1,009	\$ 1,146

- Investment income was \$0.3 million and \$1.0 million higher than budget for the month and the year-to-date, respectively. It was \$1.1 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Other Revenue	\$ 2,729	\$ 103	\$ (963)	\$ 20,753	\$ 140	\$ (5,222)

- Other Revenue was \$0.1 million favorable to budget for the month due to higher than expected movie generated and parking revenues. It was slightly higher than budget for the year-to-date due to higher than expected parking revenue. Other revenue was \$1.0 million unfavorable to September 2021 and \$5.2 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Total System Generated Revenue	\$ 34,354	\$ 1,186	\$ 1,946	\$ 272,807	\$ 7,140	\$ 50,345

- Total System-Generated Revenue was \$1.2 million and \$7.1 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 \$1.9 million higher than September 2021 due to higher fare and pass revenues and \$50.3 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Labor	\$ 95,722	\$ 7,688	\$ (2,106)	\$ 839,099	\$ 69,209	\$ 21,405

- Labor expense was \$7.7 million favorable to budget for the month and \$69.2 million favorable for the year-to-date due to lower than anticipated labor costs. Labor expense was \$2.1 million unfavorable to September 2021 and \$21.4 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Material	\$ 8,604	\$ 599	\$ 323	\$ 77,332	\$ (1,412)	\$ (9,079)

- Material expense was \$0.6 million favorable to budget for the month and \$1.4 million unfavorable year-to-date due to the timing of vehicle parts usage. Material expense was \$0.3 million favorable to September 2021 due to the timing of vehicle part usage. It was \$9.1 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Fuel	\$ 2,248	\$ 518	\$ 275	\$ 20,641	\$ 4,548	\$ 2,616

- Fuel for Revenue Equipment expense was \$0.5 million favorable to budget in September and \$4.5 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Power	\$ 998	\$ 1,919	\$ 1,126	\$ 14,116	\$ 10,814	\$ 5,129

- The Electric Power for Revenue Equipment expense was \$1.9 million favorable to budget for the month and \$10.8 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 \$5.1 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Provision for Injuries & Damages	\$ 2,640	\$ -	\$ -	\$ 23,760	\$ -	\$ -

- 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Purchase of Security Services	\$ 2,243	\$ (54)	\$ (1,001)	\$ 16,687	\$ 1,646	\$ (4,725)

- Purchase of Security Services was \$0.1 million unfavorable to budget for the month and \$1.0 million unfavorable to September 2021 due to the timing of invoices and an increase in private security services. Year-to-date, expenses were \$1.6 million favorable to budget and \$4.7 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Other Expenses	\$ 26,351	\$ (5,064)	\$ (9,171)	\$ 190,431	\$ 14,280	\$ (10,046)

- Other expenses were \$5.1 million unfavorable to budget for the month and \$14.3 million favorable to budget for the year-to-date due to the timing of contractual services invoices. Other expenses year-to-date were \$10.0 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Total Operating Expenses	\$ 138,807	\$ 5,606	\$ (10,555)	\$ 1,182,066	\$ 99,086	\$ 5,300

- Operating Expenses were \$5.6 million favorable to budget for the month primarily due to lower than anticipated labor 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
	Sep-22	Budget Sep-22	Prior Year Sep22 vs. Sep21	2022	Budget 2022	Prior Year 2021
Recovery Ratio	48.91%	(2.44)		55.57%	2.32	

- Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 48.91% for the month. This was unfavorable to budget by 2.44 percentage points for the month. Year-to-date, the recovery ratio was 55.57%, which was favorable to budget by 2.32 percentage points and favorable to the RTA required recovery ratio of 54.75% by 0.82 percentage points. The RTA is including the Federal stimulus funds under the CARES, CRRSAA, and ARP Acts as replacement fare revenues for recovery ratio

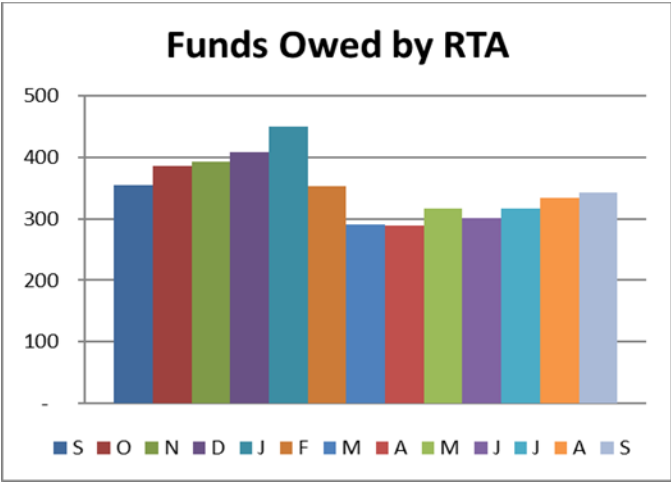
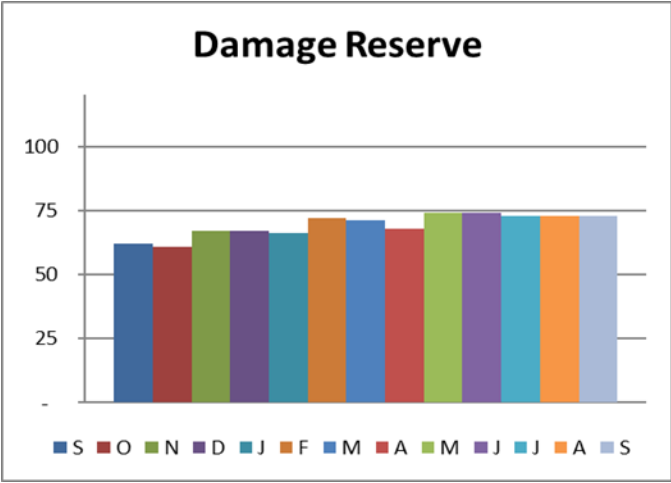
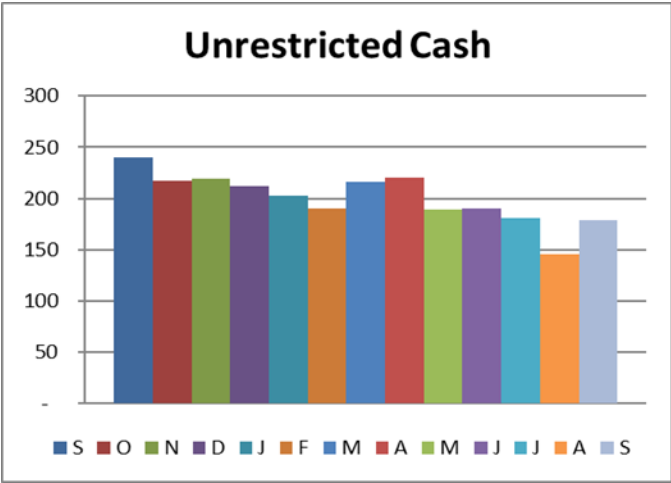
purposes. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic.

VI. Ridership

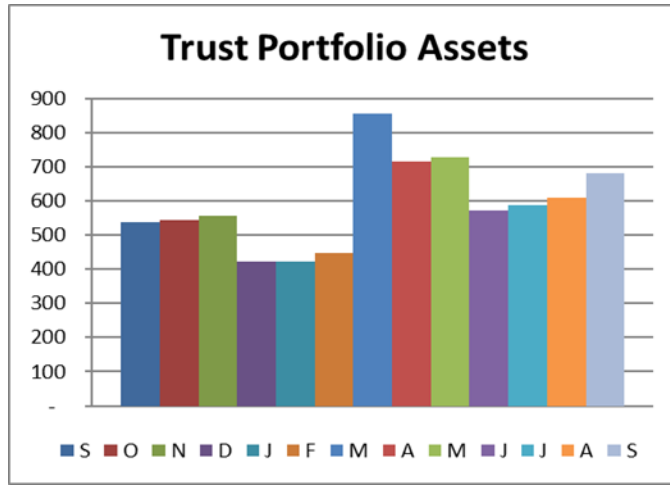
Category	Current Month			Full Year		
	Actual Sep-22	Variance to Budget Sep-22	Variance to Prior Year Sep22 vs. Sep21	Actual 2022	Variance to Budget 2022	Variance to Prior Year 2021
Bus	13,266	520	1,208	103,566	2,070	19,214
Rail	8,644	(677)	963	64,538	(5,233)	18,774
Rail to Rail Transfers	1,557	273	249	12,063	793	3,294
Total	23,467	116	2,420	180,167	(2,370)	41,282

- Ridership for the month of September was 23.5 million and was 0.1 million higher than budget and 2.4 million higher than prior year.
- Calendar adjusted ridership was up 11.3% 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 180.2 million and was 2.4 million lower than budget and 41.3 million higher than the prior year-to-date.
- Calendar adjusted ridership was up 29.5% from the prior year-to-date.
- More details on ridership can be found in the September Ridership Report.

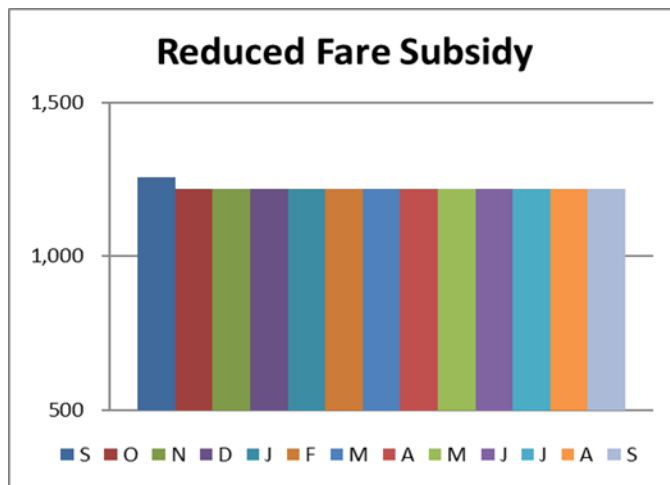
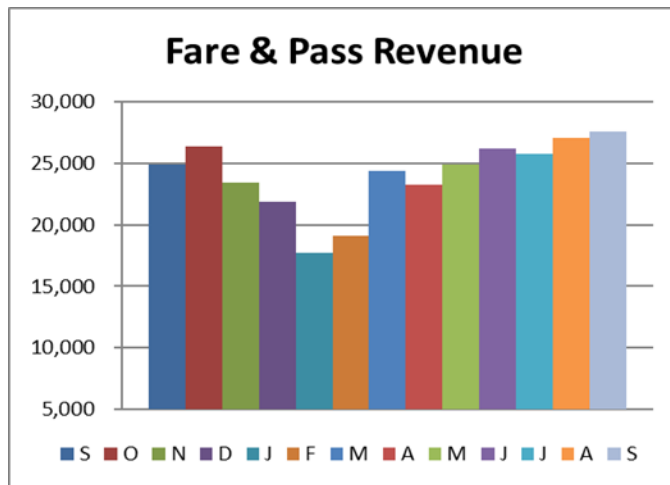
Cash & Liquidity



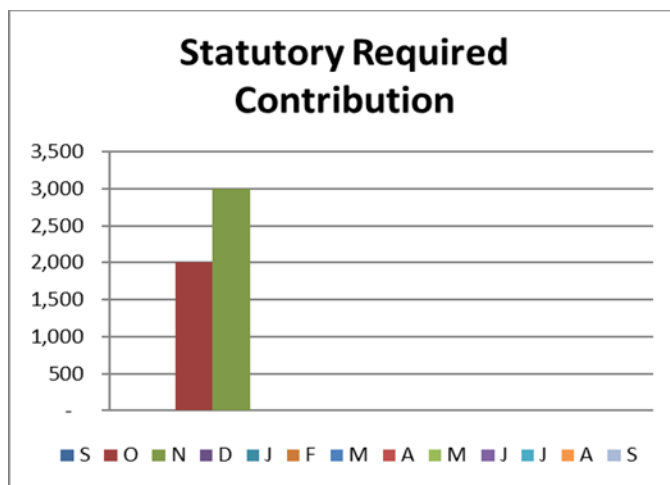
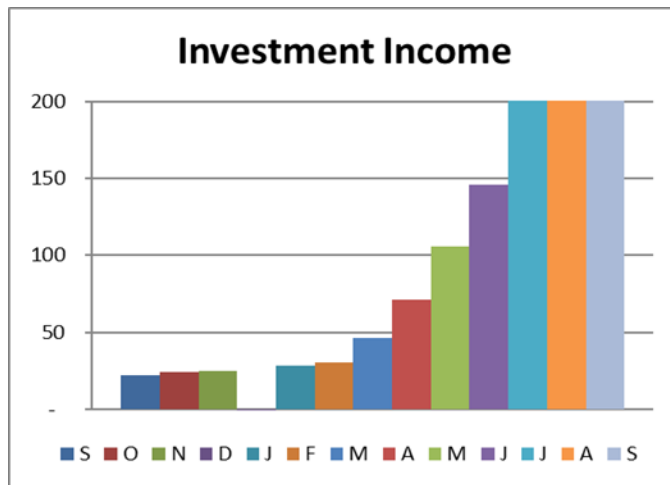
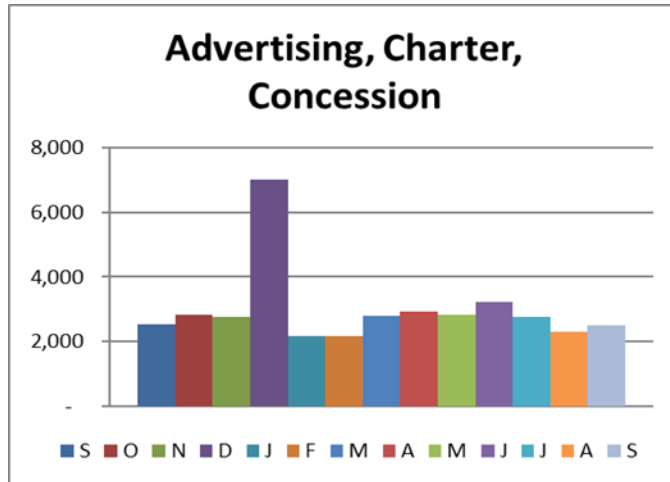
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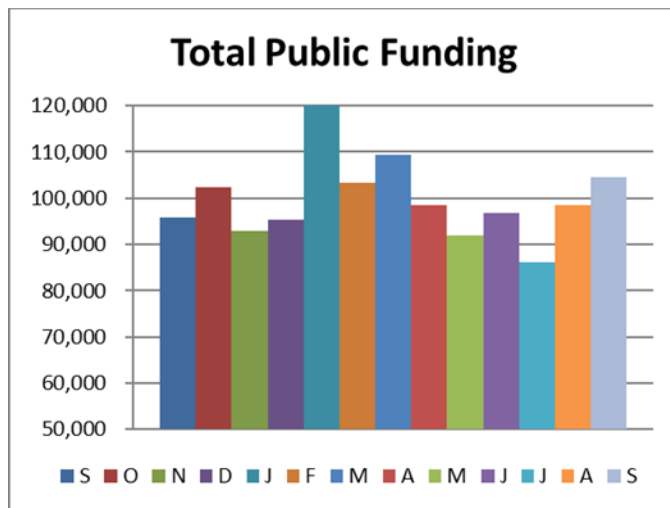
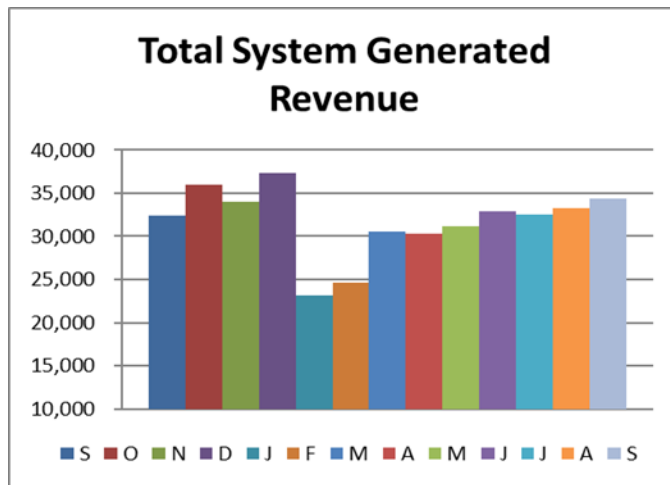
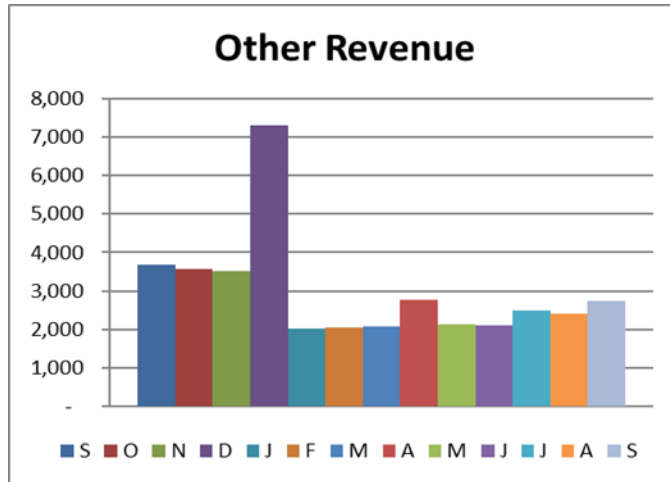
Revenue



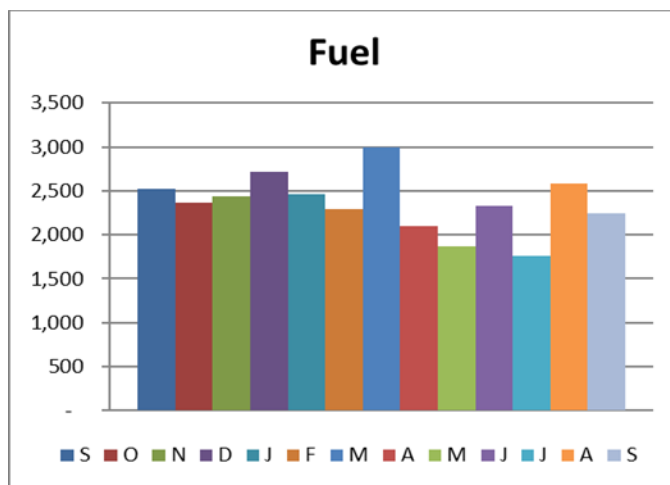
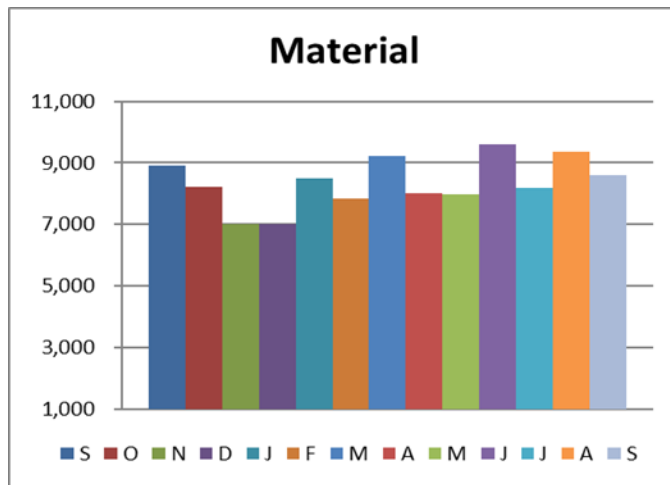
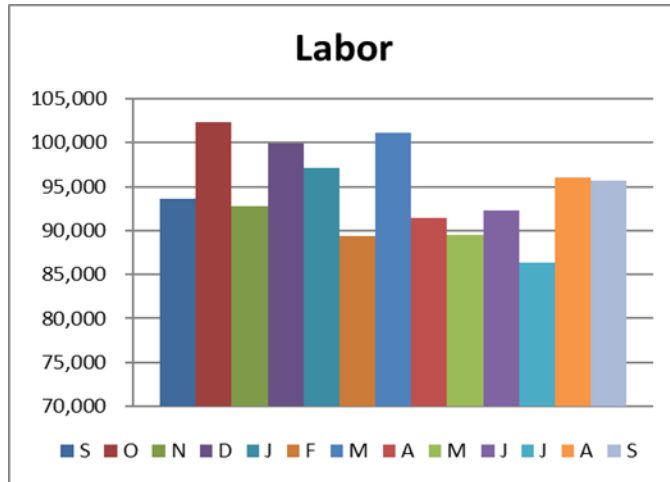
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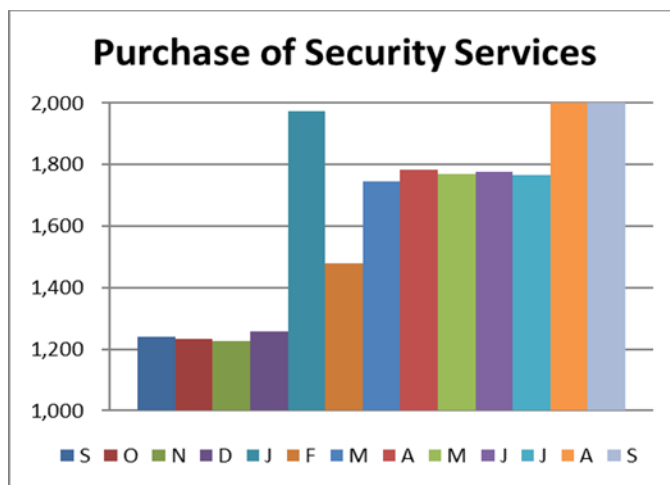
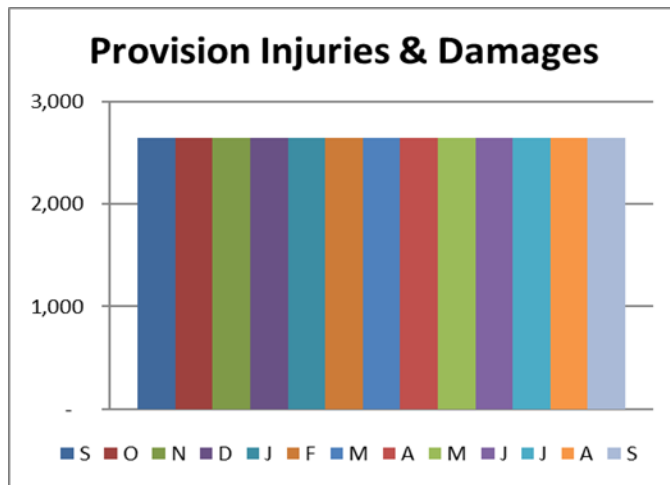
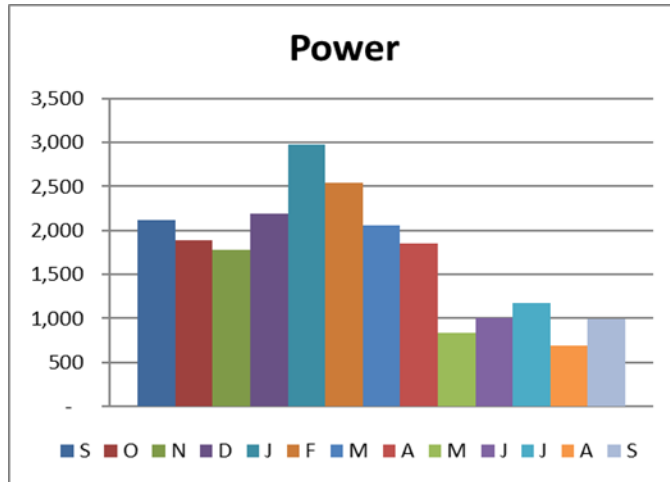
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Expenses



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Expenses Cont'd

