



To: Chicago Transit Authority Board
From: Karen Walker, Chief Financial Officer
Re: Financial Results for September 2012
Date: November 14, 2012

CTA's financial results show a deficit for the month of \$5.4 million and a surplus for the year to date of \$7.8 million. The deficit for the month is primarily due to unfavorable variances in the labor expense and farebox revenue. The surplus for the year to date is primarily due to higher than anticipated pass and other revenue. Ridership for the month was 46.3 million and was on par with budget. Year to date ridership was 409.3 million and was 8.2 million more than budget.

The chart below highlights CTA's key working capital results at September 2012 compared to September 2011 and year end 2011.

	September 2012	September 2011	Increase (Decrease)	Dec 2011
Working Cash	\$ 102.1	\$ 155.0	\$ (52.9)	\$ 122.5
Damage Reserve Cash	123.6	105.5	18.1	108.0
Inventory	56.6	60.2	(3.6)	58.5
Funds owed by RTA	237.8	174.7	63.1	229.0
Funds CTA owes (accounts payable)	7.2	30.3	(23.1)	8.4

CTA's working cash balance continues to be below the target of three months' operating expense. Working cash was \$52.9 million less than the prior year. Funds owed by the RTA was approximately \$237.8 million which was \$63.1 million more than the prior year. CTA inventories have decreased by \$3.6 million from the prior year due to changes made to min/max levels. Funds CTA owes to creditors was \$7.2 million and was \$23.1 million less than prior year.

Ridership for the month of September was 46.3 million and was on par with budget for the month and was 0.8 million less than prior year. Bus ridership for the month of September was 26.5 million, which was 0.2 million or 0.8% less than budget and 0.9 million or 3.2% less than prior year. Rail ridership for September was 19.8 million, which was 0.2 million more than budget and 0.1 million more than prior year. For the month of September 2012, average weekday ridership increased 0.92% from September 2011, average Saturday ridership increased 5.44% and average Sunday ridership increased 5.33%.

Ridership for the year to date was 409.3 million and was 8.2 million more than budget and 11.9 million more than prior year. Bus ridership for the year to date was 235.8 million, which was 3.9 million or 1.7% more than budget and prior year. Rail ridership for the year to date was 173.5

million which was 4.3 million more than budget and 8.0 million more than 2011. For the full year of 2012, average weekday ridership increased 2.60% from 2011, average Saturday ridership increased 4.25% and average Sunday ridership increased 4.61%.

Free rides totaled 6.5 million for the month and 51.7 million for the year. This was 0.9 million more than September 2011 and 3.9 million less for the year to date. Free rides for seniors went into effect on March 17, 2008. In September 2011, the free ride program for seniors was modified to subject the participants to a means test. Under the new program, seniors who do not qualify to ride free pay a reduced fare. The majority of free rides occurred on the bus system. Bus accounts for 5.4 million of the total free rides for the month while rail was 1.1 million.

Public Funding Required for Operations for the month and the year was \$49.4 million and \$472.4 million, respectively. Public Funding Required for Operations was unfavorable to budget for the month by \$5.4 million and was favorable to budget by \$7.8 million for the year.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 63.0% for the month and 61.31% for the year. This was unfavorable to budget by 4.66 percentage points for the month and favorable by 1.49 percentage points for the year to date.

Operating Expenses for the month and year equaled \$101.8 million and \$952.8 million, respectively. For the month, operating expenses were \$2.8 million more than budget, due to labor expenses. For the year to date period, operating expenses were \$5.9 million unfavorable to budget primarily due to labor and other expenses.

Labor Expense was \$74.2 million for the month of September and was \$2.5 million more than budget. Labor expense for the year to date equaled \$690.3 million and was unfavorable to budget by \$4.0 million.

Material Expense was \$5.7 million for the month and was unfavorable to budget by \$0.3 million. Material expense for the year to date equaled \$53.1 million and was \$1.0 million over budget.

Fuel for Revenue Equipment was \$4.9 million for the month and was \$0.7 million less than budget for the month. Fuel expense was \$46.8 million for the year to date and was \$2.7 million less than budget. Year to date fuel expense was \$4.0 million more than the prior year due to price increases. The gross price paid per gallon for the month was \$3.41. The fuel swap decreased the price by \$0.08 bringing the net cost per gallon to \$3.33 for the month of September.

Electric Power for Revenue Equipment was \$2.4 million for the month and \$17.8 million for the year. Power expense was unfavorable to budget for the month and year to date by \$0.8 million and \$0.4 million, respectively.

Provision for Injuries and Damages Expense was \$1.4 million for the month and \$19.8 million for the year to date and was on par with budget.

Purchase of Security Services was \$2.9 million for the month and was \$0.2 million favorable to budget. Year to date security expense was \$26.6 million and was \$1.0 million less than budget.

Other Expenses equaled \$10.3 million for the month and was \$0.1 million unfavorable to budget. Year to date other expense was \$98.4 million and was \$4.2 million more than budget due to higher expenses than anticipated in the budget associated with a non-capital security grant.

System-Generated Revenue was \$52.3 million for the month and was \$2.5 million less than budget. Year to date System-Generated Revenue was \$480.4 million and was \$13.7 million more than budget. The favorable variance for the year to date was primarily due to higher than anticipated pass and other revenue.

Fare and pass revenue was \$44.8 million for the month and \$3.5 million less than budget. For the month, the average fare was \$0.97 and was \$0.07 less than budget. Year to date fare and pass revenue was \$412.8 million and was \$3.5 million more than budget. The average fare for the year to date was \$1.01 per ride and was \$0.01 less than budget. Compared to the prior year to date, fare and pass revenue was \$17.9 million more than the 2011 year to date. The increase over the prior year to date was due to both a higher average fare and an increase in ridership.

Reduced Fare Subsidy was \$2.3 million for the month and was on par with budget. For the year to date the reduced fare subsidy was \$20.8 million and was \$0.2 million less than budget.

Advertising, Charter and Concessions Revenue equaled \$2.2 million for the month and was \$0.4 million favorable to budget. Year to date advertising, charter and concessions was \$17.0 million and was \$1.0 million more than budget.

Investment Income was \$35,000 for the month and \$351,000 for the year to date period. This was \$32,000 lower than budget for the month and was \$172,000 less than budget for the year to date.

Statutory Required Contributions were \$0.0 million for the month and year. This was on par with budget for the month and year.

All Other Revenue was \$2.9 million for the month and \$29.5 million for the year to date period. This was \$0.5 million more than budget for the month and was \$9.6 million more than budget for the year to date period, due to the receipt of a non-capital security grant that was not anticipated.