



To: Chicago Transit Authority Board  
From: Karen Walker, Chief Financial Officer  
Re: Financial Results for February 2011  
Date: April 15, 2011

---

CTA's financial results show a surplus for the month of February of \$2.4 million and \$3.9 million for the first two months of 2011. The surplus for the month and year to date period is primarily due to lower operating expenses than anticipated in the budget. Ridership for the month of February was 38.7 million and was 2.7 million less than budget. On February 2, 2011, the Chicagoland area was impacted by blizzard conditions that resulted in more than 20 inches of snow accumulation. The 2011 blizzard negatively impacted ridership and revenue on both bus and rail.

The chart below highlights CTA's key working capital results at year end compared to year end 2010.

	<b>Feb 2011</b>	<b>Feb 2010</b>	<b>Increase (Decrease)</b>	<b>Dec 2010</b>
Working Cash	\$ 129.3	\$ 57.1	\$ 72.2	\$ 138.5
Damage Reserve Cash	104.0	88.3	15.7	102.4
Inventory	62.8	88.4	(25.6)	63.5
Funds owed by RTA	184.8	227.6	(42.8)	139.5
Funds owed by State of Illinois	-	0.5	(0.5)	-
Funds CTA owes (accounts payable)	20.5	20.1	0.4	20.1

CTA's working cash balance continues to be below the target of three months' operating expense. Working cash is \$72.2 million more than the prior year. Funds owed to CTA by the RTA and the state is approximately \$184.8 million which is \$42.8 million less than the prior year. CTA inventories have decreased by \$25.6 million from the prior year due to changes made to min/max levels and an increase in the reserve for

obsolescence. Funds CTA owes to creditors is \$20.5 million and is slightly more than prior year.

Ridership for the month of February was 38.7 million and was 2.7 million less than budget and was 0.9 million lower than prior year. Bus ridership for the month of February was 22.8 million. This was 1.8 million or 7.4% less than budget and was 1.3 million or 5.4% less than February 2010. Rail ridership for February was 15.8 million and was 0.9 million less than budget and was 0.4 million or 2.5% more than February 2010.

Ridership for the year was 79.3 million and was 3.8 million less than budget and was 0.7 million less than prior year. Bus ridership was 2.0 million less than the prior year to date while rail ridership was 1.3 million higher. For the full year of 2011, average weekday ridership increased 0.07% from 2010, average Saturday and Sunday ridership decreased 8.1% and 0.48%, respectively.

Free rides totaled 5.1 million for the month and 10.8 million for the year; this is 0.4 million less than February 2010. Free rides for seniors went into effect on March 17, 2008. The majority of free rides occurred on the bus system. Bus accounts for 4.2 million of the total free rides for the month while rail is 0.9 million.

Public Funding Required for Operations for the month and the year was \$55.6 million and \$118.8 million, respectively and was favorable to budget by \$2.4 million and \$3.9 million, respectively.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 54.54% for the month and 52.84% for the year. This was favorable to budget by 0.07 percentage points for the month and 0.12 percentage points for the year to date.

Operating Expenses for the month and year equaled \$100.9 million and \$210.9 million, respectively. For the current month, operating expenses were \$4.9 million or 4.7% less than budget. All expense categories were less than or equal to budget. For the year to date period, operating expenses were \$8.0 million lower than budget with all categories of expense favorable to budget.

Labor Expense was \$70.2 million for the month of February and was \$1.2 million less than budget due to delayed hiring, unfilled vacancies, and higher charges to capital jobs. Labor expense for the first two months of 2011 equaled \$146.1 million and was favorable to budget by \$2.2 million.

Material Expense was \$6.0 million for the month and was under budget by \$0.5 million or 7.8%. Material expense for the first two months of 2011 equaled \$12.0 million and was favorable to budget by \$1.2 million.

Fuel for Revenue Equipment was \$4.0 million for the month and was \$0.2 million less than budget and was \$0.4 million less than budget for the first two months of 2011.

Compared to the prior year to date, fuel is on par with 2010 due to favorable results from the fuel hedge program. The gross average price paid per gallon for the month was \$3.20. The fuel swap decreased the average price by \$0.42 bringing the net cost per gallon to \$2.78 for the month of February 2011. The budget assumed an average price of \$3.04 per gallon.

Electric Power for Revenue Equipment was \$2.2 million for the month and \$5.8 million for the year. Power expense was \$0.5 million less than budget for the month and year to date. Compared to the prior year to date, power cost was \$0.6 million lower due to the negotiated electric supply contract.

Provision for Injuries and Damages Expense was \$1.3 million for the month and \$2.5 million for the year to date period and is on par with budget.

Purchase of Security Services was \$2.6 million for the month and was \$0.3 million less than budget. Year to date security expense is \$5.3 million and was \$0.3 million less than budget.

Other Expenses equaled \$14.8 million for the month and were \$2.3 million less than budget. Year to date other expense was \$30.8 million and was \$3.4 million less than budget due to timing differences between actual and budget.

System-Generated Revenue was \$45.3 million for the month and was \$2.5 million less than budget for the month. Year to date System-Generated Revenue was \$92.1 million and was \$4.1 million less than budget. The unfavorable variance was primarily due to lower than anticipated farebox and pass revenues.

Fare Revenue was \$38.2 million for the month and was \$3.0 million less than budget. On February 2, 2011, the Chicagoland area was impacted by blizzard conditions that resulted in more than 20 inches of snow accumulation. The 2011 blizzard negatively impacted ridership and revenue system-wide. Year to date fare revenue was \$79.1 million and was \$3.8 million less than budget primarily due to lower ridership. The average fare for the first two months was \$1.00 per ride and was on par with budget.

Reduced Fare Reimbursements were \$2.3 million for the month and \$4.7 million for the first two months.

Advertising, Charter and Concessions Revenue equaled \$2.1 million in February and \$3.2 million for the first two months. This was \$0.5 million more than budget for the month and \$0.1 million more than budget for the year.

Investment Income was \$32,000 for the month and \$78,000 for the year to date period. This was lower than budget for the current month and the year to date period due to lower than anticipated cash and cash equivalent balances and investment rates.

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

All Other Revenue was \$2.7 million for the month and \$5.1 million for the year to date period. This was on par with budget for the month and was \$0.3 million less than budget for the year to date period.