



To: Chicago Transit Authority Board
From: Karen Walker, Chief Financial Officer
Re: Financial Results for January 2012
Date: March 8, 2012

CTA's financial results show a surplus for the month of January of \$3.8 million. The surplus for the month is primarily due to operating expenses that were less than the amount anticipated in the budget and farebox revenue exceeding budget. Ridership for the month was 42.4 million and was 1.5 million more than budget.

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

	Jan 2012	Jan 2011	Increase (Decrease)	Dec 2011
Working Cash	\$ 135.3	\$ 139.8	\$ (4.5)	\$ 122.5
Damage Reserve Cash	109.5	103.3	6.2	108.0
Inventory	57.4	63.4	(6.0)	58.5
Funds owed by RTA	207.6	205.8	1.8	207.1
Funds CTA owes (accounts payable)	22.8	21.7	1.1	8.4

CTA's working cash balance continues to be below the target of three months' operating expense. Working cash was \$4.5 million less than the prior year. Funds owed by the RTA was approximately \$207.6 million which was \$1.8 million more than the prior year. CTA inventories have decreased by \$6.0 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 was \$22.8 million and was \$1.1 million more than prior year.

Ridership for the month of January was 42.4 million and was 1.5 million and 1.8 million more than budget and prior year, respectively. Bus ridership for the month of January was 24.7 million, which was 0.4 million or 1.6% more than budget and 0.3 million or 1.3% more than January 2011. Rail ridership for January was 17.8 million, which was 1.1 million more than budget and 1.5 million or 9.0% more than January 2011. For the month of January 2012, average weekday ridership increased 3.55% from January 2011, average Saturday ridership increased 6.78% and average Sunday ridership increased 9.58%.

Free rides totaled 4.9 million for the month and was 0.7 million less than January 2011. Free rides for seniors went into effect on March 17, 2008. In 2011, the free ride program for seniors was modified to subject participants to a means test. Under the new program, seniors who do not qualify to ride free pay a reduced fare. This modified program took effect September 12,

2011. The majority of free rides occurred on the bus system. Bus accounts for 4.0 million of the total free rides for the month while rail was 0.9 million.

Public Funding Required for Operations was \$57.7 million for the month. Public Funding Required for Operations was favorable to budget for the month by \$3.8 million. This \$3.8 million budget surplus for the month was primarily due to lower labor expense than anticipated in the budget and higher farebox revenue.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 55.56% for the month and was favorable to budget by 2.95 percentage points.

Operating Expenses for the month equaled \$107.1 million and were \$2.2 million or 2.0% less than budget.

Labor Expense was \$76.3 million for the month of January and was \$2.3 million less than budget.

Material Expense was \$6.3 million for the month and was over budget by \$0.3 million.

Fuel for Revenue Equipment was \$4.7 million for the month and was \$0.6 million less than budget. The gross price paid per gallon for the month was \$3.15. The fuel swap decreased the price by \$0.03 bringing the net cost per gallon to \$3.12 for the month of January 2012.

Electric Power for Revenue Equipment was \$3.0 million for the month and was on par with budget.

Provision for Injuries and Damages Expense was \$2.6 million for the month and was on par with budget.

Purchase of Security Services was \$2.9 million for the month and was favorable to budget by \$0.2 million.

Other Expenses equaled \$11.3 million for the month and were \$0.5 million more than budget due to timing differences.

System-Generated Revenue was \$49.4 million for the month and was \$1.6 million more than budget. The favorable variance for the year to date was primarily due to higher than anticipated farebox revenue.

Fare and pass revenue was \$43.1 million for the month and \$1.2 million more than budget. For the month, the average fare was \$1.02, which was on budget.

Reduced Fare Subsidy was \$2.3 million for the month and was on par with budget.

Advertising, Charter and Concessions Revenue equaled \$1.5 million for January 2012 and was \$0.1 million unfavorable to budget.

Investment Income was \$43,000 for the month. This was \$45,000 less than budget.

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

All Other Revenue was \$2.5 million for the month and was \$0.6 million more than budget due to non-capital grants.