



To: Chicago Transit Authority Board  
From: Karen Walker, Chief Financial Officer  
Re: Financial Results for January 2011  
Date: March 9, 2011

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CTA's financial results show a surplus for the month of January of \$1.5 million. The surplus for the month is primarily due to lower operating expenses than anticipated in the budget. Ridership for the month of January was 40.7 million and was 1.1 million less than budget.

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

	Jan 2011	Jan 2010	Increase (Decrease)	Dec 2010
Working Cash	\$ 139.8	\$ 33.6	\$ 106.2	\$138.5
Damage Reserve Cash	103.3	86.8	16.5	102.4
Inventory	63.4	91.8	(28.4)	63.5
Funds owed by RTA	149.2	233.7	(84.5)	139.5
Funds owed by State of Illinois	-	0.1	(0.1)	-
Funds CTA owes (accounts payable)	21.7	18.0	3.7	20.1

CTA's working cash balance continues to be below the target of three months' operating expense. Working cash is \$106.2 million more than the prior year. Funds owed to CTA by the RTA and the state is approximately \$149.2 million which is \$84.5 million less than the prior year. CTA inventories have decreased by \$28.4 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 \$3.7 million more than prior year.

Ridership for the month of January was 40.7 million and was 1.1 million less than budget and was 0.2 million higher than prior year. Bus ridership for the month of

January was 24.4 million. This was 0.9 million or 3.4% less than budget and was 0.7 million or 2.9% less than January 2010. Rail ridership for January was 16.3 million and was 0.3 million or 1.7% less than budget and 0.9 million or 6.0% more than January 2010.

Public Funding Required for Operations for the month and the year was \$63.2 million and was \$1.5 million less than budget.

Free rides totaled 5.7 million for the month and the year; or 0.1 million more than January 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 4.6 million of the total free rides for the month while rail is 1.1 million.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 51.29% for the month and the year and was favorable by 0.20 percentage points.

Operating Expenses for the month and year equaled \$110.0 million and were \$3.1 million or 2.7% less than budget.

Labor Expense was \$76.0 million for the month of January and was \$1.0 million less than budget due to delayed hiring, unfilled vacancies, less overtime than anticipated in the budget and higher charges to capital jobs. Labor expense is \$4.4 million or 6.2% less than prior year.

Material Expense was \$6.0 million for the month and was \$0.7 million or 9.9% less than budget. Material expense is 10.5% less than prior year.

Fuel for Revenue Equipment was \$4.3 million for the month and was \$0.2 million less than budget.

Electric Power for Revenue Equipment was \$3.6 million for the month and was on par with budget.

Provision for Injuries and Damages Expense was \$1.3 million for the month and is on par with budget.

Purchase of Security Services was \$2.8 million for the month and was on par with budget.

Other Expenses equaled \$16.0 million for the month and were \$1.1 million less than budget due to timing differences between actual and budget.

System-Generated Revenue was \$46.8 million for the month and was \$1.6 million less than budget. The unfavorable variance is primarily due to lower than anticipated revenue for farebox revenue. All revenue categories were unfavorable to budget for the month, except for pass revenue.

Fare and pass revenue was \$40.9 million for the month and was \$0.8 million less than budget, but \$1.8 million more than prior year. The average fare for the month was \$1.01 per ride and was \$0.01 more than budget.

Reduced Fare Reimbursements were \$2.3 million for the month and on par with budget.

Advertising, Charter and Concessions Revenue equaled \$1.1 million in January and was \$0.4 million less than budget.

Investment Income was \$46,000 for the month and was \$25,000 less than budget due to a lower cash balances and investment rates.

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

All Other Revenue was \$2.4 million for the month and was \$0.3 million less than budget.