To: Chicago Transit Authority Board

From: Karen Walker, Chief Financial Officer

Re: Financial Results for February 2010

Date: April 19, 2010

CTA's financial results show a surplus for the month of February of $6.3 million and $8.2 million for the first two month of 2010. 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 39.6 million and was 0.2 million less than budget.

The chart below highlights CTA's key working capital results at year end compared to year end 2009.

	Feb 2010	Feb 2009	Increase (Decrease)	Dec 2009
Working Cash	$ 57.1	$ 98.7	$ (41.6)	$ 60.5
Damage Reserve Cash	88.3	3.8	84.5	85.1
Inventory	88.4	103.9	(15.5)	92.8
Funds owed by RTA	212.2	226.4	(14.2)	190.3
Funds owed by State of Illinois	0.5	21.1	(20.6)	-
Funds CTA owes (accounts payable)	20.1	30.0	(9.9)	24.4

CTA's working cash balance remains well below the target of three months' operating expense. Funds owed to CTA by the RTA and the state is approximately $212.7 million. CTA inventories have decreased by $15.5 million from the prior year primarily due to an increase in the reserve for obsolescence. Funds' CTA owes to creditors is less than prior month and prior year.

Ridership for the month of February was 39.6 million and was 0.2 million less than budget and was 0.5 million lower than prior year. Bus ridership for the month of

February was 24.1 million. This was 0.2 million or 0.7% less than budget and was 0.9 million or 3.7% less than February 2009. Rail ridership for February was 15.4 million and was on par with budget and was 0.4 million or 2.7% more than February 2009.

Public Funding Required for Operations for the month and the year was $53.1 million and $111.0 million, respectively and was favorable to budget by $6.3 million and $8.2 million, respectively.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 54.28% for the month and 53.31% for the year. This was favorable to budget by 2.03 percentage points for the month but was 0.24 percentage points lower for the year to date.

Operating Expenses for the month and year equaled $96.7 million and $199.0 million, respectively. For the current month, operating expenses were $7.7 million or 7.4% less than budget. All expense categories were less than or equal to budget. For the year to date period, operating expenses were $16.1 million lower than budget with all categories of expense favorable to budget.

Labor Expense was $65.7 million for the month of February and was $2.9 million less than budget due to vacancies, lower overtime and higher charges to capital jobs. Labor expense for the first two months of 2010 equaled $137.3 million and was favorable to budget by $5.1 million.

Material Expense was $7.2 million for the month and was under budget by $0.7 million or 8.8%. Material expense for the first two months of 2010 equaled $12.7 million and was favorable to budget by $3.2 million. The lower material expense is due to the reduction in the bus fleet with scraping of the 19 year old buses, lower material usage for rail cars and lower fare card material.

Fuel for Revenue Equipment was $3.9 million for the month and was $0.9 million less than budget and was $2.2 million less than budget for the first two months of 2010. Compared to the prior year to date, fuel is 7.5 million less than 2009 due to favorable results from the fuel hedge program. The average price paid in February was $2.62 per gallon and was under the budget price of $3.25 per gallon.

Electric Power for Revenue Equipment was $3.2 million for the month and $6.3 million for the year. Power expense was on par with budget for the month and year to date.

Provision for Injuries and Damages Expense was $2.3 million for the month and $4.7 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 $0.1 million less than budget. Year to date security expense is $4.9 million and was $0.6 million less than budget.

Other Expenses equaled $11.8 million for the month and were $3.0 million less than budget. Year to date other expense was $24.7 million and was $4.9 million less than budget due to timing differences between actual and budget.

System-Generated Revenue was $43.7 million for the month and was $1.4 million less than budget for the month. Year to date System-Generated Revenue was $88.0 million and was $7.9 million less than budget. The unfavorable variance was primarily due to lower than anticipated farebox revenues.

Fare Revenue was $38.2 million for the month and was $0.7 million less than budget. Year to date fare revenue was $77.3 million and was $6.5 million less than budget primarily due to a lower average fare and lower ridership. The average fare for the first two months was $0.97 per ride; this was $0.04 less than budget.

Reduced Fare Reimbursements were $2.7 million for the month and $5.4 million for the first two months.

Advertising, Charter and Concessions Revenue equaled $1.4 million in February and $2.9 million for the first two months. This was below budget by $0.5 million for the month and $0.8 million for the first two months as the budget had anticipated higher vehicle and platform advertising revenues than realized.

Investment Income was $19,000 for the month and $52,000 for the year to date period. This was $0.2 million lower than budget for the current month and $0.3 million lower for the year to date period due to lower cash 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 $1.3 million for the month and $2.4 million for the year to date period. This was $0.1 million lower than budget for the month and $0.3 million less than budget for the year to date period. The unfavorable results are primarily due to lower revenues for property sales than assumed in the budget.