



To: Chicago Transit Authority Board
From: Karen Walker, Chief Financial Officer
Re: Financial Results for March 2012
Date: May 10, 2012

CTA's financial results show a surplus for the month and year to date of \$6.2 million and \$12.8 million, respectively. The surplus for the month and year to date is primarily due to higher farebox and other revenue than anticipated in the budget. Ridership for the month was 47.6 million and was 1.9 million more than budget. Year to date ridership was 133.9 million and was 6.7 million more than budget.

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

	<u>Mar</u> <u>2012</u>	<u>Mar</u> <u>2011</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Dec</u> <u>2011</u>
Working Cash	\$ 123.0	\$ 130.5	\$ (7.5)	\$ 122.5
Damage Reserve Cash	113.9	104.3	9.6	108.0
Inventory	56.1	62.2	(6.1)	58.5
Funds owed by RTA	226.1	188.4	37.7	229.0
Funds CTA owes (accounts payable)	7.7	20.8	(13.1)	8.4

CTA's working cash balance continues to be below the target of three months' operating expense. Working cash was \$7.5 million less than the prior year. Funds owed by the RTA was approximately \$226.1 million which was \$37.7 million more than the prior year. CTA inventories have decreased by \$6.1 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 \$7.7 million and was \$13.1 million less than prior year.

Ridership for the month of March was 47.6 million and was 1.9 million and 1.5 million more than budget and prior year, respectively. Bus ridership for the month of March was 27.9 million, which was 0.9 million or 3.4% more than budget and 0.4 million or 1.5% more than March 2011. Rail ridership for March was 19.7 million, which was 1.0 million more than budget and prior year. For the month of March 2012, average weekday ridership increased 2.91% from March 2011, average Saturday ridership increased 11.13% and average Sunday ridership increased 16.05%.

Ridership for the year to date was 133.9 million and was 6.7 million more than budget and 8.4 million more than prior year. Bus ridership for the year to date was 78.5 million, which was 3.5 million or 4.7% more than budget and 3.8 million or 5.1% more than 2011. Rail ridership for the year to date was 55.4 million which was 3.2 million more than budget and 4.5 million more than

2011. For the full year of 2012, average weekday ridership increased 5.22% from 2011, average Saturday ridership increased 7.01% and average Sunday ridership increased 10.93%.

Free rides totaled 5.7 million for the month 15.7 million for the year. This was 0.6 million less than March 2011 and 1.4 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 4.7 million of the total free rides for the month while rail was 1.0 million.

Public Funding Required for Operations for the month and the year was \$52.8 million and \$162.8 million, respectively. Public Funding Required for Operations was favorable to budget for the month by \$6.2 million and was favorable to budget by \$12.8 million for the year.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 60.92% for the month and 59.36% for the year. This was favorable to budget by 5.50 percentage points for the month and by 4.22 percentage points for the year to date.

Operating Expenses for the month and year equaled \$106.0 million and \$318.8 million, respectively. For the month, operating expenses were \$2.7 million less than budget, primarily due to the other expenses. For the year to date period, operating expenses were \$2.7 million favorable to budget primarily due to labor and fuel, slightly offset by the other expense category.

Labor Expense was \$78.3 million for the month of March and was \$0.6 million less than budget. Labor expense for the year to date equaled \$228.8 million and was favorable to budget by \$2.4 million due to the prolonged hiring freeze and more charges to capital jobs than anticipated in the budget.

Material Expense was \$5.9 million for the month and was on par with budget. Material expense for the year to date equaled \$18.2 million and was \$0.3 million over budget.

Fuel for Revenue Equipment was \$5.0 million for the month and was \$0.7 million less than budget for the month. Fuel expense was \$14.3 million for the year to date and was \$1.8 million less than budget. Year to date fuel expense was \$1.8 million more than the prior year due to price increases. The gross price paid per gallon for the month was \$3.22. The fuel swap decreased the price by \$0.21 bringing the net cost per gallon to \$3.01 for the month of March.

Electric Power for Revenue Equipment was \$1.9 million for the month and \$7.2 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 \$2.6 million for the month and \$7.8 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 \$8.7 million and was \$0.5 million less than budget.

Other Expenses equaled \$9.4 million for the month and were \$1.2 million less than budget due to timing differences. Year to date other expenses were \$33.8 million and \$1.6 million more than budget due to higher expenses than anticipated in the budget associated with a non-capital security grant.

System-Generated Revenue was \$53.2 million for the month and was \$3.5 million more than budget for the month. Year to date System-Generated Revenue was \$156.0 million and was \$10.2 million more than budget. The favorable variance for the year to date was primarily due to higher than anticipated farebox and other revenue.

Fare and pass revenue was \$46.3 million for the month and \$3.0 million more than budget. For the month, the average fare was \$0.03 more than budget. Year to date fare and pass revenue was \$133.0 million and was \$5.8 million more than budget. The average fare for the year to date was \$0.99 per ride and was \$0.01 less than budget. Compared to the prior year to date, fare and pass revenue was \$9.4 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 \$7.0 million and was on par with budget.

Advertising, Charter and Concessions Revenue equaled \$1.8 million in March and \$5.3 million for the year. This was on par with budget for the month and year to date.

Investment Income was \$41,000 for the month and \$127,000 for the year to date period. This was \$28,000 less than budget for the month and was \$95,000 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 \$2.8 million for the month and \$10.6 million for the year to date period. This was \$0.5 million more than budget for the month and was \$4.4 million more than budget for the year to date period due to the receipt of a non-capital security grant that was not anticipated.