To: Chicago Transit Authority Board

From: Karen Walker, Chief Financial Officer

Re: Financial Results for April 2009

Date: June 11, 2009

CTA’s financial results show a surplus for the month of April of $4.9 million and $27.0 million for the year. The surplus for the month is primarily due to lower operating expenses than anticipated in the budget. Ridership for the month of April was 43.4 million and was 0.4 million higher than budget. CTA amended its 2009 budget at the May CTA Board meeting. This report compares CTA’s actual results to CTA's amended budget.

CTA’s cash position improved from the end of 2008, but still remains weak. The chart below highlights CTA’s key working capital results at the end of April 2009 compared to April and December 2008.

<table>
<thead>
<tr>
<th></th>
<th>Apr 2009</th>
<th>Apr 2008</th>
<th>Increase/Decrease</th>
<th>Dec 2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Cash</td>
<td>$83.1</td>
<td>$34.6</td>
<td>$48.5</td>
<td>$61.7</td>
<td>$21.4</td>
</tr>
<tr>
<td>Damage Reserve Cash</td>
<td>3.7</td>
<td>116.9</td>
<td>(113.2)</td>
<td>5.9</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Inventory</td>
<td>105.2</td>
<td>83.7</td>
<td>21.5</td>
<td>102.9</td>
<td>$2.3</td>
</tr>
<tr>
<td>Funds owed by RTA</td>
<td>243.1</td>
<td>179.1</td>
<td>64.0</td>
<td>258.8</td>
<td>(15.7)</td>
</tr>
<tr>
<td>Funds owed by State of Illinois</td>
<td>0.1</td>
<td>8.8</td>
<td>(8.7)</td>
<td>21.1</td>
<td>(21.0)</td>
</tr>
<tr>
<td>Funds CTA owes (accounts payable)</td>
<td>28.4</td>
<td>40.1</td>
<td>(11.7)</td>
<td>36.5</td>
<td>(8.1)</td>
</tr>
</tbody>
</table>

Working cash balances are $21.4 million higher than December 2008, and $48.5 million higher than April 2008. However, CTA borrowed over $80 million from its damage reserve fund to pay for the day-to-day operating expenses of the Agency. CTA needs to make plans to repay this fund. The lower cash balance compared to prior year is primarily due to the growth in the inventory balance and funds owed to CTA by RTA. Inventory balances remain high at $105.2 million, equivalent to over one year of material expense. Funds owed to CTA have increased by $55.3 million since April 2008.

Ridership for the month of April was 43.4 million and was 0.4 million more than budget and was 1.6 million lower than prior year. Average daily ridership decreased
3.9% over April 2008. Average Saturday ridership has increased 0.15%, but Sunday ridership has dipped 12.7% over April 2008.

Weekend growth has been experienced on the rail system on Saturday, but is down on Sunday, while the bus system has experienced ridership loss overall on both Saturday and Sunday—down 6.2% and 18.2%, respectively. Free rides totaled 5.8 million for the month and 21.8 million for the year; this is 0.8 million more than 2008 for the month and 8.4 million more for the four month period. The majority of free rides have been experienced on the bus system; bus accounts for 4.8 million free rides for the month while rail is 1.0 million.

Bus ridership for the month of April was 26.6 million. This was 0.9 million or 3.6% more than budget but was 1.9 million or 6.7% less than April 2008. Rail ridership for April was 16.8 million and was 0.5 million or 3.0% less than budget, but was 0.3 million or 1.7% more than prior year.

Public Funding Required for Operations for the month and the year was $55.9 million and $234.2 million, respectively and was favorable to budget by $4.9 million and $27.0 million, respectively.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 52.75% for the month and 51.09% for the year to date period. This was favorable to budget by 2.19 percentage points for the month and 3.98 percentage points for the year to date primarily due to the lower operating expenses and higher revenues than budget.

Operating Expenses for the month and year equaled $101.4 million and $415.0 million, respectively. For the current month, operating expenses were $5.8 million or 5.4% less than budget. All expense categories were less than or equal to budget for the current month. For the year to date period, operating expenses were $22.6 million lower than budget with all categories below budget except for power expense.

Labor Expense was $72.3 million for the month of April and was $1.9 million less than budget due to vacancies, deferral of exempt pay raises, lower overtime and higher charges to capital jobs. Labor expense for the year to date equaled $288.0 million and was favorable to budget by $6.7 million primarily due to the same reasons as the month. Compared to last year, labor expense is $6.9 million lower than the first four months of 2008.

Material Expense was $6.3 million for the month and was under budget by $0.6 million or 8.9%. Material expense for the year to date equaled $30.0 million and was favorable to budget by $1.0 million. The lower material expense is due to lower than budgeted expenditures in bus operations. This reflects taking the NABI buses out of operation on February 19, 2009, the addition of the new buses and retirement of the 19 year old buses.

Fuel for Revenue Equipment was $8.2 million for the month and $31.6 million for the year to date. Fuel expense was $0.5 million less than budget for the month and $2.4
million less than budget for the year. The average price paid in April was $4.40 per gallon and was $0.10 under the budget price of $4.50 per gallon. Fuel consumption was 78,000 gallons lower than budget; this reflects a slightly higher miles per gallon than budget (3.25 vs. 3.20) and lower miles traveled than budget. Miles were 6.0 million for the month compared to a budget of 6.2 million.

Electric Power for Revenue Equipment was $2.8 million for the month and was on par with budget for the month. Year to date power was $14.8 million and was $0.2 million more than budget. Rail mileage for the year was 23.3 million miles and exceeded the budget by 2.7 million miles.

Provision for Injuries and Damages Expense was $1.4 million for the month and $8.9 million for the year to date and was on par with budget.

Purchase of Security Services was $2.6 million for the month and was on par with budget. Year to date security is $10.3 million and was $0.8 million less than budget.

Other Expenses equaled $7.9 million for the month and were $2.5 million less than budget. Year to date other expense was $31.4 million and was $11.9 million less than budget due to timing differences between actual and budget, lower interest expense on the pension obligation bonds and higher overhead charged to capital jobs.

System-Generated Revenue was $45.5 million for the month and was $0.9 million less than budget for the month due to lower farebox revenues and property sales. Year to date System-Generated Revenue was $180.8 million and was $4.4 million more than budget. The year to date favorable variance was due to higher than anticipated revenue for farebox, pass and reduced fare reimbursements offset by lower non farebox revenues. Nonfarebox revenues continue to be a concern for attainment of the 2009 budget.

Fare Revenue was $40.3 million for the month and was $1.0 million less than budget due to a lower average fare than budget. The average fare for the current month was $0.93 and was $0.03 less than budget. Year to date fare revenue was $160.7 million and was $4.5 million more than budget primarily due to higher ridership. The average fare for the year was $0.956 and was $0.04 less than budget.

Reduced Fare Reimbursements were $2.0 million for the month and $7.4 million for the year. The budget did not include a provision for reduced fare reimbursement for the first six months of 2009 because at the time the original budget was approved, the state had not restored the annual appropriation for the region.

Advertising, Charter and Concessions Revenue equaled $2.3 million in April and $9.2 million for the year. This was below budget by $0.3 million for the month and $1.2 million for the year as the budget had anticipated higher advertising and pay phone revenues than realized.

Investment Income was $0.1 million for the month and $0.5 million for the year to date period. This was $0.3 million lower than budget for the current month and $1.6
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 $0.8 million for the month and $2.9 million for the year to date period. This was below budget by $1.2 million for the month and $4.8 million for the year to date period. The unfavorable results are primarily due to lower revenues for parking and property sales than assumed in the budget.