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To: Chicago Transit Authority Board
From: Karen Walker, Chief Financial Officer
Re: Financial Results for July 2009
Date: September 8, 2009

KAREN WALKER
Chief Financial Officer

CTA's financial results show a surplus for the month of July of \$4.5 million and \$0.7 million for the year. The surplus for the month and year to date is primarily due to higher revenues and lower operating expenses than anticipated in the budget. This report reflects the budget amendment approved at the July Board meeting.

CTA's cash position improved significantly from the end of 2008 due to the receipt of the federal preventive maintenance funds. The chart below highlights CTA's key working capital results at the end of July 2009 compared to July and December 2008.

	July 2009	July 2008	Increase (Decrease)	Dec 2008	Increase (Decrease)
Working Cash	\$ 181.9	\$ 39.7	\$ 142.2	\$ 61.7	\$ 120.2
Damage Reserve Cash	11.0	53.7	(42.7)	5.9	5.1
Inventory	100.3	92.6	7.7	102.9	(2.6)
Funds owed by RTA	147.3	196.7	(49.4)	258.8	(111.5)
Funds owed by State of Illinois	0.8	9.5	(8.7)	21.1	(20.3)
Funds CTA owes (accounts payable)	28.6	24.1	4.5	36.5	(7.9)

Working cash balances are \$120.2 million higher than December 2008, and \$142.2 million higher than July 2008. However, CTA borrowed \$73.9 million from its damage reserve fund to pay for the day-to-day operating expenses of the Agency. In July 2009 CTA began to repay this fund by transferring an additional \$3.0 million per month from the Working Cash Fund. A total of \$5.0 million is transferred each month. Inventory balances remain high at \$100.3 million, equivalent to over one year of material expense. To reduce inventory levels, CTA is exploring just in time delivery for certain items. Funds owed to CTA from RTA and the State of Illinois have decreased by \$58.1 million since July 2008.

Ridership for the month of July was 45.3 million and was 0.8 million more than budget but was 1.3 million lower than prior year. Average daily ridership decreased 5.32% over July 2008. Average Saturday ridership decreased 0.03% over prior year while Sunday ridership increased 11.05% over July 2008.

Free rides totaled 6.5 million for the month and 41.6 million for the year; this is 1.1 million more than 2008 for the month and 11.9 million more for the seven month period. Free rides for seniors went into effect on March 17, 2008. The majority of

free rides have been experienced on the bus system; bus accounts for 5.4 million of the total free rides for the month while rail is 1.1 million.

Bus ridership for the month of July was 26.9 million. This was 1.1 million or 4.4% more than budget but was 1.8 million or 6.3% less than July 2008. Rail ridership for July was 18.5 million and was 0.3 million or 1.7% less than budget, but was 0.5 million or 2.8% more than prior year.

Public Funding Required for Operations for the month and the year was \$53.7 million and \$394.3 million, respectively and was favorable to the amended budget by \$4.5 million and \$0.7 million, respectively. However, as of July 31, CTA has only received \$168.5 million of the \$394.3 million of funding recorded as revenue funding for 2009.

Recovery Ratio, which measures the percentage of operating expenses CTA funds from internally generated revenues, was 58.18% for the month and 53.61% for the year to date period. This was favorable to budget by 3.94 percentage points for the month and 0.01 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 \$107.5 million and \$727.6 million, respectively. For the current month, operating expenses were \$1.5 million or 1.4% less than budget. All expense categories were less than or equal to budget for the current month, except for fuel. For the year to date period, operating expenses were \$1.5 million lower than budget with all categories below budget, except fuel.

Labor Expense was \$74.5 million for the month of July and was \$0.2 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 \$503.0 million and was favorable to budget by \$0.2 million primarily due to the same reasons as the month. Compared to last year, labor expense is \$7.0 million lower than the first seven months of 2008.

Material Expense was \$7.1 million for the month and was under budget by \$0.3 million or 4.4%. Material expense for the year to date equaled \$51.9 million and was favorable to budget by \$0.3 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, retirement of the 19 year old buses, lower material usage for rail cars and lower fare card material.

Fuel for Revenue Equipment was \$9.1 million for the month and \$57.7 million for the year to date. Fuel expense was \$0.7 million more than budget for the month and year. The average price paid in July was \$4.65 per gallon and was \$0.35 above the budget price of \$4.30 per gallon. Fuel consumption exceeded budget by 13,000 gallons; this reflects more miles traveled than budget, slightly offset by improved fuel efficiency. Miles per gallon was 3.25 compared to 3.20 in the budget. Actual miles traveled were 6.4 million for the month compared to a budget of 6.2 million.

Electric Power for Revenue Equipment was \$3.3 million for the month and was \$0.1 million less than budget. Year to date power was \$23.5 million and was \$0.1 million less than budget. Rail mileage for the year was 41.0 million miles and exceeded the budget by 0.1 million miles.

Provision for Injuries and Damages Expense was \$1.4 million for the month and \$13.0 million for the year to date and was on par with budget.

Purchase of Security Services was \$2.7 million for the month and was \$.1 million less than budget. Year to date security is \$18.2 million and was \$.1 million less than budget.

Other Expenses equaled \$9.4 million for the month and were \$1.6 million less than budget. Year to date other expense was \$60.2 million and was \$1.6 million less than budget due to timing differences between actual and budget, lower interest expense on the pension obligation bonds, lower natural gas expense, lower facilities maintenance expenses and higher overhead charged to capital jobs.

System-Generated Revenue was \$53.9 million for the month and was \$3.0 million more than budget for the month due to higher fare and reduced fare revenue. Year to date System-Generated Revenue was \$333.3 million and was \$0.9 million less than budget. The year to date unfavorable variance was due to lower reduced fare reimbursements, lower advertising and other revenue, partially offset by higher than anticipated revenue for farebox and pass revenues. Nonfarebox revenues continue to be a concern for attainment of the 2009 budget due to delayed surplus property sales.

Fare Revenue was \$48.5 million for the month and was \$2.6 million more than budget. The average fare for the current month was \$1.07 and was \$0.04 more than budget. Year to date fare revenue was \$293.9 million and was \$2.6 million more than budget primarily due to higher ridership. The average fare for the year was \$0.97 and was on par with budget.

Reduced Fare Reimbursements were \$2.0 million for the month and \$14.2 million for the year. This was favorable to budget for the month by \$2.0 million, but was lower than budget by \$1.9 million for the first seven months.

Advertising, Charter and Concessions Revenue equaled \$2.3 million in July and \$16.2 million for the year. This was below budget by \$0.6 million for the month and the year as the budget had anticipated higher advertising revenues than realized.

Investment Income was \$0.1 million for the month and \$0.7 million for the year to date period. This was on par with the amended budget for the current month and year to date.

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

All Other Revenue was \$1.0 million for the month and \$8.3 million for the year to date period. This was below the amended budget by \$0.9 million for the month and the year. The unfavorable results are primarily due to lower revenues for property sales than assumed in the budget.

Chicago Transit Authority

Actual Financial Results vs Budget - Budgetary Basis
Current Period: JUL-09Currency: USD
CO=1 (CTA)

In Thousands of Dollars	<----- Current Month ----->			<----- Year to Date ----->		
	JUL-09	Variance Fav/ (Unfav)	Variance %	JUL-09	Variance Fav/ (Unfav)	Variance %
Operating expenses						
Labor	74,500	177	0.2 %	503,025	177	0.0 %
Material	7,082	329	4.4 %	51,867	329	0.6 %
Fuel-revenue equipment	9,130	(733)	(8.7) %	57,719	(733)	(1.3) %
Power-revenue equipment	3,322	107	3.1 %	23,532	107	0.5 %
Provision for injuries & damages	1,391	0	0.0 %	13,048	0	0.0 %
Purchase of security services	2,697	84	3.0 %	18,214	84	0.5 %
Other expenses	9,412	1,553	14.2 %	60,221	1,552	2.5 %
Total operating expenses	107,533	1,518	1.4 %	727,626	1,517	0.2 %
System generated revenue						
Fare box revenue	26,031	2,015	8.4 %	157,926	2,015	1.3 %
Passes	22,452	538	2.5 %	135,974	538	0.4 %
Total fare and pass revenue	48,483	2,553	5.6 %	293,901	2,553	0.9 %
Reduced fare subsidy	2,000	2,000	n/m	14,239	(1,861)	(11.6) %
Advertising, charter, concessions	2,264	(579)	(20.4) %	16,155	(579)	(3.5) %
Investment income	88	(39)	(30.5) %	746	(39)	(4.9) %
Statutory Required Contributions	0	0	n/m	0	0	n/m
Other revenue	1,024	(939)	(47.8) %	8,268	(939)	(10.2) %
Total system generated revenue	53,859	2,997	5.9 %	333,309	(864)	(0.3) %
Public funding required for operations	53,674	4,514	7.8 %	394,317	653	0.2 %
Recovery ratio %	58.18	3.94		53.61	(0.01)	
Passenger Trips						
Bus	26,864	1,121	4.4 %	185,272	1,121	0.6 %
Rail	15,133	629	4.3 %	96,248	629	0.7 %
Total passenger trips	41,997	1,750	4.3 %	281,520	1,750	0.6 %
Rail to Rail Transfer	3,325	(955)	(22.3) %	20,190	(955)	(4.5) %
Total NTD Passenger Trips	45,321	795	1.8 %	301,711	795	0.3 %
Current Period						
Workdays	22			149		
Saturdays	4			30		
Sunday/Holidays	5			33		