

October 2, 2006

Mr. Donald Kopec  
Secretary, CATS Policy Committee  
233 South Wacker Drive  
Suite 800  
Chicago, Illinois 60606

Dear Mr. Kopec:

The Federal Transit Administration (FTA) requires that all transit agencies receiving federal grants annually prepare a ten-year, self-analytical financial capacity assessment consisting of two parts. Part one of the analysis reviews the financial condition of transit operations by examining historical trends and the ability to maintain present levels of service. Part two examines financial capacity by assessing the stability and reliability of revenue sources to meet anticipated future operating and capital costs. To fulfill this requirement, we submit for your review the 2005 financial capacity assessment of the Regional Transportation Authority (RTA).

The report includes transit capital projects under management by the City of Chicago, Department of Transportation. The 2005 Financial Capacity Analysis (FCA) covers financial history from 2001 through 2005 and financial projections from 2006 to 2010.

This financial analysis shows sufficient revenues to cover operating expenditures, absent major rail or bus expansion, to merit further federal investment in the region. Based on the attached analysis, we believe the RTA satisfies the FTA criteria for a transit agency with favorable financial trends. Therefore, only the results of two test categories are discussed in this analysis. The two types of tests are (1) Indicators of Financial Condition applied to data for 2001-2005, and (2) Continuation of Trends applied to the five-year period of 2006-2010. Explanations of the tests and results from the analysis follow on the attached pages.

Please contact me if you or your staff has any questions concerning this analysis.

Sincerely,

Stephen E. Schlickman  
Executive Director

Attachments

cc: Marisol R. Simón, FTA

# **RTA 2005 Financial Capacity Analysis**

## **Explanation of Indicators**

### **2001-2010**

#### Indicators of Financial Condition

##### **Net Quick Assets (NQA)**

When current assets exceed current liabilities over time, an organization demonstrates that it has sufficient ability to cover unanticipated cash needs. Through 2003, the RTA has maintained appreciable cash balances available for proceeds committed to capital that could also be used temporarily for unanticipated operating events in the near future. At the end of 2004, net quick assets declined to \$4.6 million due primarily to a significant decline in receivables. At the end of 2005, however, net quick assets rebounded to \$76.5 million. During the test period, net quick assets are expected to increase from \$113.9 million in 2006 to \$169.6 million in 2010.

##### **Ratio of NQA to Annual Operating Costs**

This test determines if there are adequate NQA to cover unanticipated increases in operating expenses. The ratio declined from 10.1% in 2001 to 0.3% in 2004. In 2005, the ratio of NQA to annual operating costs was 4.1%. The ratio of NQA to annual operating costs is expected to increase from 5.8% to 6.6% by the end of the test period, at which time more than three weeks of system-wide operating expenses could be met with cash and near-cash assets.

##### **Operating Revenue Trends**

###### **Farebox Revenue Trend**

From 571.0 million trips in 2001, system-wide ridership declined 0.5% in 2002 and 2.8% in 2003. However, in 2004 system-wide ridership increased 0.2% to 553.5 million trips. In 2005, system-wide ridership climbed to 606.3 million, primarily as a result of the CTA including rail-to-rail (cross-platform) transfers in its ridership count. Excluding these transfers, ridership increased 3.8% to 574.5 million in 2005. Continued increases in ridership are expected during the planning period. Between 2005 to 2010 system-wide ridership is expected to grow 9.4% to 633.1 million.

Passenger revenue increased 1.1% from \$600.9 million in 2001 to \$607.8 million in 2002 but then declined 4.2% to \$582.4 million in 2003. In 2004 and 2005, however, passenger revenue increased 6.1% to \$617.8 million and 3.3% to 638.4 million, respectively. From 2005 through the end of the test period, passenger revenue is expected to increase 20.1% to \$766.9 million.

From 2001 to 2005, the average passenger fare ranged between \$1.05 and \$1.12. Service Board fare changes during this period include the following modifications: In April 2001, Pace increased the price of regular full fares from \$1.25 to \$1.50, matching the base fare of the CTA at that time. In June 2002, Metra increased its fares by 5%, the first increase in six years. Metra's higher average fares also reflect longer average trip lengths. In January 2004, the CTA increased the price of regular full fares from \$1.50 to \$1.75, leaving the price of its

regular monthly pass at \$75. Also at this time, both the CTA and Pace reduced the price of the first transfer from \$0.30 to \$0.25. In September 2004, Pace agreed to accept CTA 7-day passes, Visitor passes, and University Passes. In January 2006, the CTA raised its bus and rail cash fare from \$1.75 to \$2.00 per boarding and eliminated cash transfers. The CTA also raised its rail fare from \$1.75 to \$2.00 when purchased with stored value magnetic strip cards. In February 2006, Metra raised its fares by approximately 5%.

### **Other Revenue Trend**

Other operating revenues increased at an average annual rate of 5.8% from \$155.7 million in 2001 to \$194.8 million in 2005 because of increased advertising and investment income during this period and the sale of real estate assets. Other operating revenue is expected to decline to \$174.2 million in 2006 and then increase at an average annual rate of 1.0% to \$181.4 million by the end of the test period.

### **Operating Assistance Trends (Non-Operating Revenues)**

Operating assistance between 2001 and 2005 was composed of local sales tax, state dedicated funds known as Public Transportation Funds (PTF), state assistance for reimbursement of debt service on Strategic Capital Improvement Project (SCIP) bonds issued by the RTA, state general funds for reduced fare reimbursements, and investment income. In 1999, federal operating assistance was totally discontinued. In 2005 and 2006, the Illinois General Assembly made available to the RTA additional funding of approximately \$54 million to fund ADA paratransit service. This funding is expected to continue during the test period. Over the test period, total non-operating revenue is projected to increase at an average annual rate of 3.1% from \$1.142 billion to \$1.289 billion.

Local sales tax is the primary source of public funding for the RTA, and in 2005 it accounted for 63.4% of total non-operating revenue. Growth in PTF parallels that of local sales tax. Together, PTF, reimbursements for debt service, and funding for ADA paratransit accounted for 30.9% of the non-operating revenues in 2005.

Beginning in mid-1989, the Illinois General Assembly provided a subsidy to partially reimburse CTA, Metra and Pace for the cost of providing reduced fares to students, the elderly and mobility-limited riders. In 2005, the reduced fare subsidy represented 3.4% of total non-operating revenue. The last source of non-operating revenue is investment income and grant revenue. In 2005, these revenue sources accounted for 2.3% of total non-operating revenues.

### **Total Cost Trends**

The purpose of this test is to examine if total costs are increasing faster than the comparable rate for transit revenues. A trend of increasing costs is not considered an impairment of financial capacity unless total revenues do not minimally match the cost trend.

Total operating expenses from 2001 through 2005 (including debt service) increased from \$1.545 billion to \$1.884 billion. This increase represents an average annual growth rate of

5.1%. The main reasons for the increase in expenses include inflation and paratransit service mandated by the Americans with Disabilities Act (ADA). During this same period, total revenue (operating and non-operating) increased from \$1.667 billion to \$1.938 billion at an average annual rate of 3.8%.

### **Cost-Effectiveness Trends**

This test examines the costs per unit of service delivery and service consumption. A favorable trend indicates a matching of service provided to the amount consumed.

From 2001 through 2005 the cost/revenue-mile for service delivery increased from \$7.94 to \$9.00. This \$1.06 per revenue-mile increase corresponds to an annual growth rate of 3.2%. During this same period, the cost/passenger for service delivery increased from \$2.71 to \$3.11. This \$0.40 per passenger increase corresponds to an annual growth rate of 3.5%.

### **Service Supplied**

This test is designed to describe the “operating environment” of the transit entity. Due to the size of the CTA’s system, the region’s operating data is largely a reflection of the CTA’s service that accounts for approximately 80% of all regional rides. The Service Boards of the RTA represent a transit organization that has not had significant growth in service over the testing period. In January 2006, however, Metra expanded and/or upgraded service on three of its lines. The North Central Service, between Antioch and Chicago was expanded and upgraded to enable the operation of 22 daily trains. Previously, the service operated only 10 trains daily. The Union Pacific-West Line was extended from Geneva to Elburn. The SouthWest Service Line was extended from Orland Park to Manhattan and service was expanded from 16 trains per day to 30 trains per day.

### Continuation of Trends – Capital Program<sup>1</sup>

#### **Sufficient Funding for the Re-Capitalization of Assets**

Funding for the re-capitalization of transit assets in the 2005-2009 Capital Program is expected from a variety of federal and local sources. These sources of funds include:

<b>Funding Sources</b>	<b>Millions</b>
FTA Section 5307	\$760.9
FTA Section 5309(m)(1)(A) Fixed Guideway Modernization	854.7
FTA Section 5309(m)(1)(C) Bus	29.0
Other Flexible Funds (CMAQ, STP, Enhancement, etc)	58.8
Illinois Department of Transportation (IDOT)	320.0
Regional Transportation Authority	1,148.5
Service Board/Local Community	150.1
Deobligated	<u>65.6</u>
<b>Total for Re-Capitalization</b>	<b><u>\$3,387.6</u></b>
 Tollway Credits	 \$45.0

#### **Federal Funding Sources**

##### **FTA Funding Sources**

On August 10, 2005, President Bush signed the Safe, Accountable, Flexible, and Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU). This bill provided \$286.4 billion nationally in guaranteed funding for federal surface transportation programs over six years through federal fiscal year (FFY) 2009 with \$52.6 billion for federal transit programs. The estimates of FTA funds over the 2005-2009 period are based on the following: a) actual 2005 appropriation and b) calculated 2006-2009 SAFETEA-LU authorization. Section 5307 Formula funding is estimated at approximately \$760.9 million over the next five years. As approved by the RTA Board, the total §5307 funds have been reduced by \$262 million for the CTA, \$53.1 million for Metra and \$112.8 million for Pace. This reduction will provide funds for the capital-related portion of the operating costs of paratransit services under contract for the CTA and Pace, debt principal repayment for the CTA and preventive maintenance for Metra and Pace. Further, Section 5309(m)(1)(A) Fixed Guideway funds are estimated at \$854.7 million and the Section 5309 Bus Program is estimated at \$29 million during this time period.

For 2005, the Service Boards used \$45 million in Tollway Credits for the local match for federal funds. The toll revenue credit provision was established in the Intermodal Surface

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<sup>1</sup> Data in this section was current as of May 2006.

Transportation Efficiency Act of 1991 (ISTEA) and incorporated in TEA-21 and later in the SAFETEA-LU. The toll revenue credit provision permits states to use certain toll revenue expenditures as a credit toward the local match for certain highway and transit programs. These credits are not actually funds that can be used; rather they are a mechanism to count toll revenues already spent for tollway capital projects as local matching dollars for federal capital funds for transit.

### **Other Federal Funds**

Other federal funds include federal flexible funding programs that are discretionary and competitive. These flexible funding programs include: FTA Clean Fuels program, FTA Job Access and Reverse Commute (JARC) program, the New Freedom Program, FHWA Surface Transportation Program (STP), Transportation Enhancements, and the Congestion Mitigation and Air Quality (CMAQ) program. The 2005-2009 Capital Program includes an estimated \$58.8 million in federal flexible funding, based on the analysis of actual flexible funding appropriations to the region over the past five years.

### **Local Funding Sources**

#### **State Funding (IDOT)**

Estimates of funding from the Illinois Department of Transportation (IDOT) total \$320 million over the next four years. The RTA projections assume appropriations of bond funds for the regular Capital Program at \$80 million per year for 2006-2009.

#### **RTA Bond Funds**

A \$1.6 billion bond authorization for capital reinvestment was provided in 1999 through the *Illinois FIRST* legislation. The program has two components, the RTA Strategic Capital Improvement Program (SCIP) and the RTA Bond program. The SCIP funds of \$1.3 billion were budgeted to be allocated over a five-year period from 2000 through 2004. The State of Illinois provides funding to the RTA each year equal to the debt service on these SCIP bonds. The second component is the RTA Bond program totaling \$300 million. The RTA pays debt service on these bonds. The Capital Program Marks for 2006 through 2009 assumed continuation of SCIP at \$260 million per year.

Regarding \$1.3 billion of SCIP bonds, the Service Boards have been granted all \$1.3 billion. As of December 31, 2005, the Service Boards obligated \$1,162.2 million or 89.4%, and expended \$993.6 million or 71.8% of the total awards.

Also, previous bond authorizations have provided funding for \$1 billion in grant awards through 1994. As of December 31, 2005, 99.7% of the \$1 billion had been expended. Interest earned on the proceeds from these bond sales totaled \$68 million. As of December 31, 2005, 94.3% of the bond interest proceeds has been expended, with \$3.8 million remaining. Overall, 99% of the 1989 bond authorization and bond interest proceeds have been spent.

### **RTA Discretionary Funds**

In 1995, the RTA began funding a new Transfer Capital (TC) program that utilizes funds available for operations to be used for capital investments. The 2005-2009 Capital Program includes \$101.8 million for the CTA from Transfer Capital funds.

### **Service Board/Local Community**

Any operational savings achieved by the Service Boards are also available for capital reinvestment purposes. The 2005-2009 Capital Program includes \$60.5 million estimated to be available from Service Boards' funds from prior to 2005. The 2005-2009 Capital Program includes \$83.6 million in Transfer Capital funds for Metra which originates from their statutorily allocated percentage of the RTA sales tax. In addition, Metra will use \$6 million in local community and other funds for their five-year capital program.

### **De-obligated Funds**

The Service Boards de-obligate the previously approved funds from the reserved, completed or deferred capital projects and re-use it for higher priority projects. The 2005-2009 Capital Program includes \$65.6 million in de-obligated funds.

### **Maintenance of Reinvestment Level**

The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), signed into law on June 9, 1998, provided a six-year (federal fiscal years 1998-2003) reauthorization of the federal transit program. The federal government, through TEA-21 and the State, through *Illinois FIRST*, have brought system capital investment up to record levels. The SAFETEA-LU signed into law on August 10, 2005 provided \$286.4 billion nationally in guaranteed funding for federal surface transportation programs over six years (FFY 2004 through FFY 2009). Continued funding is necessary to bring the system up to a good state of repair.

### **Absence of Major Changes in Economic Structure**

The financial projections are based on moderate inflation and economic growth through the analysis period. Although unemployment remains high, especially in the Chicago metropolitan area, the general consensus among economists is that the economy will continue to recover.

### **Major Capital Expansion Programs**

According to the FTA's definition, major capital expansion programs include rail extensions, new maintenance and operating facilities and significant expansion of revenue vehicle fleets. Maintenance and replacement of existing levels of capital investment are not considered expansion.

The CTA's 2005-2009 Capital Program includes \$344.3 million for capacity expansion on the Brown Line. The Brown Line project includes the reconstruction of the Ravenswood branch elevated structure from Kimball Terminal to Tower 18 in the Loop. This reconstruction includes expanding the station platforms to accommodate eight car trains, which would substantially increase passenger capacity on the line. The CTA has estimated the New Start

federal share at \$245 million that included funding for design engineering in 1999 and future year funding. Also, the CTA's 2005-2009 Capital Program includes \$185.1 million for the reconstruction of the Douglas Branch of the Blue Line, and \$6.5 million to implement security projects system-wide.

Metra's 2005-2009 Capital Program includes New Start funding of \$100.9 million for two extension projects and one expansion project. These three projects include: track, signal and station upgrades for the North Central Service; the upgrading and extension of the Southwest Service to Manhattan; and the Union Pacific West Line extension to Elburn. The five-year program for the North Central project is \$40.6 million, with a total project funding at \$225.5 million. The Southwest Service has been programmed at \$27.4 million, with a total project funding of \$198.2 million. The West Line extension has been programmed at \$33 million during this time frame, with a total project funding of \$134.6. The five-year program also includes projects to perform Alternative Analysis for future New Start projects for \$42.6 million, construct a new yard and shops on the Electric District for \$95 million and perform engineering and construction for the Chicago Regional Environmental and Transportation Efficiency (CREATE) project for \$14.1 million. The CREATE project will include numerous improvements to both railroad infrastructure and the local road system in the Chicago region and will improve freight and rail passenger service.

Pace's 2005-2009 Capital Program includes \$2 million to install Traffic Signal Priority (TSP) devices to improve schedule adherence for fixed route buses and \$1 million to construct transportation centers and transfer facilities for planned service expansions including transportation centers for the Bus Rapid Transit System. It also includes \$7.7 million for the purchase 87 community vehicles.

### **Non-Reliance on Debt for Operating Costs**

The RTA and its Service Boards maintain adequate cash positions. Neither the RTA nor its operating entities have any short-term debt at this time. No short or long-term debt is anticipated to be issued over the test period for working capital purposes.

**REGIONAL TRANSPORTATION AUTHORITY  
FINANCIAL CAPACITY ANALYSIS  
2000-2009**

Line No.	2001 <u>Actual</u>	2002 <u>Actual</u>	2003 <u>Actual</u>	2004 <u>Actual</u>	2005 <u>ACTUAL</u>	2006 <u>Projected</u>	2007 <u>Projected</u>	2008 <u>Projected</u>	2009 <u>Projected</u>	2010 <u>Projected</u>
1 Cash and Cash Items	\$410,866,800	\$341,492,337	\$192,514,968	\$200,210,713	\$239,898,807	\$250,469,814	\$262,274,611	\$275,527,798	\$290,485,665	\$307,451,883
2 Receivables	\$280,044,646	\$377,067,109	\$382,145,304	\$329,794,197	\$371,847,195	\$380,688,005	\$389,798,931	\$399,190,106	\$408,871,108	\$418,852,841
3 Trade Payables	\$131,150,593	\$142,476,281	\$148,973,312	\$130,042,459	\$140,722,178	\$122,711,431	\$126,421,075	\$130,391,915	\$134,653,144	\$139,238,766
4 Accrued Payroll Liabilities	\$154,714,008	\$160,361,826	\$129,746,148	\$117,603,415	\$122,379,210	\$119,419,445	\$121,572,219	\$123,788,838	\$126,072,343	\$128,425,903
5 Accrued Tax Liabilities	0	0	0	0	0	0	0	0	0	0
6 Short-Term Debt	0	0	0	0	0	0	0	0	0	0
7 Other Current Liabilities	\$249,643,632	\$241,083,463	\$265,530,014	\$277,731,668	\$272,155,377	\$275,165,115	\$277,164,794	\$280,334,731	\$284,366,507	\$289,045,763
8 <b>Total Net Quick Assets</b>	<u>\$155,403,213</u>	<u>\$174,637,877</u>	<u>\$30,410,798</u>	<u>\$4,627,368</u>	<u>\$76,489,237</u>	<u>\$113,861,829</u>	<u>\$126,915,455</u>	<u>\$140,202,419</u>	<u>\$154,264,780</u>	<u>\$169,594,293</u>
9 <b>Total Operating Expense (1)</b>	\$1,544,785,117	\$1,631,292,980	\$1,652,299,688	\$1,719,540,177	\$1,884,207,319	\$1,965,630,451	\$2,129,159,127	\$2,244,125,016	\$2,405,149,397	\$2,580,984,569
10 Passenger Fares-Transit	\$600,943,677	\$607,789,467	\$582,404,783	\$617,785,762	\$638,417,348	\$654,251,595	\$709,538,142	\$726,044,986	\$746,024,600	\$766,944,370
11 Other Revenue	155,723,932	161,619,838	157,030,743	175,750,895	194,837,051	174,221,542	176,481,649	177,706,961	179,586,512	181,487,160
12 <b>Total Operating Revenue</b>	<u>\$756,667,609</u>	<u>\$769,409,305</u>	<u>\$739,435,526</u>	<u>\$793,536,657</u>	<u>\$833,254,399</u>	<u>\$828,473,136</u>	<u>\$886,019,791</u>	<u>\$903,751,947</u>	<u>\$925,611,112</u>	<u>\$948,431,530</u>
13 Federal Operating Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 State General Funds	39,531,000	36,260,000	39,662,179	38,220,000	37,240,000	37,240,000	37,240,000	37,240,000	37,240,000	37,240,000
15 Local General Funds	0	0	0	0	0	0	0	0	0	0
16 State Dedicated Funds	208,649,000	233,120,154	249,964,430	257,181,962	341,339,000	353,955,000	363,573,000	371,884,000	380,432,000	389,222,000
17 Local Dedicated Funds	653,522,000	647,685,301	654,988,309	675,628,605	700,395,000	722,808,000	745,938,000	769,808,000	794,442,000	819,864,000
18 Other (Total RTA)	9,068,000	13,545,800	10,934,000	23,139,309	25,622,000	28,371,067	31,415,090	34,785,716	38,517,988	42,650,707
19 <b>Total Non-Operating Revenue</b>	<u>\$910,770,000</u>	<u>\$930,611,254</u>	<u>\$955,548,918</u>	<u>\$994,169,876</u>	<u>\$1,104,596,000</u>	<u>\$1,142,374,067</u>	<u>\$1,178,166,090</u>	<u>\$1,213,717,716</u>	<u>\$1,250,631,988</u>	<u>\$1,288,976,707</u>
20 New Capital Projects Expenditures	\$91,488,000	\$103,448,000	\$242,893,000	\$209,012,000	\$222,596,000	\$165,121,000	\$123,007,000	\$219,186,000	\$145,620,000	\$103,516,000
21 Capital Reinvestment Expenditures	\$667,769,000	\$775,710,000	\$816,235,000	\$700,494,000	\$530,833,000	\$794,540,000	\$696,407,000	\$587,335,000	\$617,433,000	\$587,719,000
22 <b>Total Capital Investment</b>	<u>\$759,257,000</u>	<u>\$879,158,000</u>	<u>\$1,059,128,000</u>	<u>\$909,506,000</u>	<u>\$753,429,000</u>	<u>\$959,661,000</u>	<u>\$819,414,000</u>	<u>\$806,521,000</u>	<u>\$763,053,000</u>	<u>\$691,235,000</u>
23 Total Passengers	571,039,000	568,458,000	552,585,000	553,525,000	606,268,000	607,931,000	629,441,000	639,034,000	650,952,000	663,110,000
24 Total Passenger-Miles	3,747,378,000	3,701,778,000	3,729,969,000	3,800,535,000	3,926,440,000	3,984,537,000	4,124,181,000	4,214,482,000	4,314,159,000	4,416,431,000
25 Revenue Vehicle Miles	194,510,000	200,145,000	204,667,000	207,492,000	209,242,000	212,352,000	214,200,000	216,103,000	218,062,000	220,080,000
26 Revenue Vehicle Hours	12,570,000	14,557,000	14,654,000	14,722,000	14,953,000	15,097,000	15,131,000	15,165,000	15,199,000	15,234,000
27 Employees (incl. RTA)	16,482	16,786	16,840	16,392	15,637	16,451	16,471	16,471	16,471	16,471

Note (1): Expenses include debt service payments for bonds issued by RTA.

**REGIONAL TRANSPORTATION AUTHORITY  
FINANCIAL CAPACITY ANALYSIS  
2000-2009**

<b>Line</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Ltr.</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>ACTUAL</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
A. \$ Change in Net Quick Assets	(\$39,720,702)	\$19,234,664	(\$144,227,079)	(\$25,783,430)	\$71,861,869	\$37,372,592	\$13,053,626	\$13,286,965	\$14,062,360	\$15,329,514
B. % Change in Net Quick Assets	-20.4%	12.4%	-82.6%	-84.8%	1553.0%	48.9%	11.5%	10.5%	10.0%	9.9%
C. Ratio of NQA to Annual Op.Costs	10.06%	10.71%	1.84%	0.27%	4.06%	5.79%	5.96%	6.25%	6.41%	6.57%
D. % Change in Ratio	-23.0%	6.4%	-82.8%	-85.4%	1408.5%	42.7%	2.9%	4.8%	2.7%	2.4%
E. Average Passenger Fare	\$1.05	\$1.07	\$1.05	\$1.12	\$1.05	\$1.08	\$1.13	\$1.14	\$1.15	\$1.16
F. % Change in Passenger Fare	1.5%	1.6%	-1.4%	5.9%	-5.7%	2.2%	4.7%	0.8%	0.9%	0.9%
G. Change in Ridership	3,058,000	-2,581,000	-15,873,000	940,000	52,743,000	1,663,000	21,510,000	9,593,000	11,918,000	12,158,000
H. % Change in Ridership	0.5%	-0.5%	-2.8%	0.2%	9.5%	0.3%	3.5%	1.5%	1.9%	1.9%
I. Federal Operating Assistance										
1 \$ Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
J. State General Funds										
1 \$ Change	\$772,000	(\$3,271,000)	\$3,402,179	(\$1,442,179)	(\$980,000)	\$0	\$0	\$0	\$0	\$0
2 % Change	2.0%	-8.3%	9.4%	-3.6%	-2.6%	0.0%	0.0%	0.0%	0.0%	0.0%
K. Local General Funds										
1 \$ Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	200.0%	200.0%	300.0%
L. State Dedicated Funds										
1 \$ Change	\$4,563,000	\$24,471,154	\$16,844,277	\$7,217,532	\$84,157,038	\$12,616,000	\$9,618,000	\$8,311,000	\$8,548,000	\$8,790,000
2 % Change	2.2%	11.7%	7.2%	2.9%	32.7%	3.7%	2.7%	2.3%	2.3%	2.3%
M. Local Dedicated Funds										
\$ Change	\$3,238,000	(\$5,836,699)	\$7,303,008	\$20,640,296	\$24,766,395	\$22,413,000	\$23,130,000	\$23,870,000	\$24,634,000	\$25,422,000
% Change	0.5%	-0.9%	1.1%	3.2%	3.7%	3.2%	3.2%	3.2%	3.2%	3.2%
N. Other										
1 \$ Change	(\$3,057,000)	\$4,477,800	(\$2,611,800)	\$12,205,309	\$2,482,691	\$2,749,067	\$3,044,023	\$3,370,626	\$3,732,272	\$4,132,719
2 % Change	-25.2%	49.4%	-19.3%	111.6%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
O. Total Non-Operating Revenue										
1 \$ Change	\$5,516,000	\$19,841,254	\$24,937,664	\$38,620,958	\$110,426,124	\$37,778,067	\$35,792,023	\$35,551,626	\$36,914,272	\$38,344,719
2 % Change	0.6%	2.2%	2.7%	4.0%	11.1%	3.4%	3.1%	3.0%	3.0%	3.1%

**REGIONAL TRANSPORTATION AUTHORITY  
FINANCIAL CAPACITY ANALYSIS  
2000-2009**

<b>Line Ltr.</b>	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 ACTUAL</b>	<b>2006 Projected</b>	<b>2007 Projected</b>	<b>2008 Projected</b>	<b>2009 Projected</b>	<b>2010 Projected</b>
P. Total Cost % Change	3.4%	5.6%	1.3%	4.1%	9.6%	4.3%	8.3%	5.4%	7.2%	7.3%
Q. Cost/Mile	\$7.94	\$8.15	\$8.07	\$8.29	\$9.00	\$9.26	\$9.94	\$10.38	\$11.03	\$11.73
R. % Change	1.2%	2.6%	-1.0%	2.7%	8.7%	2.8%	7.4%	4.5%	6.2%	6.3%
S. Cost/Hour	\$122.89	\$112.06	\$112.75	\$116.80	\$126.01	\$130.20	\$140.72	\$147.98	\$158.24	\$169.42
T. % Change	1.6%	-8.8%	0.6%	3.6%	7.9%	3.3%	8.1%	5.2%	6.9%	7.1%
U. Cost/Passenger	\$2.71	\$2.87	\$2.99	\$3.11	\$3.11	\$3.23	\$3.38	\$3.51	\$3.69	\$3.89
V. % Change	2.9%	6.1%	4.2%	3.9%	0.0%	4.0%	4.6%	3.8%	5.2%	5.3%
W. Cost/Passenger Mile	\$0.41	\$0.44	\$0.44	\$0.45	\$0.48	\$0.49	\$0.52	\$0.53	\$0.56	\$0.58
X. % Change	3.0%	6.9%	0.5%	2.1%	6.1%	2.8%	4.7%	3.1%	4.7%	4.8%
Y. Change in Revenue Miles	4,197,000	5,635,000	4,522,000	2,825,000	1,750,000	3,110,000	1,848,000	1,903,000	1,959,000	2,018,000
Z. % Change in Revenue Miles	2.2%	2.9%	2.3%	1.4%	0.8%	1.5%	0.9%	0.9%	0.9%	0.9%
AA. Change in Revenue Hours	222,000	1,987,000	97,000	68,000	231,000	144,000	34,000	34,000	34,000	35,000
AB. % Change in Revenue Hours	1.8%	15.8%	0.7%	0.5%	1.6%	1.0%	0.2%	0.2%	0.2%	0.2%
AC. Operating Ratio	49.0%	47.2%	44.8%	46.1%	44.2%	42.1%	41.6%	40.3%	38.5%	36.7%
AD. % Change in Operating Ratio	-1.0%	-3.7%	-5.1%	3.1%	-4.2%	-4.7%	-1.3%	-3.2%	-4.4%	-4.5%
AE. Subsidy/Passenger	\$1.59	\$1.64	\$1.73	\$1.80	\$1.82	\$1.88	\$1.87	\$1.90	\$1.92	\$1.94
AF. % Change	0.1%	2.6%	5.6%	3.9%	1.4%	3.1%	-0.4%	1.5%	1.2%	1.2%
AG. Subsidy/Passenger Mile	\$0.24	\$0.25	\$0.26	\$0.26	\$0.28	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29
AH. % Change	0.2%	3.4%	1.9%	2.1%	7.5%	1.9%	-0.4%	0.8%	0.7%	0.7%
AI. Revenue Miles/Employee	11,801	11,923	12,154	12,658	13,381	12,908	13,005	13,120	13,239	13,362
AJ. % Change	-0.3%	1.0%	1.9%	4.2%	5.7%	-3.5%	0.7%	0.9%	0.9%	0.9%
<b><u>Additional Trends</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Change in Total Costs	3.4%	5.6%	1.3%	4.1%	9.6%	4.3%	8.3%	5.4%	7.2%	7.3%
Change in Total Subsidy	0.6%	2.2%	2.7%	4.0%	11.1%	3.4%	3.1%	3.0%	3.0%	3.1%
Change in Total Operating Revenue	2.4%	1.7%	-3.9%	7.3%	5.0%	-0.6%	6.9%	2.0%	2.4%	2.5%
Change in Total Op & Non-Op Revenue	1.4%	2.0%	-0.3%	5.5%	8.4%	1.7%	4.7%	2.6%	2.8%	2.8%
Tot Rev % less Total Cost %	-2.0%	-3.6%	-1.6%	1.4%	-1.2%	-2.6%	-3.6%	-2.8%	-4.4%	-4.5%