



CHICAGO TRANSIT AUTHORITY 1966 ANNUAL REPORT

CHICAGO TRANSIT AUTHORITY
TWENTY - SECOND ANNUAL REPORT
For the Fiscal Year Ended December 31, 1966



THE YEAR IN BRIEF

FINANCIAL SUMMARY

| | 1966 | 1965 |
|---|------------------------------|------------------------------|
| Gross Revenues | \$147,500,000 | \$138,900,000 |
| Operating and Maintenance Expenses | \$128,200,000 | \$120,400,000 |
| Deficit in Depreciation Provision after Debt Service Charges — | | |
| Current Year | \$ (800,000) | \$ (700,000) |
| Previous Year | <u>(1,100,000)</u> | <u>(400,000)</u> |
| Total | \$ <u><u>(1,900,000)</u></u> | \$ <u><u>(1,100,000)</u></u> |

STATISTICS

| | | |
|-----------------------------------|-------------|-------------|
| Originating Revenue Passengers | 523,300,000 | 502,700,000 |
| Revenue Car and Bus Miles | 157,800,000 | 155,400,000 |
| Passenger Rides per Mile Operated | 3.32 | 3.23 |
| Population of Chicago | 3,466,000 | 3,534,000 |
| Rides per Capita | 151 | 142 |
| Number of Active Employees | 12,008 | 12,188 |

A MESSAGE FROM THE

CHAIRMAN OF CHICAGO TRANSIT BOARD



GEORGE L. DeMENT, Chairman
(M) Term Expires August 31, 1973



JAMES R. QUINN, Vice Chairman
(M) Term Expires August 31, 1971



WILLIAM W. McKENNA, Secretary
(M) Term Expires August 31, 1967



JOSEPH D. MURPHY
(M) Term Expires August 31, 1972



RAYMOND J. PEACOCK
(G) Term Expires August 31, 1968



JAMES E. RUTHERFORD
(G) Term Expires August 31, 1969



MRS. BERNICE T. VAN DER VRIES
(G) Term Expires August 31, 1970

The passenger riding trends that developed during the fiscal year that ended December 31, 1966, were most gratifying and encouraging. However, although riding increased, the additional revenues produced were more than offset by the inflationary spiral that continued to increase operating costs.

The upward course of patronage growth which began in 1965 was carried into 1966. In my judgment, this steady climb indicates a growing public awareness and recognition of the efficiency and economy of mass transit facilities.

Increasingly, the money saved by riding CTA services has become more important to cost-conscious riders. This is especially true when combined with relaxation due to the avoidance of traffic worries and of parking at the beginning and end of their trips.

During the year service improvements continued to be made by extending service into new areas, changing routes to serve the riders better, and scheduling additional express bus service.

A handwritten signature in cursive script, reading "George L. DeMENT".

THOMAS B. O'CONNOR, General Manager

GEORGE J. SCHALLER, General Attorney

M—Appointed by the Mayor of the City of Chicago.

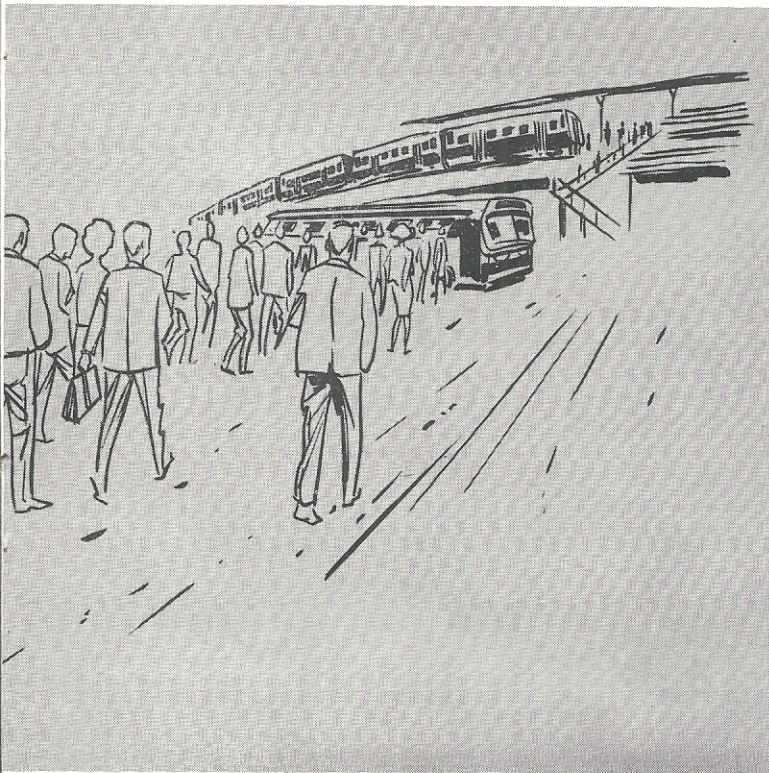
G—Appointed by the Governor of the State of Illinois.

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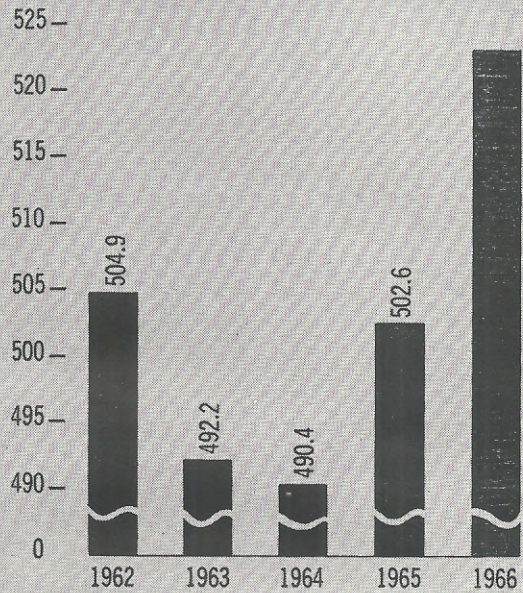
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OPERATIONS REVIEW



ORIGINATING REVENUE PASSENGER
(Millions)



RIDING TRENDS

An increase of 20,617,197 in originating revenue passengers during the fiscal year 1966 (53 weeks) over 1965 (52 weeks) may be attributed, in part, to improved economic conditions and employment

in the Chicago metropolitan area. Details of originating revenue passengers arranged in periods for comparative purposes for fiscal years 1966 and 1965, are shown in the following table:

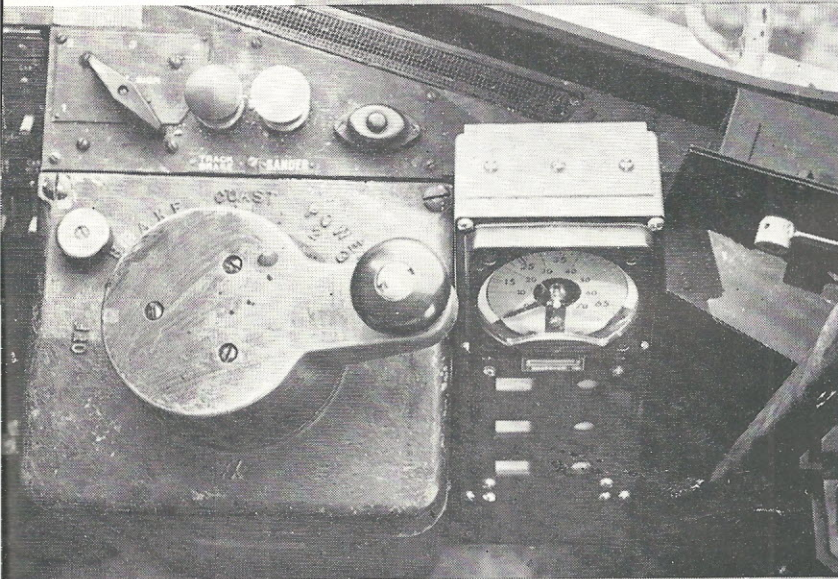
| Periods | Originating Revenue Passengers | | Increase | |
|-------------------|--------------------------------|--------------------|-------------------|-------------|
| | 1966 | 1965 | Number | Per Cent |
| 1, 2, 3 | 117,986,318 | 114,355,348 | 3,630,970 | 3.18 |
| 4, 5, 6 | 120,372,653 | 117,782,144 | 2,590,509 | 2.20 |
| 7, 8, 9, 10 | 154,112,318 | 149,720,349 | 4,391,969 | 2.93 |
| 11, 12, 13* | 130,819,696 | 120,815,947 | 10,003,749 | 8.28 |
| Total | <u>523,290,985</u> | <u>502,673,788</u> | <u>20,617,197</u> | <u>4.10</u> |

*1966, 13th period consists of 5 weeks compared to 4 weeks in 1965.

IMPROVEMENTS AND CONSTRUCTION

Modernization of CTA's passenger and operating facilities progressed during 1966 with new building construction, installation of escalators, substation conversions, and installation of an automatic interlocking plant.

Construction of an inspection and maintenance shop at the Lake rapid transit terminal in Forest Park neared completion. The two-story structure of concrete face brick and structural steel with

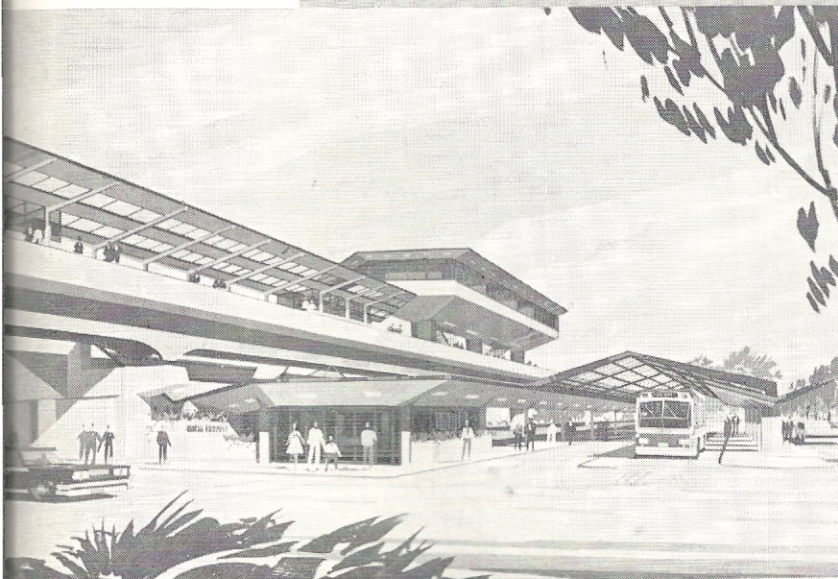


Installation of the latest type of in-cab signalling system on the Lake rapid transit route (above), making the Skokie Swift rapid transit route a permanent part of the CTA system (right), and application for Federal funds to extend the Englewood rapid transit route were among the year's diverse activities.



a floor area of 25,000 square feet will provide a centralized facility for maintenance and repair of the air-conditioned cars operating on the Lake route.

At State and Lake streets the first escalator in the Loop between street-level and the elevated structure was placed in service in December, 1966. A second escalator at State and Van Buren streets neared completion. Both escalator en-

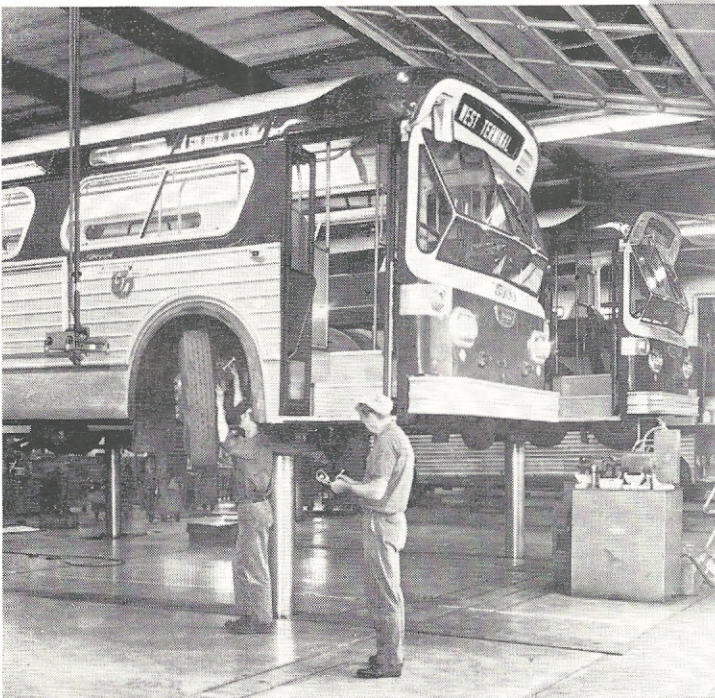


closures are of plexiglass and aluminum construction and have fluorescent lighting and infra-red heaters.

The 20th and 42nd street substations were converted from 25-cycle to 60-cycle operation and from manual to automatic operation under control and supervision of the centrally-located power supervisor's office. These are the second and third substations to be converted and modernized in the ten-year program, the cost of which is being shared by CTA and the Commonwealth Edison company.



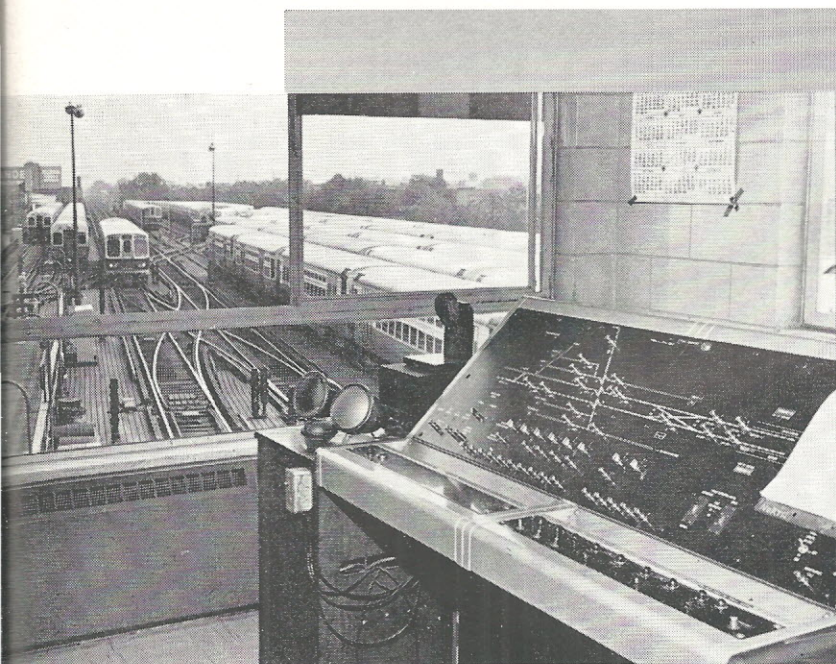
During 1966 the Park 'N' Ride lot at the Congress terminal of the West-Northwest rapid transit route was improved (above), delivery was also taken of 294 latest-type "New Look" buses (left), and concrete ties were installed for trial near the Bryn Mawr station on the North-South rapid transit route.



A new all-electric interlocking plant, which operates automatically in light load periods, was installed at the Logan Square terminal. The plant is operated manually during rush periods because of train movements into and out of the car storage yards.

Installation of car and wayside equipment for the modern automatic block signaling system on the Lake rapid transit





Further improvements to service were effected by the installation of an automated all-electric interlocking plant at the Logan Square terminal on the West-Northwest rapid transit route (above), and the official inauguration of Lunt-Touhy bus service to a new off-street terminal at Winston Towers Apartments.



route, using coded audio-frequency track circuits, cab signals, and speed-sensitive braking control was partially completed. This is one of the most modern signaling systems available.

The Park 'N' Ride lot at the Congress terminal of the West-Northwest rapid transit route in Forest Park was completely remodeled with resurfacing, lighting, and improved parking stall markings. To offset the cost of this work, beginning September 19 a 25¢ parking fee was charged.

In December, CTA became the first operating rapid transit system in the United States and Canada to use concrete ties. The experimental ties were installed for 1,500 feet on the northbound track of the North-South rapid transit route between the Berwyn and Bryn Mawr stations.

RAPID TRANSIT EXPANSION PLANS

Expansion plans for CTA's rapid transit system received a boost during 1966 when the voters of Chicago approved a \$28-million bond issue as the city's share for constructing rapid transit facilities in the median strips of the Kennedy and Dan Ryan expressways and for the improvement and modernization of existing rapid transit stations. Under the Urban Mass Transportation Act of 1964, the \$68,829,000 cost of these projects will be shared by the City of Chicago and the Federal government.

The West-Northwest rapid transit route will be extended from its present terminal at Logan Square via subway to the median strip of the Kennedy expressway, and then to a new terminal near Central and Milwaukee avenues for a distance of about 5.2 miles.

The Dan Ryan Express route will be operated in the median of the Dan Ryan expressway for 9.5 miles from the existing tracks near 17th and State streets to a terminal near 95th street.

A joint project of the Department of Public Works of the City of Chicago and CTA to extend CTA's Englewood rapid

transit route from 63rd street and Loomis boulevard to a new terminal at 63rd street and Ashland avenue got underway. One-third of the approximately six-million dollar project cost will be financed by the City of Chicago and the balance by the U.S. Department of Housing and Urban Development.

Additional plans that developed were the Northwest Passage Coordination project which will connect CTA's Clinton station on the Lake rapid transit route with the Chicago and North Western Railway station. The overall proposal is divided into a capital grant project to cover the cost of modernizing CTA's Clinton station at a total cost of \$332,000, and a research demonstration grant to cover the work in the C&NW station and for conducting studies. The demonstration project is estimated to cost \$498,000, of which the C&NW commitment is \$141,000 and CTA \$25,000.

SKOKIE SWIFT PROJECT

Operation of the successful Skokie Swift Demonstration project, which had been jointly sponsored by the U.S. Department of Housing and Urban Development, the Village of Skokie, and CTA, was terminated at the end of the project period, April 19, 1966, and Chicago Transit Board then acted to make it a permanent part of CTA's rapid transit system.

In the two-year demonstration period, approximately 3,522,000 riders were served, a riding average of about 7,000 per day. During this time 606,400 miles or 59,578 round trips were operated.

NEW REVENUE VEHICLES

During 1966 CTA received delivery of 150 42-passenger diesel-powered buses costing \$3,948,500, on an order placed in 1965. In addition, 144 of an order for 200 diesel-powered buses, costing \$4,037,300, were delivered. The remaining 56 buses are to be delivered in 1967.

At December 31, 1966, CTA owned 4,394 vehicles—3,235 buses and 1,159 rapid transit cars.



CTA's Christmas present to its riders was the new escalator opened on December 23 between street- and platform-level in the Loop at the State-Lake rapid transit station. Officiating at ceremonies placing the escalator in service are Mayor Richard J. Daley and CTA Board Chairman George L. DeMent.

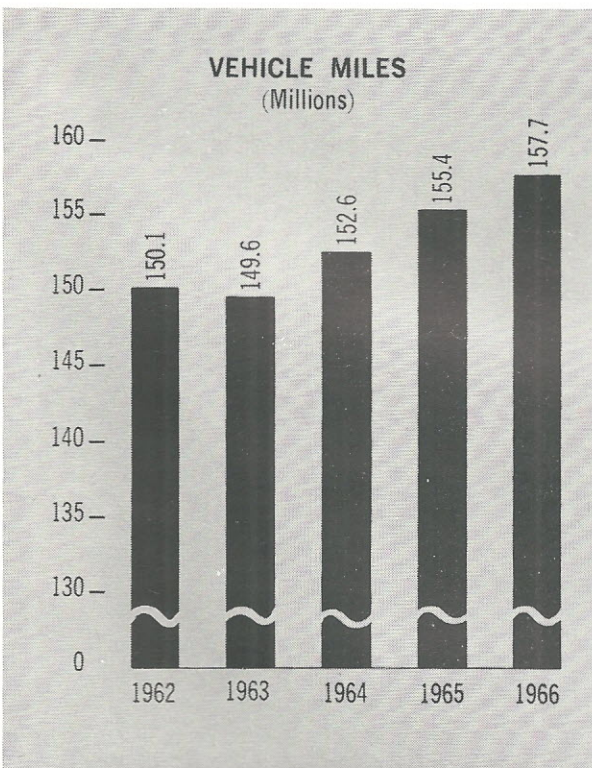


ORIGINATING REVENUE PASSENGERS 1948 THRU 1966

| Calendar Year of | Surface System | | | Rapid Transit System | | | Combined | | | Per Cent of Total Revenue Passengers Carried by | |
|---------------------|----------------------------|-----------------------------|-------|----------------------------|-----------------------------|-------|----------------------------|-----------------------------|-------|--|------------------|
| | Total Revenue Riders | Per Cent Reduction Under | | Total Revenue Riders | Per Cent Reduction Under | | Total Revenue Riders | Per Cent Reduction Under | | Surf. | Rapid Transit |
| | | Previous Year | 1948 | | Previous Year | 1948 | | Previous Year | 1948 | | |
| 1948 | 914,347,321 | — | — | 137,599,607 | — | — | 1,051,946,928 | — | — | 86.92 | 13.08 |
| 1949 | 817,495,803 | 10.58 | 10.58 | 123,701,817 | 10.10 | 10.10 | 941,197,620 | 10.53 | 10.53 | 86.86 | 13.14 |
| 1950 | 722,508,732 | 11.62 | 20.96 | 110,754,505 | 10.45 | 19.60 | 833,263,237 | 11.47 | 20.79 | 86.71 | 13.29 |
| 1951 | 666,438,914 | 7.76 | 27.10 | 112,594,178 | +1.66 | 18.25 | 779,033,092 | 6.51 | 25.94 | 85.55 | 14.45 |
| 1952 | 608,211,464 | 8.74 | 33.55 | 112,467,643 | 0.11 | 18.25 | 720,679,107 | 7.49 | 31.49 | 84.39 | 15.61 |
| 1953 | 574,821,563 | 5.48 | 37.15 | 111,025,584 | 1.28 | 19.30 | 685,847,147 | 4.83 | 34.80 | 83.81 | 16.19 |
| 1954 | 529,934,199 | 7.81 | 42.08 | 112,870,841 | +1.64 | 18.00 | 642,805,040 | 6.28 | 38.89 | 82.44 | 17.56 |
| 1955 | 510,603,672 | 3.65 | 44.00 | 111,210,770 | 1.48 | 19.20 | 621,814,442 | 3.27 | 40.89 | 82.12 | 17.88 |
| 1956 | 505,623,461 | 0.98 | 44.80 | 115,609,937 | +3.80 | 16.00 | 621,233,398 | 0.09 | 40.94 | 81.39 | 18.61 |
| 1957 | 469,785,257 | 7.09 | 48.62 | 112,280,610 | 2.88 | 18.40 | 582,065,867 | 6.30 | 44.67 | 80.71 | 19.29 |
| 1958 | 426,226,629 | 9.27 | 53.38 | 106,768,010 | 4.91 | 22.40 | 532,994,639 | 8.43 | 49.33 | 79.97 | 20.03 |
| 1959 | 432,684,329 | +1.52 | 52.68 | 113,330,994 | +6.15 | 17.64 | 546,015,323 | +2.44 | 48.09 | 79.24 | 20.76 |
| 1960 | 421,832,145 | 2.51 | 53.86 | 112,924,491 | 0.36 | 17.93 | 534,756,636 | 2.06 | 49.17 | 78.88 | 21.12 |
| 1961 | 395,405,445 | 6.26 | 56.75 | 110,126,318 | 2.48 | 19.97 | 505,531,763 | 5.47 | 51.94 | 78.22 | 21.78 |
| 1962 | 390,842,961 | 1.15 | 57.25 | 114,068,016 | +3.46 | 17.10 | 504,910,977 | 0.12 | 52.00 | 77.41 | 22.59 |
| 1963 | 381,166,527 | 2.48 | 58.31 | 111,065,005 | 2.63 | 19.28 | 492,231,532 | 2.51 | 53.21 | 77.44 | 22.56 |
| *1964 | 379,251,204 | 0.23 | — | 111,218,011 | +0.51 | — | 490,469,215 | 0.06 | — | 77.32 | 22.68 |
| *1965 | 388,076,702 | +2.33 | — | 114,597,086 | +3.04 | — | 502,673,788 | +2.49 | — | 77.20 | 22.80 |
| **1966 | 405,728,973 | +4.55 | — | 117,562,012 | +2.59 | — | 523,290,985 | +4.10 | — | 77.53 | 22.47 |

*The fiscal years 1964-1965 consist of thirteen four-week periods.

**The fiscal year 1966 consists of thirteen periods, plus an extra week to cause the total period to close December 31.



VEHICLE MILES

The Authority continued to maintain attractive, convenient, and frequent service during 1966.

Combined vehicle miles operated totaled 157,774,642, an increase of 2,357,504 (1.52%) over 1965. Surface system miles operated were 112,273,181, an increase of 1,205,239 (1.09%) over 1965. Rapid transit system car miles operated were 45,501,461, an increase of 1,152,265 (2.60%) over 1965.

During 1966 the surface system operated an average of 2,871 buses approximately 333,820 miles each weekday; the rapid transit system operated an average of 987 cars approximately 147,091 miles each weekday.

Average scheduled speed of buses in 1966 was 11.93 mph as compared with 11.98 mph in 1965; the average scheduled speed for rapid transit cars in 1966 was 23.02 mph as compared with 23.30 mph in 1965.

CHICAGO TRANSIT BOARD

Mr. George L. DeMent was reappointed a member of Chicago Transit Board for a term expiring August 31, 1973, and was reelected Chairman of Chicago Transit Board for a term of three years.

Mr. Joseph D. Murphy was reappointed a member of Chicago Transit Board for a term expiring August 31, 1972.

PERSONNEL

Employees in service at the close of the fiscal year ended December 31, 1966, numbered 12,194, a decrease of 198 from the 12,392 in service at December 26, 1965.

During the fiscal year 1966, 367 employees retired on pension, and 400 pensioners died. There were 5,428 retired employees receiving pension payments at the end of 1966.

The following changes were made in executive and supervisory positions during the year:

George J. Schaller was appointed General Attorney of Chicago Transit Authority, effective May 5, 1966, succeeding William J. Lynch, who resigned effective March 31, 1966, to accept his appointment as Judge of the United States District Court for Northern Illinois.

C. J. Buck was appointed Electrical Engineer, effective July 1, 1966, succeeding Carl W. Wolf, retired.

Arthur F. Stahl was appointed Superintendent of Security Operations, effective September 25, 1966.

Frank A. Johnson was appointed Superintendent of Training, Accident Studies and Employment, effective September 25, 1966, succeeding John A. Baker, resigned.

EMPLOYMENT

The manpower shortage became extremely critical during the early part of 1966, and continued throughout the year. With unemployment in the area at its lowest since 1952, the Employment department was unable to satisfy completely the manpower needs for bus operators. This shortage was somewhat relieved by employing more than 700 college students as full-time, temporary bus operators during their summer vacations. Simultaneously, attempts to recruit and hire permanent bus operators and other employees continued.

During the year, 925 permanent bus operators were hired, 1,589 applicants were hired for other classifications, and 325 employees were transferred to other classifications through job vacancy postings.

PUBLIC SAFETY

For the sixth consecutive year, CTA operating employees were involved in fewer than 10 traffic and

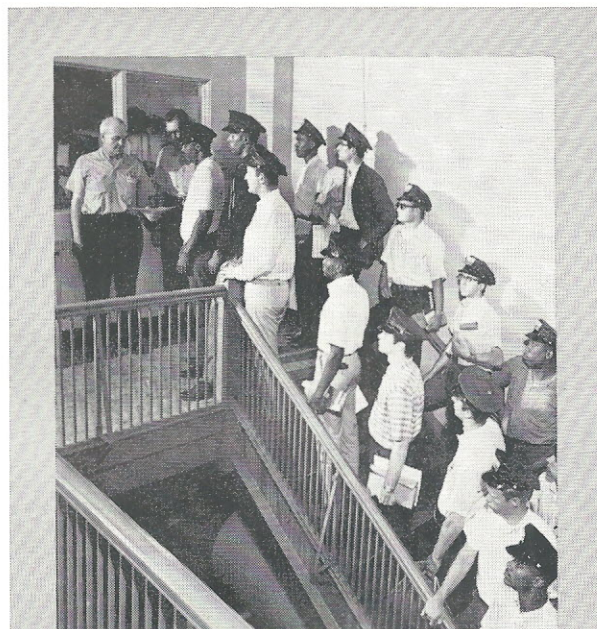
passenger accidents per 100,000 miles operated. In 1966, the combined surface and rapid transit traffic and passenger accident frequency rate of 9.1 was 42% better than in 1954 when intensive safety-training activities began.

On a mileage basis, the rapid transit operating employees established a new safety record, having a traffic and passenger accident frequency rate of 1.64 accidents per 100,000 miles or 2.4% below the previous low set in 1962.

Both surface and rapid transit operating employees established new lows for passenger-type accidents. Their combined frequency rate for passenger accidents was 3.7 accidents per 100,000 miles, an improvement of 2.6% when compared to the previous low.

These achievements were made during a year of heavy manpower shortages and increased traffic congestion.

The following table and graph show comparisons of the Authority's public accident experience, which is comprised of all traffic and passenger accidents regardless of liability or severity.



In the summer, college students report for training as part-time bus operators.

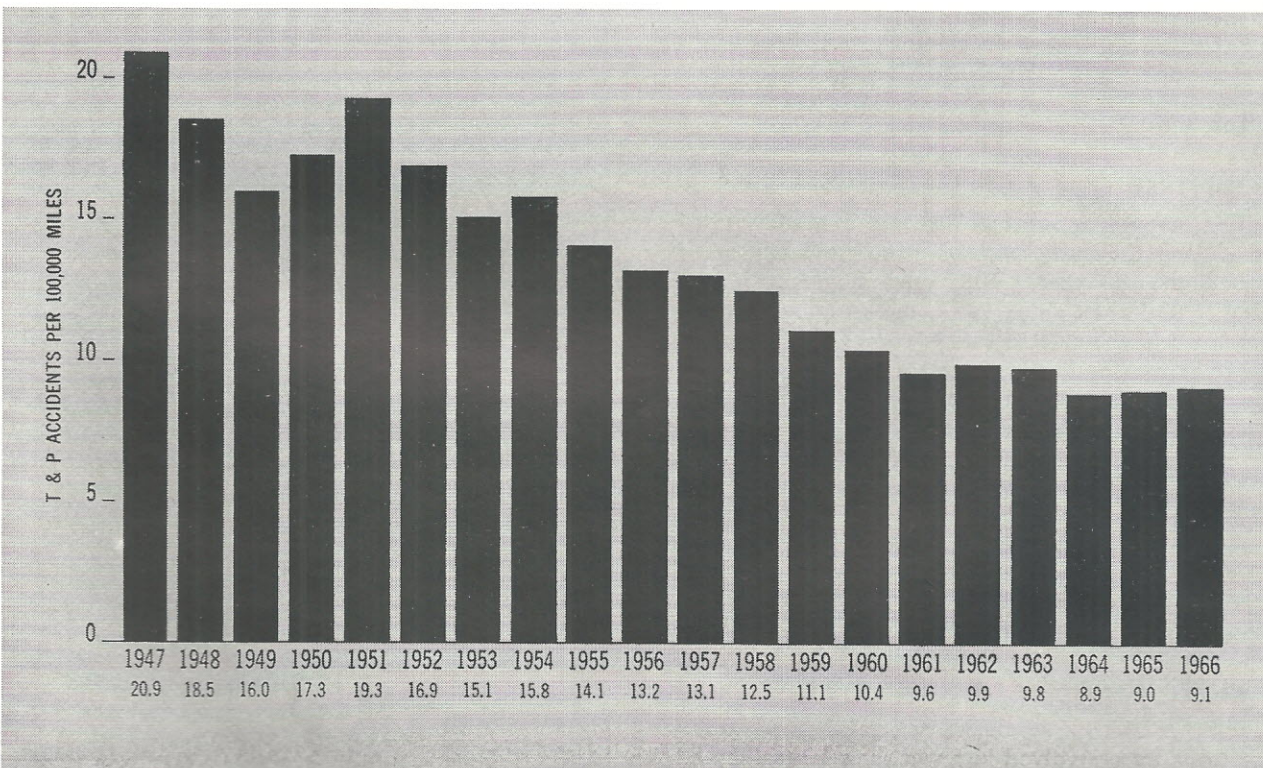
The table compares the 1966 public accident experience with 1965 and also with 1954 to show the effect of safety-training activities.

PUBLIC ACCIDENT EXPERIENCE

| | 1966 | 1965 | 1954 | 1966 Increase (Decrease) | |
|---|----------------|----------------|----------------|-----------------------------|-----------------|
| | | | | From 1965 | From 1954 |
| Traffic accidents | 8,124 | 7,792 | 16,300 | 4.3% | (50.16%) |
| Passenger accidents | 5,584 | 5,660 | 9,678 | (1.3%) | (42.30%) |
| TOTAL ACCIDENTS | <u>13,708</u> | <u>13,452</u> | <u>25,978</u> | <u>1.9%</u> | <u>(47.23%)</u> |
| Revenue vehicle miles on routes (in thousands) | <u>149,874</u> | <u>148,969</u> | <u>164,222</u> | <u>0.61%</u> | <u>(8.74%)</u> |
| Frequency rate—Accidents per 100,000 miles | | | | | |
| Traffic accidents | 5.4 | 5.2 | 9.9 | 3.9% | (45.45%) |
| Passenger accidents | 3.7 | 3.8 | 5.9 | (2.6%) | (37.29%) |
| TOTAL ACCIDENTS | <u>9.1</u> | <u>9.0</u> | <u>15.8</u> | <u>1.1%</u> | <u>(42.41%)</u> |

The graph shows by years the combined traffic and passenger accident rate since the beginning of Authority operations. In the first eight years, the rate remained above 15 accidents per 100,000 miles.

Beginning in 1955, there has been a substantial downward trend with the last six years remaining below 10 accidents per 100,000 miles.

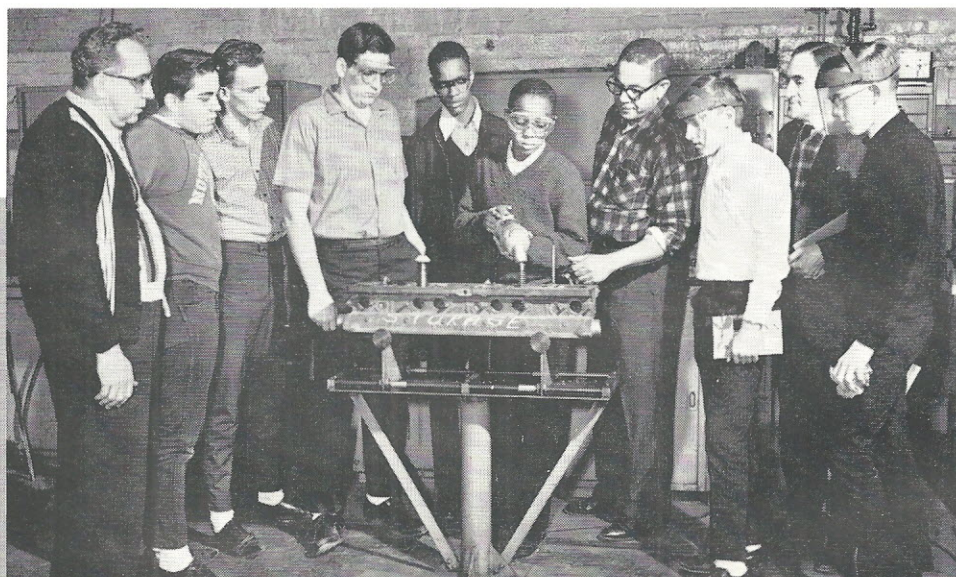


COMMUNITY ACTIVITIES—

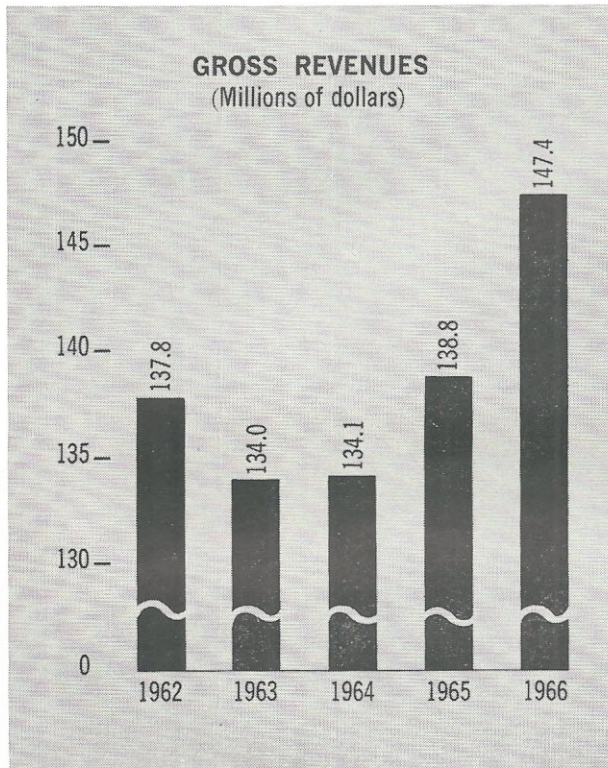
RIGHT: Bus operators from 77th Street Station took an active part in the system-wide Boy Scouts of America fund-raising drive.

BELOW: Members of Scout Explorer Post No. 9607 learn skills at South Shops under the supervision of CTA personnel.

BOTTOM RIGHT: Starting at an early age, 500 summer school students receive instruction from CTA personnel in the proper manner of using public transportation.



FINANCIAL RESULTS



Gross revenues for the 1966 fiscal year totaled \$147,471,425, an increase of \$8,579,945 (6.18%) over 1965. Operating and maintenance expenses of \$128,230,305 increased \$7,816,584 (6.49%) over 1965. Sufficient revenues remained available to meet all debt service requirements, but fell \$778,162 short of meeting the total requirement for de-

preciation which, together with a \$1,069,393 deficiency carried over from the previous year, resulted in a total deficiency of \$1,847,555 in meeting full depreciation requirements as of December 31, 1966.

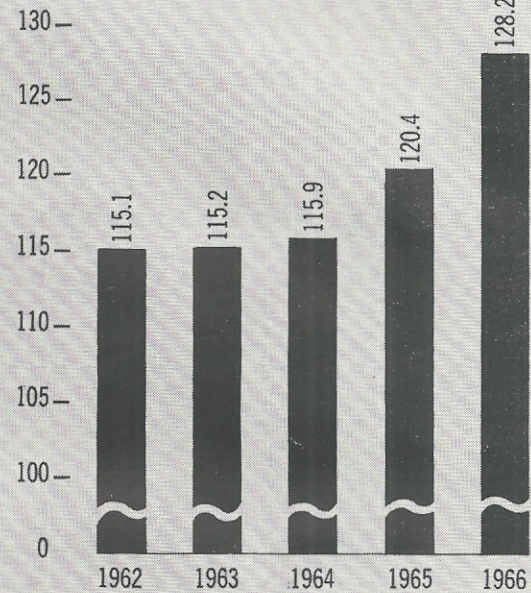
Sources of the Authority's revenue for the fiscal years 1966 and 1965 were as follows:

| | 1966 | 1965 | Increase (Decrease) | |
|--|----------------------|----------------------|---------------------|-------------|
| | | | Amount | Per Cent |
| Passenger revenues— | | | | |
| Surface system | \$111,643,728 | \$104,610,405 | \$7,033,323 | 6.72 |
| Rapid transit system | 32,443,463 | 31,179,194 | 1,264,269 | 4.05 |
| | 144,087,191 | 135,789,599 | 8,297,592 | 6.11 |
| Charter service | 742,090 | 613,381 | 128,709 | 20.98 |
| | 144,829,281 | 136,402,980 | 8,426,301 | 6.18 |
| Other revenues— | | | | |
| Station and car privileges | 830,826 | 862,375 | (31,549) | (3.66) |
| Rent of buildings and other property | 454,944 | 447,526 | 7,418 | 1.66 |
| Miscellaneous | 1,356,374 | 1,178,599 | 177,775 | 15.08 |
| | 2,642,144 | 2,488,500 | 153,644 | 6.17 |
| TOTAL REVENUES | \$147,471,425 | \$138,891,480 | \$8,579,945 | 6.18 |

1966 data cover 53 weeks ended December 31, 1966; 1965 covers 52 weeks ended December 25, 1965.

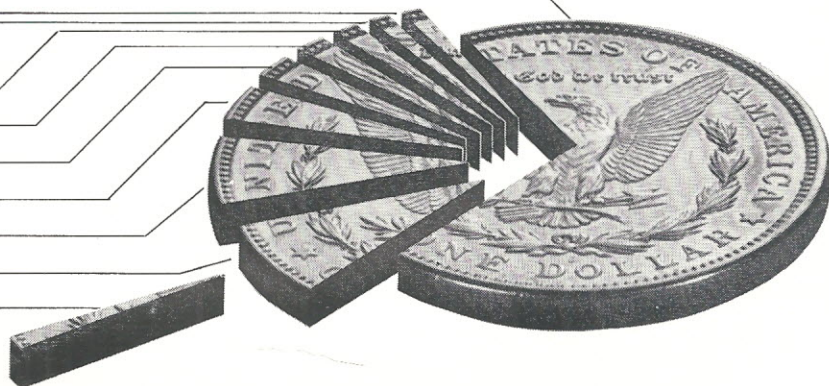


OPERATING AND MAINTENANCE EXPENSE (Millions of dollars)



DISTRIBUTION OF CTA'S REVENUE DOLLAR

TOTAL OPERATING LABOR COSTS — 69.66¢
 SERIAL BOND MATURITY — 1.38¢
 MOTOR BUS FUEL — 1.59¢
 SINKING FUND — 1.95¢
 REVENUE BOND INTEREST — 2.25¢
 POWER — 2.86¢
 INJURIES AND DAMAGES — 4.42¢
 DEPRECIATION — 7.47¢
 MATERIAL AND SUPPLIES — 8.42¢
 DEFICIENCY IN DEPRECIATION — 1.25¢



NOTE: TOTAL OPERATING LABOR COSTS EXCLUDE \$2,793,914 (1.89¢ OF CTA'S DOLLAR) CHARGED TO OPERATING MATERIALS AND SUPPLIES AND INJURIES AND DAMAGE RESERVE.

Passenger revenues increased in 1966 due to a 20,617,197 (4.10%) increase in originating revenue passengers, accounting for \$5,311,900, and a 13,710,432 (5.45%) increase in the use of 5¢ transfers, accounting for \$685,500. Reimbursement by the State of Illinois to cover the transportation of school children at a reduced rate of fare was greater by \$2,300,200 since it was granted for the entire year 1966 whereas it had been granted for only 4½ months in 1965.

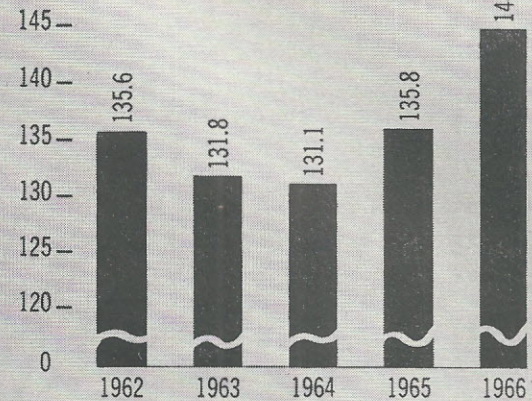
Charter service revenue for 1966 increased \$128,700.

Other revenues increased \$154,000, due to additional interest of \$151,000 earned on securities held in various special funds; miscellaneous income increased \$28,000, and rents of buildings and other properties increased by \$7,000. These increases, however, were partially offset by a decrease of \$32,000 in station and car privileges (advertising).

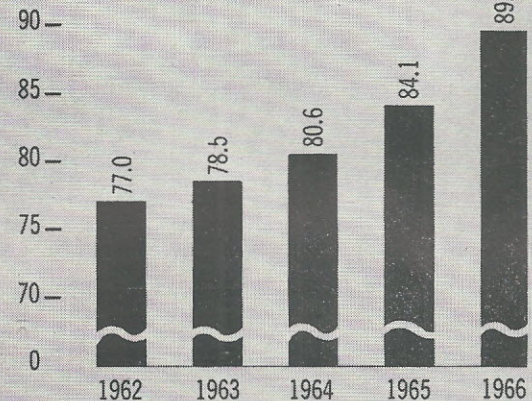
Despite operating economies in controllable expenses, operation and maintenance costs increased \$7,816,584. This was due primarily to increases in wages.

The principal elements comprising operation and maintenance expenses for the years 1966 and 1965 are shown in the following table:

PASSENGER REVENUES
(Millions of dollars)



OPERATING PAYROLL
(Millions of dollars)



| | 1966 | 1965 | Increase (Decrease) | |
|---|----------------------|----------------------|---------------------|-------------|
| | | | Amount | Per Cent |
| Wages and salaries | \$ 89,554,400 | \$ 84,101,607 | \$5,452,793 | 6.48 |
| Pension contributions | 8,289,724 | 7,691,844 | 597,880 | 7.77 |
| Federal insurance contributions | 3,468,982 | 2,239,426 | 1,229,556 | 54.90 |
| Employees' insurance | 1,417,592 | 1,076,647 | 340,945 | 31.67 |
| TOTAL LABOR COSTS | 102,730,698 | 95,109,524 | 7,621,174 | 8.01 |
| Electric power purchased | 4,219,231 | 4,163,976 | 55,255 | 1.33 |
| Motor bus fuel consumed | 2,345,235 | 2,172,094 | 173,141 | 7.97 |
| Operating material and supplies | 6,996,758 | 6,417,659 | 579,099 | 9.02 |
| Provision for injuries and damages | 6,514,044 | 7,536,349 | (1,022,305) | (13.56) |
| Misc. services, supplies, etc. | 5,424,339 | 5,014,119 | 410,220 | 8.18 |
| TOTAL OPERATION AND MAINTENANCE EXPENSES | \$128,230,305 | \$120,413,721 | \$7,816,584 | 6.49 |

Wages and salaries increased in 1966 from the application of higher wage rates and cost-of-living allowances provided in contracts that were effective December 1, 1965. As a result of arbitration proceedings that continued through most of 1966, an award for rapid transit employees (Division 308, Amalgamated Transit Union) was handed down on December 1, 1966. Many of the terms of the award, including wage rates and cost-of-living allowances, were made retroactive to December 1, 1965.

The newly negotiated three-year wage contracts provided for hourly wage increases of 8¢ on December 1, 1965; 11¢ on December 1, 1966; and 12¢ on December 1, 1967. The cost-of-living allowance of 8¢ per hour paid under previous contracts was incorporated into the basic wage rates of the new contracts. Additional cost-of-living allowances started with the first payroll period beginning after March 1, 1966, with quarterly adjustments thereafter.

The new wage rates, plus an 11¢ cost-of-living allowance accumulated by the quarter beginning December 1, 1966, increased 1966 wage costs \$5,453,000.

The changes, applied to a bus operator's basic wages rates, were as follows:

| | Basic hourly rate | Cost-of- living allowance | Total |
|-------------------|-------------------------|---------------------------------|---------|
| December 25, 1965 | \$3.180 | — | \$3.180 |
| 1966 changes— | | | |
| Effective March 1 | — | +\$0.010 | 0.010 |
| June 1 | — | + 0.035 | 0.035 |
| September 1 | — | + 0.020 | 0.020 |
| December 1 | + 0.110 | + 0.045 | 0.155 |
| Net change | + 0.110 | + 0.110 | 0.220 |
| December 31, 1966 | \$3.290 | \$0.110 | \$3.400 |

Operating payroll hours for the fiscal year 1966 totaled 25,058,160, compared to 24,532,787 for

1965, an increase of 525,373 (2.14%); scheduled transit operations increased 601,353 hours and other transit operations decreased 75,979 hours.

Because of higher employee earnings, pension contributions of \$8,289,724 for the year increased \$597,880.

Federal old age insurance contributions amounted to \$3,468,982, an increase of \$1,229,556 over 1965, due to a change that was effective January 1, 1966, in the earning base from \$4,800 to \$6,600 and the contribution rate from 3.625% to 4.2%, an increase of \$103.20 for each of the approximate 12,000 employees.

Employees' group insurance costs increased \$340,945; premium increases were \$291,279 to cover additional benefits provided by the new wage contracts; experience credits decreased \$49,666.

Cost of electric power purchased during 1966 increased \$55,255, due to an increase in mileage operated.

Motor bus fuel costs increased \$173,141, due to an increase in miles operated, in unit cost per gallon, and also because of a decrease in miles per gallon.

Operating material and supplies costs increased \$579,099 as a result of increased usage and unit price increases.

The provision for injury and damage settlements was accrued at 4½% of gross revenues from December 26, 1965, to October 31, 1966, and was then reduced to 4% beginning November 1, 1966. This resulted in a reduction of \$1,022,305 from the year 1965, when the rate was 5½% from January 1, 1965, to November 30, 1965, and 4½% thereafter.

Claim and suit settlements, and expenses applicable thereto, amounted to \$7,208,773 in 1966, compared with \$6,481,813 in 1965 as shown in the following table:

| | 1966 | 1965 | Increase (Decrease) |
|----------------------|-------------|-------------|------------------------|
| Claim settlements— | | | |
| Number | 15,253 | 14,842 | 411 |
| Settlement costs | \$2,323,605 | \$2,362,957 | \$ (39,352) |
| Expenses | 972,197 | 913,648 | 58,549 |
| TOTAL COST OF CLAIMS | \$3,295,802 | \$3,276,605 | \$ 19,197 |
| Suit settlements— | | | |
| Number | 2,290 | 2,051 | 239 |
| Settlement costs | \$2,809,166 | \$2,132,528 | \$676,638 |
| Expenses | 1,103,805 | 1,072,680 | 31,125 |
| TOTAL COST OF SUITS | 3,912,971 | 3,205,208 | 707,763 |
| TOTAL COST | \$7,208,773 | \$6,481,813 | \$726,960 |

Average cost per claim settled, excluding expenses, was \$152 in 1966 compared with \$159 in 1965. Suit costs, excluding expenses, averaged \$1,227 in 1966, compared with \$1,040 in 1965. The total cost of claim and suit settlements in 1966 amounted to 4.9% of gross revenue, as compared with 4.67% in 1965. Claims and suits settled during the year totaled 22,655 in 1966, compared with 21,540 in 1965, an increase of 1,115 or 5.2%.

Miscellaneous services and supplies costs were \$410,220 higher than in 1965. Numerous fluctuating and, in some cases, non-recurring categories of expenses are included under this caption. The larger items accounting for this increase include fees of consultants in connection with the programming

of a computer, engineering surveys and reports, general office rental and facilities, etc.

Debt service requirements for 1966 amounted to \$8,221,568, an increase of \$136,756 over 1965. Deposits to the series of 1947, 1952, and 1953 sinking funds, applied to the retirement of bonds in advance of maturity, increased \$224,352 to the required total of \$2,869,276. Deposits to series of 1947 serial bond maturity fund during 1966 increased \$37,634 over 1965.

Interest of \$3,320,034 paid on all series of revenue bonds during 1966 decreased \$125,230 from 1965 as a result of the retirement of bonds. Bond retirements during 1966 follow:

REVENUE BONDS RETIRED DURING 1966

| Series | Serial Bond Maturity Fund | Sinking Fund | Amortization Fund | Total | Total Retired to 12-31-66 |
|--------------------|------------------------------|---------------------|----------------------|--------------------|------------------------------|
| 1947 | \$ 2,000,000 | \$ 2,310,000 | \$ — | \$4,310,000 | \$49,562,000 |
| 1952 | — | 732,000 | — | 732,000 | 4,248,000 |
| 1953 | — | 178,000 | — | 178,000 | 1,188,000 |
| | <u>2,000,000</u> | <u>3,220,000</u> | <u>—</u> | <u>\$5,220,000</u> | |
| TOTAL TO DATE..... | <u>\$29,000,000</u> | <u>\$21,227,500</u> | <u>\$4,770,500</u> | | <u>\$54,998,000</u> |

Serial bond maturity retirements of \$2,000,000 of series 1947 bonds were at par. Sinking fund retirements of principal, the discount or premium involved, and future interest savings on these retirements are shown below:

SINKING FUNDS

| Series | Par Value | Cost | Discount (Premium) | Interest Savings to Maturity |
|-------------|--------------------|--------------------|-----------------------|------------------------------------|
| 1947 | \$2,310,000 | \$2,225,527 | \$84,473 | \$1,041,808 |
| 1952 | 732,000 | 741,782 | (9,782) | 529,835 |
| 1953 | 178,000 | 180,337 | (2,337) | 127,989 |
| TOTAL | <u>\$3,220,000</u> | <u>\$3,147,646</u> | <u>\$72,354</u> | <u>\$1,699,632</u> |

Net principal savings to date by early retirement of term revenue bonds at discounts amounted to \$1,213,625.

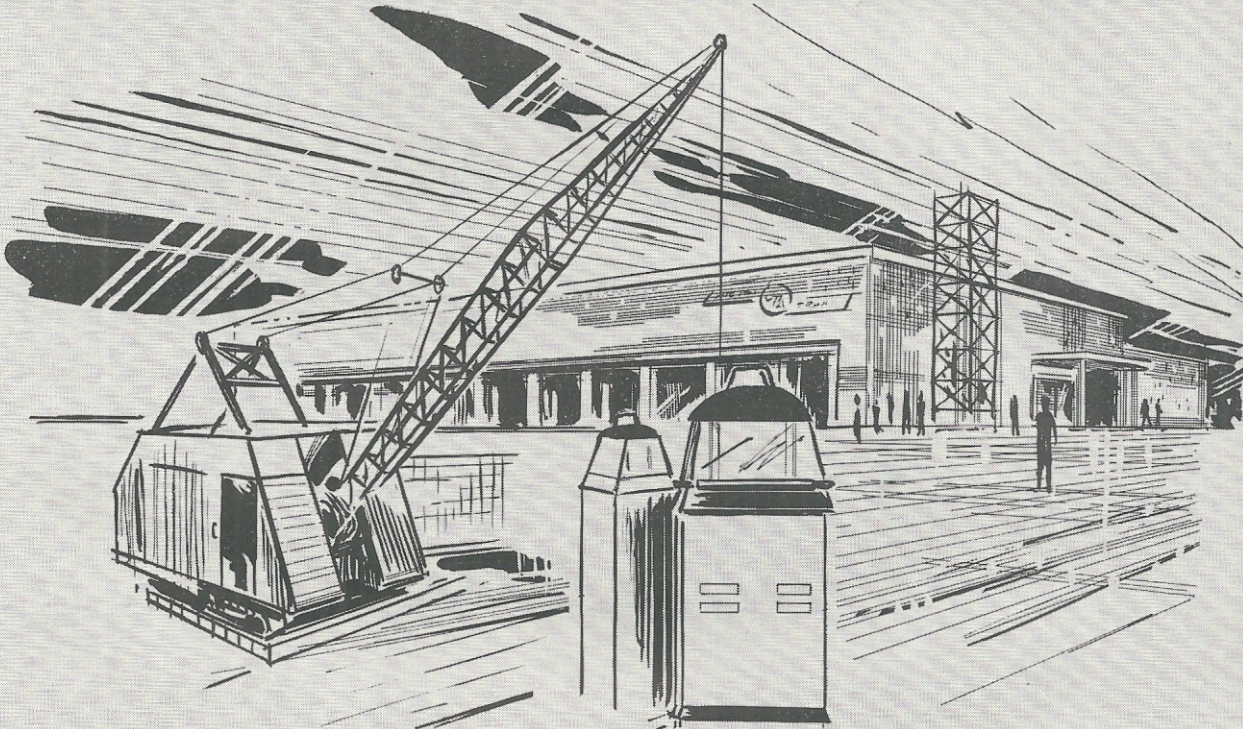
The annual interest reduction on \$3,220,000 retired in advance of maturity during 1966 amounted to \$127,575.

Provision for depreciation (8% of total revenues) amounted to \$11,797,714, an increase of \$686,396, due to increased revenues over 1965.

FINANCIAL POSITION

Statements setting forth the financial position of the Authority at December 31, 1966, together with the opinion of Arthur Andersen & Co., independent public accountants, and other statements showing various phases of operations for the fiscal year ended that date are presented in a following section of this report.

OUTLOOK FOR 1967



FINANCIAL BUDGET

An operating budget of \$147,226,000 for the fiscal year 1967 was approved by Chicago Transit Board in December, 1966, which indicated that revenues would be sufficient to cover all operating expenses and debt service on revenue bonds, but that there would be a \$4,058,300 deficiency in making deposits to meet depreciation provision requirements for 1967. The total deficiency, including an estimated carryover of \$1,117,100 from 1966, was expected to amount to \$5,175,400 by the end of 1967.

Passenger revenue estimates for 1967 were based on the assumption that the average daily revenue passenger riders would continue to increase slightly, as in the previous fiscal year.

Expenses budgeted were based on wage rates in effect at the close of the fiscal year of 1966, including a 6½¢ cost-of-living allowance then being paid. In addition, wage increases effective December 1,

1967, were also included in estimated costs. Minor increases in material and service costs were also anticipated.

FINANCIAL—PRELIMINARY RESULTS

Revenues for the first four-week period ended January 28, 1967, were not sufficient by \$572,748, after meeting operating and maintenance costs, to meet debt service requirements. By January 31, when deposits were required to be made, this deficit had increased to \$603,836, which had to be met by a transfer from the Operating Expense Reserve Fund as required by the Revenue Bond Trust agreement. A record snowstorm January 26 and 27, 1967, caused a complete disruption of traffic, preventing the movement of any vehicles, public transportation as well as other. Clearing of transit routes permitted movement of the Authority's vehicles much more quickly than private vehicles so that during the first two four-week periods ended Febru-

ary 25, 1967, passenger traffic of 79,497,088 revenue rides increased 2,104,754, (2.7%), compared with the first two four-week periods of 1966. Passenger revenues of \$22,030,891 increased \$730,867 (3.4%). Gross revenues of \$22,426,507 increased \$596,820 (2.7%); operation and maintenance expenses of \$21,624,220 increased \$1,937,327 (9.8%).

Costs for the two periods ended February 25, 1967, also increased, however, as a result of the tremendous snowstorm at the end of January followed by another on February 4, to such an extent that there was a deficiency of \$1,696,682 in revenues available for deposit to the depreciation reserve fund. This, plus the deficiency accumulated at the end of 1966, \$1,847,555, made a total accumulated deficiency at February 25, 1967, of \$3,544,237.

BUDGET FOR CAPITAL PROJECTS

Cash available for capital outlays in 1967, including carry-over of capital funds appropriated but not spent in 1966, is estimated at \$15,474,000. Of this amount \$6,005,000 is committed or planned for the purchase of new vehicles. Most of the remaining balance is committed for other capital projects urgently needed, some of which are already under way.

Major capital items budgeted are as follows:

| | |
|---|---------------------|
| Purchase of motor buses, spare parts for motor buses and rapid transit cars | \$ 6,005,000 |
| Interest and principal on equipment trust certificates | 1,694,900 |
| Purchase of fare boxes | 35,000 |
| Lake street terminal facilities | 311,000 |
| Substation conversion | 1,079,000 |
| Track and track structures | 2,599,000 |
| Surface system buildings | 1,624,000 |
| Rapid transit system buildings | 1,218,000 |
| Surface system electrical | 64,000 |
| Rapid transit system electrical | 561,000 |
| Shops and Equipment, purchase of tools and scrapping of passenger equipment | 43,000 |
| Stores department, purchase of equipment | 30,400 |
| Purchase of office machines and equipment | 50,000 |
| Transportation department, automotive equipment | 100,000 |
| General and administrative costs capitalized | 472,000 |
| Purchase and sale of real estate (net) | (530,000) |
| Major contingencies | 117,700 |
| TOTAL | \$15,474,000 |

ACKNOWLEDGEMENTS

The Board wishes to express its appreciation and thanks to the employees whose courtesy, skill, and dedication to public service contributed so much to the achievements of the year, and to the riding public for their valued patronage and support.

We also thank the several public bodies, public officials, and others who have assisted the Authority, for their continued cooperation and help in effecting transportation improvements in the Chicago area.

Special thanks are extended to those whose invaluable assistance made possible reimbursement to the Authority for the costs of transporting school children at a reduced fare.

Chicago Transit Board

Room 734
Merchandise Mart Plaza
Chicago, Illinois 60654

FINANCIAL STATEMENTS AND STATISTICS



ARTHUR ANDERSEN & CO.
CHICAGO, ILLINOIS

To Chicago Transit Board of
Chicago Transit Authority:

We have examined the balance sheet and statement of long-term debt of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 31, 1966, and the related statements of accumulated net earnings, of application of revenue and of funds for the fifty-three week period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported on the financial statements for the preceding fiscal year.

In our opinion, the accompanying balance sheet and statements of long-term debt, of accumulated net earnings and of funds present fairly the financial position of Chicago Transit Authority as of December 31, 1966, and the sources and disposition of funds for the fifty-three week period then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of application of revenue presents fairly the distribution of revenue for the fifty-three week period ended December 31, 1966, in accordance with the provisions of the trust agreement securing the revenue bonds.

March 24, 1967.

ARTHUR ANDERSEN & Co.

Sheets

LIABILITIES

| | <u>Dec. 31, 1966</u> | <u>Dec. 25, 1965</u> |
|--|----------------------|----------------------|
| LONG-TERM DEBT, including \$6,203,535 debt service requirements due within one year (see accompanying statement) (Note 4): | | |
| Revenue bonds, excluding amounts held by trustee for payment of principal (Note 5) | \$ 71,098,318 | \$ 76,149,030 |
| Equipment trust certificates, excluding amounts held by trustee for payment of principal (Note 6) | 13,984,998 | 15,154,166 |
| | <u>\$ 85,083,316</u> | <u>\$ 91,303,196</u> |
| ACCUMULATED NET EARNINGS | <u>\$ 59,391,849</u> | <u>\$ 54,993,745</u> |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 5,112,510 | \$ 4,313,847 |
| Accrued wages and vacation pay | 8,396,003 | 8,242,641 |
| Accrued interest | 1,627,059 | 1,676,112 |
| Deferred revenue (Note 7) | 2,292,916 | 2,296,558 |
| Other | 287,544 | 289,149 |
| | <u>\$ 17,716,032</u> | <u>\$ 16,818,307</u> |
| DAMAGE RESERVE | <u>\$ 15,427,595</u> | <u>\$ 16,122,325</u> |
| | <u>\$177,618,792</u> | <u>\$179,237,573</u> |

The accompanying notes are an integral part of these statements.

Statements of Long-Term Debt

| | <u>Dec. 31, 1966</u> | <u>Dec. 25, 1965</u> |
|---|----------------------|----------------------|
| REVENUE BONDS (Notes 4 and 5): | | |
| Series of 1947, 3 $\frac{5}{8}$ % to 3 $\frac{3}{4}$ %, due 1978 | \$55,438,000 | \$59,748,000 |
| Series of 1952, 4 $\frac{1}{2}$ %, due 1982 | 18,752,000 | 19,484,000 |
| Series of 1953, 4 $\frac{1}{2}$ %, due 1982 | 5,812,000 | 5,990,000 |
| | <u>\$80,002,000</u> | <u>\$85,222,000</u> |
| Less—Funds held by trustee for payment of principal (see accompanying statement of funds) | 8,903,682 | 9,072,970 |
| | <u>\$71,098,318</u> | <u>\$76,149,030</u> |
| EQUIPMENT TRUST CERTIFICATES (Notes 4 and 6): | | |
| Series 10, 2.90% to 3.25%, due 1973 | \$ 4,875,000 | \$ 5,625,000 |
| Series 11, 3.25% to 3.90%, due 1976 | 9,210,000 | 9,625,000 |
| | <u>\$14,085,000</u> | <u>\$15,250,000</u> |
| Less—Funds held by trustee for payment of principal (see accompanying statement of funds) | 100,002 | 95,834 |
| | <u>\$13,984,998</u> | <u>\$15,154,166</u> |
| | <u>\$85,083,316</u> | <u>\$91,303,196</u> |

The accompanying notes are an integral part of these statements.

Statement of Accumulated Net Earnings

APPROPRIATED IN ACCORDANCE WITH THE TRUST AGREEMENT
SECURING THE REVENUE BONDS
FOR THE FIFTY-THREE WEEK PERIOD ENDED DECEMBER 31, 1966

| | |
|--|---------------------|
| BALANCE DECEMBER 25, 1965 | \$54,993,745 |
| Deficiency in current year revenue, per accompanying statement of application of revenue | \$ 778,162* |
| Amounts excluded from operating revenue and expenses in accordance with the revenue bond trust agreement— | |
| Interest on investments held for— | |
| Sinking funds | 5,784 |
| Revenue bond reserves | 71,040 |
| Modernization fund | 5,582 |
| Depreciation reserve fund | 649,237 |
| Interest on equipment trust certificates | 529,266* |
| Discount on retirement of revenue bonds | 72,355 |
| | \$ 503,430* |
| Appropriations for retirement of debt deducted from operating revenue in accordance with the revenue bond trust agreement— | |
| Serial bond maturity fund | 2,032,258 |
| Sinking funds | 2,869,276 |
| Net change | \$ 4,398,104 |
| BALANCE DECEMBER 31, 1966 | <u>\$59,391,849</u> |

* Denotes deduction.

The accompanying notes are an integral part of these statements.

Statement

FOR THE FIFTY-THREE WEEK PE

| FUND | Balance | COLLECTED | | Net Transfers Between Funds Made in 1966 |
|---------------------------------|---------------------------------------|----------------------------------|--------------------|---|
| | Dec. 25, 1965, Before Transfers | Revenue and Other Receipts | Interest Income | |
| HELD BY REVENUE BOND TRUSTEE: | | | | |
| Transit Revenue | \$11,342,588 | \$146,616,726 | \$ 60,043 | \$146,628,719* |
| Interest | 1,685,250 | — | 63,390 | 3,202,281 |
| Serial Bond Maturity | 1,000,000 | — | 46,610 | 1,953,390 |
| Sinking Funds | 220,749 | — | 5,784 | 2,950,955 |
| Reserve Funds | 7,928,440 | — | 342,927 | 397,527* |
| Depreciation Reserve | 13,557,402 | — | 649,237 | 9,659,724 |
| Operating Expense Reserve | 1,848,259 | — | 107,372 | 59,068* |
| Modernization | 880,883 | 46,421 | 5,582 | — |
| HELD BY EQUIPMENT TRUSTEE: | | | | |
| For payment of interest | 45,225 | — | 6,814 | 522,452 |
| For payment of principal | 95,834 | — | 15,159 | 1,154,009 |
| For purchase of equipment | 82,368 | — | 1,959 | 84,327* |
| OTHER: | | | | |
| Working Cash Account | 2,254,740 | 3,884,902 | 1,975 | 121,665,336 |
| Damage Reserve | 9,051,521 | — | 365,435 | 6,113,465 |
| Excess Damage Reserve | 1,000,000 | — | 51,971 | 51,971* |
| TOTAL | \$50,993,259 | \$150,548,049 | \$1,724,258 | \$ — |

* Denotes deduction.

of Funds

RIOD ENDED DECEMBER 31, 1966

| Balance, December 31, 1966, Before Reflection of Transfers Yet to be Made Between Funds | | | | Net Transfers Between Funds to be Made After Dec. 31, 1966 | Balance, December 31, 1966, After Transfers Between Funds | | |
|---|--------------|-----------------------------------|---------------|---|--|-------------------|--------------------------------------|
| HELD AS | | | CLASSIFIED AS | | | | |
| Disbursements | Cash | U. S. Government Securities | Total | | Special Funds | Current Assets | Reduction of Long-Term Debt |
| \$ — | \$ 7,740,752 | \$ 3,649,886 | \$11,390,638 | \$11,390,638* | \$ — | \$ — | \$ — |
| 3,365,698* | 1,585,223 | — | 1,585,223 | — | — | 1,585,223 | — |
| 2,000,000* | 342 | 999,658 | 1,000,000 | — | — | — | 1,000,000 |
| 3,147,646* | 29,842 | — | 29,842 | — | — | — | 29,842 |
| — | 30,453 | 7,843,387 | 7,873,840 | — | — | — | 7,873,840 |
| 11,654,409* | 392,170 | 11,819,784 | 12,211,954 | 5,262,715* | 6,949,239 | — | — |
| — | 1,018,718 | 877,845 | 1,896,563 | 48,304* | 1,848,259 | — | — |
| 886,465* | 46,421 | — | 46,421 | 46,421* | — | — | — |
| 532,655* | 1,900 | 39,936 | 41,836 | — | — | 41,836 | — |
| 1,165,000* | 1,626 | 98,376 | 100,002 | — | — | — | 100,002 |
| — | — | — | — | — | — | — | — |
| 126,660,451* | 1,110,739 | 35,763 | 1,146,502 | 16,446,636 | — | 17,593,138 | — |
| 7,163,148* | 1,390,482 | 6,976,791 | 8,367,273 | 301,442 | 8,668,715 | — | — |
| — | 242,380 | 757,620 | 1,000,000 | — | 1,000,000 | — | — |
| \$156,575,472* | \$13,591,048 | \$33,099,046 | \$46,690,094 | \$ — | \$18,466,213 | \$19,220,197 | \$9,003,684 |

The accompanying notes are an integral part of this statement.

Statements of Application of Revenue

FOR THE FIFTY-THREE WEEK AND FIFTY-TWO WEEK PERIODS ENDED
DECEMBER 31, 1966 AND DECEMBER 25, 1965

| | 1966 (53 Weeks) | 1965 (52 Weeks) |
|---|----------------------|----------------------|
| OPERATING REVENUE: | | |
| Passenger transportation | \$144,829,281 | \$136,402,980 |
| Other | 2,642,144 | 2,488,500 |
| | <u>\$147,471,425</u> | <u>\$138,891,480</u> |
| OPERATING EXPENSES: | | |
| Operations and maintenance— | | |
| Scheduled transit operations | \$ 66,781,478 | \$ 60,985,271 |
| Other, including maintenance and servicing of \$25,721,776 and \$24,283,133 in 1966 and 1965, respectively | 30,980,833 | 29,712,383 |
| Superintendence and general office | 16,558,350 | 15,030,974 |
| Provision for injuries and damages | 6,514,044 | 7,536,349 |
| Electric power for revenue equipment | 4,219,231 | 4,161,534 |
| Fuel for revenue equipment | 2,345,235 | 2,172,094 |
| Operating rentals (Note 9) | 831,134 | 815,116 |
| | <u>\$128,230,305</u> | <u>\$120,413,721</u> |
| REVENUE AVAILABLE FOR DEBT SERVICE | \$ 19,241,120 | \$ 18,477,759 |
| DEBT SERVICE REQUIREMENTS: | | |
| Interest | \$ 3,320,034 | \$ 3,445,264 |
| Serial bond maturity fund | 2,032,258 | 1,994,624 |
| Sinking funds | 2,869,276 | 2,644,924 |
| | <u>\$ 8,221,568</u> | <u>\$ 8,084,812</u> |
| REVENUE AVAILABLE FOR DEPRECIATION | \$ 11,019,552 | \$ 10,392,947 |
| DEPRECIATION REQUIREMENT—CURRENT PERIOD | 11,797,714 | 11,111,318 |
| DEFICIENCY IN REVENUE, representing depreciation for which cash was not available for deposit with the Trustee: | | |
| Current period | \$ 778,162 | \$ 718,371 |
| Beginning of period | 1,069,393 | 351,022 |
| End of period | <u>\$ 1,847,555</u> | <u>\$ 1,069,393</u> |

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

DECEMBER 31, 1966

- (1) Revenue reported for the month of January, 1967, after providing for operating expenses which included extraordinarily high costs resulting from a heavy snowfall in January, were not sufficient to meet deposits for full debt service requirements. In accordance with the provisions of the Revenue Bond Trust Agreement, this deficiency was met by a transfer from the Operating Expense Reserve Fund. As of February 28, 1967, the Authority estimates that the cumulative deficiency in revenue, representing depreciation for which cash was not available for deposit with the Trustee, was \$3,500,000, compared to a deficiency of \$1,847,555 as of December 31, 1966.
- (2) Revenue of each calendar year after deducting operation and maintenance expenses is to be deposited in the following funds, in the order shown, to the extent that moneys are available therefor:
 - A. Revenue bond interest fund, serial bond maturity fund, sinking funds and reserve funds—deposits equal to debt service requirements as provided in the Revenue Bond Trust Agreement.
 - B. Depreciation reserve fund—deposits equal to the annual depreciation provision and deficiencies, if any, in prior years' deposits.
 - C. Revenue bond amortization fund—deposits, cumulative within the year, equal to \$300,000 quarterly for the series of 1947 and 1952 revenue bonds and \$16,714 quarterly for the series of 1953 revenue bonds.
 - D. Operating expense reserve fund—deposit to be not less than \$900,000 each year, until the balance in the fund is equal to at least \$4,000,000.
 - E. Municipal compensation fund—deposit to be computed in accordance with the franchise ordinance.
 - F. Modernization fund—deposits to be equal to the moneys remaining after making required deposits to the above funds.
- (3) In conjunction with the purchase of certain right-of-way and other facilities in 1963, \$1,500,000 was temporarily withdrawn from the working cash account, of which \$900,000 had been reimbursed from the depreciation reserve fund as of December 31, 1966. The remaining \$600,000 will be reimbursed from the depreciation reserve fund over a period not to exceed two years at a rate of not less than \$300,000 per year subject to specific authorization by Chicago Transit Board in each year.

CONTINUED ON NEXT PAGE

- (4) Debt service requirements in 1967 for the payment of principal on revenue bonds and equipment trust certificates consist of the following:

| | Total | Revenue Bonds | Equipment Trust Certificates |
|-------------------------------|--------------------|--------------------|------------------------------------|
| Serial bond maturity | \$1,994,624 | \$1,994,624 | \$ — |
| Sinking funds | 3,000,578 | 3,000,578 | — |
| Principal payment funds | 1,208,333 | — | 1,208,333 |
| | <u>\$6,203,535</u> | <u>\$4,995,202</u> | <u>\$1,208,333</u> |

- (5) Payments of principal on revenue bonds are to be made annually from deposits made to the serial bond maturity fund and as rapidly as practicable from deposits made to the sinking funds but at least annually from deposits to the Series of 1947 sinking fund and semiannually from deposits to the Series of 1952 and 1953 sinking funds.
Revenue bond reserve requirements were met in prior years. Amounts deposited in revenue bond reserve funds can be used only for (a) payment of principal or interest on revenue bonds whenever on any principal or interest payment date there would be insufficient moneys held by the trustee in applicable principal, interest and other funds or (b) retirement of remaining bonds outstanding whenever the aggregate amount in the revenue bond reserve fund, revenue bond amortization fund and sinking fund for any series is equal to the amount of applicable series bonds then outstanding.
- (6) The collateral for Series 10 and 11 equipment trust certificates consists of 869 motor buses and 493 elevated-subway cars having a total cost of approximately \$58,800,000.
Payments of principal on equipment trust certificates are to be made semiannually from deposits made to principal payment funds. Deposits for payment of principal and interest on equipment trust certificates are to be made from the depreciation reserve fund to which deposits are to be made after requirements have been fulfilled for operating expenses and principal and interest on the revenue bonds.
- (7) The Authority received \$3,650,000 in each of the years 1965 and 1966 from the State of Illinois for reimbursement of a portion of the cost of transporting students. Funds received are being reflected in revenue each period during the school year, based on the number of school days in each period. Accordingly, during 1966, \$3,653,642 was recorded in revenue, \$1,353,442 having been recorded in revenue in 1965. The balance of \$2,292,916 will be reflected in revenue in 1967.
- (8) Under its pension agreement, which is renegotiated every three years, the Authority has agreed to contribute a fixed percentage of payroll to a contributory pension plan for present and retired employees. Under such agreement, the Authority is not legally obligated to fund the actuarial cost of future benefits to present and retired employees. At January 1, 1966, the unfunded amount was approximately \$113,000,000, including amounts based on employee services rendered to predecessor companies. The Authority's consulting actuaries have not completed the computation of the unfunded amount as of January 1, 1967, but no significant change from the amount set forth above is anticipated.
- (9) The Authority leases operating facilities under long-term leases which expire on various dates from 1977 to 1990.
- (10) Commitments for capital expenditures as of December 31, 1966, are approximately \$5,200,000.

Statement of Transportation Property and Organization Expense

Showing Balance at December 25, 1965, Plus Additions and
Less Retirements During 1966 and Balance at December 31, 1966

| | Balance Dec. 25, 1965 | Gross Additions | Retirements | Balance Dec. 31, 1966 |
|-------------------------------------|--------------------------|--------------------|-------------|--------------------------|
| Land | \$ 14,441,172 | \$ 359,731 | \$ 2,541 | \$ 14,798,362 |
| Track and Paving | 12,190,796 | 329,272 | 207,483 | 12,312,585 |
| Machinery and Tools | 5,004,092 | 212,341 | 13,219 | 5,203,214 |
| Electric Line Equipment | 9,620,766 | 474,886 | 543,835 | 9,551,817 |
| Buildings | 33,035,028 | 2,349,955 | 212,239 | 35,172,744 |
| Cars | 62,427,639 | 242,948 | 60,906 | 62,609,681 |
| Buses, Fare Boxes, etc. | 69,675,930 | 7,486,300 | 5,463,691 | 71,698,539 |
| Work Cars, Autos and Service | | | | |
| Equipment | 1,944,021 | 155,261 | 39,897 | 2,059,385 |
| Furniture | 1,530,533 | 63,349 | 9,253 | 1,584,629 |
| Signals and Interlocking | 2,346,364 | 656,847 | (751) | 3,003,962 |
| Crossings, Fences and Signs | 1,420,843 | 13,487 | 35,935 | 1,398,395 |
| Elevated Structures | 8,059,631 | 442,246 | 16,680 | 8,485,197 |
| Substation Equipment | 3,768,653 | 773,472 | 2,908 | 4,539,217 |
| Telephones and Communications | 972,019 | 41,722 | 23,595 | 990,146 |
| Engineering | 46,623 | — | — | 46,623 |
| General and Misc. | 5,692,666 | 476,000 | 40,580 | 6,128,086 |
| TOTAL TRANSPORTATION PROPERTY .. | \$232,176,776 | \$14,077,817 | \$6,672,011 | \$239,582,582 |
| Organization Expense | 85,316 | — | — | 85,316 |
| TOTALS | \$232,262,092 | \$14,077,817 | \$6,672,011 | \$239,667,898 |

Revenue Equipment Owned

December 31, 1966

| | On Hand 12-25-65 | 12-26-65 to 12-31-66 Acquired | Retired | On Hand 12-31-66 |
|-------------------------------|---------------------|----------------------------------|------------|---------------------|
| SURFACE SYSTEM— | | | | |
| Buses— | | | | |
| Trolley Buses | 516 | — | 66 | 450 |
| Diesel—Air Conditioned | 10 | — | — | 10 |
| Diesel | 1,147 | 294 | 229 | 1,212 |
| Propane | 1,660 | — | 97 | 1,563 |
| TOTAL SURFACE SYSTEM | <u>3,333</u> | <u>294</u> | <u>392</u> | <u>3,235</u> |
| RAPID TRANSIT SYSTEM— | | | | |
| Elevated Cars— | | | | |
| Steel—Conventional type | 207 | — | 1 | 206 |
| Metal—Articulated | 4 | — | — | 4 |
| Metal—P.C.C. | 769 | — | — | 769 |
| Metal—P.C.C. Air-conditioned | | | | |
| High-Speed | 180 | — | — | 180 |
| TOTAL RAPID TRANSIT SYSTEM | <u>1,160</u> | <u>—</u> | <u>1</u> | <u>1,159</u> |
| TOTAL REVENUE EQUIPMENT | | | | |
| OWNED | <u>4,493</u> | <u>294</u> | <u>393</u> | <u>4,394</u> |

Mileage Owned, Leased, and Operated

December 31, 1966

| | <u>Surface System</u> | <u>Rapid Transit System</u> | <u>Combined</u> |
|--|---------------------------|-------------------------------------|-----------------|
| Tracks Owned or Leased: | | | |
| Owned | 33.60 | 173.28 | 206.88 |
| Leased (Subways, Congress Expressway and Lake Street Track Elevation) | — | 37.23 | 37.23 |
| TOTAL TRACK OWNED OR LEASED | <u>33.60</u> | <u>210.51</u> | <u>244.11</u> |
| Revenue and Non-Revenue Track or Route Mileage: | | | |
| Revenue Miles in Operation— | | | |
| Revenue Tracks | — | 171.13 | 171.13 |
| Trolley Bus Lines (Single Way Miles) | 227.24 | — | 227.24 |
| Motor Bus Lines (Single Way Miles) | 1,641.73 | — | 1,641.73 |
| TOTAL REVENUE MILES | <u>1,868.97</u> | <u>171.13</u> | <u>2,040.10</u> |
| Non-Revenue Miles— | | | |
| Unused Track | 31.74(1) | — | 31.74 |
| Service Track | 1.86(2) | 39.38(3) | 41.24 |
| Connecting Trolley Bus Lines and Trolley Bus Storage | 21.58 | — | 21.58 |
| TOTAL NON-REVENUE MILES | <u>55.18</u> | <u>39.38</u> | <u>94.56</u> |
| TOTAL | <u>1,924.15</u> | <u>210.51</u> | <u>2,134.66</u> |

NOTES:

- (1) This mileage tracks located in public ways and streets which are isolated, tracks from which the electric service has been discontinued and tracks not used.
- (2) This mileage covers tracks located at 78th & Vincennes yard and railroad track connection in South Shops plant.
- (3) Includes 14.63 miles of main line storage track and 2.57 miles of freight gauntlet track, Evanston branch. Balance consists of track in yards and carhouses.

Operating Statistics

For Fiscal Year Ended December 31, 1966

| | Surface System | Rapid Transit System | Combined System |
|--------------------------------------|-------------------|----------------------------|--------------------|
| REVENUES | \$114,181,225 | \$ 33,290,200 | \$147,471,425 |
| REVENUE PASSENGERS | 405,728,973 | 117,562,012 | 523,290,985 |
| REVENUE VEHICLE MILES— | | | |
| Cars—Rapid | — | 45,501,461 | 45,501,461 |
| Trolley Coaches | 16,193,359 | — | 16,193,359 |
| Motor Buses | 96,079,822 | — | 96,079,822 |
| TOTAL REVENUE VEHICLE MILES | 112,273,181 | 45,501,461 | 157,774,642 |
| REVENUE PER VEHICLE MILE | \$1.02 | 73.16¢ | 93.47¢ |
| EARNING REVENUE VEHICLE HOURS— | | | |
| Cars—Rapid | — | (1) | — |
| Trolley Coaches | 1,632,691 | — | 1,632,691 |
| Motor Buses | 8,894,868 | — | 8,894,868 |
| TOTAL REVENUE VEHICLE HOURS | 10,527,559 | — | 10,527,559 |
| POWER STATISTICS: | | | |
| Direct Current Kilowatt Hours | 61,329,821 | 212,430,184 | 273,760,005 |
| Average Cost per Kilowatt Hour | — | — | 1.85¢ |
| MOTOR BUS FUEL STATISTICS: | | | |
| Diesel Fuel—Gallons | 9,275,000 | | |
| Average Miles per Gallon | 4.11 | | |
| Average Cost per Mile | 2.32¢ | | |
| Propane Fuel—Gallons | 27,295,000 | | |
| Average Miles per Gallon | 2.12 | | |
| Average Cost per Mile | 2.52¢ | | |

(1) Not Available

Route and Terminal Changes

| Route | Effective Date | Description |
|---------------------------|----------------|--|
| Lincoln-Larrabee | 3-27-66 | South terminal operation changed to loop via Wells, Van Buren, Franklin, and Harrison. |
| Madison | 3-27-66 | Rerouted buses eastbound via Madison, Jefferson, and Washington. |
| Taylor-Sedgwick-Sheffield | 3-27-66 | South terminal operation on Sundays and in "Owl" periods changed to loop via Wells, Van Buren, Franklin, and Harrison. |
| Hyde Park | 3-28-66 | Rerouted express buses southbound via State, Congress, and Michigan. |
| Jeffery | 3-28-66 | Rerouted express buses southbound via State, Congress, and Michigan. |
| Michigan-State-Wacker | 3-28-66 | Rerouted buses southbound via State, Congress, and Michigan. |
| Division | 4- 4-66 | Rerouted alternate a.m. rush hour buses to Northwestern Station via State, Harrison, Dearborn, Randolph, and Canal. |
| Garfield | 4-10-66 | Rerouted buses northbound via Indiana, 31st, and Michigan. |
| Hyde Park | 4-10-66 | Rerouted buses via Michigan, 31st, and South Park. |
| Jeffery | 4-10-66 | Rerouted Sunday buses via South Park, Cermak, and Michigan. |
| Indiana | 4-11-66 | Rerouted buses northbound via Indiana, 31st, Michigan, and Cermak. |
| Jeffery | 4-11-66 | Rerouted buses northbound via Indiana, 31st, and Michigan, Monday through Saturday. |
| 47th | 7-26-66 | New off-street terminal at Lake Park Avenue placed in service. |
| Lunt-Touhy | 8- 1-66 | Extended certain weekday buses via Touhy, Kedzie, and Pratt to Winston Tower Apartments. |
| Foster-Central | 9-11-66 | Rerouted service over a loop via Harlem, Lawrence, Canfield, and Foster, 5 a.m. to 2 p.m.; via Foster, Canfield, Lawrence, and Harlem, 2 p.m. to 1:30 a.m. |
| 47th and 47th, West | 9-11-66 | Extended 47th service and cut back West 47th service to loop via Cicero, 46th, and Knox. |
| Archer Express | 9-12-66 | Extended certain weekday buses via Narragansett to the off-street terminal at 63rd Place and rerouted certain weekday rush hour buses via Cicero and the Southwest Expressway. |
| Damen, North | 9-12-66 | Extended alternate weekday rush hour buses via Damen to a loop via 34th, Hoyne, and 35th. |
| Pulaski, South | 9-12-66 | Extended certain weekday buses via Pulaski to the off-street terminal at 104th Street. |
| Wilson-LaSalle | 9-12-66 | Extended certain weekday rush hour buses via Lake Shore Drive and Marine Drive to Foster. |
| 87th | 9-12-66 | Rerouted certain buses to U.S. Steel plant via Buffalo, Avenue "O", and 90th. |
| Central-Laramie | 10- 3-66 | Inaugurated experimental weekday rush hour service from the Harrison off-street terminal via Central, Roosevelt, and Laramie to a loop via Harrison, Lavergne, and Flornoy. |
| Armitage | 10-16-66 | Converted from trolley bus to motor bus operation. |
| 26th-31st | 11- 1-66 | North terminal operation in base period changed to loop via South Park, 26th, Calumet, and 25th. |

NOTE: These do not include numerous temporary service and route changes effected during the year.

