

REGIONAL
TRANSPORTATION
AUTHORITY

NORTHEASTERN
ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended
December 31, 2019



**REGIONAL TRANSPORTATION AUTHORITY
NORTHEASTERN ILLINOIS**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Prepared by:

Department of Finance, Innovation and Technology

**Bea Reyna-Hickey
Chief Financial Officer and
Senior Deputy Executive Director**

and

Controller Division

**REGIONAL TRANSPORTATION AUTHORITY
2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**Regional
Transportation
Authority**

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June 24, 2020

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

I have the pleasure to submit to you the Comprehensive Annual Financial Report (“CAFR”) of the Regional Transportation Authority (“RTA”) for the year ended December 31, 2019. The RTA staff has prepared this report as required by, and in accordance with, the RTA Act. This state law requires that the RTA publish financial statements presented in conformity with generally accepted accounting principles and audited by an independent certified public accountant.

This report consists of RTA management’s representations concerning its finances. The responsibility for the accuracy, completeness, and fairness of the data rests with management. To the best of our knowledge and belief, this report contains data complete and reliable in all material respects. To provide a reasonable basis for making these representations, management of the RTA has established an internal control structure designed to provide reasonable assurance that assets are safeguarded from loss, theft, or misuse, and that adequate and reliable accounting data is compiled to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits of that control, and that the valuation of costs and benefits requires estimates and judgments by management.

In addition to the statutory requirement of the RTA Act for an annual audit by independent certified public accountants, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), require the RTA to undergo an annual Single Audit. The RTA has engaged the firm of RSM US LLP to meet these requirements. The firm followed auditing standards generally accepted in the United States of America and the standards set forth in the above circular in conducting the engagement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the RTA’s financial statements for the year ended December 31, 2019, are presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first part of the financial section of this report.

A separately issued single audit report contains a schedule of expenditures of federal awards, the independent auditor’s report on internal controls and compliance with applicable laws, regulations, contracts and grants, a schedule of findings and questioned costs, and other information related to the single audit.



RTAChicago.org 1



Accounting principles generally accepted in the United States of America require that management provide a discussion and analysis to accompany the financial statements. This letter of transmittal complements management's discussion and analysis, and should be read in conjunction with it. The RTA management's discussion and analysis ("MD&A") can be found immediately following the report of the independent auditors.

OVERVIEW OF THE REGIONAL TRANSPORTATION AUTHORITY

Illinois State law (the RTA Act, as amended) created the RTA as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system for Northeastern Illinois.

"It is the purpose of [the RTA] Act to provide for, aid and assist public transportation in the northeastern area of the State without impairing the overall quality of existing public transportation by providing for the creation of a single authority responsive to the people and elected officials of the area and with the power and the competence to provide financial review of the providers of public transportation in the metropolitan region and facilitate public transportation provided by Service Boards which is attractive and economical to users, comprehensive, coordinated among its various elements, economical, safe, efficient and coordinated with area and State plans."

History

In 1974, upon approval of a referendum in the six counties of metropolitan Chicago (Cook, DuPage, Kane, Lake, McHenry, and Will), the Act created the RTA as a unit of local government, body politic, political subdivision, and municipal corporation. Initially, the RTA provided financial assistance to the then existing public transportation operators. Subsequently, the role of the RTA expanded to include the acquisition and operation of such public transportation providers, as well as contract with operators to provide service through the purchase of service agreements.

In 1983, the Illinois General Assembly reorganized the structure and funding of the RTA. The Act placed operating responsibilities with the Chicago Transit Authority ("CTA") and two operating divisions of the RTA: the Commuter Rail Division ("Metra") and the Suburban Bus Division ("Pace"). These three entities are defined in the Act as the "Service Boards."

The CTA provides bus and rail transportation services within Chicago and 35 surrounding suburbs. Illinois State law (the Metropolitan Transportation Authority Act) created the CTA in 1945. The law established the CTA as an Illinois municipal corporation "separate and apart from all other government agencies" to consolidate Chicago's public and private transportation carriers. The CTA commenced operations in 1947 and completed the consolidation of public transportation in 1952 upon purchasing the Chicago Motor Coach System.

The Northeast Illinois Regional Commuter Railroad Corporation ("NIRCRC"), a public corporation created in 1980 and operating under the service name of Metra following the 1983 reorganization, provides public transportation by commuter rail. The 1983 RTA restructuring formed a Commuter Rail Division, "responsible for providing public transportation by commuter rail." The Commuter Rail Division continued the operation of NIRCRC to provide this transportation. Metra contracts with the Union Pacific Railroad, Burlington Northern Santa Fe, and Northern Indiana Commuter Transportation District to provide service through the purchase of service agreements. In addition, Metra operates the services provided on its North Central Service Heritage Corridor and South West Service rail lines, as well as the services formerly provided by the Rock Island, Milwaukee Road, and Illinois Central Gulf.

The 1983 RTA restructuring also formed a Suburban Bus Division "responsible for providing public transportation by bus and as may be provided in [the RTA] Act." As such, the Division - operating under the service name Pace - provides non-rail public transportation throughout DuPage, Kane, Lake, McHenry, and Will counties, as well as the suburban area of Cook County.

Collectively, we refer to the RTA, the CTA, Metra, and Pace as the “RTA System.”

Mission

The Act sets forth the responsibilities of the RTA. These responsibilities encompass planning, funding, and oversight duties. The Board of Directors has developed the following goals to carry out the RTA legislative mandates:

Plan—Ensure an integrated regional public transportation system through comprehensive planning and coordination with the service providers.

Fund—Develop and allocate resources among the Service Boards to ensure they provide quality and cost-effective service.

Oversee—Monitor and evaluate Service Boards’ performance to ensure that service is provided efficiently and effectively.

The Act requires, as one of the primary responsibilities of the RTA, the adoption of an annual budget, two-year financial plan, and a five-year capital program. This obligation incorporates planning, funding, and oversight duties. The Act enumerates a number of requirements with respect to the budget, plan, and program. These include a requirement that the budget and plan reflect operating revenues of at least 50% of operating costs (a farebox recovery ratio of at least 50%). In addition, the budget and plan must show a balance between revenues, including subsidies, and costs (a balanced budget).

Other responsibilities include establishing policies regarding the allocation of public transportation funding in the Chicago metropolitan region, developing system-wide plans and service standards, coordinating services among different modes of transportation, and ensuring compliance with Federal and State mandates.

Budget

The Act establishes budgetary controls. The Act requires, as one of the primary responsibilities of the RTA, the adoption of an annual budget, two-year financial plan, and a five-year capital program.

“Each year the Authority shall prepare and publish a comprehensive annual budget and program document describing the state of the Authority and presenting for the forthcoming fiscal year the Authority’s plans for such operations and capital expenditures as the Authority intends to undertake and the means by which it intends to finance them.”

The Act establishes certain criteria for the budget, including subsequent monitoring for compliance. Further, the five-year capital program must specify each capital improvement undertaken by or on behalf of the Service Boards. The budget calendar, as adopted by the RTA Budget Call and statutory requirements govern the budget development process leading up to adoption of the budget. Subsequent activities involve oversight and amendment of the budget.

Budget Calendar

Based upon the estimate of tax receipts and revenues from other sources, “the Board shall, not later than September 15 prior to the beginning of the Authority’s next fiscal year” advise each Service Board of the amounts estimated to be available during the upcoming fiscal year and the next two following years, the times when the amounts will be available, and the cost recovery ratio for the next year. The recovery ratio for the region must meet a minimum standard of 50%.

Between September 15 and November 15, each Service Board must prepare and publish a comprehensive annual budget, program document, and a financial plan for the two following years. “The proposed budget and financial plan shall be based on the RTA’s estimate of funds that will be available to the Service Boards by or through the Authority, and shall conform in all respects to the requirements established by the Authority.” Before submitting its budget to the RTA, each Service Board must hold at least one public hearing in each of the counties in which it provides service, and at least one meeting with each respective county board. After considering the comments from these meetings, it must formally adopt the budget prior to submitting it to the RTA. “Not later than... November 15 prior to the commencement of such fiscal year, each Service Board shall submit to the Authority its proposed budget for the fiscal year and its proposed financial plan for the two following years.”

The RTA must also hold at least one public hearing in the metropolitan region and one meeting with each county board on its own proposed budget. After conducting these hearings and taking into consideration the comments, the RTA must adopt its budget and the budgets submitted by the Service Boards, each of which meets the statutory criteria summarized below. Unless the RTA passes a budget and financial plan for a Service Board, “the Board shall not release to that Service Board any funds for the periods covered by such budget and financial plan,” except for the sales tax directly allocated to the Service Board by statute.

Statutory Requirements

The RTA Act sets forth seven statutory criteria for Board approval of the budget and financial plan of each Service Board. These seven criteria are:

- *Balanced Budget:* A balance between anticipated revenues from all sources, including operating subsidies and the costs of providing the services and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;
- *Cash-Flow:* Cash balances, including the proceeds of any anticipated cash flow borrowing, sufficient to pay with reasonable promptness all costs and expenditures as incurred;
- *Recovery Ratio:* A level of fares or charges, and operating or administrative costs, to allow the Service Board to meet its required recovery ratio;
- *Assumptions:* Employ assumptions and projections which are reasonable and prudent;
- *Financial Practices:* Prepared in accordance with sound financial practices as determined by the Board;
- *Strategic Plan:* Maintain consistency with the goals and objectives adopted by the RTA in the Strategic Plan; and
- *Other Requirements:* Other financial, budgetary, or fiscal requirements that the Board may establish by rule or regulation.

Oversight

After adoption of the budgets, the RTA has continuing oversight powers concerning the budget and the financial condition of each Service Board and the region as a whole. On a monthly basis, the RTA monitors the budgetary and operations performance of the Service Boards to ensure compliance with their budget and recovery ratios. On a quarterly basis, the RTA makes the following assessments:

- After the end of each fiscal quarter, each Service Board must report to the RTA “its financial condition and results of operations and the financial condition and results of operations of the public transportation services subject to its jurisdiction” for such quarter. If in compliance, the Board so states and approves each Service Board’s compliance by adopted resolution.
- If in the judgment of the Board these results are not substantially in accordance with the Service Board’s budget for such period as adopted by the RTA, the Board shall so advise the Service Board and the Service Board “shall, within the period specified by the Board, submit a revised budget incorporating such results.”
- Once a Service Board submits a revised budget, the RTA must determine if it meets the seven statutory budget criteria necessary to pass an annual budget. If not, the RTA must withhold from the Service Board (i) 25% of the cash proceeds of taxes imposed by the RTA and (ii) 25% of any state matching funds that are allocated to each Service Board.
- If a Service Board then submits a revised budget and plan which shows that the statutory budget criteria will be met within a four quarter period, the RTA “shall release any such withheld funds to the Service Board.”

Amendment

When prudent, the RTA Board may revise estimates of amounts of funds available to the Service Boards during a fiscal year due to shifts in the economic climate, governmental funding programs, or new projects. Upon receiving notice of such a revision, the Service Boards must submit amended budgets to the RTA Board within 30 days. The RTA Board must approve all proposed amendments. If approved, the RTA then monitors actual results compared to the amended budget.

Reporting Entity

As defined by Governmental Accounting Standards Board (“GASB”) Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*, the financial reporting entity consists of the primary government (the RTA, as legally defined), as well as its component units—legally separate entities for which the primary government has financial accountability.

Although part of the RTA System, the CTA, Metra, and Pace do not represent component units of the RTA under GASB Statement No. 14, *The Financial Reporting Entity*. Accordingly, the Comprehensive Annual Financial Report of the Regional Transportation Authority does not include the financial statements of the Service Boards. However, a Special Purpose Combining Annual Financial Report does combine the financial statements of the RTA, the CTA, Metra, and Pace as required by the RTA Act.

RTA System Characteristics

The six-county area served by the RTA system covers 3,749 square miles. According to the Census Bureau, the population of the six-county region was 8.3 million in 2019. The U.S. Department of Commerce-Bureau of Economic Analysis reported employment for the broader Chicago Metropolitan Statistical Area (MSA) of 4.75 million during the same year. The RTA system carried 562.5 million riders in 2019, a decrease of 2.8% from the prior year.

Governance

The RTA Act specifies the composition of the RTA Board of Directors. The RTA Board consists of fifteen appointed members and a Chairman. The Mayor of the City of Chicago appoints five directors. The suburban members of the Cook County Board appoint four directors and one director is appointed by the President of the Cook County Board. The chairman or executive of the County Boards of DuPage, Kane, Lake, McHenry and Will counties, each appoint a director. These fifteen directors, with a minimum concurrence of eleven directors, elect the Chairman of the RTA Board of Directors from outside their numbers.

The RTA employed a staff of 96 professionals as of December 2019. The RTA Act limits the amount of administrative costs that the RTA may incur annually. The limit was set at \$5 million for 1985 and increases at a rate of 5% per year. The RTA has always held its administrative expenses under the prescribed limit.

The Chicago Transit Board, consisting of seven members, governs the CTA. Its members are appointed pursuant to the Metropolitan Transit Authority Act. The Governor of Illinois appoints three members, subject to the approval of the Illinois Senate and the Mayor of the City of Chicago. The Mayor of the City of Chicago, with the consent of the Chicago City Council and the Governor of Illinois, appoints four members, including the CTA Chairman.

The RTA Act specifies the composition of the Metra (Commuter Rail Division) and Pace (Suburban Bus Division) Boards. The Commuter Rail Board, consisting of eleven members, governs Metra. The suburban members of the Cook County Board appoint four members. The Chairman or executive of the County Boards of Cook, DuPage, Kane, Lake, McHenry and Will counties each appoint one director. The Mayor of the City of Chicago, with the consent of the Chicago City Council, appoints one member. These eleven directors, with a minimum concurrence of eight directors, elect the Chairman of the Commuter Rail Board from among their members.

The Suburban Bus Board, consisting of thirteen members, governs Pace. The suburban members of the Cook County Board appoint six members. The Chairman or executive of the County Boards of DuPage, Kane, Lake, McHenry, and Will counties each appoint one director. The RTA Act requires that each of these directors must be a current or former "chief executive officer of a municipality" from the area that appoints the member. One director is the Commissioner of the Mayor's Office for People with Disabilities for the City of Chicago. The Chairman or executive of each of the County Boards of DuPage, Kane, Lake, McHenry, and Will, plus the suburban members of the Cook County Board, by simple majority, appoint the Chairman of the Suburban Bus Board from outside their numbers.

Financing

The RTA Act specifies the funding responsibilities of the RTA, appointing the RTA as the primary public body in the metropolitan region to secure funds for public transportation.

Sections 4.03 and 4.03.1 of the Regional Transportation Act, 70 ILCS 3615, authorize the RTA to impose a series of taxes within the six-county metropolitan region by a vote of twelve of its directors: a sales tax, a car rental tax, a motor fuel tax, an off-street parking tax, and a replacement vehicle tax.

Sales Taxes

The Act authorizes the RTA to impose a retailers' occupation tax "ROT," a service occupation tax "SOT," and a use tax "UT." The RTA imposed this tax at the maximum permissible rate in 1979. The 2008 legislation increased the sales tax by .25% in Cook County and .50% in the collar counties. The individual collar counties keep .25% of the increase. All the RTA sales taxes are collected by the Illinois Department of Revenue under procedures that are largely identical to the corresponding state sales taxes.

The ROT is imposed on the gross receipts from the sale of tangible personal property at a rate of 1% in Cook County and .75% in the collar counties. The RTA tax base is identical to the State retailers' occupation tax "State ROT" base, except that unlike the State ROT, the RTA ROT also applies to the sale of food and drugs. Consequently, when the state base is expanded or contracted by taxing or exempting the sale of tangible personal property, e.g., the sale of computer software or rolling stock, the RTA tax base likewise expands or contracts. However, when the legislature exempted the sale of food and drugs from the state tax, the exemption was not extended to the RTA. Unlike the tax on tangible personal property, the RTA tax on food and drugs is imposed at a rate of 1.25% in Cook, but remains .75% in the collar counties.

The SOT is imposed on the gross receipts from the sale of tangible personal property as an incident to the sale of a service. The tax rate and tax base are identical to the ROT.

The UT is imposed on persons living in the six-county area for the privilege of using, in Illinois, any item of tangible personal property that is purchased in or out of the State at retail cost and used for personal use. The most common purchases are those made via the internet, from online sales, mail order catalog, or purchases of general merchandise, including automobiles and other items that must be titled or registered from sales that were made outside Illinois or when Illinois businesses withdraw tangible personal property from their sales inventories for their own use. The tax is imposed on the selling price of the property at the same rates as the ROT.

Car Rental Tax

Section 4.03.1 of the Act authorizes the RTA to impose an automobile rental occupation and use tax. This occupation tax, paralleling the state and local car rental taxes, may be imposed at a rate of 1% in Cook County and 0.25% in the collar counties of the gross receipts from car rentals. The use tax may be imposed at the same rates on the privilege of using in the region a car rented outside, but titled in, Illinois. Any car leasing tax would be collected by the Illinois Department of Revenue.

This taxing power was added to the RTA Act in 1982, when the legislature imposed a state-wide car rental tax and authorized cities, counties, and certain special districts that had the power to impose sales taxes to tax the car rental occupation. This taxing power has never been exercised by the RTA.

Motor Fuel Tax

The Act authorized the RTA to impose a tax on retail sales and use of motor fuel at a rate of 5% of gross receipts. Section 4.03 (p) of the Act prohibits the RTA from imposing the motor fuel tax if it has imposed the broader sales taxes described above.

Off-Street Parking Tax

The Act authorizes the RTA to impose a tax on the privilege of parking a motor vehicle in a public or private fee-charging lot in the six-county area. The RTA has never imposed this tax as it is prohibited by statute to be enacted simultaneously with the RTA sales tax.

Replacement Vehicle Tax

The Act authorizes the RTA to impose a \$50 tax on any passenger car purchased within the metropolitan area by an insurance company in settlement of a total loss claim of its insured. Any such tax would be collected by the State. This taxing power has never been exercised by the RTA.

Sales Tax Collections

As indicated above, the RTA imposes a sales tax in the six-county Northeastern Illinois region. The Illinois Department of Revenue collects this tax and remits the collections to the Illinois State Treasurer. The Treasurer holds the funds in trust for the RTA outside the State Treasury. As dictated by statute, the Treasurer disburses the funds monthly to the RTA, upon order of the State Comptroller. Effective July 1, 2017, the State imposed a 2% administrative surcharge on RTA sales tax receipts, reducing the amount of sales tax provided to the RTA and Service Boards. Effective April 1, 2018, the surcharge was reduced to 1.5% of sales tax receipts.

The amounts of funding and taxes received, together with revenues from the provision of transit services by the Service Boards and other operating revenues, provide the resources to cover operating costs of the RTA System.

FACTORS AFFECTING ECONOMIC CONDITION

Financing

The RTA's primary source of operating funding is a regional (occupation and use) sales tax and a sales tax match from the State of Illinois. Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region (from the equivalent of 1.0% in Cook County and 0.25% in the remainder of the region to the equivalent of 1.25% in Cook County and 0.5% in the remainder of the region) beginning on April 1, 2008, increased the real estate transfer tax in the City of Chicago to fund the CTA, and increased the portion of RTA tax revenues matched by the State Public Transportation Fund ("PTF") from 25% to 30%. Effective July 1, 2017, the State instituted a temporary 10% reduction in PTF for State fiscal year 2018, reducing the amount of PTF funding provided to the RTA and Service Boards by approximately \$40 million. The reduction in PTF funding was eased to 5%, or approximately \$20 million per year, for State fiscal years 2019 and 2020. In 2019, actual RTA sales tax receipts of \$1.254 billion were 1.8% higher than prior year but lagged the 2019 budget by 1.3%.

The RTA's 2020 operating budget approved by the Board of Directors on December 19, 2019 assumes sales tax revenues of \$1.310 billion, an increase of 3.1% over the 2019 results as estimated at the time of the 2020 budget adoption, and 4.4% over 2019 actual receipts. In addition to the 30% sales tax and real estate transfer tax match from the PTF, the 2020 budget anticipates these funds from the State of Illinois: \$130 million to reimburse the debt service expenses for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. \$17.6 million as partial reimbursement to the Service Boards for mandated reduced fare and free ride programs for student, elderly, and disabled riders, and \$8.4 million of funding for ADA Paratransit service.

Regional and Illinois Economy

The Chicago region comprises one of the most diversified economies in the United States. The region is home to more than 400 major corporate headquarters, including thirty-six Fortune 500 companies. A global leader in options, futures, and derivatives trading, the Chicago area economy's strengths include business and financial services, manufacturing, information technology, health services, and transportation and distribution. Chicago is not only a leader in sustainable business but also ranks as one of the most sustainable cities in the country. The unemployment rate in the Chicago region increased from 4.7% in

2006 to a high of 11.4% in the aftermath of the 2009 recession. The regional unemployment rate improved steadily from 2012 through 2019 and stood at 3.1% in the first quarter of 2020.

The February 2020 Monthly Revenue Briefing issued by the State Commission on Government Forecasting and Accountability noted that during the first nine months of the State's 2020 fiscal year, state-wide sales tax receipts of \$6.1 billion increased \$185 million or 3.1% compared to the same period of the previous fiscal year.

National Economy

Annual growth of real gross domestic product ("GDP"), the output of goods and services produced in the United States, declined from 5.8% in 2006 to -2.8% in 2009. GDP growth then accelerated, growing by nearly 4% in 2010, 2011, 2012, and 2013. Steady growth continued in 2014 through 2018, and preliminary GDP growth of 2.3% was recorded for 2019. The Congressional Budget Office ("CBO") projects annual real GDP growth of 2.2% in 2020.

The consumer price index ("CPI"), a measure of the pace of inflation, declined by 0.4% in 2009, at the height of the financial crisis. CPI bounced back in 2010, increasing by 1.6%, and then by 3.2% and 2.1% in 2011 and 2012, respectively. In more recent years, CPI growth was 2.1% in 2017, 2.4% in 2018, and 1.8% in 2019. CPI growth is projected at 2.4% in 2020, according to the CBO.

The national unemployment rate rose from 4.6% in 2006 to 9.9% in 2009, the highest average annual rate since 1983. As the economy recovered, national unemployment declined each year, reaching 3.7% in 2019. The CBO forecasts the national unemployment rate to further improve to 3.5% in 2020.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the RTA for its Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2018. This was the twenty-fifth consecutive year that the RTA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the RTA received the GFOA Award for Distinguished Budget Presentation for its annual budget for the year ending December 31, 2019. This marks the twenty-third consecutive year that the RTA has achieved this accomplishment. The Distinguished Budget Presentation Award requires that the GFOA judge the budget document as proficient in several categories, including policy documentation, financial planning, and organization.

I would like to express my appreciation to the RTA staff for their efforts in preparing this report.



Bea Reyna-Hickey
Chief Financial Officer and
Senior Deputy Executive Director,
Finance, Innovation and Technology



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Regional Transportation Authority
Illinois**

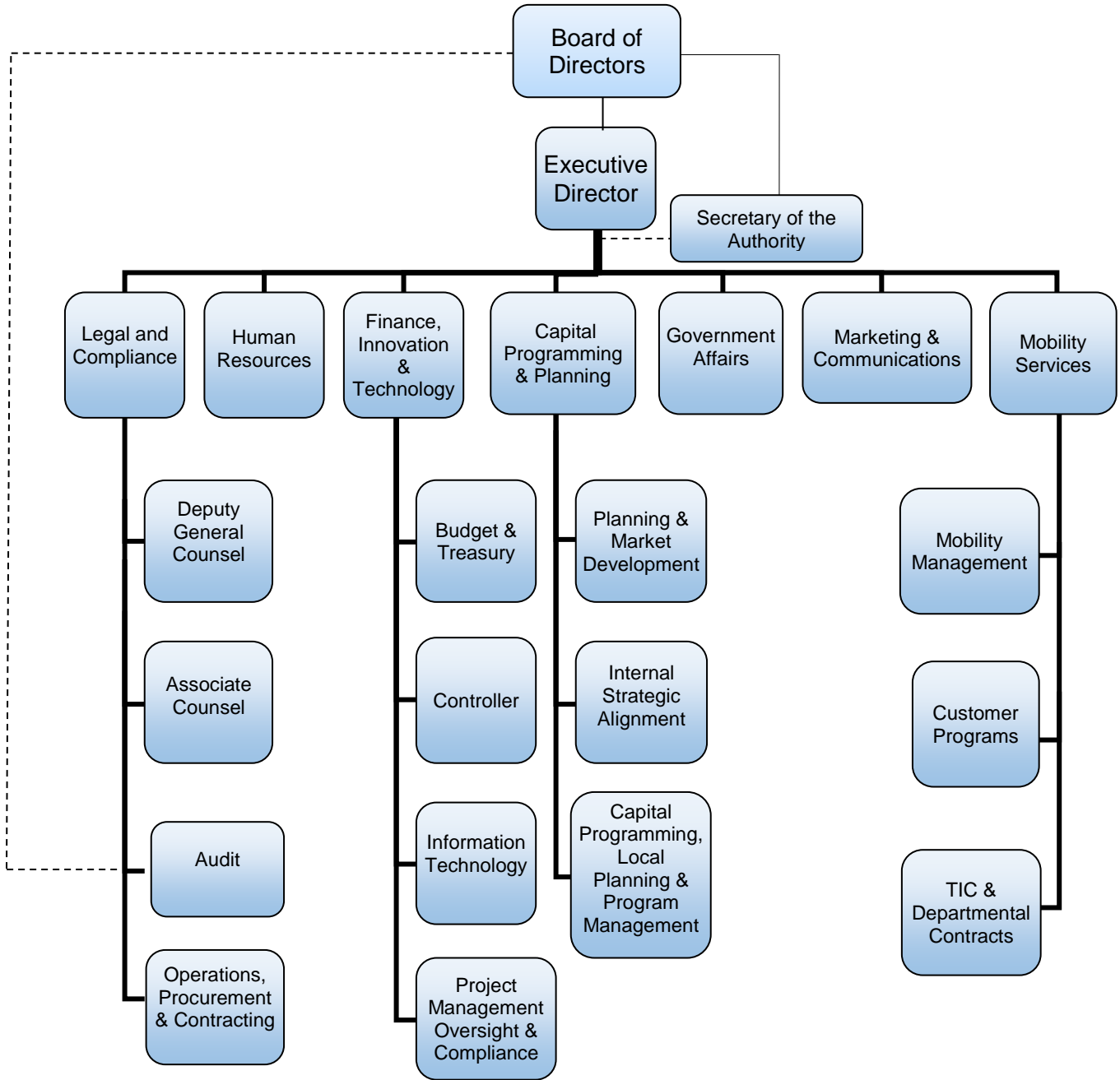
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

**REGIONAL TRANSPORTATION AUTHORITY
ORGANIZATION CHART
December 31, 2019**



REGIONAL TRANSPORTATION AUTHORITY

**LIST OF PRINCIPAL OFFICIALS
as of DECEMBER 31, 2019**

Board of Directors

Chairman	Kirk W. Dillard
Directors	David R. Andalcio Pat Carey William R. Coulson John V. Frega Phil Fuentes Christopher J. Groven Ryan S. Higgins Alexandra Holt Thomas J. Kotel Michael W. Lewis Christopher C. Melvin, Jr. Sarah Pang J.D. Ross Brian Sager Douglas M. Troiani

Administration

Executive Director	Leanne P. Redden
Senior Deputy Executive Director Finance, Innovation and Technology, CFO	Bea Reyna-Hickey
General Counsel	Nadine Lacombe
Director, Government Affairs and Counsel	Jeremy LaMarche
Deputy Executive Director Capital Programming, Planning and Performance/COS	Jill Leary
Director, Human Resources	Allison Noback* Julia Patterson (Retired)
Director, Marketing and Communications	Susan Massel
Director, Mobility Services	Michael VanDekreke

*Acting HR Director since March 2020

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

Board of Directors
Regional Transportation Authority
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Authority ("RTA"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise RTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of RTA, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 15 - 21), pension related information, budgetary comparison information and other postemployment benefits information (pages 74 - 79) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RTA's basic financial statements. The introductory section, combining and individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Chicago, Illinois
June 24, 2020

REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") provides an overview of the financial activity affecting the operation of the Regional Transportation Authority ("RTA") for the fiscal year ended December 31, 2019. Please read it in conjunction with the RTA's basic financial statements which follow this section.

Financial Highlights

- For the year ended December 31, 2019, the RTA statement of activities for the governmental activities shows expenses decreased by \$57 million to \$529 million from \$586 million for the same period in 2018. This decrease is due to a decrease in capital grants to the CTA, Metra, and Pace ("Service Boards") by \$57 million.
- The government-wide statement of net position shows assets of \$818 billion for the governmental activities, a net decrease of \$211 million. This is mainly due to a decrease in other assets of \$169 million. In the government-wide statement of net position, bond-related liabilities decreased by \$189 million, which reflects the decrease in general-obligation bonds payable in 2019.
- At the end of 2019, the government-wide statement of net position shows a deficit of \$1.4 billion for governmental activities. In contrast, the governmental funds balance sheet presented a total fund balance of \$536 million. There is a \$1.9 billion difference between the fund balance and the net deficit. GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, requires RTA's general obligation bonds to be presented in the government-wide statement of net position. The RTA has the obligation to pay the bonds it has issued to fund the Service Boards' capital expenditures. These expenditures and the related assets appear in the Service Boards' financial statements. The sales taxes imposed by the RTA Act in the region represent the primary source of payment for the bond obligations.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Overview of the CAFR—The RTA CAFR consists of three parts:

1. **Introductory Section**—This section includes the letter of transmittal, the GFOA Certificate of Achievement, the organizational chart, and the list of principal officials.
2. **Financial Section**—This section is comprised of the independent auditor's report, the management's discussion and analysis, the basic financial statements, and the required supplementary information and combining and individual fund schedules.
3. **Statistical Section (Unaudited)**—This section provides additional analysis and is not a required part of the basic financial statements of the RTA.

The basic financial statements contain three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. A discussion of the basic financial statements is included in this CAFR as follows:

Government-wide Financial Statements—The government-wide financial statements provide a broad overview of the RTA’s finances in a manner similar to those of a private-sector business. The statements are prepared following the full accrual basis of accounting.

- **Statement of Net Position**—The statement of net position presents information on all of the RTA’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. The statement subtracts liabilities and deferred inflows from assets and deferred outflows to compute—in the case of the RTA—a net deficit. This net deficit reflects the recording of bonds issued by the RTA for capital grants to the Service Boards to acquire and construct assets used to provide public transportation. These assets appear in the financial statements of the Service Boards. The bonds represent general obligations of the RTA to which the RTA has pledged its full faith and credit.

The size of the net deficit will increase as the RTA continues to issue bonds to fund the RTA System’s capital program.

- **Statement of Activities**—The statement of activities shows the change in net position of the governmental and business-type activities. Governmental activities include operating and capital asset funding (capital grants) to the Service Boards, RTA administrative expenses, the RTA Travel Information Center, certification of riders for paratransit service under the Americans with Disabilities Act (regional expenses), and interest expense on bonds issued by the RTA. Business-type activities consist of the RTA Joint Self-Insurance Fund.

The government-wide financial statements include only the RTA (the “primary government”). There are no “component units” (separate legal entities for which the RTA is financially accountable) that the RTA government-wide financial statements are required to include.

The RTA does not consider the CTA, Metra, or Pace to be component units, therefore, the RTA government-wide financial statements do not incorporate the financial data of the Service Boards. (See Letter of Transmittal and Note 1 to the financial statements for further details.)

Fund Financial Statements—A fund refers to a set of related self-balancing accounts used to maintain control over resources segregated for specific activities or objectives. The RTA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The RTA’s funds are accounted for in three fund types: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds**—Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year.

Unlike the information presented for governmental funds, information presented for governmental activities in the government-wide financial statements includes the long-term impact of near-term financing decisions. The governmental funds financial statements provide reconciliations to facilitate comparison between governmental funds and government-wide financial statements.

In the fund level basic financial statements, the RTA presents three major governmental funds: a general fund, a debt service fund, and a capital projects fund. The governmental funds financial statements present information for each major fund separately. Individual fund data for each of the RTA governmental funds is presented in this CAFR in the section labeled “Combining and Individual Fund Schedules.”

The RTA adopts an annual appropriated budget for its general fund. The Required Supplementary Information and Combining and Individual Fund Schedules include a budgetary comparison.

- **Proprietary Funds**—The RTA maintains a proprietary fund to account for the RTA Joint Self-Insurance Fund. This type of proprietary fund, referred to as an enterprise fund, reports the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. As required by Article II of the Loss Financing Plan, the RTA Joint Self-Insurance Fund issues separate annual audited financial statements.
- **Fiduciary Funds**—Fiduciary funds account for resources held for the benefit of parties outside the government activity. In the case of the RTA, the fiduciary fund accounts for the assets of the RTA defined-benefit Pension Plan and the Sales Tax Agency Fund. The government-wide financial statements do not reflect fiduciary funds as these funds are not available to support the programs and operations of the RTA. The RTA Pension Plan issues annual audited financial statements separately.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table summarizes the Statement of Net Position:

**SUMMARY OF NET POSITION
DECEMBER 31, 2019 AND 2018
(In Thousands)**

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Variance	2019	2018	Variance	2019	2018	Variance
Assets:									
Cash and investments	\$ 545,395	\$ 588,127	\$ (42,732)	\$ 18,483	\$ 20,694	\$ (2,211)	\$ 563,878	\$ 608,821	\$ (44,943)
Other assets	267,023	436,205	(169,182)	2,581	2,436	145	269,604	438,641	(169,037)
Noncurrent assets	2,280	2,472	(192)	-	-	-	2,280	2,472	(192)
Capital assets—net	3,426	2,700	726	-	-	-	3,426	2,700	726
Total assets	818,124	1,029,504	(211,380)	21,064	23,130	(2,066)	839,188	1,052,634	(213,446)
Deferred outflow of resources									
OPEB related amounts	73	-	73	-	-	-	73	-	73
Pension related amounts	7,625	4,824	2,801	-	-	-	7,625	4,824	2,801
Total deferred outflow of resources	7,698	4,824	2,874	-	-	-	7,698	4,824	2,874
Liabilities:									
Current non bond-related liabilities									
Current bond related liabilities	216,973	326,224	(109,251)	-	-	-	216,973	326,224	(109,251)
Long-term non-bond-related liabilities	271,470	180,070	91,400	-	-	-	271,470	180,070	91,400
Long-term bond-related liabilities	28,545	26,666	1,879	-	-	-	28,545	26,666	1,879
Total liabilities	1,654,130	1,934,258	(280,128)	-	-	-	1,654,130	1,934,258	(280,128)
Deferred inflow of resources									
Gain on refunding	4,509	4,791	(282)	-	-	-	4,509	4,791	(282)
OPEB related amounts	27	32	(5)	-	-	-	27	32	(5)
Pension related amounts	1,368	3,049	(1,681)	-	-	-	1,368	3,049	(1,681)
Total deferred inflow of resources	5,904	7,872	(1,968)	-	-	-	5,904	7,872	(1,968)
Net position (deficit):									
Net investment in capital assets	3,426	2,697	729	-	-	-	3,426	2,697	729
Restricted	178,078	212,862	(34,784)	-	-	-	178,078	212,862	(34,784)
Unrestricted (deficit)	(1,532,704)	(1,656,321)	123,617	21,064	23,130	(2,066)	(1,511,640)	(1,633,191)	121,551
Total net position (deficit)	\$ (1,351,200)	\$ (1,440,762)	\$ 89,562	\$ 21,064	\$ 23,130	\$ (2,066)	\$ (1,330,136)	\$ (1,417,632)	\$ 87,496

As of December 31, 2019, cash and investments for governmental activities decreased by \$43 million over the previous year. The RTA's cash balance decreased from last year due to lower receipts received from Service Board state capital projects. As of December 31, 2019, the current bond and non-bond-related liabilities decreased by \$18 million from the previous year due to short-term cash note payments made in 2019.

The presentation of financial statements under GASB Statement No. 34 requires the recognition in the statements of net position of \$1.9 billion in current and long-term general obligation bonds and notes payable. The issuance of these bonds was for the specific purpose of funding capital grants to acquire and construct assets used to provide public transportation within the RTA region.

The RTA net deficit at December 31, 2019 will not affect the availability of RTA to fund resources for future use. In fact, the RTA maintains its operations funding levels for 2020 as established in September 2019 during the 2020 budget process.

The following table summarizes the Statement of Activities:

**SUMMARY OF ACTIVITIES
DECEMBER 31, 2019 AND 2018
(In Thousands)**

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Variance	2019	2018	Variance	2019	2018	Variance
Expenses:									
Financial assistance to Service Boards	\$ 227,969	\$ 218,240	\$ 9,729	\$ -	\$ -	\$ -	\$ 227,969	\$ 218,240	\$ 9,729
Capital grants to Service Boards	136,675	194,069	(57,394)	-	-	-	136,675	194,069	(57,394)
Operating grants to Service Boards	32,838	35,030	(2,192)	-	-	-	32,838	35,030	(2,192)
Administrative expenses	16,629	18,759	(2,130)	5,594	5,424	170	22,223	24,183	(1,960)
Regional and technology program expenses	23,199	24,602	(1,403)	-	-	-	23,199	24,602	(1,403)
Interest expense	88,842	95,740	(6,898)	-	-	-	88,842	95,740	(6,898)
Total expenses	526,152	586,440	(60,288)	5,594	5,424	(170)	531,746	591,864	(60,118)
Revenues:									
Sales taxes	140,967	138,238	2,729	-	-	-	140,967	138,238	2,729
PTF and state assistance	429,055	492,987	(63,932)	-	-	-	429,055	492,987	(63,932)
Operating grant - CTA/PACE	25,338	26,971	(1,633)	-	-	-	25,338	26,971	(1,633)
Regional expenses/grants revenue	-	7,038	(7,038)	-	-	-	-	7,038	(7,038)
Other intergovernmental revenues	-	22,784	(22,784)	-	-	-	-	22,784	(22,784)
Investment income and other	23,518	11,033	12,485	364	3,351	(2,987)	23,882	14,384	9,498
Total revenues	618,878	699,051	(80,173)	364	3,351	(2,987)	619,242	702,402	(83,160)
Excess (deficiency) of revenues over expenses before transfers	92,726	112,611	(19,885)	(5,230)	(2,073)	(3,157)	87,496	110,538	(23,042)
Transfers	(3,164)	-	(3,164)	3,164	-	3,164	-	-	-
Change in net position	89,562	112,611	(23,049)	(2,066)	(2,073)	7	87,496	110,538	(23,042)
Net position - beginning of year	(1,440,762)	(1,552,968)	112,206	23,130	25,203	(2,073)	(1,417,632)	(1,527,765)	110,133
Impact of implementation of GASB 75	-	(405)	405	-	-	-	-	(405)	405
Net position - beginning of year, as restated	(1,440,762)	(1,553,373)	112,611	23,130	25,203	(2,073)	(1,417,632)	(1,528,170)	110,538
Net position - end of year	\$ (1,351,200)	\$ (1,440,762)	\$ 89,562	\$21,064	\$23,130	\$ (2,066)	\$ (1,330,136)	\$ (1,417,632)	\$ 87,496

In 2019, financial assistance increased by \$10 million and other capital grant to the Service Boards decreased by \$57 million from 2018, which reflects the activity in capital expenses to the Service Boards during 2019. Furthermore, the amount of bond interest expense decreased by \$7 million from \$96 million to \$89 million in 2019. The PTF and state assistance decreased by \$64 million, which reflects the decrease in activities for capital expenses to the Service Boards in 2019. The sales tax increased by \$3 million, an increase in investment income and other of \$12 million was mainly due to the timing of investment cash flows. The \$23 million decrease in other intergovernmental revenues was a reimbursement to RTA from the service boards in 2018 that did not occur in 2019.

During 2019, \$3 million was paid to the Joint Self-Insurance Fund for excess liability. Insurance premiums representing the only major expense, and investment income represents the only revenue for the Business-type activities (insurance financing).

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

As noted earlier, the RTA employs three fund types: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds—Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the year. See the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for further details.

General Fund—Assets in the General Fund primarily represent the amounts for the Service Boards' operations and capital projects. Assets decreased by \$125 million from \$627 million in 2018 to \$502 million in 2019, mainly due to timing differences. The RTA's cash and investments balance decreased by \$6 million and intergovernmental receivables decreased by \$170 million due to timing of receipts on receivables.

The total fund balance of the General Fund equals \$240 million at December 31, 2019. The General Fund balance decreased by \$27 million primarily due to the timing of debt service payments and transfers to the Debt Service Fund.

The amount committed for RTA capital projects is for projects focusing on the application of advanced technology on transportation systems to improve the efficiency of such systems. The transit industry views such technology as having the potential for increasing ridership and revenues by making transit systems more attractive to customers.

These applications include the following:

- The Regional Transit Signal Priority ("TSP") Implementation Program made further progress in 2019.
 - RTA staff managed grants with Pace and CDOT to implement TSP on portions of Milwaukee Avenue and other corridors, and with the CTA and CDOT to implement TSP on Western Avenue and to design and implement TSP on the Central and Northern portions of Ashland Avenue.
 - RTA staff provided project management for RTA's contract with URS/AECOM for systems engineering and program management services. The focus of work during 2019 was interoperability testing and documentation of performance measures.
 - RTA staff provided technical support while CTA and CDOT completed implementation of TSP on the Western Avenue corridor.
 - Pace completed TSP implementation on Milwaukee Avenue in late 2019 and will be conducting proof-of-concept testing during early 2020. In addition, Pace completed design work and executed a contract for purchase and implementation of TSP equipment on other corridors beginning in 2020 – pending successful completion of testing on Milwaukee Avenue.
- The RTA Interagency Signage Program made further progress in 2019.
 - Started fabrication and installation of signage at Bundle 2 locations: Irving Park, Jefferson Park, Main Street-Evanston, Oak Park, Waukegan and Wheaton.
 - Completed design plans and Information for Bid ("IFB") package for Bundle 3 locations: Aurora, Blue Island, Chicago Union Station, LaSalle St Station, Millennium Station, Ogilvie Transportation Center

- Updated timetables and maps at Davis, Elgin, Harvey, Joliet, Lake-Cook, Lisle, and Van Buren.
- Updated all Pace Pylon maps at Pace Harvey Transportation Center.
- Completed Information for Bid (“IFB”) package for 2020-2025 5 Year Signage Maintenance contract.
- City of Chicago Department of Transportation under their Walk to Transit program City of installed signage prepared by the RTA using the RTA Signage Standards for Chicago Union Station-Greyhound corridor.
- Updated the RTA Interagency Signs Design Standards
- Updated the RTA ITPID Standard Fabrication Drawings
- Completed Rosemont Bus Connection Map, replacing Pace individual timetables.

Debt Service Fund—The RTA has established a Debt Service Fund to receive transfers from the General Fund and investment income. Disbursements of principal and interest payments made for each of its outstanding series bonds. As of December 31, 2019, the RTA has twenty series of general obligation bonds/notes outstanding. Each respective bond/note agreement sets forth the debt service funding requirements. The 2019 Debt Service Fund balance decreased by \$8 million in 2019 to \$142 million.

Capital Projects Fund—The RTA has established a Capital Projects Fund to account for bond proceeds, earnings on the investment of such proceeds, and the expenditure of such monies for capital assets of the Service Boards. During 2019, the Capital Projects Fund decreased by \$67 million. The decrease in investment for the Capital Projects Fund was due to no issuance of capital bonds for future projects during 2019.

Proprietary Fund—The RTA has established a proprietary fund to account for activities that are similar to those found in the private sector and to account for the financing of goods or services provided by a department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis. The RTA has one proprietary fund which relates to the activities of the Joint Self-Insurance Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

In 2019, the actual change in revenues over expenditures of \$235 million, excluding other financing (Debt Service) use, was \$6 million higher than the budget figure of \$229 million.

In the General Fund, total revenues were under budget by \$3 million. The variance in the General Fund is mainly due to the receipt of lower Sales Tax and PTF in 2019.

SERVICE BOARDS CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The financial statements of the Service Boards reflect the capital assets discussed in this section. The statement of net position for the RTA reflects the RTA bonds issued to provide a portion of the funding for these assets. The details of the RTA bond program are discussed further in Note 9 of this report.

Service Boards Capital Assets—The RTA System provides 562.5 million unlinked passenger trips annually. This has the beneficial impact of reducing road congestion, improving the flow of goods and services, and enhancing air quality. In addition, the RTA System provides essential mobility to those persons unable to utilize other transportation. The System represents an asset with replacement cost estimated at more than \$162 billion for the entire region. To continue these public benefits, the RTA

strives to maximize the amount of resources devoted to investment in its System for it to remain in good working order. The RTA Five-Year Capital Program report contains the details of this investment. The Five-Year Capital Program report is updated and adopted annually by the RTA Board, as required by the RTA Act.

Sources of funds for capital investment include federal programs, proceeds of RTA bonds, and State of Illinois programs. The level of capital funding from Federal as well as State programs has risen, reflecting the increasing recognition of the importance of public transportation. In recent years, the RTA and the Service Boards have also been able to direct funds to capital projects by successfully constraining operating costs.

RTA Capital Assets—For more detailed information on capital asset activity, please see Note 8 in the notes to the financial statements.

Long-Term Debt Activity—Under the RTA Act, the RTA has authority to issue General Obligation Bonds for the improvement and expansion of the RTA System. This authority resulted from successful RTA efforts to demonstrate to the State legislature the need for capital reinvestment. The authorization identified two types of bonds: Strategic Capital Improvement Program (“SCIP”) bonds and RTA (“Non-SCIP”) bonds.

Prior to January 1, 2000, the RTA had the authority to issue up to \$500 million in SCIP bonds and to have up to \$500 million in Non-SCIP bonds outstanding. Effective January 1, 2000, the RTA Act was amended to increase the RTA authorization by an additional \$1.2 billion of SCIP bonds (limited to \$260 million per year going forward). In 2000, the RTA Act was further amended to increase Non-SCIP bonds outstanding by \$300 million to \$800 million. As of year-end 2019, the RTA has issued \$1.8 billion in SCIP bonds, with total SCIP bonds outstanding of \$991.3 million. The remaining \$671.6 million of bonds outstanding are Non-SCIP bonds.

As of December 31, 2019, the fixed-rate bonds/note, issued by the RTA carried a rating of AA from Standard & Poor’s, Aa3 by Moody’s Investors Service, Inc. and AA by Fitch, Inc. The one variable-rate bond is rated A-1+ from Standard & Poor’s, P-1 by Moody’s Investors Service and F1+ by Fitch. For more detailed information on debt activity, please see Note 9 in the Notes to Financial Statements.

FUTURE OUTLOOK

The World Health Organization (WHO) declared a novel strain of the coronavirus outbreak, known as COVID-19, as a worldwide pandemic on March 11, 2020. RTA anticipates a financial impact resulting from the effects of the COVID-19 outbreak and related stay-at-home orders on the national, state and local economies, as well as ridership of each of the service boards. During this evolving situation, RTA continues to analyze the impact on its position as well as the position of each of the three service boards. In an effort to mitigate the impact of COVID-19 and the actions taken to mitigate the spread, the federal government passed the Coronavirus, Aid, Relief and Economic Stability (CARES) Act which specifically provides the Federal Transit Agency (FTA) funding for the Chicago, Illinois in the amount of \$1.4 billion. The full extent of the impact of COVID-19 on the region are dependent on future developments, including the duration and spread of the outbreak and related governmental and other regulatory actions.

CONTACTING THE FINANCIAL MANAGEMENT OF THE REGIONAL TRANSPORTATION AUTHORITY

This CAFR provides a general overview of the finances of the RTA. Users of the CAFR should address questions concerning the information, or requests for additional financial information, to the Regional Transportation Authority, c/o Senior Deputy Executive Director, Finance, Innovation and Technology/CFO, 175 West Jackson Blvd., Suite 1650, Chicago, Illinois 60604 or visit our website at www.rtachicago.org.

REGIONAL TRANSPORTATION AUTHORITY

**STATEMENT OF NET POSITION
DECEMBER 31, 2019
(In Thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Current portion of:			
Cash and investments:			
Cash and cash equivalents	\$ 109,168	\$ 14,581	\$ 123,749
Restricted—investments	142,431	-	142,431
Unrestricted—investments	293,796	3,902	297,698
Intergovernmental receivables	266,088	-	266,088
Accrued interest on investments	80	16	96
Prepaid expenses and other assets	852	2,568	3,420
Internal balances	3	(3)	-
Total current assets	<u>812,418</u>	<u>21,064</u>	<u>833,482</u>
Non-current portion of:			
Prepaid insurance-bonds	2,280	-	2,280
Capital assets—net of accumulated depreciation	3,426	-	3,426
Total non-current assets	<u>5,706</u>	<u>-</u>	<u>5,706</u>
Total assets	<u>818,124</u>	<u>21,064</u>	<u>839,188</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related amounts	73	-	73
Pension related amounts	7,625	-	7,625
Total deferred outflows of resources	<u>7,698</u>	<u>-</u>	<u>7,698</u>
LIABILITIES:			
Current portion of:			
General obligation bonds payable	271,470	-	271,470
Unearned revenue	1,999	-	1,999
Due to fiduciary funds	45,043	-	45,043
Intergovernmental payables	117,232	-	117,232
Advances from the State	15,059	-	15,059
Accrued interest payable	27,323	-	27,323
Accrued other expenses	9,890	-	9,890
Compensated absences	427	-	427
Total current liabilities	<u>488,443</u>	<u>-</u>	<u>488,443</u>
Noncurrent portion of:			
Accrued other expenses:			
Total OPEB liability	593	-	593
Net pension liability	5,555	-	5,555
Unearned revenue	22,397	-	22,397
General obligation bonds payable plus unamortized bond premium of \$112,720	1,654,130	-	1,654,130
Total non-current liabilities	<u>1,682,675</u>	<u>-</u>	<u>1,682,675</u>
Total liabilities	<u>2,171,118</u>	<u>-</u>	<u>2,171,118</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding	4,509	-	4,509
OPEB related amounts	27	-	27
Pension related amounts	1,368	-	1,368
Total deferred inflows of resources	<u>5,904</u>	<u>-</u>	<u>5,904</u>
NET POSITION (DEFICIT):			
Net investment in capital assets	3,426	-	3,426
Restricted			
Debt service	178,078	-	178,078
Unrestricted (deficit)	<u>(1,532,704)</u>	<u>21,064</u>	<u>(1,511,640)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (1,351,200)</u>	<u>\$ 21,064</u>	<u>\$ (1,330,136)</u>

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	<u>Expenses</u>	<u>Program Operating Grants/ Revenues</u>	<u>Net Expense (Revenue) and Changes in Net Position</u>		<u>Total</u>
			<u>Governmental Activities</u>	<u>Business-type Activities</u>	
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Financial assistance to Service Boards	\$ 227,969	\$ -	\$ 227,969	\$ -	\$ 227,969
Capital grants to Service Boards					
Discretionary	472	-	472	-	472
Bonds	136,203	-	136,203	-	136,203
Operating grants to Service Boards					
CTA/PACE	32,838	25,338	7,500	-	7,500
Administrative expenses	16,629	-	16,629	-	16,629
Regional expenses	22,589	-	22,589	-	22,589
Technology program expenses	610	-	610	-	610
Interest expense	88,842	-	88,842	-	88,842
Total governmental activities	526,152	25,338	500,814	-	500,814
Business-type activities:					
Insurance financing	5,594	-	-	5,594	5,594
TOTAL PRIMARY GOVERNMENT	\$ 531,746	\$ 25,338	500,814	5,594	506,408
GENERAL REVENUES:					
General revenues:					
Sales taxes			139,881	-	139,881
Interest on sales taxes			1,086	-	1,086
State assistance (PTF)			225,469	-	225,469
General state revenue			74,112	-	74,112
State assistance (ASA/AFA)			129,474	-	129,474
Investment income			14,817	364	15,181
Other revenues			8,701	-	8,701
Total general revenues			593,540	364	593,904
Transfers			(3,164)	3,164	-
CHANGES IN NET POSITION (DEFICIT)			89,562	(2,066)	87,496
NET POSITION (DEFICIT):					
Beginning of year			(1,440,762)	23,130	(1,417,632)
End of year			\$ (1,351,200)	\$ 21,064	\$ (1,330,136)

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(In Thousands)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and cash equivalents	\$ 109,168	\$ -	\$ -	\$ 109,168
Investments:				
Restricted investments		142,431	-	142,431
Unrestricted—investments	126,000	-	167,796	293,796
Intergovernmental receivables	266,088	-	-	266,088
Due from other funds	3	-	-	3
Accrued interest on investments	72	-	8	80
Other receivable	852	-	-	852
TOTAL ASSETS	<u>\$ 502,183</u>	<u>\$ 142,431</u>	<u>\$ 167,804</u>	<u>\$ 812,418</u>
LIABILITIES:				
Vouchers payable	\$ 8	\$ -	\$ -	\$ 8
Due to fiduciary funds	45,043	-	-	45,043
Intergovernmental payables	103,395	-	13,837	117,232
Advances from State	15,059	-	-	15,059
Accrued items	9,879	-	-	9,879
Unearned revenue	24,399	-	-	24,399
Total liabilities	<u>197,783</u>	<u>-</u>	<u>13,837</u>	<u>211,620</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - ASA AFA	64,900	-	-	64,900
Total deferred inflows of resources	<u>64,900</u>	<u>-</u>	<u>-</u>	<u>64,900</u>
FUND BALANCES:				
Restricted:				
Debt service	62,970	142,431	-	205,401
Committed:				
CTAP capital	6,644	-	-	6,644
RTA non-cap tech	3,818	-	-	3,818
Debt service deposit agreement (DSDA)	22,593	-	-	22,593
Service Board capital (discretionary)	2,660	-	-	2,660
ICE reserve	8,620	-	-	8,620
RTA capital projects	9,380	-	-	9,380
Bond capital projects for Service Boards	-	-	153,967	153,967
Strategic capital investment account (SCIA)	116,390	-	-	116,390
ADA Paratransit Reserve	45,043	-	-	45,043
Professional services	25,315	-	-	25,315
Unassigned	(63,933)	-	-	(63,933)
Total fund balances	<u>239,500</u>	<u>142,431</u>	<u>153,967</u>	<u>535,898</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 502,183</u>	<u>\$ 142,431</u>	<u>\$ 167,804</u>	<u>\$ 812,418</u>

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019
(In Thousands)**

TOTAL FUND BALANCE—GOVERNMENTAL FUNDS \$ 535,898

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the capital assets, net of accumulated depreciation, recognized in the statement of net position. 3,426

Revenues which are reported as deferred inflows of resources in the governmental funds (unavailable), are recognized as revenue in the government-wide financial statements. 64,900

Long-term liabilities and related deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and therefore are not reported as fund liabilities:

Bonds and notes payable	(1,812,880)
Premiums on bonds	(112,720)
Deferred gain on refunding (inflow)	(4,509)
Compensated absences	(427)
Total OPEB liability	(593)
Net pension liability	(5,555)
Prepaid expenses - bond insurance	2,280
Accrued Interest	(27,323)

Deferred outflows of resources related to pensions and OPEB are not reported in governmental funds because they do not use current financial resources. Similarly, deferred inflows of resources related to pensions and OPEB do not provide current financial resources:

Deferred outflow (OPEB)	73
Deferred outflow (Pension)	7,625
Deferred inflow (Pension)	(1,368)
Deferred inflow (OPEB)	(27)

TOTAL NET DEFICIT—GOVERNMENTAL ACTIVITIES \$ (1,351,200)

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
Sales taxes	\$ 139,881	\$ -	\$ -	\$ 139,881
Interest on sales taxes	1,086	-	-	1,086
Public Transportation Fund	225,469	-	-	225,469
General State revenue	74,112	-	-	74,112
Innovation, Coordination & Enhancement (ICE)	12,764	-	-	12,764
IDOT State Grant - PACE (ADA)	8,395	-	-	8,395
Pace ADA Surplus Refund	4,179	-	-	4,179
State assistance	129,146	-	-	129,146
Investment income	6,028	3,864	4,925	14,817
Other revenues	8,701	-	-	8,701
Total revenues	<u>609,761</u>	<u>3,864</u>	<u>4,925</u>	<u>618,550</u>
EXPENDITURES:				
Current:				
Financial assistance to Service Boards	227,969	-	-	227,969
Administrative	16,007	-	-	16,007
Intergovernmental:				
Capital grants-discretionary	472	-	-	472
South Suburban Job Access Program (PACE)	7,500	-	-	7,500
Capital grants- State bonds	74,688	-	60,683	135,371
RTA Capital grants- Metra	833	-	-	833
Innovation, Coordination & Enhancement (ICE)	12,760	-	-	12,760
IDOT Cap Grant - PACE (ADA)	8,395	-	-	8,395
PACE ADA Surplus	4,179	-	-	4,179
Regional	23,195	-	-	23,195
Capital outlay	1,973	-	-	1,973
Debt service:				
Principal	-	180,070	-	180,070
Interest	-	98,869	-	98,869
Debt related costs	-	462	-	462
Total expenditures	<u>377,971</u>	<u>279,401</u>	<u>60,683</u>	<u>718,055</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>231,790</u>	<u>(275,537)</u>	<u>(55,758)</u>	<u>(99,505)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	267,500	-	267,500
Transfers out	(259,764)	-	(10,900)	(270,664)
Total other financing sources (uses)	<u>(259,764)</u>	<u>267,500</u>	<u>(10,900)</u>	<u>(3,164)</u>
NET CHANGE IN FUND BALANCES	(27,974)	(8,037)	(66,658)	(102,669)
FUND BALANCES:				
Beginning of year	<u>267,474</u>	<u>150,468</u>	<u>220,625</u>	<u>638,567</u>
End of year	<u>\$ 239,500</u>	<u>\$ 142,431</u>	<u>\$ 153,967</u>	<u>\$ 535,898</u>

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

NET CHANGE IN FUND BALANCES—TOTAL GOVERNMENTAL FUNDS \$ (102,669)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1,971) exceeds depreciation (\$1,241) in the current period. 730

Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financials. This amount represents the changes in unavailable revenue over the prior year 327

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of all prepaid bond insurance, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the differences in the treatment of long-term debt and related items:

Debt service principal payments	180,070
Amortization of premiums on bonds	8,658
Change in prepaid bond insurance	(192)
Change in accrued interest on bonds	1,730
Amortization of gain on refunding	281

Some expenses reported in the Statement of Activities do not require the use of current financial resources such as changes in compensated absences and pension and OPEB liabilities, and are not reported as expenditures in the governmental funds.

Compensated absences	(55)
OPEB expense	(16)
Pension expense	698

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 89,562

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION

BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND

JOINT SELF-INSURANCE (PROPRIETARY) FUND

DECEMBER 31, 2019

(In Thousands)

ASSETS:

Current:

Cash and cash equivalents	\$ 14,581
Investments	3,902
Accrued interest on investments	16
Prepaid insurance	<u>2,568</u>
 Total assets	 <u>21,067</u>

LIABILITIES

Due to General Fund	<u>3</u>
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NET POSITION - Unrestricted	<u><u>\$ 21,064</u></u>
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The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND
 JOINT SELF-INSURANCE (PROPRIETARY) FUND
 YEAR ENDED DECEMBER 31, 2019
 (In Thousands)**

OPERATING EXPENSES:	
Insurance expense	\$ 5,506
Professional services	73
Bank charges and miscellaneous	<u>15</u>
Total operating expenses	<u>5,594</u>
OPERATING LOSS	<u>(5,594)</u>
NONOPERATING REVENUES:	
Investment income	<u>364</u>
Total nonoperating revenues	<u>364</u>
Transfer from General Fund	3,164
CHANGE IN NET POSITION	(2,066)
NET POSITION:	
Beginning of year	<u>23,130</u>
End of year	<u><u>\$ 21,064</u></u>

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

**STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments to insurance vendor	\$ (5,646)
Payments to other vendors	(85)
	<u>(5,731)</u>
Net cash flows from operating activities	
	<u>(5,731)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(9,825)
Proceeds from sales and maturities of investments	19,374
Investment income	356
	<u>9,905</u>
Net cash flows from investing activities	
	<u>9,905</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Contributions received from RTA	3,164
	<u>3,164</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	
	7,338
CASH AND CASH EQUIVALENTS:	
Beginning of year	7,243
	<u>7,243</u>
End of year	\$ 14,581
	<u><u>14,581</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:	
Loss from operations	\$ (5,594)
Changes in:	
Prepaid insurance	(140)
Due from General Fund	3
	<u>3</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	
	<u><u>\$ (5,731)</u></u>

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2019

(In Thousands)

	Pension Trust Fund	Sales Tax Agency Fund
ASSETS:		
Cash and cash equivalents	\$ 6,403	\$ -
Investments, at fair value:		
Corporate fixed income mutual fund	53,751	-
Collective equity funds	32,716	-
Common stocks	22,735	-
Alternatives	29,802	-
Commingled funds	167,585	-
Total Investments	306,589	-
Intergovernmental receivables:		
Sales taxes	-	212,851
New sales tax	-	75,764
Interest on sales taxes	-	116
Due from General Fund	-	45,043
PTF (new sales tax/RETT)	-	40,309
Advances to Service Boards	-	91,357
Other receivables	34	-
Total Receivables	34	465,440
Total assets	313,026	465,440
LIABILITIES:		
Intergovernmental payables:		
Sales taxes due to Service Boards	-	212,851
New sales tax due to Service Boards	-	75,764
ADA Paratransit Funding (Future Years) SBD	-	45,043
Interest on sales taxes due to Service Boards	-	116
PTF (new sales tax/RETT)	-	40,309
Advances from State	-	91,357
Accrued other items	193	-
Total liabilities	193	465,440
Net position restricted for pensions	\$ 312,833	\$ -

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2019

(In Thousands)

	<u>Pension Trust Fund</u>
ADDITIONS:	
Investment gain:	
Net appreciation in fair value of investments	\$ 43,989
Interest and dividends	5,024
	<u>49,013</u>
Less investment expenses:	
Investment managers	657
Trust fees	5
Investment advisor	95
Total investment expenses	<u>757</u>
Net investment gain	<u>48,256</u>
Contributions:	
Metra pension contributions	6,884
Pace pension contributions	4,531
RTA pension contributions	2,470
Total contributions	<u>13,885</u>
Total net additions	<u>62,141</u>
DEDUCTIONS:	
Benefit payments	18,886
Administrative expenses	533
Total deductions	<u>19,419</u>
NET INCREASE IN PLAN NET POSITION RESTRICTED FOR PENSIONS	42,722
PLAN NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	<u>270,111</u>
End of year	<u>\$ 312,833</u>

The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

NOTE 1. REPORTING ENTITY

The Regional Transportation Authority (“RTA” or “Authority”) was established in 1974 upon approval of a referendum in its six-county Northeastern Illinois region. The operating responsibilities of the RTA are set forth in the RTA Act (“Act”). The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services. However, on November 9, 1983, the Illinois General Assembly reorganized the structure and funding of the RTA from an operating entity to a planning, funding, and oversight entity. The reorganization placed all operating responsibilities in the Chicago Transit Authority (“CTA”), the Commuter Rail Division (“Metra”) and the Suburban Bus Division (“Pace”), each having its own independent board of directors. These divisions conduct operations and deal with subsidized carriers. These three entities are defined in the Act as the “Service Boards.”

The Service Boards provide services to different geographic areas within the six-county region. Metra provides transit service to the six-county area, with the majority of the transit riders residing in the suburban metropolitan area and commuting into the City of Chicago. Pace’s primary service area is the suburban communities, with limited service within the City of Chicago. The CTA provides service to the City of Chicago and 35 surrounding suburbs within Cook County. Although programs are underway to encourage riders to transfer between the service entities, trips of this type presently represent a minority of those taken.

The Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA System as a whole achieves annually a “system-generated revenues recovery ratio” (i.e., aggregate income for transportation services provided) of at least 50% of the cost of transportation services. For purposes of the recovery ratio calculation, the Act requires that the costs used in the calculation include all operating costs consistent with generally accepted accounting principles, with certain exceptions. Capitalized expenditures are recorded as capital assets, and are excluded from the recovery ratio calculation as required by the Act. The Service Boards achieve their required recovery ratios by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA is responsible for monitoring the budgets and financial performance of the Service Boards.

As defined by accounting principles generally accepted in the United States established by the Governmental Accounting Standards Board (“GASB”), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component unit’s board, and either: (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government; or fiscal dependency on the primary government.

Financial benefit or burden is created if any one of the following relationships exist:

- 1) The primary government is legally entitled to or has access to the component unit’s resources.

NOTE 1. REPORTING ENTITY (Continued)

- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

In addition, a component unit also includes certain organizations that the primary government is not financially accountable for if the nature and significance of their relationship, including ongoing financial support are such that exclusion from the financial reporting entity would render the entity's financial statements incomplete or misleading.

In the judgment of the RTA of each of the entities and their analysis and application of the GASB Statements criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with generally accepted accounting principles in the United States.

In arriving at this conclusion, the following factors were considered:

- The Service Boards maintain separate management, exercise control over all operations (including the fare structures), and are accountable for fiscal matters, including ownership of assets, relations with Federal and State transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.
- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA.
- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards to determine if such budgets meet specified system-generated revenues recovery ratios and other requirements as defined by the Act.
- The RTA is not entitled to any Service Board surplus or responsible for any Service Board deficits.

Based on these factors and applying the aforementioned criteria used to determine financial accountability, management of the RTA does not consider the Service Boards to be component units and, accordingly, the financial data of the Service Boards have been excluded from the RTA reporting entity. The RTA is not aware of any entity which is financially accountable for the RTA that would result in the RTA's being considered a component unit of such entity.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the RTA conform to accounting principles generally accepted in the United States as applicable to governments. The following is a summary of the significant policies:

Fund Financial Statements—The accounts of the RTA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. RTA resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be utilized and the means by which spending activities are controlled. In the financial statements, the various funds are grouped into three broad fund types and six generic fund categories as follows:

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds—The RTA’s Governmental Fund Types consist of the General Fund, Debt Service Fund, and Capital Projects Fund, the following funds are reported as major governmental funds:

General Fund—The General Fund is the general operating fund of the RTA. It is used to account for all financial transactions that are not accounted for in another fund.

Debt Service Fund—This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for all debt issuances.

Capital Projects Fund—In 1989, the Illinois General Assembly authorized the RTA to issue a maximum of \$500 million of Strategic Capital Improvement Program (“SCIP”) bonds, and to have a maximum of \$500 million RTA bonds outstanding. The Capital Projects Fund is utilized for the receipt and disbursement of the proceeds of the bond issues. The Capital Projects Fund was first established in 1990 with the issuance of \$100 million of RTA bonds to fund capital projects at the Service Boards. The proceeds from the bonds issued under the General Assembly’s authorization were allocated by the RTA as follows: 50% for capital projects of the CTA; 45% for capital projects of Metra; and 5% for capital projects of Pace. Projects included in approved five-year Capital Programs will be eligible for reimbursements from these proceeds by the RTA without further review or action by the RTA Board of Directors.

In 1999, the Illinois General Assembly passed additional bonding authorization, thereby increasing the RTA bond authority to \$800 million outstanding effective January 1, 2000. It also increased SCIP bond issues by \$1.3 billion not to exceed \$260 million per year beginning in 2000.

Proprietary Fund Type—Proprietary Funds are used to account for activities that are similar to those found in the private sector and to account for the financing of goods or services provided by a department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis. The RTA has one Proprietary Fund which relates to the activities of the Joint Self-Insurance Fund.

Joint Self-Insurance Fund—The Joint Self-Insurance Fund (“Fund”) is used to account for the financing of claims incurred by the Service Boards and the RTA on a cost-reimbursement basis. The Fund is essentially a financing mechanism providing a source from which to borrow or to pay for the first \$5 million of catastrophic losses and other claims incurred by the Service Boards and the RTA arising out of personal injuries, property damage, and certain other losses. This Fund is reported as an Enterprise Fund since the predominant participants are outside of the RTA.

Fiduciary Fund Type—Fiduciary Funds account for assets held by a governmental entity in a trustee capacity or as an agent for others. The RTA’s Fiduciary Funds consist of one Agency (Sales Tax) Fund and a Pension Trust Fund.

Agency Fund—The Sales Tax Agency Fund records the receipt and disbursement of amounts due to the CTA, Metra and Pace, including Retailers’ Occupation and Use Tax (sales taxes), interest on sales taxes, and reduced fare reimbursement grants. For RTA budgetary purposes, sales tax receipts are recorded in the Sales Tax Agency Fund and are equally offset by amounts recorded as disbursements reflecting the pass-through to the Service Boards.

Pension Trust Fund—The Pension Trust Fund is used to account for the accumulation of resources for, and payments of, retirement benefits to employees participating in the RTA Pension Plan.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the RTA in a manner similar to a private-sector business. The effect of interfund activities has been removed from these statements. Governmental activities which are supported by sales taxes and intergovernmental revenues are reported separately from the insurance activities. The insurance activities include interest charges for loans advanced for claims of the Service Boards. Likewise, the fiduciary fund type - RTA Pension Trust Fund and Sales Tax Agency Fund are presented separately and are not included in the government-wide financial statements of the RTA.

The statement of activities shows certain direct program expenses which are offset by program revenues. Governmental program activities include expenses such as financial assistance and capital asset funding (capital grants) to CTA, Metra, and Pace; administrative expenses; operating the RTA Travel Information Center, certifying riders for paratransit service under the Americans with Disabilities Act (“ADA”) and other services (regional expenses); and payment of debt service on bonds issued by the RTA. Program revenues include operating grants and contributions that are restricted to meeting the operational requirements of a particular program (i.e., technology and non-technology programs). Sales taxes, Public Transportation Fund (“PTF”), state assistance (“ASA/AFA”), investment income and other items properly excluded from program revenues are reported instead as general revenues.

Fund level financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund (Joint Self-Insurance Fund) and the Pension Trust Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues if collected by the retailers by year-end. Grants and similar items are recognized as revenues when qualifying expenditures have been incurred and as soon as all eligibility requirements imposed by the grantors have been met. Prepaid expenses are recorded using the consumption method.

The Joint Self-Insurance Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues (interest charged to Service Boards) and expenses (administrative expenses including insurance premium and professional services) generally result from providing services in connection with the proprietary fund’s ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Sales Tax Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Governmental fund financial statements use the current financial resources measurement focus. The funds are accounted for using the modified accrual basis of accounting; i.e., revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or shortly thereafter to pay liabilities of the current period. Sales taxes are considered measurable and available if collected by the retailer by year-end and received by the RTA within 180 days after year-end. ASA/AFA is considered measurable and available if billed and received within 180 days after year-end. Additionally, certain compensated absences, claims and judgments, debt service principal and interest, pension and OPEB are only recognized when the obligations are expected to be liquidated with expendable available financial resources.

The RTA reports three major governmental funds—General Fund, Debt Service Fund, and Capital Projects Fund; one major proprietary fund—Joint Self-Insurance Fund; and two fiduciary funds—Pension Trust Fund and Sales Tax Agency Fund.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. This only applies to governmental and proprietary funds. The results of fiduciary activities are included in aggregate remaining fund information.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position

Cash and Investments—All excess General Fund cash is invested and earnings are credited to the General Fund for use in financing general RTA operations. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the RTA reports investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fair value for the majority of fixed income securities is determined by using quoted market prices by independent pricing services.

Intergovernmental Receivables—Receivables include amounts due from State and local governments for sales taxes, specific programs or projects, and services.

Capital Assets—The RTA sets a capitalization threshold of no less than \$5,000 for any capital item(s) and have a useful life of at least one year following the date of acquisition. Purchased capital assets are recorded at historical cost, donated works of art and similar items and capital assets received in a service concession arrangement, if applicable, are recorded at acquisition value. Any acquisitions during the year are considered acquired at the beginning of that year for the purpose of computing depreciation. The RTA uses the straight-line method for computing depreciation expense. Leasehold improvements made to RTA’s office facilities are capitalized, and their costs amortized over the life of the lease. Leasehold improvements and major equipment repairs, if any, are also capitalized during the remaining life of the lease or the extended useful life of the equipment.

<u>Description</u>	<u>Useful Life</u>
Office equipment and other assets	5 years
Computer equipment and software	5 years
Leasehold improvements	Life of the lease

Restricted Assets and Restricted Net Position—Bond proceeds and amounts set aside for general obligation debt service are classified as restricted assets since their use is limited by the bond indentures. When both restricted and unrestricted resources are available for use, it is RTA’s policy to use restricted resources first, then unrestricted resources as needed.

Deferred Outflows of Resources and Deferred Inflows of Resources—are a consumption (outflow) or acquisition (inflow) of net position by the government that are applicable to a future reporting period.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences—Compensation for holidays, illness, and other qualifying absences is not accrued in the accompanying financial statements because rights to such compensation amounts either do not accumulate or they do not vest. The RTA accounts for compensated absences under GASB No. 16, entitled “Accounting for Compensated Absences”, whereby the applicable salary-related employer obligations are accrued in addition to the compensated absences liability. Compensated absences are recorded in the General Fund only if they have matured (i.e., unused leave still outstanding at time of an employee’s resignation or retirement). Compensated absences are recorded in the governmental activities as current liabilities when the obligation is due. The RTA’s policy is compensated absences have to be used by the end of the following fiscal year.

Changes in compensated absences for the year ended December 31, 2019 were as follows (amounts in thousands):

	Balance January 1, 2019	Increases	Decreases	Balance December 31, 2019	Due Within One Year
Compensated absences payable	\$ 372	\$ 553	\$ (498)	\$ 427	\$ 427

Intergovernmental Payables—These amounts include accrued financial assistance, sales taxes, capital and other grants due to the Service Boards.

Unearned Revenue—These amounts include debt service deposit agreement receipts, which are recorded as liabilities and revenue recognition is based on certain time requirements based on the required timing of the related debt service payments.

Fund Balances—In the fund financial statements, governmental funds report fund balances in the following categories:

Nonspendable – This consists of amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. The RTA did not have amounts reported within this category.

Restricted – This consists of amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts constrained by limitations that the Authority imposes upon itself through resolution by its board of directors. The commitment amount will be binding unless removed or amended in the same manner.

Assigned – This consists of net amounts that are constrained by the Authority’s intent to be used for specific purpose, but that are neither restricted nor committed. Assigned amounts are determined by the Executive Director upon recommendation of the Budget and Treasury division based on the year-end Positive Budget Variance.

Unassigned – This consists of residual fund balances.

In instances where restricted, committed and assigned fund balances are available for use, RTA’s policy is to use restricted resources first, followed by committed resources, then assigned resources, as needed.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues—The RTA has four principal sources of revenue: (1) retailer’s occupation taxes, service occupation taxes, and use taxes (collectively, RTA Sales Tax); (2) funds appropriated to the RTA by statute through the PTF established under the Act; (3) State or Federal grants, or any other such funds, which the RTA is authorized to apply for and receive under the Act; and (4) investment income on unexpended funds held by the RTA, and other miscellaneous revenue.

Sales Tax—Prior to 2008, the RTA Sales Tax consisted of (i) in Cook County, (a) a tax of 1% of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a Food and Drug Tax) and (b) a tax of 0.75% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of 0.25% of the gross receipts from all taxable retail sales (together with (i) (b), a General Sales Tax); and (iii) a tax of 1% on the use in Cook County, and 0.25% on the use in Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a Use Tax); and (iv) a tax imposed in the same locations and at the same rates as the Food and Drug Tax and the General Sales Tax on persons engaged in a sale of service pursuant to which property in the form of tangible personal property or in the form of real estate is transferred incidental to a sale of a service (a Service Occupation Tax).

The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sale of a service) is transferred (with respect to the taxes in (i) and (ii), a Service Occupation Tax).

The RTA Sales Tax is collected by the Illinois Department of Revenue (the “Department of Revenue”), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller. Effective July 1, 2018, the State reduced the permanent administrative surcharge on RTA sales tax receipts to 1.5%, which was imposed July 1, 2017 at 2%. Through December 2019, the reduced amount of sales tax provided to the RTA and Service Boards was approximately \$16.028 million.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the State and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax, and State Service Occupation Tax portions of the RTA Sales Tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the Sales Tax Reform Act) aimed at simplifying the base and rate structure of taxes imposed by the State and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax were increased from 5% to 6.25% and any corresponding portions of the RTA Sales Tax in Cook County were reduced from 1% to 0.75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA Sales Tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax be paid to the RTA annually.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the State, but registered or titled with a State agency within the State (i.e., 0.25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the “CMTD Fund”). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the “Replacement Fund”). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax, and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside the State but registered or titled with a State agency within the State, are deposited in the State and Local Sales Tax Reform Fund (the “Reform Fund”). Of the money paid into the Reform Fund, 10% is transferred into the Replacement Fund.

The Act provides that the RTA withhold 15% of these tax revenues generated and that these revenues are deposited into the RTA’s General Fund. The RTA is required to pass on to the Service Boards, pursuant to statutory formula, an amount equal to the remainder of such tax revenues. The remaining 85% of sales tax is allocated to the Service Boards as follows:

<u>Service Board</u>	<u>Collected Within Chicago</u>	<u>Collected within Cook County Outside Chicago</u>	<u>Collected in DuPage, Kane, Lake McHenry and Will Counties</u>
CTA	100 %	30 %	-
Metra	-	55 %	70 %
Pace	-	15 %	30 %

The RTA recognizes as a receivable and revenue in the General Fund only the 15% of this portion of the total sales taxes collected to which it is entitled by the amended Act. The remaining 85% of this portion of the sales tax is recorded in the Agency Fund. The criteria applied for recognition of the receivable and related revenue are that the amounts are “measurable and available” for the RTA to meet its current obligations.

In January 2008, Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region, increased the real estate transfer tax (“RETT”) in the City of Chicago, and raised the rate at which RTA sales tax revenues are matched by PTF. The RTA sales tax rate was increased 0.25% in Cook County and 0.50% in the Collar Counties effective April 1, 2008. Proceeds of the sales tax increase in the Collar Counties are divided evenly between the RTA and the county where the tax is collected. Effective April 1, 2008, the RETT in the City of Chicago was increased by 40% (i.e. for every \$500 in sales price and additional \$1.50 in tax is collected).

Public Transportation Fund—In accordance with the Act, the State Treasurer is authorized and required to transfer from the State’s General Revenue Fund to a special fund in the State Treasury designated the “Public Transportation Fund,” an amount equal to 30% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) and RETT. These amounts may be paid to the RTA only upon State appropriation.

In February 2008, the PTF match of the pre-2008 RTA sales tax increased from 25% to 30%. In April 2008, the 5% PTF match was applied to the RETT and the RTA portion of the sales tax increase. In January 2009, the PTF match of both the RETT and the RTA portion of the sales tax increase rose from 5% to 30%.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

While the RETT and the 25% PTF match of RETT funds only the CTA, the largest part of P.A. 95-0708 revenue provides funding for CTA, Metra, Pace and ADA Paratransit operations, as well as for regional Innovation, Coordination and Enhancement (“ICE”) and Suburban Community Mobility Fund (“SCMF”) initiatives. Funds for ADA Paratransit, ICE and SCMF are by statute set aside before distributions to the CTA, Metra and Pace.

None of the revenues from the PTF are payable to the RTA unless and until the RTA certifies to the Governor, State Comptroller, and Mayor of the City of Chicago that it has adopted a budget and financial plan as called for by the Act. This certification has been submitted.

The amounts allocable to each of the Service Boards from funding received by the RTA from a portion of the State’s PTF are allocated at the direction of the RTA Board in connection with the review and approval of the annual and revised budgets of each Service Board. This portion corresponds to 25% of the pre-2008 sales tax receipts. The remaining portion of the State’s PTF is combined with the sales tax resulting from the 2008 rate increase and allocated by statute first to the ADA Paratransit Fund, ICE Fund, and SCMF, with the remainder distributed 48% to the CTA, 39% to Metra, and 13% to Pace.

The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided that the RTA has adopted a budget pursuant to Section 4.01 of the Act, and the Service Board that is to receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

Reduced Fare Reimbursement—In the State’s fiscal year 2019, which ends June 30, 2019, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation (“IDOT”) is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the state fiscal year ended June 30, 2019, the grant was in the amount of \$17.6 million.

Additional State Assistance/Additional Financial Assistance—The State has authorized Additional State Assistance (“ASA”) which is supplemental financing for the RTA’s Strategic Capital Improvement Program (“SCIP”) bonds. The ASA available to the RTA during the State’s July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP I bonds plus any debt service savings from the issuance of currently refunding or advance refunding SCIP I bonds, less interest earned on the unspent bond proceeds, or (ii) \$55 million per year. The RTA recognized \$40 million of ASA in 2019.

Beginning with the State’s fiscal year 2001, the State has also authorized Additional Financial Assistance (“AFA”) to pay for debt service requirements for SCIP II bonds authorized under the Illinois First Program. The amount available to the RTA during the State’s July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) \$100 million in the State’s fiscal years 2019 and 2020, per year. The RTA recognized \$89 million of AFA in 2019.

Expenditures and Expenses—Operating grants consist of financial assistance to the Service Boards. The RTA provides operating assistance to the Service Boards to fund, in part, their RTA-approved budgets.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital grants consist of the RTA local match of Federal Transit Administration (“FTA”) and IDOT-funded capital projects, 100% RTA-funded projects and capital projects funded by RTA, SCIP bonds, and investment income on bonds. Capital payments of approximately \$10 million for sales tax funding are due to Metra based on a statutory formula. This formula consists of the budgeted sales tax revenues in excess of Metra’s budgeted operating deficit. This amount is presented in the Sales Tax Agency Fund.

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to \$26.3 million for the year ended December 31, 2019.

Non-administration, listed as regional and technology program expenses in the statement of activities, consists of those costs of the RTA which are exempt from the statutory limit defined in the RTA Act. These costs include the operation of the Travel Information Center, Transit Benefit Program, Americans with Disabilities Act (“ADA”), reduced fare registration, capital development and other program costs incurred on behalf of the Service Boards and not for the benefit of RTA itself.

Cash Flows—For purposes of the statement of cash flows, the RTA considers all short-term securities with original maturities of three months or less to be cash equivalents. Cash and cash equivalents totaled \$14.6 million at December 31, 2019 and are included in cash and cash equivalents under the proprietary fund on the accompanying statement of net position.

Management’s Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interfund Transactions—The governmental fund’s balance sheet reports all outstanding balances between funds, as “due to/from other funds.” The government-wide financial statements report any residual balances outstanding between the governmental activities and business-type activities as “internal balances.” Government-wide financial statements and the Statement of Fiduciary Net Position report a “due to/from general fund” outstanding for pension contributions.

New Accounting Pronouncements:

Accounting standards that the Authority is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations (“AROs”). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the Guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 87, *Leases*. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement is effective for reporting periods beginning after December 15, 2019. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by eighteen months.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It also defines a majority equity interest and specifies how it should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

GASB Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objectives of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Unless stated otherwise, management has not currently determined what impact, if any, these Statements may have on its financial statements.

NOTE 3. CASH AND INVESTMENTS

Governmental and Joint Self-Insurance Fund

Cash and investments in the statement of net position may be restricted by bond covenants or through action of the RTA board as to their use. Unrestricted cash and investments may be used for any purpose. A summary of cash and investments as of December 31, 2019 is as follows (amounts are in thousands):

	Governmental Activities	Business-Type Activities	Total
Demand deposits	\$ 109,168	\$ 14,581	\$ 123,749
Certificates of deposit	2,350	500	2,850
Commercial paper	64,160	-	64,160
Illinois Funds	18,192	-	18,192
Money market funds	27,738	-	27,738
U.S. Treasuries	245,292	-	245,292
Government agencies	78,495	3,402	81,897
Total cash and investments	<u>\$ 545,395</u>	<u>\$ 18,483</u>	<u>\$ 563,878</u>

Deposits and Investments—Section 2.20(a)(ii) of the RTA Act authorizes the RTA to invest any funds or monies not required for immediate use or disbursement. The applicable statutory provisions governing the investment of public funds are found in 30 ILCS 235/0.01, et seq.

The RTA investment policy is in accordance with the Illinois statutes and allows the RTA to invest in:

- Certain obligations of the U.S. Government and its agencies.
- Interest-bearing certificates of deposit, interest-bearing time deposits or any other investments constituting direct obligations of any FDIC insured bank as defined by the Illinois Banking Act.
- Short-term obligations of corporations organized in the United States with assets exceeding \$500 million and rated within the highest two classifications established by at least two standard rating services.
- Certain money market mutual funds.
- The Illinois Funds – external investment pools managed by the Illinois State Treasurer.
- Repurchase agreements.

NOTE 3. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk — Custodial credit risk is the risk that in the event of a bank failure, the RTA’s deposits may not be returned to it. The RTA’s policy for custodial credit risk states collateral will be valued at market value (excluding accrued interest) on the trade date. Collateral required will be 100% of the investment or such greater percentage as may be appropriate based upon the financial stability of the institution and the term of the collateral (i.e., maturity), less any insurance provided by the Federal Deposit Insurance Corporation (“FDIC”). As of December 31, 2019, all of RTA’s deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Investments

Custodial Credit Risk — For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2019, the RTA’s investments are exposed to custodial credit risk because they are held by a third-party, in the name of the RTA.

Interest Rate Risk — To mitigate losses caused by changing interest rates, the maturities of the RTA’s investments is limited. Per the RTA’s investment policy, investments in corporations are limited to maturities of 180 days or less. Other investment maturities cannot exceed three years.

As of December 31, 2019, the RTA’s investments subject to interest rate risk were as follows (amounts in thousands):

Investment Type	Carrying Value
Commercial paper	\$ 64,160
Illinois Funds	18,192
Money market funds	27,738
U.S. treasuries	245,292
Government agencies	<u>81,897</u>
Total	<u><u>\$ 437,279</u></u>

The RTA treats all investments with an initial term of less than 90 days as cash and cash equivalents. As of December 31, 2019, there are no investments held by the Authority with maturities greater than one year.

Credit Risk — The RTA’s policy for credit risk states no investment shall be made in short-term obligations of corporations unless such obligations are rated at the time of purchase within the highest classification established by at least two standard rating services, the investment matures no later than 180 days from the date of purchase and the issuer is domiciled in the United States. Investments in Agencies will be limited to obligations of the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and the Federal Home Loan Banks. Investments in U.S. Treasury securities are backed by the full faith and credit of the U.S. Government and are not considered to have credit risk.

NOTE 3. CASH AND INVESTMENTS (Continued)

As of December 31, 2019, the RTA's investments were as follows (amounts in thousands):

Investment Type	Carrying Value	Credit Rating		
		Moody's	Standard & Poor's	Fitch
Commercial paper	\$ 64,160	P-1&P-2	A-1&A-2	F-1:F-3
Illinois Funds	18,192	*	AAAm	*
Money market funds	27,738	Aaa-mf	AAAm	AAAmmf
U.S. treasuries	245,292	Aaa	AA+	AAA
Government agencies	81,897	P-1	A-1+	F1+
Total	<u>\$ 437,279</u>			

* Rating not available

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Except for commercial paper, the RTA's investment policy does not specifically address a limitation of investments in a single issuer; instead the policy addresses credit risk using broad categories of investments. The RTA's policy states the maximum percentage of the portfolio invested in commercial paper should not exceed 33.3%, money market mutual funds should not exceed 20.0%, U.S. Government Agency obligations should not exceed 20.0%, the Illinois Funds should not exceed 20% and Repurchase Agreements should not exceed 50.0%.

The RTA has no investments that exceed the individual limitations noted with the policy noted above. In addition, the RTA has no individual investment that exceeds 5% of the total investments.

The RTA's investments in money market funds are for liquidity and offer an alternative to other investment vehicles. Management has reviewed the investments in the money market funds and has determined that the types of investments included in the money market funds are consistent with the RTA's investment policy. These funds consist of U.S. Treasury Securities and Agencies.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments in the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Illinois Funds does meet all the criteria in GASB Statement No. 79, paragraph 4 which allows the reporting of investments at amortized cost, Investments in Illinois Funds are valued at share price, which is the price the investment could be sold for. There are no limitations or restrictions on withdrawals from the pool.

Fair Value Measurement

The RTA categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2 and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

- Level 1** Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.
- Level 2** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.
- Level 3** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

NOTE 3. CASH AND INVESTMENTS (Continued)

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The RTA's assessment of significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Fixed income and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical investments.

The following summarizes the valuation of the RTA's investments by the fair value hierarchy levels as of December 31, 2019 (amounts in thousands):

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market - mutual fund	\$ 27,738	\$ 27,738	\$ -	\$ -

The RTA's remaining investments are reported at amortized cost which as stated in Note 2 approximates fair value and is not subject to the fair value hierarchy.

Pension Fund

Risk Posture - The RTA evaluated the assets and liabilities of the Pension Plan in order to determine an asset allocation that provides a high likelihood of achieving the responsibilities noted above. The obligations of current and future beneficiaries were evaluated under various market scenarios to develop an allocation that can be expected to generate a solid rate of return without incurring undue risk. In general, the risk posture of the Pension Plan is such that the portfolio is structured to maintain funding requirements and modestly grow assets through a low to moderate level of risk.

Custodial Credit Risk – Custodial credit risk, for deposits and investments, is the risk that in the event of the failure of the depository financial institution or counterparty to a securities transaction, the RTA Pension Plan will not be able to recover the deposits or value of the securities or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured or unregistered by the counterparty's trust department or agent, but not in the name of the customer.

As of December 31, 2019, the Plan's deposits are covered in full by federal depository insurance and the Plan's investments are exposed to custodial credit risk because they are held by the Plan's trust operations administrator in the name of the Plan.

Interest Rate Risk — Per the RTA's Pension Plan investment policy, the duration of the fixed income portfolio should be within 20% of the duration of the benchmark index.

As of December 31, 2019, the RTA's pension investments exposed to interest rate risk were as follows (amounts in thousands):

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	\$ 53,751	97

NOTE 3. CASH AND INVESTMENTS (Continued)

Credit Risk — The RTA's pension policy for credit risk states at least 85% of the fixed income investments should be limited to securities with ratings of at least investment grade as defined by both Moody's and Standard & Poor's. Split rated bonds are to be governed by the lower rating. Unrated securities of the U.S. Treasury and government agencies are a permissible investment. No more than 15% of the portfolio may be invested in investment-grade securities of foreign entities domiciled in countries included in the Salomon Brothers World Government Bond Index.

As of December 31, 2019, the credit ratings for RTA pension debt securities were as follows (amounts in thousands):

Investment Type	Total Fair Value	Credit Rating (where available)		
		Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	\$ 53,751	NR	NR	NR

NR - not rated

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA's pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA's pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations, and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. As of December 31, 2019, the pension fund did not have any investment in a single issuer which was greater than 5% of the Plan's investment portfolio.

Fair Value measurement

The RTA Pension Plan categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles.

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The Plan's assessment of significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Investments measured at fair value using net asset value per share (or equivalent) as a practical expedient to fair value are not classified in the fair value hierarchy; however, separate disclosures for these investments are required. Fixed income and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical investments.

Fixed income and equity investments classified in Level 2 of the fair value hierarchy are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Valuation estimates from service providers' internal models use observable inputs such as interest rates, yield curves, credit/risk spreads and default rates. Matrix pricing techniques value securities based on their relationship to benchmark quoted prices.

NOTE 3. CASH AND INVESTMENTS (Continued)

The following table summarizes the valuation of the Plan's investments by the fair value hierarchy levels as of December 31, 2019 (amounts in thousands):

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income investments				
Mutual funds - fixed income	\$ 53,751	\$ 53,751	\$ -	\$ -
Total Fixed Income Investments	53,751	53,751	-	-
Equity investments				
Common stock	22,735	22,735	-	-
Collective equity funds	32,716	27,248	5,468	-
Total Equity Investments	55,451	49,983	5,468	-
Total investments by fair value level	\$ 109,202	\$ 103,734	\$ 5,468	\$ -
Investment Measured at the Net Asset Value (NAV)				
Commingled funds - equity	\$ 151,024			
Commingled funds - fixed income	16,562			
Real estate funds	24,704			
Private equity	4,984			
Hedge Funds	114			
Total investments by NAV	197,388			
Total investments	\$ 306,590			

Investments measured at the NAV per share (or its equivalent) are as follows (amounts in thousands):

Investments Measured at the Net Asset Value (NAV)

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled funds (1)	\$ 151,023	\$ -	Daily	1 day
Real estate funds (2)	24,704	-	Quarterly - Biannually	30 days
Private equity funds (3)	4,984	9,639	N/A	N/A
Hedge funds (4)	114	-	Quarterly - Biannually	65 - 90 days
Total	\$ 180,825	\$ 9,639		

(1) *Commingled Funds* – There are four equity funds and one fixed income fund, which are considered commingled in nature. Each are valued at net asset value of the units held at the end of the period based upon fair value of the underlying securities.

NOTE 3. CASH AND INVESTMENTS (Continued)

- (2) *Real Estate Funds* – There are two real estate funds that invests primarily in office, industrial, retail and residential real estate in the United States with a focus with a focus on major cities on both coasts. The fund is classified as a liquid real estate fund due to the open-end structure of the fund. Open-end funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.
- (3) *Private Equity Funds* – Consisting of two private equity funds investing in secondary private markets with asymmetric risk/reward profiles, offering enhanced downside protection and meaningful upside optionality. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the life of the fund.
- (4) *Hedge Funds* - This type invests in one hedge fund, in which managers employ bottom-up stock picking, seeking returns in excess of public markets. Some of these managers have the ability to employ dedicated exposure to a particular sector in which they exhibit expertise.

NOTE 4. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

The intergovernmental receivables and payables in the statement of net position comprise the following:

Receivable	Amount (In Thousands)
General Fund:	
Sales taxes	\$ 48,031
State assistance (ASA & AFA)	64,900
General State Revenue (MOU)	13,680
Public Transportation Fund (PTF)	129,653
Interest on sales tax	80
Illinois Department of Transportation (IDOT) grants and others	5,507
PACE (ADA) surplus	4,179
Due from service boards	58
Total Intergovernmental Receivables	<u>\$ 266,088</u>
Payable	
General Fund:	
Operating Assistance	\$ 74,010
State PTF overpayment	6,059
State bond payable SB	23,167
Capital assistance	159
Total General Fund	<u>103,395</u>
Capital Projects Fund:	
Capital grants	<u>13,837</u>
Total Intergovernmental Payables	<u>\$ 117,232</u>

NOTE 5. DUE TO/FROM OTHER FUNDS

Various transactions result in “due to/from other funds” balances. In most cases, the General Fund advances payments on behalf of other funds.

The General Fund makes monthly transfers to the Debt Service Fund and occasionally makes transfers to the Joint Self-Insurance Fund. The General Fund owes the Pension Trust Fund for its share of contributions during the period. Cash receipts and payments on behalf of the Sales Tax Agency Fund originate in the General Fund.

On December 31, 2019, the amounts due to/from other funds presented in the Governmental Funds Balance Sheet, the Joint Self-Insurance Fund Statement of Net Position, and the Fiduciary Funds Statement of Fiduciary Net Position are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount (In Thousands)
Fiduciary - Sales Tax Agency	General	\$ 45,043
General	Joint Self-Insurance Fund	3

NOTE 6. INTERFUND TRANSFERS

Various transactions result in “transfer in/out” balances from funds. Transfer in/out balances presented on the Governmental Fund’s Statement of Revenues, Expenditures and Changes in Fund Balances and the Business Type Activities Fund’s Statement of Revenues, Expenses and Changes in Net Position are as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	Amount (In Thousands)
General	Debt Service	\$ 256,600
Capital Projects	Debt Service	10,900
General	Joint Self-Insurance	3,164

The purpose of interfund transfers from the General Fund and the Capital Project Fund to Debt Service Fund is to satisfy the RTA’s obligations to bondholders for principal and interest. The purpose of the interfund transfer from the General Fund to the Joint Self-Insurance Fund is to fund the annual budgeted insurance premiums.

NOTE 7. ADVANCES TO SERVICE BOARDS

The Illinois Department of Revenue (“IDOR”) sends a “13th month” sales tax advance to compensate for the delayed processing of sales tax payments to the RTA. Each year, IDOR calculates the amount and the RTA verifies that calculation. The allocations to the Service Boards are set forth below (amounts in thousands):

CTA	\$ 42,953
Metra	36,765
Pace	<u>11,639</u>
Total Service Board Advances	<u>\$ 91,357</u>

Sales tax advances have also been reported as current liabilities in the Agency Sales Tax Fund.

NOTE 8. CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year (amounts in thousands):

	Balance at January 1, 2019	Additions	Retirements/ Adjustments	Balance at December 31, 2019
<u>Depreciable:</u>				
Office equipment and other assets	\$ 1,692	\$ -	\$ 4	\$ 1,688
Computer equipment	8,114	1,798	-	9,912
Leasehold improvements	2,173	173	-	2,346
Subtotal	11,979	1,971	4	13,946
Less accumulated depreciation:				
Office equipment and other assets	1,098	168	-	1,266
Computer equipment	6,470	950	-	7,420
Leasehold improvements	1,711	123	-	1,834
Subtotal	9,279	1,241	-	10,520
Total Depreciable	2,700	730	4	3,426
Total capital assets—net of accumulated depreciation	\$ 2,700	\$ 730	\$ 4	\$ 3,426

All capital assets are associated with governmental activities.

During 2019, the total depreciation allocated to administrative expense was \$1.2 million.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE

Changes during the year in bonds payable were as follows (amounts in thousands):

	January 1, 2019	New Issues	Current Retirements	December 31, 2019	Due Within One Year
1990A	\$ 14,765	\$ -	\$ 7,125	\$ 7,640	\$ 7,640
1991A	20,655	-	6,445	14,210	6,875
1994C* & 1994D	13,560	-	10,040	3,520	3,520
1997 Refunding	24,445	-	4,765	19,680	5,055
1999* Refunding	145,845	-	22,650	123,195	23,980
2000A*	160,955	-	9,405	151,550	9,985
2001A*	63,060	-	3,415	59,645	3,610
2001B* Refunding	16,945	-	3,025	13,920	3,195
2002A*	106,460	-	5,140	101,320	5,440
2003A*	180,975	-	8,145	172,830	8,595
2003B	104,315	-	4,695	99,620	4,945
2004A*	187,745	-	7,685	180,060	8,100
2005B Refunding	84,685	-	4,955	79,730	12,555
2010A	24,475	-	5,680	18,795	5,960
2010B	112,925	-	-	112,925	-
2011A Refunding	15,500	-	15,500	-	-
2014A	92,855	-	1,785	91,070	1,875
2016A	92,500	-	1,595	90,905	1,675
2017A	191,205	-	5,935	185,270	6,275
2017B Direct Placement	50,000	-	50,000	-	-
2018A Cash Note	150,000	-	-	150,000	150,000
2018B	139,080	-	2,085	136,995	2,190
Subtotal	1,992,950	-	180,070	1,812,880	271,470
Unamortized bond premium	121,378	-	8,658	112,720	-
Total	<u>\$ 2,114,328</u>	<u>\$ -</u>	<u>\$ 188,728</u>	<u>\$ 1,925,600</u>	<u>\$ 271,470</u>

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2019, the total general obligation bonds and notes payable of \$1,926 million are classified as current and long-term in the Statement of Net Position in the amounts of \$271 million and \$1,655 million, respectively.

Debt Service Requirements—The “debt service requirements” set forth in the following tables represent payments due the bondholders, as required by the respective bond agreements. The amounts do not represent sinking fund payments the RTA must deposit with the trustee.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Following is a summary of all debt service requirements (in thousands).

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 271,470	\$ 90,711	\$ 362,181
2021	120,360	78,241	198,601
2022	126,605	74,607	201,212
2023	110,660	68,272	178,932
2024	115,300	62,534	177,834
2025-2029	485,555	231,184	716,739
2030-2034	366,650	100,958	467,608
2035-2039	89,630	36,444	126,074
2040-2044	84,580	17,931	102,511
2045-2046	42,070	2,992	45,062
Total	<u>\$ 1,812,880</u>	<u>\$ 763,874</u>	<u>\$ 2,576,754</u>

All amounts in the debt service requirement tables below, and on the following pages, are expressed in thousands.

1990 General Obligation Bonds—In May 1990, the RTA issued \$100 million in General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the Service Boards.

The Series 1990A Bonds mature on November 1 over a thirty-year period and interest is payable at rates ranging from 6.00% to 7.30% on May 1, 1990 and semiannually thereafter on November 1 and May 1 in each remaining year.

Debt service requirements on the Series 1990A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>\$ 7,640</u>	<u>\$ 550</u>	<u>\$ 8,190</u>

1991 General Obligation Bonds—In November 1991, the RTA issued \$100 million in General Obligation Bonds, Series 1991A, to replenish the Capital Projects Fund and to provide the source for paying costs of the Capital Program for the Service Boards.

The Series 1991A Bonds mature on November 1 over a thirty-year period and interest is payable at rates ranging from 4.85% to 6.55% on May 1, 1992 and semiannually thereafter on November 1 and May 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the 1991A Bonds to maturity are set forth below:

<u>Year Ending</u> <u>December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,875	\$ 952	\$ 7,827
2021	7,335	491	7,826
Total	<u>\$ 14,210</u>	<u>\$ 1,443</u>	<u>\$ 15,653</u>

1994 General Obligation Bonds—In December 1994, the RTA issued \$62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the Service Boards required by the ADA for vehicle rehabilitation and the construction or renewal of support facilities. The RTA also issued \$130 million in General Obligation Bonds, Series 1994D, to pay for portions of the CTA’s rehabilitation of the Green Line elevated structure, track replacement and repair or replacement of bus supporting services, and for Pace’s construction of bus garages and purchase of new buses and paratransit vehicles.

The 1994C and 1994D Bonds mature on June 1 over a twenty-six year period and interest is payable at rates ranging from 5.30% to 7.75% on June 1, 1995 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994C and 1994D Bonds to maturity are set forth below:

<u>Year Ending</u> <u>December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,520	\$ 136	\$ 3,656

1997 General Obligation Refunding Bonds—In September 1997, the RTA issued \$98 million in General Obligation Bonds, Series 1997, to provide funds to refund in advance of maturity the RTA’s outstanding Series 1990A Bonds, maturing November 1 in the years 2001-2002, in the aggregate amount of \$4 million, Series 1991A Bonds, maturing November 1 in the years 2002-2006, 2008 and 2011, in the aggregate amount of \$29 million, Series 1992B Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of \$18 million and Series 1993B Bonds, maturing June 1 in the years 2004-2009, 2013 and 2023, in the aggregate amount of \$47 million.

The Series 1997 Refunding Bonds mature on June 1 over a twenty-six year period and interest is payable at rates ranging from 4.00% to 6.00% on December 1, 1997 and semiannually thereafter on June 1 and December 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the Series 1997 Refunding bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,055	\$ 1,029	\$ 6,084
2021	5,375	716	6,091
2022	5,700	384	6,084
2023	3,550	107	3,657
Total	<u>\$ 19,680</u>	<u>\$ 2,236</u>	<u>\$ 21,916</u>

1999 General Obligation Refunding Bonds—In August 1999, the RTA issued \$299 million in General Obligation Bonds, Series 1999, to provide funds to refund in advance of maturity the RTA's outstanding Series 1992A Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of \$114 million, Series 1993A Bonds, maturing June 1 in the years 2009 and 2013, in the aggregate amount of \$10 million, Series 1994A Bonds, maturing June 1 in the years 2006-2009, 2012, 2015 and 2024, in the aggregate amount of \$143 million and Series 1994C Bonds, maturing June 1 in the year 2025, in the aggregate amount of \$22 million.

The Series 1999 Refunding Bonds mature on June 1 over a twenty-five year period and interest is payable at rates ranging from 5.00% to 6.00% on December 1, 1999 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1999 Refunding Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 23,980	\$ 6,450	\$ 30,430
2021	29,170	4,922	34,092
2022	30,890	3,195	34,085
2023	16,975	1,819	18,794
2024	17,960	792	18,752
2025	4,220	126	4,346
Total	<u>\$ 123,195</u>	<u>\$ 17,304</u>	<u>\$ 140,499</u>

2000 General Obligation Bonds—In June 2000, the RTA issued \$260 million in General Obligation Bonds, Series 2000A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2000A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.75% to 6.25% on January 1, 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the Series 2000A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 9,985	\$ 9,741	\$ 19,726
2021	10,605	9,117	19,722
2022	11,270	8,454	19,724
2023	11,975	7,750	19,725
2024	12,725	7,002	19,727
2025-2029	76,650	21,514	98,164
2030	18,340	1,192	19,532
Total	<u>\$ 151,550</u>	<u>\$ 64,770</u>	<u>\$ 216,320</u>

2001 General Obligation Bonds—In April 2001, the RTA issued \$100 million in General Obligation Bonds, Series 2001A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2001A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% in January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

Debt service requirements on the Series 2001A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,610	\$ 3,542	\$ 7,152
2021	3,810	3,343	7,153
2022	4,025	3,134	7,159
2023	4,255	2,892	7,147
2024	4,495	2,637	7,132
2025-2029	26,590	8,819	35,409
2030-2031	12,860	1,168	14,028
Total	<u>\$ 59,645</u>	<u>\$ 25,535</u>	<u>\$ 85,180</u>

In March 2001, the RTA issued \$38 million in General Obligation Bonds, Series 2001B, to provide funds to refund in advance of maturity the RTA's outstanding series 1993A Bonds, maturing June 1 in the years 2004-2008, in the aggregate amount of \$38 million.

The Series 2001B Refunding Bonds mature on June 1 over a twenty-three year period and interest is payable at rates ranging from 4.00% to 5.50% on June 1, 2001 and semiannually thereafter on June 1 and December 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the Series 2001B Refunding Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,195	\$ 678	\$ 3,873
2021	3,380	497	3,877
2022	3,570	306	3,876
2023	3,775	104	3,879
Total	<u>\$ 13,920</u>	<u>\$ 1,585</u>	<u>\$ 15,505</u>

2002 General Obligation Bonds—In March 2002, the RTA issued \$160 million in General Obligation Bonds, Series 2002A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2002A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% on July 1, 2002 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2002A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,440	\$ 6,079	\$ 11,519
2021	5,755	5,753	11,508
2022	6,085	5,408	11,493
2023	6,440	5,042	11,482
2024	6,815	4,656	11,471
2025-2029	40,450	16,654	57,104
2030-2032	30,335	3,708	34,043
Total	<u>\$ 101,320</u>	<u>\$ 47,300</u>	<u>\$ 148,620</u>

2003 General Obligation Bonds—In May 2003, the RTA issued \$260 million in General Obligation Bonds, Series 2003A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2003A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 2.0% to 5.5% on January 1, 2004 and semiannually thereafter on January 1 and July 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the Series 2003A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 8,595	\$ 10,074	\$ 18,669
2021	9,070	9,601	18,671
2022	9,565	9,102	18,667
2023	10,095	8,576	18,671
2024	10,650	8,021	18,671
2025-2029	62,235	30,315	92,550
2030-2033	62,620	9,633	72,253
Total	\$ 172,830	\$ 85,322	\$ 258,152

In January 2003, the RTA issued \$150 million in General Obligation Bonds, Series 2003B, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2003B Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 4.0% to 5.5% on June 1, 2003 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2003B Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,945	\$ 5,472	\$ 10,417
2021	5,215	5,193	10,408
2022	5,495	4,899	10,394
2023	5,790	4,588	10,378
2024	6,100	4,261	10,361
2025-2029	35,820	15,711	51,531
2030-2033	36,255	4,306	40,561
Total	\$ 99,620	\$ 44,430	\$ 144,050

2004 General Obligation Bonds—In October 2004, the RTA issued \$260 million in General Obligation Bonds, Series 2004A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2004A Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 5.75% on June 1, 2005 and semiannually thereafter on June 1 and December 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the Series 2004A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 8,100	\$ 9,860	\$ 17,960
2021	8,540	9,402	17,942
2022	9,000	8,919	17,919
2023	9,485	8,423	17,908
2024	9,995	7,912	17,907
2025-2029	58,660	30,575	89,235
2030-2034	76,280	11,426	87,706
Total	<u>\$ 180,060</u>	<u>\$ 86,517</u>	<u>\$ 266,577</u>

2005 General Obligation Bonds— In May 2005, the RTA issued \$148 million in General Obligation Bonds, Series 2005B, to provide funds to refund in advance of maturity the RTA's outstanding Series 1996A Bonds, maturing June 1 in the years 2005-2025, in the aggregate amount of \$147 million.

The Series 2005B Bonds mature on June 1 over a twenty-year period and interest is payable at variable rates which reset weekly based on current market rates.

Debt service requirements on the Series 2005B Refunding Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2020	\$ 12,555	\$ 2,424	\$ 14,979
2021	13,190	1,999	15,189
2022	13,885	1,552	15,437
2023	14,615	1,082	15,697
2024	15,380	587	15,967
2025	10,105	167	10,272
Total	<u>\$ 79,730</u>	<u>\$ 7,811</u>	<u>\$ 87,541</u>

* Interest was calculated using a rate of 3.3%.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

2010 General Obligation Bonds—In January 2010, the RTA issued \$62.2 million in General Obligation Bonds, Series 2010A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2010A Bonds mature on July 1, over a thirteen-year period and interest is payable at rates ranging from 4.00% to 5.00% on July 1, 2010 and annually thereafter on July 1 in each remaining year.

Debt service requirements on the Series 2010A Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,960	\$ 940	\$ 6,900
2021	6,260	642	6,902
2022	6,575	329	6,904
Total	<u>\$ 18,795</u>	<u>\$ 1,911</u>	<u>\$ 20,706</u>

In January 2010, the RTA issued \$112.9 million in General Obligation Bonds, Series 2010B, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2010B Bonds mature on July 1, over a twenty-five year period and interest is payable at rates ranging from 5.40% to 5.90% on July 1, 2010 and annually thereafter on July 1 in each remaining year.

Debt service requirements on the Series 2010B Bonds to maturity are set forth below:

<u>Year Ending December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 6,622	\$ 6,622
2021	-	6,622	6,622
2022	-	6,622	6,622
2023	6,885	6,622	13,507
2024	7,140	6,249	13,389
2025-2029	39,915	24,902	64,817
2030-2034	48,185	12,133	60,318
2035	10,800	648	11,448
Total	<u>\$ 112,925</u>	<u>\$ 70,420</u>	<u>\$ 183,345</u>

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

2014 General Obligation Bonds – In February 2014, RTA issued \$99.3 million in General Obligation Bonds, Series 2014A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain transportation facilities.

The Series 2014A Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 3.00% to 5.00% on June 1, 2014 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2014A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2020	\$ 1,875	\$ 4,507	\$ 6,382
2021	1,970	4,410	6,380
2022	2,070	4,310	6,380
2023	2,180	4,203	6,383
2024	2,290	4,092	6,382
2025-2029	13,335	18,571	31,906
2030-2034	17,120	14,783	31,903
2035-2039	21,990	9,919	31,909
2040-2044	28,240	3,671	31,911
Total	<u>\$ 91,070</u>	<u>\$ 68,466</u>	<u>\$ 159,536</u>

2016 General Obligation Bonds – In January 2016, the RTA issued \$95.5 million in General Obligation Bonds, Series 2016A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities. To fund the Series 2016A Bonds Reserve Account and to pay Costs of Issuance of Series 2016A Bonds.

The Series 2016A Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 4.00% to 5.00% on June 1, 2016 and semi-annually thereafter on June 1 and December 1 in each remaining year.

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

Debt service requirements on the Series 2016A Bonds to maturity are set forth below:

<u>Year Ending</u> <u>December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,675	\$ 4,033	\$ 5,708
2021	1,765	3,947	5,712
2022	1,855	3,856	5,711
2023	1,950	3,761	5,711
2024	2,050	3,661	5,711
2025-2029	11,935	16,617	28,552
2030-2034	15,320	13,227	28,547
2035-2039	19,485	9,064	28,549
2040-2044	23,890	4,661	28,551
2045-2046	10,980	443	11,423
Total	\$ 90,905	\$ 63,270	\$ 154,175

2017 General Obligation Refunding Bond – In August 2017, the RTA issued \$191 million in General Obligation Bonds, Series 2017A, to provide funds to currently refund the RTA's outstanding Series 2006A Bonds maturing in the years 2019 through 2035, to fund the Series 2017A Bonds Reserve Account and to pay the costs of issuance of the refunding bonds.

The Series 2017A Bonds mature on and after July 1, 2028 and interest is payable at rates ranging from 4.00% to 5.00% on June 1, 2016 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2017A Bonds to maturity are set forth below:

<u>Year Ending</u> <u>December 31</u>	<u>Debt Service Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,275	\$ 8,792	\$ 15,067
2021	6,615	5,479	12,094
2022	14,200	8,148	22,348
2023	10,145	7,438	17,583
2024	17,025	6,930	23,955
2025-2029	90,050	20,748	110,798
2030-2034	29,310	7,347	36,657
2035	11,650	466	12,116
Total	\$ 185,270	\$ 65,348	\$ 250,618

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

2017 Direct Placement – In December 2017, the RTA authorized the issuance of \$250 million two-year Direct Placement Working Cash Notes, Series 2017 (Taxable) with Wells Fargo Bank, National Association to provide funds to manage the cash flow needs of the RTA and the service boards.

2018 Working Cash Notes – In April 2018, the RTA issued \$150 million Working Cash Notes, Series 2018 (Taxable) to provide funds to manage the cash flow needs of the RTA and the service boards, including the payment to the underwriters' discount on the Notes.

Debt service requirements on the Series 2018A Notes to maturity are set for below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2020	\$ 150,000	\$ 2,611	\$ 152,611

2018 General Obligation Bonds – In June 2018, the RTA issued \$139 million in General Obligation Bonds, Series 2018B, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities; as well as to pay costs of issuance of Series 2018B Bonds.

The Series 2018B Bonds mature on June 1, 2049 and interest is payable at rates ranging from 4.00% to 5.00% on December 1, 2018 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on Series 2018B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2020	\$ 2,190	\$ 6,219	\$ 8,409
2021	2,305	6,107	8,412
2022	2,420	5,989	8,409
2023	2,545	5,865	8,410
2024	2,675	5,734	8,409
2025-2029	15,590	26,465	42,055
2030-2034	20,025	22,035	42,060
2035-2039	25,705	16,347	42,052
2040-2044	32,450	9,599	42,049
2045-2046	31,090	2,549	33,639
Total	\$ 136,995	\$ 106,909	\$ 243,904

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

All the bonds are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net position, and are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the RTA Act, the Service Boards' fare box receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, \$142 million in investments are restricted and available to service principal and interest payments of the RTA's long-term debt as of December 31, 2019.

NOTE 10. PENSION

Plan Description—Effective July 1, 1976, the RTA participates, along with Metra and Pace, in a cost-sharing multi-employer noncontributory defined benefit pension plan, the Regional Transportation Authority Pension Plan ("Plan"), covering substantially all employees not otherwise covered by a union pension plan. The responsibilities for establishing, administering, and amending the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("Plan Administrators").

The Plan is classified as a "governmental plan" and is, therefore, generally exempt from the provisions of the Employee Retirement Income Security Act of 1974. The Internal Revenue Service has issued a letter of determination dated September 30, 1988 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code ("Code") and is, therefore, exempt from Federal income taxes under the provisions of Section 501(a) of the Code. The Plan operates on a calendar fiscal year.

Pension Benefits—Participants are entitled to annual pension benefits upon normal retirement at age 65. Such benefits are generally based on a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equal eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

The Plan provides for benefit payments to beneficiaries based on one of the payment methods selected by participants, as outlined in the Plan.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

NOTE 10. PENSION (Continued)

Contributions and Vesting —The Plan is funded solely by employer contributions, which are actuarially determined under the entry age actuarial cost method. Contributions to the plan from the Authority were \$2.5 million for the year ended December 31, 2019.

Participating employees do not contribute to the Plan. If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer.

At December 31, 2019, the Authority reported a liability of \$5.555 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date, the Authority's proportion was 9.20%, which was a decrease of 0.70% from its proportion measured as of the prior year measurement date.

For the year ended December 31, 2019, the Authority recognized pension expense of \$1,773 thousand. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 707	\$ -
Changes of assumptions	201	18
Net difference between projected and actual earnings on pension plan investments	2,120	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	2,127	1,350
Authority contributions subsequent to the measurement date	<u>2,470</u>	<u>-</u>
Total	<u>\$ 7,625</u>	<u>\$ 1,368</u>

The \$2,470 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of plan members or a fixed five year period as follows (amounts in thousands):

<u>Year ended December 31:</u>	<u>Amount</u>
2020	\$ 661
2021	1,123
2022	920
2023	1,054
2024	<u>29</u>
Total	<u>\$ 3,787</u>

NOTE 10. PENSION (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.25 percent to 8.75 percent including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Employee Mortality Table, sex distinct, for pre-retirement mortality and the RP 2014 Healthy Annuitant Mortality table, sex distinct for post-retirement mortality.

The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the assumed rate of investment return is included in the actuarial valuation report as of January 1, 2016 and experience study for the period January 1, 2009 through January 1, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These arithmetic real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2019 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	28.0 %	6.67%
Developed Foreign Equity	16.0 %	7.41%
Emerging Markets Equity	15.0 %	10.30%
Private Equity	4.0 %	10.48%
Investment Grade Bonds	11.0 %	1.25%
Long-Term Government Bonds	3.0 %	1.67%
TIPS	3.0 %	1.11%
High-Yield Bonds	3.0 %	4.29%
Emerging Markets Bonds (local)	2.0 %	3.49%
Emerging Markets Bonds (major)	2.0 %	3.02%
Real Estates	8.0 %	5.30%
Real Assets	5.0 %	4.65%

Discount rate. A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the future expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10. PENSION (amounts in thousands) (Continued)

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate (amounts in thousands):

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net pension liability	\$ 8,704	\$ 5,555	\$ 2,851

Pension plan fiduciary net position. The complete Plan financial report, including all required disclosures can be obtained from the Plan Administrators at the following address:

Regional Transportation Authority Pension Plan
 175 West Jackson Boulevard, Suite 1650
 Chicago, IL 60604

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description. The Regional Transportation Authority's ("RTA") defined benefit OPEB plan, Retiree Medical Benefit Plan (RMBP or Plan) provides limited health care insurance coverage for its eligible retired employees. The Plan is a single-employer defined benefit OPEB plan administered by the executive director of the RTA. The RTA Board of Directors through ordinance grants the authority to establish and amend benefit terms and financing requirements to the executive director of the RTA. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided. The Plan provides limited healthcare insurance coverage for retirees. Retirees can retain coverage through COBRA if under the age of 65 under the same medical plans available to active employees. Once a retiree is Medicare eligible, retirees can seek supplemental Medicare coverage through Benistar, where they pay the full cost of Medicare coverage. Retirees can seek outside insurance and are eligible to receive \$78 monthly stipend (reimbursement) from the RTA. Dependent coverage ends at the same time as that of the retiree.

Employees Covered by Benefit Terms.

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	8
Active employees	117
Total	153

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability

The RTA's total OPEB liability of \$593 thousand was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	2.5 percent, average, including inflation
Discount rate	Beginning of year 3.44 percent End of year 4.10 percent
Healthcare cost trend rates	2.6 percent for 2018, 6 percent for 2019 decreasing 0.5 percent in 2021 and 2023 to an ultimate rate of 5.0 percent for 2023 and later years

For plans that are not held in trust and have accumulated no assets, the discount rate used is the same as the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average credit rating of AA as of the measurement date. For this valuation, the "The Bond Buyer 20-Year GO Index" was used.

Mortality Rates: Active, Retiree and Spousal RTA Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generally using MP-2017 improvement rates.

Changes in the Total OPEB Liability (amounts in thousands)

Total OPEB Liability at December 31, 2018	<u>\$ 500</u>
Changes for the year:	
Service cost	19
Interest	20
Changes in assumptions or other inputs	82
Benefit payments	<u>(28)</u>
Net changes	<u>93</u>
Balances at December 31, 2019	<u><u>\$ 593</u></u>

Changes in assumptions or other inputs reflect the change in the discount rate. The beginning of year rate (4.10 percent) is the December 31, 2018 rate, and the end of year rate (2.74 percent) is the December 31, 2019 rate. The 20-Year GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and S&P's AA.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.

The following presents the total OPEB liability of the RTA, as well as what the RTA's total OPEB liability would be if it were calculated using a discount rate of 1-percentage-point lower (1.74 percent) or 1-percentage-point higher (3.74 percent) than the current discount rate (amounts in thousands):

	<u>1% Decrease (1.74%)</u>	<u>Discount Rate (2.74%)</u>	<u>1% Increase (3.74%)</u>
Total OPEB liability	\$ 669	\$ 593	\$ 531

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents the total OPEB liability of the RTA, as well as what the RTA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.5 percent decreasing to 4.5 percent) or 1-percentage-point higher (10.5 percent decreasing to 6.5 percent) than the current healthcare cost trend rates (amounts in thousands):

	<u>1% Decrease (varies)</u>	<u>Healthcare Cost Trend Rates (varies)</u>	<u>1% Increase (varies)</u>
Total OPEB liability	\$ 510	\$ 593	\$ 697

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the RTA recognized OPEB expense of \$44 thousand. At December 31, 2019, the RTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 73	\$ 27
Total	<u>\$ 73</u>	<u>\$ 27</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized, over the average remaining service lives of active and inactive participants, in OPEB expense as follows (amounts in thousands):

<u>Year Ended December 31,</u>	<u>Amount</u>
2020	\$ 6
2021	6
2022	6
2023	6
2024	6
Thereafter	16
Total	<u>\$ 46</u>

NOTE 12. RISK MANAGEMENT

The RTA is exposed to various risks including, but not limited to, losses from workers' compensation, employee health insurance, and general liability/property. Commercial insurance coverage is procured to limit the RTA's exposure to such losses.

The Workers' Compensation and Employers' Liability Insurance Policy is held through The Hartford. The RTA is insured for \$500,000 each accident for bodily injury by accident, \$500,000 each employee for bodily injury by disease and \$500,000 policy limit. The RTA procured property, general liability, automobile, and umbrella insurance policies with Zurich American Insurance Company. Under these policies, the RTA is insured for \$1,000,000 each occurrence with a general aggregate limit of \$2,000,000, and a personal and advertising injury limit of \$1,000,000. The RTA also procured public officials and employment practices liability coverage through ACE American Insurance Company with an aggregate coverage limit of \$3,000,000; cyber liability coverage through Illinois Union Insurance Company with an aggregate coverage limit of \$3,000,000; and fidelity and crime coverage through Great American Insurance Group with an aggregate coverage limit of \$5,000,000. The RTA had no settlements in excess of this insurance coverage in the past three years. There have been no significant reductions in the amount of coverage from the prior year.

In addition, the RTA is a participant in RTA's Loss Financing Plan ("Plan") and Joint Self-Insurance Fund. The Fund was created as required by Article Two of the Plan with the RTA and the three Service Boards as participants. The Plan is intended primarily to serve as a mechanism for funding catastrophic losses and, by capitalizing the Fund in advance of such losses, to smooth their impact over time. The Fund is essentially a self-insurance program that provides a means for financing losses that are normally insured, and is included in the RTA's reporting entity as a proprietary fund type (enterprise fund). The Plan is administered by the RTA, CTA, Metra, and Pace ("Participating Entities") utilizing a Fund Manager appointed by the RTA and three Fund Advisors, one appointed by each of the Service Boards.

Each participating entity (RTA, CTA, Metra, and Pace) is only responsible to repay the Fund for submitted claims paid by the Fund. The Fund acts exclusively as a claims-service, and financing mechanism, not an insurer, with respect to claims presented.

The limit of liability to the Fund is established at \$50 million, subject to the availability of funds in the Fund, less the retained limit (deductible portion) as described below:

General Liability—The categories of general liability that are covered, with certain defined exclusions, by the joint agreement are:

- Personal injury
- Property damage
- Advertising injury
- Evacuation, evacuation expenses and loss of use

Further, the Plan purchases excess liability insurance on behalf of all four participating agencies, with self-insured retention limits of up to \$15,000,000 and coverage for losses from \$15,000,000 to \$100,000,000.

NOTE 12. RISK MANAGEMENT (Continued)

The retained limit (deductible portion) for each Participating Entity is:

	Amount (in thousands)
CTA	\$ 3,500
Metra	3,000
Pace	1,000
RTA	500

Director, Officer and Employee Liability—All directors, officers or employees of each Participating Entity are covered, with certain defined exclusions, by the Plan. The retained limits are \$100,000 for each Wrongful Act. If a loss is covered under both types of liability, then the retained limit for general liability will apply.

NOTE 13. COMMITMENTS AND CONTINGENCIES

The RTA has an operating lease agreement for its office facilities. In 2019, the total rent paid by the RTA was \$1,686,928. Minimum required annual rental payments by the RTA are as follows:

Year Ending December 31	Amount (in thousands)
2020	\$ 1,907
2021	1,716
2022	1,749
2023	1,783
2024	1,512
Thereafter	12
Total	\$ 8,679

NOTE 14. SUBSEQUENT EVENTS

COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared a novel strain of a coronavirus outbreak, known as COVID-19, as a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and action taken to mitigate it, have had and are expected to continue to have, an adverse impact on the economies of the entire country, specifically areas of larger population, such as the northeastern Illinois, where the RTA and the three service boards operate, including significant losses in revenue associated with reductions in ridership and sales tax revenues. The ultimate impact of these conditions will have on the RTA and the three service boards is unknown at this time. In an effort to mitigate the impact of COVID-19 and the actions taken to mitigate the spread, the federal government has passed the Coronavirus Aid, Relief and Economic Stability (CARES) Act which specifically provides the Federal Transit Agency (FTA) available funding in the amount of \$1.4 billion, specifically designated for Chicago, Illinois. The majority of the federal assistance from the CARES Act will go straight to the three service boards to offset expenses and lost revenues.

NOTE 14. SUBSEQUENT EVENTS (Continued)

Debt refunding

On May 4, 2020, a \$250 million Direct Placement with JP Morgan closed, at which time the RTA drew \$150 million. The \$150 million was used to retire, the \$150 million 2018A Working Cash Note which matured. The principal payment to the trustee was made on May 8 2020.

REQUIRED SUPPLEMENTARY INFORMATION

**Regional Transportation Authority
RTA Pension Plan**

**Schedule of the Employer Contributions
(in Thousands)**

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,170	\$ 1,066	\$ 1,048	\$ 991	\$ 1,644
Contributions in relation to the contractually required contribution	(2,470)	(2,366)	(2,348)	(2,291)	(1,644)
Contribution deficiency (excess)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ -
Authority's covered payroll	\$ 9,205	\$ 9,301	\$ 9,221	\$ 9,183	\$ 8,984
Contributions as a percentage of covered payroll	26.83%	25.44%	25.46%	24.95%	18.30%

Note: The RTA implemented GASB 68 in FY 2015. Information is not available prior to 2015. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

**Regional Transportation Authority
RTA Pension Plan**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability
(Measurement Date December 31, 2018)
(in Thousands)**

	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	9.20%	9.90%	10.40%	11.00%	12.00%
Authority's proportionate share of the net pension liability	\$ 5,555	\$ 1,770	\$ 3,932	\$ 3,804	\$ 8,406
Authority's covered payroll	\$ 9,205	\$ 9,301	\$ 9,221	\$ 9,183	\$ 8,984
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	60.35%	19.03%	42.64%	41.42%	93.56%
Plan fiduciary net position as a percentage of the total pension liability	81.73%	94.32%	87.38%	87.67%	73.51%

Note: The RTA implemented GASB 68 in FY 2015. Information is not available prior to 2015. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

**Regional Transportation Authority
RTA Other Postemployment Benefits (OPEB) Plan**

**Schedule of Changes in Total OPEB Liability and Related Ratios
(in Thousands)**

	2019	2018
<i>Total OPEB liability</i>		
Service cost	\$ 19	\$ 21
Interest	20	18
Changes of assumptions or other inputs	82	(37)
Benefit payments	(28)	(28)
Net change in total OPEB liability	93	(26)
Total OPEB liability - beginning	500	526
Total OPEB liability - ending	<u>\$ 593</u>	<u>\$ 500</u>
Covered employee payroll	\$ 9,025	\$ 8,881
Total OPEB liability as a percentage of covered employee payroll	6.57%	5.63%

Notes to Schedule:

The RTA implemented GASB 75 in FY 2018. Information is not available prior to 2018. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	2.74 percent
2018	4.10 percent
2017	3.44 percent

REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) BUDGET AND ACTUAL—GENERAL FUND
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	General Fund		
	Original Budget	Actual	Variance
REVENUES:			
Sales taxes	\$ 141,155	\$ 139,881	\$ (1,274)
Interest on sales taxes	500	1,086	586
Public Transportation Fund	232,870	225,469	(7,401)
Innovation, Coordination & Enhancement (ICE)	12,928	12,764	(164)
State assistance (AFA & ASA)	130,300	129,146	(1,154)
IDOT State Grant Pace (ADA)	8,395	8,395	-
Investment income	1,000	6,028	5,028
Other revenue	7,687	8,701	1,014
Total revenues	534,835	531,470	(3,365)
EXPENDITURES:			
Financial assistance to Service Boards	232,870	227,969	4,901
South Suburban Job Access Program	7,500	7,500	-
Innovation, Coordination & Enhancement (ICE)	12,928	12,764	164
IDOT State Cap Grant-PACE (ADA)	8,395	8,395	-
Administration	16,825	16,007	818
Non-administration:			
Regional services and coordination programs	16,994	14,842	2,152
Regional Technical Assistance Programs	7,187	5,822	1,365
Distributions to JSIF	3,164	3,164	-
Total expenditures	305,863	296,463	9,400
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	228,972	235,007	(6,035)
NET CHANGE IN FUND BALANCE— BUDGETARY BASIS	\$ 228,972	235,007	\$ 6,035
Budgetary basis to GAAP basis adjustments		(262,985)	
NET CHANGE IN FUND BALANCE—GAAP BASIS		(27,978)	
FUND BALANCE:			
Beginning of year		267,474	
End of year		\$ 239,496	

REGIONAL TRANSPORTATION AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2019

Note 1. BUDGET AND BUDGETARY ACCOUNTING

The budgetary basis of the General Fund's budget and actual presentation is included as required supplementary information. For comparison of the combined budgets as required for board presentation, the combined schedule of revenues, expenditures, and changes in fund balance—budget and actual—in the general and the sales tax agency funds are presented in the combining and individual fund schedules section of the CAFR. Additional budget detail is used by management for monitoring purposes which is provided in this section as the schedule of expenditures—budget and actual—General Fund.

Section 4.01(a) of the Act requires the RTA to prepare and adopt a comprehensive annual budget and program presenting the RTA's planned operations and capital expenditures for the forthcoming year. The Service Boards' proposed budgets are based on the RTA's estimate of funds that will be available to the Service Boards by or through the RTA's own budget. This budget is comprehensive and includes the activity in the General Fund and sales tax agency fund.

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to the Service Boards. The RTA capital expenditures and capital grants to the Service Boards are budgeted on a project basis, which normally exceeds one year, and debt service payments, which are budgeted as transfers from the General Fund. Budgets for RTA capital expenditures and capital grants to the Service Boards that extend beyond one year are presented in the first year of the grants and represent the total amounts awarded. In addition, for the sales tax agency fund, additions and deletions are treated as revenues and expenditures. All appropriations lapse at year-end.

Although appropriations are adopted for individual line items, the legal level of control (i.e., the level at which appropriation transfers or expenditures in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenditures and total administration appropriations/expenditures. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenditures and the total administration appropriations/expenditures. It had previously been the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, this policy was rescinded by ordinance 2015-55, which also rescinded the provision of the RTA funding policy adopted by Ordinance 98-15 that required the RTA annual budget and two-year financial plan to show a year-end unassigned fund balance equal to 5% of RTA operating expenditures by no later than the end of the three-year planning period. The Service Boards now maintain their own fund balance and reserve plans.

The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

- The first source of funds to be credited against the budgeted funding amount is from Service Board sales tax receipts;
- The second source of funds to be credited against the budgeted funding amount is from PTF receipts; and
- The third source of funds credited against the budgeted funding amount is from unallocated RTA sales tax receipts and other discretionary receipts.

Note 1. BUDGET AND BUDGETARY ACCOUNTING (Continued)

The reimbursement of Service Boards' capital expenditures and the payment of PTF funds, unallocated RTA sales tax receipts and other discretionary funds of the RTA shall be made under the terms and conditions of grant agreements governing such expenditures.

Note 2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS ACCOUNTING

The accompanying schedule of revenues, expenditures, and changes in fund balance, budget and actual-general fund (this section), and combining schedule of revenues, expenditures and changes in fund balance-budget and actual-general and agency funds (in combining and individual fund schedules section) present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ with accounting principles generally accepted in the United States of America, a reconciliation of timing differences in the excess of revenues over expenditures and other financing uses is presented below:

	General Fund (in thousands)
Net change in fund balance - budgetary basis	<u>\$ 235,007</u>
Adjustments:	
Capital grant expenditures incurred in current year but considered in prior years' budgets	(472)
RTA capital expenditures expected to be incurred in future years but considered in current year operating budget	(1,973)
Capital grants received that were not in the budget	78,291
Capital grants disbursed to the Service Boards/Others that were not in the budget	(82,231)
Net transfers in and out between the General Fund and Debt Service Fund not in the budget	<u>(256,600)</u>
Budgetary basis to GAAP basis adjustments	<u>(262,985)</u>
Net change in fund balance - GAAP basis	<u><u>\$ (27,978)</u></u>

COMBINING AND INDIVIDUAL FUND SCHEDULES

A. GENERAL FUND

The general fund is used to account for resources traditionally associated with the RTA which are not accounted for in another fund. A budget and actual schedule of general fund expenditures is presented in this section.

The RTA Board approves a comprehensive budget which includes the activity in the general fund and the sales tax agency fund. For comparison of the combined budgets, the combined budget and actual schedule of revenues, expenditures and changes in fund balance for both funds is also presented in this section.

REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) —
 BUDGET AND ACTUAL — GENERAL FUND
 YEAR ENDED DECEMBER 31, 2019
 (In Thousands)**

	General Fund		
	Budget	Actual	Variance
EXPENDITURES:			
Financial assistance to Service Boards	\$ 232,870	\$ 227,969	\$ 4,901
South Suburban Job Access Program (PACE)	7,500	7,500	-
Innovation, Coordination & Enhancement (ICE)	12,928	12,764	164
Reduced fare reimbursement			-
IDOT State Cap Grant - PACE (ADA)	8,395	8,395	-
Administration	16,825	16,007	818
Non-administration:			
Regional Services and Coordination Programs	16,994	14,842	2,152
Regional Technical Assistance Programs	7,187	5,822	1,365
Distributions to JSIF	3,164	3,164	-
TOTAL EXPENDITURES	<u>\$ 305,863</u>	<u>\$ 296,463</u>	<u>\$ 9,400</u>

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) BUDGET AND ACTUAL—GENERAL AND SALES TAX AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Sales taxes	\$ 141,155	\$ 139,881	\$ (1,274)
Interest on sales taxes	500	1,086	586
Public Transportation Fund	232,870	225,469	(7,401)
Innovation, Coordination & Enhancement (ICE)	12,928	12,764	(164)
State assistance (AFA & ASA)	130,300	129,146	(1,154)
Reduced fare reimbursement	-	-	-
IDOT State Grant -PACE (ADA)	8,395	8,395	-
Investment income	1,000	6,028	5,028
Other revenue	7,687	8,701	1,014
Total revenues	534,835	531,470	(3,365)
EXPENDITURES:			
Financial assistance to Service Boards	232,870	227,969	4,901
PTF (new sales tax/RETT)	-	-	-
Paratransit funding - PACE	-	-	-
Suburban Community Mobility Fund	-	-	-
South Suburban Job Access Program	7,500	7,500	-
Innovation, Coordination & Enhancement (ICE)	12,928	12,764	164
Reduced fare reimbursement	-	-	-
IDOT State Cap Grant-PACE (ADA)	8,395	8,395	-
Administration	16,825	16,007	818
Non-administration:			
Regional services and coordination programs	16,994	14,842	2,152
Regional Technical Assistance Program	7,187	5,822	1,365
Interest on sales taxes to Service Boards	-	-	-
Distributions to JSIF	3,164	3,164	-
Total expenditures	305,863	296,463	9,400
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	\$ 228,972	235,007	\$ 6,035
Budgetary basis to GAAP basis adjustments		(262,985)	
NET CHANGE IN FUND BALANCE—GAAP BASIS		(27,978)	
FUND BALANCE:			
Beginning of year		267,474	
End of year		<u>\$ 239,496</u>	

Sales Tax Agency Fund			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 1,116,189	\$ 1,101,515	\$ (14,674)	\$ 1,257,344	\$ 1,241,396	\$ (15,948)
1,500	1,566	66	2,000	2,652	652
163,832	156,520	(7,312)	396,702	381,989	(14,713)
-	-	-	12,928	12,764	(164)
-	-	-	130,300	129,146	(1,154)
34,070	8,785	(25,285)	34,070	8,785	(25,285)
-	-	-	8,395	8,395	-
-	-	-	1,000	6,028	5,028
-	-	-	7,687	8,701	1,014
<u>1,315,591</u>	<u>1,268,386</u>	<u>(47,205)</u>	<u>1,850,426</u>	<u>1,799,856</u>	<u>(50,570)</u>
925,702	911,356	14,346	1,158,572	1,139,325	19,247
163,832	156,520	7,312	163,832	156,520	7,312
164,631	164,631	-	164,631	164,631	-
25,856	25,528	328	25,856	25,528	328
-	-	-	7,500	7,500	-
-	-	-	12,928	12,764	164
34,070	8,785	25,285	34,070	8,785	25,285
-	-	-	8,395	8,395	-
-	-	-	16,825	16,007	818
-	-	-	-	-	-
-	-	-	16,994	14,842	2,152
-	-	-	7,187	5,822	1,365
1,500	1,566	(66)	1,500	1,566	(66)
-	-	-	3,164	3,164	-
<u>1,315,591</u>	<u>1,268,386</u>	<u>47,205</u>	<u>1,621,454</u>	<u>1,564,849</u>	<u>56,605</u>
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 228,972</u>	<u>235,007</u>	<u>\$ 6,035</u>
				(262,985)	
				(27,978)	
				267,474	
	<u>\$ -</u>			<u>\$ 239,496</u>	

B. DEBT SERVICE FUND

Debt Service Fund Accounts:

1990A—to account for transfers received, investment income and principal and interest payments made for 1990A general obligation bonds.

1991A—to account for transfers received, investment income and principal and interest payments made for 1991A general obligation bonds.

*1994C * and D*—to account for transfers received, investment income and principal and interest payments made for 1994C & D general obligation bonds.

1997—to account for transfers received, investment income and principal and interest payments made for 1997 refunding general obligation bonds.

1999—to account for transfers received, investment income and principal and interest payments made for 1999 refunding general obligation bonds.

*2000A**—to account for transfers received, investment income and principal and interest payments made for 2000A general obligation bonds.

*2001A**—to account for transfers received, investment income and principal and interest payments made for 2001A general obligation bonds.

*2001B**—to account for transfers received, investment income and principal and interest payments made for 2001B refunding general obligation bonds.

*2002A**—to account for transfers received, investment income and principal and interest payments made for 2002A general obligation bonds.

*2003A** —to account for transfers received, investment income and principal and interest payments made for 2003A refunding general obligation bonds.

2003B—to account for transfers received, investment income and principal and interest payments made for 2003B refunding general obligation bonds.

*2004A** — to account for transfers received, investment income and principal and interest payments made for 2004A refunding general obligation bonds.

2005B—to account for transfers received, investment income and principal and interest payments made for 2005B refunding general obligation bonds.

2010A —to account for transfers received, investment income and principal and interest payments made for 2010A general obligation bonds.

2010B —to account for transfers received, investment income and principal and interest payments made for 2010B general obligation bonds.

2011A —to account for transfers received, investment income and principal and interest payments made for 2011A cash note borrowings.

2014A — to account for transfers received, investment income and principal and interest payments made for 2014A general obligation bonds.

2016A –to account for transfers received, investment income and principal and interest payments made for 2016A general obligation bonds.

2017A –to account for transfers received, investment income and principal and interest payments made for 2017 refunding general obligation bonds.

2017B –to account for transfers received, investment income and principal and interest payments made for 2017B direct placement cash note borrowings.

2018A- to account for transfers received, investment income and principal and interest payments made for 2018A cash note borrowings.

2018B –to account for transfers received, investment income and principal and interest payments made for 2018B general obligation bonds.

*Strategic Capital Improvement Program (SCIP) Bonds

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS

December 31, 2019

(In Thousands)

	1990A	1991A	1994 C&D	1997	1999	2000A	2001 A	2001 B	2002 A	2003 A	2003 B
ASSETS:											
Cash and investments	\$ 1,533	\$ 1,441	\$ 2,269	\$ 3,337	\$ 15,946	\$ 10,328	\$ 3,744	\$ 2,111	\$ 6,013	\$ 9,736	\$ 3,717
Accrued interest	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,533	\$ 1,441	\$ 2,269	\$ 3,337	\$ 15,946	\$ 10,328	\$ 3,744	\$ 2,111	\$ 6,013	\$ 9,736	\$ 3,717
LIABILITIES:											
Accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:											
Restricted for debt service	1,533	1,441	2,269	3,337	15,946	10,328	3,744	2,111	6,013	9,736	3,717
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,533	\$ 1,441	\$ 2,269	\$ 3,337	\$ 15,946	\$ 10,328	\$ 3,744	\$ 2,111	\$ 6,013	\$ 9,736	\$ 3,717

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS (Continued)

December 31, 2019

(In Thousands)

	2004 A	2005 B	2010A	2010B	2011A	2014A	2016A Bonds	2017A	2017B	2018A	2018B	Total
ASSETS:												
Cash and investments	\$ 6,908	\$ 7,837	\$ 8,614	\$ 13,110	\$ -	\$ 8,203	\$ 7,304	\$ 27,341	\$ -	\$ 904	\$ 2,034	\$ 142,430
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 6,908	\$ 7,837	\$ 8,614	\$ 13,110	\$ -	8,203	\$ 7,304	\$ 27,341	\$ -	\$ 904	\$ 2,034	\$ 142,430
LIABILITIES:												
Accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:												
Restricted for debt service	6,908	7,837	8,614	13,110	-	8,203	7,304	27,341	-	904	2,034	142,430
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,908	\$ 7,837	\$ 8,614	\$ 13,110	\$ -	\$ 8,203	\$ 7,304	\$ 27,341	\$ -	\$ 904	\$ 2,034	\$ 142,430

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	<u>1990A</u>	<u>1991A</u>	<u>1994 C&D</u>	<u>1997</u>
REVENUE:				
Investment income	\$ -	\$ -	\$ 6	\$ 8
Total revenue	<u>-</u>	<u>-</u>	<u>6</u>	<u>8</u>
EXPENDITURES:				
CTA Capital Projects	-	-	-	-
Debt Service - principal	7,125	6,445	10,040	4,765
Debt Service - interest	1,063	1,384	662	1,324
Other debt related costs	-	-	-	-
Total expenditures	<u>8,188</u>	<u>7,829</u>	<u>10,702</u>	<u>6,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,188)</u>	<u>(7,829)</u>	<u>(10,696)</u>	<u>(6,081)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt				
Premium on issuance of debt	-	-	-	-
Transfers in - principal	7,219	6,523	5,891	4,950
Transfers in - interest	960	1,298	577	1,287
Transfers in/(out) - CPF	-	-	-	-
Transfers in/(out) - GF	-	-	-	-
Transfers in/(out) - DSF	-	-	-	-
Total other financing sources (uses)	<u>8,179</u>	<u>7,821</u>	<u>6,468</u>	<u>6,237</u>
NET CHANGE IN FUND BALANCES	(9)	(8)	(4,228)	156
FUND BALANCES:				
Beginning of year	<u>1,542</u>	<u>1,449</u>	<u>6,497</u>	<u>3,181</u>
End of year	<u>\$ 1,533</u>	<u>\$ 1,441</u>	<u>\$ 2,269</u>	<u>\$ 3,337</u>

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS (Continued)
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	1999	2000 A	2001 A	2001 B	2002 A
REVENUE:					
Investment income	\$ 38	\$ 17	\$ 6	\$ 5	\$ 10
Total revenue	38	17	6	5	10
EXPENDITURES:					
CTA Capital Projects	-	-	-	-	-
Debt Service - principal	22,650	9,405	3,415	3,025	5,140
Debt Service - interest	7,790	10,329	3,729	849	6,388
Other debt related costs	-	-	-	-	-
Total expenditures	30,440	19,734	7,144	3,874	11,528
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,402)	(19,717)	(7,138)	(3,869)	(11,518)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Transfers in - principal	23,496	9,721	3,521	3,133	5,304
Transfers in - interest	7,619	10,017	3,629	827	6,223
Transfers in/(out) - CPF	-	-	-	-	-
Transfers in/(out) - GF	-	-	-	-	-
Transfers in/(out) - DSF	-	-	-	-	-
Total other financing sources (uses)	31,115	19,738	7,150	3,960	11,527
NET CHANGE IN FUND BALANCES	713	21	12	91	9
FUND BALANCES:					
Beginning of year	15,233	10,307	3,732	2,020	6,004
End of year	\$ 15,946	\$ 10,328	\$ 3,744	\$ 2,111	\$ 6,013

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 DEBT SERVICE FUND ACCOUNTS (Continued)
 YEAR ENDED DECEMBER 31, 2019
 (In Thousands)

	<u>2003 A</u>	<u>2003 B</u>	<u>2004A</u>	<u>2005 B</u>
REVENUE:				
Investment income	\$ 16	\$ 13	\$ 132	\$ 18
Total revenue	<u>16</u>	<u>13</u>	<u>132</u>	<u>18</u>
EXPENDITURES:				
Debt Service - principal	8,145	4,695	7,685	4,955
Debt Service - interest	10,522	5,738	10,294	1,415
Other debt related costs	-	-	-	187
Total expenditures	<u>18,667</u>	<u>10,433</u>	<u>17,979</u>	<u>6,557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,651)</u>	<u>(10,420)</u>	<u>(17,847)</u>	<u>(6,539)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt				
Premium on issuance of debt	-	-	-	-
Transfers in - principal	8,390	4,854	7,949	9,791
Transfers in - interest	10,280	4,849	10,118	1,146
Transfers in/(out) - CPF		845		
Transfers in/(out) - GF			-	187
Transfers in/(out) - DSF			1,162	
Total other financing sources (uses)	<u>18,670</u>	<u>10,548</u>	<u>19,229</u>	<u>11,124</u>
NET CHANGE IN FUND BALANCES	19	128	1,382	4,585
FUND BALANCES:				
Beginning of year	<u>9,717</u>	<u>3,589</u>	<u>5,526</u>	<u>3,252</u>
End of year	<u>\$ 9,736</u>	<u>\$ 3,717</u>	<u>\$ 6,908</u>	<u>\$ 7,837</u>

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 DEBT SERVICE FUND ACCOUNTS (Continued)
 YEAR ENDED DECEMBER 31, 2019
 (In Thousands)

	2010 A	2010 B	2011A	2014A	2016A
REVENUE:					
Investment income	\$ 207	\$ 2,397	\$ 4	\$ 208	\$ 185
Total revenue	207	2,397	4	208	185
EXPENDITURES:					
Debt Service - principal	5,680		15,500	1,785	1,595
Debt Service - interest	1,224	6,622	387	4,598	4,114
Other debt related costs	-	-	-	-	-
Total expenditures	6,904	6,622	15,887	6,383	5,709
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,697)	(4,225)	(15,883)	(6,175)	(5,524)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Transfers in - principal	5,833	-	5,636	1,842	1,493
Transfers in - interest	878	4,094	304	4,023	3,297
Transfers in/(out) - CPF	80	84		479	865
Transfers in/(out) - GF	-	-	-	-	-
Transfers in/(out) - DSF	-	-	(1,162)	-	-
Total other financing sources (uses)	6,791	4,178	4,778	6,344	5,655
NET CHANGE IN FUND BALANCES	94	(47)	(11,105)	169	131
FUND BALANCES:					
Beginning of year	8,520	13,157	11,105	8,034	7,173
End of year	\$ 8,614	\$ 13,110	\$ -	\$ 8,203	\$ 7,304

Continued)

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS (Continued)
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	<u>2017A</u>	<u>2017B Note</u>	<u>2018A Note</u>	<u>2018B</u>	<u>Total</u>
REVENUE:					
Investment income	\$ 503	\$ -	\$ 26	\$ 65	\$ 3,864
Total revenue	503	-	26	65	3,864
EXPENDITURES:					
Debt Service - principal	5,935	50,000	-	2,085	180,070
Debt Service - interest	9,089	502	4,520	6,326	98,869
Other debt related costs	-	276	-	-	463
Total expenditures	15,024	50,778	4,520	8,411	279,402
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,521)	(50,778)	(4,494)	(8,346)	(275,538)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Transfers in - principal	3,839	-	-	2,228	121,613
Transfers in - interest	4,341	382	4,494	3,881	84,524
Transfers in/(out) - CPF	-	-	-	2,367	4,720
Transfers in/(out) - GF	-	50,277	-	-	50,464
Transfers in/(out) - DSF	6,179	-	-	-	6,179
Total other financing sources (uses)	14,359	50,659	4,494	8,476	267,500
NET CHANGE IN FUND BALANCES	(162)	(119)	-	130	(8,038)
FUND BALANCES:					
Beginning of year	27,503	119	904	1,904	150,468
End of year	\$ 27,341	\$ -	\$ 904	\$ 2,034	\$ 142,430

C. CAPITAL PROJECTS FUND

Capital Projects Fund Accounts:

Strategic Capital Improvement Bonds (SCIP)—to account for 1992, 1994, 2000, 2001, 2002, 2003, 2004 and 2006 bond sales proceeds and related SCIP capital grants made to the Service Boards as expenditures are incurred. Investment income earned on SCIP bonds is recorded in the related Debt Service Fund accounts.

Non-SCIP Bonds—to account for 1990, 1991, 1992, 1994, 2002, 2010, 2014, 2016, 2017 and 2018 bond sale proceeds, investment income earned and related Non-SCIP investment income capital grants made to the Service Boards as expenditures are incurred.

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE

CAPITAL PROJECTS FUND ACCOUNTS

DECEMBER 31, 2019

(In Thousands)

	<u>SCIP Bonds</u>	<u>Non-SCIP Bonds</u>	<u>Total</u>
ASSETS:			
Cash and investments	\$ 6,031	\$ 161,765	\$ 167,796
Due from other funds		-	-
Accrued interest	-	8	8
TOTAL ASSETS	<u>\$ 6,031</u>	<u>\$ 161,773</u>	<u>\$ 167,804</u>
LIABILITIES:			
Due to Service Boards	\$ 220	\$ 13,617	\$ 13,837
Total liabilities	220	13,617	13,837
FUND BALANCES:			
Committed-capital projects	5,811	148,156	153,967
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,031</u>	<u>\$ 161,773</u>	<u>\$ 167,804</u>

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2019
(In Thousands)**

	<u>SCIP Bonds</u>	<u>Non-SCIP Bonds</u>	<u>Total</u>
REVENUES:			
Investment income	\$ 289	\$ 4,636	\$ 4,925
Total revenues	<u>289</u>	<u>4,636</u>	<u>4,925</u>
EXPENDITURES:			
Capital grants—bonds	<u>1,343</u>	<u>59,340</u>	<u>60,683</u>
Total expenditures	<u>1,343</u>	<u>59,340</u>	<u>60,683</u>
Deficiency of revenues over expenditures	<u>(1,054)</u>	<u>(54,704)</u>	<u>(55,758)</u>
OTHER FINANCING USES:			
Bond proceeds			-
Bond premium			-
Transfer out	<u>(6,180)</u>	<u>(4,720)</u>	<u>(10,900)</u>
Total other financing uses	<u>(6,180)</u>	<u>(4,720)</u>	<u>(10,900)</u>
NET CHANGE IN FUND BALANCES	(7,234)	(59,424)	(66,658)
FUND BALANCES:			
Beginning of year	<u>13,045</u>	<u>207,580</u>	<u>220,625</u>
End of year	<u>\$ 5,811</u>	<u>\$ 148,156</u>	<u>\$ 153,967</u>

D. AGENCY FUND

Sales Tax Agency Fund—to account for the receipt and disbursement of amounts due to the CTA, Metra and Pace, including Retailers' Occupation and Use Tax (sales taxes), interest on sales taxes, reduced fare reimbursement grants and advances to Service Boards.

REGIONAL TRANSPORTATION AUTHORITY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SALES TAX AGENCY FUND

YEAR ENDED DECEMBER 31, 2019

(In Thousands)

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
ASSETS:				
Intergovernmental receivables:				
Sales taxes	\$ 205,849	\$ 792,661	\$ 785,659	\$ 212,851
New sales tax	73,652	308,722	306,610	75,764
Interest on sales taxes	320	1,566	1,770	116
Due from General Fund	40,952	4,085	-	45,037
Reduced fare reimbursement	8,875	17,570	26,445	-
PTF (new sales tax/RETT)	67,718	156,520	183,929	40,309
Advances to Service Boards	87,930	3,427	-	91,357
Other receivables	6	-	-	6
TOTAL ASSETS	\$ 485,302	\$ 1,284,551	\$ 1,304,413	\$ 465,440
LIABILITIES:				
Intergovernmental payables:				
Sales taxes due to Service Boards	\$ 205,849	\$ 792,661	\$ 785,659	\$ 212,851
New sales tax due to Service Boards	73,652	118,563	116,451	75,764
Interest on sales taxes due to Service Boards	320	1,566	1,770	116
Reduced fare reimbursement	8,875	17,570	26,445	-
PTF (new sales tax /RETT)	67,718	156,520	183,929	40,309
Advances from State	87,930	3,427	-	91,357
Paratransit funding PACE	-	164,631	164,631	-
Paratransit funding PACE-Future Years	40,958	4,085	-	45,043
Suburban Community Mobility Fund-SBD	-	25,528	25,528	-
TOTAL LIABILITIES	\$ 485,302	\$ 1,284,551	\$ 1,304,413	\$ 465,440

**STATISTICAL SECTION
(UNAUDITED)**

CONTENTS

Financial Trends (Tables 1, 2, 3, 4)

An analysis of Net Position by component, Change in Net Position, Governmental Fund Balances and Change in Fund Balances presented as an indicator of RTA's financial performance and to show the overall change in financial position over time.

Revenue and Expense Capacity (Tables 5, 6, 7)

Revenues and expenditures presented in the following tables include the activities in the government-wide and fiduciary fund statements. Additions to and disbursements from the Sales Tax Agency Fund are considered to be revenues and expenditures, respectively, for the purpose of presentation in these tables. The schedules show the overall distribution of expenses and revenues by source over the past 10 years, the breakout of revenues by county and the federal allocation of capital funds.

Debt Capacity (Tables 8, 9, 10, 11, 12)

Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2019 and a 10-year analysis of the debt service requirement to revenues and expenses.

Demographic and Economic Information (Tables 13, 14, 15)

Schedules in this section provide economic information on the population and the ten largest employers in the six-county area to help readers understand the environment within which the RTA's financial activities take place.

Operating Information (Tables 16, 17, 18)

Schedules in this section provide various statistics on passenger services offered by the service boards for fiscal year 2019, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last five years.

STATISTICAL SECTION (UNAUDITED)

TABLE 1

REGIONAL TRANSPORTATION AUTHORITY
NET POSITION BY COMPONENT
LAST TEN YEARS
(In Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities—										
Net investment in capital assets	\$ 15,265	\$ 14,491	\$ 14,809	\$ 14,359	\$ 11,524	\$ 11,692	\$ 3,590	\$ 2,786	\$ 2,697	\$ 3,426
Restricted Net Position	83,277	326,598	17,174	16,738	16,203	15,535	-	313,657	212,862	178,078
Unrestricted Net Position	(1,972,190)	(2,133,577)	(1,819,368)	(1,779,889)	(1,714,890)	(1,732,590)	(1,663,594)	(1,869,411)	(1,656,321)	(1,532,704)
Total Net Position—										
Governmental Activities	<u>\$ (1,873,648)</u>	<u>\$ (1,792,488)</u>	<u>\$ (1,787,385)</u>	<u>\$ (1,748,792)</u>	<u>\$ (1,687,163)</u>	<u>\$ (1,705,363)</u>	<u>\$ (1,660,004)</u>	<u>\$ (1,552,968)</u>	<u>\$ (1,440,762)</u>	<u>\$ (1,351,200)</u>
Business-type activities—										
Unrestricted Net Position	\$ 28,963	\$ 28,703	\$ 27,845	\$ 27,116	\$ 27,682	\$ 27,977	\$ 26,549	\$ 25,203	\$ 23,130	\$ 21,064
Total Net Position—										
Business-Type Activities	<u>\$ 28,963</u>	<u>\$ 28,703</u>	<u>\$ 27,845</u>	<u>\$ 27,116</u>	<u>\$ 27,682</u>	<u>\$ 27,977</u>	<u>\$ 26,549</u>	<u>\$ 25,203</u>	<u>\$ 23,130</u>	<u>\$ 21,064</u>
Primary government—										
Net investment in capital assets	\$ 15,265	\$ 14,491	\$ 14,809	\$ 14,359	\$ 11,524	\$ 11,692	\$ 3,590	\$ 2,786	\$ 2,697	\$ 3,426
Restricted Net Position	83,277	326,598	17,174	16,738	16,203	15,535	-	313,657	212,862	178,078
Unrestricted Net Position	(1,943,227)	(2,104,874)	(1,791,523)	(1,752,773)	(1,687,208)	(1,704,613)	(1,637,045)	(1,530,551)	(1,633,191)	(1,511,640)
Total Net Position—										
Primary government	<u>\$ (1,844,685)</u>	<u>\$ (1,763,785)</u>	<u>\$ (1,759,540)</u>	<u>\$ (1,721,676)</u>	<u>\$ (1,659,481)</u>	<u>\$ (1,677,386)</u>	<u>\$ (1,633,455)</u>	<u>\$ (1,214,108)</u>	<u>\$ (1,417,632)</u>	<u>\$ (1,330,136)</u>

**REGIONAL TRANSPORTATION AUTHORITY
CHANGE IN NET POSITION
LAST TEN YEARS
(In Thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES:										
Governmental activities:										
Financial assistance to Service Boards	\$ 97,648	\$ 128,786	\$ 171,700	\$ 196,116	\$ 200,500	\$ 225,805	\$ 225,231	\$ 216,457	\$ 218,240	\$ 227,969
Administration capital grants										
Discretionary	15,310	7,039	5,410	897	254	631	207	583	1,238	472
Bonds	103,456	229,890	213,394	472,874	306,026	341,462	213,155	245,937	192,831	136,203
Administration of operating grant										
CTA/PACE	27,230	21,680	36,687	52,974	27,440	57,061	48,287	30,112	35,030	32,838
Administrative expenses	8,551	8,918	16,507	19,079	17,002	16,079	20,342	19,270	18,759	19,793
Regional expenses	21,576	25,558	17,542	20,294	23,284	18,512	28,006	23,423	24,025	22,589
Technology program expenses	1,979	2,356	1,473	2,038	2,192	3,566	2,058	1,917	577	610
CTA loan write-off receivable	-	-	-	56,147	-	-	-	-	-	-
Interest expense	135,530	139,314	125,722	115,957	110,168	103,048	124,069	96,706	95,740	88,842
Miscellaneous	-	397	-	-	-	-	-	-	-	-
Total governmental activities	411,280	563,938	588,435	936,376	686,866	766,164	661,355	634,405	586,440	529,316
Business-type activities:										
Insurance financing	4,740	6,137	5,942	5,815	5,800	5,929	5,846	5,553	5,424	5,594
Total business-type activities	4,740	6,137	5,942	5,815	5,800	5,929	5,846	5,553	5,424	5,594
Total primary government expenses	\$ 416,020	\$ 570,075	\$ 594,377	\$ 942,191	\$ 692,666	\$ 772,093	\$ 667,201	\$ 639,958	\$ 591,864	\$ 534,910
REVENUES:										
General:										
Sales taxes	\$ 103,168	\$ 107,977	\$ 113,152	\$ 118,817	\$ 121,798	\$ 129,842	\$ 131,623	\$ 131,789	\$ 137,164	\$ 139,881
Interest on sales taxes	137	167	119	79	81	102	116	404	1,074	1,086
Operating grant -(ADA)	9,480	9,930	10,398	10,902	11,440	11,900	12,062	21,223	26,971	25,338
Public Transportation Fund	242,318	375,500	355,159	650,103	470,815	217,930	250,906	217,972	215,739	225,469
General State Revenue	-	-	-	-	-	285,143	147,315	222,643	147,567	74,112
State assistance	130,115	130,088	86,984	173,472	130,219	86,882	130,234	130,222	129,681	129,474
Regional program reimbursement	582	2,385	4,077	3,639	3,352	10,341	11,483	8,633	7,038	-
Other intergovernmental revenue	-	-	-	-	-	-	-	-	22,784	-
Investment income	8,607	19,350	22,213	20,769	10,474	9,472	19,150	8,331	10,011	14,817
Other revenues	2,269	5,081	6,436	2,188	6,644	8,394	3,825	224	1,022	8,701
Transfers (out)	(4,425)	(5,380)	(5,000)	(5,000)	(6,328)	(6,180)	-	-	-	-
Total governmental activities revenues	492,251	645,098	593,538	974,969	748,495	753,826	706,714	741,441	699,051	618,878
Business-type activities:										
General:										
Investment income	164	95	77	48	38	44	53	151	352	364
Other revenues	47	402	7	38	-	-	-	-	-	-
Transfers in	4,425	5,380	5,000	5,000	6,328	6,180	4,365	4,056	2,999	3,164
Total business-type activities revenues	4,636	5,877	5,084	5,086	6,366	6,224	4,418	4,207	3,351	3,528
Total primary government revenues	496,887	650,975	598,622	980,055	754,861	760,050	711,132	745,648	702,402	622,406
Governmental activities:										
CHANGES IN NET POSITION (DEFICIT)	80,971	81,160	5,103	38,593	61,629	(12,338)	45,359	107,036	112,611	89,562
NET POSITION (DEFICIT):										
Beginning of year, as restated	(1,732,120)	(1,651,149)	(1,569,989)	(1,564,886)	(1,526,293)	(1,693,025)	(1,705,363)	(1,660,004)	(1,553,373)	(1,440,762)
End of year	(1,651,149)	(1,569,989)	(1,564,886)	(1,526,293)	(1,464,664)	(1,705,363)	(1,660,004)	(1,552,968)	(1,440,762)	(1,351,200)
Business-type activities:										
CHANGES IN NET POSITION (DEFICIT)	(104)	(260)	(858)	(729)	566	295	(1,428)	(1,346)	(2,073)	(2,066)
NET POSITION (DEFICIT):										
Beginning of year	40,295	40,191	39,931	39,073	38,344	38,910	27,977	26,549	25,203	23,130
End of year	40,191	39,931	39,073	38,344	38,910	39,205	26,549	25,203	23,130	21,064
Total primary government	\$ (1,610,958)	\$ (1,530,058)	\$ (1,525,813)	\$ (1,487,949)	\$ (1,425,754)	\$ (1,666,158)	\$ (1,633,455)	\$ (1,527,765)	\$ (1,417,632)	\$ (1,330,136)
CHANGE IN NET POSITION:										
Governmental activities	\$ 80,971	\$ 81,160	\$ 5,103	\$ 38,593	\$ 61,629	\$ (12,338)	\$ 45,359	\$ 107,036	\$ 112,611	\$ 89,562
Business-type activities	(104)	(260)	(858)	(729)	566	295	(1,428)	(1,346)	(2,073)	(2,066)
Total primary government	\$ 80,867	\$ 80,900	\$ 4,245	\$ 37,864	\$ 62,195	\$ (12,043)	\$ 43,931	\$ 105,690	\$ 110,538	\$ 87,496

STATISTICAL SECTION (UNAUDITED)

TABLE 3

REGIONAL TRANSPORTATION AUTHORITY
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(In Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 160,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,318	-	-	-	-	-	-	-	-	-
Nonspendable ⁽¹⁾	-	568	327	3	-	-	-	-	-	-
Restricted ⁽¹⁾	-	28,740	17,173	16,738	16,203	15,535	-	197,227	91,458	62,970
Committed ⁽¹⁾	-	157,345	204,895	193,745	212,642	188,497	228,118	234,494	239,932	240,463
Assigned ⁽¹⁾	-	-	-	93,363	8,888	42,312	-	-	-	-
Unassigned ⁽¹⁾	-	98,376	176,554	9,110	4,443	3,455	(17,610)	(70,437)	(63,916)	(63,933)
Total general fund balances	<u>\$ 168,213</u>	<u>\$ 285,029</u>	<u>\$ 398,949</u>	<u>\$ 312,959</u>	<u>\$ 242,176</u>	<u>\$ 249,799</u>	<u>\$ 210,508</u>	<u>\$ 361,284</u>	<u>\$ 267,474</u>	<u>\$ 239,500</u>
All other governmental funds										
Reserved	\$ 756,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted ⁽¹⁾	-	297,858	158,469	188,333	211,498	193,036	122,938	145,172	150,468	142,431
Committed ⁽¹⁾	-	208,301	179,063	132,671	177,283	111,005	120,443	98,972	220,633	153,967
Total all other governmental funds	<u>\$ 756,233</u>	<u>\$ 506,159</u>	<u>\$ 337,532</u>	<u>\$ 321,004</u>	<u>\$ 388,781</u>	<u>\$ 304,041</u>	<u>\$ 243,381</u>	<u>\$ 244,144</u>	<u>\$ 371,101</u>	<u>\$ 296,398</u>

(1) New fund balance categories used in FY11 due to the implementation of GASB 54

**REGIONAL TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(In Thousands)**

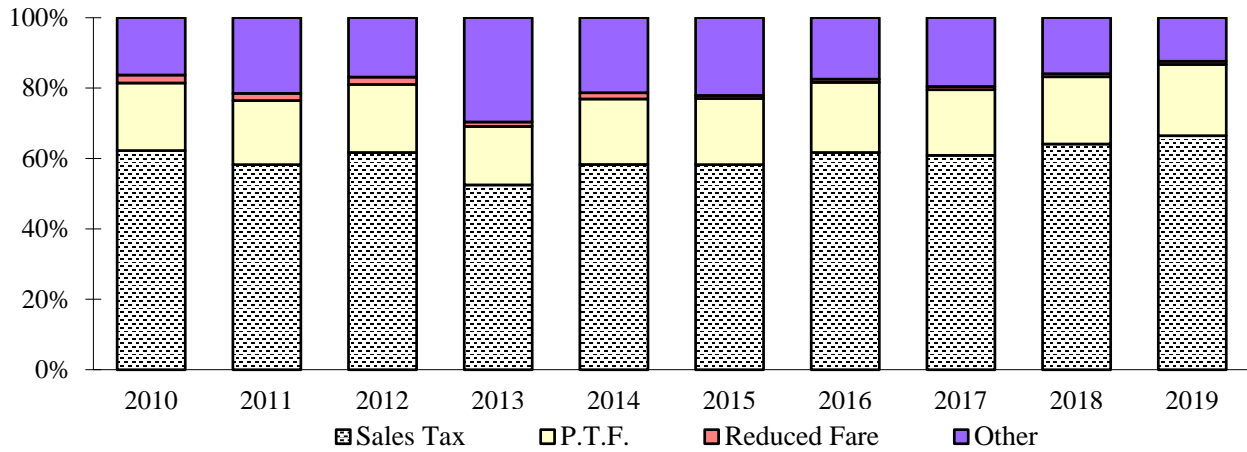
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES:										
Sales taxes	\$ 103,168	\$ 107,977	\$ 113,152	\$ 118,817	\$ 121,798	\$ 129,842	\$ 131,623	\$ 131,789	\$ 137,164	\$ 139,881
Interest on sales taxes	137	166	119	79	82	102	116	404	1,074	1,086
Public Transportation Fund	171,169	181,428	189,523	198,640	210,013	217,930	221,621	212,643	215,739	225,469
New 5% PTF Advance Recovery	-	-	-	-	-	-	-	-	-	-
General State Revenue	65,149	194,072	155,369	441,191	245,298	285,143	147,314	222,643	147,567	74,112
Innovation, Coordination, & Enhancement (ICE)	9,480	9,930	10,398	10,902	11,439	11,900	12,062	12,070	12,539	12,764
PACE Loan PTF Advance Recovery	6,000	-	-	-	-	-	-	-	-	-
IDOT State Grant - PACE (ADA)	-	-	8,500	8,500	8,500	8,395	3,825	3,825	7,975	8,395
Pace ADA 2012 Surplus Refund	-	-	1,767	1,772	7,004	-	29,285	5,328	6,457	4,179
State assistance	130,115	130,088	86,983	130,185	130,182	130,206	65,118	130,231	130,215	129,146
Intergovernmental	-	-	-	-	-	-	-	-	29,822	-
Investment income	16,799	19,101	18,703	18,964	13,761	13,819	15,769	8,331	10,011	14,817
Other revenues	2,852	7,466	10,518	5,827	7,847	8,187	10,403	14,185	1,022	8,701
Total revenues	504,869	650,228	595,032	934,877	755,924	805,524	637,136	741,449	699,585	618,550
EXPENDITURES:										
Financial assistance to Service Boards	97,648	128,786	171,700	196,116	200,500	225,805	225,231	216,457	218,240	227,969
Capital grants—discretionary	15,310	6,907	5,414	897	254	631	207	582	1,238	472
PACE Discr (CMAQ) Grant RTA share	-	132	-	-	-	-	-	-	-	-
South Suburban Job Access Program - (PACE)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Innovation, Coordination, & Enhancement (ICE)	9,480	9,930	10,278	10,902	11,439	11,900	12,062	12,770	12,538	12,760
State General Revenue MOU	-	-	7,969	26,072	96,988	-	14,337	689	560	-
IDOT Cap Grant - PACE (ADA)	-	-	10,940	8,500	8,500	8,395	3,825	3,825	7,975	8,395
PACE (PTF) expenditures	10,250	4,250	-	-	-	-	-	-	-	-
Capital grants—bonds	103,456	229,890	213,392	460,448	149,259	337,549	208,679	244,756	192,511	135,371
RTA Capital grants—CTA	-	-	-	12,264	56,257	912	1,058	-	-	-
RTA Capital grants—Metra	-	-	-	162	3,522	3,002	3,418	1,181	320	833
PACE ADA Surplus	-	-	-	-	-	29,266	10,563	5,328	6,457	4,179
Administrative	7,699	8,231	15,713	17,530	16,192	17,085	16,433	15,504	16,240	16,007
Regional	25,689	27,102	19,785	22,332	22,817	22,373	21,581	25,101	24,088	23,195
Distribution to JSIF	-	-	-	-	-	-	4,365	4,056	2,999	3,164
Capital outlay	1,323	762	295	1,530	599	644	1,299	262	1,387	1,973
Write off CTA loan receivable	-	-	-	56,147	-	-	-	-	-	-
Debt service:										
Principal	74,060	919,110	999,375	98,800	443,737	100,610	432,635	413,870	471,295	180,070
Interest	134,121	139,215	129,884	117,428	115,246	110,432	108,599	107,965	102,598	98,869
Debt related costs	-	-	942	5,767	2,092	357	23,026	1,524	1,568	462
Debt issuance costs	2,982	4,912	-	-	-	-	-	-	-	-
Miscellaneous	-	397	1,552	-	-	-	-	-	-	-
Total expenditures	489,518	1,487,124	1,594,739	1,042,395	1,134,902	876,461	1,094,818	1,061,370	1,067,514	721,219
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,351	(836,896)	(999,707)	(107,518)	(378,978)	(70,937)	(457,682)	(319,921)	(367,929)	(102,669)
OTHER FINANCING SOURCES (USES):										
Bond proceeds (gross)	175,100	705,000	-	-	-	-	-	-	-	-
Refunding bond proceeds (gross)	-	-	300,000	-	-	-	-	-	-	-
Issuance of refunding bonds	-	95,550	650,000	10,000	374,295	-	-	-	-	-
Payment to refunded bond escrow agent	-	(103,104)	-	-	-	-	-	-	-	-
SCIP II bond proceeds (gross)	-	-	-	-	-	-	-	-	-	-
Other financing sources (premium)	6,846	11,574	-	-	8,006	-	11,011	30,255	11,996	-
Note proceeds	140,000	-	-	-	-	-	-	-	-	-
Debt issuance	-	-	-	-	-	-	346,720	441,205	389,080	-
Transfers out										
Capital Projects Fund	-	-	-	-	(7,211)	-	(6,459)	(599)	(9,141)	(10,900)
Debt Service Fund	228,065	(186,365)	(173,137)	(7)	-	(20,037)	(160,403)	(250,000)	-	-
General Fund	(217,174)	(335,567)	(212,457)	(295,433)	(306,029)	(216,754)	(373,934)	(319,792)	(318,077)	(256,600)
Joint Self-Insurance Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	(15,316)	-	-	-	-	-	-	-	-	-
Transfers in										
Capital Projects Fund	-	-	7	7	-	37	-	-	-	-
Debt Service Fund	-	330,187	207,457	290,433	306,911	210,574	380,393	320,391	327,218	267,500
General Fund	-	186,339	173,130	-	-	20,000	160,403	250,000	-	-
Transfers in	-	26	-	-	-	-	-	-	-	-
Total other financing (uses) sources	317,521	703,640	945,000	5,000	375,972	(6,180)	357,731	471,460	401,076	-
NET CHANGE IN FUND BALANCES	\$ 332,872	\$ (133,256)	\$ (54,707)	\$ (102,518)	\$ (3,006)	\$ (77,117)	\$ (99,951)	\$ 151,539	\$ 33,147	\$ (102,669)
Debt Service as a percentage of noncapital expenditures	42.84%	71.17%	70.88%	20.79%	49.34%	24.11%	49.52%	49.20%	53.86%	38.78%

STATISTICAL SECTION (UNAUDITED)

Table 5

RTA REVENUE BY SOURCE

2010-2019



Last Ten Years

(In Thousands)

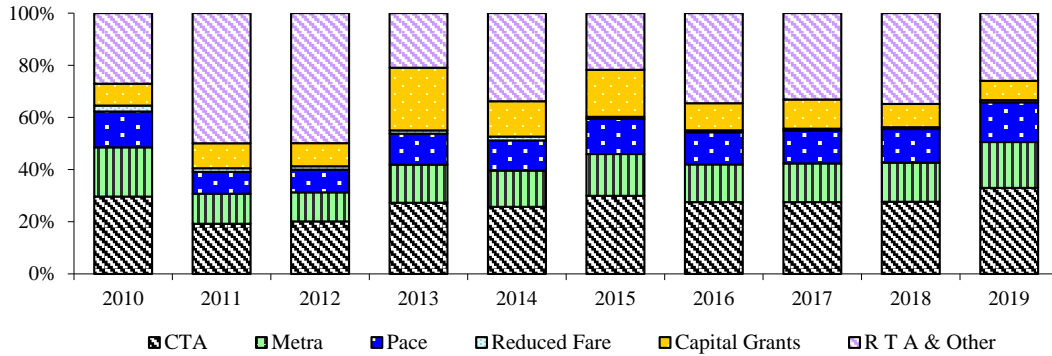
	Public Transportation				
	Sales Tax	Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/10	\$ 931,435	\$ 287,404	\$ 33,570	\$243,845	\$ 1,496,254
Percentage of Total	62.25%	19.21%	2.24%	16.30%	100%
12 Months Ended 12/31/11	975,670	305,395	34,070	360,002	1,675,137
Percentage of Total	58.24%	18.23%	2.03%	21.49%	100%
12 Months Ended 12/31/12	1,021,686	319,892	34,070	279,571	1,655,219
Percentage of Total	61.73%	19.33%	2.06%	16.89%	100%
12 Months Ended 12/31/13	1,071,225	339,188	25,820	604,173	2,040,406
Percentage of Total	52.50%	16.62%	1.27%	29.61%	100%
12 Months Ended 12/31/14	1,121,275	357,711	34,070	410,449	1,923,505
Percentage of Total	58.29%	18.60%	1.77%	21.34%	100%
12 Months Ended 12/31/15	1,169,268	376,897	17,570	443,582	2,007,317
Percentage of Total	58.25%	18.78%	0.88%	22.10%	100%
12 Months Ended 12/31/16	1,185,182	382,748	17,570	335,398	1,920,898
Percentage of Total	61.70%	19.93%	0.91%	17.46%	100%
12 Months Ended 12/31/17	1,185,986	362,647	17,570	380,963	1,947,166
Percentage of Total	60.91%	18.62%	0.90%	19.56%	100%
12 Months Ended 12/31/18	1,237,339	368,367	16,692	306,944	1,929,342
Percentage of Total	64.13%	19.09%	0.87%	15.91%	100%
12 Months Ended 12/31/19	1,254,161	381,989	17,570	233,541	1,887,261
Percentage of Total	66.45%	20.24%	0.93%	12.37%	100%

STATISTICAL SECTION (UNAUDITED)

Table 6

DISTRIBUTION OF EXPENDITURES

2010-2019



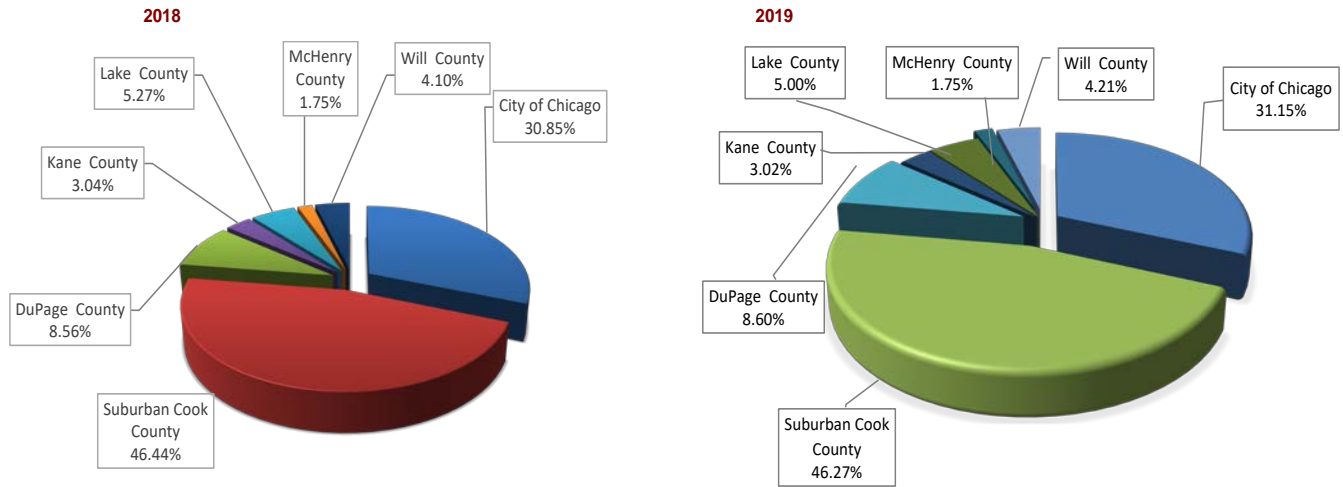
Last Ten Years

(In Thousands)

	Financial Assistance				Reduced Fare	Capital Grants	R T A and Other	Total
	CTA	Metra	Pace	Total				
12 Months Ended 12/31/10	\$ 436,467	\$ 277,506	\$ 202,463	\$ 916,436	\$ 33,570	\$ 122,998	\$ 398,531	\$ 1,471,534
Percentage of Total	29.66%	18.86%	13.76%	62.28%	2.28%	8.36%	27.08%	100%
12 Months Ended 12/31/11	485,117	289,179	212,253	986,549	34,070	241,047	1,258,260	2,519,926
Percentage of Total	19.25%	11.48%	8.42%	39.15%	1.35%	9.57%	49.93%	100%
12 Months Ended 12/31/12	538,594	297,369	233,872	1,069,835	34,070	237,717	1,333,074	2,674,696
Percentage of Total	20.14%	11.12%	8.74%	40.00%	1.27%	8.89%	49.84%	100%
12 Months Ended 12/31/13	576,678	308,812	252,133	1,137,623	25,820	508,343	442,732	2,114,518
Percentage of Total	27.27%	14.60%	11.92%	53.80%	1.22%	24.04%	20.94%	100%
12 Months Ended 12/31/14	597,363	322,518	268,657	1,188,538	34,070	314,780	785,469	2,322,856
Percentage of Total	25.72%	13.88%	11.57%	51.17%	1.47%	13.55%	33.81%	100%
12 Months Ended 12/31/15	631,806	337,773	283,751	1,253,330	17,570	379,755	458,601	2,109,256
Percentage of Total	29.95%	16.01%	13.45%	59.42%	0.83%	18.00%	21.74%	100%
12 Months Ended 12/31/16	642,155	336,898	287,674	1,266,728	17,570	242,086	806,311	2,332,695
Percentage of Total	27.53%	14.44%	12.33%	54.30%	0.75%	10.38%	34.57%	100%
12 Months Ended 12/31/17	630,467	339,865	288,253	1,258,585	17,570	256,362	758,542	2,291,059
Percentage of Total	27.52%	14.83%	12.58%	54.93%	0.77%	11.19%	33.11%	100%
12 Months Ended 12/31/18	650,167	352,502	303,207	1,305,876	16,692	209,061	819,100	2,350,729
Percentage of Total	27.66%	15.00%	12.90%	55.55%	0.71%	8.89%	34.84%	100%
12 Months Ended 12/31/19	666,766	355,446	307,272	1,329,484	17,570	149,249	524,696	2,020,999
Percentage of Total	32.99%	17.59%	15.20%	65.78%	0.87%	7.38%	25.96%	100%

Note: Amounts above include expenditures from the General Fund and the Agency Fund

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO



Last Ten Years

(In Thousands)

	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/10	\$ 278,394	\$ 438,000	\$ 81,996	\$ 28,368	\$ 50,789	\$ 17,193	\$ 36,695	\$ 931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%
12 Months Ended 12/31/11	295,770	453,866	85,937	29,799	52,994	17,712	39,592	975,670
Percentage of Total	30.31%	46.52%	8.81%	3.05%	5.43%	1.82%	4.06%	100%
12 Months Ended 12/31/12	312,519	474,249	88,845	30,569	56,169	18,284	41,051	1,021,686
Percentage of Total	30.59%	46.42%	8.70%	2.99%	5.50%	1.79%	4.02%	100%
12 Months Ended 12/31/13	327,809	497,997	94,329	31,667	57,650	19,077	42,696	1,071,225
Percentage of Total	30.60%	46.49%	8.81%	2.96%	5.38%	1.78%	3.99%	100%
12 Months Ended 12/31/14	343,832	521,593	97,995	33,208	62,156	19,964	45,249	1,123,997
Percentage of Total	30.59%	46.41%	8.72%	2.95%	5.53%	1.78%	4.03%	100%
12 Months Ended 12/31/15	363,131	541,214	100,795	34,482	62,705	20,385	46,555	1,169,267
Percentage of Total	31.06%	46.29%	8.62%	2.95%	5.36%	1.74%	3.98%	100.00%
12 Months Ended 12/31/16	368,589	546,376	102,966	35,476	63,521	20,801	47,453	1,185,182
Percentage of Total	31.10%	46.10%	8.69%	2.99%	5.36%	1.76%	4.00%	100%
12 Months Ended 12/31/17	365,311	548,955	103,254	36,047	63,041	20,976	48,403	1,185,987
Percentage of Total	30.80%	46.29%	8.70%	3.04%	5.32%	1.77%	4.08%	100%
12 Months Ended 12/31/18	380,082	572,126	105,460	37,452	64,929	21,507	50,455	1,232,011
Percentage of Total	30.85%	46.44%	8.56%	3.04%	5.27%	1.75%	4.10%	100%
12 Months Ended 12/31/19	390,709	580,259	107,848	37,876	62,748	21,895	52,826	1,254,161
Percentage of Total	31.15%	46.27%	8.60%	3.02%	5.00%	1.75%	4.21%	100%

Note: Amounts above include revenues from the General Fund and the Agency Fund

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Sales Tax	Percentage of Personal Income ^b		Per Capita ^b
	General Obligation Bonds ^a	Working Cash Notes ^a	Unamortized Premiums					
2010	\$ 2,260,160	\$ 400,000	\$ -	\$ 2,660,160	36.68 %	0.49 %	21	
2011	2,176,975	265,000	-	2,441,975	41.84	0.43	19	
2012	2,092,600	300,000	-	2,392,600	44.77	0.41	19	
2013	2,003,800	300,000	-	2,303,800	48.79	0.38	18	
2014	2,009,355	225,000	-	2,234,355	50.31	0.36	17	
2015	1,908,745	225,000	-	2,133,745	54.80	0.34	17	
2016	1,897,830	150,000	-	2,047,830	57.88	0.31	16	
2017	2,075,165	-	-	2,075,165	57.15	0.31	16	
2018	1,842,950	150,000	121,378	2,114,328	58.52	0.29	17	
2019	1,662,880	150,000	112,720	1,925,600	65.13	0.26	15	

Note:

^a Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

^b See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

LEGAL DEBT CAPACITY

(In Thousands)

2019

Legal Debt Margin:	<u>Balance Outstanding at December 31, 2019</u>	<u>Issued</u>	<u>Working Cash Notes</u>	<u>Total</u>
Debt Limitation per Act for General Obligations				
Debt applicable to limitation :				\$ 2,600,000
Non-SCIP Bonds:				
1990A General Obligation Bonds	\$ 7,640			
1991A General Obligation Bonds	14,210			
1997 General Obligation Refunding Bonds	19,680			
2003B General Obligation Bonds	99,620			
2005B General Obligation Refunding Bonds	79,730			
2010A General Obligation Bonds	18,795			
2010B General Obligation Bonds	112,925			
2014A General Obligation Bonds	91,070			
2016A General Obligation Bonds	90,905			
2018B General Obligation Bonds	<u>136,995</u>			
Total RTA Bonds Applicable to Limitation	<u>671,570</u>			(671,570)
SCIP Bonds:				
1992A General Obligation Bonds	-	188,000		
1993A General Obligation Bonds	-	55,000		
1994A General Obligation Bonds	-	195,000		
1994C General Obligation Bonds	3,520	62,000		
1999 General Obligation Refunding Bonds	123,195	-		
2000 General Obligation Bonds	151,550	260,000		
2001A General Obligation Bonds	59,645	100,000		
2001B General Obligation Refunding Bonds	13,920	-		
2002A General Obligation Bonds	101,320	160,000		
2003A General Obligation Bonds	172,830	260,000		
2004A General Obligation Bonds	180,060	260,000		
2006A General Obligation Bonds	-	250,030		
2017A General Obligation Bonds	<u>185,270</u>	<u>-</u>		
Total SCIP Bonds Applicable to Limitation	<u>991,310</u>	<u>\$ 1,790,030</u>		<u>(1,790,030)</u>
Total SCIP Bonds Outstanding				
Total Bonds Outstanding	<u>\$ 1,662,880</u>			
Debt Margin for General Obligations				138,400
Debt Limitation per Act for Working Cash Notes			\$ 400,000	
Total RTA Working Cash Notes Applicable to Limitation	\$ 150,000		<u>(150,000)</u>	
Debt Margin for Working Cash Notes				<u>250,000</u>
Total Legal Debt Margin				<u>\$ 388,400</u>

STATISTICAL SECTION (UNAUDITED)

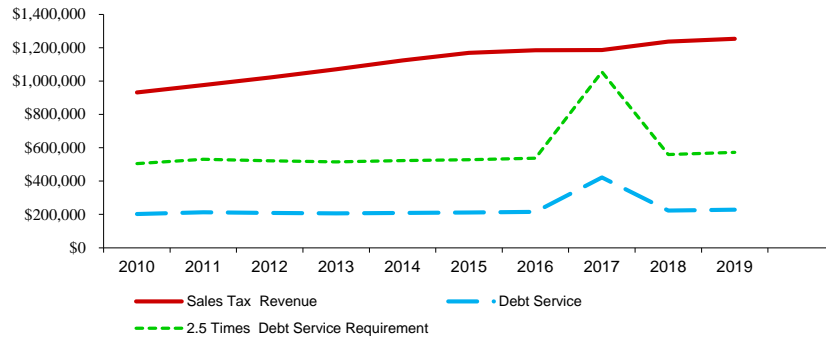
TABLE 10

REGIONAL TRANSPORTATION AUTHORITY
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN YEARS
 (In Thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit for General Obligations	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Total net debt applicable to limit	2,553,355	2,513,670	2,475,325	2,435,275	2,492,385	2,446,390	2,492,950	2,440,335	2,529,790	2,461,600
Debt margin for General Obligations	46,645	86,330	124,675	164,725	107,615	153,610	107,050	159,665	70,210	138,400
Debt limit for Working Cash Notes	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Total net debt applicable to limit	400,000	265,000	300,000	300,000	225,000	225,000	150,000	300,000	200,000	150,000
	-	135,000	100,000	100,000	175,000	175,000	250,000	100,000	200,000	250,000
Legal debt margin	\$ 46,645	\$ 221,330	\$ 224,675	\$ 264,725	\$ 282,615	\$ 328,610	\$ 357,050	\$ 259,665	\$ 270,210	\$ 388,400
Total legal debt margin as a percentage of debt limit	1.55%	7.38%	7.49%	8.82%	9.42%	10.95%	11.90%	8.66%	9.01%	12.95%

**COMPARISON OF SALES TAX REVENUE
TO DEBT SERVICE REQUIREMENT**

**2010 - 2019
(In Thousands)**



As defined in the Bond and Note General Ordinance, ordinance 85-39, Section 909 (3), revenue test required that all RTA revenues shall equal or exceed two and one-half (2.5) times the maximum annual debt service requirements. In the graph presented above, the RTA compares 2.5 times debt service requirement to sales tax revenues, a major RTA revenue. In effect, the RTA significantly exceeds the revenue test defined in the ordinance.

Last Ten Years

(In Thousands)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales Tax Revenue	931,435	975,670	1,021,686	1,071,225	1,123,997	1,169,267	1,185,182	1,185,986	1,237,339	1,254,161
Debt Service Requirement	201,994	212,441	208,712	206,228	208,985	211,041	214,984	421,835	223,893	228,939
2.5 Times Debt Service Requirement	504,985	531,103	521,780	515,570	522,463	527,603	537,460	1,054,588	559,733	572,348

Differences, if any, between debt service amounts presented above and amounts presented in the accompanying financial statements represent timing differences between payments made to trustees and payments made to bondholders. Also, investment income earned in the debt service accounts may lower actual cash transfers from the General Fund.

**RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS
FOR GENERAL OBLIGATION BONDS TO TOTAL EXPENDITURES**

Last Ten Years *(In Thousands)*

Year	Debt Service Requirements			Total Expenditures	Ratio of Debt Service to Total Expenditures
	Principal	Interest	Total		
2010	\$ 74,060	\$ 127,934	\$ 201,994	\$ 1,475,959	13.69%
2011	79,110	133,331	212,441	2,519,926	8.43%
2012	84,375	124,337	208,712	2,679,696	7.79%
2013	88,800	117,428	206,228	2,119,518	9.73%
2014	93,740	115,245	208,985	2,322,856	9.00%
2015	100,610	110,431	211,041	2,109,256	10.01%
2016	106,385	108,599	214,984	2,332,695	9.22%
2017	313,870	107,965	421,835	2,291,059	18.41%
2018	121,295	102,598	223,893	2,350,729	9.52%
2019	130,070	98,869	228,939	2,020,999	11.33%

Table 13

**FEDERAL ALLOCATION OF CAPITAL FUNDS
TO NORTHEASTERN ILLINOIS**

Last Ten Calendar Years

Sections 5309, 5307/5340, 5337 and Title 1 including CMAQ and STP (Formerly Section 3, 9, & 23, respectively)

(In Millions)

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Regional Transportation Authority
2009	\$ 917.78	\$ 535.32	\$ 297.57	\$ 84.89	\$ -
2010	459.25	266.23	154.97	38.05	-
2011	489.37	299.50	145.02	44.85	-
2012	537.26	306.46	149.63	41.39	39.78
2013	629.76	403.73	158.59	67.44	-
2014	533.43	317.02	161.55	54.86	-
2015*	1,034.69	826.16	161.32	47.21	-
2016	528.31	295.30	190.69	42.32	-
2017**	504.56	294.77	169.83	39.96	-
2018***	576.66	342.48	186.29	47.89	-
2019****	549.80	322.25	183.91	43.64	-
Total	\$ 7,250.78	\$ 4,488.60	\$ 2,128.92	\$ 593.48	\$ 39.78

Source of data: Information obtained from the Service Boards' records.

* 2015 data includes \$557.00 TIFIA funding for CTA. Out of \$557.00 applied for, CTA received \$374.90

** 2017 data includes \$5.18M of reprogrammed CTA federal formula funds, \$0.06M additional Metra federal formula funds and \$0.01M additional Pace federal formula funds

*** 2018 data includes reprogrammed federal formula funds: \$0.13M for CTA, \$0.26M for Metra, and \$0.02M for Pace; for a total of \$0.41M of reprogrammed federal formula funds

**** 2019 data includes reprogrammed federal formula funds: \$8.5M for CTA, and \$0.41M for Pace; for a total of \$8.91M

**REGIONAL TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population ¹	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate ²
2009	12,796,778	\$ 522,945,597	\$ 40,865	10.0%
2010	12,841,980	539,680,018	42,025	10.5%
2011	12,869,257	562,662,480	43,721	9.8%
2012	12,875,255	577,008,488	44,815	8.9%
2013	12,882,135	602,627,109	46,780	9.2%
2014	12,880,580	619,808,386	48,120	7.1%
2015	12,861,699	636,280,652	49,471	5.9%
2016	12,801,539	666,935,503	52,098	5.9%
2017	12,802,023	676,053,010	52,808	4.9%
2018	12,741,080	725,393,900	56,933	4.3%
2019	12,671,821	746,819,600	58,935	4.0%

⁽¹⁾ Source: Bureau of Economic Analysis U.S. Department of Commerce

⁽²⁾ Source: Bureau of Labor Statistics Data U.S. Department of Labor

REGIONAL TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS

Employer ¹	CURRENT YEAR 2019			Employer ¹	Nine Years Ago 2010		
	Employees	Rank	% of Total Region Employment		Employees	Rank	% of Total Region Employment
United States Government	45,736	1	1.07%	United States Government	49,573	1	1.28%
Chicago Public Schools	37,731	2	0.88%	Chicago Public Schools	40,883	2	1.05%
City of Chicago	31,621	3	0.74%	City of Chicago	35,237	3	0.91%
Advocate Health Care	25,917	4	0.61%	State of Illinois	25,700	4	0.66%
Cook County	22,438	5	0.52%	Cook County	23,083	5	0.60%
Northwestern Memorial Healthcare	21,264	6	0.50%	Wal-Mart Stores	21,329	6	0.55%
Amita Health	20,046	7	0.47%	Advocate Health Care	14,873	7	0.38%
University of Chicago	18,276	8	0.43%	JP Morgan Chase & Co	13,639	8	0.35%
Amazon.com Inc	14,610	9	0.34%	Walgreens Co	13,122	9	0.34%
United Continental Holdings	14,520	10	0.34%	Abbott Laboratories	13,000	10	0.34%
				United Continental Holdings	13,000	10	0.34%
Total	<u>252,159</u>		<u>5.89%</u>		<u>263,439</u>		<u>6.80%</u>

Note: RTA service area includes Cook and the five collar Counties.
The information obtained from the sources below has been adjusted
to reflect only employers from these areas.

⁽¹⁾ Crain's Chicago Business

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2019

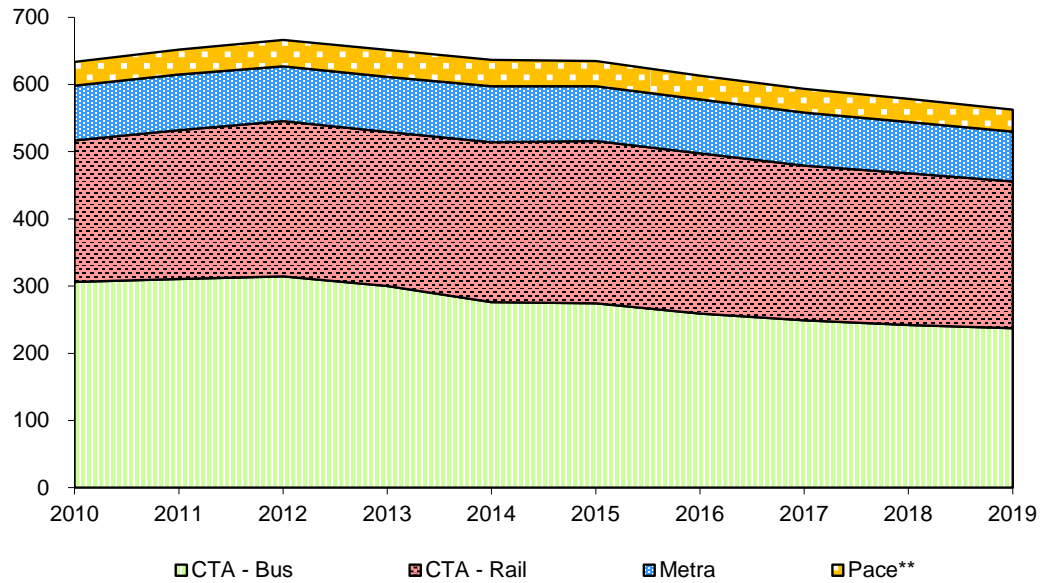
<u>Chicago Transit Authority</u>	<u>Metra Commuter Rail Division*</u>	<u>Pace Suburban Bus Division</u>
<u>Rapid Transit</u>	<u>Commuter Rail</u>	<u>Fixed Route Bus</u>
• 8 rail lines	• 11 rail lines	• 159 regular routes
• 145 stations served	• 488 route miles	• 42 feeder routes
• 1,458 rapid transit cars	• 1,155 miles of track	• 19 shuttle routes
• 218.5 million riders per year	• 242 stations	• 631 vehicles in use during peak periods
• 1,770 STO* positions	• 168 locomotives	• 26.2 million riders per year
	• 854 passenger cars	• 771 Pace-owned buses
<u>Motor Bus</u>	• 186 electric cars	• 1,763 full-time employees
• 127 bus routes	• 692 weekday trains operated	
• 1,862 buses	• 74.0 million riders per year	<u>ADA Paratransit</u>
• 237.3 million riders per year	• 4,455 full-time employees	• 362 Pace-owned lift-equipped vehicles in service
• 3,790 STO* positions	• 1.6 billion passenger miles per year	• 4.1 million riders per year
<u>CTA Totals</u>	• 43.9 million vehicle revenue miles per year	• 45 full-time employees
• 1.3 billion rail passenger miles per year		<u>Dial-a-Ride</u>
• 613.0 million bus passenger miles per year		• 71 local services
• 125.9 million vehicle revenue miles per year		• 362 Pace-owned lift-equipped vehicles in service
• 4,654 without STO* positions		• 284 communities served
		• 0.8 million riders per year
		<u>Vanpool</u>
		• 536 vanpool vehicles in operation
		• 1.5 million riders per year

*STO is scheduled transit operators. This classification includes bus operators, motormen *All data excludes NICTD South Shore conductors, and customer assistants.

Source of data: Information obtained from the Service Boards, the NTD, and RTA records.

2010-2019
(In Millions)

System Ridership and Unlinked Passenger Trips



Last Ten Years

(In Millions)

Service Consumed:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CTA - Bus	306	310.4	314.4	300.1	276.1	274.3	259.1	249.2	242.2	237.3
CTA - Rail	210.9	221.6	231.2	229.1	238.1	241.7	238.6	230.2	225.9	218.5
Total CTA*	516.9	532	545.6	529.2	514.2	516	497.7	479.4	468.1	455.8
Metra	81.4	82.7	81.3	82.3	83.4	81.6	80.1	78.6	76.2	74.0
Pace**	35.1	37.1	39.2	39.9	38.9	37.3	35.4	35.5	34.5	32.7
System Total	633.4	651.8	666.1	651.4	636.5	634.9	613.2	593.5	578.8	562.5
Percent Change	-0.8%	2.9%	2.2%	-2.2%	-2.3%	-0.3%	-3.4%	-3.2%	-2.5%	-2.8%

*CTA ridership includes rail-to-rail transfers.

Source of data: National Transit Database and Service Board reported data.

STATISTICAL SECTION (UNAUDITED)

Table 18

**Regional Transportation Authority
Full-time Employee by Function**

Last Five Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Executive Office	2	2	2	2	2
Human Resources	3	3	3	3	3
Marketing and Communications (1)	3	2	4	4	2
Government Affairs	3	3	3	3	3
Legal and Compliance (2)	13	13	13	14	12
Finance, Innovation and Technology (3)	24	25	23	27	26
Capital Programming and Planning (4)	24	29	25	21	23
Mobility Services (5)	32	28	29	29	25
Total	104	105	102	103	96

Notes

(1) The Marketing and Communications Department handles internal and external communications, and also oversees Agency branding and regional marketing coordination.

(2) Legal and Compliance Department includes General Counsel, Audit, and Operations (Procurement and Facility/Office Services).

(3) Finance, Innovation and Technology Department includes Budget and Treasury, Controller, Oversight and Compliance, and Information Technology.

(4) Capital Programming and Planning Department contains two main areas: Capital Programming, Local Planning & Program Management and Planning & Market Development.

(5) Mobility Services Department staff all included as part of the regional staff and contains the following regional services: Customer Programs, ADA Paratransit Certification Program, Mobility Management, Travel Information Center, and Regional Accessibility.



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