Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2009 and Independent Accountants' Compilation Report

2009

Regional Transportation Authority

Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2009 and Independent Accountant's Compilation Report

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

(See Independent Accountant's Compilation Report)

Prepared by:

Finance & Administration Department
Joseph G. Costello, CPA, CPFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional Transportation Authority

175 W. Jackson Blvd.
Suite 1550
Chicago, IL 60604
(312) 913-3200
www.rtachicago.com

Board of Directors
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1550
Chicago, Illinois 60604

I have the pleasure to submit to you the Combining Financial Statements Report for the Regional Transportation Authority, the Chicago Transit Authority, the Commuter Rail Division and the Suburban Bus Division for the year ended December 31, 2009. This Report fulfills the requirements of section 4.05 of the RTA Act. This Report represents the operations of our transit system in the aggregate and not as individual components. It shows the magnitude of the resources on hand and in use for public transportation in the Northeastern Illinois Region. The RTA's independent accountants have compiled the Combining Financial Statements Report. They have not subjected these statements to audit. The audited financial statements of each individual organization are available upon request. As always, the RTA staff acknowledges the commitment by the RTA Board and the Service Boards to fiscal responsibility, to ensure financially sound public transportation in northeastern Illinois.

J G Costello

Joseph G. Costello
Senior Deputy Executive Director,
Finance, Chief Financial Officer
Regional Transportation Authority
June 30, 2010

McGladrey & Pullen
Certified Public Accountants

Independent Accountant's Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining financial statements of the Regional Transportation Authority and Service Boards as of December 31, 2009, and for the year then ended, and the supplementary and statistical information, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of management in the form of financial statements and supplementary and statistical information. We have not audited or reviewed the accompanying special-purpose combining financial statements and supplementary and statistical information and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying special-purpose financial statements and supplementary and statistical information were prepared for the purpose of complying with the statutory requirement of the Regional Transportation Authority Act as described in Note 1, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 30, 2010

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS
DECEMBER 31, 2009
(In Thousands)

		Service Boards					
ASSETS:	**RTA Government - Wide Funds**	**Chicago Transit Authority**	**Commuter Rail Division**	**Suburban Bus Division**	**Combining Adjustments Debit**	**Combining Adjustments Credit**	**Total Combined**
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$ -	$ 85,090	$ -	$ 25,406	$ -	$ -	$ 110,496
Unrestricted - cash and cash equivalents	12,862	59,542	47,438	7,143	-	-	126,985
Restricted - investments	339,846	-	-	-	-	-	339,846
Unrestricted - investments	165,745	1,007	-	-	-	-	166,752
Unamortized bond issue costs	1,035	-	-	-	-	-	1,035
Receivables:							
Intergovernmental receivables	217,278	-	-	-	-	62,255	155,023
Grant projects	-	33	25,606	544	-	9,468	16,715
RTA financial assistance	-	205,633	76,245	45,177	-	78,173	248,882
Other carriers	-	-	372	-	-	-	372
Other receivables	-	104,513	11,945	16,697	-	38	133,117
Interest on investments	385	-	-	-	-	-	385
Loan to S.B. note and interest	1,058	-	-	-	-	-	1,058
Materials and supplies	-	92,805	14,638	5,885	-	-	113,328
Repayment of leasing commitments	-	-	-	1,439	-	-	1,439
Prepaid expenses and other assets	58,362	5,887	1,195	1,438	-	-	66,882
Total current assets	796,571	554,510	177,439	103,729		149,934	1,482,315
Capital assets:							
Plant, property and equipment	15,730	8,195,707	5,419,057	478,671	-	-	14,109,165
Capital projects in progress	-	561,279	2,578	1,818	-	-	565,675
Less accumulated depreciation	(3,070)	(4,597,539)	(2,884,385)	(292,482)	-	-	(7,777,476)
Total capital assets	12,660	4,159,447	2,537,250	188,007	-	-	6,897,364
Other assets:							
Unamortized bond issue costs	11,366	25,167	-	-	-	-	36,533
Note receivable	2,108	-	-	-	-	-	2,108
Investment relating to employee pension benefits plans	-	64,529	-	-	-	-	64,529
Restricted assets	-	250,334	-	-	-	-	250,334
Amount due under sale/leaseback	-	1,588,822	179,227	89,733	-	-	1,857,782
Total other assets	13,474	1,928,852	179,227	89,733	-	-	2,211,286
TOTAL ASSETS	$ 822,705	$ 6,642,809	$ 2,893,916	$ 381,469	$ -	$ 149,934	$ 10,590,965

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2009
(In Thousands)

LIABILITIES	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
CURRENT LIABILITIES:							
Vouchers payable	$ 56	$ 129,198	$ 53,650	$ 2,672	$ -	$ -	$ 185,576
Accrued interest payable	-	13,081	-	58	-	-	13,139
Intergovernmental payables	87,641	-	-	3,942	87,641	-	3,942
Due to other funds	1,137	-	-	-	-	-	1,137
Current portion of general obligation bonds payable	64,125	42,790	-	-	-	-	106,915
Current portion of unamortized bond premium	5,702	-	-	-	-	-	5,702
Other current liabilities:							
Accrued other expenses	4,444	90,717	30,045	28,324	59,185	-	94,345
Unrealized revenue, capital grant	-	8,451	-	-	-	-	8,451
Deferred revenue, assistance and other	30,649	72,766	14,045	1,053	-	-	118,513
Capital lease obligation	-	108,573	14,660	1,439	-	-	124,672
Certificate of participation	-	5,127	-	-	-	-	5,127
Claims liability	-	78,835	2,859	19,768	3,108	-	98,354
Total current liabilities	193,754	549,538	115,259	57,256	149,934	-	765,873
LONG-TERM LIABILITIES:							
General obligation bonds payable	2,354,995	2,751,760	-	-	-	-	5,106,755
Claims liability	-	124,609	14,631	10,887	-	-	150,127
Accrued interest payable	33,404	-	-	-	-	-	33,404
Capital lease obligation	-	1,641,589	164,566	89,733	-	-	1,895,888
Premium on capital lease payable	-	5,061	-	-	-	-	5,061
Deferred revenue	46,973	28,711	-	-	-	-	75,684
Accrued pension cost	-	18,373	-	2,261	-	-	20,634
Unamortized bond premium	113,800	48,277	-	-	-	-	162,077
Certificate of participation	-	66,887	-	-	-	-	66,887
Deferred rent	2,160	-	-	-	-	-	2,160
Intergovernmental payables	-	-	-	2,167	-	-	2,167
Other long-term liabilities	-	60,591	-	10,219	-	-	70,810
Total long-term liabilities	2,551,332	4,745,858	179,197	115,267	-	-	7,591,654
Total liabilities	2,745,086	5,295,396	294,456	172,523	149,934	-	8,357,527
NET ASSETS (DEFICIT):							
Invested in capital assets, net	12,660	3,054,994	2,537,250	188,007	-	-	5,792,911
Net assets restricted for:							
Payment on obligations and others	-	80,719	-	-	-	-	80,719
Accumulated unrestricted (deficit)	(1,935,041)	(1,788,300)	62,210	20,939	1,078,605	1,078,605	(3,640,192)
TOTAL NET ASSETS (DEFICIT)	$ (1,922,381)	$ 1,347,413	$ 2,599,460	$ 208,946	$ 1,078,605	$ 1,078,605	$ 2,233,438

See notes to special-purpose combining financial statements and independent accountant's compilation report.

(Concluded)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

		Service Boards			Combining Adjustments		
	RTA Government-Wide Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Debit	Credit	Total Combined
REVENUES:							
Service Boards operating revenues	$ -	$ 564,514	$ 298,586	$ 58,960	$ 727	$ -	$ 921,333
Sales taxes	99,027	-	-	-	-	843,164	942,191
Interest on sales taxes	309	-	-	-	-	-	309
Public Transportation Fund	228,501	-	-	-	-	-	228,501
Operating assistance - CTA and Pace	9,101	-	-	-	-	-	9,101
State assistance	123,008	-	-	-	-	-	123,008
Investment income	39,576	-	-	-	-	-	39,576
Program revenues and others	4,399	-	-	-	-	-	4,399
Total revenues	503,921	564,514	298,586	58,960	727	843,164	2,268,418
EXPENSES:							
Operating expenses	-	1,251,197	576,899	289,110	-	359	2,116,847
Depreciation	-	398,288	230,548	37,447	-	-	666,283
Financial assistance to Service Boards	93,453	-	-	-	-	93,453	-
Operating grant - CTA and Pace	74,138	-	-	-	-	74,138	-
Capital grants—discretionary	19,166	-	-	-	-	19,166	-
Capital grants—bonds	47,957	-	-	-	-	47,957	-
Insurance (JSIF)	3,827	-	-	-	-	-	3,827
Administrative expenses	12,014	-	-	-	-	-	12,014
Regional expenses	19,793	-	-	-	-	368	19,425
Technology program	1,416	-	-	-	-	-	1,416
Bond-related expenses	131,775	-	-	-	-	-	131,775
Total expenses	403,539	1,649,485	807,447	326,557	-	235,441	2,951,587
OPERATING INCOME (LOSS)	100,382	(1,084,971)	(508,861)	(267,597)	727	1,078,605	(683,169)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	626,349	305,184	220,483	1,010,956	-	141,060
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	105,692	11,355	5,432	-	-	122,479
Interest expense on leasing transactions	-	(116,852)	(11,355)	(5,432)	-	-	(133,639)
Interest expense on bond transactions	-	(156,235)	-	-	-	-	(156,235)
Innovation Coordination & Enhancement (ICE)	-	-	-	4,137	-	-	4,137
Other public funding	-	35,760	117,154	12,342	-	-	165,256
Capital grants	-	463,830	27,678	36,412	66,922	-	460,998
Investment income	-	1,971	-	156	-	-	2,127
Gain on sale of assets	-	100	-	-	-	-	100
Total nonoperating revenue (expense)	-	964,877	450,016	273,530	1,077,878	-	610,545
CHANGES IN NET ASSETS	100,382	(120,094)	(58,845)	5,933	1,078,605	1,078,605	(72,624)
NET ASSETS (DEFICIT):							
Beginning of year	(2,022,763)	1,467,507	2,658,305	203,013	-	-	2,306,062
End of year	$ (1,922,381)	$ 1,347,413	$ 2,599,460	$ 208,946	$ 1,078,605	$ 1,078,605	$ 2,233,438

See notes to special-purpose combining financial statements and independent accountant's compilation report.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

		Service Boards			
	RTA Joint Self-Insurance Fund	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Total Combined
CASH FLOWS FROM OPERATING ACTIVITIES:					
Fares received from passengers	$ -	$ 510,191	$ 236,068	$ 49,433	$ 795,692
Payments to employees	-	(846,702)	(265,040)	(102,371)	(1,214,113)
Payments to vendors	(2,677)	(376,187)	(298,230)	(185,636)	(862,730)
Other receipts and payments	-	65,991	46,460	4,240	116,691
Net cash from operating activities	(2,677)	(646,707)	(280,742)	(234,334)	(1,164,460)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	-	720,676	304,163	238,027	1,262,866
Net cash from noncapital financing activities	-	720,676	304,163	238,027	1,262,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	105,692	-	-	105,692
Repayment of lease\leaseback obligations	-	(146,549)	-	-	(146,549)
Increase/decrease in assets restricted for payment of leasehold obligations	-	24,613	-	-	24,613
Financial assistance—grant projects	-	458,807	136,708	37,158	632,673
Proceeds from the sale of property and equipment	-	100	-	-	100
Interest expense on bonds	-	(164,183)	-	-	(164,183)
Proceeds from other long-term liabilities	-	56,728	-	-	56,728
Repayment of bonds payable	-	(33,609)	-	-	(33,609)
Payments for capital acquisition	-	(586,812)	(173,386)	(40,254)	(800,452)
Net cash from capital and related financing activities	-	(285,213)	(36,678)	(3,096)	(324,987)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	386	1,971	683	214	3,254
Sales and purchases of investments, net	852	286,339	-	-	287,191
Net cash from investing activities	1,238	288,310	683	214	290,445
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,439)	77,066	(12,574)	811	63,864
CASH AND CASH EQUIVALENTS—Beginning of year	14,301	67,566	60,012	31,738	173,617
CASH AND CASH EQUIVALENTS—End of year	$ 12,862	$ 144,632	$ 47,438	$ 32,549	$ 237,481
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (3,769)	$ (1,084,971)	$ (508,861)	$ (267,597)	$ (1,865,198)
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation	-	398,288	230,548	37,447	666,283
Claims provision and settlement	-	-	(7,720)	-	(7,720)
State reduced fare assistance	-	-	(3,400)	-	(3,400)
Interest and dividends received	-	-	(683)	-	(683)
Changes in current assets and liabilities	1,092	39,976	9,374	(4,184)	46,258
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (2,677)	$ (646,707)	$ (280,742)	$ (234,334)	$ (1,164,460)

See notes to special-purpose combining financial statements and independent accountant's compilation report.

1. BASIS OF ACCOUNTING

The accompanying special purpose combining financial statements are presented as required by the Regional Transportation Authority (RTA) Act (Act) and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America. The special-purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America primarily due to the RTA and Service Boards using a different basis of accounting and due to the omission of significant disclosures. The RTA and each individual Service Board receive a separate audit of their financial statements in accordance with accounting principles generally accepted in the United States of America. These individual statements describe the basis of accounting for each entity and contain the omitted disclosures.

Intergovernmental receivables, payables, revenues, expenses, and expenditures have been eliminated in the combining adjustments columns; however, there are some differences in these amounts reported in the stand-alone financial statements of the RTA and the Service Boards. These valid differences relate primarily to differences in timing in the recording of certain transactions. For purposes of these combining financial statements, such differences are recorded as combining adjustments to net assets.

The columns presenting the combined balances for the RTA and Service Boards are statutorily required and do not present financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America.

2. ORGANIZATIONAL STRUCTURE

RTA

The RTA was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois Region (Region). The operating responsibilities of the RTA are set forth in the 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, in 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) and two operating divisions of the RTA: the Commuter Rail Division (Metra) and the Suburban Bus Division (Pace), each having its own independent board. These divisions conduct operations and deal with subsidized carriers. These three entities are defined in the Act as the "Service Boards."

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. 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.

CTA

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers. The Chicago City Council has granted the CTA the exclusive right to operate a passenger transportation system within the City of Chicago.

Metra

The Northeast Illinois Regional Commuter Railroad Corporation (NIRCRC), a public corporation, was established in 1980 to serve as the RTA's commuter rail service. The RTA Act, as amended effective November 9, 1983, established the Commuter Rail Division (CRD) to operate commuter rail transportation services. Both the NIRCRC and the CRD act under the registered service mark known as "Metra."

Metra has the responsibility for policy making with respect to actual day-to-day operations, capital investments, finances, fare levels, and service and facilities planning for its operations. Metra is responsible for the administration of all commuter rail activities in the metropolitan Chicago area, including deficit funding, capital grant application, and administration activities. Metra is directly responsible for the operation and management of the Rock Island, Milwaukee Road, Metra Electric, Heritage Corridor, North Central Service, and Metra Southwest Service commuter lines.

Metra also provides commuter rail service under Purchase of Service Agreements (PSA) with Union Pacific Railroad, Burlington Northern Santa Fe Railway Company, and Northern Indiana Commuter Transportation District. Under these agreements, Metra funds the commuter-related operating deficits (as defined) or is entitled to receive the commuter-related operating surpluses (as defined) of these carriers. In addition, Metra provides certain direct expenses such as fuel and insurance coverage considered to be "in-kind assistance." The title to the roadway and structure assets of the PSA carriers, other than capital improvements funded by federal and state agencies, the RTA, and Metra, is vested with the carriers. Accordingly, such assets are not reflected in these financial statements.

Pace

The RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

Reporting Periods

The RTA, CTA, Metra and Pace (the Combined Entities) all report on a calendar-year basis. All statements enclosed herewith are based on each entity's December 31, 2009 year-end.

3. REPORTING ENTITY

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's Statement No. 14 (Statement No. 14), *The Financial Reporting Entity.*

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 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 governmental accounting and financial reporting standards 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 passenger fare structure), 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, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards, if such budgets meet specified system-generated revenue 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 deficit.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. They are combined, however, in these Combining Financial Statements. Section 4.05 of the RTA Act requires that the RTA prepare a report combining "the audits of the Service Boards, and reviewing the state of the Authority, the Service Boards, and the public transportation agencies."

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting—The RTA maintains records using a fund accounting model consisting of a General Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund, Business-Type Activities, Agency Fund, and Pension Trust Fund. All Governmental Funds and the Agency Fund are accounted for using the modified accrual method of accounting (i.e., revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred). The Proprietary Fund and the Pension Trust Fund are accounted for using the accrual method of accounting. For the purpose of these combining financial statements, all RTA funds have been combined.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these combining financial statements, the individual Service Board financial statements are combined with those of the RTA.

Cash and Cash Equivalents—All investments of the Combined Entities are recorded at fair market value, except short-term investments which are reported at cost or amortized cost that reasonably approximates fair market value.

For the purposes of the combining statements of cash flows, the Combined Entities consider all investments with original maturities of three months or less to be cash equivalents. Such amounts are included in the "Cash and Cash Equivalents" line items on the accompanying statements of net assets.

Capital Assets—all capital assets are recorded at cost. Costs funded by Federal Capital Grants are recorded as capital items and are included in capital assets. In calculating depreciation, the Combined Entities use the straight-line method. The estimated useful lives vary depending on the type of capital asset. These useful lives range from more than one year to forty years.

Materials and Supplies—Each Service Board records its inventory at the lower of cost or market. The CTA and Metra use the average-cost method and Pace uses the first-in/first-out method to determine cost.

Compensated Absences—All four entities have recorded liabilities for vested vacation time in the year the time was earned. The entities account for compensated absences under GASB Statement No. 16, *Accounting for Compensated Absences*, whereby the applicable salary-related employer obligations are accrued in addition to the compensated absences liability.

Revenues—The Combined Entities have five principal sources of revenue and other financial sources: (1) farebox revenue; (2) retailers' occupation taxes, service occupation taxes, and use taxes (collectively, RTA Sales Taxes); (3) funds appropriated to the RTA by statute through the state's Public Transportation Fund (PTF) established under the RTA Act; (4) state or federal grants, or any other such funds, which the RTA is authorized to apply for and receive under the RTA Act; and (5) investment income and other miscellaneous revenue.

Farebox Revenue—A major source of revenue to the Service Boards is fares collected from riders. Each Service Board has its own fare structure and method for collection of fares. Farebox revenue is recognized when fares paid are initially valid for transportation services.

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 0.25% in Cook and .50% in the collar counties. The individual collar counties keep 0.25% of the increase. All of 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 0.75% in the collar counties. Except for the tax on food and drugs, the RTA tax base is identical to the State retailers' occupation tax base. Consequently, when the state base is expanded or contracted by taxing or exempting receipts from specific transactions, 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 and other local government taxes. As a result the RTA tax on food and drugs is imposed at a rate of 1.25% in Cook, and 0.75% in 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 areas for the privilege of using a vehicle purchased outside the six county areas that must be registered with the State. Unlike the state use tax, the RTA UT is limited to registered property, largely automobiles. The tax is imposed on the selling price of the property at the same rates as the ROT.

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. The Treasurer disburses the funds monthly to the RTA, without appropriation, upon order of the State Comptroller.

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.

The RTA Sales Tax consists of (i) in Cook County, (a) a tax of 1.25% 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 1% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of 0.5% 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 0.5% 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 incident 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.

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.

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 the 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:

Service Board	Collected Within Chicago	Collected within Cook County Outside Chicago	Collected in DuPage, Kane, Lake McHenry and Will Counties
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 the total sales taxes collected to which it is entitled by the amended Act. The remaining 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 portion of RTA sales tax revenues 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 real estate transfer tax in the City of Chicago was increased 0.3% (e.g. for every $500 in sales price $1.50 in tax is collected).

In February 2008, the PTF match of the old 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. Beginning in January 2009, the PTF match of both the RETT and the RTA portion of the sales tax increase will rise from 5% to 30%.

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 (SCMF) initiatives. Funds for ADA Paratransit, ICE and SCMF are by statute set aside before distributions to the CTA, Metra and Pace.

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 ¼% 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. Consequently, this tax has never been imposed.

Off-Street Parking Tax

The Act authorizes the RTA to impose a tax in unspecified amounts on the privilege of parking a motor vehicle in a public or private fee-charging lot in the six county area. Because the Act prohibits the imposition of this tax if the RTA has enacted sales taxes, it has never been imposed.

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.

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. The State has approved an appropriation from the PTF through its 2010 fiscal year which will end June 30, 2011.

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 the State's PTF are allocated at the discretion of the RTA Board in connection with the review and approval of the annual and revised budgets of each Service Board. 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 2010, which ends June 30, 2010, 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 years ended June 30, 2009 and June 30, 2010, the grants were in the amount of $28.9 million and $42 million, respectively.

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 bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the remaining bond proceeds, or (ii) $55 million per year. The RTA recognized $39.7 million of ASA in 2009.

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 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 2009 and 2010, per year. The RTA recognized $83.3 million of AFA in 2009.

In accordance with the Act, earnings on certain investments in the Capital Projects Fund are credited to the Debt Service Fund. This is done to compensate for prior State fiscal year earnings reducing the actual ASA and AFA grant amounts.

Management's Use of Estimates—The preparation of financial statements in conformity with the Act requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

5. BUDGET AND BUDGETARY ACCOUNTING

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 Service Boards. The RTA capital expenditures and capital grants to 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 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. There were several amendments to the 2009 budget. The 2009 budget (Ordinance 2008-83) was last revised on May 20, 2010 (Ordinance 2010-42). This ordinance amended the 2009 budget for ADA Paratransit service.

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 is generally 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, unfavorable economic conditions created the need to waive, for purposes of the adoption of the 2009 budget and 2010-2011 financial plan, the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial plan show a year-end unreserved and undesignated fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period. This waiver removed the ability of the RTA to fund the operating budgets of the Service Boards at the levels established in the operating budget marks. 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 85% 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 RTA 15% sales tax receipts and other discretionary receipts.

The reimbursement of Service Boards' capital expenditures and the payment of PTF funds, 15% funds and other discretionary funds of the RTA shall be made under the terms and conditions of grant agreements governing such expenditures.

6. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

During 2008, the CTA entered into a lease-purchase agreement to finance the purchase of 150 sixty foot New Flyer articulated hybrid buses and certain related parts and equipment at an estimated aggregate cost of $120.5 million. The terms of the agreement allow CTA to lease the buses for 12 years and retain ownership at the conclusion of the lease. Lease payments are due every June 1 and December 1 of each year, beginning on December 1, 2008. The present value of the future payments to be made by the CTA under the lease of approximately $112 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In 2003, Public Building Commission of Chicago (PBC) issued revenue bonds for the benefit of the CTA in the amount of $119 million. The bonds were issued to pay costs associated with the acquisition of real property and construction of a building and facilities, including certain furniture, fixtures, and equipment. The real property, building and facilities, and all furniture, fixtures, and equipment are owned by the PBC and leased to the CTA for use as its headquarters.

On October 26, 2006, the Public Building Commission of Chicago (PBC) issued Building Refunding Revenue Bonds for the benefit of the CTA in the amount of $91.3 million. The proceeds of the bonds were used to advance refund the Public Building Commission of Chicago, Series 2003 bonds. The principal amount of the bonds refunded was $111.1 million.

The proceeds from the sale of the 2006 bonds are being held in escrow under an escrow refunding agreement and have been invested in United States Treasury obligations. The principal amount of such obligations, together with interest earned thereon, will permit the payment of principal and interest on the refunded bonds up to and including their respective call dates. The refunded bonds are treated in the financial statements as defeased obligations. Accordingly, neither the trust account assets nor the refunded bonds appear in the accompanying financial statements. This refunding decreased debt service payment over the next 27 years by approximately $388 thousand resulting in an economic gain of approximately $20.4 million. Based upon the requirements of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Accounts,* the CTA recorded a deferred amount (loss) on refunding of $2.4 million. This amount is recorded as a component of long-term debt in the accompanying statement of net assets.

The bonds are payable from and secured by the lease entered into between the PBC and the CTA and are considered a general obligation of the CTA payable from any lawfully available funds. Bond issue costs and premium related to this transaction are presented as such on the balance sheets. The present value of the future payments to be made by the CTA under the lease of approximately $85.3 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In 2003, the CTA entered into a lease/leaseback agreement with a third party pertaining to certain buses with a book value of $14.8 million as of December 31, 2009. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $16.1 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 2002, the CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $22.8 million as of December 31, 2009. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $117.2 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 2002, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $9.7 million as of December 31, 2009. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $85.9 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 1998, the CTA entered into a lease/leaseback agreement (1998 Agreement) with a third party pertaining to a rail line (Green Line), with a book value of $235 million as of December 31, 2009. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $201.3 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 1997, the CTA entered into four lease/leaseback agreements (1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $48.1 million as of December 31, 2009. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (Leases). The CTA received certain funds as prepayments by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases, and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due from the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the Leases (net of the payment due from the Equity Trust in 2023 and 2024) of approximately $37.5 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The Federal Transit Administration (FTA) has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease/leaseback agreements (1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $49.4 million as of December 31, 2009. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $37.6 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment totaling $487.1 million at cost for a period of 19 years beginning on the date of the respective transaction. As of December 31, 2009, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1,057.2 billion. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations:

Changes in capital leases for the year ended December 31, 2009 are as follows (in thousands of dollars):

2009	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 15,557	$ 555	$ -	$ 16,112	$ 555	$ -
2002 (Buses)	111,611	5,625	-	117,236	5,625	1,514
2002 (QTE)	80,793	5,129	-	85,922	5,129	-
1998 (Green)	251,355	14,164	(64,203)	201,316	14,164	32,813
1997 (Garages)	34,906	2,625	-	37,531	2,625	-
1996 (Skokie/Racine)	35,008	2,573	-	37,581	2,573	-
1995 (Pickle)	1,043,264	77,639	(63,698)	1,057,205	77,639	63,698
Total lease/leasebacks	1,572,494	108,310	(127,901)	1,552,903	108,310	98,025
2005 PBC Lease	87,175	-	(1,880)	85,295	4,310	1,955
2008 Bus Lease	120,190	-	(8,226)	111,964	5,210	8,593
Total capital lease obligation	$ 1,779,859	$ 108,310	$ (138,007)	$ 1,750,162	$ 117,830	$ 108,573

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2009, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2010	$ 108,573
2011	99,035
2012	98,312
2013	178,440
2014	170,612
2015 - 2019	1,525,180
2020 - 2024	393,328
2025 - 2029	22,060
2030 - 2034	22,331
Total future minimum payments	2,617,871
Less interest	(867,709)
Present value of minimum lease payments	$ 1,750,162

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligations.

Metra

On September 18, 1998, Metra entered into a transaction to lease 174 railcars to three equity investors (headlease) and simultaneously subleased the railcars back (sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties, in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constitute commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies.

In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998.

In 2008, American International Group, Inc. ("AIG") incurred a ratings downgrade. AIG acted as the Debt Payment Undertaker ("DPU"), Equity Payment Undertaker (EPU"), and Standby Letter of Credit Provider ("SLOCP") for these transactions. Once AIG's rating fell below levels specified per the terms of the agreements, AIG was required to provide additional collateral to securitize the transactions. Later in 2008, AIG's credit ratings were further downgraded which triggered an event of default. No notices of default were or have been received; however, the investors can demand to have AIG replaced or that some other suitable arrangement be made.

On December 18, 2008, one of the investors terminated their transaction. A second investor has advised Metra that they are satisfied with AIG in its capacities. The remaining investor has sent notices demanding that AIG be replaced. Subsequently, the investor has been allowing Metra to pursue potential options that could be mutually acceptable to both the investor and Metra. Metra does not anticipate a material adverse financial impact as a result.

The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet. The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2009, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2010	$ 14,660,341
2011	14,660,341
2012	14,660,341
2013	14,660,341
2014	14,660,341
2015 - 2019	73,301,705
2020 - 2021	151,011,259
Total future minimum payments	297,614,669
Less imputed interest	(118,388,183)
Present value of minimum lease payments	$ 179,226,486

The present value of minimum lease payments of the Metra lease is $179.2 million which is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligations.

Pace

During 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lot 1, 2, and 3) with a book value of $20.2 million as of December 31, 2009. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $64.6 million and is reflected in the accompanying December 31, 2009 statement of net assets as the total of the current and long-term portions of capital lease obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4) with a book value of $12.7 million as of December 31, 2009. Under the bus lease agreements, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $26.5 million and is reflected in the accompanying December 31, 2009 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

2009	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 60,847,529	$ 3,788,069	$ -	$ 64,635,598	$ 3,788,069	$ 738,777
2003 (Buses)	24,891,695	1,644,155	-	26,535,850	1,644,155	699,761
Total	$ 85,739,224	$ 5,432,224	$ -	$ 91,171,448	$ 5,432,224	$ 1,438,538

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

2010	$ 1,438,538
2011	-
2012	-
2013	-
2014	-
2015 - 2016	124,399,915
Total future minimum payments	125,838,453
Less interest	(34,667,005)
Present value of minimum lease payments	$ 91,171,448
A reconciliation of the Statement of Net Assets to amount presented above:	
Capital lease obligation less current portion	$ 89,732,910
Less: Capital lease obligation current portion	1,438,538
Capital lease obligation - long-term portion	$ 91,171,448

The present value of the future payments including the purchase option to be made by Pace under these leases are approximately $91.2 million and is reflected in the accompanying December 31, 2009 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

7. COMMITMENTS AND CONTINGENCIES

Each of the entities has various commitments that have arisen in the normal course of operations. None is expected to have a material adverse impact on its financial position as presented.

Each of the entities has also established liabilities for potential legal judgments to satisfy claims against the entity.

The RTA has also established a loss financing plan to cover funding of losses incurred by the RTA and the Service Boards over certain established limits.

CTA

The CTA has been named as a defendant in various other legal proceedings arising in the normal course of operations. Although the ultimate outcome of these matters cannot be presently determined, it is the opinion of the CTA that resolution of these matters will not have a material adverse impact on the CTA's financial position.

The CTA Defeased Debt: On October 26, 2006, the PBC issued Building Refunding Revenue Bonds for the benefit of the CTA in the amount of $91.3 million. The proceeds of the bonds were used to advance refund the Public building Commission of Chicago, Series 2003 bonds. The outstanding balance of the defeased debt was $97.8 million as of December 31, 2009.

CTA Operating Leases: As of December 31, 2009, future minimum lease payments for operating leases, in the aggregate, are as follows (in thousands of dollars):

2010	$ 342,930
2011	353,217
2012	241,978
Total minimum lease payments	$ 938,125

Metra

Metra has entered into several non-cancelable operating leases, primarily for the use of passenger terminals, which expire on various dates through 2045. Future minimum rental payments under all non-cancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2009 were:

2010	$ 10,853,596
2011	10,867,294
2012	10,880,617
2013	10,542,251
2014	10,545,651
2015 - 2019	47,122,455
2020 - 2024	10,436,271
2025 - 2029	7,144,953
Thereafter	18,994,944
Total	$ 137,388,032

Total rent expense aggregated $15.2 million for the year ended December 31, 2009.

Metra had Grants of $329.3 million in unexpended obligations related to federal and state (including local) capital grant contracts as of December 31, 2009.

Litigation

Metra is a defendant in a number of legal actions. These actions have been considered in estimating and funding Metra's retained risk liability program. The total of amounts claimed under these legal actions, including potential settlements, could exceed the amount of the accrued claims. In the opinion of Metra's management, the retained risk funding and Metra's limited excess indemnity insurance coverage from commercial carriers are adequate to cover the ultimate liability of these legal actions, in all material respects.

Grants

Metra receives monies from federal and state government agencies under various grants. The costs, both direct and indirect, charged to these grants are subject to audit and disallowance by the granting agency. It is the opinion of management of Metra that any disallowances or adjustments would not have a material adverse effect on the financial position of Metra.

Pace

Pace has agreements with paratransit public funded carriers that generally provide that Pace will reimburse the lesser of the approved budget, $3.00 per ride, or up to 75% of defined operating deficits incurred, within defined service guidelines, in the provision of specified demand response public transportation services.

Pace has grant agreements with public contract carriers which provide that Pace reimburse defined operating expenses, limited to their approved budget level, incurred in providing public transportation services.

Pace receives significant financial assistance from federally assisted programs, principal of which is FTA. These programs are subject to audit under the requirements of OMB Circular A-133 for which a separate report is issued.

RTA

The RTA has an operating lease agreement for its office facilities. In 2009, the total rent paid by the RTA was $1,460,684. Minimum required annual rental payments by the RTA are as follows:

2010	$ 1,739,740
2011	1,822,918
2012	1,906,161
2013	1,989,448
2014	2,072,800
2015-2017	6,190,540
Total	$ 15,721,607

8. CASH AND INVESTMENTS

The applicable statutory provisions governing the investment of public funds are found in 30 ILCS 235/1, et seq. Each of the Combined Entities has established its own investment policy which is in line with the State statute or, in some cases, more restrictive.

The Combined Entities have on hand, as of December 31, 2009, $744 million of cash and investments. Of this amount, $450 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects. In addition, CTA, Metra, and Pace hold $2.21 billion of investments in other assets for employee pension benefits, damage liabilities, and capital lease obligations, which are recorded as other assets in the financial statements.

9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

	January 1, 2009	New Issues	Current Retirements	December 31, 2009	Due Within 1 Year
1990A	$ 60,795,000	$ -	$ -	$ 60,795,000	$ 3,810,000
1991A	55,745,000	-	-	55,745,000	-
1992A* & 1992B	33,345,000	-	7,480,000	25,865,000	-
1994A* & 1994B	24,395,000	-	-	24,395,000	-
1994C* & 1994D	57,785,000	-	1,500,000	56,285,000	1,620,000
1997 Refunding	65,955,000	-	5,155,000	60,800,000	5,445,000
1999* Refunding	274,445,000	-	7,670,000	266,775,000	8,065,000
2000A*	230,065,000	-	5,275,000	224,790,000	5,575,000
2001A*	88,630,000	-	1,980,000	86,650,000	2,090,000
2001B Refunding*	29,800,000	-	-	29,800,000	-
2002A*	144,925,000	-	2,985,000	141,940,000	3,150,000
2002B	144,085,000	-	10,450,000	133,635,000	10,870,000
2003A*	242,420,000	-	4,790,000	237,630,000	5,045,000
2003B	139,990,000	-	2,810,000	137,180,000	2,955,000
2003C Refunding	3,565,000	-	3,565,000	-	
2004A*	246,410,000	-	4,635,000	241,775,000	4,870,000
2005B Refunding	139,305,000	-	6,535,000	132,770,000	6,850,000
2006A*	245,915,000	-	3,625,000	242,290,000	3,780,000
2009B Cash Notes	-	260,000,000	-	260,000,000	-
Total	$2,227,575,000	$ 260,000,000	$ 68,455,000	$ 2,419,120,000	$ 64,125,000

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2009, the total general obligation bonds payable of $2,419,120,000 are classified as current and long-term in the Statement of Net Assets in the amounts of $64,125,000 and $2,354,995,000, respectively.

Advance Refundings—On June 21, 1993, the RTA advance refunded a portion of its 1990A Series general obligation bond issue. The RTA issued $23,265,000 of general obligation refunding bonds (1993C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2009, $20,350,000 of outstanding general obligation bonds (1990A Series) are considered defeased, and therefore, have been removed from the financial statements.

On January 19, 1996, the RTA advance refunded a portion of its 1994B and 1994D Series general obligation bond issues. The RTA issued $151,235,000 of general obligation refunding bonds (1996 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2009, $60,300,000 of outstanding general obligation bonds (1994B Series) and $75,605,000 of outstanding general obligation bonds (1994D Series) are considered defeased, and therefore, have been removed from the financial statements.

On September 18, 1997, the RTA advance refunded a portion of its 1990A, 1991A, 1992B, and 1993B Series general obligation bond issues. The RTA issued $98,385,000 of general obligation refunding bonds (1997 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2009, $4,230,000 of outstanding general obligation bonds (1990A Series), $29,265,000 of outstanding general obligation bonds (1991A Series), $18,170,000 of outstanding general obligation bonds (1992B Series), and $47,465,000 of outstanding general obligation bonds (1993B Series) are considered defeased, and therefore, have been removed from the financial statements.

On August 24, 1999, the RTA advance refunded a portion of its 1992A, 1993A, 1994A, and 1994C Series general obligation bond issues. The RTA issued $298,725,000 of general obligation refunding bonds (1999 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2009, $113,895,000 of outstanding general obligation bonds (1992A Series), $9,720,000 of outstanding general obligation bonds (1993A), $142,615,000 of outstanding general obligation bonds (1994A) and $21,955,000 of outstanding general obligation bonds (1994C) are considered defeased, and therefore, have been removed from the financial statements.

On March 1, 2001, the RTA advance refunded a portion of its 1993A Series general obligation bond issues. The RTA issued $37,715,000 of general obligation refunding bonds (2001B Series). Proceeds from the issuance amounted to $40,437,798 which includes a premium of $2,554,206. The proceeds are to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2009, $37,750,000 of outstanding general obligation bonds (1993A) are considered defeased, and therefore, have been removed from the financial statements.

On May 1, 2003, the RTA advance refunded a portion of its 1993C Series general obligation bond issues. The RTA issued $19,055,000 of general obligation refunding bonds (2003C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2009, $19,150,000 of outstanding general obligation bonds (1993C) are considered defeased, and therefore, have been removed from the financial statements.

On May 2, 2005, the RTA issued $148 million in General Obligation bonds with a variable rate which resets weekly to refund $144 million of outstanding 1996A Series bonds with an average interest rate of 5.5 percent. The net proceeds of $147 million (after payment of $892 thousand for issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to call the 1996A Series bonds June 1, 2005. As a result, the 1996A Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Debt Service Requirements—The “debt service requirements” set forth in the following tables represent payments due the trustee from the RTA, as required by the respective bond agreements. The “principal” columns represent principal payments due bondholders from the trustee.

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 7.15% on November 1, 1990 and semiannually thereafter on May 1 and November 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 3,810,000	$ 4,377,240	$ 8,187,240
2011	4,085,000	4,102,920	8,187,920
2012	4,380,000	3,808,800	8,188,800
2013	4,695,000	3,493,440	8,188,440
2014	5,035,000	3,155,400	8,190,400
2015-2019	31,150,000	9,789,840	40,939,840
2020	7,640,000	550,080	8,190,080
Total	$ 60,795,000	$ 29,277,720	$ 90,072,720

***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.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ -	$ 3,734,915	$ 3,734,915
2011	-	3,734,914	3,734,914
2012	4,090,000	3,734,915	7,824,915
2013	4,365,000	3,460,885	7,825,885
2014	4,660,000	3,168,430	7,828,430
2015-2019	28,420,000	10,719,665	39,139,665
2020-2021	14,210,000	1,443,515	15,653,515
Total	$ 55,745,000	$ 29,997,239	$ 85,742,239

***1992 General Obligation Bonds*—**In June 1992, the RTA issued $188 million in General Obligation Bonds, Series 1992A, to pay the cost of purchasing and reconstructing railcars for Metra. The RTA also issued $30 million in General Obligation Bonds, Series 1992B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1992A and 1992B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 5.30% to 9.00% on December 1, 1992 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1992A and 1992B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ -	$ 1,396,960	$ 1,396,960
2011	-	863,040	863,040
2012	25,865,000	293,760	26,158,760
Total	$ 25,865,000	$ 2,553,760	$ 28,418,760

***1994 General Obligation Bonds*—**In May 1994, the RTA issued $195 million in General Obligation Bonds, Series 1994A, to pay the costs of purchasing and reconstructing railcars for Metra. Proceeds of Series 1994A Bonds may also be used to purchase new paratransit vehicles for Pace and for rehabilitation of railcars for the CTA. The RTA also issued $80 million in General Obligation Bonds, Series 1994B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1994A and 1994B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 3.75% to 8.00% on December 1, 1994 and semiannually thereafter on June 1 and December 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ -	$ 1,951,600	$ 1,951,600
2011	-	1,951,601	1,951,601
2012	-	1,951,600	1,951,600
2013	-	1,951,600	1,951,600
2014	-	1,951,600	1,951,600
2015-2024	24,395,000	3,940,999	28,335,999
Total	$ 24,395,000	$ 13,699,000	$ 38,094,000

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 thirty-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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 1,620,000	$ 4,299,312	$ 5,919,312
2011	1,750,000	4,168,725	5,918,725
2012	1,890,000	4,027,675	5,917,675
2013	2,045,000	3,875,194	5,920,194
2014	2,210,000	3,710,313	5,920,313
2015-2019	43,250,000	10,262,937	53,512,937
2020-2024	3,520,000	136,401	3,656,401
Total	$ 56,285,000	$ 30,480,557	$ 86,765,557

***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.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 5,445,000	$ 3,432,963	$ 8,877,963
2011	5,750,000	3,125,100	8,875,100
2012	1,865,000	2,915,688	4,780,688
2013	3,320,000	2,764,800	6,084,800
2014	3,530,000	2,559,300	6,089,300
2015-2019	21,210,000	9,237,600	30,447,600
2020-2023	19,680,000	2,235,900	21,915,900
Total	$ 60,800,000	$ 26,271,351	$ 87,071,351

***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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 8,065,000	$ 15,163,144	$ 23,228,144
2011	8,525,000	14,686,182	23,211,182
2012	9,025,000	14,181,619	23,206,619
2013	17,990,000	13,404,938	31,394,938
2014	16,735,000	12,406,594	29,141,594
2015-2019	83,240,000	48,859,576	132,099,576
2020-2024	118,975,000	17,177,193	136,152,193
2025	4,220,000	126,600	4,346,600
Total	$ 266,775,000	$ 136,005,846	$ 402,780,846

***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.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 5,575,000	$ 14,276,038	$ 19,851,038
2011	5,900,000	13,955,475	19,855,475
2012	6,245,000	13,601,475	19,846,475
2013	6,610,000	13,211,163	19,821,163
2014	7,005,000	12,798,038	19,803,038
2015-2019	41,905,000	56,872,376	98,777,376
2020-2024	56,560,000	42,063,939	98,623,939
2025-2029	76,650,000	21,514,025	98,164,025
2030	18,340,000	1,192,100	19,532,100
Total	$ 224,790,000	$ 189,484,629	$ 414,274,629

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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 2,090,000	$ 5,132,513	$ 7,222,513
2011	2,200,000	5,017,563	7,217,563
2012	2,325,000	4,896,563	7,221,563
2013	2,455,000	4,751,250	7,206,250
2014	2,595,000	4,597,813	7,192,813
2015-2019	15,340,000	20,427,175	35,767,175
2020-2024	20,195,000	15,546,850	35,741,850
2025-2029	26,590,000	8,819,400	35,409,400
2030-2031	12,860,000	1,167,900	14,027,900
Total	$ 86,650,000	$ 70,357,027	$ 157,007,027

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.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ -	$ 1,639,000	$ 1,639,000
2011	-	1,639,000	1,639,000
2012	-	1,639,000	1,639,000
2013	-	1,639,000	1,639,000
2014	2,295,000	1,575,888	3,870,888
2015-2019	13,585,000	5,778,714	19,363,714
2020-2023	13,920,000	1,584,276	15,504,276
Total	$ 29,800,000	$ 15,494,878	$ 45,294,878

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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 3,150,000	$ 8,407,938	$ 11,557,938
2011	3,315,000	8,250,438	11,565,438
2012	3,495,000	8,068,113	11,563,113
2013	3,690,000	7,867,150	11,557,150
2014	3,900,000	7,654,975	11,554,975
2015-2019	23,070,000	34,635,050	57,705,050
2020-2024	30,535,000	26,937,900	57,472,900
2025-2029	40,450,000	16,654,200	57,104,200
2030-2032	30,335,000	3,708,300	34,043,300
Total	$ 141,940,000	$ 122,184,064	$ 264,124,064

In June 2002, the RTA issued $200 million in General Obligation Bonds, Series 2002B, to provide interim funding, as needed for a portion of the costs in connection with the reconstruction and expansion of rapid transit facilities operated by the CTA and to fund other public transportation projects.

The Series 2002B Bonds mature on June 1 over a seventeen year period and interest is payable at rates ranging from 3.00% to 5.50% on December 1, 2002, and semi-annually thereafter on June 1 and December 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 10,870,000	$ 6,941,888	$ 17,811,888
2011	11,325,000	6,331,525	17,656,525
2012	11,815,000	5,695,175	17,510,175
2013	12,335,000	5,031,050	17,366,050
2014	12,900,000	4,345,150	17,245,150
2015-2019	74,390,000	10,379,663	84,769,663
Total	$ 133,635,000	$ 38,724,451	$ 172,359,451

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.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 5,045,000	$ 13,528,575	$ 18,573,575
2011	5,310,000	13,276,325	18,586,325
2012	5,600,000	13,010,825	18,610,825
2013	5,910,000	12,730,825	18,640,825
2014	6,235,000	12,435,325	18,670,325
2015-2019	36,700,000	56,640,600	93,340,600
2020-2024	47,975,000	45,374,675	93,349,675
2025-2029	62,235,000	30,314,475	92,549,475
2030-2033	62,620,000	9,633,000	72,253,000
Total	$ 237,630,000	$ 206,944,625	$ 444,574,625

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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 2,955,000	$ 7,538,925	$ 10,493,925
2011	3,105,000	7,402,200	10,507,200
2012	3,265,000	7,242,950	10,507,950
2013	3,435,000	7,066,863	10,501,863
2014	3,610,000	6,873,125	10,483,125
2015-2019	21,190,000	31,078,002	52,268,002
2020-2024	27,545,000	24,413,239	51,958,239
2025-2029	35,820,000	15,710,520	51,530,520
2030-2033	36,255,000	4,306,320	40,561,320
Total	$ 137,180,000	$ 111,632,144	$ 248,812,144

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.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2010	$ 4,870,000	$ 13,287,538	$ 18,157,538
2011	5,120,000	13,037,788	18,157,788
2012	5,385,000	12,775,163	18,160,163
2013	5,660,000	12,499,038	18,159,038
2014	5,950,000	12,208,788	18,158,788
2015-2019	34,730,000	55,523,207	90,253,207
2020-2024	45,120,000	44,515,863	89,635,863
2025-2029	58,660,000	30,575,413	89,235,413
2030-2034	76,280,000	11,425,825	87,705,825
Total	$ 241,775,000	$ 205,848,623	$ 447,623,623

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 Bonds to maturity are set forth below:

Year Ending	**Debt Service Requirements**		
December 31	**Principal**	**Interest**	**Total**
2010	$ 6,850,000	$ 4,268,385	$ 11,118,385
2011	7,210,000	4,036,395	11,246,395
2012	7,590,000	3,792,195	11,382,195
2013	7,960,000	3,535,620	11,495,620
2014	8,425,000	3,265,268	11,690,268
2015-2019	15,005,000	14,595,984	29,600,984
2020-2024	69,625,000	7,644,864	77,269,864
2025	10,105,000	166,733	10,271,733
Total	$ 132,770,000	$ 41,305,444	$ 174,075,444

2006 General Obligation Bonds—In October 2006, the RTA issued $250 million in General Obligation Bonds, Series 2006A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2006A Bonds mature on July 1, over a thirty year period and interest is payable at rates ranging from 4.25% to 5.00% on January 1, 2007 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2006A Bonds to maturity are set forth below:

Year Ending December 31	**Debt Service Requirements Principal**	**Interest**	**Total**
2010	$ 3,780,000	$ 11,860,031	$ 15,640,031
2011	3,955,000	11,671,031	15,626,031
2012	4,150,000	11,473,281	15,623,281
2013	4,390,000	11,265,781	15,655,781
2014	4,630,000	11,046,281	15,676,281
2015-2019	28,135,000	51,427,156	79,562,156
2020-2024	56,335,000	42,668,156	99,003,156
2025-2029	92,705,000	23,054,406	115,759,406
2030-2034	31,665,000	9,001,525	40,666,525
2035	12,545,000	564,525	13,109,525
Total	$ 242,290,000	$ 184,032,173	$ 426,322,173

2009 Working Cash Notes**—**In June 2009, the RTA issued $260 million in General Obligation Working Cash Notes, Series 2009B, to provide funds to be used to manage the cash flow needs of the RTA and the Service Boards, including if necessary, the refinancing of any existing Authority obligations for such purpose and pay the costs of issuance.

The Series 2009B Working Cash Notes mature on April 1, 2011 and June 1, 2011 and interest is payable at 2.879% and 2.979%, respectively.

Debt service requirements on the Series 2009B Working Cash Notes to maturity are set forth below:

Year Ending December 31	**Debt Service Requirements Principal**	**Interest**	**Total**
2010	$ -	$ 7,615,400	$ 7,615,400
2011	260,000,000	3,183,917	263,183,917
Total	$ 260,000,000	$ 10,799,317	$ 270,799,317

All the bonds are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net assets, 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' farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, $200,411,612 in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2009.

10. OTHER LONG-TERM LIABILITIES

Pace receives a one month advance from the Illinois Department of Revenue to compensate for the delay in the processing of sales tax payments. The advance is forwarded to the Regional Transportation Authority and is then allocated among the three Service Boards. Pace reported a liability of $8.5 million and $7 million, respectively, for this advance for the years ended December 31, 2009 and December 31, 2008.

11. 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 payable will be reduced by a defined percentage of pension benefits payable to participants who received credit for prior service with an eligible employer. Because information with respect to these benefits is not readily available until retirement, the information included in the accumulated plan benefits and changes in accumulated plan benefits with respect to active and terminated participants does not reflect a reduction of these benefits.

The Plan permits early retirement at age 55 after completing ten years of credited service with reduced benefits. 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 and credited years of service equals 85 or higher.

The Plan provides for benefit payments to beneficiaries equal to or reduced from the participant's monthly benefit payment subject to the election of the participant.

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.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2009, the RTA Board approved a resolution that a contribution of $10,827,000 be made to the Plan. The contribution is allocated as follows: Metra - $5,652,000; Pace - $ 4,038,000; RTA - $1,137,000. As of December 31, 2009, $10,827,000 had not been funded and was reported as contribution receivable in the Statements of Plan Net Assets. The 2009 contribution levels were within the actuarially determined ranges for the respective years.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to determine the actuarial accrued liability presented in the note to the Required Supplementary Information.

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.

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 1550
Chicago, IL 60604

Funding Policy—Prior to July 1, 1979, contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 30 years.

The RTA, Metra, and Pace are required to contribute the amounts necessary to fund the benefits of their respective employees in the Plan using the projected unit credit actuarial method. Employer contribution and the income it earns through investments are used to operate the Plan and to pay benefits. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation—For 2007, 2008 and 2009, the RTA's annual pension costs equal the required contributions which were, $9,137,000, $9,195,000 and $10,827,000, respectively. The required contributions were determined as part of the January 1, 2007, 2008 and 2009 actuarial valuations.

In accordance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the RTA determined its net pension obligation at transition (January 1, 1997). There was no net pension obligation for the Plan at transition or at year-end.

Significant Actuarial Assumptions—The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follows:

	January 1, 2009	**January 1, 2008**	**January 1, 2007**
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	8.5%	8.5%	8.5%
Projected salary increases:			
Attributed to inflation	*	*	4.0%
Attributed to seniority/merit	*	*	0.5%
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 9.94% at age 20 to 0.15% at age 60 for females, and from 7.94 % at age 20 to 0.09% at age 60 for males.

* The actuarial assumption changed from a flat rate to rates based on an age scale.

Funded Status and Funding Progress – As of December 31, 2009, the most recent actuarial valuation date, the plan was 69.17 percent funded. The actuarial accrued liability for benefits was $153,284,576 and the actuarial value of assets was $106,021,198, resulting in an underfunded actuarial accrued liability (UAAL) of $(47,263,378). The covered payroll (annual payroll of active employees covered by the Plan) was $66,010,613 and the ratio of the UAAL to the covered payroll was 71.60 percent.

The CTA maintains two single-employer defined benefit pension plans, the Employees' Retirement Plan and the Supplemental Retirement Plan, covering substantially all full-time permanent union and nonunion employees and Chicago Transit Board members. The Employees' Retirement Plan is governed by the terms of the employees' collective bargaining agreement. The Supplemental Retirement Plan, which includes the Retirement Plan for Board Members and the Supplemental Retirement Plan for selected Officers, Executives, Supervisory and Professional Employees, provides benefits, in addition to the Employees' Retirement Plan, to management employees in certain employment classifications and Chicago Transit Board members.

11. REGION-WIDE FINANCIAL INFORMATION

The RTA management has elected to present certain region-wide financial information. The purpose of this information is to provide a total overview of transportation-related operations in the Northeastern Illinois region. This information includes the transportation-related results of the Service Boards' affiliated carriers. Accordingly, this region-wide information is presented in the combining region-wide schedules of revenues and expenditures and the combining region-wide statement of revenues and expenditures—budget and actual.

The basic financial statements of the RTA and the Service Boards used to prepare the combining statement of revenues and expenses do not include the aggregate of system-generated revenues and costs. The combining region-wide schedules of revenues and expenditures include the aggregate of all system-generated revenues and costs.

For purposes of the system-generated revenues recovery ratio calculation, the Act requires that the costs used in the calculation include all operating costs consistent with accounting principles generally accepted in the United States, with certain allowable adjustments as enumerated in the Act. Costs funded by Federal capital grants are recorded as capital assets, and are excluded from the recovery ratio calculation as required by the Act.

The Act requires that the aggregate of all system-generated revenues equal at least 50% of the aggregated costs of providing such public transportation.

For 2009, the region-wide system-generated revenues recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenditures—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	**Revenues**	**Expenditures**
CTA*	$ 627,894	$ 1,207,307
Metra**	298,586	541,782
Pace***	58,067	181,851
RTA****	21,028	32,131
Total	$ 1,005,575	$ 1,963,071

The region-wide system-generated revenues recovery ratio for 2009 equals 56.17%.

* The system-generated revenues recovery ratio for the CTA included leasehold revenues of $4.3 million and Senior Free Rides revenue of $36.1 million, but excluded CTA expenditures for security costs of $32.3 million and Pension Obligation Bond debt Service for $44 million. It also included in-kind services of $22 million, both as revenues and expenditures.

** Metra's system-generated revenues recovery ratio included Senior Free Rides revenue of $7.2 million, but excluded $16.3 million security costs, $16.1 million costs for lease of transportation facilities and $2.7 million for funded depreciation to carriers were deducted from expenditures.

*** Pace system-generated revenues recovery ratio included Senior Free Rides revenue of $2.4 million, and in-kind services of $7.4 million both as revenues and expenditures.

**** The RTA added $20.6 million of unrealized gain on swap valuation to its revenues. Also, the RTA excluded all capital related depreciation expenses of $510 thousand.

**** $200 million of new expenses are exempted from the farebox recovery ratio to avoid the need to match each new dollar with a 50 cent fare increase. This exemption is phased out over 5 years, thereby requiring gradual fare increases.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the RTA Act section 4.01(b) requires the RTA Board to determine that the level of fares charged for ADA paratransit services is sufficient to cause the aggregate of all projected revenues from such fares charged and received in each fiscal year to equal at least 10% of the aggregate costs of providing such ADA paratransit services in fiscal years 2009. Pace ended the year with a 10.0% recovery ratio for Regional ADA Paratransit Services. The 2009 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

12. RECONCILIATION OF GOVERNMENT-WIDE TO REGION-WIDE REVENUES AND EXPENDITURES

RTA's government-wide financial statements do not include fiduciary fund financial statement information which is added in the region-wide presentation. As also stated in Note 11, in-kind services are added in the system-generated revenues and expenditures.

The following data (in thousands) reconciles the combining government-wide to region-wide schedules of revenues and expenditures:

	RTA	CTA	Metra	Pace
Government-wide revenues (page 41)	$ 503,921	$ 1,802,478	$ 759,956	$ 337,922
Sales tax agency fund	941,738	-	-	-
Pension trust fund	32,299	6,138	-	-
Senior free rides	-	36,100	-	-
In-kind services	-	22,000	-	7,436
ADA Regional Paratransit funding	-	-	-	114,754
Unrealized gain on swap valuation	(20,590)	-	-	-
Region-wide revenues (page 42)	1,457,368	1,866,716	759,956	460,112
Government-wide expenditures (page 41)	403,539	1,922,572	818,802	331,989
Sales tax agency fund	941,738	-	-	-
Pension trust fund	9,852	-	-	-
In-kind services	-	22,000	-	7,436
Security costs	-	(32,300)	(16,269)	-
Prior year positive balance - lease proceeds	-	2,800	-	-
Working cash note	-	56,147	-	-
Lease of transportation facilities	-	-	(16,104)	-
Pension and other employee benefits	-	9,606	-	-
Capital (depreciation, disposals/additions)	(510)	-	(2,745)	-
Region-wide expenditures (page 42)	1,354,619	1,980,825	783,684	339,425
Net revenues (expenditures)	$ 102,749	$ (114,109)	$ (23,728)	$ 120,687

13. SUBSEQUENT EVENTS

CTA

Sales Tax Receipts Revenue Bonds – On April 6, 2010, the CTA issued $550 million in Sales Tax Receipts Revenue Bonds, Series 2010A and 2010B, to fund the purchase of new rail cars. The bonds mature on December 1, 2040 and have interest rates ranging between 4.0% and 6.2%.

Sales Tax Receipts Revenue Refunding Bonds – On April 14, 2010, the CTA Board approved the issuance of up to $100 million in Capital Grants Receipts Revenue Bonds – Refunding Series 2010, to refund previous bond series and to accelerate the completion of key capital projects.

Operations – In December 2009, the Chicago Transit Board approved the 2010 Budget. This budget included the elimination of approximately 1,000 jobs and service reductions which went into effect February 7, 2010. As a result of these service changes, CTA closed the Archer bus garage and reduced the size of its bus fleet by retiring some of its oldest buses.

Lease Transactions – During 1998, the CTA entered into a lease and leaseback agreement with three investors pertaining to a property, railway tracks and train stations on the Green Line. The CTA's payments associated with this agreement were guaranteed by American International Group Inc. (AIG). During 2008, AIG's credit rating was cut amid the U.S. mortgage meltdown and global economic crisis. The rating cut provided the third party investors with the option to require CTA to replace the Payment Undertaker Guarantor. One of the three investors chose to unwind the transaction. One investor entered into a forbearance agreement that allowed CTA to continue to use AIG as long as the rating does not fall below BB by Standard & Poor's and B1 by Moody's. CTA is still in negotiations with one of the investors regarding the replacement of AIG.

In 2002 and 2003, CTA entered into a lease and leaseback agreement with third party investors for buses. CTA entered into an agreement with Financial Security Assurance, Inc. (FSA) to act as the debt payment and strip surety guarantor. FSA's credit rating was downgraded during the 2008 financial crisis. This downgrading allows the private investors the option to require CTA to replace the guarantor. CTA is still in negotiations with the investors.

RTA

On January 21, 2010, the RTA issued $175.1 million of Non-SCIP bonds.

* * * * * *

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
REVENUES:							
Service Boards operating revenues	$ -	$ 566,585	$ 298,586	$ 58,960	$ 727	$ -	$ 923,404
RTA financial assistance	-	626,349	305,184	224,776	1,010,956	-	145,353
Other public funding	-	35,760	117,154	12,342	-	-	165,256
Capital grants	-	463,830	27,678	36,412	66,922	-	460,998
Sales taxes	99,027	-	-	-	-	843,164	942,191
Interest on sales taxes	309	-	-	-	-	-	309
Public Transportation Fund	228,501	-	-	-	-	-	228,501
Operating assistance	9,101	-	-	-	-	-	9,101
State assistance	123,008	-	-	-	-	-	123,008
Investment income	39,576	-	-	-	-	-	39,576
Program revenues and other	4,399	-	-	-	-	-	4,399
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	105,692	11,355	5,432	-	-	122,479
Total revenues	503,921	1,802,478	759,957	337,922	1,078,605	843,164	3,168,837
EXPENDITURES:							
Operating	-	1,251,197	576,899	289,110	-	359	2,116,847
Depreciation	-	398,288	230,548	37,447	-	-	666,283
Financial Assistance to Service Boards	93,453	-	-	-	-	93,453	-
Operating Assistance - CTA & Pace	74,138	-	-	-	-	74,138	-
Capital grants—discretionary	19,166	-	-	-	-	19,166	-
Capital grants—bonds	47,957	-	-	-	-	47,957	-
Insurance (JSIF)	3,827	-	-	-	-	-	3,827
Administrative expenses	12,014	-	-	-	-	-	12,014
Regional expenses	19,793	-	-	-	-	368	19,425
Technology program	1,416	-	-	-	-	-	1,416
Bond-related expenses	131,775	156,235	-	-	-	-	288,010
Interest expense from leasing transactions	-	116,852	11,355	5,432	-	-	133,639
Total expenditures	403,539	1,922,572	818,802	331,989	-	235,441	3,241,461
NET REVENUES (EXPENDITURES)	$ 100,382	$ (120,094)	$ (58,845)	$ 5,933	$ 1,078,605	$ 1,078,605	$ (72,624)

Note 1—Changes in net assets shown on page 4 and net revenues and expenditures shown on this page are similar.
Note 2—Government-wide to Region-wide revenues and expenditures shown on this page are reconciled in Note 12.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

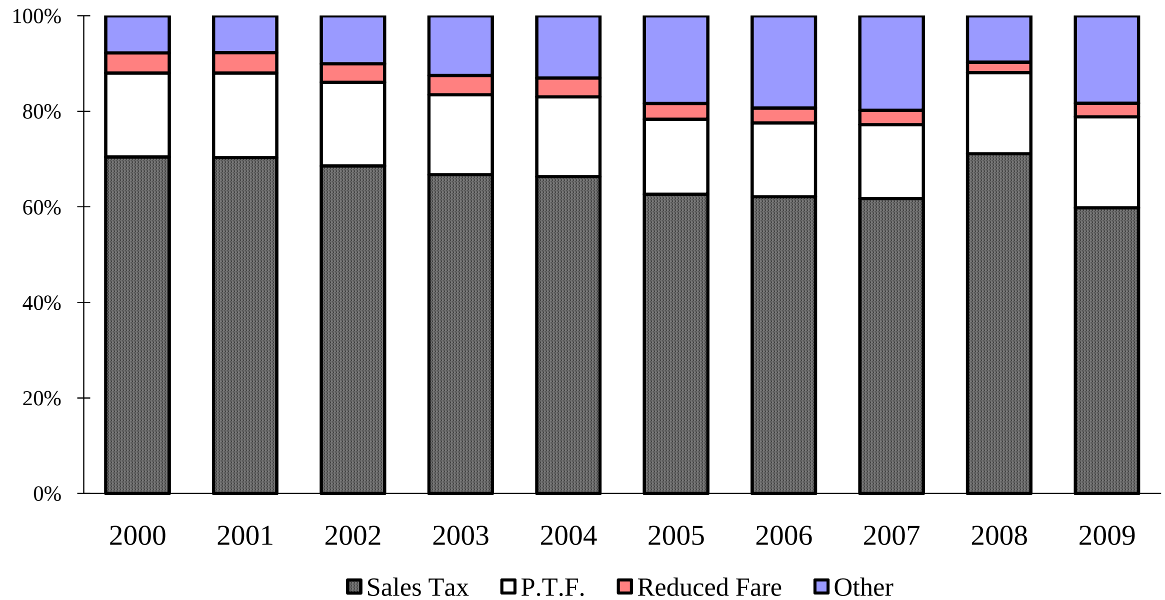
SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

	RTA Government-Wide and Fiduciary Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance	$ -	$ 626,349	$ 305,183	$ 224,776	$ 1,010,956	$ -	$ 145,352	$ -
Other public funding	-	35,760	117,154	12,342	-	-	165,256	-
Capital grants	-	463,830	27,678	36,412	66,922	-	460,998	-
Interest revenue from leasing transactions	-	105,692	11,355	5,432	-	-	122,479	-
Sales taxes	885,137	-	-	-	-	-	885,137	979,655
Public Transportation Fund	285,541	-	-	-	-	-	285,541	160,000
ICE	9,101	-	-	-	-	-	9,101	9,101
CTA Loan Recovery PTF	56,147	-	-	-	-	-	56,147	-
State assistance	123,008	-	-	-	-	-	123,008	122,000
State reduced fare reimbursement	41,970	-	-	-	41,970	-	-	33,570
Pension contribution	10,827	-	-	-	1,137	-	9,690	-
Pension and other employee benefits	-	6,138	-	-	-	-	6,138	-
Investment income	23,452	-	-	-	-	-	23,452	-
Interest on sales taxes to Service Boards	471	-	-	-	471	-	-	-
Subtotal	1,435,654	1,237,769	461,370	278,962	1,121,456	-	2,292,299	1,304,326
Investment income	37,654	-	-	-	-	-	37,654	10,354
Other revenues	4,341	-	-	114,754	-	-	119,095	3,450
Interest on sales taxes	309	-	-	-	-	-	309	1,550
Service Boards revenues	-	566,585	298,586	58,960	727	-	923,404	1,199,901
Add (Subtract):								
Senior Free Ride	-	36,100	-	-	-	-	36,100	36,100
In-kind services	-	22,000	-	7,436	-	-	29,436	29,436
Leasehold revenue	-	4,262	-	-	-	-	4,262	4,262
Unrealized gain (loss) on swap valuation	(20,590)	-	-	-	-	-	(20,590)	-
Subtotal	21,714	628,947	298,586	181,150	727	-	1,129,670	1,285,053
Total revenues	1,457,368	1,866,716	759,956	460,112	1,122,183	-	3,421,969	2,589,379
EXPENDITURES:								
Depreciation	-	398,288	230,548	37,447	-	-	666,283	-
Interest expenses from leasing transactions	-	116,852	11,355	5,432	-	-	133,639	-
Interest expenses from bond transactions	-	156,235	-	-	-	-	156,235	-
Prior year positive balance - lease proceeds	-	2,800	-	-	-	-	2,800	-
Operating grants to Service Boards	879,562	-	-	-	-	879,562	-	-
CTA & PACE (PTF) expenditures	131,179	-	-	-	-	131,179	-	-
Capital grants—discretionary	19,166	-	-	-	-	19,166	-	-
Capital grants—bonds	47,957	-	-	-	-	47,957	-	-
State reduced fare reimbursement	41,970	-	-	-	-	41,970	-	-
Regional expenses and other	13,678	-	-	-	-	368	13,310	-
Bond-related expenses	131,775	-	-	-	-	-	131,775	-
Working cash note	56,147	56,147	-	-	-	-	112,294	-
Pension and other employee benefits	-	53,596	-	-	-	-	53,596	-
Interest expense	-	-	-	-	-	-	-	-
Interest on sales taxes to Service Boards	472	-	-	-	-	472	-	-
Subtotal	1,321,906	783,918	241,903	42,879	-	1,120,674	1,269,932	-
Operating expenses		1,251,197	576,899	289,110	-	359	2,116,847	2,024,676
Pension and other employee benefits	-		-	-	-	-	-	-
Administrative expenses	12,014	-	-	-	-	1,137	10,877	8,034
Regional expenses	19,793	-	-	-	-	-	19,793	22,093
Technology program	1,416	-	-	-	-	-	1,416	1,720
Add (Subtract):	-	-	-	-	-	-	-	-
In-kind services	-	22,000	-	7,436	-	-	29,436	29,436
Security costs	-	(32,300)	(16,269)	-	-	-	(48,569)	(48,569)
Pension Obligation Bond Debt Service	-	(43,990)	-	-	-	-	(43,990)	(43,990)
Lease of transportation facilities	-	-	(16,104)	-	-	-	(16,104)	(16,104)
Capital (depreciation, disposals/additions)	(510)	-	(2,745)	-	-	-	(3,255)	(3,255)
Subtotal	32,713	1,196,907	541,781	296,546	-	1,496	2,066,451	1,974,041
Total expenditures	1,354,619	1,980,825	783,684	339,425	-	1,122,170	3,336,383	1,974,041
NET REVENUES (EXPENDITURES)	$ 102,749	$ (114,109)	$ (23,728)	$ 120,687	$ 1,122,183	$ 1,122,170	$ 85,586	$ 615,338

Table 1

RTA REVENUE BY SOURCE

2000-2009



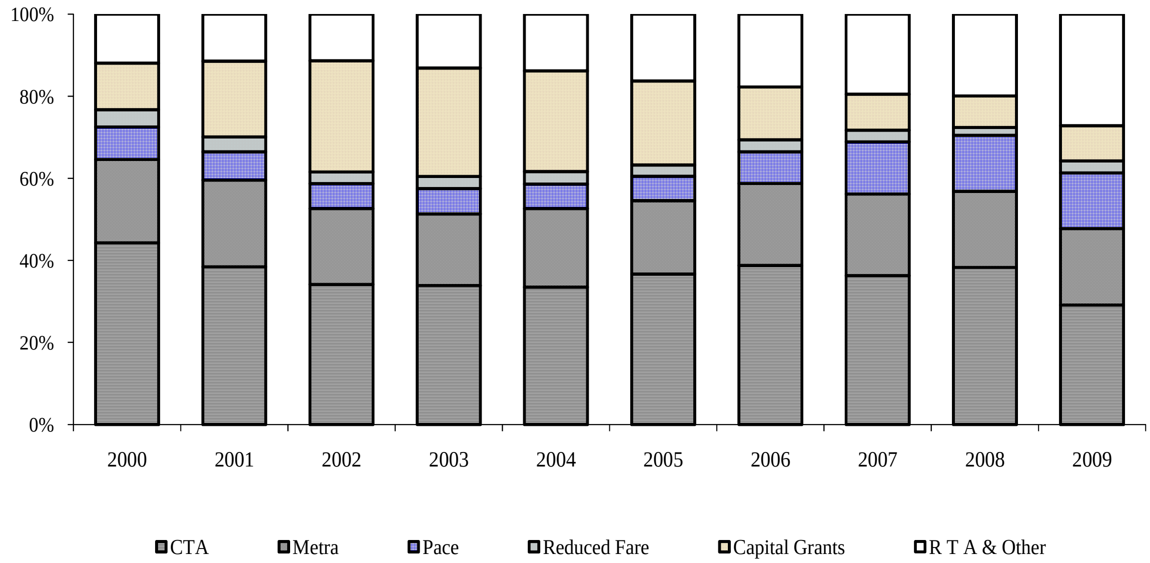
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/00	$ 650,284	$ 162,247	$ 38,759	$ 71,947	$ 923,237
Percentage of Total	70.44%	17.57%	4.20%	7.79%	100%
12 Months Ended 12/31/01	653,522	164,987	39,531	71,742	929,782
Percentage of Total	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	647,685	165,665	36,260	95,167	944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	949,617	227,201	28,919	129,784	1,335,521
Percentage of Total	71.10%	17.01%	2.17%	9.72%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	271,199	1,480,847
Percentage of Total	59.77%	19.08%	2.83%	18.31%	100%

Table 2

DISTRIBUTION OF EXPENDITURES

2000-2009

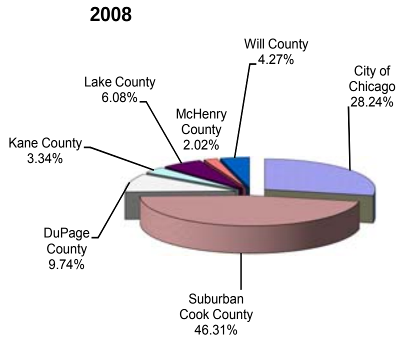


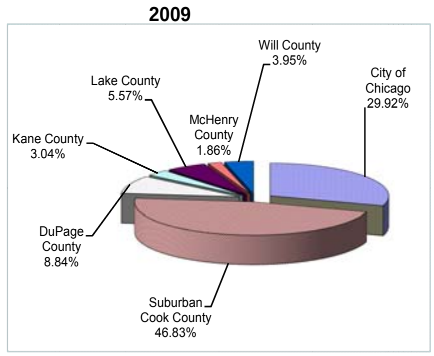
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/00	$ 402,126	$ 184,559	$ 71,772	$ 658,457	$ 38,759	$ 102,806	$ 108,546	$ 908,568
Percentage of Total	44.26%	20.31%	7.90%	72.47%	4.27%	11.32%	11.94%	100%
12 Months Ended 12/31/01	419,005	230,343	75,002	724,350	39,531	201,548	124,952	1,090,381
Percentage of Total	38.43%	21.13%	6.88%	66.44%	3.63%	18.48%	11.45%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	147,086	1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.37%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%

Table 3

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 12/31/00	$199,056	$354,307	$42,741	$11,589	$23,985	$6,942	$11,664	$650,284
Percentage of Total	30.62%	54.48%	6.57%	1.78%	3.69%	1.07%	1.79%	100%
12 Months Ended 12/31/01	197,370	357,522	42,498	11,796	25,017	7,122	12,197	653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	219,093	533,095	75,587	25,908	47,143	15,700	33,091	949,617
Percentage of Total	28.24%	46.31%	9.74%	3.34%	6.08%	2.02%	4.27%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%

LEGAL DEBT CAPACITY

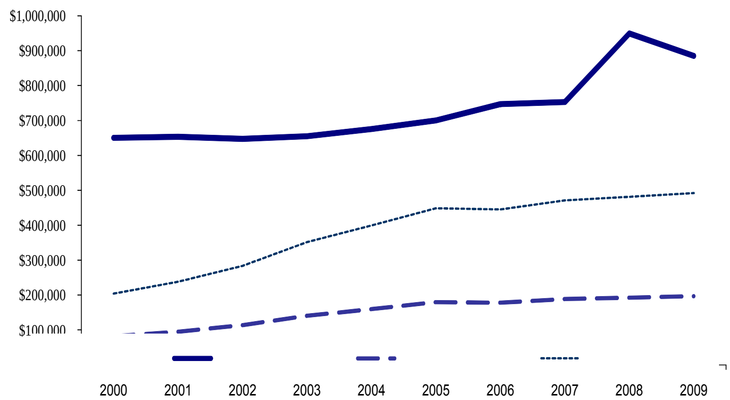
2009

Legal Debt Margin:		Balance Outstanding at December 31, 2009	Issued	
Debt Limitation per Act for General Obligations				$2,600,000,000
Debt applicable to limitation :				
Non-SCIP Bonds:				
1990A	General Obligation Bonds	$60,795,000		
1991A	General Obligation Bonds	55,745,000		
1992B	General Obligation Bonds	3,560,000		
1994B	General Obligation Bonds	7,095,000		
1994D	General Obligation Bonds	29,225,000		
1997	General Obligation Refunding Bonds	60,800,000		
2002B	General Obligation Bonds	133,635,000		
2003B	General Obligation Bonds	137,180,000		
2005B	General Obligation Refunding Bonds	132,770,000		
Total RTA Bonds Applicable to Limitation		$620,805,000		(620,805,000)
SCIP Bonds:				
1992A	General Obligation Bonds	$22,305,000	$188,000,000	
1993A	General Obligation Bonds		55,000,000	
1994A	General Obligation Bonds	17,300,000	195,000,000	
1994C	General Obligation Bonds	27,060,000	62,000,000	
1999	General Obligation Refunding Bonds	266,775,000		
2000	General Obligation Bonds	224,790,000	260,000,000	
2001A	General Obligation Bonds	86,650,000	100,000,000	
2001B	General Obligation Refunding Bonds	29,800,000		
2002A	General Obligation Bonds	141,940,000	160,000,000	
2003A	General Obligation Bonds	237,630,000	260,000,000	
2004A	General Obligation Bonds	241,775,000	260,000,000	
2006A	General Obligation Bonds	242,290,000	250,350,000	
Total SCIP Bonds Applicable to Limitation			$1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding		$1,538,315,000		
Total Bonds Outstanding		$2,159,120,000		
Debt Margin for General Obligations				$188,845,000
Debt Limitation per Act for Working Cash Notes				$400,000,000
Total RTA Working Cash Notes Applicable to Limitation		$260,000,000	$260,000,000	(260,000,000)
Debt Margin for Working Cash Notes				$140,000,000
Total Legal Debt Margin				$328,845,000

Table 5

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2000 - 2009
(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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sales Tax Revenue	$ 650,284	$ 653,522	$ 647,685	$ 654,985	$ 675,628	$ 700,395	$ 746,828	$ 752,922	$ 949,617	$ 894,238
Debt Service Requirement	$ 81,676	$ 95,187	$ 113,526	$ 140,607	$ 159,702	$ 179,536	$ 178,086	$ 188,551	$ 192,555	$ 196,845
2.5 Times Debt Service Requirement	$204,190	$237,968	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$492,112

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.

Table 6

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

Last Ten Years *(In Thousands)*

Year	Debt Service Requirements: Principal	Debt Service Requirements: Interest	Debt Service Requirements: Total	Total Expenditures	Ratio of Debt Service to Total Expenditures
2000	$ 22,949	$ 58,727	$ 81,676	$ 908,568	8.99%
2001	19,805	75,382	95,187	1,090,381	8.73%
2002	27,262	86,264	113,526	1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	128,390	196,845	1,434,457	13.72%

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

Sections 5309, 5307, 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
2000	$ 336.65	$ 177.17	$ 132.89	$ 26.59
2001	355.47	184.46	145.75	25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
Total	$ 4,969.89	$ 2,848.93	$ 1,733.54	$ 387.42

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

Table 8

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2009

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,190 rapid transit cars
- 202.6 million riders per year
- 1,158 STO* positions

Motor Bus

- 150 bus routes
- 2,077 buses
- 318.7 million riders per year
- 4,341 STO* positions

Other

- 1.2 billion passenger rail miles per year
- 12.4 million rail miles per year
- 739.3 million passenger miles per year
- 69.4 million vehicle miles per year
- 5,001 without STO* Postions

*STO is Scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.

*Metra Commuter Rail Division

- 487.7 route miles
- 1,155 miles of track
- 240 stations
- 146 locomotives
- 841 passenger cars
- 171 electric cars
- 702 weekly trains operated
- 95.7% on-time performance
- 82.3 million riders per year
- 4,429 full-time employees

Other

- 1.7 billion passenger miles per year
- 45.1 million vehicle miles per year

**All data excludes NICTD South Shore*

Pace Suburban Bus Division

Fixed Route

- 149 regular routes
- 46 feeder routes
- 17 shuttle routes
- 629 vehicles in use during peak periods

  34.6 million riders per year
- 6 seasonal routes
- 712 Pace-owed busses
- 1,584 full-time employees

Paratransit**

- 173 Pace owned lift-equipped buses in service
- 2.8 millions of riders per year
- 29 full-time employees

Dial-A-Ride**

- 61 local services
- 203 Pace owned lift-equipped buses in service
- 222 communities served
- 1.2 millions of riders per year
- 7.8 million passenger miles per year
- 5.8 million vehicle miles per year

Other

- 643 vanpools in operation
- 1.8 million riders for the year
- 21.7 million passenger miles per year
- 31.1 million vehicle miles per year

**Prior to 2008 ADA Paratransit and Dial-A-Ride were combined.

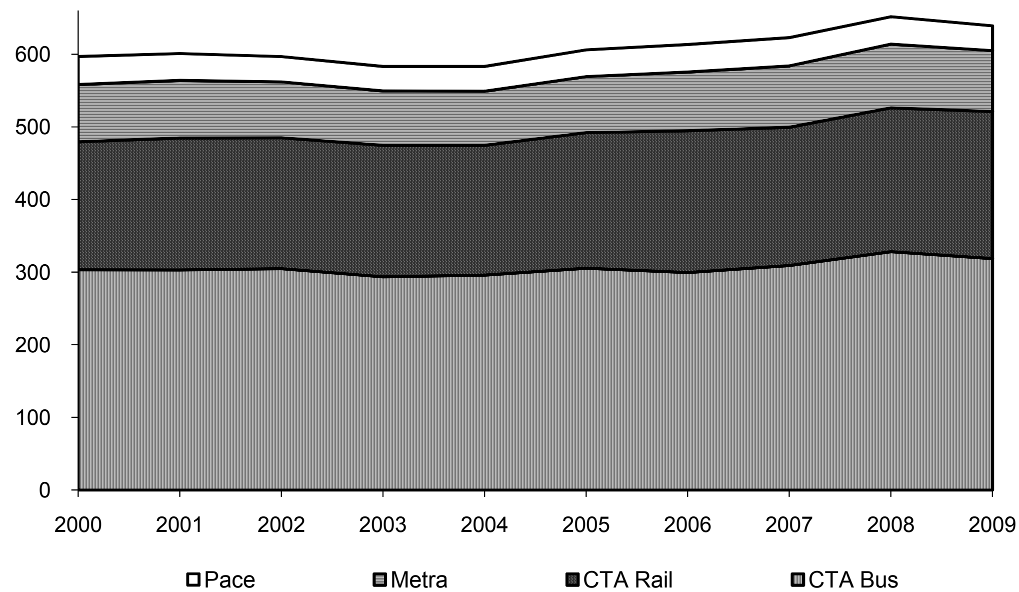
Source of data: Information obtained from the Service Boards' and RTA records.

Table 9

2000-2009

(In Millions)

SYSTEM RIDERSHIP
UNLINKED PASSENGER TRIPS



Last Ten Years *(In Millions)*

Service Consumed:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CTA - Bus	303.3	303.1	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7
CTA - Rail	176.3	181.7	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6
Total CTA*	479.6	484.8	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.2
Metra	78.8	79.2	76.8	74.8	74.4	77.0	80.8	84.4	87.7	83.7
Pace**	38.6	37.0	34.8	33.7	34.1	36.9	38.0	39.0	37.8	34.2
System Total	597.0	601.0	596.8	583.2	583.2	606.2	613.6	623.0	651.8	639.1
Percent Change	2.31%	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%	4.62%	-1.95%

CTA Stat amounts include rail-to-rail transfers.

*****PACE 2007 Stat amount includes ADA Paratransit rides.***

Source of data: Information obtained from the National Transit Database.

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

The following is a summary of the financial results, as reported to the Service Boards, of each transportation agency, which had a purchase of service agreement with a Service Board or received financial grants or financial assistance from a Service Board during 2009.

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 80,010	$ 179,631	$ (99,621)	$ 99,621	$ -
Burlington Northern/Santa Fe	47,800	63,329	(15,530)	15,530	-
Northern Indiana Commuter Transportation District (NICTD)	4,191	8,561	(4,369)	4,369	-
Total Metra	$ 132,001	$ 251,521	$ (119,520)	$ 119,520	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 1,849	$ 3,466	$ (1,618)	$ 3,747	$ 1,899
Fixed Route - Private Contract Carriers	2,808	9,873	(7,065)	7,065	-
Total Fixed Route Service	4,656	13,339	(8,683)	10,812	1,899
Private Contract Carriers					
DAR Services	1,193	11,291	(10,098)	6,437	3,660
DAR and Stable Services	8,362	102,821	(94,459)	94,459	-
Total Private Contract Carriers	9,555	114,112	(104,557)	100,897	3,660
Paratransit - Municipal Carriers	445	5,354	(4,909)	1,086	3,823
Total Pace	$ 14,656	$ 132,805	$ (118,149)	$ 112,795	$ 9,382

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 481	$ 1,207	$ (726)	$ 1,327	$ 847
Village of Niles	566	1,412	(846)	1,571	1,005
Village of Downers Grove	412	458	(46)	458	46
Village of Schaumburg	390	390	-	392	2
Total	$ 1,849	$ 3,466	$ (1,618)	$ 3,747	$ 1,899
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$ 716	$ 3,165	$ (2,449)	$ 2,449	$ -
Colonial Coach Lines	74	597	(523)	523	-
First Student	1,691	4,030	(2,339)	2,339	-
First Transit	27	491	(463)	463	-
Keeshin - Coach USA	79	223	(145)	145	
M V Transportation	195	1,313	(1,119)	1,119	
Village of Schaumburg	26	53	(27)	27	-
Total	$ 2,808	$ 9,873	$ (7,065)	$ 7,065	$ -
Private Contract Carriers - Dial-a-Ride Services					
Addison	$ 2	$ 56	$ (54)	$ 8	$ 46
Barrington	2	74	(71)	34	37
Bloomingdale Township	29	414	(385)	285	100
Central Lake	8	127	(119)	87	32
Central Will	81	659	(578)	450	127
Community Service Transit	114	81	33	(33)	-
Downers Grove	17	143	(126)	93	33
Dupage County	5	57	(52)	52	-
Dupage Township	9	140	(132)	96	35
Elk Grove	27	336	(309)	74	236
Freemont Township	0	7	(7)	5	2
Hampshire Township	1	15	(14)	10	3
Hanover Township	0	59	(59)	59	-
Hometown	1	26	(25)	2	23
Joliet Call in and Ride	11	155	(144)	144	-
Lake -Call in and Ride	0	16	(16)	16	
Leyden Township	19	179	(160)	33	127
Marengo	3	67	(64)	64	-
McHenry Township	62	1,144	(1,082)	556	527
Milton Township	20	143	(123)	109	14
N. Suburban Cook	1	71	(69)	69	-
Naperville/Lisle	150	905	(755)	491	264
Northeast Lake-Warren	20	407	(387)	364	22
Northeast Lake-Zion	2	42	(41)	30	11
Northwest Lake	19	281	(262)	262	-
Pioneer Center	33	286	(252)	252	-
Northwest Suburban Cook	18	168	(151)	151	-
Ride DuPage	201	1,664	(1,462)	471	991
Ride In Kane	291	2,874	(2,584)	1,904	680
South Cook	0	0	(0)	0	-

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Private Contract Carries - Dial - a- Ride Services, continued					
Southwest Lake-Cuba	$ 1	$ 6	$ (5)	$ 4	$ 1
Southwest Lake-Wauconda	4	30	(26)	20	7
Southwest Will	1	18	(17)	13	5
Village of Bloomingdale	2	24	(22)	5	17
Village of Skokie/West Cook	-	208	(208)	23	186
Wayne Township	5	95	(90)	67	23
Woodstock	35	312	(277)	167	110
Total	$ 1,193	$ 11,291	$ (10,098)	$ 6,437	$ 3,660
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
DuPage County	$ 87	$ 1,151	$ (1,064)	$ 1,064	$ -
Kane County	50	576	(526)	526	-
North Suburban Cook	522	5,732	(5,210)	5,210	-
Northeastern/Central Lake	127	1,198	(1,070)	1,070	-
South Cook	561	6,436	(5,875)	5,875	-
Chicago ADA	6,759	85,255	(78,497)	78,497	-
Southwest/Central Will	43	597	(554)	554	-
West Cook	213	1,876	(1,663)	1,663	-
Total	$ 8,362	$ 102,821	$ (94,459)	$ 94,459	$ -
Paratransit - Municipal Carriers					
Bensenville	$ 21	$ 249	$ (228)	$ 41	$ 187
Bloom	23	332	(310)	65	244
Crestwood	7	92	(85)	19	66
Ela	11	148	(137)	29	108
Forest Park	17	162	(144)	40	104
Fox Lake/Grant	2	6	(4)	2	2
Frankfort	26	168	(142)	31	111
Harvard	4	26	(22)	9	13
Lemont	7	71	(64)	16	48
Lyons	15	302	(287)	41	246
Norridge	12	84	(72)	35	37
Oak Park	37	355	(318)	96	222

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Paratransit - Municipal Carriers, continued					
Orland Park	$ 21	$ 406	$ (384)	$ 56	$ 328
Palatine	15	229	(214)	30	183
Palos Hills	10	79	(69)	19	51
Park Forest	22	115	(93)	57	36
Peotone	29	291	(263)	75	188
Rich Township	45	520	(475)	80	395
Schaumburg	78	1,032	(954)	216	738
Stickney	22	304	(283)	61	222
Tinley Park	10	79	(69)	27	42
Vernon Township	5	120	(115)	13	103
Worth	8	183	(175)	25	149
Total	$ 445	$ 5,354	$ (4,909)	$ 1,086	$ 3,823

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 W. Jackson Blvd, Ste. 1550
Chicago, Illinois 60604
312-913-3200
www.RTAchicago.com

RTA Customer Service
165 N. Jefferson St.
Chicago, Illinois 60661
312-913-3110

Community Outreach
312-913-3237

RTA ADA Certification Helpline
Voice 312-663- 4357
TTY 312-913-3122

Travel Information Center and RTA Reduced Fare Card
Call 836-7000 from any area code in the six-county region
TTY 312-836-4949
www.RTAchicago.com

RTA Transit Benefit Program
800-531-2828
www.LessTaxingCommute.com

Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
1-888-968-7282
www.transitchicago.com

Metra
547 W. Jackson Blvd.
Chicago, Illinois 60661
312-322-6777
www.metrarail.com

Pace
550 W. Algonquin Rd.
Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com