

*In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the 2025A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2025A Bonds, and is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax. Interest on the 2025A Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" and Appendix G herein.*



**\$130,000,000**  
**REGIONAL TRANSPORTATION AUTHORITY**  
**Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois**  
**General Obligation Bonds, Series 2025A**

**Dated: Date of Delivery**

**Due: June 1, as shown on inside cover**

The General Obligation Bonds, Series 2025A (the "Series 2025A Bonds"), will be issued by the Regional Transportation Authority (the "Authority") only as fully registered bonds without coupons and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2025A Bonds. Individual purchases will be made in global book-entry form, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical certificates representing their interests in the Series 2025A Bonds. Principal of, premium, if any, and interest (payable December 1, 2025, and semiannually thereafter on June 1 and December 1 of each year) on the Series 2025A Bonds are payable by U.S. Bank Trust Company, National Association, Chicago, Illinois, or any successor or assign, as trustee (the "Trustee"), to DTC, which will remit such principal, premium, if any, and interest to DTC Participants, who in turn will be responsible for remitting such payments to the Beneficial Owners of the Series 2025A Bonds, as described herein. The Series 2025A Bonds are subject to optional and mandatory redemption prior to maturity, as described herein.

The Series 2025A Bonds are being issued by the Authority to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities constituting the RTA's Capital Program, as amended from time to time, authorized under the Regional Transportation Authority Act and to pay Costs of Issuance of the Series 2025A Bonds. The Series 2025A Bonds are general obligations of the Authority to which its full faith and credit are pledged. The General Ordinance (as defined herein) authorizing the Series 2025A Bonds provides for the assignment and direct payment to the Trustee of the Sales Tax Revenues and Public Transportation Fund Revenues to secure payment of principal of and interest on the Series 2025A Bonds and parity obligations. **The Authority does not have the power to levy *ad valorem* property taxes.**

The 2025A Bonds were sold at a competitive public sale on April 29, 2025, as described herein under the heading "UNDERWRITING."

This Official Statement has been prepared under the authority of the Board of Directors of the Authority. The Authority expects that the Series 2025A Bonds will be available for delivery through the facilities of DTC upon payment therefor on or about May 14, 2025.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement for information essential to the making of an informed investment decision.

Dated: April 29, 2025

## MATURITY SCHEDULE

### \$130,000,000 General Obligation Bonds, Series 2025A

The Series 2025A Bonds are dated their Date of Delivery.

| Maturity<br>(June 1) | Principal<br>Amount | Interest<br>Rate | Yield  | Price                | CUSIP*<br>(759911-) |
|----------------------|---------------------|------------------|--------|----------------------|---------------------|
| 2026                 | \$1,670,000         | 5.000%           | 3.150% | 101.899              | 5N6                 |
| 2027                 | 2,060,000           | 5.000%           | 3.190% | 103.557              | 5P1                 |
| 2028                 | 2,160,000           | 5.000%           | 3.220% | 105.125              | 5Q9                 |
| 2029                 | 2,270,000           | 5.000%           | 3.290% | 106.428              | 5R7                 |
| 2030                 | 2,385,000           | 5.000%           | 3.350% | 107.601              | 5S5                 |
| 2031                 | 2,505,000           | 5.000%           | 3.420% | 108.563              | 5T3                 |
| 2032                 | 2,630,000           | 5.000%           | 3.520% | 109.164              | 5U0                 |
| 2033                 | 2,760,000           | 5.000%           | 3.580% | 109.850              | 5V8                 |
| 2034                 | 2,895,000           | 5.000%           | 3.690% | 109.997              | 5W6                 |
| 2035                 | 3,040,000           | 5.000%           | 3.770% | 110.206              | 5X4                 |
| 2036                 | 3,195,000           | 5.000%           | 3.860% | 109.417 <sup>C</sup> | 5Y2                 |
| 2037                 | 3,355,000           | 5.000%           | 3.950% | 108.636 <sup>C</sup> | 5Z9                 |
| 2038                 | 3,520,000           | 5.000%           | 4.040% | 107.861 <sup>C</sup> | 6A3                 |
| 2039                 | 3,700,000           | 5.000%           | 4.110% | 107.263 <sup>C</sup> | 6B1                 |
| 2040                 | 3,885,000           | 5.000%           | 4.220% | 106.331 <sup>C</sup> | 6C9                 |
| 2041                 | 4,075,000           | 5.000%           | 4.310% | 105.576 <sup>C</sup> | 6D7                 |
| 2042                 | 4,280,000           | 5.000%           | 4.410% | 104.745 <sup>C</sup> | 6E5                 |
| 2043                 | 4,495,000           | 5.000%           | 4.490% | 104.085 <sup>C</sup> | 6F2                 |
| 2044                 | 4,720,000           | 5.000%           | 4.550% | 103.594 <sup>C</sup> | 6G0                 |
| 2045                 | 4,955,000           | 5.000%           | 4.610% | 103.105 <sup>C</sup> | 6H8                 |

#### Term Bonds

\$28,755,000 of Series 2025A Bonds at 5.00% due June 1, 2050, Yield 4.790%, Price 101.656<sup>C</sup>, CUSIP\* 6N5

\$36,690,000 of Series 2025A Bonds at 5.00% due June 1, 2055, Yield 4.870%, Price 101.020<sup>C</sup>, CUSIP\* 6T2

\* CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”) which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not service in any way as a substitute for the CGS database. The CUSIP numbers are provided for convenience of reference only. The Authority makes no representation with respect to such numbers and undertakes no responsibility for their accuracy now or at any time in the future.

<sup>C</sup> Yield to call at par, on June 1, 2035.

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## REGARDING THE USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson, or other person has been authorized by the Authority or the Underwriter to give any information or make any representations other than those contained in this Official Statement in connection with the offering of the Series 2025A Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority and from other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Service Boards since the date hereof or the date as of which particular information is given, if earlier.

This Official Statement must be considered in its entirety. The order and placement of materials in this Official Statement, including the Appendices are not deemed to be a determination of relevance, materiality, or importance of such materials. The captions and headings in this Official Statement are for convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this entire Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding matters to which reference is made. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities Exchange Commission ("*Rule 15c2-12*").

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Authority's beliefs as well as assumptions made by and information currently available to the Authority. Such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter may offer and sell the Series 2025A Bonds to certain dealers (including dealers depositing the Series 2025A Bonds into investment trusts) and others at prices lower than the initial offering prices or yields higher than the initial offering yields for the Series 2025A Bonds. Subsequent to the initial offering, the offering prices and yields for the Series 2025A Bonds may be changed from time to time by the Underwriter.

**THE SERIES 2025A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE GENERAL ORDINANCE OR THE SERIES ORDINANCE BEEN**

QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2025A BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2025A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2025A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION *INVESTORS* MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2025A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

For purposes of compliance with Rule 15c2-12, this document constitutes an official statement of the Authority with respect to the Series 2025A Bonds that has been deemed “final” by the Authority as of its date except for the information permitted to be omitted by Rule 15c2-12.

#### **FORWARD-LOOKING STATEMENTS**

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND “*FORWARD-LOOKING STATEMENTS*.” ALL FORWARD-LOOKING STATEMENTS ARE PREDICTIONS AND ARE SUBJECT TO KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES. NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS “*ESTIMATE*” “*PROJECT*” “*ANTICIPATE*” “*EXPECT*” “*INTEND*” “*BUDGET*” “*MAY*” “*BELIEVE*” OR SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. GIVEN THEIR UNCERTAINTY, INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH STATEMENTS.

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## OFFICIAL STATEMENT

**\$130,000,000**

**REGIONAL TRANSPORTATION AUTHORITY  
COOK, DUPAGE, KANE, LAKE, MCHENRY AND WILL COUNTIES, ILLINOIS  
GENERAL OBLIGATION BONDS, SERIES 2025A**

### INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and the Appendices, is to set forth certain information in connection with the issuance and sale by the Regional Transportation Authority (the “*Authority*”), a unit of local government existing under the Constitution and statutes of the State of Illinois (the “*State*”) of its \$130,000,000 General Obligation Bonds, Series 2025A (the “*Series 2025A Bonds*”). The Series 2025A Bonds are issued pursuant to the Bond and Note General Ordinance adopted by the Board of Directors of the Authority (the “*Board*”) on August 8, 1985, as supplemented and amended (the “*General Ordinance*”), and the Series Ordinance adopted by the Board on April 17, 2025 (the “*Series Ordinance*”).

The Authority was created by law enacted in 1973 and approved at a referendum held in Cook, DuPage, Kane, Lake, McHenry and Will Counties (the “*Region*”). Originally, the Authority was authorized both to operate service and to provide public subsidies to local government entities, principally the Chicago Transit Authority (the “*CTA*”) and private bus and rail carriers serving the Region. In 1983, the Act was amended to create three separate operating entities: the CTA, the Commuter Rail Division (“*Metra*”) and the Suburban Bus Division (“*Pace*” and together, with the CTA and Metra, each a “*Service Board*” and collectively, the “*Service Boards*”) to operate public transportation in the Region. The Authority was charged with allocating public funds as subsidies for the Service Boards and overseeing their financial performance and regional transit planning issues. Guiding the Authority’s oversight responsibility is a Board of Directors who approves an annual budget and two-year financial plan. The Board consists of 15 members and a chairman appointed from the six-county region. The Authority Board is also required annually to review and approve a five-year capital plan, which is a blueprint of the capital activities to be funded by the Authority and executed by the CTA, Metra and Pace. The Authority is the third largest public transportation system in the US, providing more than two million rides per workday.

The Series 2025A Bonds are general obligations of the Authority, whose full faith and credit has been pledged to the payment of the principal of and interest on the Series 2025A Bonds. The Series 2025A Bonds are secured by a first lien on, and security interest in all lawfully available Revenues (as hereinafter defined) and all other lawfully available funds received or held by the Authority. See “SECURITY FOR THE SERIES 2025A BONDS” herein. The Authority has the power to impose and cause to be collected, and has duly imposed, certain sales taxes (collectively, the “*Authority Sales Tax*”), as discussed below in the section captioned “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Sales Tax Revenues.” The Authority Sales Tax is collected by the State on behalf of the Authority and, together with portions of certain sales taxes imposed by the State and all Public Transportation Fund Revenues (as hereinafter defined), less 1.5% of the Authority Sales Tax, which is transferred on a monthly basis to the State Tax Compliance and Administration Fund for State use (see “SECURITY FOR THE SERIES 2025A BONDS - STATE FISCAL YEAR 2025 BUDGET IMPACT - Authority Sales Tax”) is paid by the State

to U.S. Bank Trust Company, National Association, St. Paul, Minnesota, or any successor or assign, as trustee (the “Trustee”), for deposit in the Debt Service Fund (as hereinafter defined) established to provide for payment of principal of and interest on the Series 2025A Bonds and other Authority Obligations (as hereinafter defined). **The Series 2025A Bonds are not secured by the Debt Service Reserve Fund.**

**The Authority does not have the power to levy *ad valorem* property taxes.**

The Series 2025A Bonds are being issued on a parity with the Authority’s Outstanding Bonds and Additional Authority Obligations which may be issued in the future. See “SECURITY FOR THE SERIES 2025A BONDS - INDEBTEDNESS OF THE AUTHORITY - Additional Authority Obligations.”

Certain factors that may affect an investment decision concerning the Series 2025A Bonds are described throughout this Official Statement, including descriptions of the Authority’s financial results and projected financial results and the security for the Series 2025A Bonds. Persons considering a purchase of the Series 2025A Bonds should read this Official Statement in its entirety.

Certain capitalized terms used in this Official Statement are defined in APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE AND THE SERIES ORDINANCE.”

## **THE SERIES 2025A BONDS**

### **AUTHORITY**

The Series 2025A Bonds are being issued pursuant to the Regional Transportation Authority Act, 70 Illinois Compiled Statutes 3615 (the “Act”), the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the “Debt Reform Act”), the General Ordinance and the Series Ordinance.

### **PURPOSE**

The proceeds of the Series 2025A Bonds will be used to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities constituting the RTA’s Capital Program, as amended from time to time, authorized under the Act (the “Project”) and to pay Costs of Issuance of the Series 2025A Bonds. See “CAPITAL PROGRAM.”

### **GENERAL**

The Series 2025A Bonds are issuable as fully registered bonds each in the denomination of \$5,000 or any integral multiple thereof. The Series 2025A Bonds will be dated the date of delivery and will bear interest at the rates and mature on the dates and in the amounts specified by the successful bidder. Interest shall be payable semi-annually on each June 1 and December 1 commencing on December 1, 2025, until maturity or prior redemption. Interest on the Series 2025A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The record date for each payment of interest on the Series 2025A Bonds shall be the fifteenth day of the calendar month next preceding the interest payment date (the “Record Date”). Neither the

Authority nor the Trustee shall be obligated to make any exchange or transfer of the Series 2025A Bonds during the period from any Record Date to the next interest payment date on the Series 2025A Bonds.

#### CAPITAL ASSETS FUND

The General Ordinance establishes the Capital Assets Fund. All proceeds received upon the issuance of the Series 2025A Bonds (other than amounts to be deposited in the 2025A Expense Account to pay Costs of Issuance of the Series 2025A Bonds) will be deposited in a separate account in the Capital Assets Fund designated as the Series 2025A Bonds Capital Assets Account (the “2025A Capital Assets Account”) established pursuant to the 2025A Series Ordinance. All funds in the 2025A Capital Assets Account will be held by the Trustee and (a) paid out on the order of an Authorized Officer (which shall include the Executive Director and Chief Financial officer of the Authority) (i) for the purposes of paying or reimbursing costs of the Project, or (ii) to the extent permitted by law, the General Ordinance and any other Ordinance of the Authority, for the purpose of making any payments under any contract entered into pursuant to the Bond Authorization Act of the State, as amended, or (b) transferred on the order of an Authorized Officer to the Debt Service Fund for the payment of the principal of and interest on the Series 2025A Bonds and other Outstanding Authority Obligations. See “CAPITAL PROGRAM.”

#### REGISTRATION

The Series 2025A Bonds will be issued only as fully registered bonds without coupons and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). See APPENDIX F - “CERTAIN PROVISIONS RELATING TO GLOBAL BOOK-ENTRY ONLY SYSTEM.”

#### REDEMPTION

##### *Optional Redemption*

The Series 2025A Bonds maturing on and after June 1, 2036 are subject to redemption prior to maturity at the option of the Authority, in whole or in part on any date on and after June 1, 2035, and if in part, from such maturity or maturities as the Authority may determine, and if less than an entire maturity, in integral multiples of \$5,000 selected by the Trustee as provided in the General Ordinance, at the redemption price of par, plus accrued interest to the redemption date.

##### *Mandatory Redemption*

The Series 2025A Bonds include term bonds maturing June 1 of the years 2050 and 2055 (as set forth on the inside cover hereof) (“2025A Term Bonds”). The 2025A Term Bonds are subject to mandatory sinking fund redemption prior to maturity, on June 1 of the years and in the principal amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

2025A Term Bond due June 1, 2050

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2046        | \$5,205,000   |
| 2047        | \$5,465,000   |
| 2048        | \$5,735,000   |
| 2049        | \$6,025,000   |
| 2050*       | \$6,325,000   |

\*Final Maturity

2025A Term Bond due June 1, 2055

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2051        | \$6,640,000   |
| 2052        | \$6,975,000   |
| 2053        | \$7,320,000   |
| 2054        | \$7,685,000   |
| 2055*       | \$8,070,000   |

\*Final Maturity

The principal amounts of Series 2025A Bonds to be mandatorily redeemed may be reduced through the earlier optional redemption of Series 2025A Bonds, with any partial optional redemptions of Series 2025A Bonds credited against future Sinking Fund Installments in such order of the sinking fund payment dates as the Authority may determine, or, if no such determination is made, in the inverse order of future sinking fund payment dates.

The Authority may direct the Trustee to purchase Series 2025A Bonds with funds on hand in the Series 2025A Bonds Account as authorized by the General Ordinance. The principal amount of the Series 2025A Bonds so purchased shall be applied against the Sinking Fund Installments for the Series 2025A Bonds in such order of the sinking fund payment dates as the Authority may determine, or, if no such determination is made, in the inverse order of future sinking fund payment dates.

*Redemption Procedures*

In the event of the redemption of less than all of the Series 2025A Bonds of a particular maturity, the Trustee will select by lot from such maturity, using such method as it deems proper (based on units of \$5,000 principal amount), the Series 2025A Bonds of that series or portions thereof that are to be redeemed.

Upon any redemption thereof, the Trustee is required to give notice to the Holders of those Series 2025A Bonds which are to be redeemed in whole or in part. Such notice is to be mailed by first class mail, postage prepaid, not less than thirty days nor more than sixty days prior to the redemption date and will specify those Series 2025A Bonds which are subject to redemption, the principal amount to be redeemed, the Redemption Price, the redemption date and the place where the Redemption Price will be payable and shall state that from and after the redemption date, interest on such Series 2025A Bonds will cease to accrue and be payable.

With respect to any optional redemption of the Series 2025A Bonds, unless moneys sufficient to pay the principal of, and premium, if any, and interest on the Series 2025A Bonds to be redeemed has been received by the Trustee prior to the giving of such notice of redemption, such notice will state that said redemption is conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the Trustee will not redeem such Series 2025A Bonds, the redemption price will not be due and payable and the Trustee will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2025A Bonds will not be redeemed and that the failure to redeem such Series 2025A Bonds will not constitute an Event of Default hereunder or under the General Ordinance. Moneys need not be on deposit with the Trustee prior to the mailing of the notice of redemption of the Series 2025A Bonds pursuant to the provisions of the General Ordinance and the Series Ordinance.

### **ESTIMATED SOURCES AND USES OF FUNDS**

Proceeds of the Series 2025A Bonds are expected to be applied substantially as set forth below:

*Sources:*

|                               |                  |
|-------------------------------|------------------|
| Principal Amount              | \$130,000,000.00 |
| Net Original Issue Premium    | 5,039,619.45     |
| <i>Total Sources of Funds</i> | 135,039,619.45   |

*Uses:*

|  |                  |
|--|------------------|
| Deposit to Series 2025A Capital Assets Account | \$134,412,649.49 |
| Costs of Issuance <sup>(1)</sup>               | 626,969.96       |
| <i>Total Uses of Funds</i>                     | 135,039,619.45   |

(1) Includes: underwriter’s discount; rating agency, legal, financial advisory and trustee fees and expenses; and printing and other costs relating to the issuance of the Series 2025A Bonds.

### **SECURITY FOR THE SERIES 2025A BONDS**

#### SECURITY AND SOURCES OF PAYMENT

The Series 2025A Bonds are general obligations of the Authority to the payment of which the full faith and credit of the Authority are pledged.

The Series 2025A Bonds, together with the Outstanding Bonds and any other notes or bonds that may be issued on a parity therewith (collectively, the “*Authority Obligations*”), are payable from all lawfully available Revenues (as defined below) and all other lawfully available funds received or held by the Authority.

The Series 2025A Bonds and other Authority Obligations are not payable from Additional State Assistance or Additional Financial Assistance (each as hereinafter defined and referred to herein collectively as “*State Assistance*”), amounts in the Authority’s Joint Self-Insurance Fund or

amounts required to be held or used with respect to Separate Ordinance Obligations. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES.”

**The Authority does not have the power to levy *ad valorem* property taxes.**

The Series 2025A Bonds and other Authority Obligations are secured by an assignment of and lien on Sales Tax Revenues and Public Transportation Fund Revenues (each as hereinafter defined). Sales Tax Revenues are collected by the State of Illinois Department of Revenue (the “*Department of Revenue*”) and paid directly to the Trustee by the State Treasurer for deposit in the Debt Service Fund. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Sales Tax Revenues.” Public Transportation Fund Revenues are subject to a continuing appropriation by the Illinois General Assembly, and are paid directly to the Trustee by the State Treasurer for deposit in the Debt Service Fund. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Public Transportation Fund Revenues.”

All Sales Tax Revenues and Public Transportation Fund Revenues paid directly to the Trustee by the State Treasurer are deposited directly into the Debt Service Fund, from which the Trustee shall make deposits, pursuant to the General Ordinance, *first*, to each of the respective accounts established within the Debt Service Fund for each series of Outstanding Authority Obligations, as required, to meet the monthly debt service requirements for such account, *second*, to the applicable Rebate Accounts, as required, to meet rebate obligations to the United States of America of the respective series of Outstanding Authority Obligations, *third*, to the applicable accounts within the Debt Service Reserve Fund, as required, to meet the Reserve Requirement with respect to the applicable series of Outstanding Authority Obligations and *fourth*, to the Authority. See “APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE AND THE SERIES ORDINANCE - Establishment of Accounts in Debt Service Fund.”

“*Revenues*” means all Sales Tax Revenues, all Public Transportation Fund Revenues, all amounts received from other taxes as are or shall be imposed by the Authority, all other receipts, revenues or funds granted, paid, appropriated or otherwise disbursed to the Authority from the State or any department or agency of the State or any unit of local government or the federal government or from any other source, for the purpose of carrying out the Authority’s responsibilities, purposes and powers, all revenues and receipts derived from the Authority’s operations (including interest and other investment income) and any other revenues or receipts of the Authority. Revenues, however, shall not include State Assistance, amounts in or payments to the Authority from the Service Boards for deposit in the Authority’s Joint Self-Insurance Fund, or any Secured Government Payments or receipts from any *ad valorem* real property taxes levied on behalf of the Authority, to the extent such Secured Government Payments or tax receipts have been assigned or pledged by the Authority to a trustee for the purpose of paying principal, redemption price or purchase price of or interest on Separate Ordinance Obligations, or for the purpose of reimbursing a provider of a Credit Support Instrument or Reserve Fund Credit Instrument or reinstating coverage under such an instrument in respect of Separate Ordinance Obligations for payment made under such an instrument, or investment earnings on amounts held by such a trustee to pay debt service on or to secure Separate Ordinance Obligations. See “SECURITY FOR THE SERIES 2025A BONDS - INDEBTEDNESS OF THE AUTHORITY.”

“*Sales Tax Revenues*” means all tax receipts received by or on behalf of the Authority from the Authority Sales Tax or any taxes imposed (including by the State) in lieu of those taxes. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Sales Tax Revenues.”

“*Public Transportation Fund Revenues*” means the amounts paid to or on behalf of the Authority from the Public Transportation Fund in the Treasury of the State, but shall not include State Assistance. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Public Transportation Fund Revenues.”

#### DEBT SERVICE FUND

The General Ordinance creates a Debt Service Fund to be maintained by the Trustee and used to pay debt service on the Series 2025A Bonds and other Outstanding Authority Obligations. Separate accounts in the Debt Service Fund are required to be established for each series of obligations. If the required deposits to the Debt Service Fund are not made in any month, the Authority immediately shall deposit with the Trustee from all moneys on hand or available to the Authority from which Authority Obligations are payable an amount sufficient to make up the deficiency. The Series Ordinance establishes the Series 2025A Bonds Account (the “*Series 2025A Bonds Account*”) and a monthly deposit requirement for the Series 2025A Bonds in the Series 2025A Bonds Account as further described in APPENDIX E hereto.

#### DEBT SERVICE RESERVE FUND

The General Ordinance establishes a Debt Service Reserve Fund to be maintained by the Trustee as additional security for Bonds issued under the General Ordinance. The Authority may create separate accounts in the Debt Service Reserve Fund relating to particular series of Bonds. **A Series 2025A Bonds Debt Service Reserve Fund Account has not been established by the Series 2025A Ordinance. Holders of Bonds of a particular series have no claim against any Debt Service Reserve Fund Account securing another series of Outstanding Bonds.**

In connection with the issuance of any series of Bonds, the General Ordinance requires an amount, if any, to be deposited in the Debt Service Reserve Fund Account securing such series of Bonds so that the value of such Account at least equals the Reserve Requirement for such Account calculated immediately after the delivery of such series of Bonds. Each month, the Trustee is required to pay to and deposit in each Debt Service Reserve Fund Account, if the amount on deposit in such Account is less than the Reserve Requirement for such Account, all amounts in the Debt Service Fund in excess of the amounts required to be on deposit in the Debt Service Fund. See “SECURITY FOR THE SERIES 2025A BONDS - DEBT SERVICE FUND.” If in any month, after the required deposits to the Debt Service Fund (other than to any Rebate Accounts) have been made, and any transfers from the Debt Service Fund to the Debt Service Reserve Fund have been made (as described in the preceding sentence), the value of any Account in the Debt Service Reserve Fund is less than the Reserve Requirement for such Account, the Authority is required immediately to deposit with the Trustee any and all other money which it has on hand and is lawfully available to make up the deficiency. Transfers or deposits to the Debt Service Reserve Fund shall be made proportionately to the respective Accounts therein on the basis of the amount of the deficiency in each Account prior to any such transfer or deposit.

The General Ordinance provides that all or any part of the Reserve Requirement for any Debt Service Reserve Account may be met by the deposit with the Trustee of a non-cancelable insurance policy, a non-cancelable surety bond or an irrevocable letter of credit which may be delivered to the Trustee in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Fund (a “*Reserve Fund Credit Instrument*”). The General Ordinance also provides that the Authority may deposit a portion of the proceeds of the Bonds and other lawfully available money of the Authority in any Debt Service Reserve Fund Account rather than purchasing a Reserve Fund Credit Instrument. See APPENDIX E - “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE AND THE SERIES ORDINANCE - DEBT SERVICE RESERVE FUND.”

Reserve Fund Credit Instruments provided by Ambac Assurance Corporation (“*AMBAC*”), Financial Guaranty Insurance Company (“*Financial Guaranty*” or “*FGIC*”), MBIA Insurance Corporation (“*MBIA*”), Financial Security Assurance Inc. (“*FSA*”) or Assured Guaranty Corp. (“*Assured Guaranty*”) (each a “*Credit Provider*”) are held in the Debt Service Reserve Accounts as listed in the below Debt Service Reserve Fund Credit Instruments table. The Reserve Fund Credit Instruments provided by FGIC were subsequently transferred through a novation agreement to National Public Finance Guarantee Corporation (“*National*”). FSA was subsequently acquired by Assured Guaranty and renamed Assured Guaranty Municipal Corp (“*AGM*”). The Reserve Requirements for the Series 2010B, Series 2016A, and Series 2017A Debt Service Reserve Accounts are funded, in whole or in part, by cash deposits. Each Reserve Fund Credit Instrument was fully qualified for deposit in the Debt Service Reserve Fund on the date of such deposit.

The Authority makes no representation as to the current financial condition of any Credit Provider nor does it perform any on-going evaluation of the financial condition of any Credit Provider. Set forth in the following table is the Credit Instrument Coverage amount for each Debt Service Reserve Account satisfied in full or in part by a Reserve Fund Credit Instrument.

**DEBT SERVICE RESERVE FUND CREDIT INSTRUMENTS**

| <b>Account</b> | <b>Credit Instrument Coverage</b> | <b>Credit Provider</b> |
|----------------|-----------------------------------|------------------------|
| Series 1999    | 29,872,500                        | FSA <sup>(1)</sup>     |
| Series 2000A   | 19,920,033                        | MBIA                   |
| Series 2001A   | 7,228,281                         | FGIC <sup>(2)</sup>    |
| Series 2002A   | 11,566,188                        | MBIA                   |
| Series 2003A   | 18,676,093                        | FGIC <sup>(2)</sup>    |
| Series 2003B   | 10,596,325                        | MBIA                   |
| Series 2004A   | 18,315,038                        | FSA <sup>(1)</sup>     |
| Series 2005B   | 14,811,000                        | Assured Guaranty       |

(1) In 2009, FSA was acquired by Assured Guaranty.

(2) Pursuant to a novation agreement in 2012 between FGIC and National Public Finance Guarantee Corporation (“NPFGC”) (formerly MBIA), FGIC transferred all obligations to NPFGC.

## REBATE ACCOUNT

The General Ordinance establishes in the Debt Service Fund a separate Rebate Account with respect to each series of Authority Obligations issued after November 1, 1986. The General Ordinance requires that there be deposited in the Debt Service Fund to the credit of the Rebate Accounts, after there are no deficiencies in any of the other Accounts in the Debt Service Fund or the Debt Service Reserve Fund, the amounts as shall be required to be held available for rebate to the United States of America with respect to each series of Authority Obligations. The amounts to be held available will be determined from time to time by the Authority.

## INDEBTEDNESS OF THE AUTHORITY

The Authority is authorized under the Act (i) to issue up to \$1.8 billion of bonds to finance public transportation projects (“*SCIP Bonds*”) which have been approved to receive Additional State Assistance (“*ASA*”) and Additional Financial Assistance (“*AFA*”) by the Governor of the State as part of the Authority’s Strategic Capital Improvement Program (“*SCIP Program*”) (See “STATE ASSISTANCE”), of which authorization \$9,650,000 remains available with no expiration, (ii) to issue and have outstanding from time to time \$800 million of notes and bonds for public transportation projects not part of the SCIP Program (the “*non-SCIP Bonds*”) for which the Authority is responsible for paying all of the debt service on with no financial assistance from the State and (iii) to issue and have outstanding from time to time up to \$100 million of short term working cash notes that are permitted to be issued in anticipation of tax receipts or other Authority revenue in order to provide money for the Authority or the Service Boards to cover anticipated cash flow deficits.

Upon the delivery of the Series 2025A Bonds, the Authority will have \$600,250,000 of SCIP Bonds and \$598,210,000 of non-SCIP Bonds Outstanding. Currently, the Authority has no SCIP Bonds Outstanding or non-SCIP Bonds Outstanding that bear interest at a variable rate, other than the Series 2005B Bonds.

The table below sets forth a list of the Outstanding Authority Obligations and the Principal Amount Outstanding as of March 1, 2025:

## OUTSTANDING AUTHORITY OBLIGATIONS

| Obligations         | Outstanding<br>Principal Amount | Type     |
|---------------------|---------------------------------|----------|
| Series 1999         | \$4,220,000                     | SCIP     |
| Series 2000A        | 94,990,000                      | SCIP     |
| Series 2001A        | 39,450,000                      | SCIP     |
| Series 2002A        | 70,785,000                      | SCIP     |
| Series 2003A        | 124,855,000                     | SCIP     |
| Series 2003B        | 72,075,000                      | non-SCIP |
| Series 2004A        | 134,940,000                     | SCIP     |
| Series 2005B        | 10,105,000                      | non-SCIP |
| Series 2010B (BABs) | 98,900,000                      | non-SCIP |
| Series 2016A        | 81,610,000                      | non-SCIP |
| Series 2017A        | 131,010,000                     | SCIP     |
| Series 2018B        | 124,860,000                     | non-SCIP |
| Series 2021A        | 80,660,000                      | non-SCIP |
| Series 2025A        | 130,000,000                     | non-SCIP |
| Total               | 1,198,460,000                   |          |

In June 2009, the Authority remarketed \$132,770,000 of its outstanding Series 2005B Bonds as Extendible Reset Securities (“ERS”) which are currently outstanding in the principal amount of \$10,105,000. The ERS bear interest at a variable rate, currently reset monthly. Each month the holder may decide not to retain the ERS, in which case they will be remarketed. The ERS are not secured by any credit or liquidity support. If there is a failure to remarket the ERS the holder is required to hold the ERS at a premium for up to 9 months, after which the Authority will be obligated to purchase the ERS (the “ERS Mandatory Purchase Date”). In such an event, not later than 90 days prior to the occurrence of the ERS Mandatory Purchase Date, the Authority has agreed to either issue obligations to refund the ERS that are subject to mandatory tender for purchase, provide a liquidity facility under which sufficient funds may be drawn in connection with such mandatory tender for purchase, or effect a mode change or period change in such manner as to provide sufficient remarketing proceeds to provide for payment of the purchase price of the applicable ERS upon such mandatory tender for purchase.

Under the Act, Authority Obligations, which include the Series 2025A Bonds, are superior to and have priority over all other obligations of the Authority, except Separate Ordinance Obligations that have a prior claim to Secured Government Payments (as hereinafter defined), or receipts of *ad valorem* property taxes levied on behalf of the Authority to the extent provided for under the Act and the authorizing ordinances establishing the Separate Ordinance Obligations. Currently, there are no Separate Ordinance Obligations outstanding.

*Additional Authority Obligations.* Under the General Ordinance, the Authority may issue Additional Authority Obligations from time to time for any lawful purpose, which Additional Authority Obligations shall be on a parity with Outstanding Bonds and the Series 2025A Bonds. Continued funding of the Authority’s capital program at recent levels will require the issuance of Additional Authority Obligations.

Generally, Additional Authority Obligations may be issued only if (i) there is no default in payment of Outstanding Authority Obligations or in making deposits to the Debt Service Fund, (ii) upon the issuance of Additional Authority Obligations which are Bonds, the value of each Account in the debt service reserve fund created pursuant to the General Ordinance for the benefit of such Bonds is not less than the Reserve Requirement (as such term is defined in the General Ordinance) for such Account, and (iii) the “Revenues test” is met.

The “Revenues test” is met if, at the date the contract is made to sell the Additional Authority Obligations, (a) Sales Tax Revenues equal or exceed 2.5 times the Maximum Annual Debt Service Requirements for the then current or any future twelve-month period ending April 30 for all Authority Obligations to be Outstanding upon the issuance of the Additional Authority Obligations, and (b) Sales Tax Revenues shall equal or exceed the Authority’s obligation to repay due and owing policy costs required pursuant to the Municipal Bond Debt Service Reserve Fund Policies deposited into the respective Debt Service Reserve Accounts to satisfy the Reserve Requirements for the Series 1999 Bonds, the Series 2000A Bonds, the Series 2001A Bonds, the Series 2002A Bonds, the Series 2003A Bonds, the Series 2003B Bonds, the Series 2004A Bonds, and the Series 2005B Bonds.

For purposes of the “Revenues test,” “Sales Tax Revenues” shall be an amount equal to one-half of the sales tax revenues for the most recently completed 24 months for which the Authority has financial statements available, shall be calculated consistent with generally accepted accounting principles and shall be evidenced either by an accountants’ certificate (or for months for which audited financial statements are not available by a certificate of an Authorized Officer of the Authority). See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Sales Tax Revenues.”

The Authority may, without meeting these tests, but only to the extent permitted by the Act, issue refunding Authority Obligations to avoid a default in payment of Authority Obligations or if the refunding results in deposit requirements in each Fiscal Year while any previously Outstanding Authority Obligations remain Outstanding not in excess of those prevailing before the refunding.

The Authority monitors prevailing market conditions in order to determine when and if any opportunities exist to obtain debt service savings through the refunding of Outstanding Bonds. The foregoing notwithstanding, the Authority is under no obligation to refund any Bonds to obtain debt service savings and, in the event such a refunding were to occur, there can be no assurances given relating to the impact thereof on the Authority’s operations or financial condition.

Pursuant to the provisions of Public Law No. 115-97, which amended the Internal Revenue Code of 1986, as previously amended (the “Code”), the Authority may not issue obligations to advance refund its Outstanding Bonds on a tax-exempt basis if such obligations are issued more than 90 days before a call date of the Outstanding Bonds.

*Subordinate Obligations.* In addition, the Authority may, without meeting these tests, but only to the extent permitted by the Act, issue subordinate obligations. As of the date hereof, there are no subordinate obligations outstanding.

*Separate Ordinance Obligations.* The General Ordinance provides that nothing contained therein prohibits the Authority from issuing Separate Ordinance Obligations, which may (but need not) be general obligations of the Authority, and from assigning, pledging, and granting a first lien on and first security interest in Secured Government Payments or *ad valorem* real property tax receipts, or both, as well as amounts in a debt service fund and a debt service reserve fund for such Obligations, for the payment thereof, and for reimbursing a provider of a credit support instrument or reserve fund credit instrument for such Obligations and for reinstating coverage under such an instrument, but only to the extent that such Secured Government Payments and tax receipts have not been specifically and explicitly pledged to Authority Obligations. However, the Act would need to be amended before Separate Ordinance Obligations which are secured by *ad valorem* real property tax receipts could lawfully be issued. As of the date hereof, there are no Separate Ordinance Obligations outstanding.

*Rate Protection Contracts.* Both the Act and the Bond Authorization Act, 30 Illinois Compiled Statutes 305 (the “*Bond Authorization Act*”), authorize the Authority to enter into rate protection contracts. The Act authorizes the Authority to enter into such contracts to reduce the risk of loss to the Authority, to protect, preserve or enhance the value of its assets or to provide compensation for losses resulting from changes in interest rates. The Bond Authorization Act authorizes the Authority to enter into such contracts for the benefit of providing (i) an interest rate, cash flow or other basis different from that provided in such bonds for the payment of interest, or (ii) with respect to a future delivery of bonds, one or more of a guaranteed interest rate, interest rate basis, cash flow basis, or purchase price.

In connection with its use of rate protection contracts, the Authority has adopted its “RTA Interest Rate Risk Management Policy” pursuant to Ordinance No. 2016-35 on June 23, 2016. Pursuant to its interest rate risk management policy, the aggregate notional amount of rate protection contracts resulting in variable interest rate exposure may not exceed 20% of the Authority’s aggregate outstanding indebtedness. The policy also requires the Authority to enter into rate protection contracts with counterparties that have sufficient technical expertise and a credit rating equal to or better than the Authority’s credit rating. Copies of the “RTA Interest Rate Risk Management Policy” are available from the Authority upon request.

As of the date hereof, the Authority is not party to any rate protection contracts. However, the Authority maintains the authority to enter into rate protection contracts in order to achieve the level of fixed and floating rate debt it considers appropriate, based upon prevailing market conditions. If the Authority enters into any rate protection contracts in the future, in the event such market conditions undergo a change that is materially adverse to the Authority’s position, there is a risk that the Authority would be required to pay higher effective interest costs, pledge collateral or make a payment to terminate the contract.

*Other Financing Alternatives.* The Authority also has the power to acquire real or personal property by lease, sublease or installment or conditional purchase contract payable in annual installments during a period not exceeding forty years. In connection with the acquisition of public transportation equipment (including, but not limited to, rolling stock, vehicles, locomotives, buses or rapid transit equipment), the Authority is authorized to execute equipment trust certificates, equipment leases, conditional purchase agreements and other security agreements in the form customarily used to effect such acquisitions. These obligations do not constitute bonds or notes within the meaning of the Act, are not Additional Authority Obligations and are payable only after

all required deposits and credits have been made to the various accounts in the Debt Service Fund for Authority Obligations. As of the date hereof, the Authority does not have any of the aforementioned financing alternatives outstanding.

*Debt Service Reserve Fund Policy Agreements.* For each series of Outstanding Authority Obligations, the Authority may acquire a Reserve Fund Credit Instrument to satisfy the Reserve Requirement for such series of Bonds. In the event of a payment under any of the Reserve Fund Credit Instruments, the Authority is obligated to reimburse the policy issuer for such payment, together with interest thereon until paid. The Authority's obligation to pay such interest is subordinate to the Authority's obligation to pay Authority Obligations and to replenish the Debt Service Reserve Fund. **THERE IS NO DEBT SERVICE RESERVE FUND REQUIREMENT FOR THE SERIES 2025A BONDS, AND NONE OF THE RESERVE FUND CREDIT INSTRUMENTS MAY BE USED TO PAY DEBT SERVICE ON THE SERIES 2025A BONDS OR ANY OTHER BOND THAT IS NOT ASSOCIATED WITH THE PARTICULAR RESERVE FUND CREDIT INSTRUMENT.**

#### AGREEMENTS OF THE STATE

In the Act, the State pledges to and agrees with the Holders of the Authority Obligations (including the Series 2025A Bonds) that the State will not limit or alter the rights and powers vested in the Authority by the Act so as to impair the terms of any contract made by the Authority with such Holders, or in any way to impair the rights and remedies of such Holders, until the Authority Obligations (including the Series 2025A Bonds), together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the Holders thereof, are fully met and discharged. In addition, in the Act the State pledges to and agrees with the Holders of the Authority Obligations (including the Series 2025A Bonds) that the State will not limit or alter the basis on which State funds are to be paid to the Authority, as provided in the Act, or the use of such funds, so as to impair the terms of any such contract.

#### ANNUAL DEBT SERVICE

Upon issuance of the Series 2025A Bonds, the annual debt service (representing payments to the Bondholders, rather than payments by the Authority to the Debt Service Fund) for the Outstanding Bonds for each bond year is set forth below:

Series 2025A Bonds

| Bond<br>Year (Ending<br>4/30) | Outstanding Debt<br>Service <sup>(1)</sup> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | Total Debt<br>Service <sup>(1)</sup> |
|-------------------------------|--|------------------|-----------------|--------------|--------------------------------------|
| 2025                          | 175,656,469                                |                  |                 |              | 175,656,469                          |
| 2026                          | 154,900,344                                | 0                | 3,556,944       | 3,556,944    | 158,457,288                          |
| 2027                          | 140,132,943                                | 1,670,000        | 6,458,250       | 8,128,250    | 148,261,193                          |
| 2028                          | 139,937,070                                | 2,060,000        | 6,365,000       | 8,425,000    | 148,362,070                          |
| 2029                          | 139,737,578                                | 2,160,000        | 6,259,500       | 8,419,500    | 148,157,078                          |
| 2030                          | 126,970,853                                | 2,270,000        | 6,148,750       | 8,418,750    | 135,389,603                          |
| 2031                          | 115,758,746                                | 2,385,000        | 6,032,375       | 8,417,375    | 124,176,121                          |
| 2032                          | 101,844,503                                | 2,505,000        | 5,910,125       | 8,415,125    | 110,259,628                          |
| 2033                          | 89,350,056                                 | 2,630,000        | 5,781,750       | 8,411,750    | 97,761,806                           |
| 2034                          | 77,320,016                                 | 2,760,000        | 5,647,000       | 8,407,000    | 85,727,016                           |
| 2035                          | 72,271,990                                 | 2,895,000        | 5,505,625       | 8,400,625    | 80,672,615                           |
| 2036                          | 42,449,425                                 | 3,040,000        | 5,357,250       | 8,397,250    | 50,846,675                           |
| 2037                          | 19,450,140                                 | 3,195,000        | 5,201,375       | 8,396,375    | 27,846,515                           |
| 2038                          | 19,443,900                                 | 3,355,000        | 5,037,625       | 8,392,625    | 27,836,525                           |
| 2039                          | 19,440,344                                 | 3,520,000        | 4,865,750       | 8,385,750    | 27,826,094                           |
| 2040                          | 19,440,888                                 | 3,700,000        | 4,685,250       | 8,385,250    | 27,826,138                           |
| 2041                          | 19,445,238                                 | 3,885,000        | 4,495,625       | 8,380,625    | 27,825,863                           |
| 2042                          | 19,445,313                                 | 4,075,000        | 4,296,625       | 8,371,625    | 27,816,938                           |
| 2043                          | 19,443,038                                 | 4,280,000        | 4,087,750       | 8,367,750    | 27,810,788                           |
| 2044                          | 19,442,066                                 | 4,495,000        | 3,868,375       | 8,363,375    | 27,805,441                           |
| 2045                          | 19,436,510                                 | 4,720,000        | 3,638,000       | 8,358,000    | 27,794,510                           |
| 2046                          | 14,123,900                                 | 4,955,000        | 3,396,125       | 8,351,125    | 22,475,025                           |
| 2047                          | 14,120,800                                 | 5,205,000        | 3,142,125       | 8,347,125    | 22,467,925                           |
| 2048                          | 8,408,200                                  | 5,465,000        | 2,875,375       | 8,340,375    | 16,748,575                           |
| 2049                          | 8,409,900                                  | 5,735,000        | 2,595,375       | 8,330,375    | 16,740,275                           |
| 2050                          |  | 6,025,000        | 2,301,375       | 8,326,375    | 8,326,375                            |
| 2051                          |  | 6,325,000        | 1,992,625       | 8,317,625    | 8,317,625                            |
| 2052                          |  | 6,640,000        | 1,668,500       | 8,308,500    | 8,308,500                            |
| 2053                          |  | 6,975,000        | 1,328,125       | 8,303,125    | 8,303,125                            |
| 2054                          |  | 7,320,000        | 970,750         | 8,290,750    | 8,290,750                            |
| 2055                          |  | 7,685,000        | 595,625         | 8,280,625    | 8,280,625                            |
| 2056                          |  | 8,070,000        | 201,750         | 8,271,750    | 8,271,750                            |
| Totals                        | \$1,596,380,226.90                         | 130,000,000      | 124,266,694     | 254,266,694  | 1,850,646,921                        |

(1) Debt service on Series 2005B Bonds is calculated at the maximum interest rate of 9.00%.

## ESTIMATED DEBT SERVICE COVERAGE

The Authority's 2025 Budget is based upon estimates of projected Sales Tax Revenues and projected Public Transportation Fund Revenues. These two projections taken together constitute the projected revenues available in any year for the payment of debt service on the Authority Obligations, including the Series 2025A Bonds. See "THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - Sales Tax Revenues," "- Public Transportation Fund Revenues" and "- 2025 BUDGET AND 2026-27 FINANCIAL PLAN." Should 2025 Sales Tax Revenues and Public Transportation Fund Revenues be less than projected, such shortfall could also affect the projections for calendar years 2026 and beyond. The Authority's projections for calendar years 2027 and beyond assume an annual compound growth rate of 3.0%. See APPENDIX A - "AUTHORITY HISTORICAL AND PROJECTED SALES TAX REVENUES."

The table on the following page shows projected debt service coverage by projected available Sales Tax Revenues and by projected Available Revenues. The Authority makes no representation by the inclusion of the following table that the actual Available Revenues for debt service coverage will be equal to the projected amounts shown. Over the term of the Series 2025A Bonds, Available Revenues will be impacted by a number of economic and other factors, some of which are described in APPENDIX A. Changes in such factors in any year or over the term of the Series 2025A Bonds could result in a material change in the amounts of actual Available Revenues.

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**Estimated Debt Service Coverage**  
(in \$000s)

| Bond Year<br>(Ending<br>4/30) | Total Debt<br>Service <sup>(1)(2)</sup> | Projected Sales Tax<br>Revenues <sup>(3)</sup> | Times Coverage           |  | Projected Available<br>Revenues <sup>(4)</sup> | Times Coverage By<br>Projected Available<br>Revenues <sup>(1)</sup> |
|-------------------------------|---|--|--------------------------|--|--|---|
|                               |   |  | By Sales Tax<br>Revenues |  |  |   |
| 2025                          | 175,656                                 | 1,733,556                                      | 9.87 x                   |  | 2,331,306                                      | 13.27 x   |
| 2026                          | 158,457                                 | 1,778,628                                      | 11.22 x                  |  | 2,406,283                                      | 15.19 x   |
| 2027                          | 148,261                                 | 1,824,873                                      | 12.31 x                  |  | 2,479,502                                      | 16.72 x   |
| 2028                          | 148,362                                 | 1,879,619                                      | 12.67 x                  |  | 2,553,888                                      | 17.21 x   |
| 2029                          | 148,157                                 | 1,936,007                                      | 13.07 x                  |  | 2,630,504                                      | 17.75 x   |
| 2030                          | 135,390                                 | 1,994,088                                      | 14.73 x                  |  | 2,709,419                                      | 20.01 x   |
| 2031                          | 124,176                                 | 2,053,910                                      | 16.54 x                  |  | 2,790,702                                      | 22.47 x   |
| 2032                          | 110,260                                 | 2,115,528                                      | 19.19 x                  |  | 2,874,423                                      | 26.07 x   |
| 2033                          | 97,762                                  | 2,178,993                                      | 22.29 x                  |  | 2,960,656                                      | 30.28 x   |
| 2034                          | 85,727                                  | 2,244,363                                      | 26.18 x                  |  | 3,049,475                                      | 35.57 x   |
| 2035                          | 80,673                                  | 2,311,694                                      | 28.66 x                  |  | 3,140,959                                      | 38.93 x   |
| 2036                          | 50,847                                  | 2,381,045                                      | 46.83 x                  |  | 3,235,188                                      | 63.63 x   |
| 2037                          | 27,847                                  | 2,452,476                                      | 88.07 x                  |  | 3,332,244                                      | 119.66 x  |
| 2038                          | 27,837                                  | 2,526,051                                      | 90.75 x                  |  | 3,432,211                                      | 123.30 x  |
| 2039                          | 27,826                                  | 2,601,832                                      | 93.50 x                  |  | 3,535,178                                      | 127.05 x  |
| 2040                          | 27,826                                  | 2,679,887                                      | 96.31 x                  |  | 3,641,233                                      | 130.86 x  |
| 2041                          | 27,826                                  | 2,760,284                                      | 99.20 x                  |  | 3,750,470                                      | 134.78 x  |
| 2042                          | 27,817                                  | 2,843,092                                      | 102.21 x                 |  | 3,862,984                                      | 138.87 x  |
| 2043                          | 27,811                                  | 2,928,385                                      | 105.30 x                 |  | 3,978,874                                      | 143.07 x  |
| 2044                          | 27,805                                  | 3,016,236                                      | 108.48 x                 |  | 4,098,240                                      | 147.39 x  |
| 2045                          | 27,795                                  | 3,106,724                                      | 111.77 x                 |  | 4,221,187                                      | 151.87 x  |
| 2046                          | 22,475                                  | 3,199,925                                      | 142.38 x                 |  | 4,347,823                                      | 193.45 x  |
| 2047                          | 22,468                                  | 3,295,923                                      | 146.69 x                 |  | 4,478,257                                      | 199.32 x  |
| 2048                          | 16,749                                  | 3,394,801                                      | 202.69 x                 |  | 4,612,605                                      | 275.40 x  |
| 2049                          | 16,740                                  | 3,496,645                                      | 208.88 x                 |  | 4,750,983                                      | 283.81 x  |
| 2050                          | 8,326                                   | 3,601,544                                      | 432.55 x                 |  | 4,893,512                                      | 587.71 x  |
| 2051                          | 8,318                                   | 3,709,591                                      | 445.99 x                 |  | 5,040,318                                      | 605.98 x  |
| 2052                          | 8,309                                   | 3,820,878                                      | 459.88 x                 |  | 5,191,527                                      | 624.85 x  |
| 2053                          | 8,303                                   | 3,935,505                                      | 473.98 x                 |  | 5,347,273                                      | 644.01 x  |
| 2054                          | 8,291                                   | 4,053,570                                      | 488.93 x                 |  | 5,507,691                                      | 664.32 x  |
| 2055                          | 8,281                                   | 4,175,177                                      | 504.21 x                 |  | 5,672,922                                      | 685.08 x  |
| 2056                          | 8,272                                   | 4,300,432                                      | 519.89 x                 |  | 5,843,110                                      | 706.39 x  |
| Totals                        | \$1,850,647                             |  |                          |  |  |   |

Notes

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- (1) Debt service on Series 2005B Bonds is calculated at the maximum interest rate of 9.00%
  - (2) Includes the Series 2025A Bonds.
  - (3) Assumes 3.00% growth rate. Reflects a reduction of 1.5% in the amount of Authority Sales Tax, which is transferred on a monthly basis to the State Tax Compliance and Administration Fund for State use.
  - (4) Sales Tax and Public Transportation Funds related to Sales Tax and City of Chicago Real Estate Transfer Tax (RETT).

## STATE FISCAL YEAR 2025 BUDGET IMPACT

**Authority Sales Tax.** On June 3, 2024, the State passed its Fiscal Year 2025 budget (ending June 30, 2025) pursuant to Public Act 103-589 (“*State Fiscal Year 2025 Budget*”). Pursuant to Public Act 100-587 effective June 4, 2018, which amended the State Finance Act (30 ILCS 105/6z-20), the Department of Revenue must transfer 1.5% of the monthly distribution of Authority Sales Tax to the State Tax Compliance and Administration Fund to be used for State purposes. The impact of this 1.5% surcharge was a \$22.1 million reduction in Sales Tax Revenues for 2024, and the Authority estimates that it will result in a proportional reduction in Sales Tax Revenues in all subsequent years.

## THE REGIONAL TRANSPORTATION AUTHORITY

### GENERAL POWERS

The Illinois Constitution recognizes that public transportation is an essential public purpose for which public funds may be expended. To implement that public policy, the State has enacted legislation creating government entities to operate and fund public transportation and providing funding from State resources for the operating and capital needs of public transportation. Those services are available for the 8.4 million residents of the Region. Public transportation is vital to the economic well-being of the Region.

In 2008, the State of Illinois General Assembly (the “*Legislature*”) enacted and the Governor approved legislation (the “*Amendatory Legislation*”) that changed the composition of the boards of directors of the Authority and Service Boards, increased the financial and capital planning responsibilities of the Authority, strengthened financial oversight by the Authority, authorized increases in local taxes to fund public transportation in the Region, and increased its subsidies of public transportation throughout the State. See “- ORGANIZATION AND MANAGEMENT,” “- AUTHORITY FINANCES,” and “- FINANCIAL CONTROLS OVER SERVICE BOARDS.”

The Authority is a unit of local government, body politic, political subdivision and municipal corporation of the State. By law, the Authority is responsible for planning, coordinating and funding public transportation services in the Region. Under the Act, it is charged with adopting plans to implement the policies of the State with respect to public transportation, setting goals and standards for service provided by the Service Boards, developing performance measures to inform the public whether public transportation services meet those goals and standards, allocating operating and capital funds to support public transportation in the Region, providing financial oversight of the Service Boards, and coordinating service and investment in facilities to achieve integration of public transportation throughout the Region. The exercise of these responsibilities is evidenced in three public documents adopted by the Board from time to time: a Strategic Plan, a Five-Year Capital Program, and an Annual Budget and Two-Year Financial Plan.

The Act allocates the responsibility for setting fares and providing service among the CTA, Metra and Pace. The CTA provides bus and rail service in Chicago and those suburbs close to Chicago. Metra provides commuter rail service between the Chicago Central Business District and 243 Chicago and suburban locations. Pace provides bus service throughout the suburbs and to the City. Since 2007 Pace has also provided ADA paratransit service throughout the Region. The

public transportation services operated by the Service Boards, as coordinated by the Authority to the extent provided in the Act, are referred to herein as the “*System*.”

The Act requires the Authority to adopt and regularly update a Strategic Plan that identifies goals and objectives with respect to increasing usage of transit services, coordinating the provision of and investment in those services by the Service Boards, coordinating fare policy to promote transfers among transit modes, achieving a state of good repair of System assets, providing improved access to the services by transit-dependent persons, preserving the financial viability of the System, limiting road congestion, and in general advancing the policy of the State to provide adequate, efficient and coordinated public transportation in the Region. The Authority has adopted a Strategic Plan as required and has and will continue to adopt enhancements and updates to this plan.

Central to the Authority’s funding and oversight responsibilities, the Act requires the Authority to prepare and adopt each year an annual operating budget and two-year financial plan for the System balancing the anticipated revenues from all sources with anticipated expenditures. See “THE REGIONAL TRANSPORTATION AUTHORITY - 2025 Budget and 2026-27 Financial Plan.” Further, the Authority and the Service Boards are required by the Act to maintain a “system generated revenue recovery ratio<sup>‡</sup>” of 50% (the “*System Generated Revenue Recovery Ratio*”), *i.e.* at least 50% of the System’s operating costs must be recovered through (1) revenues generated by the System, including fare box receipts, (2) revenues from certain other sources, such as investment income and concessions, and (3) reduced fare reimbursements by the State. A separate revenue recovery ratio of 10% has been established by the Act for ADA paratransit services. It is the Authority’s responsibility to ensure that these ratios are maintained through the review and approval of each Service Board’s budgets and ratios. On an on-going basis, the Authority monitors the budgetary and operational performance of the Service Boards to ensure compliance with their budgets and the ratios. See “THE REGIONAL TRANSPORTATION AUTHORITY - FINANCIAL CONTROLS OVER SERVICE BOARDS.”

The Act designates the Authority as the primary public body in the Region to secure funds for public transportation. The Authority is authorized to impose taxes in the Region and to issue debt to provide funding for public transportation facilities. The Authority is also responsible for the allocation of certain federal, state and local funds to finance both the operating and capital needs of public transportation in the Region. The Act also requires the Authority to prepare and adopt each year a Five-Year Capital Program. The Service Boards are prohibited from undertaking any capital project unless the project has been incorporated in that Program.

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<sup>‡</sup> In response to impact of the COVID-19 pandemic on public transit, the recovery ratio requirement has been waived through 2025. This is the language from our ordinance adopting the 2025 budget: in July 2023, Illinois P.A. 103-0281 provided temporary recovery ratio relief to the RTA and Service Boards for RTA fiscal years 2024 and 2025 by waiving the financial penalty for failing to achieve an actual 50% year-end system-generated revenue recovery ratio result, and further provided relief by allowing the regional operating budget to reflect a system-generated revenue recovery ratio of less than 50% and by allowing the ADA Paratransit budget to reflect a system-generated revenue recovery ratio of less than 10%, extending the relief which had been provided by Illinois P.A. 102-0678 for RTA fiscal years 2021 through 2023.

The Service Boards have from time to time been granted statutory authority to issue debt for various purposes. Any pledge of Revenues by a Service Board as security for obligations issued by such Service Board would be on a subordinate basis to the security for the Series 2025A Bonds.

There are or may be introduced in the State of Illinois legislative proposals from time to time that may enact changes to the governance structure of the Authority or the Service Boards. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Series 2025A Bonds.

#### ORGANIZATION AND MANAGEMENT

A 16-person Board governs the Authority. As described in more detail in the following paragraphs, the Amendatory Legislation allocates appointment authority equally among elected officials from three areas - the City of Chicago, suburban Cook County, and the Counties of DuPage, Kane, Lake, McHenry and Will (the “*Collar Counties*”), and requires the appointment of a Chairman with votes from each of these areas:

Five directors are appointed by the Mayor of the City of Chicago with the advice and consent of the City Council. Each of these directors must reside in the City. None of these directors may be the Chairman or director of the CTA.

Four directors are appointed by the commissioners of the Cook County Board of Commissioners elected from districts a majority of the electors of which reside outside the City. A fifth director is appointed by the President of the Cook County Board with the advice and consent of the Cook County Board. Each of the Cook County appointees must reside in suburban Cook County.

Five Directors are appointed by the Chairmen of the Collar Counties; one each by the Chairmen of DuPage, Kane, Lake and McHenry Counties and the County Executive of Will County, each with the advice and consent of the respective County Board. Each Collar County appointee must reside in the county of the appointing authority.

The sixteenth member, who is the Chairman of the Board of the Authority, is elected by the other 15 directors and must receive no fewer than 11 votes, two of which must come from directors from each of the City, suburban Cook County and the Collar Counties.

The Chairman and each director serve five-year terms and until his or her successor has been appointed and qualified.

The Authority maintains a staff of approximately 100 non-represented unit transportation professionals.

*Kirk Dillard* has served as the Chairman of the Board of Directors since June of 2014. Prior to his role as Chairman, Senator Dillard served as the senator for the 24th District of the Illinois State Senate for nearly 20 years, sponsoring the Secretary of State’s Railroad Safety Initiatives, and serving on the Transportation Committee and a myriad of other committees, including as Co-Chairperson of the Judiciary Committee and Chairman of the High Technology Task Force. Prior to serving as senator, Chairman Dillard served with distinction as Chief of Staff to former

Governor Jim Edgar and as Legislative Director to former Governor James Thompson. He is currently a strategic advisor at the law firm of Troutman Pepper Locke LLP and has been recognized in Crain's Chicago Business' "Who's Who in Chicago Business." Chairman Dillard has a B.A. from Western Illinois University, a J.D. from the DePaul University College of Law and served as a Public Policy Mentor for the University of Chicago.

*Leanne Redden* has served as Executive Director since March 2014. Prior to her role as Executive Director, Ms. Redden was Senior Deputy Director of Planning and Regional Programs for the Authority since 2005, and prior to that, served as Chief of Planning at the Illinois State Toll Highway Authority and Director of Transportation for the Village of Schaumburg. Ms. Redden received her Master's Degree in Urban and Regional Planning from the University of Illinois Urbana Champaign and a Bachelor's Degree from the University of New South Wales, Australia.

*Kevin Bueso* is the RTA's Chief Financial Officer/Senior Deputy Executive Director, Finance, Innovation, and Technology. Bueso is charged with overseeing the financial function of the RTA. Prior to joining the RTA in 2023, Bueso spent his career in local government and finance, serving for three years as the Chief Financial Officer for McHenry County. He is experienced in strategic planning and has a background in change management, succession planning, oversight of IT functions, and capital and finance planning. Bueso is affiliated with a variety of professional associations and helped to create the initial Illinois Chapter of the Local Government Hispanic Network (LGHN). Born and raised in Honduras, Bueso is fluent in Spanish. He is a graduate of Roosevelt University, where he received both graduate and undergraduate degrees.

*William Lachman* has served as the Treasurer since March 2016. Since joining the Authority in March 2003 as a Principal Analyst in Financial Planning & Analysis, Mr. Lachman has served as a Treasury Analyst, Manager of Funding, Investments & Pensions, and Division Manager of Budget, Financial Analysis & Pension Management. Mr. Lachman earned an MBA in Finance from the Kellogg School of Management at Northwestern University and Master's and Bachelor's degrees in Operations Research and Industrial Engineering from Cornell University.

#### RIDERSHIP TRENDS

System ridership for calendar year 2024 was 367 million, a 10.9% increase from the same period in 2023. Each Service Board's ridership grew in 2024. Ridership for 2025 is budgeted at 427 million, an increase of about 16.3%. Each Service Board is anticipating a modest ridership rebound in 2025.

As required by the Amendatory Legislation, the Service Boards in 2008 began to provide free fixed route transportation service to persons 65 years and older and to persons with disabilities who fall within statutory income limits. Those riders are included in the 2014-2024 data provided in the figure below. In September 2011, free fixed route transportation service for persons 65 years and older was also restricted to persons who fall within statutory income limits.

**Yearly Ridership Unlinked Passenger Trips**  
(In Millions)

|                         | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020 <sup>(2)</sup> | 2021  | 2022  | 2023  | 2024  |
|-------------------------|-------|-------|-------|-------|-------|-------|---------------------|-------|-------|-------|-------|
| CTA Bus                 | 276.1 | 274.3 | 259.1 | 249.2 | 242.2 | 237.3 | 121.4               | 117.4 | 140.0 | 161.7 | 181.7 |
| CTA Rail <sup>(1)</sup> | 238.1 | 241.7 | 238.6 | 230.2 | 225.9 | 218.5 | 76.0                | 78.6  | 103.5 | 117.4 | 127.5 |
| Total CTA               | 514.2 | 516.0 | 497.7 | 479.4 | 468.1 | 455.8 | 197.4               | 196.0 | 243.5 | 279.1 | 309.2 |
| Metra                   | 83.4  | 81.6  | 80.1  | 78.6  | 76.2  | 74.0  | 16.7                | 14.1  | 23.8  | 31.9  | 34.9  |
| Pace Suburban Service   | 34.8  | 33.1  | 31.3  | 31.4  | 30.2  | 28.5  | 14.6                | 13.2  | 14.6  | 16.0  | 18.2  |
| Pace ADA Paratransit    | 4.1   | 4.2   | 4.1   | 4.1   | 4.1   | 4.1   | 2.2                 | 2.3   | 2.6   | 2.9   | 4.9   |
| System Total            | 636.5 | 634.9 | 613.2 | 593.5 | 578.6 | 562.4 | 230.9               | 225.6 | 284.5 | 329.9 | 367.2 |
| Percent Change          | -2.3% | -0.3% | -3.4% | -3.2% | -2.5% | -2.8% | -58.9%              | -2.3% | 26.1% | 16.0% | 10.9% |

(1) CTA rail ridership includes cross-platform transfers.

(2) In 2020, Metra revised its monthly pass ridership assumption.

**COVID-19 PANDEMIC IMPACT**

The COVID-19 pandemic and the economic downturn had an adverse impact on economic activity in the Region and resulted in a sharp decline in Sales Tax Receipts beginning in 2020. Collection of Sales Tax Receipts improved in 2021, due in part to improvement in economic conditions. Sales Tax Receipts continued to improve each year since 2021 and have fully rebounded. Ridership decline is at 60% of 2019 levels. See “HISTORICAL FINANCIAL RESULTS” and “- 2025 Budget and 2026-27 Financial Plan” herein.

**AUTHORITY FINANCES**

*Revenues.* The Authority has the following principal sources of revenues: (i) Sales Tax Revenues; (ii) Replacement Revenues (as hereinafter defined); (iii) Public Transportation Fund Revenues; (iv) State Assistance; and (v) Miscellaneous Revenues, all as described below. Sales Tax Revenues, Replacement Revenues, and Public Transportation Fund Revenues are pledged under the General Ordinance and paid directly to the Trustee as security for Authority Obligations, including the Series 2025A Bonds. Under the General Ordinance, the Replacement Revenues are also assigned by the Authority and are paid directly by the State to the Trustee for the payment of debt service on Authority Obligations, including the Series 2025A Bonds. Other Authority funds, such as State Assistance, are not available for payments on Authority Obligations, including the Series 2025A Bonds.

*Sales Tax Revenues.* Proceeds of the Authority Sales Tax are pledged as security for the Series 2025A Bonds and other Authority Obligations and are assigned by the Authority and paid directly by the State to the Trustee for payment of debt service on Authority Obligations, including the Series 2025A Bonds. Before enactment of the Amendatory Legislation in 2008, the Authority Sales Tax was imposed at the following rates: (i) in Cook County, a tax of 1.00%, and 0.25% in the Collar Counties, 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*”); (ii) a tax of 0.75% in Cook County, and 0.25% in the Collar Counties, of the gross receipts from all other taxable retail sales (a “*General Sales Tax*”); (iii) a tax of 0.75% on the use in Cook County, and 0.25% on the use in the Collar Counties, 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 proceeds of the Authority Sales Tax at these rates are referred to as the “*Original Sales Tax Proceeds*.”)

As authorized by the Amendatory Legislation, on April 1, 2008, the Authority increased the rates of the Authority Sales Tax to the following levels: (i) a Food and Drug Tax of 1.25% in Cook County and 0.75% in the Collar Counties; (ii) a General Sales Tax of 1.0% in Cook County and 0.75% in the Collar Counties; (iii) a Use Tax of 1.0% in Cook County and 0.75% in the Collar Counties; and (iv) a Service Occupation Tax in the same locations and at the same rates as the Food and Drug Tax and the General Sales Tax. The Collar Counties retain one-third (0.25%) of the 0.75% Authority Sales Tax.

The Authority Sales Tax, net of applicable retailers’ discount, is collected by the Department of Revenue and paid to the Treasurer of the State to be held in trust for the Authority outside the State Treasury in the Authority Tax Fund created under the Act (the “*Authority Tax Fund*”). Except as provided in this paragraph, Authority Sales Tax proceeds in the Authority Tax Fund are payable monthly, without appropriation, by the State Treasurer on the order of the State Comptroller directly to the Trustee for any necessary payments of debt service on the Series 2025A Bonds and other Authority Obligations, before being paid to the Authority. See “SECURITY FOR THE SERIES 2025A BONDS - SECURITY AND SOURCES OF PAYMENT.” One-third of the Authority Sales Tax collected in the Collar Counties is not available for payment of debt service on Series 2025A Bonds nor is it security therefor. It is paid directly by the State to the Collar Counties based on the point of collection and is used by those counties to fund operating and capital costs of public safety and transportation services or facilities. (The proceeds of the Authority Sales Tax, less the amounts distributed to the Collar Counties as described in the previous sentence, less the Original Sales Tax Proceeds, are referred to as the “*Increased Sales Tax Proceeds*”).

*Replacement Revenues.* The Replacement Revenues are pledged as security for the Series 2025A Bonds and other Authority Obligations. Under the General Ordinance, the Replacement Revenues are assigned by the Authority and are paid directly by the State to the Trustee for the payment of debt service on Authority Obligations, including the Series 2025A Bonds.

In order to compensate local governments, including the Authority, for any revenues lost by a 1990 legislative simplification of the rate structures and tax base for sales taxes imposed by the State and local governments, including the Authority, the State provided for additional annual payments to local governments from receipts collected under the State Retailers Occupation Tax, State Service Occupation Tax and State Use Taxes (collectively, the “*State Sales Tax*”). As a result, specified percentages from State Sales Tax receipts (the “*Replacement Revenues*”) are paid monthly into the Authority Occupation and Use Tax Replacement Fund and Authority Tax Fund held by the State Treasurer to offset Authority revenue loss resulting from that restructuring. Replacement Revenues are paid monthly by the State Treasurer to or on behalf of the Authority. The State has pledged that it will not limit or alter the basis on which State funds are paid to the Authority in a manner that would impair the contractual rights and remedies of the Holders of Authority Obligations. See “SECURITY FOR THE SERIES 2025A BONDS - AGREEMENTS OF THE STATE” above.

For a discussion of the Authority’s projection of Sales Tax Revenues and Replacement Revenues, see APPENDIX A - “AUTHORITY HISTORICAL AND PROJECTED SALES TAX REVENUES.”

The Authority is also authorized by the Act to impose certain other taxes which it currently does not impose, including, but not limited to: (i) a tax on the gross receipts from automobile rentals at a rate not to exceed 1% in Cook County and 0.25% in the Collar Counties; (ii) a tax on the sale of motor fuel at a rate not to exceed 5% of the gross receipts of such sales; and (iii) a tax on the privilege of parking motor vehicles at off-street parking facilities. The tax on motor fuel and the tax on the use of off-street parking facilities cannot by law be imposed concurrently with the Authority Sales Taxes currently imposed by the Authority.

*Public Transportation Fund Revenues.* The Public Transportation Fund Revenues are pledged as security for the Series 2025A Bonds and other Authority Obligations and are paid directly by the State to the Trustee for the payment of debt service on Authority Obligations, including the Series 2025A Bonds. Each month the State Comptroller orders and the State Treasurer transfers from the State General Revenue Fund to the Public Transportation Fund in the State Treasury an amount equal to 30% of the net revenues realized from the Authority Sales Tax, but not including the portion of the Authority Sales Tax paid directly to the Collar Counties, 30% of the net Replacement Revenues and 30% of the net revenues realized by the CTA as financial assistance from the City from the proceeds of the Chicago Real Estate Transfer Tax imposed by the City (these amounts are collectively referred to as “*Public Transportation Fund Revenues*”

The Amendatory Legislation provides that the provisions directing the distributions of Public Transportation Fund Revenues to the Authority constitute an irrevocable and continuing appropriation of those revenues. However, by law Public Transportation Fund Revenues may not be paid to the Authority until the Authority has certified to the Governor, the State Comptroller and the Mayor of the City that it has adopted for that Fiscal Year a budget and financial plan meeting the requirements of the Act. In each year since the Authority has been statutorily required to do so, it has certified that its budget has met the requirements of the Act. The amount of Public Transportation Fund Revenues invoiced in 2024 is \$531.3 million. See “THE REGIONAL TRANSPORTATION AUTHORITY - 2025 Budget and 2026-27 Financial Plan” for a discussion of how the Authority has accounted for this in its 2025 Budget. The State has pledged that it will not limit or alter the basis on which State funds are paid to the Authority in a manner that would impair the contractual rights and remedies of the Holders of Authority Obligations. See “SECURITY FOR THE SERIES 2025A BONDS - AGREEMENTS OF THE STATE” above.

As an additional condition to receipt of Public Transportation Fund Revenues, the Authority is required to determine, within six months following the end of each calendar year, whether the System’s aggregate System Generated Revenue Recovery Ratio<sup>§</sup> equals at least 50%. To the extent that this coverage test is not met, the Authority is required to refund the amount of

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<sup>§</sup> In response to impact of the COVID-19 pandemic on public transit, the recovery ratio requirement has been waived through 2025. This is the language from our ordinance adopting the 2025 budget: in July 2023, Illinois P.A. 103-0281 provided temporary recovery ratio relief to the RTA and Service Boards for RTA fiscal years 2024 and 2025 by waiving the financial penalty for failing to achieve an actual 50% year-end system-generated revenue recovery ratio result, and further provided relief by allowing the regional operating budget to reflect a system-generated revenue recovery ratio of less than 50% and by allowing the ADA Paratransit budget to reflect a system-generated revenue recovery ratio of less than 10%, extending the relief which had been provided by Illinois P.A. 102-0678 for RTA fiscal years 2021 through 2023.

the deficiency in such coverage to the State, and the Public Transportation Fund Revenues paid by the Authority to a Service Board not meeting its System Generated Revenue Recovery Ratio are reduced in proportion to the amount of the Service Board's deficiency. Since the enactment of the System Generated Revenue Recovery Ratio requirement, the System has met the coverage tests required by law.

*State Assistance.* The Act provides supplemental State funding in the forms of additional state assistance ("*Additional State Assistance*") and additional financial assistance ("*Additional Financial Assistance*") to the Authority in connection with its issuance of SCIP Bonds (collectively, "*State Assistance*"). State Assistance received by the Authority may not be pledged as security for payment of debt service on Authority Obligations, including the Series 2025A Bonds. Under the Act, the Authority may not assign its right to receive State Assistance payments or direct their payment to the Trustee or any other entity for payment of debt service Authority Obligations, including the Series 2025A Bonds. State Assistance is paid directly to the Authority and may be spent at its discretion for its corporate purposes.

The amount of State Assistance available to the Authority in any year is limited by the Act to the lesser of statutorily specified ceilings or amounts derived from application of a formula, both described in the following paragraphs.

With respect to the SCIP Bonds issued prior to calendar year 2000, the annual statutory ceiling for State Assistance is \$55 million. However, the formula described below effectively limits State Assistance with respect to those SCIP Bonds to \$40 million. With respect to the \$1.3 billion in SCIP Bonds authorized to be issued after January 1, 2000, the annual statutory ceiling for State Assistance after 2000 is \$100 million.

To obtain State Assistance payments, the Authority must certify to the State (i) the amount required during that State fiscal year to pay debt service on outstanding SCIP Bonds and on SCIP Bonds to be issued during that State fiscal year; (ii) any debt service savings during the preceding State fiscal year from the issuance of refunding or advance refunding SCIP Bonds; and (iii) the amount of interest earned by the Authority during the previous State fiscal year on the proceeds of SCIP Bonds, other than refunding or advance refunding SCIP Bonds. Subject to appropriation, State Assistance is paid monthly to the Authority so that by the end of the State fiscal year the lesser of the statutorily specified ceilings or an amount equal to the sum of clauses (i) and (ii), minus clause (iii), as certified by the Authority, has been paid to the Authority.

The Authority intends to continue to file the required certifications for each State fiscal year in order to obtain State Assistance payments in the amounts available under the Act. Although the amount of State Assistance the Authority may receive is measured in part by the debt service on the Authority's SCIP Bonds, State Assistance is not pledged for payment of or as security for any Authority Obligations, including any SCIP Bonds.

*Miscellaneous Revenues.* Miscellaneous Revenues include (i) revenues from certain other sources, such as investment income and revenues from concessions and advertisements, and (ii) additional operating assistance from the State to the Authority for distribution to the Service Boards representing partial reimbursements to the Service Boards for discounts provided to students, elderly and riders with disabilities mandated by law ("*Reduced Fare Reimbursements*").

The proceeds of Reduced Fare Reimbursements are not pledged as security for and are not available for payment of debt service on Authority Obligations, including the Series 2025A Bonds.

*Chicago Real Estate Transfer Tax.* In 2008, pursuant to the Amendatory Legislation, the City increased its real estate transfer tax by a rate of \$1.50 per \$500 of value for the purpose of providing financial assistance to the CTA. The proceeds of this tax are paid by the City directly to the CTA and are not pledged as security for and are not available for payment of debt service on Authority Obligations, including the Series 2025A Bonds.

*Operating Grants to Service Boards for General Services.* Under the Act and the General Ordinance, the State pays all Sales Tax Revenues and Public Transportation Fund Revenues directly to the Trustee as security for debt service on Authority Obligations, including the Series 2025A Bonds. Only amounts in excess of the required deposits are to be transmitted by the Trustee to the Authority for its corporate purposes, including distribution to the Service Boards. See “SECURITY FOR THE SERIES 2025A BONDS - DEBT SERVICE FUND.”

After requiring that the Authority first provide for the payment of its obligations with respect to the Series 2025A Bonds and other Authority Obligations from the Sales Tax Revenues and other revenues available for that purpose, the Act allocates Authority revenue to the Service Boards and for various statutory purposes. The Amendatory Legislation preserved the allocation of the Original Sales Tax Proceeds, specifically, the following: the Authority withholds 15% of (i) 80% of the Authority Sales Taxes collected in Cook County at the rate of 1.25%, (ii) 75% of the Authority Sales Taxes collected in Cook County at a rate of 1%, (iii) 50% of the receipts of the Authority Sales Taxes collected in the Collar Counties, and (iv) the Replacement Revenues. Those withheld amounts are deposited into the Authority’s general fund and used at the Authority’s discretion. After withholding 15% of the above described amounts, the Authority is required to pay the amounts remaining as follows: (i) the balance remaining from proceeds collected within the City is allocated and paid to the CTA; (ii) the balance remaining from proceeds collected in suburban Cook County is allocated and paid 30% to the CTA, 55% to Metra and 15% to Pace; and (iii) the balance remaining from proceeds collected in the Collar Counties is allocated and paid 70% to Metra and 30% to Pace.

That portion of the Public Transportation Fund Revenues measured by the Original Sales Tax Proceeds and the Replacement Tax Revenues, as well as State Assistance, investment income and other revenues are allocated at the discretion of the Authority Board in connection with the review and approval of the annual and revised budgets of each Service Board.

The Amendatory Legislation fully allocates the Increased Sales Tax Proceeds to the Service Boards or for specific programs as follows: (i) 20% of the taxes collected in Cook County at the rate of 1.25%, (ii) 25% of the taxes collected in Cook County at the rate of 1%, and (iii) 50% of the taxes collected in the Collar Counties, together with that portion of the Public Transportation Fund Revenues measured by 5% of the Original Sales Tax Proceeds and the Replacement Tax Revenues, 30% of the Increased Sales Tax Proceeds and 5% of the Chicago Real Estate Transfer Tax are allocated as follows: after depositing \$100 million in the ADA Paratransit Fund, \$20 million in the Suburban Community Mobility Fund and \$10 million in the Innovation, Coordination and Enhancement Fund, the balance of the moneys from the Increased Sales Tax Proceeds are allocated 48% to the CTA, 39% to Metra and 13% to Pace. The Authority must pay all of the Public Transportation Fund Revenues measured by 25% of the Chicago Real Estate

Transfer Tax to the CTA. The fixed dollar amounts are required by the Amendatory Legislation to be deposited in the named funds in 2008 and increase or decrease in subsequent years based on the growth or decline in Authority Sales Tax Revenues in the previous year. Legislation in 2011 set the 2012 ADA Paratransit Fund deposit at \$115 million in 2012 and for each year thereafter to an amount equal to the final budgeted funding for ADA paratransit services for the current year.

The amounts of such funds allocated to the Service Boards are payable as soon as may be practicable upon their receipt, *provided* that (i) the Authority has adopted a balanced budget pursuant to the Act; and (ii) the Service Board which is to receive these funds is in compliance with the budget requirements imposed upon the Service Boards pursuant to the Act.

The Act requires that no moneys be released by the Authority to the CTA in any Fiscal Year, except for the proceeds of taxes imposed by the Authority and distributed by formula, unless “. . . a unit or units of local government in Cook County (other than the CTA) enters or enter into an agreement with the CTA to make a monetary contribution for such year of at least \$5 million for public transportation.” The City and Cook County also must continue to provide services to the CTA at the same level and on the same basis as services were provided as of the effective date of the Act or as otherwise approved by the Authority Board. Funds received from this local assistance are not available for the payment of debt service on Authority Obligations, including the Series 2025A Bonds.

*Operating Grants to Pace for ADA Paratransit Service.* In 2005, legislation was enacted that reorganized the responsibility for provision of transportation services to individuals with disabilities unable to use fixed route service and eligible for services under the Americans With Disabilities Act (“*ADA Paratransit Service*”). The Authority is responsible for funding, review and oversight of that service and Pace is responsible for providing that service throughout the Region. The Act established a separate revenue recovery ratio for such services which now is fixed at 10%\*\*. The Act contemplates that ADA Paratransit Service is to be funded with amounts set aside in the ADA Paratransit Fund.

*Capital Grants.* From its revenues, the Authority makes discretionary capital grants to the Service Boards. These amounts are separate from the proceeds of bonds issued by the Authority.

*Administration and Regional Expenses.* Administration costs reflect expenditures for the Authority staff and offices. The regional (also referred to as non-administration) expenses relate to functions undertaken by the Authority for the Service Boards, such as a Travel Information Center and the certification of individuals for Reduced Fare ridership cards, which provide service to the region, transit technology and coordination initiatives.

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\*\* In response to impact of the COVID-19 pandemic on public transit, the recovery ratio requirement has been waived through 2025. This is the language from our ordinance adopting the 2025 budget: in July 2023, Illinois P.A. 103-0281 provided temporary recovery ratio relief to the RTA and Service Boards for RTA fiscal years 2024 and 2025 by waiving the financial penalty for failing to achieve an actual 50% year-end system-generated revenue recovery ratio result, and further provided relief by allowing the regional operating budget to reflect a system-generated revenue recovery ratio of less than 50% and by allowing the ADA Paratransit budget to reflect a system-generated revenue recovery ratio of less than 10%, extending the relief which had been provided by Illinois P.A. 102-0678 for RTA fiscal years 2021 through 2023.

*Debt Service.* The total annual debt service payments on Outstanding Authority Obligations and the Series 2025A Bonds is set forth in the table entitled “SECURITY FOR THE SERIES 2025A BONDS - ANNUAL DEBT SERVICE” above.

*Federal Relief Funding.* In March 2020, President Trump signed the CARES Act into law, providing emergency assistance for individuals, families and businesses affected by the COVID-19 pandemic. Included within this legislation was \$25 billion in financial assistance for public transportation agencies for eligible expenses to prevent, prepare for, and respond to COVID-19, as well as maintain essential transit services during the pandemic. The Region and the Authority were allocated \$1,438.3 million and \$28.8 million, respectively, in federal funding from this law and used this critical funding to offset shortfalls in Revenues and public funding due to the pandemic. As of December 31, 2024, the Region and the Authority have fully drawn down the CARES Act funds which are expected to be fully utilized by early 2026.

In December 2020, Federal Omnibus government budget appropriation bill (Public Law No: 116-260) included the second installment of COVID-19 emergency relief funding in Division titled “Coronavirus Response and Relief Supplemental Appropriations Act” (“CRRSAA”). The bill provided \$14 billion for the nation’s Public Transit agencies to provide for costs and to replace lost revenues due to the COVID-19 pandemic, with the Chicago, IL/NW Indiana Urbanized Area receiving \$486.2 million. The Authority allocated CRRSAA funds to the Service Boards in March 2021, but did not receive or retain any CRRSAA funds for its own costs or to replace lost revenues. As of December 31, 2024, the Region has fully drawn down the CRRSAA funds which are expected to be fully utilized by early 2026.

The federal American Rescue Plan (“ARP”) Act of 2021 was enacted on March 11, 2021, providing approximately \$30.5 billion of relief funding for transit systems nationwide, with Chicago, IL region receiving \$1,497.0 million. The Authority allocated ARP funds to the Service Boards in November 2021 but did not receive or retain any ARP funds for its on costs or to replace lost revenues. As of December 31, 2024, the Region has fully drawn down the ARP funds which are expected to be fully utilized by early 2026.

The Federal Transit Administration issued a Notice of Funding Opportunity on September 7, 2021, making available an additional \$2.2 billion of ARP funds nationwide, subject to certain eligibility criteria, and soliciting project proposals for the competitive distribution of such funds, to be submitted by November 8, 2021. The CTA received \$118.4 million of ARP discretionary funding and as of December 31, 2024, it has been fully drawn and is expected to be fully utilized by early 2026.

#### AUTHORITY PENSION PLAN

##### *General*

The Authority contributes to the Regional Transportation Authority Pension Plan (the “*Pension Plan*”), which the Authority has established and maintains pursuant to the Act. The Pension Plan provides retirement and disability benefits for the employees of the Authority and for the non-represented employees of Metra and Pace. Employees of the CTA are not eligible to participate in the Pension Plan. The Pension Plan is a cost-sharing, multi-employer, defined benefit public employee retirement plan. “Multi-employer” refers to the fact that multiple employers,

namely the Authority, Metra, and Pace, contribute to the Pension Plan and share in the costs of the Pension Plan, and not as the term is formally defined by the Internal Revenue Service. “Defined benefit” refers to the fact that the Pension Plan pays a periodic benefit to retired employees in a fixed amount determined at the time of retirement. The Pension Plan is considered a multiple employer defined benefit plan for financial reporting purposes only, but not pursuant to tax regulations. The amount of the periodic benefit is generally determined pursuant to a formula on the basis of each employee’s service credits and salary. The benefit is reduced as applicable in cases of prior service with an eligible employer or early retirement as provided for in the Pension Plan. In addition, the Pension Plan provides that vested participants who have reached the age of 65 and were hired prior to December 31, 2010, may take a lump-sum benefit (the “*Lump Sum Benefit*”) instead of receiving the defined benefit annuity described above.

Responsibilities for establishing, administering, and amending the Pension Plan are divided among the Board of Trustees of the Pension Plan, the Pension Committee, a plan administrator, and the Board of Directors of the Authority (collectively, the “*Plan Administrators*”).

As of January 1, 2024, the Pension Plan had a total membership of 2,832, consisting of 1,234 active employees, 902 retirees and beneficiaries currently receiving benefits, and 563 non-active employees.

#### *Actuarial Calculations, Assumptions and Methods*

The Authority’s contributions to the Pension Plan are determined on an actuarial basis, which is based on the outcome of an actuarial valuation (the “*Actuarial Valuation*”). The primary purpose of the Actuarial Valuation is to determine the “*Actuarially Determined Contribution*” which is the contribution necessary for the current year to satisfy the current and future obligations to pay benefits to eligible members of the Pension Plan. The Actuarially Determined Contribution is equal to the value of benefits earned during the current period, referred to as the “*Normal Cost*,” plus an amortization of the UAAL (as hereinafter defined) over a closed period ending in 2045. To determine the Actuarially Determined Contribution, the Pension Plan’s actuary (the “*Actuary*”) calculates the following: (i) the “*Actuarial Value of Assets*” or “*AVA*,” which is the value of the assets of the Pension Plan at the time of the Actuarial Valuation, (ii) the “*Actuarial Accrued Liability*” or “*AAL*,” which is the portion of the actuarial present value of pension benefits owed by the Pension Plan that is not allocated to future years by the actuarial cost method, as described below, (iii) the “*Unfunded Actuarial Accrued Liability*” or “*UAAL*” which is the dollar amount by which the Actuarial Accrued Liability exceeds the Actuarial Value of Assets, and (iv) the “*Funded Ratio*,” which is the ratio of the AVA to the AAL, generally expressed as a percentage.

To make these calculations, the Actuary uses various assumptions regarding future events affecting pension assets and liabilities. Specifically, the Actuary uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated salary and interest rates) and decrement assumptions (including employee turnover, mortality and retirement rates) to provide a basis for calculating the AAL and the Actuarially Determined Contribution. Certain of the specific actuarial assumptions employed by the Actuary in the Actuarial Valuations is set forth in Note 10 to the audited financial statements of the Authority for the period ended December 31, 2023, attached hereto as APPENDIX B.

In addition, the Actuary uses certain actuarial methods to calculate the AAL and the AVA. For purposes of calculating the AAL, the Actuary employs an actuarial cost method, which allocates the total present value of future pension benefits to the current period and prior periods. For the Actuarial Valuations completed as of January 1 through 2014, the Actuary used the projected unit credit actuarial cost method, under which the projected benefits earned by each individual are allocated to each valuation year. For the Actuarial Valuation completed as of January 1, since 2015, the Actuary used the entry age normal actuarial cost method.

Finally, the Actuary employs the “*Asset Smoothing Method*” to calculate the AVA. This method smoothes investment gains and losses over a period of years, which is five years in the case of the Pension Plan. The Asset Smoothing Method delays the immediate effect of market fluctuations on the AVA, the UAAL and the Funded Ratio that occur as a result of market volatility. However, because the Asset Smoothing Method delays recognition of gains and losses, it does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the AVA as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses as they occur.

With respect to the Pension Plan, as of January 1, 2024, the AVA measured in accordance with the Asset Smoothing Method was \$416,455,475, whereas the market value of the Pension Plan’s assets (the “*MVA*”) was \$406,015,584. As a result of this difference between applying the Asset Smoothing Method or using the market value, the Pension Plan’s UAAL was \$10,439,891 higher. As of January 1, 2023, the AVA was \$357,714,695 and the MVA was \$327,301,907, resulting in a UAAL that was \$30,412,788 higher.

#### *Contributions to and Funded Status of the Pension Plan*

The Pension Plan is a non-contributory pension plan, which means that participating employees are not required to provide funding for the pension benefits they will receive. The assets in the Pension Plan derive solely from contributions by the Authority, Metra, and Pace, along with the investment earnings thereon. The Authority contributes to the Pension Plan on an actuarial basis as described above. The Authority, Metra, and Pace have contributed the full Actuarially Determined Contribution in each of the last ten years, as shown in the table below.

The Funded Ratio decline in 2020 was due to assumption changes adopted from the experience study of the Plan. Despite strong market performance, the Funded Ratio decrease in 2021 reflects the reduction of the projected rate of return from 7.5% to 6.0%. The Funded Ratio then remained relatively stable through 2023. The Funded Ratio increase in 2024 reflects the \$34 million supplemental contribution in 2023. The Authority’s share of the 2024 ARC was approximately 8.5%.

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**Schedule of Employer Contributions  
Fiscal Years 2014-2024**

(As of 1/1/2024)

| <b>Year<br/>Ended<br/>12/31</b> | <b>Annual<br/>Required Contribution</b> | <b>Supplemental<br/>(in excess of the ARC)<br/>Contributions</b> | <b>Percentage<br/>Contributed</b> |
|---------------------------------|---|--|-----------------------------------|
| 2014                            | 13,689,196                              | 0  | 100%                              |
| 2015                            | 13,598,896                              | 63,496,104   | 567%                              |
| 2016                            | 9,534,166                               | 1,300,000  | 114%                              |
| 2017                            | 10,581,706                              | 1,300,000  | 112%                              |
| 2018                            | 11,592,096                              | 1,300,000  | 111%                              |
| 2019                            | 12,584,605                              | 1,300,000  | 110%                              |
| 2020                            | 17,121,873                              | 1,300,000  | 108%                              |
| 2021                            | 23,786,691                              | -  | 100%                              |
| 2022                            | 24,728,518                              | -  | 100%                              |
| 2023                            | 26,660,974                              | 34,400,000   | 229%                              |
| 2024                            | 24,377,103                              | 17,000,000   | 170%                              |

Source: The Actuarial Valuation Report as of January 1, 2024 (the "2024 Actuarial Valuation") as prepared by Gabriel Roeder Smith & Company in its capacity as consulting actuary to the Pension Plan, and the Authority and the Actuarial Valuation Report as of January 1, 2023 (the "2023 Actuarial Valuation") as prepared by Gabriel Roeder Smith & Company in its capacity as consulting actuary to the Pension Plan, and the Authority.

As of January 1, 2024, none of the Pension Plan's UAAL is related to a failure to contribute the Actuarially Determined Contribution (ADC). As shown in the Schedule of Contributions in the Required Supplementary Information in the RTA Pension Plan Annual Financial Report, the three participating employers of the RTA Pension Plan made voluntary supplemental contributions in excess of the ADC over the last 10 years.

As of January 1, 2024, the Pension Plan had an AVA as determined under the Asset Smoothing Method of \$416,455,475. The Pension Plan's AAL as of such date was \$505,795,341. As a result, the Pension Plan's UAAL was \$89,339,866, which corresponds to a Funded Ratio of 82.3% on an actuarial basis.

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The following table provides a schedule of funding progress as of January 1, 2014, through January 1, 2024.

**Schedule of Funding Progress  
Fiscal Years 2014-2024**

| As of<br>1/1 | Actuarial<br>Value of<br>Assets <sup>(1)</sup><br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as %<br>of Covered<br>Payroll<br>(b-a)/(c) |
|--------------|---|---|------------------------------------|--------------------------|---------------------------|---|
| 2014         | \$180,317,254   | \$233,751,698                                     | \$53,434,444                       | 77.14%                   | \$74,809,822              | 71.4%   |
| 2015         | 196,142,829   | 270,324,403                                       | 74,181,574                         | 72.6%                    | 83,485,618                | 88.9%   |
| 2016         | 265,692,481   | 286,457,946                                       | 20,765,465                         | 92.8%                    | 88,663,051                | 23.4%   |
| 2017         | 275,792,027   | 302,074,097                                       | 26,282,070                         | 91.3%                    | 93,950,500                | 28.0%   |
| 2018         | 289,367,890   | 320,195,599                                       | 30,827,709                         | 90.4%                    | 100,053,769               | 30.8%   |
| 2019         | 292,178,756   | 330,781,816                                       | 38,603,060                         | 88.3%                    | 103,276,538               | 37.4%   |
| 2020         | 304,202,856   | 374,505,872                                       | 70,303,016                         | 81.2%                    | 107,441,009               | 65.4%   |
| 2021         | 320,673,904   | 441,823,719                                       | 121,149,81                         | 72.6%                    | 100,986,030               | 120.0%  |
| 2022         | 347,388,276   | 470,216,319                                       | 122,828,04                         | 73.9%                    | 105,835,620               | 116.1%  |
| 2023         | 357,714,695   | 487,965,397                                       | 130,250,70                         | 73.3%                    | 114,216,593               | 114.0%  |
| 2024         | 416,455,475   | 505,795,341                                       | 89,339,866                         | 82.3%                    | 123,927,504               | 72.1%   |

Source: The 2024 Actuarial Valuation.

(1) The actuarial value is determined by application of the Asset Smoothing Method as discussed in “- Actuarial Calculations, Assumptions and Methods” above.

*Pension Code Contribution Requirement*

The Illinois Pension Code, as amended (the “*Pension Code*”), requires that the Authority, Metra, and Pace make additional contributions to any pension plans they participate in, together or individually, including the Pension Plan, if such pension plans had a Funded Ratio of less than 90% as of January 1, 2009, or if such pension plans fall below a 90% Funded Ratio at any time in the future. This statute applies to the Pension Plan because its Funded Ratio was 69.17% on January 1, 2009. The Funded Ratio was 82.3% as of January 1, 2024.

As a result, the Pension Code requires that the Authority, Metra, and Pace agree on a schedule to amortize the amount of the Pension Plan’s UAAL necessary to achieve a Funded Ratio of 90% within a maximum of 50 years. The Pension Plan’s actuary continued to calculate the Pension Plan’s contribution in accordance with applicable accounting standards which require amortization of the entire UAAL over a closed thirty-year period ending in 2045. The Authority expects to continue making contributions in accordance with actuarial requirements, which the Authority expects will be sufficient to meet its statutory requirements. Such contribution amounts are reviewed on an annual basis and adjusted as needed to meet the applicable actuarial funding requirements.

As of the date of the most recent Actuarial Valuation, the Authority, Metra, and Pace have continued to fund the Pension Plan in accordance with actuarial requirements, the investment return assumption was changed from 8.50% to 8.25% for use in the January 1, 2011, valuation,

reduced to 7.75% for first use in the January 1, 2012, valuation, lowered to 7.5% for first use in the January 1, 2015 valuation, and lowered to 6.0% for first use in the January 1, 2021, valuation. The Lump Sum Benefit has been eliminated for new employees hired after December 31, 2010.

#### AUTHORITY'S RESPONSIBILITY FOR SERVICE BOARD PENSION PLANS

The Authority is not generally responsible for making contributions to pension plans of the Service Boards, other than the Pension Plan. However, Sections 4.02a and 4.02b of the Act require the Authority to continually review the payment of the required employer contributions to the pension plans of the Service Boards and, if the Authority determines that such payments are more than one month overdue, to pay the amount of such overdue contributions to the trustee of the affected pension plan on behalf of that Service Board out of moneys otherwise payable to that Service Board. The Authority does not retain any liability to the applicable Service Board for any amounts paid as required in these sections of the Act.

#### OTHER POST-EMPLOYMENT BENEFITS

The Authority offers eligible retirees the option to continue participation in its group health insurance plan for employees (the "*Health Plan*"). The Authority subsidizes up to \$78 per month for each eligible employee who elects to participate in the Health Plan. The Authority recognizes these expenses as they are paid and does not incur any additional obligations under the Health Plan.

As of December 31, 2023, 43 participants were eligible to receive benefits. For such year, the Authority incurred \$58,000 in expenses related to the Health Plan. The Authority's auditor considers the amount of the liability for the Health Plan to be immaterial to the Authority.

#### RISK MANAGEMENT

The Authority's Risk Management practices include a portfolio of insurance policies to protect against losses due to crime, fire and other casualty, terrorism, cyber-related liability and public officials' liability. Further, the Authority administers a Joint Self Insurance Fund and Loss Financing Plan, governed by the Authority and all three Service Boards, which secures excess liability insurance in case of catastrophic occurrences.

#### INVESTMENT POLICIES AND PRACTICES

The Authority's investments are made in strict compliance with the provisions of the Illinois Public Funds Investment Act, 30 Illinois Compiled Statutes 235. Further, the Board of Directors has adopted a series of ordinances delineating Investment and Portfolio Policies more conservative than those required by Illinois law.

#### FINANCIAL CONTROLS OVER SERVICE BOARDS

The Act vests responsibility for financial oversight in the Authority and responsibility for operations and day-to-day management of rail and bus service in the Service Boards. The Authority's financial oversight responsibility is implemented principally through the budget process, in which each Service Board submits an annual budget and two-year financial plan for approval by the Authority. The Act sets criteria by which proposed budgets and financial plans are

to be reviewed and requires that the System Generated Revenue Recovery Ratio<sup>††</sup> equals or exceeds 50% and the ADA paratransit revenue recovery ratio equals or exceeds 10%. On a quarterly basis, the Service Boards must report their financial condition and results of operations to the Authority. The Authority Board, by the affirmative vote of 12 of its Directors, must determine whether the results are substantially in accordance with the adopted budget and if so, certify that determination to the Governor, the Mayor of the City and the Auditor General of the State. If a Service Board is found not to be substantially in compliance with its budget, the Authority may direct that Service Board to submit a revised budget meeting the mandated criteria. If a Service Board's budget does not meet the criteria, the Authority must withhold 25% of the Service Board's allocation of Authority Sales Taxes and 25% of the Public Transportation Fund Revenues estimated to be available to that Service Board until a compliant budget and financial plan is approved. See "THE REGIONAL TRANSPORTATION AUTHORITY - 2025 Budget and 2026-27 Financial Plan."

The Act confers upon the Authority Board powers to adopt regulations requiring that the Service Boards submit specific information in connection with the budget, financial plan and capital program, base that budget, financial plan and capital program on those assumptions and projections set out by the Authority, and comply with Authority prescribed financial practices in the budgeting and expenditure of public funds. The Act also empowers the Authority to evaluate public transportation services operated by the Service Boards against the goals and objectives of the Authority Strategic Plan and to assess the efficiency and adequacy of those services.

The Amendatory Legislation requires the Authority to conduct audits of each of the Service Boards no less than every five years. Those audits may include management, performance, financial, and infrastructure condition audits. Similar audits may be conducted of transportation agencies that provide services on behalf of a Service Board. In 2010, the Authority Board approved the development of a cost-effective and timely five-year service board audit program which complies with the Amendatory Legislation but does not duplicate the Service Boards' own efforts. Guided by the latest risk assessment completed in 2021, the Authority developed the five-year 2022-2026 audit program and develops annually an audit plan that is coordinated with the Service Boards.

The Act directs the Authority to review the payment of required employer contributions to pension plans established by the Service Boards and, if those payments are more than one month overdue, to pay those overdue contributions to the pension plan from amounts otherwise payable to that Service Board from Authority revenues. Currently, all contributions are being made as required. See "AUTHORITY PENSION PLAN - AUTHORITY'S RESPONSIBILITIES FOR SERVICE BOARD PENSION PLANS" above.

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<sup>††</sup> In response to impact of the COVID-19 pandemic on public transit, the recovery ratio requirement has been waived through 2025. This is the language from our ordinance adopting the 2025 budget: in July 2023, Illinois P.A. 103-0281 provided temporary recovery ratio relief to the RTA and Service Boards for RTA fiscal years 2024 and 2025 by waiving the financial penalty for failing to achieve an actual 50% year-end system-generated revenue recovery ratio result, and further provided relief by allowing the regional operating budget to reflect a system-generated revenue recovery ratio of less than 50% and by allowing the ADA Paratransit budget to reflect a system-generated revenue recovery ratio of less than 10%, extending the relief which had been provided by Illinois P.A. 102-0678 for RTA fiscal years 2021 through 2023

The Authority Board has established certain principles to guide the Authority/Service Board fiscal relationship. The primary principle established by the Authority Board is that if a Service Board performs better than budget in a given Fiscal Year, either as a result of higher than budgeted revenues or lower than budgeted expenses, the Authority will not reduce such Service Board's budgeted funding. Thus, the results of good performance flow through to the Service Board in the form of positive budget surpluses. These funds may be directed by a Service Board in a subsequent Fiscal Year to address high priority needs, either for operating or capital purposes, upon the approval of the Authority.

## HISTORICAL FINANCIAL RESULTS

The Amendatory Legislation authorized a significant increase in public funding for operation of public transportation in the Region. The Amendatory Legislation became law on January 18, 2008. The Authority increased the Authority Sales Tax, as authorized by the Amendatory Legislation, effective April 1, 2008, and the Authority began to receive revenues from those increases in July 2008. Additionally, the Amendatory Legislation authorized the City to impose an increase in the Chicago Real Estate Transfer Tax on April 1, 2008, for the benefit of the CTA.

The following Table I contains Statements of Revenues and Expenditures for the Authority (including funding for the Service Boards) for the years from 2019 through 2024. The financial information is presented on a funding basis which is non-GAAP and differs in certain respects from the presentation of the financial statements contained in APPENDIX B - "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE AUTHORITY FOR THE PERIOD ENDED DECEMBER 31, 2023" as explained in the footnotes to Table I. For the financial results of the individual Service Boards, see APPENDIX C - "SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS OF THE AUTHORITY AND THE SERVICE BOARDS FOR THE PERIOD ENDED DECEMBER 31, 2023" and APPENDIX D - "SERVICE BOARD HISTORICAL FINANCIAL RESULTS AND 2025 Budget and 2026-27 Financial Plan." Not all of the amounts shown under the heading "REVENUES" in the Table constitute security for the Authority Obligations, including the Series 2025A Bonds. See "SECURITY FOR THE SERIES 2025A BONDS."

As shown in Table I, for the period 2019 through 2024, Authority revenues grew by approximately \$596 million, an annual compound growth rate of 5.9%. Sales Tax Revenues and Public Transportation Fund Revenues grew at an annual compound growth rate of approximately 6.4% from 2019 through 2024.

Because the State subsidy that comprises the Public Transportation Fund is calculated in part based on the level of Sales Tax Revenues, the Public Transportation Fund amount increases or decreases with the sales tax receipts. In 2008 the increase in Authority Sales Tax rates caused a change in the base by which the State subsidy is measured. Prior to 2008, the State subsidy rate was 25%, but the Amendatory Legislation increased the rate to 30%. Effective July 1, 2017, the State instituted a temporary 10% reduction in the Public Transportation Fund for State fiscal year 2018, reducing the amount of Public Transportation Fund funding provided to the Authority and Service Boards by approximately \$40 million. The reduction in Public Transportation Fund funding was eased to 5%, or approximately \$20 million per year, for State fiscal years 2019, 2020, and 2021. The reduction was eliminated for State fiscal year 2022. State Assistance, which

reimburses the Authority for debt service on SCIP Bonds, has begun to decline as earlier SCIP Bonds mature.

The severe decline in the economy since 2008 was reflected in a decline in the total volume of retail sales in the Region and real estate transfers in the City in calendar years 2008 and 2009. Therefore, even accounting for the increase in the sales tax rate, the revenues fell short of amounts estimated by the Authority and used as the basis for 2009 budgets adopted by the Service Boards and approved by the Authority. Following the recession of 2009, Sales Tax growth exceeded 4.0% in 2012 through 2015; however, in 2016 to 2019, there was a decline in Sales Tax growth due to marketplace competition, rescinding population, and State imposed fees. As a result of the COVID-19, Sales Tax receipts declined 8.2% in 2020. Subsequently, Sales Tax receipts rebounded by 27.6% in 2021, 6.9% in 2022, 3.9% in 2023, and 4.8% in 2024 as a result of pent-up demand, inflation, and the expansion of the Sales Tax to more on-line sales. Cognizant of future economic challenges, the Authority has reflected slightly lower Sales Tax growth in the revenue estimates on which the 2025 Budget and 2026-27 Financial Plans have been based.] See “THE REGIONAL TRANSPORTATION AUTHORITY - 2025 Budget and 2026-27 Financial Plan.”

Operating expenditures were approximately \$2.380 billion in 2024, an increase of approximately \$118 million compared to operating expenditures for 2023. Operating expenditures for 2023 increased by \$61 million compared to 2022. The Authority has been resilient over controlling and managing operating expenses.

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**Table I\***  
**RTA Statements of Revenues and Expenditures**  
**(Including Funding for the Service Boards)**  
**2019-2024 Financial Information**  
(Dollars in Thousands)

|   | 2019               | 2020               | 2021               | 2022               | 2023               | 2024 <sup>(6)</sup> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| <b>System-Generated Revenue</b>                                     |                    |                    |                    |                    |                    |                     |
| RTA Sales Tax (Part I)  | \$932,542          | \$855,190          | \$1,085,632        | \$1,161,319        | \$1,206,550        | \$1,264,349         |
| RTA Sales Tax (Part II) <sup>(1)</sup>                              | 321,619            | 295,967            | 383,174            | 408,248            | 424,333            | 444,309             |
| RTA Public Transportation Fund (Part I)                             | 225,469            | 212,613            | 257,474            | 294,582            | 307,069            | 317,694             |
| RTA PTF (Part II) <sup>(1)(2)</sup>                                 | 156,520            | 145,786            | 179,794            | 205,005            | 207,983            | 213,622             |
| State Financial Assistance (ASA/AFA)                                | 130,300            | 130,300            | 130,300            | 125,797            | 115,189            | 117,615             |
| State Free Rides/Reduced Fare Reimbursement                         | 17,570             | 17,570             | 17,570             | 17,570             | 18,260             | 19,107              |
| State Funding for ADA Paratransit                                   | 8,395              | 8,395              | 8,395              | 8,395              | 8,395              | 9,108               |
| RTA Regional Capital Project Reserves                               | 250                | 120                | 0                  | 375                | 0                  | 0                   |
| RTA Reserves  | 2,500              | 34,857             | 2,500              | 0                  | 0                  | 0                   |
| ICE Reserves/Carryover  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                   |
| Other RTA Revenue   | 12,625             | 9,785              | 2,652              | 16,033             | 23,270             | 17,557              |
| CARES Act Funding - RTA   | 0                  | 6,181              | 22,582             | 0                  | 0                  | 0                   |
| <b>Total Revenue</b>  | <b>\$1,807,790</b> | <b>\$1,716,764</b> | <b>\$2,090,075</b> | <b>\$2,237,324</b> | <b>\$2,311,049</b> | <b>\$2,403,361</b>  |
| <b>Operating Expenditures</b>                                       |                    |                    |                    |                    |                    |                     |
| RTA Total Funds for CTA Operations                                  | \$755,838          | \$688,910          | \$879,276          | \$973,945          | \$1,005,102        | \$1,054,777         |
| RTA Total Funds for Metra Operations                                | 415,605            | 403,637            | 510,560            | 541,663            | 555,963            | 580,956             |
| RTA Total Funds for Pace Suburban Service Operations <sup>(3)</sup> | 168,958            | 165,123            | 206,108            | 220,026            | 225,994            | 235,624             |
| RTA Total Funds for Pace ADA Paratransit Operations                 | 173,025            | 176,255            | 165,680            | 216,432            | 225,939            | 235,973             |
| State Free Rides/Reduced Fare Reimbursement                         | 17,570             | 17,570             | 17,570             | 17,570             | 18,260             | 19,107              |
| RTA Agency Administration, Regional Services & Programs             | 42,068             | 41,132             | 32,685             | 41,868             | 41,732             | 52,500              |
| <b>Total Operating Expenditures</b>                                 | <b>\$1,573,065</b> | <b>\$1,492,627</b> | <b>\$1,811,879</b> | <b>\$2,011,504</b> | <b>\$2,072,990</b> | <b>\$2,178,937</b>  |
| <b>Debt Service &amp; Capital Expenditures</b>                      |                    |                    |                    |                    |                    |                     |
| Principal and Interest  | \$228,366          | \$213,630          | \$278,925          | \$199,740          | \$178,932          | \$189,834           |
| Regional Technology and Agency Capital                              | 250                | 120                | 0                  | 375                | 851                | 0                   |
| RTA Joint Self-Insurance Fund (JSIF) <sup>(4)</sup>                 | 5,664              | 9,139              | 9,500              | 9,975              | 10,474             | 10,997              |
| <b>Total Debt Service, Capital &amp; JSIF Expenditures</b>          | <b>\$234,280</b>   | <b>\$222,889</b>   | <b>\$288,425</b>   | <b>\$210,060</b>   | <b>\$189,408</b>   | <b>\$200,832</b>    |
| <b>Total Expenditures</b>   | <b>\$1,807,345</b> | <b>\$1,715,516</b> | <b>\$2,100,304</b> | <b>\$2,221,564</b> | <b>\$2,262,398</b> | <b>\$2,379,769</b>  |
| <b>Fund Balance</b>   |                    |                    |                    |                    |                    |                     |
| Beginning Balance (Unassigned)                                      | \$5,330            | \$4,642            | \$4,497            | \$1,372            | \$22,849           | \$6,095             |
| Total Revenues Less Total Expenditures                              | 445                | 1,248              | -10,229            | 15,760             | 48,651             | 23,592              |
| Net Transfers (To)/From Reserves                                    | -12,689            | -1,999             | -1,999             | -4,846             | -8,366             | -16,823             |
| Reconciliation to Budgetary Basis                                   | 11,556             | 606                | 9,103              | 10,563             | -57,039            | 0                   |
| <b>Ending Fund Balance (Unassigned)</b>                             | <b>\$4,642</b>     | <b>\$4,497</b>     | <b>\$1,372</b>     | <b>\$22,849</b>    | <b>\$6,095</b>     | <b>\$12,864</b>     |
| % of Total Operating Expenditures                                   | 0.26%              | 0.26%              | 0.07%              | 1.03%              | 0.27%              | 0.54%               |
| Total System-Generated Revenue Recovery Ratio <sup>(5)</sup>        | 51.73%             | 51.85%             | 40.32%             | 44.58%             | 42.80%             | 46.2%               |
| ADA Paratransit Recovery Ratio <sup>(5)</sup>                       | 10.44%             | 9.67%              | 10.60%             | 9.04%              | 10.27%             | 11.0%               |

\*Any discrepancies between Table I and the Combining Special Purpose Financial Statements for the respective fiscal year result from difference in presentation of the numbers. The numbers in Table I are presented on a budgetary basis and the numbers in the Combining Special Purpose Financial Statements are presented on a modified accrual basis.

(1) Incremental amounts generated by Amendatory legislation.

(2) Includes PTF on the City of Chicago Real Estate Transfer Tax (RETT).

(3) Includes Suburban Community Mobility Funds (SCMF) and South Suburban Job Access (SSJA) funds.

(4) RTA funds to purchase excess liability and terrorism insurance to provide protection against catastrophic loss.

(5) The Act defines a "system generated revenue recovery ratio," representing the portion of costs covered by revenues. The ratio must equal at least 50% Region-wide excluding ADA Paratransit Service and 10% for ADA Paratransit Service. The 2020 Special-Purpose Combining Financial Statements present the calculation of this ratio on page 41-42 of Note 13.

(6) 2024 numbers are a combination of unaudited actual results and estimates.

## 2025 BUDGET AND 2026-27 FINANCIAL PLAN

By December 31 of each year, the Authority is required to adopt, after holding a public hearing, an annual Authority budget and appropriation ordinance for the following year and a two-year financial plan. This annual budget for the Authority includes direct expenditures for the Authority and funding of each Service Board's operating deficit. This annual budget must evidence a System Generated Revenue Recovery Ratio of no less than 50% and an ADA Paratransit Services Revenue Recovery Ratio of no less than 10%<sup>##</sup>.

In determining the funding amounts to be available during the period of the annual budget and two-year financial plan, the Authority reviews economic forecasts for the region and customized sales tax forecasts from a private econometric forecasting service. In addition, the Governor's Office of Management and Budget supplies the Authority with a sales tax revenue projection in July of each year. By September 15 of each year, the Authority Board considers a recommended funding level for the Service Boards for the next fiscal year and the times at which such amounts are expected to be available. In December 2024, the Authority informed the Service Boards of the amounts projected to be available with respect to the 2025 Budget and 2026-27 Financial Plan.

Each Service Board develops a proposed annual budget and two-year financial plan consistent with the funding levels established by the Authority. After holding public hearings on its proposed annual budget and two-year financial plan, each Service Board is required to submit its proposed budget and two-year financial plan to the Authority on or before November 15 of that year. The Act requires that such annual budget and two-year financial plan project or assume revenues from the Authority in amounts no greater than those set forth in the funding estimates provided by the Authority. In accordance with the Authority Act, the Authority reviews and approves the proposed annual budget and two-year financial plan of each Service Board.

Each Service Board presented its 2025 Budget and 2026-27 Financial Plan to the Authority for approval under the Act. On December 19, 2024, the Authority adopted an ordinance approving the 2025 budgets and 2026-27 financial plans of the Service Boards, adopting the 2025 budget and Financial Plan of the Authority and appropriating funds for the 2025 budgets, and adopting the Five-Year Capital Program.

The 2025 Budget and 2026-27 Financial Plan have been established using public funding estimates of the Authority that reflect recent improving trends and take into account economic forecasts from various sources. In the development of the 2025 Budget and 2026-27 Financial Plan, the Authority and the respective Service Boards have maintained service levels aided by robust sales tax growth and effective control of operating expenses. By law, the Service Boards must prepare balanced budgets, and the Service Boards' proposed 2025 budgets meet this

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<sup>##</sup> In response to impact of the COVID-19 pandemic on public transit, the recovery ratio requirement has been waived through 2025. This is the language from our ordinance adopting the 2025 budget: in July 2023, Illinois P.A. 103-0281 provided temporary recovery ratio relief to the RTA and Service Boards for RTA fiscal years 2024 and 2025 by waiving the financial penalty for failing to achieve an actual 50% year-end system-generated revenue recovery ratio result, and further provided relief by allowing the regional operating budget to reflect a system-generated revenue recovery ratio of less than 50% and by allowing the ADA Paratransit budget to reflect a system-generated revenue recovery ratio of less than 10%, extending the relief which had been provided by Illinois P.A. 102-0678 for RTA fiscal years 2021 through 2023

requirement. However, the 2026 and 2027 financial plans assume additional Service Board revenue totaling \$771.2 million and \$1.138 billion, respectively, to balance projected operating expenses if service levels are to be maintained. For a fourteenth consecutive year, the budget does not utilize transfers from capital funding to support operations preserving those funds for their intended use.

The 2025 Budget and 2026-27 Financial Plan conform to the Authority requirements concerning system-generated recovery ratios. State law requires that one-half of the Authority System operating costs, apart from ADA Paratransit service, are paid for with system-generated revenues. This requirement has been waived for the 2025 budget, thereby allowing for the 2025 budgeted ratio of 49.8% for mainline service. Note that this reflects \$817 million in revenue from COVID relief funding, without which the Regional Recovery Ratio is budgeted to be 25.7% in 2025. Meeting the 50% recovery ratio in 2026 and 2027 plan years requires revenue credits of \$110 million and \$120 million, respectively.

With the anticipated exhaustion of COVID-era federal relief funding in 2026, the Service Board budgets and two-year plans require \$771 million and \$1.138 billion of new funding or budget balancing actions in 2026 and 2027, respectively. Building off the region’s transit strategic plan, Transit is the Answer, the RTA’s legislative agenda focuses on securing sustainable funding that will not only address the impending shortfalls but will also improve the frequency and reliability of transit service across the region while implementing the reforms necessary to increase accountability and efficiency systemwide.

As more fully described in APPENDIX A hereto, the Authority monitors the receipt of Sale Tax Revenues and Public Transportation Fund Revenues on an ongoing basis throughout the year. In 2024, annual Sales Tax Revenues of \$1.709 billion exceeded prior year by 4.8%, and exceeded budget by 3.4%. The table set forth below shows the comparison of actual 2024 Sales Tax Receipts to budgeted 2024 Sales Tax Receipts and actual Sales Tax receipts in 2023.

**RTA 2024 Sales Tax Receipts**  
(Dollars in Thousands)

|                             | Jan     | Feb     | Mar     | April   | May     | June    | July    | Aug     | Sept    | Oct     | Nov     | Dec     | YTD       | Full Year |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|
| <b>2024</b>                 |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Actual</b>               | 121,855 | 119,668 | 138,548 | 132,266 | 146,100 | 142,585 | 143,745 | 145,728 | 145,913 | 157,856 | 146,628 | 167,765 | 1,708,658 | 1,708,658 |
| <b>2023</b>                 |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Actual</b>               | 117,903 | 112,669 | 133,887 | 128,545 | 140,522 | 143,455 | 136,670 | 145,360 | 137,814 | 136,741 | 139,814 | 157,502 | 1,630,883 | 1,630,883 |
| <b>\$</b>                   |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Change</b>               | 3,953   | 6,998   | 4,661   | 3,721   | 5,579   | (870)   | 7,075   | 369     | 8,099   | 21,114  | 6,814   | 10,263  | 77,775    | 77,775    |
| <b>%</b>                    |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Change</b>               | 3.4%    | 6.2%    | 3.5%    | 2.9%    | 4.0%    | (0.6%)  | 5.2%    | 0.3%    | 5.9%    | 15.4%   | 4.9%    | 6.5%    | 4.8%      | 4.8%      |
| <b>2024</b>                 |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Budget<sup>(1)</sup></b> | 116,457 | 115,853 | 137,169 | 131,923 | 143,687 | 145,720 | 140,123 | 143,672 | 139,636 | 139,919 | 137,564 | 161,197 | 1,652,921 | 1,652,921 |
| <b>\$</b>                   |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Change</b>               | 5,398   | 3,815   | 1,379   | 343     | 2,413   | (3,136) | 3,622   | 2,056   | 6,277   | 17,937  | 9,064   | 6,568   | 55,737    | 55,737    |
| <b>%</b>                    |         |         |         |         |         |         |         |         |         |         |         |         |           |           |
| <b>Change</b>               | 4.6%    | 3.3%    | 1.0%    | 0.3%    | 1.7%    | (2.2%)  | 2.6%    | 1.4%    | 4.5%    | 12.8%   | 6.6%    | 4.1%    | 3.4%      | 3.4%      |

(1) Adopted by the RTA Board on December 14, 2023.

The information presented in Table II set forth below is based on the 2025 Budget and 2026-27 Financial Plan presented by the Service Boards and was adopted by the Authority as its 2025 Budget and 2026-27 Financial Plan at its December 19, 2024 meeting. The 2025 Budget and 2026-27 Financial Plans of the Service Boards presented in APPENDIX D were submitted to the

Authority by the Service Boards and were approved by the Authority at the December 19, 2024 meeting.

In the event that Sales Tax Revenues are materially lower than projected in the 2025 budget 2026-27 Financial Plan, the Authority staff would recommend to the Board that revisions of its funding estimates for the balance of 2025 and subsequent periods be made and direct the Service Boards to develop new budgets and financial plans reflecting such revisions. The range of actions available to the Authority and the Service Boards to respond to a decrease in revenues includes measures to reduce costs through service cuts and other actions, fare increases, reprogramming of federal subsidies currently planned for long-term capital projects to ongoing operating costs, like preventive maintenance or capital costs of contracting service, as permitted by federal law, freeing up other revenues to fund operating costs, and reprogramming of restricted cash balances held by the Authority. The 2025 Budget and 2026-27 Financial Plans are shown in Table II and APPENDIX D. The Authority will continue to monitor the level of Sales Tax Revenues.

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**Table II**  
**RTA 2025 Budget and 2026-2027**  
**Financial Plan**  
(Dollars in Thousands)

|  | 2025 <sup>(A)</sup> | 2026 <sup>(A)</sup> | 2027 <sup>(A)</sup> |
|--|---------------------|---------------------|---------------------|
| System-Generated Revenue                                     | Budget              | Plan                | Plan                |
| <b>RTA Revenue</b>   |                     |                     |                     |
| RTA Sales Tax (Part I) <sup>(1)</sup>                        | 1,282,509           | 1,315,854           | 1,350,066           |
| RTA Sales Tax (Part II) <sup>(1)</sup>                       | 451,047             | 462,774             | 474,806             |
| RTA Public Transportation Fund (PTF - Part I)                | 322,679             | 333,973             | 342,656             |
| RTA PTF (Part II)  | 217,586             | 227,573             | 235,950             |
| State Financial Assistance (ASA/AFA)                         | 103,358             | 99,131              | 99,216              |
| State Reduced Fare Reimbursement                             | 20,938              | 20,938              | 20,938              |
| State Funding for ADA Paratransit                            | 10,020              | 10,020              | 10,020              |
| ICE Carry Forward <sup>(2)</sup>                             | 16,598              | 17,129              | 17,643              |
| Other RTA Revenue <sup>(3)</sup>                             | 29,148              | 20,078              | 18,541              |
| <b>Total Revenue</b>   | <b>2,453,882</b>    | <b>2,507,472</b>    | <b>2,569,836</b>    |
| <b>Operating Expenditures</b>                                |                     |                     |                     |
| RTA Total Funds for CTA Operations                           | 1,072,357           | 1,104,520           | 1,130,855           |
| RTA Total Funds for Metra Operations                         | 598,983             | 614,014             | 626,377             |
| RTA Total Funds for Pace Suburban Service Operations         | 242,360             | 248,344             | 253,405             |
| RTA Total Funds for Pace ADA Paratransit Operations          | 266,200             | 278,584             | 292,986             |
| RTA Funding for ICE <sup>(2)</sup>                           | 17,643              | 18,102              | 18,573              |
| State Reduced Fare Reimbursement                             | 20,938              | 20,938              | 20,938              |
| Agency Administration  | 19,493              | 20,078              | 20,681              |
| RTA Regional Services and Programs                           | 36,520              | 36,577              | 38,183              |
| <b>Total Operating Expenditures</b>                          | <b>2,274,495</b>    | <b>2,341,156</b>    | <b>2,401,998</b>    |
| <b>Debt Service &amp; JSIF Expenditures</b>                  |                     |                     |                     |
| Principal and Interest                                       | 167,840             | 154,190             | 155,107             |
| RTA Joint Self Insurance Fund (JSIF)                         | 11,547              | 12,125              | 12,731              |
| <b>Total Debt Service and JSIF Expenditures</b>              | <b>179,387</b>      | <b>166,315</b>      | <b>167,838</b>      |
| <b>Total Expenditures</b>                                    | <b>2,453,882</b>    | <b>2,507,472</b>    | <b>2,569,836</b>    |
| <b>Fund Balance</b>  |                     |                     |                     |
| Beginning Balance (Unassigned)                               | 19,373              | 19,373              | 19,373              |
| Total Revenues Less Total Expenditures                       | 0                   | 0                   | 0                   |
| <b>Ending Fund Balance (Unassigned)</b>                      | <b>19,373</b>       | <b>19,373</b>       | <b>19,373</b>       |
| % of Total Operating Expenditures                            | 0.8%                | 0.8%                | 0.8%                |
| Total System-Generated Revenue Recovery Ratio <sup>(4)</sup> | 49.8%               | 50.0%               | 50.0%               |
| ADA Paratransit Recovery Ratio                               |                     |                     |                     |

(A) Adopted by RTA Board on December 19, 2024

(1) Net amount after 1.5% State administrative fee.

(2) Reflects 2023-2025 actual/estimated ICE amounts as Funding Sources, and 2025-2027 estimated ICE amounts as Operating Expenditures, temporarily held at RTA for distribution in 2027-2029.

(3) Includes income from investments, sales tax interest, and revenue from RTA programs and projects.

(4) Includes an unspecified regional-level revenue credit of \$110 million and \$120 million to achieve 50% requirement in 2026 and 2027, respectively.

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## CAPITAL PROGRAM

### GENERAL DESCRIPTION OF THE CAPITAL PROGRAM

The System provided approximately 367 million unlinked passenger trips in calendar year 2024. This level of ridership has the beneficial impact of reducing road congestion and so improving the flow of goods and services as well as air quality. In addition, the System provides essential mobility to those persons unable to utilize other modes of transportation. The System represents an asset with a replacement value of approximately \$118 billion. To continue these public benefits, the Authority strives to maximize the amount of resources devoted to investment in the System for it to remain in good working order, as well as to respond to changing markets. The Authority five-year capital program embodies the detail of this investment, updated and adopted annually by the Authority Board, as required by the Act.

Sources of funds for capital investment include federal and State programs as well as funds from the Authority, the Service Boards, and local governments. Federal funding levels are currently governed by the Infrastructure, Investment and Jobs Act (IIJA) legislation. The 2024 federal formula funding amounts the Service Boards applied for are as follows: CTA - \$428.5 million; Metra - \$251.4 million; and Pace - \$59.1 million. At this time, the final federal appropriations for 2025 have not been published. FTA published a partial apportionment for 2025 covering October 1, 2024, to March 15, 2025. This partial apportionment kept the spending levels the same as federal fiscal year 2024. Once the Federal Register containing the final federal fiscal year 2025 federal apportionments is published, the capital program will be amended to correspond to funds made available by the apportionment. The Service Boards will then revise their capital programs to reflect actual appropriation levels.

The State of Illinois approved a groundbreaking capital plan titled, “Rebuild Illinois” in 2019. It provided two capital funding streams. First, it provided \$2.7 billion in bond revenues that were granted to the Service Boards in 2020 and 2021, of which 35% of the funds have been expended. In addition, it provided sustainable (or “PAYGO”) capital funding from an additional motor fuel tax that generated an average of \$230 million annually for transit investments in the RTA Region over the first five years of the program. It is estimated that PAYGO funding will provide approximately \$308 million per year over the next 5-year period (2025-2029). PAYGO and Rebuild Illinois Bonds have been used to address key State of Good Repair projects throughout the system that could not be completed in the past due to lack of funding. Major projects advancing include CTA’s first phase of the Blue Line Forest Park Branch Rehab and CTA’s new Non-Revenue Vehicle Garage, Metra’s new Railcar Purchase and key station renovations along the Metra Electric Line, and Pace’s new Plainfield Garage, as well as the Joliet and Harvey Multimodal facilities.

Prior to “Rebuild Illinois,” the State of Illinois approved a capital bill in 2009 that programmed the Authority system with \$2.7 billion in capital funds. The 2009 state capital plan was pared back due to bond revenues not meeting expectations as well as the governor reducing the amount of funds permitted to be granted. Due to these reductions, \$2.1 billion in capital bonds were granted with nearly 99% of proceeds invested in key projects in the region. Currently, there is a balance of \$25 million remaining from the 2009 state capital program. Due to the reduction in funds in 2009, several projects were delayed 10 years and funded with 2019 Rebuild Illinois Funds. See “SECURITY FOR THE SERIES 2025A BONDS - AUTHORITY OBLIGATIONS.”

## FIVE YEAR CAPITAL PROGRAM

The most recent five-year capital program adopted by the Authority Board on December 19, 2024, covers years 2025 through 2029. The estimated capital funds total \$9,468,644,453 over the five years of the program with \$1,647,091,605 billion estimated for 2025. Extensions and expansions represent the largest single category of investment, with nearly \$4 billion being allocated to CTA's Red Line Extension. Another key investment focus is on rolling stock, with a total investment of almost \$2.3 billion. Beyond the Red Line Extension, the primary emphasis of the Capital Program is to continue efforts to bring the System's assets to a State of Good Repair.

Capital programs for the CTA during this five-year period total \$6,959,691,463, including the following major projects:

- All Stations Accessibility Program (\$78 million)
- Red Line Extension (\$3,956 million)
- 103<sup>rd</sup> Street Garage Electrification (\$133 million)
- Articulated Electric Buses & Charging Equipment (\$305 million)
- Bus Garage Electrifications (\$133 million)

Capital programs for Metra during this five-year period total \$2,129,736,103, including the following major projects:

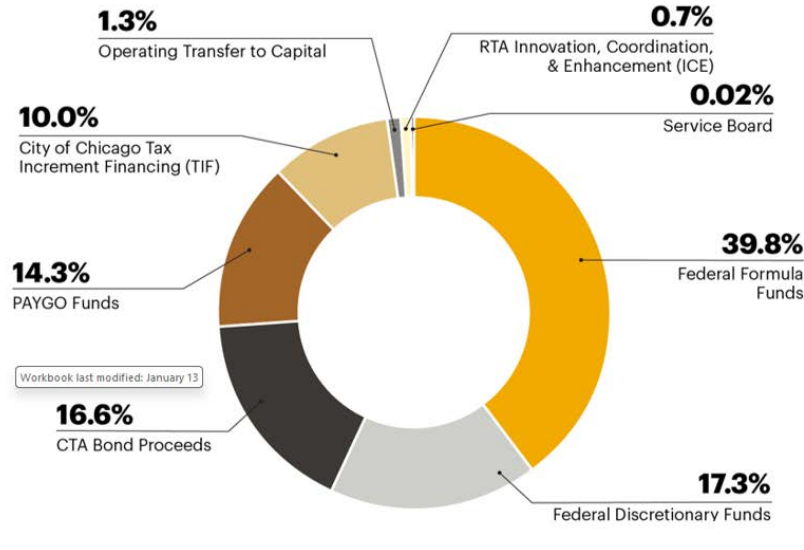
- Rogers Park Station (\$35 million)
- Olympia Fields Station (\$27 million)
- Bridge 86 Auburn Park Station 78<sup>th</sup> St. Entrance (\$33 million)
- Harvey Transportation Center (\$8 million)
- Zero-Emission Trainsets (\$206 million)
- Battery Powered Locomotives (\$38 million)

Capital programs for PACE during this period total \$379,216,887, including the following major projects:

- Hydrogen Paratransit Vehicles (\$4 million)
- Paratransit Vehicle Purchases (\$40 million)
- River Division Electrification (\$82 million)
- Southwest Division Electrification (\$92 million)
- Garage Electrifications (\$174 million)
- Hydrogen Paratransit Vehicles (\$4 million)

The chart below illustrates the anticipated funding sources for the Authority 2025-2029 Capital Program.

## Proposed 2025-2029 Regional Capital Program: \$9.5 Billion



The table below shows the anticipated uses for funds based on asset category.

### 2025-2029 CAPITAL PROGRAM USES (DOLLARS IN THOUSANDS)

| Asset Category                       | CTA                    | Metra                  | Pace                 | Total                |
|--------------------------------------|------------------------|------------------------|----------------------|----------------------|
| Rolling Stock - Bus                  | \$558,288,704          | -                      | \$204,676,887        | \$762,965,591        |
| Rolling Stock - Rail                 | \$538,417,692          | \$979,481,137          | -                    | \$1,517,898,829      |
| Track & Structure                    | \$176,054,455          | \$504,957,794          | -                    | \$681,012,249        |
| Electrical, Signal, & Communications | \$49,568,629           | \$153,931,215          | -                    | \$203,499,844        |
| Support Facilities & Equipment       | \$366,116,590          | \$291,317,543          | \$173,540,000        | \$830,974,133        |
| Stations & Passenger Facilities      | \$182,969,983          | \$200,048,41           | -                    | \$383,018,397        |
| Extensions & Expansions              | \$3,955,980,297        | -                      | -                    | \$3,955,980,2        |
| Miscellaneous                        | \$98,811,743           | -                      | \$1,000,000          | \$99,811,743         |
| Contingencies & Administration       | \$47,406,891           | -                      | -                    | \$47,406,891         |
| Debt Service                         | \$986,076,479          | -                      | -                    | \$986,076,479        |
| <b>Total Capital Funding</b>         | <b>\$6,959,691,463</b> | <b>\$2,129,736,103</b> | <b>\$379,216,887</b> | <b>\$9,468,644,4</b> |

## CERTAIN INVESTMENT CONSIDERATIONS

Attention should be given to the investment considerations described below, which, among others, could affect the ability of the Authority to pay principal of and interest on the Series 2025A Bonds, and which could also affect the marketability of, or the market price for, the Series 2025A Bonds to an extent that cannot be determined.

The purchase of the Series 2025A Bonds involves certain investment considerations that are discussed throughout this Official Statement. Certain of these considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of information presented in the Official Statement. **Each prospective purchaser of any Series 2025A Bond should read this Official Statement in its entirety and consult such prospective purchaser's own investment and/or legal advisor for a more complete explanation of the matters that should be considered when purchasing investments such as the Series 2025A Bonds.**

### INFECTIOUS DISEASE OUTBREAK

The operations and financial condition of the Authority and the level use of the System may be adversely impacted by a national or localized outbreak of a highly contagious or epidemic disease such as what occurred because of the COVID-19 pandemic. The COVID-19 pandemic had broad and significant global, national and regional impacts; the lasting consequences in terms of changes to work and commuting patterns are not yet fully understood. The Authority cannot predict whether or to what extent any pandemic, epidemic or other health-related conditions will affect the Authority's operations, financial condition, system use or receipts of Sales Tax Revenues or Public Transportation Fund Revenues.

### LIMITATIONS ON REMEDIES OF BONDHOLDERS

The remedies available upon an event of default under the General Ordinance or the Series Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay. The various legal opinions to be delivered concurrently with delivery of the Series 2025A Bonds will be qualified as to the enforceability of the various documents by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally.

### NO ACCELERATION PROVISION

The General Ordinance and Series Ordinance do not contain provisions allowing for the acceleration of the Series 2025A Bonds in the event of a default in the payment of principal and interest on the Series 2025A Bonds when due. In the event of a default, the Bond Registrar will have the right to exercise the remedies provided in the General Ordinance.

### CREDIT, LIQUIDITY AND SURETY PROVIDER DOWNGRADES

The Rating Agencies could issue statements leading to a change in rating outlook, a review for downgrade or downgrades or further downgrades of credit enhancers or surety providers. Authority's exposure to the credit of downgraded credit enhancers and surety providers could have negative effects on Authority's debt portfolio. In addition to an increase in the interest rates on variable rate bonds secured by the subject credit enhancers or surety providers, such downgrades,

especially downgrades to below investment grade, could lead to termination events or other negative effects under related agreements including, but not limited to swap agreements, letters of credit and/or reserve fund surety policies. Payments required under these agreements in the event of any termination could be substantial and could have a negative impact on revenues and/or the liquidity position of the Authority. Furthermore, any impairment of the security on the Obligations of the Authority may have an impact on the credit rating thereof. The Authority has no obligation to replace any surety provider or credit enhancer upon a ratings downgrade thereof.

#### NO SECONDARY MARKET

There can be no assurance that a secondary market for the Series 2025A Bonds will be established, maintained or functioning. Accordingly, each purchaser should expect to bear the risk of the investment represented by the Series 2025A Bonds to maturity.

#### FUTURE LEGISLATIVE PROPOSALS

There are or may be introduced in the State of Illinois legislative proposals from time to time that may enact changes to the governance structure of the Authority or the Service Boards. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Series 2025A Bonds.

#### FACTORS AFFECTING SALES TAX RECEIPTS

The following represent some of the factors that may affect the actual amount of Authority Sales Tax collections available for payment of debt service on the Series 2025A Bonds. A significant change from historical results in any one of these factors may have a material impact on the availability of Sales Tax Receipts and the ability of the Authority to pay debt service on the Series 2025A Bonds.

*Legislative Action.* The Illinois General Assembly has the authority to amend the provisions of the State law governing the Authority Sales Taxes. Changes to the tax base and the exemptions could adversely affect the amount of Authority Sales Taxes collected.

*Hartney Fuel Oil Company et al., v. Brian A. Hamer, Director of the Illinois Department of Revenue, et al.* On November 21, 2013, the Supreme Court of the State of Illinois found that the corporate practice of artificially shifting the official point of purchase from the area where the taxpayer conducts the bulk of its selling activity to a municipality with lower sales tax inconsistent with state law. The Supreme Court also declared that the regulations promulgated by the Illinois Department of Revenue interpreting the taxing statute were impermissibly narrow and restricted local governments from collecting appropriate sales taxes from retailers in their jurisdictions. The Illinois Department of Revenue has issued new rules pursuant to the Supreme Court's decision in Hartney. These changes to the tax regulations may materially impact sales tax revenue collections for the City, Cook County and the Authority. While the Authority has experienced an increase in sales tax revenue which is likely related to the litigation, there can be no assurance that this Supreme Court decision or any new tax regulations translate into higher sales tax revenues.

*Changes in Economic and Demographic Conditions.* Sales tax revenues historically have been sensitive to changes in local, regional and national economic conditions. For example, sales tax revenues have historically declined during economic recession, when higher unemployment

adversely affects consumption. Demographic changes in the population of the Region may adversely affect the level of commercial and industrial activity in the Region and could reduce the number and value of taxable transactions and thus reduce the amount of Sales Tax Receipts.

*Competition.* Increases in sales tax rates in the Region may create incentives for certain purchases to be made and delivered in jurisdictions with lower overall sales tax rates. As a result, increasing sales tax rates may not result in corresponding percentage increases in revenues.

*Internet sales.* A large number of sales transactions now occur remotely over the internet. Online retailers that had no physical presence in the State were first required to collect and remit State sales taxes for goods purchased on-line beginning January 1, 2018. The Illinois General Assembly implemented a series of structural changes that were effective January 1, 2021, which required certain remote sellers (including internet sellers) with no physical presence in the State to collect and remit both State and local sales taxes (including the RTA sales tax) based upon the delivery address. Prior to the changes in 2021, the collection of RTA sales taxes was negatively affected by the increasing amount of internet transactions for which no local sales taxes were collected. Additional amendments enacted by the Illinois General Assembly, effective January 1, 2025, furthered the transition to a destination-based sales tax collection. Now, retailers with a presence in Illinois (but which are sourcing the goods sold from outside the State), in addition to remote sellers (including internet sellers), are required to collect and remit both State and local sales taxes (including the RTA sales tax) based upon the delivery location, which will result in additional internet sales being subject to the RTA sales tax.

*Authority's Right to Intercept Sales Tax Revenues.* Pursuant to the Authority Act and the General Ordinance, the Authority has the right (using the bond trustee) to intercept Authority Sales Tax and Public Transportation Fund (PTF) allocable to the Service Boards and the Agency in order to make debt service payments. Such occurrence may result in the Authority withholding, delaying or not making payments to the Service Boards of their share of Authority Sales Taxes and PTF. To date, the Authority has never had to exercise this right.

#### STATE OF ILLINOIS FINANCIAL CONDITION

The financial condition of the State can fluctuate due to, among other reasons, the inability to pass a fully enacted budget, and unfunded pension liabilities. The financial condition of the State has caused delays in certain payments due to the Authority, as described herein, and can have an impact on market conditions within the State that could affect the market and demand for the Series 2025A Bonds.

*Underfunding of the State's Retirement Systems.* The funding levels for the State's retirement systems are among the lowest in the nation with respect to state pension plans. The State's contributions to the retirement systems, while in conformity with State law, have been less than the contributions necessary to fully fund the retirement systems as calculated by the actuaries for the retirement systems. The unfunded actuarial accrued liability of the State's retirement systems (the amount by which the aggregate actuarial accrued liability exceeds the aggregate value of its assets) at the end of fiscal year 2024 totaled approximately 143.6 billion on a fair value basis and approximately \$144.3 billion on an actuarial basis, resulting in funded ratios (the ratio of the value of assets to the actuarial accrued liability, expressed as a percentage) that equaled 46.1% on a fair value basis and 45.8% on an actuarial basis. The State is required to make contributions to the retirement systems pursuant to the Illinois Pension Code (40 ILCS 5/1-101 *et seq.*), as

amended, at the level percentage of payroll necessary to reach a funded rate of 90% by the end of fiscal year 2045. As such, the State's contribution to the retirement systems is projected to increase in future years. Such increased pension contributions may require the State to reduce other expenditures.

***State Payment Delays.*** The State's payments to the Authority have been delayed in the past. Past delayed payments include (i) Public Transportation Fund payments, which are subject to a continuing State appropriation and are pledged as security for Authority Obligations, including the Series 2025A Bonds and (ii) State Assistance, which reimburses the Authority for debt service payments made on outstanding SCIP Bonds, and is not pledged security for Authority Obligations, including the Series 2025A Bonds. The timeliness of the State's payments to the Authority cannot be predicted in the future. Any increase in the delay of the State making Public Transportation Fund and State Assistance payments due to the Authority may have an adverse impact on the financial condition of the Authority.

#### ENVIRONMENTAL RISKS

The region is naturally susceptible to the effects of extreme weather events and natural disasters, which could result in negative economic impacts on the Authority. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising lake levels. The occurrence of such extreme weather events could damage local infrastructure. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

The Authority has potential liability under state and federal environmental statutes, laws and regulations if a release or threatened release of hazardous substances occurs. In addition to liability for release of hazardous substances, the Authority could be held liable for release of hazardous substances by previous owners. No assurance can be given that environmental conditions will not exist in the future that could become the subject of enforcement action by a governmental authority.

#### CYBERSECURITY RISKS

The Authority is dependent on information and computing technology systems to conduct its general business operations. These systems may be subject to disruptions or security breaches, which could materially disrupt the Authority's business operations. Additionally, outside parties may attempt to fraudulently induce the Authority's employees, customers, business partners, service providers and other users of its services to disclose information to gain access to sensitive data and the Authority's systems. The Authority carries cybersecurity insurance to mitigate losses from a variety of cyber incidents, offers a robust cybersecurity training program for staff, and maintains a network security system that is designed to stop cyber-attacks by third parties and minimize its impact on operations.

However, the techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. Such incidents are likely to continue. No assurance can be given that such protective measures will fully prevent potential business or cybersecurity risks arising from events wholly or partially beyond the Authority's control, including electrical or

telecommunications outages resulting from a cyber-attack. The Authority is unable to predict the actual direct or indirect impact of any future attacks on the financial condition or operations and activities on the Authority or the generation and distribution of the Revenues

#### LOCKBOX AMENDMENT

On November 8, 2016, the voters of Illinois approved a ballot measure amending the Illinois Constitution (the “*Lockbox Amendment*”) that added a new section to the Revenue Article of the Illinois Constitution. The Lockbox Amendment provides that no moneys derived from taxes, fees, excises, or license taxes, relating to registration, titles, operation, or use of vehicles or public highways, roads, streets, bridges, mass transit, intercity passenger rail, ports, or airports, or motor fuels, including bond proceeds, shall be expended for other than costs of administering laws related to vehicles and transportation, costs for construction, reconstruction, maintenance, repair, and betterment of public highways, roads, streets, bridges, mass transit, intercity passenger rail, ports, airports, or other forms of transportation, and other statutory highway purposes, including the State or local share to match federal aid highway funds.

#### LITIGATION

The Authority is a party to a number of lawsuits and proceedings arising out of its operations or the operations of the Service Boards. However, the Authority does not believe that the outcome of such litigation will have a material adverse effect on the ability of the Authority to pay debt service on outstanding Authority Obligations, including the Series 2025A Bonds. At the time of the sale of the Series 2025A Bonds, the Authority will furnish a certificate, in form and substance satisfactory to Bond Counsel, to that effect.

At the time of issuance of the Series 2025A Bonds, counsel to the Authority will deliver a certificate that there is no litigation pending that seeks to restrain or enjoin the issuance, sale and delivery of the Series 2025A Bonds or that materially affects the validity of the Series 2025A Bonds or the validity of the security for the Series 2025A Bonds.

#### TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, (“Bond Counsel”), under existing laws, interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2025A Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Authority and is conditioned on continuing compliance therewith. Interest on the Series 2025A Bonds is not exempt from present State income taxes. See Appendix G herein for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2025A Bonds as a condition to the excludability of the interest on the Series 2025A Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the Series 2025A Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2025A Bonds would

be materially and adversely affected. It is not an event of default if interest on the Series 2025A Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2025A Bonds.

The interest on the Series 2025A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax.

Although Bond Counsel will render an opinion that interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the Series 2025A Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their tax advisors with respect to the foregoing and other tax consequences of owning the Series 2025A Bonds.

#### AMORTIZABLE BOND PREMIUM

The initial public offering prices of the Series 2025A Bonds (collectively, the “Premium Bonds”), are greater than the principal amounts thereof payable at maturity or on an earlier call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (1) the amount of amortizable Bond Premium and (2) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their tax advisors concerning the treatment of Bond Premium.

#### CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Series 2025A Bonds to send certain information

annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. A copy of the form of Undertaking is attached as APPENDIX H.

### **APPROVAL OF LEGAL PROCEEDINGS**

Delivery of the Series 2025A Bonds is subject to receipt of the approving legal opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, which has been retained by the Authority to serve as Bond Counsel and Disclosure Counsel. The proposed form of the opinion of Bond Counsel is attached as APPENDIX G.

### **RATINGS**

S&P and Fitch have assigned their municipal bond ratings of “AA” and “AA+,” respectively, to the Series 2025A Bonds. The Authority has not requested a rating from any other rating agency with respect to the Series 2025A Bonds.

An explanation of the significance of each such rating may be obtained only from the rating agency furnishing the same. The Authority furnished to the rating agencies certain information and materials regarding itself and the Series 2025A Bonds. Generally, the rating agencies base their ratings on certain studies and assumptions. There is no assurance that the ratings will continue to be in effect for any given period of time, or that such ratings will not be lowered or withdrawn by the rating agencies, if, in the judgment of the rating agencies, circumstances so warrant. Any such downward change in or withdrawal of such ratings could adversely affect the market price and/or marketability of the Series 2025A Bonds.

### **FINANCIAL ADVISOR**

Backstrom McCarley Berry & Co., LLC, San Francisco, California has served as financial advisor (the “*Financial Advisor*”) to the Authority in connection with the issuance and sale of the Series 2025A Bonds. The Financial Advisor has reviewed the information in this Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the Authority for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely on the Financial Advisor’s participation in this transaction as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of the information contained herein. The compensation to be received by the Financial Advisor from the Authority for services provided in connection with the planning, structuring, execution and delivery of the Series 2025A Bonds is contingent upon the sale and delivery of the Series 2025A Bonds.

### **UNDERWRITING**

The Series 2025A Bonds were sold at competitive sale on April 29, 2025, and were awarded to BofA Securities, Inc. (the “*Underwriter*”), whose bid to purchase the Series 2025A Bonds from the Authority at an aggregate price of \$134,808,649.49 provided the lowest true interest cost to the Authority.

The Underwriter provided the reoffering prices or yields for the Series 2025A Bonds set forth on the inside cover of this Official Statement, and the Authority takes no responsibility for the accuracy of those prices or yields. Based on the reoffering prices, the original issue premium on the reoffering of the Series 2025A Bonds is \$5,039,619.45, and the Underwriter's gross compensation (or "spread") is \$230,969.96. The public offering price of the Series 2025A Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Series 2025A Bonds to dealers and others (including unit investment trusts and other affiliated portfolios of certain underwriters) at a price lower than such initial public offering price.

### **MISCELLANEOUS**

The references, excerpts and summaries of documents referred to herein do not purport to be complete statements of the provisions of such documents, and attention is directed to the definitive, final forms of all such documents for full and complete statements of all matters relating to the Series 2025A Bonds, the security for the Series 2025A Bonds and the rights and obligations of the Holders thereof.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of its date.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof or the date as of which particular information is given, if earlier.

Further information regarding the Authority is available upon request to the Regional Transportation Authority, 175 West Jackson Boulevard, Suite 1550, Chicago, Illinois, 60604; Attention: Executive Director.

The execution and delivery of this Official Statement by the Chairman of the Authority have been duly authorized by the Board of the Authority.

### **REGIONAL TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Chairman

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**APPENDIX A**

**AUTHORITY HISTORICAL AND PROJECTED SALES TAX REVENUES**

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## APPENDIX A

### AUTHORITY HISTORICAL AND PROJECTED SALES TAX REVENUES

**Actual Revenues.** As shown in Table A-I, Sales Tax Revenues grew from approximately \$1.631 billion in 2023 to approximately \$1.709 billion in 2024. While Table A-I shows the absolute value of Sales Tax Revenues for the period 2003 to 2024, Table A-II shows the percentage change on a year-to-year basis. For the years 2008 through 2024, Sales Tax Revenues grew at a compound growth rate of approximately 3.9% during the period since the enactment of the Amendatory Legislation.

**Projected Revenues.** The projection of sales tax for the Region uses forecasts of population growth, total personal income, wages, and salaries for the Chicago metropolitan area. In addition, sales tax projections reflect estimated consumption expenditures for durable goods, nondurable goods, and services. See “FACTORS AFFECTING SALES TAX REVENUES” below. The Authority used these factors for projections from 2025 through 2028 as shown in Table A-III. A significant change in any one of these factors may have a material impact on these projections.

The new year-to-year percentage change in Sales Tax Revenues for years 2025-2027 is shown in Table A-IV. However, there may be differences between forecasted and actual Sales Tax Revenues and these differences may be material.

*Caution should be exercised in examining these forecasts; they are conditioned upon general economic conditions in the United States, the State of Illinois and the City of Chicago. The Authority makes no representation that any forecast of Sales Tax Revenues, Available Revenues or sales tax growth set forth herein will be realized by the Authority. Further, this information is not fact and should not be relied upon as being necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on the projected financial information. Such forecast or projected information will be impacted by a number of economic and other factors, some of which are described below. Changes in such factors in any year or over the term of the Series 2025A Bonds could result in a material change in the Sales Tax Revenues. Management of the Authority has prepared the projected financial information set forth below to present the projected Sales Tax Revenues for fiscal year 2025 as the basis for the 2025 budget and the 2026-2027 Financial Plan revenue estimates adopted on December 19, 2024. The accompanying projected financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to projected financial information, but, in the view of the Authority’s management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management’s knowledge and belief, the expected course of action and the expected future financial performance of the Authority.*

*Neither the Authority’s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the projected financial information contained herein, nor have they expressed any opinion on any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the projected financial information.*

**Table A-I**  
**Sales Tax Revenues**  
**Actual – 2003 to 2024**  
(Dollars In Thousands)

| <b>Year</b> | <b>Total</b> | <b>Year</b>             | <b>Total</b> |
|-------------|--------------|-------------------------|--------------|
| 2003        | \$654,988    | 2014                    | \$1,123,998  |
| 2004        | 675,628      | 2015                    | 1,169,268    |
| 2005        | 700,395      | 2016                    | 1,185,182    |
| 2006        | 746,829      | 2017 <sup>(1)</sup>     | 1,185,987    |
| 2007        | 752,922      | 2018 <sup>(1),(2)</sup> | 1,232,011    |
| 2008        | 921,245      | 2019 <sup>(2)</sup>     | 1,254,160    |
| 2009        | 894,238      | 2020 <sup>(2)</sup>     | 1,151,157    |
| 2010        | 931,435      | 2021 <sup>(2)</sup>     | 1,468,807    |
| 2011        | 975,670      | 2022 <sup>(2)</sup>     | 1,569,566    |
| 2012        | 1,021,686    | 2023 <sup>(2)</sup>     | 1,630,883    |
| 2013        | 1,071,226    | 2024 <sup>(2)</sup>     | 1,708,658    |

(1) Reflects 2% State surcharge effective May 2017 - March 2018.  
(2) Reflects 1.5% State surcharge effective April 2018.

**Table A-II**  
**Sales Tax Growth Rates (%)**  
**Actual - 2003 to 2024** <sup>\*(1)(2)</sup>

| <b>Year</b> | <b>Total</b> | <b>Year</b>            | <b>Total</b> |
|-------------|--------------|------------------------|--------------|
| 2003        | 1.127        | 2014                   | 4.926        |
| 2004        | 3.151        | 2015                   | 4.028        |
| 2005        | 3.666        | 2016                   | 1.361        |
| 2006        | 6.630        | 2017 <sup>(1)</sup>    | 0.068        |
| 2007        | 0.816        | 2018 <sup>(1)(2)</sup> | 3.881        |
| 2008        | 22.356       | 2019 <sup>(2)</sup>    | 1.798        |
| 2009        | -2.932       | 2020 <sup>(2)</sup>    | -8.213       |
| 2010        | 4.160        | 2021 <sup>(2)</sup>    | 27.593       |
| 2011        | 4.749        | 2022 <sup>(2)</sup>    | 6.860        |
| 2012        | 4.716        | 2023 <sup>(2)</sup>    | 3.907        |
| 2013        | 4.849        | 2024 <sup>(2)</sup>    | 4.769        |

\* Sales tax from the Amendatory Legislation became effective April 1,2008; for 2008, receipts from the increased Sales Tax Revenues rates totaled \$194.6 million.  
(1) Reflects 2% State surcharge effective May 2017 - March 2018.  
(2) Reflects 1.5% State surcharge effective April 2018.

**Table A-III**  
**Sales Tax Revenues**  
**Projected - 2025-2027\***  
(Dollars In Thousands)

| <u>Year</u>         | <u>Total</u> |
|---------------------|--------------|
| 2025 <sup>(1)</sup> | 1,733,556    |
| 2026 <sup>(2)</sup> | 1,778,628    |
| 2027 <sup>(2)</sup> | 1,824,873    |

\* Reflects a reduction of 1.5% in the amount of Authority Sales Tax, which is transferred on a monthly basis to the State Tax Compliance and Administration Fund for State use.

(1) 2025 Budget adopted by RTA Board on December 19, 2024

(2) 2026-27 Plan adopted by RTA Board on December 19, 2024

**Table A-IV**  
**Sales Tax Growth Rates (%)**  
**Projected - 2025-2028\***

|                    |      |
|--------------------|------|
| 2025               | 1.5% |
| 2026               | 2.6% |
| 2027               | 2.6% |
| 2028 and<br>beyond | 3.0% |

\* Reflects a reduction of 1.5% in the amount of Authority Sales Tax, which is transferred on a monthly basis to the State Tax Compliance and Administration Fund for State use.

### **Factors Affecting Sales Tax Revenues**

The following categories of information represent some of the factors that may affect the actual amount of Sales Tax Revenues realized by the Authority. A significant change from historical results in any one of these factors may have a material impact on the Authority forecast of Sales Tax Revenues.

**Demographic Trends.** Between 2010 and 2020, the United States Census Bureau indicates that the Region grew from approximately 8.3 million residents to 8.4 million residents, an increase of 1.5% as shown in Table A-V.

**Table A-V Population  
Trend By County  
(In Thousands)**

| County       | 1990         | % of Total     | 2000         | % of Total     | 2010         | % of Total     | 2020         | % of Total     | % Change   |
|--------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|------------|
| Cook         | 5,105        | 70.3           | 5,377        | 66.5           | 5,195        | 62.5           | 5,276        | 62.5           | 1.6        |
| DuPage       | 782          | 10.8           | 904          | 11.2           | 917          | 11.0           | 933          | 11.0           | 1.7        |
| Kane         | 317          | 4.4            | 404          | 5              | 515          | 6.2            | 517          | 6.1            | 0.4        |
| Lake         | 516          | 7.1            | 644          | 7.9            | 704          | 8.5            | 714          | 8.5            | 1.4        |
| McHenry      | 183          | 2.5            | 260          | 3.2            | 309          | 3.7            | 310          | 3.7            | 0.3        |
| Will         | 357          | 4.9            | 502          | 6.2            | 678          | 8.1            | 696          | 8.2            | 2.7        |
| <b>Total</b> | <b>7,260</b> | <b>100.00%</b> | <b>8,091</b> | <b>100.00%</b> | <b>8,318</b> | <b>100.00%</b> | <b>8,446</b> | <b>100.00%</b> | <b>1.6</b> |

Source: U.S. Census Bureau, 2020 Census, 2010 Census, Census 2000, 1990 Census.

**Employment.** Employment totals for 2000, 2010, 2020, and from the third quarter of 2024 by County are presented in Table A-VI. As of December 2024, the average unemployment rate (not seasonally adjusted) for the Region was 4.25%, compared to 5.1% for the State of Illinois and 4.0% for the United States.

**Table A-VI  
Employment Trends By County  
(In Thousands)**

| County       | 2000         | % of Total  | 2010         | % of Total  | 2020         | % of Total  | 2024(3Q)     | % of Total  |
|--------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Cook         | 2,687        | 67%         | 2,345        | 64%         | 2,388        | 64%         | 2,564        | 63%         |
| DuPage       | 582          | 15%         | 544          | 15%         | 525          | 14%         | 623          | 15%         |
| Kane         | 192          | 5%          | 190          | 5%          | 194          | 5%          | 215          | 5%          |
| Lake         | 310          | 8%          | 308          | 8%          | 317          | 8%          | 332          | 8%          |
| McHenry      | 87           | 2%          | 92           | 3%          | 90           | 2%          | 98           | 2%          |
| Will         | 142          | 4%          | 193          | 5%          | 238          | 6%          | 264          | 6%          |
| <b>Total</b> | <b>4,001</b> | <b>100%</b> | <b>3,674</b> | <b>100%</b> | <b>3,755</b> | <b>100%</b> | <b>4,099</b> | <b>100%</b> |

Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages (QCEW) NAICS-Based, seasonally adjusted.*

Suburban jurisdictions have led the Region in employment growth since 2000. The total employment in the five “collar” counties is approximately 37% of the Region’s total. Cook County now makes up about 63% of the total, compared to 2000, when Cook County made up 67% of the Region’s workforce. Employment levels were at around 4 million for the Region in 2000, and have remained at roughly the same level. The employment distribution trend in the Region by economic sectors is illustrated in Table A-VII. The most dynamic growth has taken place in the education and health services industry, with the biggest loss in the information sector.

**Table A-VII  
Employment Distribution By Industry**

| <b>Industry</b>                      | <b>2000</b>      | <b>% of<br/>Total</b> | <b>2010</b>      | <b>% of<br/>Total</b> | <b>2020</b>      | <b>% of<br/>Total</b> | <b>2024(3Q)</b>  | <b>% of<br/>Total</b> |
|--------------------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| Government                           | 331,016          | 8%                    | 318,313          | 9%                    | 304,522          | 8%                    | 313,615          | 8%                    |
| Natural resources and mining         | 5,809            | 0%                    | 3,819            | 0%                    | 4,617            | 0%                    | 5,012            | 0%                    |
| Construction                         | 178,570          | 4%                    | 118,764          | 3%                    | 141,393          | 4%                    | 159,168          | 4%                    |
| Manufacturing                        | 557,182          | 14%                   | 352,045          | 10%                   | 345,591          | 9%                    | 360,341          | 9%                    |
| Trade, transportation, and utilities | 831,656          | 21%                   | 731,506          | 20%                   | 773,323          | 21%                   | 817,423          | 20%                   |
| Information                          | 108,338          | 3%                    | 73,679           | 2%                    | 65,014           | 2%                    | 59,148           | 1%                    |
| Financial activities                 | 299,709          | 7%                    | 264,289          | 7%                    | 279,276          | 7%                    | 276,650          | 7%                    |
| Professional and business services   | 668,994          | 17%                   | 616,405          | 17%                   | 695,307          | 19%                   | 702,172          | 17%                   |
| Education and health services        | 442,306          | 11%                   | 557,634          | 15%                   | 617,488          | 16%                   | 687,474          | 17%                   |
| Leisure and hospitality              | 311,069          | 8%                    | 345,844          | 9%                    | 314,266          | 8%                    | 437,726          | 11%                   |
| Other services +<br>Unclassified     | 267,314          | 7%                    | 292,698          | 8%                    | 214,970          | 6%                    | 281,155          | 7%                    |
| <b>Total</b>                         | <b>4,001,963</b> | <b>100.00%</b>        | <b>3,674,996</b> | <b>100.00%</b>        | <b>3,755,767</b> | <b>100.00%</b>        | <b>4,099,884</b> | <b>100.00%</b>        |

*Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW) NAICS-Based, seasonally adjusted.*

**Income.** The Region experienced steady growth in wages and salaries for the past thirty years. The income levels of residents of the Region are relatively higher than the nation as a whole. Within the six counties of the Region, per capita income is highest in DuPage and Lake Counties, as illustrated in Table A-VIII.

**Table A-VIII  
Region Per Capita Income**

| <b>County</b> | <b>1990</b> | <b>2000</b> | <b>2005</b> | <b>2015</b> | <b>2020</b> | <b>2023</b> |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cook          | \$22,294    | \$35,173    | \$40,466    | \$56,543    | \$67,184    | \$77,937    |
| DuPage        | 27,964      | 47,581      | 50,311      | 66,016      | 78,610      | 95,811      |
| Kane          | 21,501      | 31,005      | 35,232      | 46,212      | 57,955      | 67,922      |
| Lake          | 29,391      | 47,710      | 53,568      | 72,322      | 81,215      | 99,895      |
| McHenry       | 22,304      | 33,875      | 39,671      | 50,069      | 59,403      | 69,641      |
| Will          | 19,316      | 30,382      | 35,093      | 48,047      | 57,206      | 68,225      |

*Source: U.S. Department of Commerce-Bureau of Economic Analysis*

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**APPENDIX B**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE AUTHORITY  
FOR THE PERIOD ENDED DECEMBER 31, 2023**

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# Annual Comprehensive Financial Report

*Fiscal year ended December 31, 2023*

Regional Transportation Authority  
Northeastern Illinois



**REGIONAL TRANSPORTATION AUTHORITY  
NORTHEASTERN ILLINOIS**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

**Prepared by:**

**Department of Finance, Innovation and Technology**

**Kevin Bueso  
Chief Financial Officer and  
Senior Deputy Executive Director**

**and**

**Controller Division**

**REGIONAL TRANSPORTATION AUTHORITY  
2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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June 28, 2024

To the Board of Directors  
Regional Transportation Authority  
Chicago, Illinois

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175 W Jackson Blvd  
Suite 1550  
Chicago, IL 60604  
  
312 913 3200  
rtachicago.org

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I have the pleasure to submit to you the Annual Comprehensive Financial Report (“ACFR”) of the Regional Transportation Authority (“RTA”) for the year ended December 31, 2023. The RTA staff has prepared this report as required by, and in accordance with, the RTA Act. This state law requires that the RTA publish financial statements presented in conformity with generally accepted accounting principles and audited by an independent certified public accountant.

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

In addition to the statutory requirement of the RTA Act for an annual audit by independent certified public accountants, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), require the RTA to undergo an annual Single Audit. The RTA has engaged the firm of RSM US LLP to meet these requirements. The firm followed auditing standards generally accepted in the United States of America and the standards set forth in the above circular in conducting the engagement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the RTA’s financial statements for the year ended December 31, 2023, are presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first part of the financial section of this report.

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

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

## **OVERVIEW OF THE REGIONAL TRANSPORTATION AUTHORITY**

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

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

### **History**

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

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

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

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

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

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

### **Mission**

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

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

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

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

The Act requires, as one of the primary responsibilities of the RTA, the adoption of an annual budget, two-year financial plan, and a five-year capital program. This obligation incorporates planning, funding, and oversight duties. The Act enumerates several requirements with respect to the budget, plan, and program. These include a requirement that the budget and plan reflect operating revenues of at least 50% of operating costs (a farebox recovery ratio of at least 50%). However, in December 2021 Public Act 102-0678 waived this requirement for RTA fiscal years 2021, 2022, and 2023 while ridership continues to recover from the impact of the COVID-19 pandemic. In addition, the budget and plan must show a balance between revenues, including subsidies, and costs (a balanced budget).

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

### **Budget**

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

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

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

### ***Budget Calendar***

Based upon the estimate of tax receipts and revenues from other sources, “the Board shall, not later than September 15 prior to the beginning of the Authority’s next fiscal year” advise each Service Board of the amounts estimated to be available during the upcoming fiscal year and the next two following years, the times when the amounts will be available, and the cost recovery ratio for the next year. The recovery ratio for the region must meet a minimum standard of 50%, except for RTA fiscal years 2021, 2022, and 2023, as waived by Public Act 102-0678.

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

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

### ***Statutory Requirements***

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

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

### **Oversight**

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

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

### **Amendment**

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

### **Reporting Entity**

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

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

## **RTA System Characteristics**

The six-county area served by the RTA system covers 3,749 square miles. According to the Census Bureau, the population of the broader, six-county region was 8.539 million as of July 2023. The U.S. Bureau of Labor Statistics reported employment for the Chicago Metropolitan Statistical Area (MSA) of 3.652 million as of December 2023. The RTA system carried 329.9 million riders in 2023, an increase of 16.0% from the prior year as the region continued to adjust to the dynamic, post-pandemic environment.

## **Governance**

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

The RTA employed a staff of 100 professionals as of December 2023. The RTA Act limits the amount of administrative costs that the RTA may incur annually. The limit was set at \$5 million for 1985 and increases at a rate of 5% per year. The RTA has always held its administrative expenses under the prescribed limit.

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

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

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

## **Financing**

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

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

### **Sales Taxes**

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

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

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

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

### **Car Rental Tax**

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

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

### **Motor Fuel Tax**

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

### **Off-Street Parking Tax**

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

### **Replacement Vehicle Tax**

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

### **Sales Tax Collections**

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

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

## **FACTORS AFFECTING ECONOMIC CONDITION**

### **Financing**

The RTA's primary source of operating funding is a regional (occupation and use) sales tax and a sales tax match from the State of Illinois. Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region (from the equivalent of 1.0% in Cook County and 0.25% in the remainder of the region to the equivalent of 1.25% in Cook County and 0.5% in the remainder of the region) beginning on April 1, 2008, increased the Real Estate Transfer Tax ("RETT") in the City of Chicago to fund the CTA, and increased the portion of RTA tax revenues matched by the State Public Transportation Fund ("PTF") from 25% to 30%. A 5% to 10% reduction in PTF funding was in place for State fiscal years 2018 through 2021, but this cut was discontinued with State fiscal year 2022 beginning in July 2021. Bolstered by the expansion of RTA sales tax to more online purchases in January 2021, sales tax rebounded by 27.6% in 2021 to \$1.469 billion and grew by an additional 6.9% in 2022 to \$1.570 billion. Continuing the trend, 2023 sales tax receipts of \$1.631 billion exceeded 2022 by 3.9%.

The RTA's 2024 operating budget approved by the Board of Directors on December 14, 2023, assumes sales tax revenues of \$1.653 billion, an increase of 3.2% over the 2023 results as estimated at the time of the 2024 budget adoption, but 1.3% above the actual 2023 receipts. In addition to the \$520.3 million of PTF provided by the State's 30% match of sales tax and RETT, the 2024 budget anticipates these funds from the State of Illinois: \$117.6 million to reimburse the debt service expenses for the RTA's Strategic Capital Improvement Program ("SCIP") bonds, \$19.0 million as partial reimbursement to the Service Boards for mandated reduced fare and free ride programs for student, elderly, and disabled riders, and \$9.1 million of funding for ADA Paratransit service.

Despite the generally favorable financial results and ongoing State funding support detailed above, the RTA region still expects an annual budget shortfall in excess of \$700 million to materialize as federal COVID relief funding begins to exhaust in late 2025. This amount represents about 20% of the projected regional operating budget. In the absence of new revenue sources, catastrophic service reductions and/or fare increases would be required by 2026 to maintain budget balance. The RTA looks forward to working with the Governor's office and the General Assembly to identify and implement a funding solution to preserve critical transit service for all the residents of northeastern Illinois.

## Regional and Illinois Economy

The Chicago region comprises one of the most diversified economies in the United States. The region is home to more than 400 major corporate headquarters, including thirty-six Fortune 500 companies. A global leader in options, futures, and derivatives trading, the Chicago area economy's strengths include business and financial services, manufacturing, information technology, health services, and transportation and distribution. Chicago is not only a leader in sustainable business but also ranks as one of the most sustainable cities in the country. The regional unemployment rate stood at 3.5% in the first quarter of 2020. In response to the COVID-19 pandemic, Governor JB Pritzker issued Executive Order 2020-10 on March 21, 2020, which stated that all individuals must stay at home except for essential activities. As a result, regional unemployment soared to 19.2%, but then steadily improved throughout the rest of 2020, 2021, and 2022. Unemployment in the Chicago region had fallen to about 4% in the summer of 2023, which was slightly above the historic lows seen just prior to the COVID-19 pandemic. Since then, the regional unemployment has risen steadily and stood at 4.6% as of February 2024.

The February 2024 Monthly Revenue Briefing issued by the State Commission on Government Forecasting and Accountability noted that during the first eight months of the State's 2024 fiscal year, state-wide sales tax receipts of \$7.860 billion increased by \$115 million or 1.5% compared to the same period of the previous fiscal year.

## National Economy

Real gross domestic product ("GDP"), the output of goods and services produced in the United States, grew by an average of 2.5% during the three-year period ending in 2019. As a result of mitigation measures implemented during the COVID-19 pandemic, real GDP declined by 2.2% in 2020. As the national economy recovered from the shock of COVID-19, real GDP rebounded and grew by 5.8% in 2021, 1.9% in 2022, and 2.5% in 2023. The Congressional Budget Office ("CBO") projects annual real GDP growth of 1.8% in 2024, restrained by weaker growth in consumer spending and a decline in business investment in non-residential structures.

The consumer price index for personal consumption expenditures ("PCE"), a measure of the pace of inflation, increased at an average rate of 2.1% during the three-year period ending in 2019. During the primary COVID-19 pandemic year of 2020, PCE growth slowed to 1.2%, before jumping to 5.5% in 2021 and remaining elevated in 2022 at 6.2%. The CBO projects that inflation will continue to fall from 3.7% in 2023 to 2.2% in 2024, reflecting softer demand for labor and slowing rent increases.

After finishing 2019 at 3.6%, the national unemployment rate rose sharply in 2020 due to COVID-19 mitigation efforts and related job losses, peaking at 14.8% in April 2020 and then recovering to finish the year at 6.7%. The national unemployment rate improved steadily over the course of 2021 and 2022 and finished 2023 at 3.7%, in line with historic pre-pandemic lows. However, the CBO forecasts unemployment to climb to 4.4% by the end of 2024 as the demand for labor is expected to soften as economic growth slows.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the RTA for its Annual Comprehensive Financial Report ("ACFR") for the year ended December 31, 2022. This was the twenty-ninth consecutive year that the RTA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

A handwritten signature in black ink that reads "K.A. Bueso". The signature is written in a cursive, slightly slanted style.

Kevin Bueso  
Chief Financial Officer and Senior Deputy Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Regional Transportation Authority  
Illinois**

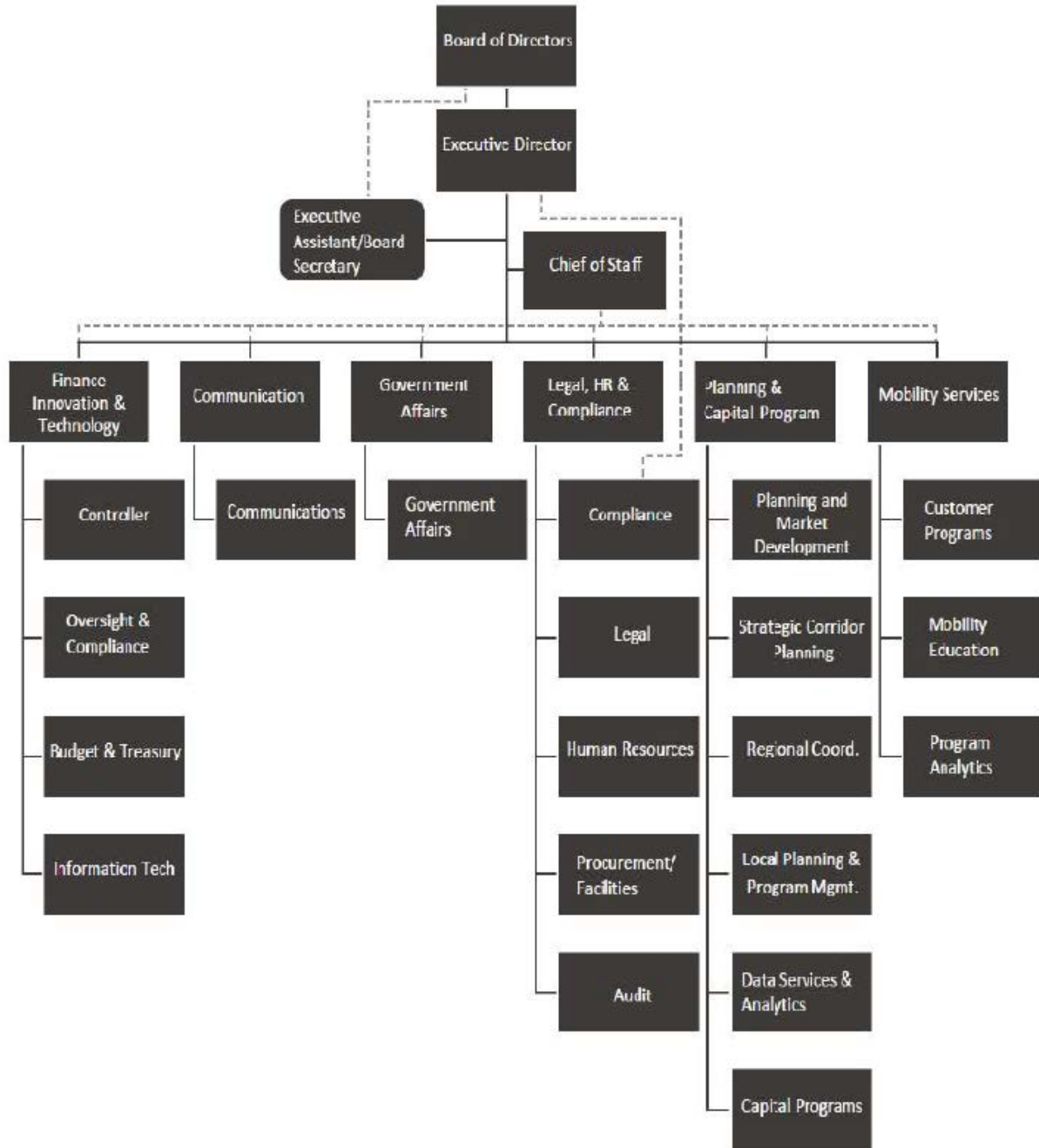
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morrill*

Executive Director/CEO

**REGIONAL TRANSPORTATION AUTHORITY  
ORGANIZATION CHART  
December 31, 2023**



**REGIONAL TRANSPORTATION AUTHORITY**

**LIST OF PRINCIPAL OFFICIALS  
as of DECEMBER 31, 2023**

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Board of Directors

|           |   |
|-----------|---|
| Chairman  | Kirk W. Dillard   |
| Directors | David R. Andalcio<br>Pat Carey<br>William R. Coulson<br>Phil Fuentes<br>Jamie Gathing<br>Elizabeth Doody Gorman<br>Christopher J. Groven<br>Alexandra Holt<br>Thomas J. Kotel<br>Michael W. Lewis<br>Christopher C. Melvin, Jr.<br>Sarah Pang<br>J.D. Ross<br>Brian Sager |

Administration

|   |                         |
|---|-------------------------|
| Executive Director  | Leanne P. Redden        |
| Chief of Staff  | Jill Leary              |
| Senior Deputy Executive Director<br>Finance, Innovation and Technology, CFO | Kevin Bueso             |
| General Counsel   | Allison Noback          |
| Director, Government Affairs  | Rob Nash                |
| Senior Deputy Executive Director,<br>Planning and Capital Programming       | Maulik Vaishnav         |
| Director, Marketing and Communications                                      | Khristina Fassett Smith |
| Director, Mobility Services   | Michael VanDekreke      |

**INDEPENDENT AUDITOR'S REPORT**

## Independent Auditor's Report

RSM US LLP

Board of Directors  
Regional Transportation Authority  
Chicago, Illinois

### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Authority ("RTA"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise RTA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Authority, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the RTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Notes 2 and 13 to the financial statements, the RTA adopted the Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Technology Arrangements (SBITA)*, as of January 1, 2023. The adoption of this statement resulted in the inclusion of intangible right-of-use assets and SBITA liabilities associated with their applicable agreements. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the RTA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the RTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the employer contributions, schedule of the employer's proportionate share of the net pension liability, schedule of changes in the total OPEB liability and related ratios, schedule of revenues, expenditures, and changes in fund balance (budgetary basis) budget and actual-general fund and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the RTA's basic financial statements. The combining and individual schedules, including the schedule of expenditures (budgetary basis)-budget and actual-general fund, the combining schedule of revenues, expenditures, and changes in fund balance (budgetary basis) budget and actual-general and sales tax custodial funds, combining balance sheet schedule-debt service fund accounts, combining schedule of revenues, expenditures and changes in fund balance-debt service fund accounts, the combining balance sheet schedule-capital project fund account and the combining schedule of revenues, expenditures and changes in fund balance-capital project fund account are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual schedules, including the schedule of expenditures (budgetary basis)-budget and actual-general fund, the combining schedule of revenues, expenditures, and changes in fund balance (budgetary basis) budget and actual – general and sales tax custodial funds, combining balance sheet schedule-debt service fund accounts, combining schedule of revenues, expenditures and changes in fund balance-debt service fund accounts, the combining balance sheet schedule-capital project fund account and the combining schedule of revenues, expenditures and changes in fund balance-capital project fund account is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*RSM US LLP*

Chicago, Illinois  
June 28, 2024

## REGIONAL TRANSPORTATION AUTHORITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following Management's Discussion and Analysis ("MD&A") provides an overview of the financial activity affecting the operation of the Regional Transportation Authority ("RTA") for the fiscal year ended December 31, 2023. Please read it in conjunction with the RTA's basic financial statements which follow this section.

#### Financial Highlights

- For the year ended December 31, 2023, the RTA statement of activities for the governmental activities shows expenses increased by \$124 million to \$1,024 million from \$901 million for the same period in 2022. This increase is due to an increase in capital grants to the CTA, Metra, and Pace ("Service Boards") by \$97 million and financial assistance to the CTA, Metra, and Pace ("Service Boards") by \$61 million.
- The government-wide statement of net position shows assets of \$850 million for the governmental activities, a net increase of \$54 million. This is mainly due to an increase in cash and investments of \$114 million offset by decreases in receivables of other assets of \$59 million. In the government-wide statement of net position, bond-related liabilities decreased by \$119 million, which reflects the decrease in general-obligation bonds payable in 2023.
- At the end of 2023, the government-wide statement of net position shows a deficit of \$786 million for governmental activities. In contrast, the governmental funds balance sheet presented a total fund balance of \$467 million. There is a \$1.25 billion difference between the fund balance and the net deficit. GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, requires RTA's general obligation bonds to be presented in the government-wide statement of net position. The RTA has the obligation to pay the bonds it has issued to fund the Service Boards' capital expenditures. These expenditures and the related assets appear in the Service Boards' financial statements. The sales taxes imposed by the RTA Act in the region represent the primary source of payment for the bond obligations.

#### USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

**Overview of the ACFR**—The RTA ACFR consists of three parts:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table summarizes the Statement of Net Position (Deficit):

SUMMARY OF NET POSITION (DEFICIT)  
DECEMBER 31, 2023 AND 2022  
(In Thousands)

|  | Governmental Activities |                     |                   | Business-type Activities |                  |                 | Total               |                     |                   |
|--|-------------------------|---------------------|-------------------|--------------------------|------------------|-----------------|---------------------|---------------------|-------------------|
|  | 2023                    | 2022                | Variance          | 2023                     | 2022             | Variance        | 2023                | 2022                | Variance          |
| <b>Assets:</b>                             |                         |                     |                   |                          |                  |                 |                     |                     |                   |
| Cash and investments                       | \$ 649,597              | \$ 535,676          | \$ 113,921        | \$ 18,778                | \$ 17,133        | \$ 1,645        | \$ 668,375          | \$ 552,809          | \$ 115,566        |
| Other assets                               | 183,605                 | 242,399             | (58,794)          | 4,263                    | 4,205            | 58              | 187,868             | 246,604             | (58,736)          |
| Noncurrent assets                          | 1,575                   | 1,777               | (202)             | -                        | -                | -               | 1,575               | 1,777               | (202)             |
| Capital assets—net                         | 15,194                  | 15,860              | (666)             | -                        | -                | -               | 15,194              | 15,860              | (666)             |
| <b>Total assets</b>                        | <b>849,971</b>          | <b>795,712</b>      | <b>54,259</b>     | <b>23,041</b>            | <b>21,338</b>    | <b>1,703</b>    | <b>873,012</b>      | <b>817,050</b>      | <b>55,962</b>     |
| <b>Deferred outflow of resources</b>       |                         |                     |                   |                          |                  |                 |                     |                     |                   |
| Loss on refunding                          | 3,676                   | 3,939               | (263)             | -                        | -                | -               | 3,676               | 3,939               | (263)             |
| OPEB related amounts                       | 177                     | 184                 | (7)               | -                        | -                | -               | 177                 | 184                 | (7)               |
| Pension related amounts                    | 12,491                  | 8,535               | 3,956             | -                        | -                | -               | 12,491              | 8,535               | 3,956             |
| <b>Total deferred outflow of resources</b> | <b>16,344</b>           | <b>12,658</b>       | <b>3,686</b>      | <b>-</b>                 | <b>-</b>         | <b>-</b>        | <b>16,344</b>       | <b>12,658</b>       | <b>3,686</b>      |
| <b>Liabilities:</b>                        |                         |                     |                   |                          |                  |                 |                     |                     |                   |
| Current non bond-related liabilities       | 371,542                 | 336,958             | 34,584            | -                        | -                | -               | 371,542             | 336,958             | 34,584            |
| Current bond related liabilities           | 115,945                 | 111,330             | 4,615             | -                        | -                | -               | 115,945             | 111,330             | 4,615             |
| Long-term non-bond-related liabilities     | 41,542                  | 43,121              | (1,579)           | -                        | -                | -               | 41,542              | 43,121              | (1,579)           |
| Long-term bond-related liabilities         | 1,118,594               | 1,242,154           | (123,560)         | -                        | -                | -               | 1,118,594           | 1,242,154           | (123,560)         |
| <b>Total liabilities</b>                   | <b>1,647,623</b>        | <b>1,733,563</b>    | <b>(85,940)</b>   | <b>-</b>                 | <b>-</b>         | <b>-</b>        | <b>1,647,623</b>    | <b>1,733,563</b>    | <b>(85,940)</b>   |
| <b>Deferred inflow of resources</b>        |                         |                     |                   |                          |                  |                 |                     |                     |                   |
| Gain on refunding                          | 3,382                   | 3,664               | (282)             | -                        | -                | -               | 3,382               | 3,664               | (282)             |
| OPEB related amounts                       | 119                     | 144                 | (25)              | -                        | -                | -               | 119                 | 144                 | (25)              |
| Pension related amounts                    | 679                     | 3,182               | (2,503)           | -                        | -                | -               | 679                 | 3,182               | (2,503)           |
| GASB 87 Leases                             | 102                     | 163                 | (61)              | -                        | -                | -               | 102                 | 163                 | (61)              |
| <b>Total deferred inflow of resources</b>  | <b>4,282</b>            | <b>7,153</b>        | <b>(2,871)</b>    | <b>-</b>                 | <b>-</b>         | <b>-</b>        | <b>4,282</b>        | <b>7,153</b>        | <b>(2,871)</b>    |
| <b>Net position (deficit):</b>             |                         |                     |                   |                          |                  |                 |                     |                     |                   |
| Net investment in capital assets           | 2,476                   | 3,691               | (1,215)           | -                        | -                | -               | 2,476               | 3,691               | (1,215)           |
| Restricted                                 | 109,067                 | 105,977             | 3,090             | -                        | -                | -               | 109,067             | 105,977             | 3,090             |
| Unrestricted (deficit)                     | (897,133)               | (1,042,014)         | 144,881           | 23,041                   | 21,338           | 1,703           | (874,092)           | (1,020,676)         | 146,584           |
| <b>Total net position (deficit)</b>        | <b>\$ (785,590)</b>     | <b>\$ (932,346)</b> | <b>\$ 146,756</b> | <b>\$ 23,041</b>         | <b>\$ 21,338</b> | <b>\$ 1,703</b> | <b>\$ (762,549)</b> | <b>\$ (911,008)</b> | <b>\$ 148,459</b> |

As of December 31, 2023, cash and investments for governmental activities increased by \$114 million over the previous year. The RTA's cash balance increased from last year due to more prompt payments from the State, specifically related to funding provided to the Service Boards for capital projects. As of December 31, 2023, the current liabilities increased by \$39 million from the previous year due to the timing of debt service payments becoming due.

The presentation of financial statements under GASB Statement No. 34 requires the recognition in the statements of net position of \$1.3 billion in current and long-term general obligation bonds and notes payable. The issuance of these bonds was for the specific purpose of funding capital grants to acquire and construct assets used to provide public transportation within the RTA region.

The RTA net deficit at December 31, 2023, will not affect the availability of RTA to fund resources for future use. In fact, the RTA maintains its operations funding levels for 2023 as established in September 2022 during the 2023 budget process.

The following table summarizes the Statement of Activities:

**SUMMARY OF ACTIVITIES**  
**DECEMBER 31, 2023 AND 2022**  
**(In Thousands)**

|  | Governmental Activities |                  |                | Business-type Activities |              |            | Total            |                  |                |
|--|-------------------------|------------------|----------------|--------------------------|--------------|------------|------------------|------------------|----------------|
|  | 2023                    | 2022             | Variance       | 2023                     | 2022         | Variance   | 2023             | 2022             | Variance       |
| Expenses:  |                         |                  |                |                          |              |            |                  |                  |                |
| Financial assistance to Service Boards                         | \$ 355,818              | \$ 294,582       | \$ 61,236      | \$ -                     | \$ -         | \$ -       | \$ 355,818       | \$ 294,582       | \$ 61,236      |
| Capital grants to Service Boards                               | 531,009                 | 433,832          | 97,177         | -                        | -            | -          | 531,009          | 433,832          | 97,177         |
| Operating grants to Service Boards                             | 36,739                  | 64,826           | (28,087)       | -                        | -            | -          | 36,739           | 64,826           | (28,087)       |
| Administrative expenses  | 20,903                  | 20,615           | 288            | 9,363                    | 9,259        | 104        | 30,266           | 29,874           | 392            |
| Regional and technology program expenses                       | 21,615                  | 23,745           | (2,130)        | -                        | -            | -          | 21,615           | 23,745           | (2,130)        |
| Interest expense   | 57,798                  | 62,825           | (5,027)        | -                        | -            | -          | 57,798           | 62,825           | (5,027)        |
| Miscellaneous  | 61                      | -                | 61             | -                        | -            | -          | 61               | -                | (61)           |
| <b>Total expenses</b>  | <b>1,023,943</b>        | <b>900,425</b>   | <b>123,518</b> | <b>9,363</b>             | <b>9,259</b> | <b>104</b> | <b>1,033,306</b> | <b>909,684</b>   | <b>123,500</b> |
| Revenues:  |                         |                  |                |                          |              |            |                  |                  |                |
| Sales taxes  | 176,707                 | 175,081          | 1,626          | -                        | -            | -          | 176,707          | 175,081          | 1,626          |
| PTF and state assistance                                       | 927,768                 | 843,494          | 84,274         | -                        | -            | -          | 927,768          | 843,494          | 84,274         |
| Grants to Service Boards                                       | 49,134                  | 24,369           | 24,765         | -                        | -            | -          | 49,134           | 24,369           | 24,765         |
| Investment income and other                                    | 27,564                  | 16,110           | 11,454         | 592                      | 126          | 466        | 28,156           | 16,236           | 11,920         |
| <b>Total revenues</b>  | <b>1,181,173</b>        | <b>1,059,054</b> | <b>122,119</b> | <b>592</b>               | <b>126</b>   | <b>466</b> | <b>1,181,765</b> | <b>1,059,180</b> | <b>122,585</b> |
| Excess (deficiency) of revenues over expenses before transfers | 157,230                 | 158,629          | (1,399)        | (8,771)                  | (9,133)      | 362        | 148,459          | 149,496          | (1,037)        |
| Transfers  | (10,474)                | (9,975)          | (499)          | 10,474                   | 9,975        | 499        | -                | -                | -              |
| Change in net position   | 146,756                 | 148,654          | (1,898)        | 1,703                    | 842          | 861        | 148,459          | 149,496          | (1,037)        |
| Net position - beginning of year                               | (932,346)               | (1,081,000)      | 148,654        | 21,338                   | 20,496       | 842        | (911,008)        | (1,060,504)      | 149,496        |
| Net position - end of year                                     | \$ (785,590)            | \$ (932,346)     | \$ 146,756     | \$ 23,041                | \$ 21,338    | \$ 1,703   | \$ (762,549)     | \$ (911,008)     | \$ 148,459     |

In 2023, financial assistance increased by \$61 million and other capital grant to the Service Boards increased by \$97 million from 2022, which reflects the activity in capital expenses to the Service Boards during 2023. Furthermore, the amount of bond interest expense decreased by \$5 million from \$63 million to \$58 million in 2023. For revenues, there were increases in sales tax, PTF, and state assistance of \$86 million was mainly due to higher sales tax receipts which relate to the State's efforts in collecting sales tax on online transactions.

During 2023, \$10.4 million was paid to the Joint Self-Insurance Fund for excess liability. Insurance premiums representing the only major expense, and investment income represents the only revenue for the Business-type activities (insurance financing) as there were no loss financing agreements entered into with the service boards.

## FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

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

**General Fund**—Assets in the General Fund primarily represent the amounts for the Service Boards' operations and capital projects. Assets increased by \$61 million from \$603 million in 2022 to \$664 million in 2023, mainly due to timing differences. The RTA's cash and investments balance increased by \$121 million and intergovernmental receivables decreased by \$59 million due to timing of receipts on receivables.

The total fund balance of the General Fund equals \$302 million at December 31, 2023. The General Fund balance increased by \$36 million primarily due to an increase in State Bond grants to the Service Boards and Planning grants revenue.

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

These applications include the following:

- The Regional Transit Signal Priority ("TSP") Implementation Program made further progress in 2023.
  - RTA staff managed grants with Pace to design and implement TSP on multiple arterial corridors, and with the CTA and CDOT to design and implement TSP on the Central and Northern portions of Ashland Avenue.
  - In 2023, Pace completed installation of roadside TSP equipment along the 95<sup>th</sup> Street, 147<sup>th</sup> Street, Grand Avenue, and Roosevelt Road corridors.
  - CTA and CDOT completed engineering designs for implementation of TSP and traffic signal modernization on the North/Central Ashland Avenue corridor.
- The RTA Interagency Signage Program made further progress in 2023:
  - Completed signage plans for 21 new interagency locations – in consultation with staff from CTA, Metra, Pace and the Chicago Department of Transportation (CDOT).
  - Prepared and released the Issue for Bid (IFB) package for transit signage fabrication and installation at 16 locations. Two bids were received in December 2023, and the RTA Board will consider approval of the resulting contract in March 2024.
  - Sign fabrication and installation at 16 locations will begin in 2024 and continue through 2025.

**Debt Service Fund**—The RTA has established a Debt Service Fund to receive transfers from the General Fund and investment income. Disbursements of principal and interest payments made for each of its outstanding series bonds. As of December 31, 2023, the RTA has fifteen series of general obligation bonds/notes outstanding. Each respective bond/note agreement sets forth the debt service

funding requirements. The 2023 Debt Service Fund balance increased by \$1 million in 2023 to \$129 million.

**Capital Projects Fund**—The RTA has established a Capital Projects Fund to account for bond proceeds, earnings on the investment of such proceeds, and the expenditure of such monies for capital assets of the Service Boards. During 2023, the Capital Projects Fund decreased by \$11 million. The decrease in investment for the Capital Projects Fund was due to increased capital drawdowns by the Service Boards in 2023.

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

### GENERAL FUND BUDGETARY HIGHLIGHTS

In 2023, the actual change in revenues over expenditures of \$219 million, excluding other financing (Debt Service) use was \$33 million higher than the budget figure of \$186 million.

Within the General Fund, total revenues exceeded the amended budget by \$570 million, primarily due to the receipt of Service Board capital funding from the State of Illinois. In addition, expenditures were \$547 million over the amended budget as most of the State capital funding was passed through to the Service Boards.

### SERVICE BOARDS CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

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

**Service Boards Capital Assets**— The RTA System provided 329.9 million unlinked passenger trips in 2023. This has the beneficial impact of reducing road congestion, improving the flow of goods and services, and enhancing air quality. In addition, the RTA System provides essential mobility to those persons unable to utilize other transportation. The System represents an asset with replacement cost estimated at more than \$150 billion for the entire region. To continue these public benefits, the RTA strives to maximize the amount of resources devoted to investment in its System for it to remain in good working order. The RTA Five-Year Capital Program report contains the details of this investment. The Five-Year Capital Program report is updated and adopted annually by the RTA Board, as required by the RTA Act.

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

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

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

Prior to January 1, 2000, the RTA had the authority to issue up to \$500 million in SCIP bonds and to have up to \$500 million in Non-SCIP bonds outstanding. Effective January 1, 2000, the RTA Act was amended to increase the RTA authorization by an additional \$1.3 billion of SCIP bonds (limited to \$260 million per year going forward). In 2000, the RTA Act was further amended to increase Non-SCIP bonds outstanding by \$300 million to \$800 million. As of year-end 2023, the RTA has issued \$1.8 billion in SCIP bonds, with total SCIP bonds outstanding of \$679.9 million. The remaining \$504.5 million of bonds outstanding are Non-SCIP bonds.

As of December 31, 2023, the fixed-rate bonds, issued by the RTA carried a rating of AA from Standard & Poor's, Aa3 by Moody's Investors Service, Inc., and AA+ by Fitch, Inc. The one variable-rate bond is rated A-1+ from Standard & Poor's, P-1 by Moody's Investors Service and F1+ by Fitch. For more detailed information on debt activity, please see Note 9 in the Notes to Financial Statements.

### **COVID-19 IMPACT AND RECOVERY**

A total of \$3.540 billion of federal relief funding was provided to the RTA Region by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act of 2020, the Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act of 2021, and the American Rescue Plan ("ARP") Act of 2021. The RTA Board fully allocated these funding sources among the CTA, Metra, Pace Suburban Service, ADA Paratransit, and the RTA Agency to help offset the impact of COVID-19 related revenue losses. Through 2023, the Region had drawn down approximately 57% of the available relief funding. With respect to COVID-19 impacts, 2023 was a year of further recovery. The unemployment rate in the RTA region stabilized at 4.5%, ending 2023 unchanged from where it began the year. As more businesses implemented return-to-office plans, RTA system ridership improved from about 53% of pre-COVID levels at the beginning of the year to around 61% by December. Ridership recovery has continued in early 2024, passing 63% of pre-COVID levels in March. After growing by 28% in 2021 due to the extension of RTA sales tax to more online transactions and by an additional 6.9% in 2022, sales tax receipts grew by 3.9% in 2023 to \$1.631 billion, about \$375 million or 30% above the pre-COVID result for 2019. With the RTA funding outlook improved, the focus will be on judicious use of the remaining \$1.5 billion of federal relief funding as the RTA system continues to recover from the COVID-19 pandemic.

### **CONTACTING THE FINANCIAL MANAGEMENT OF THE REGIONAL TRANSPORTATION AUTHORITY**

This ACFR provides a general overview of the finances of the RTA. Users of the ACFR should address questions concerning the information, or requests for additional financial information, to the Regional Transportation Authority, c/o Senior Deputy Executive Director, Finance, Innovation and Technology/CFO, 175 West Jackson Blvd., Suite 1550, Chicago, Illinois 60604 or visit our website at [www.rtachicago.org](http://www.rtachicago.org).

RTA 2023 Annual Comprehensive Financial Report

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF NET POSITION (DEFICIT)  
DECEMBER 31, 2023**

(In Thousands)

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS:</b>  |                                    |                                     |                     |
| Current portion of:   |                                    |                                     |                     |
| Cash and investments:   |                                    |                                     |                     |
| Cash and cash equivalents   | \$ 208,022                         | \$ 361                              | \$ 208,383          |
| Restricted—investments  | 128,991                            | -                                   | 128,991             |
| Unrestricted—investments  | 312,584                            | 18,417                              | 331,001             |
| Intergovernmental receivables   | 182,774                            | -                                   | 182,774             |
| Prepaid expenses  | 139                                | 4,233                               | 4,372               |
| Accrued interest on investments   | 630                                | 30                                  | 660                 |
| Lease receivables   | 62                                 | -                                   | 62                  |
| <b>Total current assets</b>   | <b>833,202</b>                     | <b>23,041</b>                       | <b>856,243</b>      |
| Non-current portion of:   |                                    |                                     |                     |
| Prepaid expenses  | 1,532                              | -                                   | 1,532               |
| Lease receivables   | 43                                 | -                                   | 43                  |
| Capital assets—net of accumulated depreciation                                | 2,571                              | -                                   | 2,571               |
| Capital assets—net of accumulated amortization                                |                                    |                                     |                     |
| Right to use leased assets—net of accumulated amortization                    | 10,217                             | -                                   | 10,217              |
| Right to use SBITA assets—net of accumulated amortization                     | 2,406                              | -                                   | 2,406               |
| <b>Total non-current assets</b>   | <b>16,769</b>                      | <b>-</b>                            | <b>16,769</b>       |
| <b>Total assets</b>   | <b>849,971</b>                     | <b>23,041</b>                       | <b>873,012</b>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                                    |                                     |                     |
| Loss on refunding   | 3,676                              | -                                   | 3,676               |
| OPEB related amounts  | 177                                | -                                   | 177                 |
| Pension related amounts   | 12,491                             | -                                   | 12,491              |
| <b>Total deferred outflows of resources</b>                                   | <b>16,344</b>                      | <b>-</b>                            | <b>16,344</b>       |
| <b>LIABILITIES:</b>   |                                    |                                     |                     |
| Current portion of:   |                                    |                                     |                     |
| General obligation bonds payable  | 115,945                            | -                                   | 115,945             |
| Due to fiduciary funds  | 31,486                             | -                                   | 31,486              |
| Intergovernmental payables  | 220,531                            | -                                   | 220,531             |
| Advances from the State   | 18,891                             | -                                   | 18,891              |
| Accrued interest payable  | 20,005                             | -                                   | 20,005              |
| Accrued other expenses  | 77,994                             | -                                   | 77,994              |
| Compensated absences  | 461                                | -                                   | 461                 |
| OPEB Liability (current)  | 44                                 | -                                   | 44                  |
| Lease and SBITA subscription payables (current)                               | 2,130                              | -                                   | 2,130               |
| <b>Total current liabilities</b>  | <b>487,487</b>                     | <b>-</b>                            | <b>487,487</b>      |
| Noncurrent portion of:  |                                    |                                     |                     |
| Accrued other expenses:   |                                    |                                     |                     |
| Total OPEB liability  | 643                                | -                                   | 643                 |
| Net pension liability   | 13,424                             | -                                   | 13,424              |
| Unearned revenue  | 16,887                             | -                                   | 16,887              |
| Lease and SBITA subscription payables (non current)                           | 10,588                             | -                                   | 10,588              |
| General obligation bonds payable plus unamortized<br>bond premium of \$50,134 | 1,118,594                          | -                                   | 1,118,594           |
| <b>Total non-current liabilities</b>  | <b>1,160,136</b>                   | <b>-</b>                            | <b>1,160,136</b>    |
| <b>Total liabilities</b>  | <b>1,647,623</b>                   | <b>-</b>                            | <b>1,647,623</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                    |                                     |                     |
| Gain on refunding   | 3,382                              | -                                   | 3,382               |
| OPEB related amounts  | 119                                | -                                   | 119                 |
| Pension related amounts   | 679                                | -                                   | 679                 |
| Lessor related amounts  | 102                                | -                                   | 102                 |
| <b>Total deferred inflows of resources</b>                                    | <b>4,282</b>                       | <b>-</b>                            | <b>4,282</b>        |
| <b>NET POSITION (DEFICIT):</b>  |                                    |                                     |                     |
| Net investment in capital assets  | 2,476                              | -                                   | 2,476               |
| Restricted  |                                    |                                     |                     |
| Debt service  | 109,067                            | -                                   | 109,067             |
| Unrestricted (deficit)  | (897,133)                          | 23,041                              | (874,092)           |
| <b>TOTAL NET POSITION (DEFICIT)</b>   | <b>\$ (785,590)</b>                | <b>\$ 23,041</b>                    | <b>\$ (762,549)</b> |

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)

|  | Expenses            | Program<br>Operating<br>Grants/<br>Revenues | Net Expense (Revenue) and<br>Changes in Net Position |                             | Total            |
|--|---------------------|---|--|-----------------------------|------------------|
|  |                     |   | Governmental<br>Activities                           | Business-type<br>Activities |                  |
| FUNCTIONS/PROGRAMS:                          |                     |   |  |                             |                  |
| Governmental activities:                     |                     |   |  |                             |                  |
| Financial assistance to Service Boards       | \$ 355,818          | \$ -  | \$ 355,818   | \$ -                        | \$ 355,818       |
| Capital grants to Service Boards             |                     |   |  |                             |                  |
| Discretionary                                | -                   | -   | -  | -                           | -                |
| Bonds  | 518,060             | -   | 518,060  | -                           | 518,060          |
| IDOT Capital Grant - PACE (ADA)              | 12,949              | 32,536                                      | (19,587)   | -                           | (19,587)         |
| Operating grants to Service Boards           |                     |   |  |                             |                  |
| Innovation, Coordination & Enhancement (ICE) | 16,598              | 16,598                                      | -  | -                           | -                |
| Service board funding                        | 20,141              | -   | 20,141   | -                           | 20,141           |
| Administrative expenses                      | 20,903              | -   | 20,903   | -                           | 20,903           |
| Regional and technology expenses             | 21,615              | -   | 21,615   | -                           | 21,615           |
| Interest expense                             | 57,798              | -   | 57,798   | -                           | 57,798           |
| Miscellaneous                                | 61                  | -   | 61   | -                           | 61               |
| <b>Total governmental activities</b>         | <b>1,023,943</b>    | <b>49,134</b>                               | <b>974,809</b>                                       | <b>-</b>                    | <b>974,809</b>   |
| Business-type activities:                    |                     |   |  |                             |                  |
| Insurance financing                          | 9,363               | -   | -  | 9,363                       | 9,363            |
| <b>TOTAL PRIMARY GOVERNMENT</b>              | <b>\$ 1,033,306</b> | <b>\$ 49,134</b>                            | <b>974,809</b>                                       | <b>9,363</b>                | <b>984,172</b>   |
| GENERAL REVENUES:                            |                     |   |  |                             |                  |
| General revenues:                            |                     |   |  |                             |                  |
| Sales taxes                                  |                     |   | 173,483  | -                           | 173,483          |
| Interest on sales taxes                      |                     |   | 3,224  | -                           | 3,224            |
| Public Transportation Fund (PTF)             |                     |   | 313,128  | -                           | 313,128          |
| General state revenue                        |                     |   | 497,271  | -                           | 497,271          |
| Additional State Assistance (ASA)            |                     |   | 22,346   | -                           | 22,346           |
| Additional Financial Assistance (AFA)        |                     |   | 95,023   | -                           | 95,023           |
| Investment income                            |                     |   | 22,166   | 582                         | 22,748           |
| Other revenues                               |                     |   | 5,398  | 10                          | 5,408            |
| <b>Total general revenues</b>                |                     |   | <b>1,132,039</b>                                     | <b>592</b>                  | <b>1,132,631</b> |
| Transfers                                    |                     |   | (10,474)   | 10,474                      | -                |
| <b>CHANGES IN NET POSITION (DEFICIT)</b>     |                     |   | <b>146,756</b>                                       | <b>1,703</b>                | <b>148,459</b>   |
| NET POSITION (DEFICIT):                      |                     |   |  |                             |                  |
| Beginning of year                            |                     |   | (932,346)  | 21,338                      | (911,008)        |
| End of year                                  |                     |   | \$ (785,590)   | \$ 23,041                   | \$ (762,549)     |

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

**REGIONAL TRANSPORTATION AUTHORITY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023  
(In Thousands)**

|   | <b>General<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|-------------------------|----------------------------------|--------------------------------------|---|
| <b>ASSETS:</b>  |                         |                                  |                                      |   |
| Cash and cash equivalents   | \$ 208,022              | \$ -                             | \$ -                                 | \$ 208,022                              |
| Investments:  |                         |                                  |                                      |   |
| Restricted investments  | -                       | 128,991                          | -                                    | 128,991                                 |
| Unrestricted—investments  | 272,618                 | -                                | 39,966                               | 312,584                                 |
| Intergovernmental receivables   | 182,774                 | -                                | -                                    | 182,774                                 |
| Accrued interest on investments   | 546                     | 81                               | 3                                    | 630                                     |
| Lease receivable  | 105                     | -                                | -                                    | 105                                     |
| <b>TOTAL ASSETS</b>   | <b>\$ 664,065</b>       | <b>\$ 129,072</b>                | <b>\$ 39,969</b>                     | <b>\$ 833,106</b>                       |
| <b>LIABILITIES:</b>   |                         |                                  |                                      |   |
| Vouchers payable  | \$ 688                  | \$ -                             | \$ -                                 | \$ 688                                  |
| Due to fiduciary funds  | 31,486                  | -                                | -                                    | 31,486                                  |
| Intergovernmental payables  | 216,750                 | -                                | 3,781                                | 220,531                                 |
| Advances from State   | 18,891                  | -                                | -                                    | 18,891                                  |
| Accrued items   | 77,306                  | -                                | -                                    | 77,306                                  |
| Unearned revenue  | 16,887                  | -                                | -                                    | 16,887                                  |
| <b>Total liabilities</b>  | <b>362,008</b>          | <b>-</b>                         | <b>3,781</b>                         | <b>365,789</b>                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                         |                                  |                                      |   |
| Lessor related amounts  | 103                     | -                                | -                                    | 103                                     |
| <b>Total deferred inflows of resources</b>                                | <b>103</b>              | <b>-</b>                         | <b>-</b>                             | <b>103</b>                              |
| <b>FUND BALANCES:</b>   |                         |                                  |                                      |   |
| Restricted:   |                         |                                  |                                      |   |
| Debt service  | -                       | 129,072                          | -                                    | 129,072                                 |
| Committed:  |                         |                                  |                                      |   |
| CTAP capital  | 6,212                   | -                                | -                                    | 6,212                                   |
| RTA non-cap tech  | 5,328                   | -                                | -                                    | 5,328                                   |
| Debt service deposit agreement (DSDA)                                     | 30,100                  | -                                | -                                    | 30,100                                  |
| ICE reserve   | 18,150                  | -                                | -                                    | 18,150                                  |
| RTA capital projects  | 4,397                   | -                                | -                                    | 4,397                                   |
| Bond capital projects for Service Boards                                  | -                       | -                                | 35,947                               | 35,947                                  |
| Strategic capital investment account (SCIA)                               | 118,785                 | -                                | -                                    | 118,785                                 |
| ADA Paratransit Reserve   | 31,486                  | -                                | -                                    | 31,486                                  |
| Professional services   | 38,562                  | -                                | -                                    | 38,562                                  |
| Unassigned*   | 48,934                  | -                                | 241                                  | 49,175                                  |
| <b>Total fund balances</b>  | <b>301,954</b>          | <b>129,072</b>                   | <b>36,188</b>                        | <b>467,214</b>                          |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 664,065</b>       | <b>\$ 129,072</b>                | <b>\$ 39,969</b>                     | <b>\$ 833,106</b>                       |

\*See Note 2 for details of unassigned fund balance

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

**REGIONAL TRANSPORTATION AUTHORITY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)  
DECEMBER 31, 2023  
(In Thousands)**

TOTAL FUND BALANCE—GOVERNMENTAL FUNDS \$ 467,214

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the capital assets, net of accumulated depreciation, recognized in the statement of net position (deficit). 2,571

Lease assets and SBITA assets - the right to use lease and SBITA assets are not financial resources and, therefore, are not reported in the funds. This is the right of use assets, net of accumulated amortization, recognized in the statement of net position (deficit). 12,623

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

|                                      |             |
|--------------------------------------|-------------|
| Bonds and notes payable              | (1,184,405) |
| Premiums on bonds                    | (50,134)    |
| Deferred gain on refunding (inflow)  | (3,382)     |
| Deferred loss on refunding (outflow) | 3,676       |
| SBITA and Lease liabilities          | (12,718)    |
| Compensated absences                 | (461)       |
| Total OPEB liability                 | (687)       |
| Net pension liability                | (13,424)    |
| Prepaid expenses - bond insurance    | 1,672       |
| Accrued Interest                     | (20,005)    |

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

|                            |                     |
|----------------------------|---------------------|
| Deferred outflow (OPEB)    | 177                 |
| Deferred outflow (Pension) | 12,491              |
| Deferred inflow (Pension)  | (679)               |
| Deferred inflow (OPEB)     | (119)               |
|                            | <u>\$ (785,590)</u> |

TOTAL NET DEFICIT—GOVERNMENTAL ACTIVITIES

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**YEAR ENDED DECEMBER 31, 2023**

**(In Thousands)**

|  | General<br>Fund   | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------------|-----------------------------|--------------------------------|
| <b>REVENUES:</b>   |                   |                         |                             |                                |
| Investment income  | \$ 17,295         | \$ 3,368                | \$ 1,503                    | \$ 22,166                      |
| Other revenues   | 3,268             | 2,130                   | -                           | 5,398                          |
| Sales Tax  | 173,483           | -                       | -                           | 173,483                        |
| Interest on Sales Tax  | 3,224             | -                       | -                           | 3,224                          |
| Public Transportation Fund                                   | 313,128           | -                       | -                           | 313,128                        |
| General State Revenue  | 497,271           | -                       | -                           | 497,271                        |
| IDOT State Grant - PACE (ADA)                                | 32,536            | -                       | -                           | 32,536                         |
| Innovation, Coordination & Enhancement (ICE)                 | 16,598            | -                       | -                           | 16,598                         |
| State assistance   | 117,369           | -                       | -                           | 117,369                        |
| <b>Total revenues</b>  | <b>1,174,172</b>  | <b>5,498</b>            | <b>1,503</b>                | <b>1,181,173</b>               |
| <b>EXPENDITURES:</b>   |                   |                         |                             |                                |
| <b>Current:</b>  |                   |                         |                             |                                |
| Service Board Funding  | 20,141            | -                       | -                           | 20,141                         |
| Financial assistance to Service Boards                       | 355,818           | -                       | -                           | 355,818                        |
| <b>Intergovernmental:</b>                                    |                   |                         |                             |                                |
| Capital grants-discretionary                                 | -                 | -                       | -                           | -                              |
| Innovation, Coordination & Enhancement (ICE)                 | 16,598            | -                       | -                           | 16,598                         |
| Capital grants- State bonds                                  | 507,547           | -                       | 10,513                      | 518,060                        |
| IDOT Cap Grant - PACE (ADA)                                  | 12,949            | -                       | -                           | 12,949                         |
| Administrative Operating                                     | 19,154            | -                       | -                           | 19,154                         |
| Regional and technology expenses                             | 21,688            | -                       | -                           | 21,688                         |
| Agency capital outlay  | 851               | -                       | -                           | 851                            |
| <b>Debt service:</b>   |                   |                         |                             |                                |
| Principal  | -                 | 111,330                 | -                           | 111,330                        |
| Interest   | -                 | 66,733                  | -                           | 66,733                         |
| Debt related costs   | -                 | 61                      | -                           | 61                             |
| <b>Total expenditures</b>                                    | <b>954,746</b>    | <b>178,124</b>          | <b>10,513</b>               | <b>1,143,383</b>               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>219,426</b>    | <b>(172,626)</b>        | <b>(9,010)</b>              | <b>37,790</b>                  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                   |                         |                             |                                |
| Transfers in   | -                 | 174,095                 | -                           | 174,095                        |
| Transfers out  | (182,985)         | -                       | (1,584)                     | (184,569)                      |
| <b>Total other financing sources (uses)</b>                  | <b>(182,985)</b>  | <b>174,095</b>          | <b>(1,584)</b>              | <b>(10,474)</b>                |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>36,441</b>     | <b>1,469</b>            | <b>(10,594)</b>             | <b>27,316</b>                  |
| <b>FUND BALANCES:</b>  |                   |                         |                             |                                |
| Beginning of year  | 265,513           | 127,603                 | 46,782                      | 439,898                        |
| End of year  | <u>\$ 301,954</u> | <u>\$ 129,072</u>       | <u>\$ 36,188</u>            | <u>\$ 467,214</u>              |

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

**REGIONAL TRANSPORTATION AUTHORITY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2023**

**(In Thousands)**

|  |    |        |
|--|----|--------|
| NET CHANGE IN FUND BALANCES—TOTAL GOVERNMENTAL FUNDS | \$ | 27,316 |
|--|----|--------|

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

|   |  |         |
|---|--|---------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,183) exceeds capital outlay (\$864) in the current period. |  | (1,319) |
|---|--|---------|

|   |  |     |
|---|--|-----|
| Lease and SBITA adjustment -Governmental funds report principal expenses of the right to use lease assets and SBITA assets as expenditures while the statement of activities report the amortization expenses which are allocated of the contract term. |  | 102 |
|---|--|-----|

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

|                                     |  |         |
|-------------------------------------|--|---------|
| Debt service principal              |  | 111,330 |
| Amortization of premiums on bonds   |  | 7,495   |
| Change in accrued interest on bonds |  | 1,622   |

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

|                      |  |      |
|----------------------|--|------|
| Compensated absences |  | 51   |
| OPEB expense         |  | (16) |
| Pension expense      |  | 175  |

|   |    |                |
|---|----|----------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u>146,756</u> |
|---|----|----------------|

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF NET POSITION  
 BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND  
 JOINT SELF-INSURANCE (PROPRIETARY) FUND  
 DECEMBER 31, 2023  
 (In Thousands)**

---

ASSETS:

Current:

|                                 |              |
|---------------------------------|--------------|
| Cash and cash equivalents       | \$ 361       |
| Investments                     | 18,417       |
| Accrued interest on investments | 30           |
| Prepaid insurance               | <u>4,233</u> |
| <br>Total assets                | <br>23,041   |

LIABILITIES

|                     |          |
|---------------------|----------|
| Due to General Fund | <u>-</u> |
|---------------------|----------|

|                             |                         |
|-----------------------------|-------------------------|
| NET POSITION - Unrestricted | <u><u>\$ 23,041</u></u> |
|-----------------------------|-------------------------|

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND**

**JOINT SELF-INSURANCE (PROPRIETARY) FUND**

**YEAR ENDED DECEMBER 31, 2023**

**(In Thousands)**

|                                |                         |
|--------------------------------|-------------------------|
| OPERATING EXPENSES:            |                         |
| Insurance expense              | \$ 9,264                |
| Professional services          | 81                      |
| Bank charges and miscellaneous | <u>18</u>               |
| Total operating expenses       | <u>9,363</u>            |
| OPERATING LOSS                 | <u>(9,363)</u>          |
| NONOPERATING REVENUES:         |                         |
| Investment income              | 582                     |
| Other revenue                  | <u>10</u>               |
| Total nonoperating revenues    | <u>592</u>              |
| Transfer from General Fund     | <u>10,474</u>           |
| CHANGE IN NET POSITION         | 1,703                   |
| NET POSITION:                  |                         |
| Beginning of year              | <u>21,338</u>           |
| End of year                    | <u><u>\$ 23,041</u></u> |

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF CASH FLOWS  
BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND  
JOINT SELF-INSURANCE (PROPRIETARY) FUND  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)**

|  |                          |
|--|--------------------------|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:                                  |                          |
| Payments to insurance vendor   | \$ (9,309)               |
| Payments to other vendors  | <u>(99)</u>              |
| Net cash flows from (used in) operating activities                               | <u>(9,408)</u>           |
| CASH FLOWS FROM INVESTING ACTIVITIES:  |                          |
| Purchases of investments   | (47,662)                 |
| Proceeds from sales and maturities of investments                                | 38,966                   |
| Investment income  | <u>580</u>               |
| Net cash flows from (used in) investing activities                               | <u>(8,116)</u>           |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:                                 |                          |
| Transfers received from RTA General Fund   | <u>10,474</u>            |
| NET CHANGE IN CASH AND CASH EQUIVALENTS  | (7,050)                  |
| CASH AND CASH EQUIVALENTS:   |                          |
| Beginning of year  | <u>7,411</u>             |
| End of year  | <u><u>\$ 361</u></u>     |
| RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM<br>OPERATING ACTIVITIES: |                          |
| Loss from operations   | \$ (9,363)               |
| Changes in prepaid insurance   | <u>(45)</u>              |
| NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES                               | <u><u>\$ (9,408)</u></u> |

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**DECEMBER 31, 2023**

**(In Thousands)**

|   | <b>Pension<br/>Trust Fund</b> | <b>Sales Tax<br/>Custodial Fund</b> |
|---|-------------------------------|-------------------------------------|
| <b>ASSETS:</b>                                |                               |                                     |
| Cash and cash equivalents                     | \$ 26,151                     | \$ -                                |
| Investments, at fair value:                   |                               |                                     |
| Corporate fixed income mutual fund            | 57,425                        | -                                   |
| Common stocks                                 | 42,073                        | -                                   |
| Real estate funds                             | 27,032                        | -                                   |
| Private equity funds                          | 24,401                        | -                                   |
| Commingled funds                              | 239,179                       | -                                   |
| Total Investments                             | 390,110                       | -                                   |
| Intergovernmental receivables:                |                               |                                     |
| Sales taxes                                   | -                             | 273,356                             |
| New sales tax                                 | -                             | 99,226                              |
| Interest on sales taxes                       | -                             | 415                                 |
| Due from General Fund                         | -                             | 31,486                              |
| Reduced fare reimbursement                    | -                             | -                                   |
| PTF (new sales tax/RETT)                      | -                             | 17,427                              |
| Advances to Service Boards                    | -                             | 116,795                             |
| Other receivables                             | 197                           | -                                   |
| Total Receivables                             | 197                           | 538,705                             |
| Total assets                                  | 416,458                       | 538,705                             |
| <b>LIABILITIES:</b>                           |                               |                                     |
| Intergovernmental payables:                   |                               |                                     |
| Sales taxes due to Service Boards             | -                             | 273,356                             |
| New sales tax due to Service Boards           | -                             | 99,226                              |
| ADA Paratransit Funding (Future Years) SBD    | -                             | 31,486                              |
| Interest on sales taxes due to Service Boards | -                             | 415                                 |
| PTF (new sales tax/RETT)                      | -                             | 17,427                              |
| Advances from State                           | -                             | 116,795                             |
| Other accrued expenses                        | 4,337                         | -                                   |
| Unearned employer contributions               | 6,105                         | -                                   |
| Total liabilities                             | 10,442                        | 538,705                             |
| <b>NET POSITION:</b>                          |                               |                                     |
| Restricted for pensions                       | \$ 406,016                    | \$ -                                |

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**YEAR ENDED DECEMBER 31, 2023**

**(In Thousands)**

|   | <b>Pension<br/>Trust Fund</b> | <b>Sales Tax<br/>Custodial Fund</b> |
|---|-------------------------------|-------------------------------------|
| <b>ADDITIONS:</b>   |                               |                                     |
| State tax sharing and assistance                            |                               |                                     |
| Sales taxes   | \$ -                          | \$ 1,421,215                        |
| Interest on sales taxes                                     | -                             | 4,603                               |
| Public Transportation Fund (PTF) and other State assistance | -                             | 207,983                             |
| Reduced fare reimbursement                                  | -                             | 18,317                              |
| Total State tax sharing and assistance                      | <u>-</u>                      | <u>1,652,118</u>                    |
| <b>Contributions:</b>                                       |                               |                                     |
| Metra pension contributions                                 | 35,517                        | -                                   |
| Pace pension contributions                                  | 20,405                        | -                                   |
| RTA pension contributions                                   | 5,140                         | -                                   |
| Total contributions   | <u>61,062</u>                 | <u>-</u>                            |
| <b>Investment gain:</b>                                     |                               |                                     |
| Net depreciation in fair value of investments               | 38,186                        | -                                   |
| Interest and dividends                                      | 5,320                         | -                                   |
| Total investment gain                                       | <u>43,506</u>                 | <u>-</u>                            |
| <b>Less investment expenses:</b>                            |                               |                                     |
| Net investment gain   | <u>(1,030)</u>                | <u>-</u>                            |
| Total additions   | <u>103,538</u>                | <u>1,652,118</u>                    |
| <b>DEDUCTIONS:</b>  |                               |                                     |
| State tax sharing and assistance paid to Service Boards     |                               |                                     |
| Sales taxes   | -                             | 1,421,215                           |
| Interest on sales taxes                                     | -                             | 4,603                               |
| Public Transportation Fund (PTF) and other State assistance | -                             | 207,983                             |
| Reduced fare reimbursement                                  | -                             | 18,317                              |
| Pension   |                               |                                     |
| Benefit payments  | 24,292                        | -                                   |
| Administrative expenses                                     | 531                           | -                                   |
| Total deductions  | <u>24,823</u>                 | <u>1,652,118</u>                    |
| <b>NET CHANGE IN NET POSITION</b>                           | 78,715                        | -                                   |
| <b>NET POSITION</b>   |                               |                                     |
| Beginning of year   | <u>327,301</u>                | <u>-</u>                            |
| End of year   | <u>\$ 406,016</u>             | <u>\$ -</u>                         |

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

## REGIONAL TRANSPORTATION AUTHORITY

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

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#### NOTE 1. REPORTING ENTITY

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

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

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

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

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

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

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

**NOTE 1. REPORTING ENTITY (Continued)**

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

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

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

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

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

| <u>Description</u>              | <u>Useful Life</u>   |
|---------------------------------|----------------------|
| Office equipment                | 5 years              |
| Computer equipment and software | 5 years              |
| Leasehold improvements          | Life of the contract |
| Other assets (signage)          | Life of the sign     |
| Intangible assets*              | 2 - 5 years          |

\* Intangible assets represents the RTA’s right-to-use leased asset and the RTA’s right-to-use subscription-based information technology asset. The determination of useful life for the intangible assets are based on the lease or the subscription contract term.

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

*Deferred Outflows of Resources and Deferred Inflows of Resources*— Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The RTA reports deferred outflows and (inflows) of resources on the Statement of Net Position (Deficit) related to pension and OPEB amounts as well as gains and losses on debt refunding. In addition, on both the Statement of Net Position (Deficit) and the Balance Sheet of Governmental Funds the RTA reports deferred inflows of resources related to long-term leases where the RTA is the lessor.

*Bond premiums and discounts*—are amortized over the life of the bonds using the effective interest rate method.

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

Changes in compensated absences for the year ended December 31, 2023, were as follows (amounts in thousands):

|                              | <b>Balance</b>    |                  |                  | <b>Balance</b>      |                   |
|------------------------------|-------------------|------------------|------------------|---------------------|-------------------|
|                              | <b>January 1,</b> |                  |                  | <b>December 31,</b> | <b>Due Within</b> |
|                              | <b>2023</b>       | <b>Increases</b> | <b>Decreases</b> | <b>2023</b>         | <b>One Year</b>   |
| Compensated absences payable | \$ 512            | \$ 605           | \$ 656           | \$ 461              | \$ 461            |

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

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

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

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

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

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

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

**Unassigned** – This consists of residual fund balances.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In instances where restricted, committed, and assigned fund balances are available for use, RTA's policy is to use restricted resources first, followed by committed resources, then assigned resources, as needed. In 2023, the General Fund reports unassigned fund balance of \$49 million, these funds are needed to satisfy future debt service requirements as well as general administrative costs of the RTA.

*Leases and Subscription Based Information Technology Arrangements*—The RTA has lease agreements for which they are the lessee as well as the lessor. The RTA is a lessee because it leases assets from other entities. As a lessee, the RTA reports right of use assets and corresponding lease liabilities in the government-wide financial statements. The RTA is a lessor because it subleases assets to another entity. As a lessor, the RTA reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. Key estimates and judgments related to the lease agreements include defining the lease term, valuing the fixed lease payments and determining the discount rate associated with the agreement. The RTA estimated each based on the facts and circumstances associated with each agreement at the time of inception. The RTA has no leases of assets that are reported as investments, sale-leaseback transactions, lease-leaseback transactions or certain regulated leases.

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

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

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

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue") and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller. Effective July 1, 2018, the State reduced the permanent administrative surcharge on RTA sales tax receipts to 1.5%, which was imposed July 1, 2017, at 2%. Through December 2023, the reduced amount of sales tax provided to the RTA and Service Boards was approximately \$21 million.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

*Reduced Fare Reimbursement*—In the State's fiscal year 2023, which ends June 30, 2023, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation ("IDOT") is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the state fiscal year ended June 30, 2023, the grant was in the amount of \$17.6 million.

*Additional State Assistance/Additional Financial Assistance*—The State has authorized Additional State Assistance ("ASA") which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP I bonds plus any debt service savings from the issuance of currently refunding or advance refunding SCIP I bonds, less interest earned on the unspent bond proceeds, or (ii) \$55 million per year. The RTA recognized \$22 million of ASA in 2023.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP II bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) \$100 million in the State's fiscal years 2022 and 2023, per year. The RTA recognized \$95 million of AFA in 2023.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to \$31.9 million for the year ended December 31, 2023.

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

**Cash Flows**—For purposes of the statement of cash flows, the RTA considers all short-term securities with original maturities of three months or less to be cash equivalents. Cash and cash equivalents totaled \$361 thousand at December 31, 2023, and are included in cash and cash equivalents under the proprietary fund on the accompanying statement of net position.

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

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

**New Accounting Pronouncements**—During fiscal year 2023, the RTA adopted the following GASB Statements:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, will be effective for the RTA with its year ending December 31, 2023. This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement will improve financial reporting by establishing a definition for a SBITA and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. See Note 14 for impact related to GASB 96 implementation.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the RTA with its year ending December 31, 2023. This statement provides a single method of reporting conduit debt obligations issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2)

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

arrangements associated with conduit debt obligations, and (3) related note disclosures. The adoption of this statement did not have a material impact on the financial statements for the RTA.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the RTA with its year ending December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infra-structure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (“APAs”). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this statement did not have a material impact on the financial statements for the RTA.

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

GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement were effective on different timelines as requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance, requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

GASB Statement No. 101, *Compensated Absences*, will be effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103 *Financial Reporting Model Improvements*. Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

**NOTE 3. CASH AND INVESTMENTS**

**Governmental and Joint Self-Insurance Fund**

Cash and investments in the statement of net position (deficit) may be restricted by bond covenants or through action of the RTA board as to their use. Unrestricted cash and investments may be used for any purpose. A summary of cash and investments as of December 31, 2023 is as follows (amounts are in thousands):

|                                   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>      |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------|
| Demand deposits                   | \$ 208,022                         | \$ 361                              | \$ 208,383        |
| Certificates of deposit           | 2,103                              | 500                                 | 2,603             |
| Commercial paper                  | 130,448                            | 9,886                               | 140,334           |
| Illinois Funds                    | 5,515                              | -                                   | 5,515             |
| Money market funds                | 11,327                             | -                                   | 11,327            |
| U.S. Treasuries                   | 139,324                            | 988                                 | 140,312           |
| Government agencies               | 152,857                            | 7,043                               | 159,900           |
| <b>Total cash and investments</b> | <b>\$ 649,596</b>                  | <b>\$ 18,778</b>                    | <b>\$ 668,374</b> |

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

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

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

**NOTE 3. CASH AND INVESTMENTS (Continued)**

- Certain money market mutual funds.
- The Illinois Funds – external investment pools managed by the Illinois State Treasurer.
- Repurchase agreements.

**Custodial Credit Risk** — Custodial credit risk is the risk that in the event of a bank failure, the RTA's deposits may not be returned to it. The RTA's policy for custodial credit risk states collateral will be valued at fair value (excluding accrued interest) on the trade date. Collateral required will be 100% of the investment or such greater percentage as may be appropriate based upon the financial stability of the institution and the term of the collateral (i.e., maturity), less any insurance provided by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2023, all of RTA's deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

**Investments**

**Custodial Credit Risk** — For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2023, the RTA's investments are exposed to custodial credit risk because they are held by a third-party, in the name of the RTA.

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

As of December 31, 2023, the RTA's investments subject to interest rate risk were as follows (amounts in thousands):

| <u>Investment Type</u> | <u>Carrying Value</u> |
|------------------------|-----------------------|
| Commercial paper       | \$ 140,334            |
| Illinois Funds         | 5,515                 |
| Money market funds     | 11,327                |
| U.S. treasuries        | 140,312               |
| Government agencies    | <u>159,900</u>        |
| Total                  | <u>\$ 457,388</u>     |

The RTA treats all investments with an initial term of less than 90 days as cash and cash equivalents. As of December 31, 2023, there are no investments held by the Authority with maturities greater than one year.

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

**NOTE 3. CASH AND INVESTMENTS (Continued)**

As of December 31, 2023, the RTA's investments were as follows (amounts in thousands):

| Investment Type     | Carrying Value    | Credit Rating |                   |              |
|---------------------|-------------------|---------------|-------------------|--------------|
|                     |                   | Moody's       | Standard & Poor's | Fitch        |
| Commercial paper    | \$ 140,334        | P-1,P-2       | A-1+, A-1, A-2    | F-1+,F-1:F-3 |
| Illinois Funds      | 5,515             | *             | *                 | AAAmf        |
| Money market funds  | 11,327            | Aaa-mf        | AAAm              | AAAmf        |
| U.S. treasuries     | 140,312           | Aaa           | AA+               | AA+          |
| Government agencies | 159,900           | Aaa, P-1      | AA+, A-1+         | AA+          |
| Total               | <u>\$ 457,388</u> |               |                   |              |

\* Rating not available

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

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

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

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

**Fair Value Measurement**

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

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

**NOTE 3. CASH AND INVESTMENTS (Continued)**

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

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

The following summarizes the valuation of the RTA's investments by the fair value hierarchy levels as of December 31, 2023 (amounts in thousands):

|                            | Fair Value | Fair Value Measurements Using |         |         |
|----------------------------|------------|-------------------------------|---------|---------|
|                            |            | Level 1                       | Level 2 | Level 3 |
| Money market - mutual fund | \$ 11,327  | \$ 11,327                     | \$ -    | \$ -    |

The RTA's remaining investments have maturities of less than one year at the time of purchase and are reported at amortized cost which as stated in Note 2 approximates fair value and is not subject to the fair value hierarchy.

**Pension Fund**

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

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

As of December 31, 2023, the Plan's deposits are covered in full by federal depository insurance and the Plan's investments are exposed to custodial credit risk because they are held by the Plan's trust operations administrator in the name of the Plan.

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

As of December 31, 2023, the RTA's pension investments exposed to interest rate risk were as follows (amounts in thousands):

| Investment Type                    | Fair Value | Weighted Average Maturity (Months) |
|------------------------------------|------------|------------------------------------|
| Corporate fixed income mutual fund | \$ 57,425  | 121                                |

**NOTE 3. CASH AND INVESTMENTS (Continued)**

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

As of December 31, 2023, the credit ratings for RTA pension debt securities were as follows (amounts in thousands):

| Investment Type                    | Total Fair Value | Credit Rating (where available) |                   |       |
|------------------------------------|------------------|---------------------------------|-------------------|-------|
|                                    |                  | Moody's                         | Standard & Poor's | Fitch |
| Corporate fixed income mutual fund | \$ 57,425        | NR                              | NR                | NR    |

NR - not rated

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA’s pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at fair value. The RTA’s pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations, and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. As of December 31, 2023, the pension fund did not have any investment in a single issuer which was greater than 5% of the Plan’s investment portfolio.

**Fair Value measurement**

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

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

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

**NOTE 3. CASH AND INVESTMENTS (Continued)**

The following table summarizes the valuation of the Plan's investments by the fair value hierarchy levels as of December 31, 2023 (amounts in thousands):

| <u>Investment by Fair Value Level</u>                   | <u>Fair Value</u> | <u>Fair Value Measurements Using</u>  |  |  |
|---|-------------------|---|--|--|
|   |                   | <u>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs (Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs (Level 3)</u> |
| Fixed income investments                                |                   |   |  |  |
| Mutual funds - fixed income                             | \$ 57,425         | \$ -  | \$ 57,425  | \$ -   |
| Total Fixed Income Investments                          | 57,425            | -   | 57,425   | -  |
| Equity investments                                      |                   |   |  |  |
| Common stock  | 42,073            | 42,073  | -  | -  |
| Total Equity Investments                                | 42,073            | 42,073  | -  | -  |
| Total investments by fair value level                   | <u>\$ 99,498</u>  | <u>\$ 42,073</u>  | <u>\$ 57,425</u>   | <u>\$ -</u>  |
| <u>Investment Measured at the Net Asset Value (NAV)</u> |                   |   |  |  |
| Commingled funds - equity                               | \$ 210,725        |   |  |  |
| Commingled funds - fixed income                         | 28,454            |   |  |  |
| Real estate funds                                       | 27,032            |   |  |  |
| Private equity  | 24,401            |   |  |  |
| Total investments by NAV                                | <u>290,612</u>    |   |  |  |
| Total investments                                       | <u>\$ 390,110</u> |   |  |  |

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

Investments Measured at the Net Asset Value (NAV)

|                          | <u>Fair Value</u> | <u>Unfunded<br/>Commitments</u> | <u>Redemption<br/>Frequency (if<br/>Currently Eligible)</u> | <u>Redemption<br/>Notice Period</u> |
|--------------------------|-------------------|---------------------------------|---|-------------------------------------|
| Commingled funds (1)     | \$ 239,179        | \$ 9,509                        | Daily   | 1 day                               |
| Real estate funds (2)    | 27,032            | -                               | Quarterly - Biannually                                      | 30 days                             |
| Private equity funds (3) | 24,401            | 2,917                           | N/A   | N/A                                 |
|                          | <u>\$ 290,612</u> | <u>\$ 12,426</u>                |   |                                     |

- (1) *Commingled Funds* – There are four equity funds and one fixed income fund, which are considered commingled in nature. Each are valued at net asset value of the units held at the end of the period based upon fair value of the underlying securities.
- (2) *Real Estate Funds* – There are two real estate funds that invest primarily in office, industrial, retail, and residential real estate in the United States with a focus on major cities on both coasts. The fund is classified as a liquid real estate fund due to the open-end structure of the fund. Open-end funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.
- (3) *Private Equity Funds* – Consisting of two private equity funds investing in secondary private markets with asymmetric risk/reward profiles, offering enhanced downside protection and meaningful upside optionality. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the life of the fund.

**NOTE 4. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES**

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

| <b>Receivable</b>  | <b>Amount<br/>(In Thousands)</b> |
|--|----------------------------------|
| General Fund:  |                                  |
| Sales taxes  | \$ 61,476                        |
| Public Transportation Fund (PTF)                               | 26,237                           |
| General State Revenue (MOU)                                    | 91,018                           |
| Illinois Department of Transportation (IDOT) grants and others | 3,706                            |
| Interest on sales tax  | 290                              |
| Due from service boards  | 47                               |
| Total Intergovernmental Receivables                            | <u>\$ 182,774</u>                |
| <b>Payable</b>   |                                  |
| General Fund:  |                                  |
| Operating assistance   | \$ 156,186                       |
| State bond payable - service boards                            | 60,564                           |
| Total General Fund   | 216,750                          |
| Capital Projects Fund:   |                                  |
| Capital grants   | 3,781                            |
| Total Intergovernmental Payables                               | <u>\$ 220,531</u>                |

**NOTE 5. DUE TO/FROM OTHER FUNDS**

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

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

On December 31, 2023, the amounts due to/from other funds presented in the Governmental Funds Balance Sheet, the Joint Self-Insurance Fund Statement of Net Position, and the Fiduciary Funds Statement of Fiduciary Net Position are as follows:

| <b>Receivable Fund</b> | <b>Payable Fund</b>                  | <b>Amount<br/>(In Thousands)</b> |
|------------------------|--------------------------------------|----------------------------------|
| General                | Joint Self-Insurance Fund            | \$ 99                            |
| General                | Fiduciary - Sales Tax Custodial Fund | 31,486                           |

**NOTE 6. INTERFUND TRANSFERS**

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

| <b>Transfer Out Fund</b> | <b>Transfer In Fund</b> | <b>Amount<br/>(In Thousands)</b> |
|--------------------------|-------------------------|----------------------------------|
| General                  | Debt Service            | \$ 172,511                       |
| Capital Projects         | Debt Service            | 1,584                            |
| General                  | Joint Self-Insurance    | 10,474                           |

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

**NOTE 7. ADVANCES TO SERVICE BOARDS**

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

|                              |                   |
|------------------------------|-------------------|
| CTA                          | \$ 55,150         |
| Metra                        | 46,796            |
| Pace                         | 14,849            |
| Total Service Board Advances | <u>\$ 116,795</u> |

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

**NOTE 8. CAPITAL ASSETS**

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

|   | <b>Balance at<br/>January 1,<br/>2023, as<br/>Restated</b> | <b>Additions</b> | <b>Retirements/<br/>Adjustments</b> | <b>Balance at<br/>December 31,<br/>2023</b> |
|---|--|------------------|-------------------------------------|---|
| <u>Depreciable:</u>   |  |                  |                                     |   |
| Office equipment and other assets                                     | \$ 1,593   | \$ 13            | \$ -                                | \$ 1,606                                    |
| Computer equipment  | 6,983  | 802              | -                                   | 7,785                                       |
| Leasehold improvements  | 3,148  | 49               | -                                   | 3,197                                       |
| <u>Amortizable:</u>   |  |                  |                                     |   |
| Right to use assets - buildings                                       | 13,723   | -                | -                                   | 13,723                                      |
| Right to use assets - subscriptions                                   | 3,078  | -                | -                                   | 3,078                                       |
| Subtotal  | 28,525   | 864              | -                                   | 29,389                                      |
| <u>Accumulated depreciation</u>                                       |  |                  |                                     |   |
| Office equipment and other assets                                     | 1,008  | 207              | -                                   | 1,215                                       |
| Computer equipment  | 4,983  | 1,336            | -                                   | 6,319                                       |
| Leasehold improvements  | 1,843  | 640              | -                                   | 2,483                                       |
| <u>Accumulated amortization</u>                                       |  |                  |                                     |   |
| Right to use assets - buildings                                       | 1,753  | 1,753            | -                                   | 3,506                                       |
| Right to use assets - subscriptions                                   | -  | 672              | -                                   | 672   |
| Subtotal  | 9,587  | 4,608            | -                                   | 14,195                                      |
| <b>Total depreciable</b>  | 18,938   | (3,744)          | -                                   | 15,194                                      |
| Total capital assets—net of accumulated depreciation and amortization | \$ 18,938  | \$ (3,744)       | \$ -                                | \$ 15,194                                   |

\*The right to use assets – subscription balances were restated as of January 1, 2023 for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Refer to Note 13 for more details on the impact of this implementation.

All capital assets are associated with governmental activities.

During 2023, the total depreciation and amortization was allocated to administrative expense was approximately \$4.6 million.

**NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE**

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

|                          | January 1,<br>2023 | New<br>Issues | Current<br>Retirements | December 31,<br>2023 | Due Within<br>One Year |
|--------------------------|--------------------|---------------|------------------------|----------------------|------------------------|
| 1997 Refunding           | \$ 3,550           | \$ -          | \$ 3,550               | \$ -                 | \$ -                   |
| 1999* Refunding          | 39,155             | -             | 16,975                 | 22,180               | 17,960                 |
| 2000A*                   | 119,690            | -             | 11,975                 | 107,715              | 12,725                 |
| 2001A*                   | 48,200             | -             | 4,255                  | 43,945               | 4,495                  |
| 2001B* Refunding         | 3,775              | -             | 3,775                  | -                    | -                      |
| 2002A*                   | 84,040             | -             | 6,440                  | 77,600               | 6,815                  |
| 2003A*                   | 145,600            | -             | 10,095                 | 135,505              | 10,650                 |
| 2003B                    | 83,965             | -             | 5,790                  | 78,175               | 6,100                  |
| 2004A*                   | 154,420            | -             | 9,485                  | 144,935              | 9,995                  |
| 2005B Refunding          | 40,100             | -             | 14,615                 | 25,485               | 15,380                 |
| 2010B                    | 112,925            | -             | 6,885                  | 106,040              | 7,140                  |
| 2016A                    | 85,610             | -             | 1,950                  | 83,660               | 2,050                  |
| 2017A                    | 158,180            | -             | 10,145                 | 148,035              | 17,025                 |
| 2018B                    | 130,080            | -             | 2,545                  | 127,535              | 2,675                  |
| 2021A Refunding          | 86,445             | -             | 2,850                  | 83,595               | 2,935                  |
| Subtotal                 | 1,295,735          | -             | 111,330                | 1,184,405            | 115,945                |
| Unamortized bond premium | 57,749             | -             | 7,615                  | 50,134               | -                      |
| Total                    | \$ 1,353,484       | \$ -          | \$ 118,945             | \$ 1,234,539         | \$ 115,945             |

\* Strategic Capital Improvement Program (SCIP) Bonds

On December 31, 2023, the total general obligation bonds, notes payable and premiums of \$1.2 billion are classified as current and long-term in the Statement of Net Position (Deficit) in the amounts of \$116 million and \$1.1 billion, respectively.

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

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

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

| <u>Year Ending<br/>December 31</u> | <u>Debt Service Requirements</u> |                   |                     |
|------------------------------------|----------------------------------|-------------------|---------------------|
|                                    | <u>Principal</u>                 | <u>Interest</u>   | <u>Total</u>        |
| 2024                               | \$ 115,945                       | \$ 60,828         | \$ 176,773          |
| 2025                               | 101,490                          | 55,192            | 156,682             |
| 2026                               | 91,960                           | 50,072            | 142,032             |
| 2027                               | 97,050                           | 44,899            | 141,949             |
| 2028                               | 102,465                          | 39,403            | 141,868             |
| 2029-2033                          | 401,300                          | 116,882           | 518,182             |
| 2034-2038                          | 136,685                          | 37,703            | 174,388             |
| 2039-2043                          | 78,010                           | 19,207            | 97,217              |
| 2044-2048                          | 59,500                           | 4,999             | 64,499              |
| Total                              | <u>\$ 1,184,405</u>              | <u>\$ 429,185</u> | <u>\$ 1,613,590</u> |

All amounts in the individual series debt service requirement reported in the tables below, and on the following pages for Note 9, are expressed in thousands.

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

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

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

| <u>Year Ending<br/>December 31</u> | <u>Debt Service Requirements</u> |                 |                  |
|------------------------------------|----------------------------------|-----------------|------------------|
|                                    | <u>Principal</u>                 | <u>Interest</u> | <u>Total</u>     |
| 2024                               | \$ 17,960                        | \$ 792          | \$ 18,752        |
| 2025                               | 4,220                            | 127             | 4,347            |
| Total                              | <u>\$ 22,180</u>                 | <u>\$ 919</u>   | <u>\$ 23,099</u> |

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

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

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

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

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 12,725                        | \$ 7,001         | \$ 19,726         |
| 2025                               | 13,520                           | 6,174            | 19,694            |
| 2026                               | 14,370                           | 5,296            | 19,666            |
| 2027                               | 15,270                           | 4,362            | 19,632            |
| 2028                               | 16,235                           | 3,369            | 19,604            |
| 2029-2030                          | 35,595                           | 3,506            | 39,101            |
| <b>Total</b>                       | <b>\$ 107,715</b>                | <b>\$ 29,708</b> | <b>\$ 137,423</b> |

**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:

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                  |
|------------------------------------|----------------------------------|------------------|------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>     |
| 2024                               | \$ 4,495                         | \$ 2,637         | \$ 7,132         |
| 2025                               | 4,750                            | 2,367            | 7,117            |
| 2026                               | 5,020                            | 2,082            | 7,102            |
| 2027                               | 5,300                            | 1,781            | 7,081            |
| 2028                               | 5,600                            | 1,463            | 7,063            |
| 2029-2031                          | 18,780                           | 2,295            | 21,075           |
| <b>Total</b>                       | <b>\$ 43,945</b>                 | <b>\$ 12,625</b> | <b>\$ 56,570</b> |

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

**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:

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 6,815                         | \$ 4,656         | \$ 11,471         |
| 2025                               | 7,205                            | 4,247            | 11,452            |
| 2026                               | 7,625                            | 3,815            | 11,440            |
| 2027                               | 8,065                            | 3,357            | 11,422            |
| 2028                               | 8,530                            | 2,873            | 11,403            |
| 2029-2032                          | 39,360                           | 6,070            | 45,430            |
| <b>Total</b>                       | <b>\$ 77,600</b>                 | <b>\$ 25,018</b> | <b>\$ 102,618</b> |

**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:

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 10,650                        | \$ 8,021         | \$ 18,671         |
| 2025                               | 11,205                           | 7,435            | 18,640            |
| 2026                               | 11,795                           | 6,819            | 18,614            |
| 2027                               | 12,415                           | 6,111            | 18,526            |
| 2028                               | 13,065                           | 5,366            | 18,431            |
| 2029-2032                          | 76,375                           | 14,216           | 90,591            |
| <b>Total</b>                       | <b>\$ 135,505</b>                | <b>\$ 47,968</b> | <b>\$ 183,473</b> |

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

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:

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 6,100                         | \$ 4,261         | \$ 10,361         |
| 2025                               | 6,430                            | 3,917            | 10,347            |
| 2026                               | 6,780                            | 3,553            | 10,333            |
| 2027                               | 7,145                            | 3,170            | 10,315            |
| 2028                               | 7,530                            | 2,757            | 10,287            |
| 2029-2033                          | 44,190                           | 6,620            | 50,810            |
| Total                              | <u>\$ 78,175</u>                 | <u>\$ 24,278</u> | <u>\$ 102,453</u> |

**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:

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 9,995                         | \$ 7,912         | \$ 17,907         |
| 2025                               | 10,535                           | 7,373            | 17,908            |
| 2026                               | 11,100                           | 6,791            | 17,891            |
| 2027                               | 11,700                           | 6,164            | 17,864            |
| 2028                               | 12,330                           | 5,488            | 17,818            |
| 2029-2033                          | 72,375                           | 15,699           | 88,074            |
| 2034                               | 16,900                           | 485              | 17,385            |
| Total                              | <u>\$ 144,935</u>                | <u>\$ 49,912</u> | <u>\$ 194,847</u> |

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

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

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

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

| <u>Year Ending<br/>December 31</u> | <u>Debt Service Requirements</u> |                  |                  |
|------------------------------------|----------------------------------|------------------|------------------|
|                                    | <u>Principal</u>                 | <u>Interest*</u> | <u>Total</u>     |
| 2024                               | \$ 15,380                        | \$ 587           | \$ 15,967        |
| 2025                               | 10,105                           | 167              | 10,272           |
| Total                              | <u>\$ 25,485</u>                 | <u>\$ 754</u>    | <u>\$ 26,239</u> |

\* Interest was calculated using a rate of 3.3%.

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

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

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

| <u>Year Ending<br/>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                               | \$ 7,140                         | \$ 6,250         | \$ 13,390         |
| 2025                               | 7,400                            | 5,857            | 13,257            |
| 2026                               | 7,680                            | 5,443            | 13,123            |
| 2027                               | 7,970                            | 5,005            | 12,975            |
| 2028                               | 8,275                            | 4,542            | 12,817            |
| 2029-2033                          | 46,385                           | 14,916           | 61,301            |
| 2034-2035                          | 21,190                           | 1,920            | 23,110            |
| Total                              | <u>\$ 106,040</u>                | <u>\$ 43,933</u> | <u>\$ 149,973</u> |

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

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

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

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

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 2,050                         | \$ 3,661         | \$ 5,711          |
| 2025                               | 2,155                            | 3,556            | 5,711             |
| 2026                               | 2,265                            | 3,445            | 5,710             |
| 2027                               | 2,380                            | 3,329            | 5,709             |
| 2028                               | 2,505                            | 3,207            | 5,712             |
| 2029-2033                          | 14,570                           | 13,975           | 28,545            |
| 2034-2038                          | 18,635                           | 9,916            | 28,551            |
| 2039-2043                          | 22,955                           | 5,598            | 28,553            |
| 2044-2046                          | 16,145                           | 986              | 17,131            |
| <b>Total</b>                       | <b>\$ 83,660</b>                 | <b>\$ 47,673</b> | <b>\$ 131,333</b> |

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

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

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

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

| <u>Year Ending</u><br><u>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|--|----------------------------------|------------------|-------------------|
|  | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                                     | \$ 17,025                        | \$ 6,931         | \$ 23,956         |
| 2025                                     | 18,120                           | 6,079            | 24,199            |
| 2026                                     | 19,245                           | 5,173            | 24,418            |
| 2027                                     | 20,480                           | 4,211            | 24,691            |
| 2028                                     | 21,815                           | 3,187            | 25,002            |
| 2029-2033                                | 16,540                           | 8,051            | 24,591            |
| 2034-2035                                | 34,810                           | 1,859            | 36,669            |
| Total                                    | <u>\$ 148,035</u>                | <u>\$ 35,491</u> | <u>\$ 183,526</u> |

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

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

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

| <u>Year Ending</u><br><u>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|--|----------------------------------|------------------|-------------------|
|  | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                                     | \$ 2,675                         | \$ 5,734         | \$ 8,409          |
| 2025                                     | 2,815                            | 5,597            | 8,412             |
| 2026                                     | 2,960                            | 5,452            | 8,412             |
| 2027                                     | 3,110                            | 5,301            | 8,411             |
| 2028                                     | 3,270                            | 5,141            | 8,411             |
| 2029-2033                                | 19,045                           | 23,012           | 42,057            |
| 2034-2038                                | 24,455                           | 17,601           | 42,056            |
| 2039-2043                                | 31,090                           | 10,958           | 42,048            |
| 2044-2048                                | 38,115                           | 3,933            | 42,048            |
| Total                                    | <u>\$ 127,535</u>                | <u>\$ 82,729</u> | <u>\$ 210,264</u> |

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

**2021 General Obligation Refunding Bond** – In October 2021, the RTA issued \$89.2 million in General Obligation Bonds, Series 2021A, to provide funds to advance refund the RTA’s outstanding Series 2014A Bonds, as well as to fund pay the costs of issuance of the 2021A refunding bonds.

The RTA advance refunded Series 2014A in order to take advantage of more favorable interest rates which provide the RTA and the Service Boards with cost savings. The RTA reduced the total debt service payments for 2014A by approximately \$26.2 million and achieved an economic gain of approximately \$10.9 million (difference between net present value of the debt service payments on the old and the new debt).

The Series 2021A Bonds mature on June 1, 2044 and interest is payable at rates ranging from 2.40% to 3.05% on December 1, 2021 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2021A Bonds to maturity are set forth below:

| Year Ending<br>December 31 | Debt Service Requirements |                  |                   |
|----------------------------|---------------------------|------------------|-------------------|
|                            | Principal                 | Interest         | Total             |
| 2024                       | \$ 2,935                  | \$ 2,385         | \$ 5,320          |
| 2025                       | 3,030                     | 2,296            | 5,326             |
| 2026                       | 3,120                     | 2,203            | 5,323             |
| 2027                       | 3,215                     | 2,108            | 5,323             |
| 2028                       | 3,310                     | 2,010            | 5,320             |
| 2029-2033                  | 18,085                    | 8,522            | 26,607            |
| 2034-2038                  | 20,695                    | 5,922            | 26,617            |
| 2039-2043                  | 23,965                    | 2,651            | 26,616            |
| 2044                       | 5,240                     | 80               | 5,320             |
| Total                      | <u>\$ 83,595</u>          | <u>\$ 28,177</u> | <u>\$ 111,772</u> |

All the bonds and notes payable are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net position (deficit), and are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds and notes payable 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 and notes payable are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use. Under the RTA Act, the Service Boards’ fare box receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, \$129 million in investments are restricted and available to service principal and interest payments of the RTA’s long-term debt as of December 31, 2023.

**NOTE 10. PENSION**

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

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

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

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

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

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

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

**Contributions and Vesting** —The Plan is funded solely by employer contributions, which are actuarially determined under the entry age actuarial cost method. Contributions to the plan from the Authority were \$61 million for the year ended December 31, 2023.

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

At December 31, 2023, the Authority reported a liability of \$13.424 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date, the Authority’s proportion was 8.50%, which was a decrease of 0.30% from its proportion measured as of the prior year measurement date.

The net pension liability reflected in the RTA Pension Plan’s Financial Report as of December 31, 2023, is \$101 million, of which the RTA’s estimated proportionate share will be approximately \$9 million. This amount will be reflected as a liability in the Authority’s financial statements next year.

**NOTE 10. PENSION (Continued)**

For the year ended December 31, 2023, the Authority recognized pension expense of \$4,966 thousand. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ 1,339                                  | \$ 421                                   |
| Changes of assumptions   | 2,654                                     | 28                                       |
| Net difference between projected and actual earnings on pension plan investments                               | 2,602                                     | -  |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 756                                       | 230                                      |
| Authority contributions subsequent to the measurement date   | 5,140                                     | -  |
| Total  | <u>\$ 12,491</u>                          | <u>\$ 679</u>                            |

The \$5,140 thousand reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

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

| <u>Year ended December 31:</u> | <u>Amount</u>   |
|--------------------------------|-----------------|
| 2024                           | \$ 2,332        |
| 2025                           | 2,136           |
| 2026                           | 940             |
| 2027                           | <u>1,264</u>    |
| Total                          | <u>\$ 6,672</u> |

*Actuarial assumptions.* The total pension liability was determined using an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.50 percent  |
| Salary increases          | 2.85 percent to 8.60 percent including inflation                          |
| Investment rate of return | 6.00 percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the Pub-2010 (General Employees) Employee Mortality table for pre-retirement mortality and the Pub-2010 (General Employees) Healthy Retiree Mortality table for post-retirement mortality sex distinct, with mortality improvement projected from 2010 using projection scale MP-2018.

**NOTE 10. PENSION (Continued)**

The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the various actuarial assumptions included in the actuarial valuation report as of January 1, 2019 were updated according to an actuarial experience study for the period January 1, 2013 through January 1, 2018. A summary of changes from the prior valuation include decreasing the inflation rate to 2.5% from 2.75%, lowering future salary increases from a range of 3.25% to 8.75% to 2.85% to 8.6% and updating the mortality tables utilized from RP-2014 to Pub 2010.

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

| <b>Asset Class</b>             | <b>Target Allocation</b> | <b>Long-Term Expected Real Rate of Return</b> |
|--------------------------------|--------------------------|---|
| Domestic Equity                | 28%                      | 8.7%  |
| Developed Foreign Equity       | 16%                      | 9.8%  |
| Emerging Markets Equity        | 15%                      | 10.0%   |
| Private Equity                 | 4%                       | 11.0%   |
| Investment Grade Bonds         | 11%                      | 4.7%  |
| Long-Term Government Bonds     | 3%                       | 5.0%  |
| TIPS                           | 3%                       | 4.5%  |
| High-Yield Bonds               | 3%                       | 7.3%  |
| Emerging Markets Bonds (local) | 2%                       | 6.0%  |
| Emerging Markets Bonds (major) | 2%                       | 6.4%  |
| Real Estate                    | 8%                       | 7.8%  |
| Real Assets                    | 5%                       | 8.0%  |

*Discount rate.* A single discount rate of 6.0% was used to measure the total pension liability. This single discount rate was based on the future expected rate of return on pension plan investments of 6.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 10. PENSION (Continued)**

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate (amounts in thousands):

|  | <b>1% Decrease<br/>(5.00%)</b> | <b>Current Discount<br/>Rate (6.00%)</b> | <b>1% Increase<br/>(7.00%)</b> |
|--|--------------------------------|--|--------------------------------|
| Authority's proportionate share of the net pension liability | \$ 18,394                      | \$ 13,424                                | \$ 9,217                       |

*Pension plan fiduciary net position.* The complete RTA Pension 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

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

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

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

**Employees Covered by Benefit Terms.**

At December 31, 2023, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 43  |
| Inactive employees entitled to but not yet receiving benefit payments    | -   |
| Active employees   | 97  |
| Total  | 140 |

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

***Total OPEB Liability***

The RTA's total OPEB liability of \$687 thousand was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Inflation                   | 2.5 percent   |
| Salary increases            | 2.5 percent, average, including inflation   |
| Discount rate               | Beginning of year 3.72 percent  |
|                             | End of year 3.26 percent  |
| Healthcare cost trend rates | Based on the eligibility and plan provisions, the health benefit stipend is not assumed to increase in the future periods |

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

Mortality Rates: Pub-2010 (General Employees) Employee Mortality table for pre-retirement mortality and the Pub-2010 (General Employees) Healthy Retiree Mortality table for post-retirement mortality sex distinct, with mortality improvement projected from 2010 using projection scale MP-2018.

***Changes in the Total OPEB Liability (amounts in thousands)***

|   |                      |
|---|----------------------|
| Total OPEB Liability at December 31, 2022 | <u>\$ 653</u>        |
| Changes for the year:                     |                      |
| Service cost                              | 25                   |
| Interest                                  | 23                   |
| Changes in assumptions or other inputs    | 30                   |
| Benefit payments                          | <u>(44)</u>          |
| Net changes                               | <u>34</u>            |
| Balances at December 31, 2023             | <u><u>\$ 687</u></u> |

Changes in assumptions or other inputs reflect the change in the discount rate. The beginning of year rate (3.72 percent) is the December 31, 2022 rate, and the end of year rate (3.26 percent) is the December 31, 2023 rate. The 20-Year GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and S&P's AA. In addition, in 2023, the actuarial assumptions used to calculate the GASB Statement No. 75 Total OPEB liability were updated according to an experience study effective January 1, 2023. A summary of the most significant change other than the discount rate includes updating the mortality tables utilized from RP-2014 to Pub-2010 and updating retirement rates, termination rates and disability rates to better reflect recent plan experience.

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

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

The following presents the total OPEB liability of the RTA, as well as what the RTA's total OPEB liability would be if it were calculated using a discount rate of 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate (amounts in thousands):

|                      | <u>1% Decrease<br/>(2.26%)</u> | <u>Discount Rate<br/>(3.26%)</u> | <u>1% Increase<br/>(4.26%)</u> |
|----------------------|--------------------------------|----------------------------------|--------------------------------|
| Total OPEB liability | \$ 761                         | \$ 687                           | \$ 625                         |

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

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

|                      | <u>1% Decrease<br/>(varies)</u> | <u>Healthcare Cost<br/>Trend Rates<br/>(varies)</u> | <u>1% Increase<br/>(varies)</u> |
|----------------------|---------------------------------|---|---------------------------------|
| Total OPEB liability | \$ 687                          | \$ 687  | \$ 687                          |

Based on the plan's eligibility and provisions for benefits, the monthly stipend of \$78 is not assumed to be impacted by healthcare cost trend rates and therefore changes in the rates would not impact the valuation of the Plan's total OPEB liability.

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

For the year ended December 31, 2023, the RTA recognized OPEB expense of \$58 thousand. At December 31, 2023, the RTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

|                        | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|------------------------|---|--|
| Changes of assumptions | \$ 177                                    | \$ 119                                   |

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

| <u>Year Ended December 31,</u> | <u>Amount</u> |
|--------------------------------|---------------|
| 2024                           | \$ 11         |
| 2025                           | 11            |
| 2026                           | 14            |
| 2027                           | 9             |
| 2028                           | 5             |
| Thereafter                     | 8             |
| Total                          | <u>\$ 58</u>  |

**NOTE 12. RISK MANAGEMENT**

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

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

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

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

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

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

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

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

**NOTE 12. RISK MANAGEMENT (Continued)**

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

|       | <b>Amount</b><br><b>(in thousands)</b> |
|-------|--|
| CTA   | \$ 3,500                               |
| Metra | 3,000                                  |
| Pace  | 1,000                                  |
| RTA   | 500                                    |

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

**NOTE 13. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**LESSOR**

The RTA as a sublessor, leases building space under long-term agreements to the Board of Elections Commissioners for the City of Chicago. The term of this lease commenced on January 1, 2016, and ends on August 31, 2025. The adoption of GASB Statement No. 87 standard resulted in the recognition of a lease receivable and corresponding deferred inflow of resources.

The RTA's lease receivable is measured at the present value of future fixed lease payments expected to be received under the long-term lease agreements discounted using the RTA's incremental borrowing rate as of the implementation date. At the initiation of the lease, the deferred inflow of resources is recorded at an amount equal to the initial recording of the lease receivable and is amortized on a straight-line basis over the lease term.

On December 31, 2023, the RTA has recorded a lease receivable of \$105,366. On December 31, 2023 the RTA has recorded a deferred inflow of resources related to leases of \$102,057. In fiscal year 2023, the RTA recognized \$61,236 of lease revenue and \$3,495 of interest income from the lease.

**LESSEE**

The RTA entered into two long-term leases of buildings 175 Jackson L.L.C. and the County of Cook. The term of lease for 175 Jackson L.L.C. commenced on November 15, 2001, and ends on November 1, 2029. The term of lease for the County of Cook begins on September 1, 2013, and terminates on August 31, 2029, which includes five years option to extend the term of this lease. The adoption of this standard resulted in the recognition of lease liabilities and intangible right-to-use lease assets. No debt has been issued that is secured by these lease payments.

**NOTE 13. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)**

The RTA measured the lease liabilities as the present value of payments expected to be made under the long-term lease agreements discounted using the RTA's incremental borrowing rate as of the implementation date. Subsequently, the lease assets are amortized on a straight-line basis over the lease terms.

On December 31, 2023, the RTA has the net of the right to use assets in the amount of \$10,217 thousand and lease liabilities in the amount of \$10,573 thousand. 175 Jackson L.L.C Lease payments are composed of fixed payments and variable payments. The fixed payments contain only the base rent fees and reduce the liability. The variable payments are taxes and operating expenses. In 2023, the tax recovery payment was \$88,397 and operating expense was \$34,540 these amounts were reported as expenditures as incurred.

A summary of the leased asset activity for the year ended December 31, 2023 is as follows (in thousands):

| <b>Lease assets:</b>                           | <b>Amount</b> |
|--|---------------|
| Right of use assets - buildings                | \$ 13,724     |
| Accumulated amortization:                      |               |
| Amortization on right of use asset - buildings | 3,507         |
| Total lease assets, net                        | \$ 10,217     |

The following is a summary of changes in lease payable as of and the year ended December 31, 2023 (in thousands):

|                 | <b>January 1,<br/>2023</b> | <b>New<br/>Issues</b> | <b>Current<br/>Retirements</b> | <b>December 31,<br/>2023</b> | <b>Due Within<br/>One Year</b> |
|-----------------|----------------------------|-----------------------|--------------------------------|------------------------------|--------------------------------|
| Lease payables* | \$ 12,168                  | \$ -                  | \$ 1,595                       | \$ 10,573                    | \$ 1,657                       |

Future annual lease payments are as follows (in thousands):

| <b>Fiscal Year</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|--------------------|------------------|-----------------|--------------|
| 2024               | \$ 1,657         | \$ 159          | \$ 1,816     |
| 2025               | 1,720            | 132             | 1,852        |
| 2026               | 1,785            | 103             | 1,888        |
| 2027               | 1,852            | 74              | 1,926        |
| 2028               | 1,921            | 43              | 1,964        |
| 2029               | 1,638            | 12              | 1,650        |
| Total              | \$ 10,573        | \$ 523          | \$ 11,096    |

**NOTE 14. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)**

The RTA adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), which was effective for periods beginning January 1, 2023. The RTA has included subscription-based IT assets and liabilities that were previously classified as operating expenses. As a result of the implementation, the RTA's governmental activities recognized a right to use subscription assets and corresponding liabilities in the amount of \$3,078 thousand respectively as of January 1, 2023. The implementation of this standard had no impact on January 1, 2023 net position.

The SBITA agreements at 12/31/2023 are as follows:

| <u>Right To Use SBITA Asset</u>  | <u>Subscription Start Date</u> | <u>Subscription End Date</u> | <u>Net Asset at December 31, 2023</u> | <u>Initial SBITA Liability</u> | <u>SBITA Liability at December 31, 2023</u> |
|----------------------------------|--------------------------------|------------------------------|---------------------------------------|--------------------------------|---|
| Aerial Photography               | 8/3/2022                       | 8/2/2024                     | \$ 95                                 | \$ 256                         | \$ -  |
| Emphasys Software                | 6/29/2018                      | 6/28/2028                    | 274                                   | 335                            | 279   |
| ERP Software Service             | 5/18/2018                      | 5/17/2028                    | 1,857                                 | 2,281                          | 1,866                                       |
| VMware Support and Subscription  | 4/16/2023                      | 1/15/2028                    | 77                                    | 90                             | -   |
| Jump Cloud Subscription          | 6/29/2023                      | 6/28/2028                    | 57                                    | 64                             | -   |
| Zoom Video Conferencing Services | 9/1/2023                       | 8/31/2026                    | 46                                    | 52                             | -   |
|                                  |                                |                              | <u>\$ 2,406</u>                       | <u>\$ 3,078</u>                | <u>\$ 2,145</u>                             |

A summary of the SBITA activity for the year ended December 31, 2023 is as follows (in thousands):

| <u>Lease assets:</u>                       | <u>Amount</u>   |
|--|-----------------|
| Right to use assets - SBITA                | \$ 3,078        |
| Accumulated amortization:                  |                 |
| Amortization on right to use asset - SBITA | <u>672</u>      |
| Total SBITA net assets                     | <u>\$ 2,406</u> |

The following is a summary of changes in SBITA payable as of the year ended December 31, 2023 (in thousands):

|                        | <u>January 1, 2023</u> | <u>New Issues</u> | <u>Current Retirements</u> | <u>December 31, 2023</u> | <u>Due Within One Year</u> |
|------------------------|------------------------|-------------------|----------------------------|--------------------------|----------------------------|
| Subscription payables* | \$ 3,078               | \$ -              | \$ 933                     | \$ 2,145                 | \$ 473                     |

\*The SBITA payables were restated as of January 1, 2023 for the implementation of GASB Statement No. 96.

**NOTE 14. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)**

Future SBITA liability payment schedule is as follows (in thousands):

| <b>Fiscal Year</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>    |
|--------------------|------------------|-----------------|-----------------|
| 2024               | \$ 473           | \$ 58           | \$ 531          |
| 2025               | 504              | 45              | 549             |
| 2026               | 537              | 31              | 568             |
| 2027               | 572              | 17              | 589             |
| 2028               | 59               | 2               | 61              |
| <b>Total</b>       | <b>\$ 2,145</b>  | <b>\$ 153</b>   | <b>\$ 2,298</b> |

**NOTE 15. COMMITMENTS AND CONTINGENCIES**

From time to time, the RTA may be involved in various litigation matters for which any claims are generally covered by insurance. In the opinion of management, there are no current or pending litigation matters which would have a material adverse effect on the financial position or changes in financial position of the RTA.

The RTA has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Regional Transportation Authority  
RTA Pension Plan**

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

|  | 2023       | 2022     | 2021     | 2020       | 2019       | 2018       | 2017       | 2016       | 2015     |
|--|------------|----------|----------|------------|------------|------------|------------|------------|----------|
| Contractually required contribution                                  | \$ 2,240   | \$ 2,102 | \$ 1,784 | \$ 1,490   | \$ 1,170   | \$ 1,066   | \$ 1,048   | \$ 991     | \$ 1,644 |
| Contributions in relation to the contractually required contribution | (5,140)    | (2,102)  | (2,093)  | (2,790)    | (2,470)    | (2,366)    | (2,348)    | (2,291)    | (1,644)  |
| Contribution deficiency (excess)                                     | \$ (2,900) | \$ -     | \$ (309) | \$ (1,300) | \$ (1,300) | \$ (1,300) | \$ (1,300) | \$ (1,300) | \$ -     |
| Authority's covered payroll  | \$ 9,708   | \$ 8,887 | \$ 9,347 | \$ 9,992   | \$ 9,605   | \$ 9,205   | \$ 9,301   | \$ 9,221   | \$ 9,183 |
| Contributions as a percentage of covered payroll                     | 52.94%     | 23.65%   | 22.39%   | 27.92%     | 25.72%     | 25.70%     | 25.24%     | 24.85%     | 17.90%   |

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

**Regional Transportation Authority  
RTA Pension Plan**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability  
(Measurement Date One Year Prior)  
(in Thousands)**

|   | 2023      | 2022     | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Authority's proportion of the net pension liability   | 8.50%     | 8.80%    | 8.70%    | 9.30%    | 9.20%    | 9.90%    | 10.40%   | 11.00%   | 12.00%   |
| Authority's proportionate share of the net pension liability  | \$ 13,424 | \$ 7,139 | \$ 9,798 | \$ 4,735 | \$ 5,555 | \$ 1,770 | \$ 3,932 | \$ 3,804 | \$ 8,406 |
| Authority's covered payroll   | \$ 8,996  | \$ 8,887 | \$ 9,347 | \$ 9,605 | \$ 9,205 | \$ 9,301 | \$ 9,221 | \$ 9,183 | \$ 8,984 |
| Authority's proportionate share of the net pension liability as a percentage of its covered payroll | 149.22%   | 80.33%   | 104.82%  | 49.30%   | 60.35%   | 19.03%   | 42.64%   | 41.42%   | 93.56%   |
| Plan fiduciary net position as a percentage of the total pension liability                          | 67.45%    | 82.22%   | 74.91%   | 86.00%   | 81.73%   | 94.32%   | 87.38%   | 87.67%   | 73.51%   |

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

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

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

|   | 2023            | 2022            | 2021            | 2020            | 2019            | 2018            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total OPEB liability</b>   |                 |                 |                 |                 |                 |                 |
| Service cost  | \$ 25           | \$ 31           | \$ 30           | \$ 25           | \$ 19           | \$ 21           |
| Interest  | 23              | 13              | 13              | 16              | 20              | 18              |
| Differences between expected and actuarial experience                   | -               | 103             | -               | (67)            | -               | -               |
| Changes of assumptions or other inputs                                  | 30              | (101)           | 4               | 77              | 82              | (37)            |
| Benefit payments  | (44)            | (28)            | (27)            | (29)            | (28)            | (28)            |
| <b>Net change in total OPEB liability</b>                               | <b>34</b>       | <b>18</b>       | <b>20</b>       | <b>22</b>       | <b>93</b>       | <b>(26)</b>     |
| <b>Total OPEB liability - beginning</b>                                 | <b>653</b>      | <b>635</b>      | <b>615</b>      | <b>593</b>      | <b>500</b>      | <b>526</b>      |
| <b>Total OPEB liability - ending</b>                                    | <b>\$ 687</b>   | <b>\$ 653</b>   | <b>\$ 635</b>   | <b>\$ 615</b>   | <b>\$ 593</b>   | <b>\$ 500</b>   |
| <b>Covered-employee payroll</b>   | <b>\$ 9,739</b> | <b>\$ 9,377</b> | <b>\$ 8,751</b> | <b>\$ 9,205</b> | <b>\$ 9,025</b> | <b>\$ 8,881</b> |
| <b>Total OPEB liability as a percentage of covered-employee payroll</b> | <b>7.05%</b>    | <b>6.96%</b>    | <b>7.26%</b>    | <b>6.68%</b>    | <b>6.57%</b>    | <b>5.63%</b>    |

**Notes to Schedule:**

There are no assets accumulated in a Trust to pay related benefits for the OPEB Plan.

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

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

|      |              |
|------|--------------|
| 2023 | 3.26 percent |
| 2022 | 3.72 percent |
| 2021 | 2.06 percent |
| 2020 | 2.12 percent |
| 2019 | 2.74 percent |
| 2018 | 4.10 percent |

In addition, in 2023, the actuarial assumptions used to calculate the GASB 75 Total OPEB liability were updated according to an experience study effective January 1, 2023. A summary of the most significant change other than the discount rate includes updating the mortality tables utilized from RP-2014 to Pub-2010 and updating retirement rates, termination rates and disability rates to better reflect recent plan experience.

**REGIONAL TRANSPORTATION AUTHORITY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
(BUDGETARY BASIS) BUDGET AND ACTUAL—GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)**

|   | <b>General Fund</b>                      |                   |                 |
|---|--|-------------------|-----------------|
|   | <b>Original and<br/>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance</b> |
| <b>REVENUES:</b>  |  |                   |                 |
| Investment income   | \$ 1,000                                 | \$ 17,295         | \$ 16,295       |
| Other revenues  | 601                                      | 3,268             | 2,667           |
| Sales taxes   | 172,233                                  | 173,483           | 1,250           |
| Interest on sales taxes   | 500                                      | 3,224             | 2,724           |
| Public Transportation Fund                                      | 289,764                                  | 313,128           | 23,364          |
| IDOT State Grant Pace (ADA)                                     | 8,395                                    | 32,536            | 24,141          |
| Innovation, Coordination & Enhancement (ICE)                    | 15,811                                   | 16,598            | 787             |
| State assistance (AFA & ASA)                                    | 115,189                                  | 117,369           | 2,180           |
| Total revenues  | <u>603,493</u>                           | <u>676,901</u>    | <u>73,408</u>   |
| <b>EXPENDITURES:</b>  |  |                   |                 |
| Service Board Funding   | 7,500                                    | 20,141            | 12,641          |
| Financial assistance to Service Boards                          | 338,513                                  | 355,818           | 17,305          |
| JSIF Excess Liability Insurance                                 | 10,474                                   | 10,474            | -               |
| Innovation, Coordination & Enhancement (ICE)                    | 15,811                                   | 16,598            | 787             |
| IDOT State Cap Grant-PACE (ADA)                                 | 8,395                                    | 12,949            | 4,554           |
| Administrative Operating  | 17,126                                   | 19,154            | 2,028           |
| Regional Service Operating and Regional Program Expense         | 19,199                                   | 21,688            | 2,489           |
| Agency Capital Expense  | 543                                      | 851               | 308             |
| Total expenditures  | <u>417,561</u>                           | <u>457,673</u>    | <u>40,112</u>   |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES—BUDGETARY BASIS</b> | <u>185,932</u>                           | <u>219,228</u>    | <u>33,296</u>   |
| <b>NET CHANGE IN FUND BALANCE—<br/>BUDGETARY BASIS</b>          | <u>\$ -</u>                              | <u>219,228</u>    | <u>\$ -</u>     |
| Budgetary basis to GAAP basis adjustments                       |  | <u>(182,787)</u>  |                 |
| <b>NET CHANGE IN FUND BALANCE—GAAP BASIS</b>                    |  | 36,441            |                 |
| <b>FUND BALANCE:</b>  |  |                   |                 |
| Beginning of year   |  | <u>265,513</u>    |                 |
| End of year   |  | <u>\$ 301,954</u> |                 |

**REGIONAL TRANSPORTATION AUTHORITY****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2023****Note 1. BUDGET AND BUDGETARY ACCOUNTING**

For comparison of the combined budgets as required for board presentation, the combined schedule of revenues, expenditures, and changes in fund balance—budget and actual—in the General and the Sales Tax Custodial Fund are presented in the combining and individual fund schedules section of the ACFR. Additional budget detail is used by management for monitoring purposes which is provided in this section as the schedule of expenditures—budget and actual—General Fund.

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

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

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

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

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

**Note 1. BUDGET AND BUDGETARY ACCOUNTING (Continued)**

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

**Note 2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS ACCOUNTING**

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

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

|  | <b><u>General Fund</u></b><br><b><u>(in thousands)</u></b> |
|--|--|
| Net change in fund balance - budgetary basis   | <u>\$ 219,228</u>  |
| Adjustments:   |  |
| RTA capital expenditures expected to be incurred in future years but considered in current year operating budget |  |
| Capital grants received that were not in the budget  | 497,271  |
| Capital grants disbursed to the Service Boards/Others that were not in the budget                                | (507,547)  |
| Net transfers in and out between the General Fund and Debt Service Fund not in the budget                        | <u>(172,511)</u>   |
| Budgetary basis to GAAP basis adjustments  | <u>(182,787)</u>   |
| Net change in fund balance - GAAP basis  | <u><u>\$ 36,441</u></u>                                    |

**COMBINING AND INDIVIDUAL FUND SCHEDULES**

## **A. GENERAL FUND**

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

The RTA Board approves a comprehensive budget which includes the activity in the General Fund and the Sales Tax Custodial Fund. For comparison of the combined budgets, the combined budget and actual schedule of revenues, expenditures and changes in fund balance for both funds is also presented in this section.

## REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) —  
 BUDGET AND ACTUAL — GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2023  
 (In Thousands)**

|  | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|--|--|---------------|-----------------|
| EXPENDITURES:                                |  |               |                 |
| Service Board Funding                        | \$ 7,500                                 | \$ 20,141     | \$ (12,641)     |
| Financial assistance to Service Boards       | 338,513                                  | 355,818       | (17,305)        |
| JSIF Excess Liability Insurance              | 10,474                                   | 10,474        | -               |
| Innovation, Coordination & Enhancement (ICE) | 15,811                                   | 16,598        | (787)           |
| IDOT State Cap Grant - Pace                  | 8,395                                    | 12,949        | (4,554)         |
| Administration                               | 17,126                                   | 19,154        | (2,028)         |
| Non-administration:                          |  |               |                 |
| Regional Program Non-Capital                 | 1,863                                    | 4,316         | (2,453)         |
| Regional Services Operating                  | 17,336                                   | 17,372        | (36)            |
| Agency Capital Expenses                      | 543                                      | 851           | (308)           |
| TOTAL EXPENDITURES                           | \$ 417,561                               | \$ 457,673    | \$ (40,112)     |

## REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) —  
 BUDGET AND ACTUAL — GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2023  
 (In Thousands)**

|  | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance</b>    |
|--|--|-------------------|--------------------|
| <b>EXPENDITURES:</b>                         |  |                   |                    |
| Service Board Funding                        | \$ 7,500                                 | \$ 20,141         | \$ (12,641)        |
| Financial assistance to Service Boards       | 338,513                                  | 355,818           | (17,305)           |
| JSIF Excess Liability Insurance              | 10,474                                   | 10,474            | -                  |
| Innovation, Coordination & Enhancement (ICE) | 15,811                                   | 16,598            | (787)              |
| IDOT State Cap Grant - Pace                  | 8,395                                    | 12,949            | (4,554)            |
| Administration                               | 17,126                                   | 19,154            | (2,028)            |
| Non-administration:                          |  |                   |                    |
| Regional Program Non-Capital                 | 1,863                                    | 4,316             | (2,453)            |
| Regional Services Operating                  | 17,336                                   | 17,372            | (36)               |
| Agency Capital Expenses                      | 543                                      | 851               | (308)              |
| <b>TOTAL EXPENDITURES</b>                    | <b>\$ 417,561</b>                        | <b>\$ 457,673</b> | <b>\$ (40,112)</b> |

## REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
(BUDGETARY BASIS) BUDGET AND ACTUAL—GENERAL AND SALES TAX CUSTODIAL FUNDS  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)**

|  | General Fund                    |                   |                  |
|--|---------------------------------|-------------------|------------------|
|  | Original and<br>Final<br>Budget | Actual            | Variance         |
| <b>REVENUES:</b>                                       |                                 |                   |                  |
| Investment income                                      | \$ 1,000                        | \$ 17,295         | \$ 16,295        |
| Other revenue  | 601                             | 3,268             | 2,667            |
| Sales Taxes  | 172,233                         | 173,483           | 1,250            |
| Interest on Sales Taxes                                | 500                             | 3,224             | 2,724            |
| Public Transportation Fund                             | 289,764                         | 313,128           | 23,364           |
| IDOT State Grant - PACE (ADA)                          | 8,395                           | 32,536            | 24,141           |
| Innovation, Coordination & Enhancement (ICE)           | 15,811                          | 16,598            | 787              |
| State assistance (AFA & ASA)                           | 115,189                         | 117,369           | 2,180            |
| Total revenues   | <u>603,493</u>                  | <u>676,901</u>    | <u>73,408</u>    |
| <b>EXPENDITURES:</b>                                   |                                 |                   |                  |
| Service Board Funding                                  | 7,500                           | 20,141            | 12,641           |
| Financial Assistance to SB                             | 338,513                         | 355,818           | 17,305           |
| JSIF Excess Liability Insurance                        | 10,474                          | 10,474            | -                |
| Innovation, Coordination & Enhancement (ICE)           | 15,811                          | 16,598            | 787              |
| IDOT State Cap Grant-PACE (ADA)                        | 8,395                           | 12,949            | 4,554            |
| Administration Operating                               | -                               | -                 | -                |
| Agency Capital Expenses                                | 17,126                          | 19,154            | 2,028            |
| Non-administration:                                    |                                 |                   |                  |
| Regional Programs Capital and Non-Capital              | 2,406                           | 5,167             | 2,761            |
| Regional Services Operating                            | 17,336                          | 17,372            | 36               |
| Total expenditures                                     | <u>417,561</u>                  | <u>457,673</u>    | <u>40,112</u>    |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b>        | <u>\$ 185,932</u>               | 219,228           | <u>\$ 33,296</u> |
| <b>NET CHANGE IN FUND BALANCE—<br/>BUDGETARY BASIS</b> |                                 | 219,228           |                  |
| Budgetary basis to GAAP basis adjustments              |                                 | <u>(182,787)</u>  |                  |
| <b>NET CHANGE IN FUND BALANCE—GAAP BASIS</b>           |                                 | 36,441            |                  |
| <b>FUND BALANCE:</b>                                   |                                 |                   |                  |
| Beginning of year                                      |                                 | <u>265,513</u>    |                  |
| End of year  |                                 | <u>\$ 301,954</u> |                  |

| Sales Tax Custodial Fund  |                  |               | Totals                    |                  |                  |
|---------------------------|------------------|---------------|---------------------------|------------------|------------------|
| Original and Final Budget | Actual           | Variance      | Original and Final Budget | Actual           | Variance         |
| \$ -                      | \$ -             | \$ -          | \$ 1,000                  | \$ 17,295        | \$ 16,295        |
| 17,570                    | 18,317           | 747           | 18,171                    | 21,585           | 3,414            |
| 1,365,441                 | 1,421,215        | 55,774        | 1,537,674                 | 1,594,698        | 57,024           |
| 1,000                     | 4,603            | 3,603         | 1,500                     | 7,827            | 6,327            |
| 205,178                   | 207,983          | 2,805         | 494,942                   | 521,111          | 26,169           |
| -                         | -                | -             | 8,395                     | 32,536           | 24,141           |
| -                         | -                | -             | 15,811                    | 16,598           | 787              |
| -                         | -                | -             | 115,189                   | 117,369          | 2,180            |
| <u>1,589,189</u>          | <u>1,652,118</u> | <u>62,929</u> | <u>2,192,682</u>          | <u>2,329,019</u> | <u>136,337</u>   |
| 1,589,189                 | 1,652,118        | 62,929        | 1,596,689                 | 1,672,259        | 75,570           |
| -                         | -                | -             | 338,513                   | 355,818          | 17,305           |
| -                         | -                | -             | 10,474                    | 10,474           | -                |
| -                         | -                | -             | 15,811                    | 16,598           | 787              |
| -                         | -                | -             | 8,395                     | 12,949           | 4,554            |
| -                         | -                | -             | -                         | -                | -                |
| -                         | -                | -             | 17,126                    | 19,154           | 2,028            |
| -                         | -                | -             | -                         | -                | -                |
| -                         | -                | -             | 2,406                     | 5,167            | 2,761            |
| -                         | -                | -             | 17,336                    | 17,372           | 36               |
| <u>1,589,189</u>          | <u>1,652,118</u> | <u>62,929</u> | <u>2,006,750</u>          | <u>2,109,791</u> | <u>103,041</u>   |
| <u>\$ -</u>               | <u>-</u>         | <u>\$ -</u>   | <u>\$ 185,932</u>         | <u>219,228</u>   | <u>\$ 33,296</u> |
|                           | -                |               |                           | 219,228          |                  |
|                           | -                |               |                           | (182,787)        |                  |
|                           | -                |               |                           | 36,441           |                  |
|                           | -                |               |                           | 265,513          |                  |
| <u>\$ -</u>               |                  |               | <u>\$</u>                 | <u>301,954</u>   |                  |

## B. DEBT SERVICE FUND

### ***Debt Service Fund Accounts:***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*2021A* - to account for transfers received, investment income and principal and interest payments made for 2021 refunding general obligation bonds.

\*Strategic Capital Improvement Program (SCIP) Bonds

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS

December 31, 2023

(In Thousands)

|  | <u>1997</u> | <u>1999</u>      | <u>2000A</u>     | <u>2001A</u>    | <u>2001B</u> | <u>2002A</u>    | <u>2003A</u>    | <u>2003B</u>    | <u>2004A</u>    |
|--|-------------|------------------|------------------|-----------------|--------------|-----------------|-----------------|-----------------|-----------------|
| <b>ASSETS:</b>                             |             |                  |                  |                 |              |                 |                 |                 |                 |
| Cash and investments                       | \$ 2        | \$ 11,544        | \$ 10,461        | \$ 3,777        | \$ 2         | \$ 6,056        | \$ 9,838        | \$ 4,340        | \$ 7,961        |
| Accrued interest                           | -           | -                | -                | -               | -            | -               | -               | -               | 15              |
| <b>Total assets</b>                        | <b>\$ 2</b> | <b>\$ 11,544</b> | <b>\$ 10,461</b> | <b>\$ 3,777</b> | <b>\$ 2</b>  | <b>\$ 6,056</b> | <b>\$ 9,838</b> | <b>\$ 4,340</b> | <b>\$ 7,976</b> |
| <b>LIABILITIES:</b>                        |             |                  |                  |                 |              |                 |                 |                 |                 |
| Accrued items                              | \$ -        | \$ -             | \$ -             | \$ -            | \$ -         | \$ -            | \$ -            | \$ -            | \$ -            |
| <b>FUND BALANCES:</b>                      |             |                  |                  |                 |              |                 |                 |                 |                 |
| Restricted for debt service                | 2           | 11,544           | 10,461           | 3,777           | 2            | 6,056           | 9,838           | 4,340           | 7,976           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 2</b> | <b>\$ 11,544</b> | <b>\$ 10,461</b> | <b>\$ 3,777</b> | <b>\$ 2</b>  | <b>\$ 6,056</b> | <b>\$ 9,838</b> | <b>\$ 4,340</b> | <b>\$ 7,976</b> |

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

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

December 31, 2023

(In Thousands)

|                                     | <u>2005B</u>    | <u>2010B</u>     | <u>2016A</u>    | <u>2017A</u>     | <u>2018B</u>    | <u>2021A</u>    | <u>Total</u>      |
|-------------------------------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|-------------------|
| ASSETS:                             |                 |                  |                 |                  |                 |                 |                   |
| Cash and investments                | \$ 9,645        | \$ 21,218        | \$ 7,610        | \$ 32,203        | \$ 2,221        | \$ 2,113        | \$ 128,991        |
| Accrued interest                    | -               | 12               | 4               | 35               | 9               | 6               | 81                |
| Total assets                        | <u>\$ 9,645</u> | <u>\$ 21,230</u> | <u>\$ 7,614</u> | <u>\$ 32,238</u> | <u>\$ 2,230</u> | <u>\$ 2,119</u> | <u>\$ 129,072</u> |
| LIABILITIES:                        |                 |                  |                 |                  |                 |                 |                   |
| Accrued items                       | \$ -            | \$ -             | \$ -            | \$ -             | \$ -            | \$ -            | \$ -              |
| FUND BALANCES:                      |                 |                  |                 |                  |                 |                 |                   |
| Restricted for debt service         | <u>9,645</u>    | <u>21,230</u>    | <u>7,614</u>    | <u>32,238</u>    | <u>2,230</u>    | <u>2,119</u>    | <u>129,072</u>    |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 9,645</u> | <u>\$ 21,230</u> | <u>\$ 7,614</u> | <u>\$ 32,238</u> | <u>\$ 2,230</u> | <u>\$ 2,119</u> | <u>\$ 129,072</u> |

## REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
DEBT SERVICE FUND ACCOUNTS  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)**

|   | <u>1997</u>    | <u>1999</u>      | <u>2000 A</u>    | <u>2001 A</u>   |
|---|----------------|------------------|------------------|-----------------|
| <b>REVENUE:</b>   |                |                  |                  |                 |
| Investment income                                       | \$ 2           | \$ 90            | \$ 81            | \$ 29           |
| Other revenues  | -              | -                | 1                | 1               |
| Total revenue   | <u>2</u>       | <u>90</u>        | <u>82</u>        | <u>30</u>       |
| <b>EXPENDITURES:</b>                                    |                |                  |                  |                 |
| Debt Service - principal                                | 3,550          | 16,975           | 11,975           | 4,255           |
| Debt Service - interest                                 | 107            | 1,819            | 7,750            | 2,892           |
| Other debt related costs                                | -              | -                | -                | -               |
| Total expenditures                                      | <u>3,657</u>   | <u>18,794</u>    | <u>19,725</u>    | <u>7,147</u>    |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER<br>EXPENDITURES | <u>(3,655)</u> | <u>(18,704)</u>  | <u>(19,643)</u>  | <u>(7,117)</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                  |                |                  |                  |                 |
| Transfers in/(out) - CPF                                | -              | -                | -                | -               |
| Transfers in/(out) - GF                                 | <u>1,373</u>   | <u>19,241</u>    | <u>19,684</u>    | <u>7,123</u>    |
| Total other financing sources (uses)                    | <u>1,373</u>   | <u>19,241</u>    | <u>19,684</u>    | <u>7,123</u>    |
| NET CHANGE IN FUND BALANCES                             | (2,282)        | 537              | 41               | 6               |
| <b>FUND BALANCES:</b>                                   |                |                  |                  |                 |
| Beginning of year                                       | <u>2,284</u>   | <u>11,007</u>    | <u>10,420</u>    | <u>3,771</u>    |
| End of year   | <u>\$ 2</u>    | <u>\$ 11,544</u> | <u>\$ 10,461</u> | <u>\$ 3,777</u> |

(Continued)

## REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
DEBT SERVICE FUND ACCOUNTS (Continued)  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)**

|   | <u>2001 B</u>  | <u>2002 A</u>   | <u>2003 A</u>   | <u>2003 B</u>   |
|---|----------------|-----------------|-----------------|-----------------|
| REVENUE:  |                |                 |                 |                 |
| Investment income                                       | \$ 3           | \$ 47           | \$ 77           | \$ 72           |
| Other revenues  | -              | 1               | -               | -               |
| Total revenue   | <u>3</u>       | <u>48</u>       | <u>77</u>       | <u>72</u>       |
| EXPENDITURES:   |                |                 |                 |                 |
| Debt Service - principal                                | 3,775          | 6,440           | 10,095          | 5,790           |
| Debt Service - interest                                 | 103            | 5,042           | 8,576           | 4,588           |
| Other debt related costs                                | -              | -               | -               | -               |
| Total expenditures                                      | <u>3,878</u>   | <u>11,482</u>   | <u>18,671</u>   | <u>10,378</u>   |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER<br>EXPENDITURES | <u>(3,875)</u> | <u>(11,434)</u> | <u>(18,594)</u> | <u>(10,306)</u> |
| OTHER FINANCING SOURCES (USES):                         |                |                 |                 |                 |
| Transfers in/(out) - CPF                                | -              | -               | -               | -               |
| Transfers in/(out) - GF                                 | <u>1,453</u>   | <u>11,450</u>   | <u>18,625</u>   | <u>10,476</u>   |
| Total other financing sources (uses)                    | <u>1,453</u>   | <u>11,450</u>   | <u>18,625</u>   | <u>10,476</u>   |
| NET CHANGE IN FUND BALANCES                             | (2,422)        | 16              | 31              | 170             |
| FUND BALANCES:  |                |                 |                 |                 |
| Beginning of year                                       | <u>2,424</u>   | <u>6,040</u>    | <u>9,807</u>    | <u>4,170</u>    |
| End of year   | <u>\$ 2</u>    | <u>\$ 6,056</u> | <u>\$ 9,838</u> | <u>\$ 4,340</u> |

(Continued)

## REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
DEBT SERVICE FUND ACCOUNTS (Continued)

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

|   | 2004A    | 2005 B   | 2010 B    |
|---|----------|----------|-----------|
| REVENUE:  |          |          |           |
| Investment income                                       | \$ 360   | \$ 76    | \$ 913    |
| Other revenues  | -        | 2        | 2,124     |
| Total revenue   | 360      | 78       | 3,037     |
| EXPENDITURES:   |          |          |           |
| Debt Service - principal                                | 9,485    | 14,615   | 6,885     |
| Debt Service - interest                                 | 8,423    | 1,279    | 6,621     |
| Other debt related costs                                | -        | 61       | -         |
| Total expenditures                                      | 17,908   | 15,955   | 13,506    |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER<br>EXPENDITURES | (17,548) | (15,877) | (10,469)  |
| OTHER FINANCING SOURCES (USES):                         |          |          |           |
| Transfers in/(out) - CPF                                | -        | -        | -         |
| Transfers in/(out) - GF                                 | 17,849   | 16,372   | 11,088    |
| Total other financing sources (uses)                    | 17,849   | 16,372   | 11,088    |
| NET CHANGE IN FUND BALANCES                             | 301      | 495      | 619       |
| FUND BALANCES:  |          |          |           |
| Beginning of year                                       | 7,675    | 9,150    | 20,611    |
| End of year   | \$ 7,976 | \$ 9,645 | \$ 21,230 |

## REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
DEBT SERVICE FUND ACCOUNTS (Continued)  
YEAR ENDED DECEMBER 31, 2023  
(In Thousands)**

|  | <b>2016A</b>    | <b>2017A</b>     | <b>2018B</b>    | <b>2021A</b>    | <b>Total</b>      |
|--|-----------------|------------------|-----------------|-----------------|-------------------|
| <b>REVENUE:</b>  |                 |                  |                 |                 |                   |
| Investment income  | \$ 385          | \$ 976           | \$ 148          | \$ 109          | \$ 3,368          |
| Other revenues   | -               | -                | 1               | -               | 2,130             |
| <b>Total revenue</b>   | <b>385</b>      | <b>976</b>       | <b>149</b>      | <b>109</b>      | <b>5,498</b>      |
| <b>EXPENDITURES:</b>   |                 |                  |                 |                 |                   |
| Debt Service - principal                                     | 1,950           | 10,145           | 2,545           | 2,850           | 111,330           |
| Debt Service - interest                                      | 3,761           | 7,437            | 5,864           | 2,471           | 66,733            |
| Other debt related costs                                     | -               | -                | -               | -               | 61                |
| <b>Total expenditures</b>                                    | <b>5,711</b>    | <b>17,582</b>    | <b>8,409</b>    | <b>5,321</b>    | <b>178,124</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(5,326)</b>  | <b>(16,606)</b>  | <b>(8,260)</b>  | <b>(5,212)</b>  | <b>(172,626)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                 |                  |                 |                 |                   |
| Transfers in/(out) - CPF                                     | 154             | -                | 1,285           | 144             | 1,583             |
| Transfers in/(out) - GF                                      | 5,382           | 20,251           | 7,022           | 5,123           | 172,512           |
| <b>Total other financing sources (uses)</b>                  | <b>5,536</b>    | <b>20,251</b>    | <b>8,307</b>    | <b>5,267</b>    | <b>174,095</b>    |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>210</b>      | <b>3,645</b>     | <b>47</b>       | <b>55</b>       | <b>1,469</b>      |
| <b>FUND BALANCES:</b>  |                 |                  |                 |                 |                   |
| Beginning of year  | 7,404           | 28,593           | 2,183           | 2,064           | 127,603           |
| <b>End of year</b>   | <b>\$ 7,614</b> | <b>\$ 32,238</b> | <b>\$ 2,230</b> | <b>\$ 2,119</b> | <b>\$ 129,072</b> |

## C. CAPITAL PROJECTS FUND

### ***Capital Projects Fund Account:***

*Non-SCIP Bonds*—to account for bond sale proceeds, investment income earned and related non-SCIP investment income capital grants made to the Service Boards as expenditures are incurred.

**REGIONAL TRANSPORTATION AUTHORITY**

**COMBINING BALANCE SHEET SCHEDULE**

**CAPITAL PROJECTS FUND ACCOUNT**

**DECEMBER 31, 2023**

**(In Thousands)**

|   | <u>Non-SCIP<br/>Bonds</u> |
|---|---------------------------|
| <b>ASSETS:</b>                                |                           |
| Cash and investments                          | \$ 39,966                 |
| Accrued interest                              | <u>3</u>                  |
| <b>TOTAL ASSETS</b>                           | <u><u>\$ 39,969</u></u>   |
| <b>LIABILITIES:</b>                           |                           |
| Due to Service Boards                         | <u>\$ 3,781</u>           |
| <b>TOTAL LIABILITIES</b>                      | 3,781                     |
| <b>FUND BALANCE:</b>                          |                           |
| Committed-capital projects                    | <u>36,188</u>             |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCE</b> | <u><u>\$ 39,969</u></u>   |

## REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUND ACCOUNT

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

|  | <u>Non-SCIP<br/>Bonds</u> |
|--|---------------------------|
| REVENUES:                                |                           |
| Investment income                        | <u>\$ 1,503</u>           |
| Total revenues                           | <u>1,503</u>              |
| EXPENDITURES:                            |                           |
| Capital grants—bonds                     | <u>10,513</u>             |
| Total expenditures                       | <u>10,513</u>             |
| Deficiency of revenues over expenditures | <u>(9,010)</u>            |
| OTHER FINANCING USES:                    |                           |
| Transfer out                             | <u>(1,584)</u>            |
| Total other financing uses               | <u>(1,584)</u>            |
| NET CHANGE IN FUND BALANCE               | (10,594)                  |
| FUND BALANCE:                            |                           |
| Beginning of year                        | <u>46,782</u>             |
| End of year                              | <u><u>\$ 36,188</u></u>   |

**STATISTICAL SECTION  
(UNAUDITED)**

CONTENTS

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

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

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

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

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

*Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2023 and a 10-year analysis of the debt service requirement to revenues and expenses. This schedule also discloses lease and subscription liabilities.*

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

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

Operating Information (Tables 16, 17, 18)

*Schedules in this section provide various statistics on passenger services offered by the service boards for fiscal year 2023, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last five years.*

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STATISTICAL SECTION (UNAUDITED)

TABLE 1

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

|                                  | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           | <b>2017</b>           | <b>2018</b>           | <b>2019</b>           | <b>2020</b>           | <b>2021</b>           | <b>2022</b>         | <b>2023</b>         |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
| Governmental activities—         |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Net investment in capital assets | \$ 11,524             | \$ 11,692             | \$ 3,590              | \$ 2,786              | \$ 2,697              | \$ 3,426              | \$ 7,558              | \$ 5,670              | 3,691               | \$ 2,476            |
| Restricted Net Position          | 16,203                | 15,535                | -                     | 313,657               | 212,862               | 178,078               | 403,249               | 116,445               | 105,977             | 109,067             |
| Unrestricted Net Position        | <u>(1,714,890)</u>    | <u>(1,732,590)</u>    | <u>(1,663,594)</u>    | <u>(1,869,411)</u>    | <u>(1,656,321)</u>    | <u>(1,532,704)</u>    | <u>(1,665,096)</u>    | <u>(1,203,115)</u>    | <u>(1,042,014)</u>  | <u>(897,133)</u>    |
| Total Net Position—              |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Governmental Activities          | <u>\$ (1,687,163)</u> | <u>\$ (1,705,363)</u> | <u>\$ (1,660,004)</u> | <u>\$ (1,552,968)</u> | <u>\$ (1,440,762)</u> | <u>\$ (1,351,200)</u> | <u>\$ (1,254,289)</u> | <u>\$ (1,081,000)</u> | <u>\$ (932,346)</u> | <u>\$ (785,590)</u> |
| Business-type activities—        |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Unrestricted Net Position        | <u>\$ 27,682</u>      | <u>\$ 27,977</u>      | <u>\$ 26,549</u>      | <u>\$ 25,203</u>      | <u>\$ 23,130</u>      | <u>\$ 21,064</u>      | <u>\$ 22,692</u>      | <u>\$ 20,496</u>      | <u>\$ 21,338</u>    | <u>\$ 23,041</u>    |
| Total Net Position—              |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Business-Type Activities         | <u>\$ 27,682</u>      | <u>\$ 27,977</u>      | <u>\$ 26,549</u>      | <u>\$ 25,203</u>      | <u>\$ 23,130</u>      | <u>\$ 21,064</u>      | <u>\$ 22,692</u>      | <u>\$ 20,496</u>      | <u>\$ 21,338</u>    | <u>\$ 23,041</u>    |
| Primary government—              |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Net investment in capital assets | \$ 11,524             | \$ 11,692             | \$ 3,590              | \$ 2,786              | \$ 2,697              | \$ 3,426              | \$ 7,558              | \$ 5,670              | \$ 3,691            | \$ 2,476            |
| Restricted Net Position          | 16,203                | 15,535                | -                     | 313,657               | 212,862               | 178,078               | 403,249               | 116,445               | 105,977             | 109,067             |
| Unrestricted Net Position        | <u>(1,687,208)</u>    | <u>(1,704,613)</u>    | <u>(1,637,045)</u>    | <u>(1,530,551)</u>    | <u>(1,633,191)</u>    | <u>(1,511,640)</u>    | <u>(1,642,404)</u>    | <u>(1,182,619)</u>    | <u>(1,020,676)</u>  | <u>(874,092)</u>    |
| Total Net Position—              |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Primary government               | <u>\$ (1,659,481)</u> | <u>\$ (1,677,386)</u> | <u>\$ (1,633,455)</u> | <u>\$ (1,214,108)</u> | <u>\$ (1,417,632)</u> | <u>\$ (1,330,136)</u> | <u>\$ (1,231,597)</u> | <u>\$ (1,060,504)</u> | <u>\$ (911,008)</u> | <u>\$ (762,549)</u> |

STATISTICAL SECTION (UNAUDITED)

TABLE 2

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

|  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                | 2023                |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
| <b>EXPENSES:</b>                               |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Governmental activities:                       |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Financial assistance to Service Boards         | \$ 200,500            | \$ 225,805            | \$ 225,231            | \$ 216,457            | \$ 218,240            | \$ 227,969            | \$ 212,613            | \$ 257,474            | \$ 294,582          | \$ 355,818          |
| Administration capital grants                  |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Discretionary                                  | 254                   | 631                   | 207                   | 583                   | 1,238                 | 472                   | 1,007                 | 897                   | 179                 | -                   |
| Bonds  | 306,026               | 341,462               | 213,155               | 245,937               | 192,831               | 136,203               | 113,369               | 416,039               | 425,258             | 518,060             |
| IDOT Capital Grant - PACE (ADA)                | -                     | -                     | -                     | -                     | -                     | -                     | 8,395                 | 8,395                 | 8,395               | 12,949              |
| Administration of operating grant              |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Innovation, Coordination & Enhancement (ICE)   | 27,440                | 57,061                | 48,287                | 30,112                | 35,030                | 32,838                | 11,716                | 14,949                | 15,974              | 16,598              |
| Service board funding                          | -                     | -                     | -                     | -                     | -                     | -                     | 12,826                | 8,710                 | 48,852              | 20,141              |
| Administrative expenses                        | 17,002                | 16,079                | 20,342                | 19,270                | 18,759                | 16,629                | 16,642                | 21,284                | 20,615              | 20,903              |
| Regional expenses                              | 23,284                | 18,512                | 28,006                | 23,423                | 24,025                | 22,589                | 19,512                | 17,390                | 23,745              | 21,615              |
| Technology program expenses                    | 2,192                 | 3,566                 | 2,058                 | 1,917                 | 577                   | 610                   | -                     | -                     | -                   | -                   |
| CTA loan write-off receivable                  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                   | -                   |
| Interest expense                               | 110,168               | 103,048               | 124,069               | 96,706                | 95,740                | 88,842                | 83,274                | 45,633                | 62,825              | 57,859              |
| <b>Total governmental activities</b>           | <b>686,866</b>        | <b>766,164</b>        | <b>661,355</b>        | <b>634,405</b>        | <b>586,440</b>        | <b>526,152</b>        | <b>479,354</b>        | <b>790,771</b>        | <b>900,425</b>      | <b>1,023,943</b>    |
| Business-type activities:                      |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Insurance financing                            | 5,800                 | 5,929                 | 5,846                 | 5,553                 | 5,424                 | 5,594                 | 7,640                 | 9,221                 | 9,259               | 9,363               |
| <b>Total business-type activities</b>          | <b>5,800</b>          | <b>5,929</b>          | <b>5,846</b>          | <b>5,553</b>          | <b>5,424</b>          | <b>5,594</b>          | <b>7,640</b>          | <b>9,221</b>          | <b>9,259</b>        | <b>9,363</b>        |
| <b>Total primary government expenses</b>       | <b>\$ 692,666</b>     | <b>\$ 772,093</b>     | <b>\$ 667,201</b>     | <b>\$ 639,958</b>     | <b>\$ 591,864</b>     | <b>\$ 531,746</b>     | <b>\$ 486,994</b>     | <b>\$ 799,992</b>     | <b>\$ 909,684</b>   | <b>\$ 1,033,306</b> |
| <b>REVENUES:</b>                               |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| General:                                       |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Sales taxes                                    | \$ 121,798            | \$ 129,842            | \$ 131,623            | \$ 131,789            | \$ 137,164            | \$ 139,881            | \$ 128,279            | \$ 162,845            | \$ 174,198          | \$ 173,483          |
| Interest on sales taxes                        | 81                    | 102                   | 116                   | 404                   | 1,074                 | 1,086                 | 520                   | 135                   | 883                 | 3,224               |
| Service board funding                          | 11,440                | 11,900                | 12,062                | 21,223                | 26,971                | 25,338                | 3,428                 | -                     | -                   | -                   |
| Innovation, Coordination & Enhancement (ICE)   | -                     | -                     | -                     | -                     | -                     | -                     | 11,716                | 14,949                | 15,974              | 16,598              |
| IDOT Capital Grant - PACE (ADA)                | -                     | -                     | -                     | -                     | -                     | -                     | 8,395                 | 8,395                 | 8,395               | 32,536              |
| Public Transportation Fund                     | 470,815               | 217,930               | 250,906               | 217,972               | 215,739               | 225,469               | 212,608               | 257,474               | 294,582             | 313,128             |
| General State Revenue                          | -                     | 285,143               | 147,315               | 222,643               | 147,567               | 74,112                | 70,304                | 367,568               | 423,115             | 497,271             |
| State assistance                               | 130,219               | 86,882                | 130,234               | 130,222               | 129,681               | 129,474               | 127,025               | 127,274               | 125,797             | 117,369             |
| Regional program reimbursement                 | 3,352                 | 10,341                | 11,483                | 8,633                 | 7,038                 | -                     | -                     | -                     | -                   | -                   |
| Other intergovernmental revenue                | -                     | -                     | -                     | -                     | 22,784                | -                     | 6,181                 | 22,584                | -                   | -                   |
| Investment income                              | 10,474                | 9,472                 | 19,150                | 8,331                 | 10,011                | 14,817                | 8,876                 | 5,739                 | 6,681               | 22,166              |
| Other revenues                                 | 6,644                 | 8,394                 | 3,825                 | 224                   | 1,022                 | 8,701                 | 8,072                 | 4,097                 | 9,429               | 5,398               |
| Transfers (out)                                | (6,328)               | (6,180)               | -                     | -                     | -                     | (3,164)               | (9,139)               | (7,000)               | (9,975)             | (10,474)            |
| <b>Total governmental activities revenues</b>  | <b>748,495</b>        | <b>753,826</b>        | <b>706,714</b>        | <b>741,441</b>        | <b>699,051</b>        | <b>615,714</b>        | <b>576,265</b>        | <b>964,060</b>        | <b>1,049,079</b>    | <b>1,170,699</b>    |
| Business-type activities:                      |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| General:                                       |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Investment income                              | 38                    | 44                    | 53                    | 151                   | 352                   | 364                   | 129                   | 25                    | 126                 | 582                 |
| Other revenues                                 | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                   | 10                  |
| Transfers in                                   | 6,328                 | 6,180                 | 4,365                 | 4,056                 | 2,999                 | 3,164                 | 9,139                 | 7,000                 | 9,975               | 10,474              |
| <b>Total business-type activities revenues</b> | <b>6,366</b>          | <b>6,224</b>          | <b>4,418</b>          | <b>4,207</b>          | <b>3,351</b>          | <b>3,528</b>          | <b>9,268</b>          | <b>7,025</b>          | <b>10,101</b>       | <b>11,066</b>       |
| <b>Total primary government revenues</b>       | <b>754,861</b>        | <b>760,050</b>        | <b>711,132</b>        | <b>745,648</b>        | <b>702,402</b>        | <b>619,242</b>        | <b>585,533</b>        | <b>971,085</b>        | <b>1,059,180</b>    | <b>1,181,765</b>    |
| Governmental activities:                       |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| <b>CHANGES IN NET POSITION (DEFICIT)</b>       | <b>61,629</b>         | <b>(12,338)</b>       | <b>45,359</b>         | <b>107,036</b>        | <b>112,611</b>        | <b>89,562</b>         | <b>96,911</b>         | <b>173,289</b>        | <b>148,654</b>      | <b>146,756</b>      |
| <b>NET POSITION (DEFICIT):</b>                 |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Beginning of year, as restated                 | (1,688,424)           | (1,693,025)           | (1,705,363)           | (1,660,004)           | (1,553,373)           | (1,440,762)           | (1,351,200)           | (1,254,289)           | (1,081,000)         | (932,346)           |
| End of year                                    | (1,626,795)           | (1,705,363)           | (1,660,004)           | (1,552,968)           | (1,440,762)           | (1,351,200)           | (1,254,289)           | (1,081,000)           | (932,346)           | (785,590)           |
| Business-type activities:                      |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| <b>CHANGES IN NET POSITION (DEFICIT)</b>       | <b>566</b>            | <b>295</b>            | <b>(1,428)</b>        | <b>(1,346)</b>        | <b>(2,073)</b>        | <b>(2,066)</b>        | <b>1,628</b>          | <b>(2,196)</b>        | <b>842</b>          | <b>1,703</b>        |
| <b>NET POSITION (DEFICIT):</b>                 |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Beginning of year                              | 38,708                | 39,274                | 27,977                | 26,549                | 25,203                | 23,130                | 21,064                | 22,692                | 20,496              | 21,338              |
| End of year                                    | 39,274                | 39,569                | 26,549                | 25,203                | 23,130                | 21,064                | 22,692                | 20,496                | 21,338              | 23,041              |
| <b>Total primary government</b>                | <b>\$ (1,587,521)</b> | <b>\$ (1,665,794)</b> | <b>\$ (1,633,455)</b> | <b>\$ (1,527,765)</b> | <b>\$ (1,417,632)</b> | <b>\$ (1,330,136)</b> | <b>\$ (1,231,597)</b> | <b>\$ (1,060,504)</b> | <b>\$ (911,008)</b> | <b>\$ (762,549)</b> |
| <b>CHANGE IN NET POSITION:</b>                 |                       |                       |                       |                       |                       |                       |                       |                       |                     |                     |
| Governmental activities                        | \$ 61,629             | \$ (12,338)           | \$ 45,359             | \$ 107,036            | \$ 112,611            | \$ 89,562             | \$ 96,911             | \$ 173,289            | \$ 148,654          | \$ 146,756          |
| Business-type activities                       | 566                   | 295                   | (1,428)               | (1,346)               | (2,073)               | (2,066)               | 1,628                 | (2,196)               | 842                 | 1,703               |
| <b>Total primary government</b>                | <b>\$ 62,195</b>      | <b>\$ (12,043)</b>    | <b>\$ 43,931</b>      | <b>\$ 105,690</b>     | <b>\$ 110,538</b>     | <b>\$ 87,496</b>      | <b>\$ 98,539</b>      | <b>\$ 171,093</b>     | <b>\$ 149,496</b>   | <b>\$ 148,459</b>   |

STATISTICAL SECTION (UNAUDITED)

TABLE 3

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

|                                    | <u>2014</u>       | <u>2015</u>       | <u>2016</u>       | <u>2017</u>       | <u>2018</u>       | <u>2019</u>       | <u>2020</u>       | <u>2021</u>       | <u>2022</u>       | <u>2023</u>       |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Reserved                           | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Unreserved                         | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Nonspendable <sup>(1)</sup>        | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Restricted <sup>(1)</sup>          | 16,203            | 15,535            | -                 | 197,227           | 91,458            | 62,970            | -                 | -                 | -                 | -                 |
| Committed <sup>(1)</sup>           | 212,642           | 188,497           | 228,118           | 234,494           | 239,932           | 240,463           | 135,996           | 134,519           | 222,477           | 253,020           |
| Assigned <sup>(1)</sup>            | 8,888             | 42,312            | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Unassigned <sup>(1)</sup>          | 4,443             | 3,455             | (17,610)          | (70,437)          | (63,916)          | (63,933)          | 112,542           | 90,646            | 43,036            | 48,934            |
| Total general fund balances        | <u>\$ 242,176</u> | <u>\$ 249,799</u> | <u>\$ 210,508</u> | <u>\$ 361,284</u> | <u>\$ 267,474</u> | <u>\$ 239,500</u> | <u>\$ 248,538</u> | <u>\$ 225,165</u> | <u>\$ 265,513</u> | <u>\$ 301,954</u> |
| All other governmental funds       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Reserved                           | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Restricted <sup>(1)</sup>          | 211,498           | 193,036           | 122,938           | 145,172           | 150,468           | 142,431           | 141,372           | 139,713           | 127,603           | 129,072           |
| Committed <sup>(1)</sup>           | 177,283           | 111,005           | 120,443           | 98,972            | 220,633           | 153,967           | 110,057           | 59,854            | 46,782            | 36,188            |
| Total all other governmental funds | <u>\$ 388,781</u> | <u>\$ 304,041</u> | <u>\$ 243,381</u> | <u>\$ 244,144</u> | <u>\$ 371,101</u> | <u>\$ 296,398</u> | <u>\$ 251,429</u> | <u>\$ 199,567</u> | <u>\$ 174,385</u> | <u>\$ 165,260</u> |

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

STATISTICAL SECTION (UNAUDITED)

TABLE 4

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

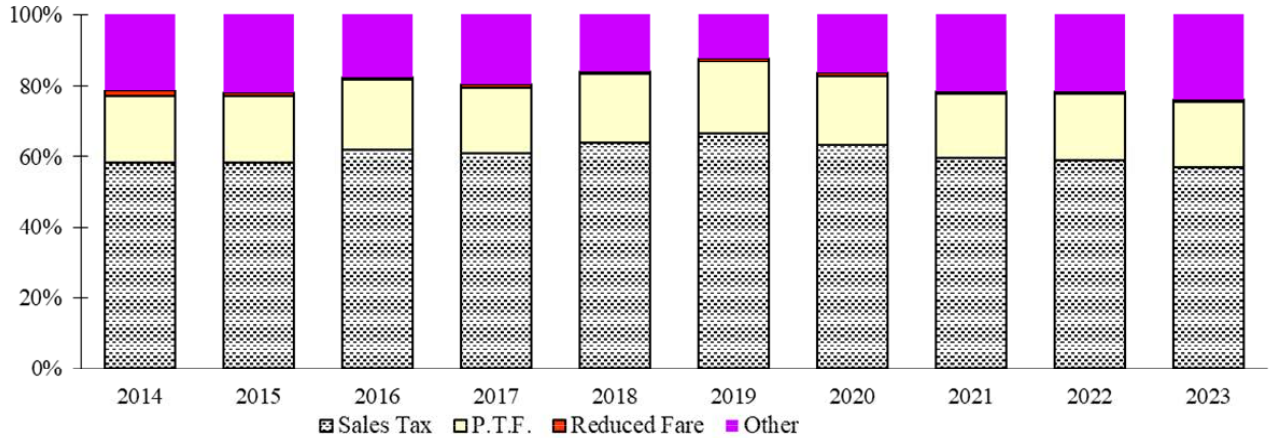
|  | 2014              | 2015               | 2016               | 2017              | 2018             | 2019                | 2020               | 2021               | 2022             | 2023             |
|--|-------------------|--------------------|--------------------|-------------------|------------------|---------------------|--------------------|--------------------|------------------|------------------|
| <b>REVENUES:</b>   |                   |                    |                    |                   |                  |                     |                    |                    |                  |                  |
| Sales taxes  | \$ 121,798        | \$ 129,842         | \$ 131,623         | \$ 131,789        | \$ 137,164       | \$ 139,881          | \$ 128,279         | \$ 162,845         | \$ 174,198       | \$ 173,483       |
| Interest on sales taxes  | 82                | 102                | 116                | 404               | 1,074            | 1,086               | 520                | 135                | 883              | 3,224            |
| Public Transportation Fund   | 210,013           | 217,930            | 221,621            | 212,643           | 215,739          | 225,469             | 212,608            | 257,474            | 294,582          | 313,128          |
| General State Revenue  | 245,298           | 285,143            | 147,314            | 222,643           | 147,567          | 74,112              | 70,304             | 367,568            | 423,115          | 497,271          |
| Innovation, Coordination, & Enhancement (ICE)                      | 11,439            | 11,900             | 12,062             | 12,070            | 12,539           | 12,764              | 11,716             | 14,949             | 15,974           | 16,598           |
| IDOT State Grant - PACE (ADA)                                      | 8,500             | 8,395              | 3,825              | 3,825             | 7,975            | 8,395               | 8,395              | 8,395              | 8,395            | 32,536           |
| Pace ADA 2012 Surplus Refund                                       | 7,004             | -                  | 29,285             | 5,328             | 6,457            | 4,179               | -                  | -                  | -                | -                |
| State assistance   | 130,182           | 130,206            | 65,118             | 130,231           | 130,215          | 129,146             | 129,800            | 189,399            | 125,797          | 117,369          |
| Intergovernmental  | -                 | -                  | -                  | -                 | 29,822           | -                   | -                  | -                  | -                | -                |
| Investment income  | 13,761            | 13,819             | 15,769             | 8,331             | 10,011           | 14,817              | 8,876              | 5,739              | 6,681            | 22,166           |
| CARES Act funding  | -                 | -                  | -                  | -                 | -                | -                   | 6,181              | 22,584             | -                | -                |
| Other revenues   | 7,847             | 8,187              | 10,403             | 14,185            | 1,022            | 8,701               | 11,500             | 4,097              | 9,429            | 5,398            |
| <b>Total revenues</b>  | <b>755,924</b>    | <b>805,524</b>     | <b>637,136</b>     | <b>741,449</b>    | <b>699,585</b>   | <b>618,550</b>      | <b>588,179</b>     | <b>1,033,185</b>   | <b>1,059,054</b> | <b>1,181,173</b> |
| <b>EXPENDITURES:</b>   |                   |                    |                    |                   |                  |                     |                    |                    |                  |                  |
| Financial assistance to Service Boards                             | 200,500           | 225,805            | 225,231            | 216,457           | 218,240          | 227,969             | 212,613            | 257,474            | 294,582          | 355,818          |
| Service board funding  | -                 | -                  | -                  | -                 | -                | -                   | 1,898              | -                  | 41,216           | 20,141           |
| Capital grants—discretionary                                       | 254               | 631                | 207                | 582               | 1,238            | 472                 | 1,007              | 897                | 179              | -                |
| South Suburban Job Access Program - (PACE)                         | 7,500             | 7,500              | 7,500              | 7,500             | 7,500            | 7,500               | 7,500              | 7,500              | 7,500            | -                |
| Innovation, Coordination, & Enhancement (ICE)                      | 11,439            | 11,900             | 12,062             | 12,770            | 12,538           | 12,760              | 11,716             | 14,949             | 15,974           | 16,598           |
| State General Revenue MOU  | 96,988            | -                  | 14,337             | 689               | 560              | -                   | -                  | -                  | -                | -                |
| IDOT Cap Grant - PACE (ADA)  | 8,500             | 8,395              | 3,825              | 3,825             | 7,975            | 8,395               | 8,395              | 8,395              | 8,395            | 12,949           |
| Capital grants—bonds   | 149,259           | 337,549            | 208,679            | 244,756           | 192,511          | 135,371             | 112,790            | 416,039            | 425,258          | 518,060          |
| RTA Capital grants—CTA   | 56,257            | 912                | 1,058              | -                 | -                | -                   | -                  | -                  | -                | -                |
| RTA Capital grants—Metra   | 3,522             | 3,002              | 3,418              | 1,181             | 320              | 833                 | 579                | -                  | -                | -                |
| PACE ADA Surplus   | -                 | 29,266             | 10,563             | 5,328             | 6,457            | 4,179               | 3,428              | 1,210              | 139              | -                |
| Administrative   | 16,192            | 17,085             | 16,433             | 15,504            | 16,240           | 16,007              | 15,447             | 17,567             | 15,129           | 19,154           |
| Regional   | 22,817            | 22,373             | 21,581             | 25,101            | 24,088           | 23,195              | 19,512             | 17,390             | 23,745           | 21,688           |
| Distribution to JSIF   | -                 | -                  | 4,365              | 4,056             | 2,999            | -                   | -                  | -                  | -                | -                |
| Capital outlay   | 599               | 644                | 1,299              | 262               | 1,387            | 1,973               | 6,172              | 237                | 345              | 851              |
| Debt service:  |                   |                    |                    |                   |                  |                     |                    |                    |                  |                  |
| Principal  | 443,737           | 100,610            | 432,635            | 413,870           | 471,295          | 180,070             | 271,470            | 270,360            | 128,854          | 111,330          |
| Interest   | 115,246           | 110,432            | 108,599            | 107,965           | 102,598          | 98,869              | 91,465             | 79,507             | 72,567           | 66,733           |
| Debt related costs   | 2,092             | 357                | 23,026             | 1,524             | 1,568            | 462                 | 980                | 2,303              | 33               | 61               |
| <b>Total expenditures</b>  | <b>1,134,902</b>  | <b>876,461</b>     | <b>1,094,818</b>   | <b>1,061,370</b>  | <b>1,067,514</b> | <b>718,055</b>      | <b>764,972</b>     | <b>1,093,828</b>   | <b>1,033,916</b> | <b>1,143,383</b> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>       | <b>(378,978)</b>  | <b>(70,937)</b>    | <b>(457,682)</b>   | <b>(319,921)</b>  | <b>(367,929)</b> | <b>(99,505)</b>     | <b>(176,793)</b>   | <b>(60,643)</b>    | <b>25,138</b>    | <b>37,790</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>                             |                   |                    |                    |                   |                  |                     |                    |                    |                  |                  |
| Issuance of refunding bonds  | 374,295           | -                  | -                  | -                 | -                | -                   | -                  | 89,210             | -                | -                |
| Payment to refunded bond escrow agent                              | -                 | -                  | -                  | -                 | -                | -                   | -                  | (98,953)           | -                | -                |
| Other financing sources (premium)                                  | 8,006             | -                  | 11,011             | 30,255            | 11,996           | -                   | -                  | 2,184              | -                | -                |
| Debt issuance  | -                 | -                  | 346,720            | 441,205           | 389,080          | -                   | 150,000            | -                  | -                | -                |
| Transfers out  |                   |                    |                    |                   |                  |                     |                    |                    |                  |                  |
| Capital Projects Fund  | (7,211)           | -                  | (6,459)            | (599)             | (9,141)          | (10,900)            | (4,432)            | -                  | -                | -                |
| Debt Service Fund  | -                 | (20,037)           | (160,403)          | (250,000)         | -                | -                   | -                  | -                  | (36)             | (302)            |
| General Fund   | (306,029)         | (216,754)          | (373,934)          | (319,792)         | (318,077)        | (259,764)           | (215,342)          | (360,792)          | (194,348)        | (182,683)        |
| Capital Projects Fund  | -                 | -                  | -                  | -                 | -                | -                   | -                  | (663)              | (1,401)          | (1,584)          |
| Transfers in   |                   |                    |                    |                   |                  |                     |                    |                    |                  |                  |
| Capital Projects Fund  | -                 | 37                 | -                  | -                 | -                | -                   | -                  | 663                | 1,401            | 1,584            |
| Debt Service Fund  | 306,911           | 210,574            | 380,393            | 320,391           | 327,218          | 267,500             | 210,636            | 353,760            | 184,373          | 172,209          |
| General Fund   | -                 | 20,000             | 160,403            | 250,000           | -                | -                   | -                  | -                  | 36               | 302              |
| <b>Total other financing (uses) sources</b>                        | <b>375,972</b>    | <b>(6,180)</b>     | <b>357,731</b>     | <b>471,460</b>    | <b>401,076</b>   | <b>(3,164)</b>      | <b>140,862</b>     | <b>(14,591)</b>    | <b>(9,975)</b>   | <b>(10,474)</b>  |
| <b>NET CHANGE IN FUND BALANCES</b>                                 | <b>\$ (3,006)</b> | <b>\$ (77,117)</b> | <b>\$ (99,951)</b> | <b>\$ 151,539</b> | <b>\$ 33,147</b> | <b>\$ (102,669)</b> | <b>\$ (35,931)</b> | <b>\$ (75,234)</b> | <b>\$ 15,163</b> | <b>\$ 27,316</b> |
| <b>Debt Service as a percentage of noncapital<br/>expenditures</b> | <b>49.34%</b>     | <b>24.11%</b>      | <b>49.52%</b>      | <b>49.20%</b>     | <b>53.86%</b>    | <b>38.78%</b>       | <b>47.85%</b>      | <b>32.00%</b>      | <b>19.49%</b>    | <b>15.59%</b>    |

STATISTICAL SECTION (UNAUDITED)

Table 5

RTA REVENUE BY SOURCE

2014-2023



Last Ten Years

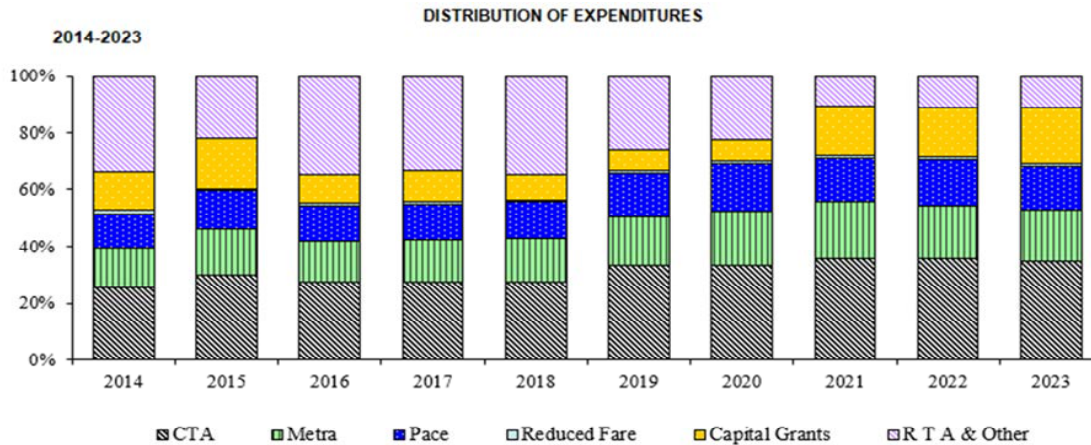
(In Thousands)

|                          | Public Transportation |            |              |            |              |
|--------------------------|-----------------------|------------|--------------|------------|--------------|
|                          | Sales Tax             | Fund       | Reduced Fare | Other      | Total        |
| 12 Months Ended 12/31/14 | \$ 1,121,275          | \$ 357,711 | \$ 34,070    | \$ 410,449 | \$ 1,923,505 |
| Percentage of Total      | 58.29%                | 18.60%     | 1.77%        | 21.34%     | 100%         |
| 12 Months Ended 12/31/15 | 1,169,268             | 376,897    | 17,570       | 443,582    | 2,007,317    |
| Percentage of Total      | 58.25%                | 18.78%     | 0.88%        | 22.10%     | 100%         |
| 12 Months Ended 12/31/16 | 1,185,182             | 382,748    | 17,570       | 335,398    | 1,920,898    |
| Percentage of Total      | 61.70%                | 19.93%     | 0.91%        | 17.46%     | 100%         |
| 12 Months Ended 12/31/17 | 1,185,986             | 362,647    | 17,570       | 380,963    | 1,947,166    |
| Percentage of Total      | 60.91%                | 18.62%     | 0.90%        | 19.56%     | 100%         |
| 12 Months Ended 12/31/18 | 1,237,339             | 368,367    | 16,692       | 306,944    | 1,929,342    |
| Percentage of Total      | 64.13%                | 19.09%     | 0.87%        | 15.91%     | 100%         |
| 12 Months Ended 12/31/19 | 1,254,161             | 381,989    | 17,570       | 233,541    | 1,887,261    |
| Percentage of Total      | 66.45%                | 20.24%     | 0.93%        | 12.37%     | 100%         |
| 12 Months Ended 12/31/20 | 1,178,795             | 358,393    | 17,570       | 304,647    | 1,859,405    |
| Percentage of Total      | 63.40%                | 19.27%     | 0.94%        | 16.38%     | 100%         |
| 12 Months Ended 12/31/21 | 1,468,807             | 437,268    | 17,570       | 535,752    | 2,459,397    |
| Percentage of Total      | 59.72%                | 17.78%     | 0.71%        | 21.78%     | 100%         |
| 12 Months Ended 12/31/22 | 1,569,567             | 499,587    | 17,570       | 574,558    | 2,661,282    |
| Percentage of Total      | 58.98%                | 18.77%     | 0.66%        | 21.59%     | 100%         |
| 12 Months Ended 12/31/23 | 1,611,296             | 521,111    | 18,317       | 675,567    | 2,826,291    |
| Percentage of Total      | 57.01%                | 18.44%     | 0.65%        | 23.90%     | 100%         |

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

STATISTICAL SECTION (UNAUDITED)

Table 6

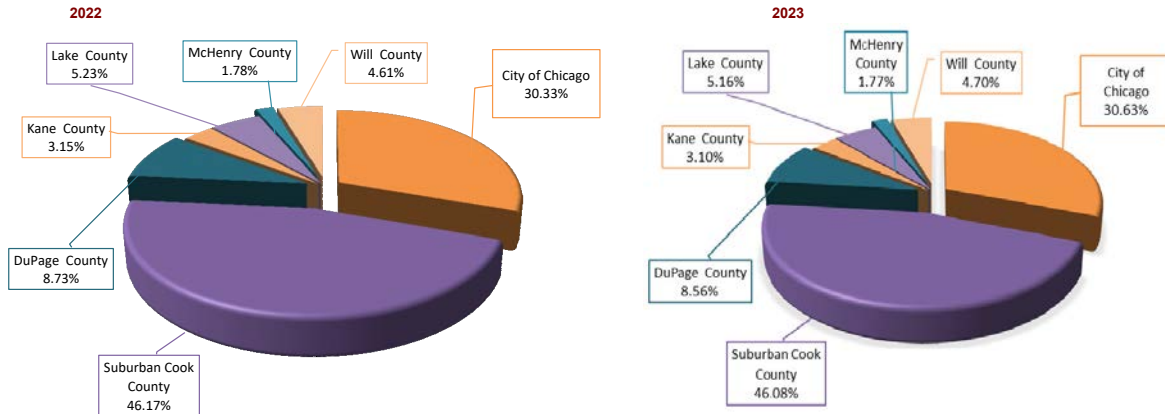


| Last Ten Years             | Financial Assistance |            |            |              | Reduced Fare | Capital Grants | R T A and Other | Total        |
|----------------------------|----------------------|------------|------------|--------------|--------------|----------------|-----------------|--------------|
|                            | CTA                  | Metra      | Pace       | Total        |              |                |                 |              |
| 12 Months Ended 12/31/14   | \$ 597,363           | \$ 322,518 | \$ 268,657 | \$ 1,188,538 | \$ 34,070    | \$ 314,780     | \$ 785,469      | \$ 2,322,856 |
| <i>Percentage of Total</i> | 25.72%               | 13.88%     | 11.57%     | 51.17%       | 1.47%        | 13.55%         | 33.81%          | 100%         |
| 12 Months Ended 12/31/15   | 631,806              | 337,773    | 283,751    | 1,253,330    | 17,570       | 379,755        | 458,601         | 2,109,256    |
| <i>Percentage of Total</i> | 29.95%               | 16.01%     | 13.45%     | 59.42%       | 0.83%        | 18.00%         | 21.74%          | 100%         |
| 12 Months Ended 12/31/16   | 642,155              | 336,898    | 287,674    | 1,266,728    | 17,570       | 242,086        | 806,311         | 2,332,695    |
| <i>Percentage of Total</i> | 27.53%               | 14.44%     | 12.33%     | 54.30%       | 0.75%        | 10.38%         | 34.57%          | 100%         |
| 12 Months Ended 12/31/17   | 630,467              | 339,865    | 288,253    | 1,258,585    | 17,570       | 256,362        | 758,542         | 2,291,059    |
| <i>Percentage of Total</i> | 27.52%               | 14.83%     | 12.58%     | 54.93%       | 0.77%        | 11.19%         | 33.11%          | 100%         |
| 12 Months Ended 12/31/18   | 650,167              | 352,502    | 303,207    | 1,305,876    | 16,692       | 209,061        | 819,100         | 2,350,729    |
| <i>Percentage of Total</i> | 27.66%               | 15.00%     | 12.90%     | 55.55%       | 0.71%        | 8.89%          | 34.84%          | 100%         |
| 12 Months Ended 12/31/19   | 666,766              | 355,446    | 307,272    | 1,329,484    | 17,570       | 149,249        | 524,696         | 2,020,999    |
| <i>Percentage of Total</i> | 32.99%               | 17.59%     | 15.20%     | 65.78%       | 0.87%        | 7.38%          | 25.96%          | 100%         |
| 12 Months Ended 12/31/20   | 606,757              | 347,126    | 299,038    | 1,252,921    | 17,570       | 138,313        | 408,815         | 1,817,619    |
| <i>Percentage of Total</i> | 33.38%               | 19.10%     | 16.45%     | 68.93%       | 0.97%        | 7.61%          | 22.49%          | 100%         |
| 12 Months Ended 12/31/21   | 776,857              | 438,818    | 332,812    | 1,548,487    | 17,570       | 376,964        | 235,129         | 2,178,150    |
| <i>Percentage of Total</i> | 35.67%               | 20.15%     | 15.28%     | 71.09%       | 0.81%        | 17.31%         | 10.79%          | 100%         |
| 12 Months Ended 12/31/22   | 858,359              | 462,619    | 394,215    | 1,715,193    | 17,570       | 422,066        | 271,934         | 2,426,763    |
| <i>Percentage of Total</i> | 35.37%               | 19.06%     | 16.24%     | 70.68%       | 0.72%        | 17.39%         | 11.21%          | 100%         |
| 12 Months Ended 12/31/23   | 897,834              | 480,427    | 398,773    | 1,777,034    | 18,317       | 520,495        | 291,019         | 2,606,865    |
| <i>Percentage of Total</i> | 34.44%               | 18.43%     | 15.30%     | 68.17%       | 0.70%        | 19.97%         | 11.16%          | 100%         |

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

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

Table 7



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 12/31/14 | \$ 343,832      | \$ 521,593           | \$ 97,995     | \$ 33,208   | \$ 62,156   | \$ 19,964      | \$ 45,249   | \$ 1,123,997 |
| Percentage of Total      | 30.59%          | 46.41%               | 8.72%         | 2.95%       | 5.53%       | 1.78%          | 4.03%       | 100%         |
| 12 Months Ended 12/31/15 | 363,131         | 541,214              | 100,795       | 34,482      | 62,705      | 20,385         | 46,555      | 1,169,267    |
| Percentage of Total      | 31.06%          | 46.29%               | 8.62%         | 2.95%       | 5.36%       | 1.74%          | 3.98%       | 100.00%      |
| 12 Months Ended 12/31/16 | 368,589         | 546,376              | 102,966       | 35,476      | 63,521      | 20,801         | 47,453      | 1,185,182    |
| Percentage of Total      | 31.10%          | 46.10%               | 8.69%         | 2.99%       | 5.36%       | 1.76%          | 4.00%       | 100%         |
| 12 Months Ended 12/31/17 | 365,311         | 548,955              | 103,254       | 36,047      | 63,041      | 20,976         | 48,403      | 1,185,987    |
| Percentage of Total      | 30.80%          | 46.29%               | 8.70%         | 3.04%       | 5.32%       | 1.77%          | 4.08%       | 100%         |
| 12 Months Ended 12/31/18 | 380,082         | 572,126              | 105,460       | 37,452      | 64,929      | 21,507         | 50,455      | 1,232,011    |
| Percentage of Total      | 30.85%          | 46.44%               | 8.56%         | 3.04%       | 5.27%       | 1.75%          | 4.10%       | 100%         |
| 12 Months Ended 12/31/19 | 390,709         | 580,259              | 107,848       | 37,876      | 62,748      | 21,895         | 52,826      | 1,254,161    |
| Percentage of Total      | 31.15%          | 46.27%               | 8.60%         | 3.02%       | 5.00%       | 1.75%          | 4.21%       | 100%         |
| 12 Months Ended 12/31/20 | 319,612         | 554,640              | 102,676       | 37,302      | 61,586      | 21,400         | 53,942      | 1,151,158    |
| Percentage of Total      | 27.76%          | 48.18%               | 8.92%         | 3.24%       | 5.35%       | 1.86%          | 4.69%       | 100%         |
| 12 Months Ended 12/31/21 | 429,301         | 693,634              | 127,919       | 46,466      | 75,601      | 26,670         | 69,216      | 1,468,807    |
| Percentage of Total      | 29.23%          | 47.22%               | 8.71%         | 3.16%       | 5.15%       | 1.82%          | 4.71%       | 100%         |
| 12 Months Ended 12/31/22 | 476,052         | 724,659              | 137,054       | 49,468      | 82,051      | 27,864         | 72,418      | 1,569,566    |
| Percentage of Total      | 30.33%          | 46.17%               | 8.73%         | 3.15%       | 5.23%       | 1.78%          | 4.61%       | 100%         |
| 12 Months Ended 12/31/23 | 499,478         | 751,449              | 139,631       | 50,494      | 84,234      | 28,918         | 76,679      | 1,630,883    |
| Percentage of Total      | 30.63%          | 46.08%               | 8.56%         | 3.10%       | 5.16%       | 1.77%          | 4.70%       | 100%         |

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

STATISTICAL SECTION (UNAUDITED)

Table 8

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

| Fiscal Year | Governmental Activities               |                                 |                        |                      | Total Primary Government | Percentage of Sales Tax | Percentage of Personal Income <sup>b</sup> | Per Capita <sup>b</sup> |
|-------------|---------------------------------------|---------------------------------|------------------------|----------------------|--------------------------|-------------------------|--|-------------------------|
|             | General Obligation Bonds <sup>a</sup> | Working Cash Notes <sup>a</sup> | Lease and Subscription | Unamortized Premiums |                          |                         |  |                         |
| 2014        | \$ 2,009,355                          | \$ 225,000                      |                        | \$ -                 | \$ 2,234,355             | 50.31 %                 | 0.36 %                                     | 17                      |
| 2015        | 1,908,745                             | 225,000                         |                        | -                    | 2,133,745                | 54.80                   | 0.34                                       | 17                      |
| 2016        | 1,897,830                             | 150,000                         |                        | -                    | 2,047,830                | 57.88                   | 0.31                                       | 16                      |
| 2017        | 2,075,165                             | -                               |                        | -                    | 2,075,165                | 57.00                   | 0.31                                       | 16                      |
| 2018        | 1,842,950                             | 150,000                         |                        | 121,378              | 2,114,328                | 58.52                   | 0.29                                       | 17                      |
| 2019        | 1,662,880                             | 150,000                         |                        | 112,720              | 1,925,600                | 65.13                   | 0.26                                       | 15                      |
| 2020        | 1,691,410                             | -                               |                        | 105,348              | 1,796,758                | 65.61                   | 0.23                                       | 14                      |
| 2021        | 1,423,035                             | -                               |                        | 66,001               | 1,489,036                | 98.64                   | 0.18                                       | 12                      |
| 2022        | 1,295,734                             | -                               | 1,595                  | 57,749               | 1,355,078                | 115.83                  | 0.16                                       | 11                      |
| 2023        | 1,184,405                             | -                               | 2,130                  | 50,134               | 1,236,669                | 130.29                  | 0.14                                       | 10                      |

**Note:**

<sup>a</sup> Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

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

STATISTICAL SECTION (UNAUDITED)

Table 9

**LEGAL DEBT CAPACITY**

(In Thousands)

**2023**

| Legal Debt Margin:                              | Balance Outstanding<br>at December 31, 2023 | Issued              | Working<br>Cash Notes | Total             |
|---|---|---------------------|-----------------------|-------------------|
| Debt Limitation per Act for General Obligations |   |                     |                       |                   |
| Debt applicable to limitation :                 |   |                     |                       | \$ 800,000        |
| Non-SCIP Bonds:                                 |   |                     |                       |                   |
| 2003B General Obligation Bonds                  | \$ 78,175                                   |                     |                       |                   |
| 2005B General Obligation Refunding Bonds        | 25,485                                      |                     |                       |                   |
| 2010B General Obligation Bonds                  | 106,040                                     |                     |                       |                   |
| 2016A General Obligation Bonds                  | 83,660                                      |                     |                       |                   |
| 2018B General Obligation Bonds                  | 127,535                                     |                     |                       |                   |
| 2021A General Obligation Refunding Bonds        | <u>83,595</u>                               |                     |                       |                   |
| Total RTA Bonds Applicable to Limitation        | <u>504,490</u>                              |                     |                       | (504,490)         |
| SCIP Bonds*:                                    |   |                     |                       |                   |
| 1992A General Obligation Bonds                  | -   | 188,000             |                       |                   |
| 1993A General Obligation Bonds                  | -   | 55,000              |                       |                   |
| 1994A General Obligation Bonds                  | -   | 195,000             |                       |                   |
| 1994C General Obligation Bonds                  | -   | 62,000              |                       |                   |
| 1999 General Obligation Refunding Bonds         | 22,180                                      | -                   |                       |                   |
| 2000 General Obligation Bonds                   | 107,715                                     | 260,000             |                       |                   |
| 2001A General Obligation Bonds                  | 43,945                                      | 100,000             |                       |                   |
| 2002A General Obligation Bonds                  | 77,600                                      | 160,000             |                       |                   |
| 2003A General Obligation Bonds                  | 135,505                                     | 260,000             |                       |                   |
| 2004A General Obligation Bonds                  | 144,935                                     | 260,000             |                       |                   |
| 2017A General Obligation Bonds                  | <u>148,035</u>                              | <u>250,030</u>      |                       |                   |
| Total SCIP Bonds Applicable to Limitation       |   | <u>\$ 1,790,030</u> |                       |                   |
| Total SCIP Bonds Outstanding                    | <u>679,915</u>                              |                     |                       |                   |
| Total Bonds Outstanding                         | <u>\$ 1,184,405</u>                         |                     |                       |                   |
| Debt Margin for General Obligations             |   |                     |                       | 295,510           |
| Debt Limitation per Act for Working Cash Notes  |   |                     | \$ 100,000            |                   |
| Debt Margin for Working Cash Notes              |   |                     |                       | <u>100,000</u>    |
| Total Legal Debt Margin                         |   |                     |                       | <u>\$ 395,510</u> |

\*As of December 31, 2023, the RTA has issued \$1.8 billion in SCIP bonds, with total SCIP bonds outstanding of \$679.9 million and \$1.8 billion debt applicable to SCIP bond limitation.

STATISTICAL SECTION (UNAUDITED)

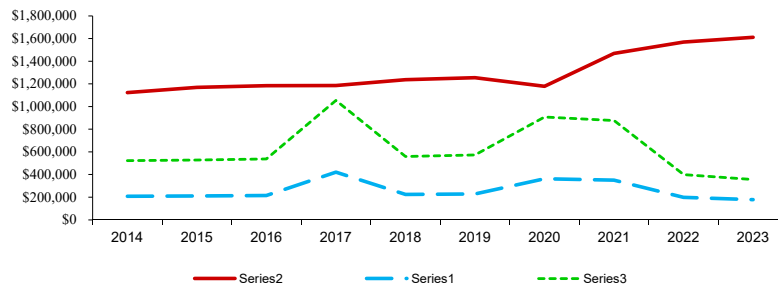
TABLE 10

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

|   | Fiscal Year  |              |              |              |              |              |              |              |              |            |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
|   | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023       |
| Debt limit for General Obligations                    | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,600,000 | \$ 800,000 |
| Total net debt applicable to limit                    | 2,492,385    | 2,446,390    | 2,492,950    | 2,440,335    | 2,529,790    | 2,461,600    | 2,412,830    | 2,371,400    | 2,332,705    | 504,490    |
| Debt margin for General Obligations                   | 107,615      | 153,610      | 107,050      | 159,665      | 70,210       | 138,400      | 187,170      | 228,600      | 267,295      | 295,510    |
| Debt limit for Working Cash Notes                     | 400,000      | 400,000      | 400,000      | 400,000      | 400,000      | 400,000      | 400,000      | 400,000      | 400,000      | 100,000    |
| Total net debt applicable to limit                    | 225,000      | 225,000      | 150,000      | 300,000      | 200,000      | 150,000      | 150,000      | -            | -            | -          |
|   | 175,000      | 175,000      | 250,000      | 100,000      | 200,000      | 250,000      | 250,000      | 400,000      | 400,000      | 100,000    |
| Legal debt margin                                     | \$ 282,615   | \$ 328,610   | \$ 357,050   | \$ 259,665   | \$ 270,210   | \$ 388,400   | \$ 437,170   | \$ 628,600   | \$ 667,295   | \$ 395,510 |
| Total legal debt margin as a percentage of debt limit | 9.42%        | 10.95%       | 11.90%       | 8.66%        | 9.01%        | 12.95%       | 14.57%       | 14.57%       | 22.24%       | 43.95%     |

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

2014 - 2023  
(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                               | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales Tax Revenue                  | \$ 1,123,997 | \$ 1,169,267 | \$ 1,185,182 | \$ 1,185,986 | \$ 1,237,339 | \$ 1,254,161 | \$ 1,178,795 | \$ 1,468,807 | \$ 1,569,567 | \$ 1,611,296 |
| Debt Service Requirement           | 208,985      | 211,041      | 214,984      | 421,835      | 223,893      | 228,939      | 362,935      | 350,304      | 199,707      | 178,063      |
| 2.5 Times Debt Service Requirement | 522,463      | 527,603      | 537,460      | 1,054,588    | 559,733      | 572,348      | 907,338      | 875,760      | 399,414      | 356,126      |

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

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

| <i>Last Ten Years</i> |                           |            |            |              | <i>(In Thousands)</i>                       |  |
|-----------------------|---------------------------|------------|------------|--------------|---|--|
| Year                  | Debt Service Requirements |            |            | Total        | Ratio of Debt Service to Total Expenditures |  |
|                       | Principal                 | Interest   | Total      | Expenditures | Expenditures                                |  |
| 2014                  | \$ 93,740                 | \$ 115,245 | \$ 208,985 | \$ 2,322,856 | 9.00%                                       |  |
| 2015                  | 100,610                   | 110,431    | 211,041    | 2,109,256    | 10.01%                                      |  |
| 2016                  | 106,385                   | 108,599    | 214,984    | 2,332,695    | 9.22%                                       |  |
| 2017                  | 313,870                   | 107,965    | 421,835    | 2,291,059    | 18.41%                                      |  |
| 2018                  | 121,295                   | 102,598    | 223,893    | 2,350,729    | 9.52%                                       |  |
| 2019                  | 130,070                   | 98,869     | 228,939    | 2,020,999    | 11.33%                                      |  |
| 2020                  | 271,470                   | 91,465     | 362,935    | 1,817,619    | 19.97%                                      |  |
| 2021                  | 357,585                   | 82,249     | 439,834    | 2,617,435    | 16.80%                                      |  |
| 2022                  | 127,300                   | 72,407     | 199,707    | 2,426,763    | 8.23%                                       |  |
| 2023                  | 111,330                   | 66,733     | 178,063    | 2,606,865    | 6.83%                                       |  |

Table 13

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

*Last Ten Calendar Years*

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

*(In Millions)*

| Federal Fiscal Year | Total Awarded      | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Regional Transportation Authority |
|---------------------|--------------------|---------------------------|------------------------|-----------------------|-----------------------------------|
| 2014                | 533.43             | 317.02                    | 161.55                 | 54.86                 | -                                 |
| 2015*               | 1,034.69           | 826.16                    | 161.32                 | 47.21                 | -                                 |
| 2016                | 528.31             | 295.30                    | 190.69                 | 42.32                 | -                                 |
| 2017**              | 504.56             | 294.77                    | 169.83                 | 39.96                 | -                                 |
| 2018***             | 576.66             | 342.48                    | 186.29                 | 47.89                 | -                                 |
| 2019****            | 549.80             | 322.25                    | 183.91                 | 43.64                 | -                                 |
| 2020*****           | 524.24             | 303.96                    | 178.35                 | 41.93                 | -                                 |
| 2021*--             | 527.36             | 305.46                    | 179.55                 | 42.35                 | -                                 |
| 2022*---            | 734.03             | 422.72                    | 252.98                 | 58.33                 | -                                 |
| 2023                | 810.76             | 469.05                    | 280.89                 | 60.82                 | -                                 |
| <b>Total</b>        | <b>\$ 6,323.84</b> | <b>\$ 3,899.17</b>        | <b>\$ 1,945.36</b>     | <b>\$ 479.31</b>      | <b>\$ -</b>                       |

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

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

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

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

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

\*\*\*\*\*2020 includes reprogrammed federal formula funds: \$0.17M for Metra

\*- -2021 data included reprogrammed federal formula funds: \$0.18M for Metra and \$0.21M for Pace for a total of \$0.39M

\*- -2022 data includes

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

| <b>Fiscal Year</b> | <b>Population <sup>1</sup></b> | <b>Personal Income<br/>(in thousands)</b> | <b>Per Capita Personal Income</b> | <b>Unemployment Rate <sup>2</sup></b> |
|--------------------|--------------------------------|---|-----------------------------------|---------------------------------------|
| 2014               | 12,880,580                     | \$ 619,808,386                            | \$ 48,120                         | 7.1%                                  |
| 2015               | 12,861,699                     | 636,280,652                               | 49,471                            | 5.9%                                  |
| 2016               | 12,801,539                     | 666,935,503                               | 52,098                            | 5.9%                                  |
| 2017               | 12,802,023                     | 676,053,010                               | 52,808                            | 4.9%                                  |
| 2018               | 12,741,080                     | 725,393,900                               | 56,933                            | 4.3%                                  |
| 2019               | 12,671,821                     | 746,819,600                               | 58,935                            | 4.0%                                  |
| 2020               | 12,587,530                     | 792,728,900                               | 62,977                            | 9.5%                                  |
| 2021               | 12,671,469                     | 850,196,600                               | 67,095                            | 6.1%                                  |
| 2022               | 12,582,032                     | 865,923,300                               | 68,822                            | 4.6%                                  |
| 2023               | 12,812,508                     | 883,241,766                               | 68,936                            | 3.6%                                  |

<sup>(1)</sup> Source: Bureau of Economic Analysis U.S. Department of Commerce

<sup>(2)</sup> Source: Bureau of Labor Statistics Data U.S. Department of Labor

**REGIONAL TRANSPORTATION AUTHORITY  
PRINCIPAL EMPLOYERS**

|                                  | CURRENT YEAR<br>2023 |      |                                      | Employer <sup>1</sup>    | Nine Years Ago<br>2014 |      |                                      |
|----------------------------------|----------------------|------|--------------------------------------|--------------------------|------------------------|------|--------------------------------------|
|                                  | Employees            | Rank | % of Total<br>Regional<br>Employment |                          | Employees              | Rank | % of Total<br>Regional<br>Employment |
| United States Government         | 52,315               | 1    | 1.21%                                | United States Government | 52,144                 | 1    | 1.34%                                |
| Chicago Public Schools           | 43,285               | 2    | 1.00%                                | Chicago Public Schools   | 40,145                 | 2    | 1.03%                                |
| Advocate Health System           | 38,679               | 3    | 0.90%                                | City of Chicago          | 30,197                 | 3    | 0.77%                                |
| City of Chicago                  | 30,918               | 4    | 0.72%                                | Cook County              | 21,057                 | 4    | 0.54%                                |
| Amazon                           | 30,100               | 5    | 0.70%                                | Advocate Health Care     | 16,710                 | 5    | 0.43%                                |
| Northwestern Memorial Healthcare | 25,388               | 6    | 0.59%                                | State of Illinois        | 15,400                 | 6    | 0.40%                                |
| University of Chicago            | 22,315               | 7    | 0.52%                                | JP Morgan Chase & Co.    | 15,103                 | 7    | 0.39%                                |
| Endeavor Health                  | 20,251               | 8    | 0.47%                                | University of Chicago    | 15,029                 | 8    | 0.39%                                |
| Cook County                      | 19,797               | 9    | 0.46%                                | Walgreen Co.             | 14,528                 | 9    | 0.37%                                |
| Walmart Inc.                     | 17,400               | 10   | 0.40%                                | AT&T Inc.                | 14,000                 | 10   | 0.36%                                |
| <b>Total</b>                     | <b>300,448</b>       |      | <b>6.98%</b>                         |                          | <b>234,313</b>         |      | <b>6.01%</b>                         |

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

<sup>(1)</sup> Crain's Chicago Business

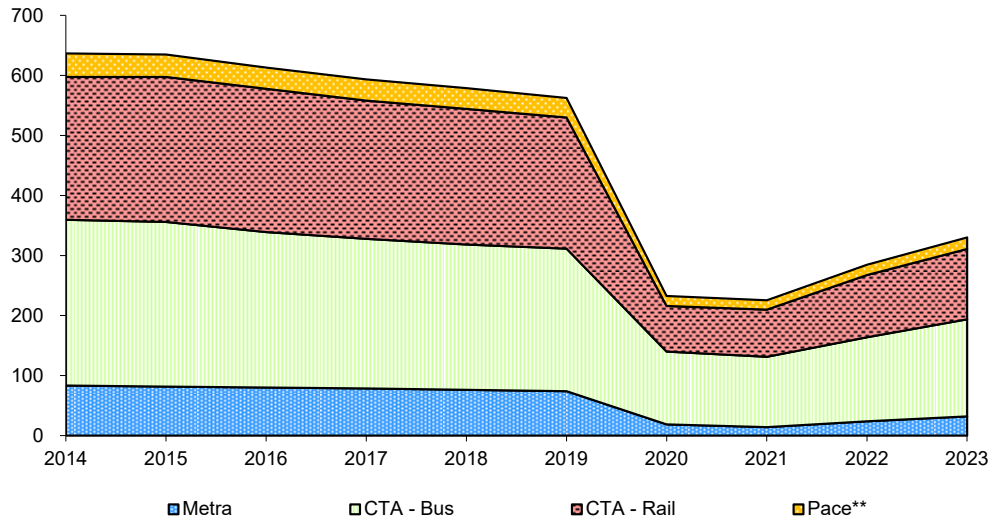


STATISTICAL SECTION (UNAUDITED)

Table 17

2014-2023  
(In Millions)

System Ridership and Unlinked Passenger Trips



Last Ten Years

(In Millions)

| Service Consumed: | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020   | 2021  | 2022  | 2023  |
|-------------------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| CTA - Bus         | 276.1 | 274.3 | 259.1 | 249.2 | 242.2 | 237.3 | 121.4  | 117.4 | 140.0 | 161.7 |
| CTA - Rail        | 238.1 | 241.7 | 238.6 | 230.2 | 225.9 | 218.5 | 76.0   | 78.6  | 103.5 | 117.4 |
| Total CTA*        | 514.2 | 516.0 | 497.7 | 479.4 | 468.1 | 455.8 | 197.4  | 196.0 | 243.5 | 279.1 |
| Metra             | 83.4  | 81.6  | 80.1  | 78.6  | 76.2  | 74.0  | 18.6   | 13.9  | 23.8  | 31.9  |
| Pace**            | 38.9  | 37.3  | 35.4  | 35.5  | 34.5  | 32.7  | 16.7   | 15.5  | 17.2  | 19.0  |
| System Total      | 636.5 | 634.9 | 613.2 | 593.5 | 578.8 | 562.5 | 232.7  | 225.4 | 284.5 | 329.9 |
| Percent Change    | -4.4% | -0.3% | -3.4% | -3.2% | -2.5% | -2.8% | -58.6% | -3.1% | 26.2% | 16.0% |

\*CTA ridership includes rail-to-rail transfers.

\*\*PACE ridership includes ADA Paratransit rides beginning in 2007.

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

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

**Last Five Fiscal Years**

|  | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Executive Office                       | 2           | 2           | 2           | 2           | 3           |
| Communications (1)                     | 2           | 4           | 3           | 5           | 6           |
| Government Affairs (2)                 | 3           | 3           | 2           | 3           | 5           |
| Compliance, HR, and Legal (3)          | 15          | 14          | 15          | 17          | 17          |
| Finance, Innovation and Technology (4) | 26          | 25          | 23          | 24          | 26          |
| Capital Programming and Planning (5)   | 23          | 22          | 23          | 23          | 22          |
| Mobility Services (6)                  | 25          | 23          | 19          | 22          | 21          |
| <b>Total</b>                           | <b>96</b>   | <b>93</b>   | <b>87</b>   | <b>96</b>   | <b>100</b>  |

**Notes**

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

(2) The Government Affairs Department is responsible for development and promoting the RTA's federal, state, and local government affairs agenda for transit in the region.

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

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

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

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

Source: RTA HR records



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Chicago, IL 60604  
312 913 3200  
[rtachicago.org](http://rtachicago.org)

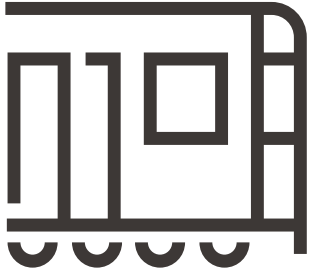
**APPENDIX C**

**SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS OF THE AUTHORITY  
AND THE SERVICE BOARDS FOR THE PERIOD ENDED DECEMBER 31, 2023**

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# Special Purpose Combining Financial Statements 2023 Report

Northeastern Illinois  
December 2023



**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS  
SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

**(See Independent Accountant's Compilation Report)**

**Prepared by:**

**Department of Finance, Innovation and Technology**

**Kevin Bueso, CFO  
Senior Deputy Executive Director**

**and**

**Controller Division**

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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175 W Jackson Blvd  
Suite 1550  
Chicago, IL 60604  
312 913 3200  
rtachicago.org

June 28, 2024

Board of Directors  
Regional Transportation Authority  
175 West Jackson Boulevard, Suite 1650  
Chicago, Illinois 60604

Dear Directors:

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, 2023. 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.

Sincerely,

Kevin Bueso  
CFO, Senior Deputy Executive Director  
Finance, Innovation and Technology  
Regional Transportation Authority



## Independent Accountant's Compilation Report

Board of Directors  
Regional Transportation Authority  
Chicago, Illinois

Management is responsible for the accompanying special-purpose financial statements combining the Regional Transportation Authority and Service Boards, which comprise the special-purpose combining statement of net position (deficit) as of December 31, 2023, and the related special-purpose combining statements of revenues and expenses and changes in net position (deficit), and special-purpose combining statement of cash flows for the year then ended, and the related notes to the special-purpose combining financial statements (collectively, the special-purpose combining financial statements), in accordance with the Regional Transportation Authority Act (RTA Act) and for determining that the requirements of the Act is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the accompanying special-purpose combining financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these special-purpose combining financial statements.

We draw attention to Note 1 of the special-purpose combining financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the Regional Transportation Authority Act (RTA Act), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit certain disclosures relating to the Regional Transportation Authority and Service Board's participation in pension and other postemployment benefit (OPEB) plans included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying supplementary information and statistical information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special-purpose combining financial statements. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information

*RSM US LLP*

Chicago, Illinois  
June 28, 2024



## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### SPECIAL-PURPOSE COMBINING STATEMENT OF NET POSITION (DEFICIT)

DECEMBER 31, 2023

(In Thousands)

|  | Service Boards       |                      |                     |                   | Combining   |                   | Total<br>Combined    |
|--|----------------------|----------------------|---------------------|-------------------|-------------|-------------------|----------------------|
|  | RTA                  | Chicago              | Commuter            | Suburban          | Adjustments |                   |                      |
|  | Government -<br>Wide | Transit<br>Authority | Rail<br>Division    | Bus<br>Division   | Debit       | Credit            |                      |
| <b>ASSETS:</b>   |                      |                      |                     |                   |             |                   |                      |
| <b>CURRENT ASSETS:</b>                                 |                      |                      |                     |                   |             |                   |                      |
| Cash and investments:                                  |                      |                      |                     |                   |             |                   |                      |
| Cash and cash equivalents                              | \$ 208,383           | \$ 136,326           | \$ -                | \$ -              | \$ -        | \$ -              | \$ 344,709           |
| Unrestricted - cash and cash equivalents               | -                    | 71,484               | 59,882              | 310,839           | -           | -                 | 442,205              |
| Restricted - cash and investments                      | 128,991              | -                    | 119,460             | 1,212             | -           | -                 | 249,663              |
| Unrestricted - investments                             | 331,001              | 20,511               | -                   | -                 | -           | -                 | 351,512              |
| Receivables:   |                      |                      |                     |                   |             |                   |                      |
| Intergovernmental receivables                          | 182,774              | -                    | -                   | -                 | -           | -                 | 182,774              |
| Grant projects   | -                    | -                    | 153,841             | 4,184             | -           | 3,485             | 154,540              |
| RTA financial assistance                               | -                    | 350,185              | 123,142             | 80,444            | -           | 348,870           | 204,901              |
| Other receivables                                      | -                    | 271,213              | 28,459              | 7,273             | -           | -                 | 306,945              |
| Accrued interest on investments                        | 660                  | -                    | -                   | -                 | -           | -                 | 660                  |
| Materials and supplies inventory                       | -                    | 22,459               | 36,555              | 13,206            | -           | -                 | 72,220               |
| Prepaid expenses and other assets                      | 4,372                | 7,251                | 15,404              | 3,422             | -           | -                 | 30,449               |
| Lease receivables                                      | 62                   | 3,350                | 713                 | -                 | -           | -                 | 4,125                |
| <b>Total current assets</b>                            | <b>856,243</b>       | <b>882,779</b>       | <b>537,456</b>      | <b>420,580</b>    | <b>-</b>    | <b>352,355</b>    | <b>2,344,703</b>     |
| Capital assets:  |                      |                      |                     |                   |             |                   |                      |
| Plant, property and equipment                          | 12,588               | 15,078,374           | 8,942,723           | 897,940           | -           | -                 | 24,931,625           |
| Capital projects in progress                           | -                    | 803,582              | 338,123             | 26,815            | -           | -                 | 1,168,520            |
| SBITA  | 2,406                | -                    | -                   | 5,440             | -           | -                 | 7,846                |
| Less accumulated depreciation                          | (10,017)             | (10,634,963)         | (5,865,528)         | (549,828)         | -           | -                 | (17,060,336)         |
| <b>Total capital assets</b>                            | <b>4,977</b>         | <b>5,246,993</b>     | <b>3,415,318</b>    | <b>380,367</b>    | <b>-</b>    | <b>-</b>          | <b>9,047,655</b>     |
| Other assets:  |                      |                      |                     |                   |             |                   |                      |
| Prepaid insurance bonds                                | 1,532                | 1,116                | -                   | -                 | -           | -                 | 2,648                |
| Lease receivables                                      | 43                   | 11,400               | 18,130              | -                 | -           | -                 | 29,573               |
| Long-term Investment                                   | -                    | -                    | 13,788              | -                 | -           | -                 | 13,788               |
| Right of use asset, net of accumulated amortization    | 10,217               | -                    | 107,356             | -                 | -           | -                 | 117,573              |
| Restricted cash and investments with Trustee           | -                    | 452,418              | -                   | -                 | -           | -                 | 452,418              |
| <b>Total other assets</b>                              | <b>11,792</b>        | <b>464,934</b>       | <b>139,274</b>      | <b>-</b>          | <b>-</b>    | <b>-</b>          | <b>616,000</b>       |
| <b>TOTAL ASSETS</b>                                    | <b>873,012</b>       | <b>6,594,706</b>     | <b>4,092,048</b>    | <b>800,947</b>    | <b>-</b>    | <b>352,355</b>    | <b>12,008,358</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                 |                      |                      |                     |                   |             |                   |                      |
| Deferred loss on refunding                             | 3,676                | 15,155               | -                   | -                 | -           | -                 | 18,831               |
| Pension related amounts                                | 12,491               | 384,803              | 82,504              | 56,081            | -           | -                 | 535,879              |
| OPEB related amounts                                   | 177                  | -                    | 11,069              | 1,391             | -           | -                 | 12,637               |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>            | <b>16,344</b>        | <b>399,958</b>       | <b>93,573</b>       | <b>57,472</b>     | <b>-</b>    | <b>-</b>          | <b>567,347</b>       |
| <b>Total assets and deferred outflows of resources</b> | <b>\$ 889,356</b>    | <b>\$ 6,994,664</b>  | <b>\$ 4,185,621</b> | <b>\$ 858,419</b> | <b>\$ -</b> | <b>\$ 352,355</b> | <b>\$ 12,575,705</b> |

(Continued)

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### SPECIAL-PURPOSE COMBINING STATEMENT OF NET POSITION (DEFICIT) (Continued)

DECEMBER 31, 2023

(In Thousands)

|   | Service Boards      |                           |                        |                       | Combining Adjustments |                     | Total Combined      |
|---|---------------------|---------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|
|   | RTA Government-Wide | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Debit                 | Credit              |                     |
|   |                     |                           |                        |                       |                       |                     |                     |
| <b>LIABILITIES:</b>                               |                     |                           |                        |                       |                       |                     |                     |
| <b>CURRENT LIABILITIES:</b>                       |                     |                           |                        |                       |                       |                     |                     |
| Accrued expenses                                  | \$ 244,777          | \$ 691,738                | \$ 191,064             | \$ 85,219             | \$ -                  | \$ -                | \$ 1,212,798        |
| Accrued interest payable                          | 20,005              | 21,249                    | -                      | -                     | -                     | -                   | 41,254              |
| Intergovernmental payables                        | 220,531             | -                         | -                      | -                     | 352,355               | -                   | (131,824)           |
| Unearned revenues                                 | -                   | -                         | 7,602                  | 6,269                 | -                     | -                   | 13,871              |
| Current portion of all long-term liabilities      | 2,174               | 253,356                   | -                      | 2,205                 | -                     | -                   | 257,735             |
| Total current liabilities                         | 487,487             | 966,343                   | 198,666                | 93,693                | 352,355               | -                   | 1,393,834           |
| <b>LONG-TERM LIABILITIES:</b>                     |                     |                           |                        |                       |                       |                     |                     |
| Long-term portion of general obligation bond, net | 1,118,594           | 6,924,336                 | 292,006                | 127,187               | -                     | -                   | 8,462,123           |
| Other long-term liabilities                       | 41,542              | 20                        | -                      | -                     | -                     | -                   | 41,562              |
| Total long-term liabilities                       | 1,160,136           | 6,924,356                 | 292,006                | 127,187               | -                     | -                   | 8,503,685           |
| <b>TOTAL LIABILITIES</b>                          | <b>1,647,623</b>    | <b>7,890,699</b>          | <b>490,672</b>         | <b>220,880</b>        | <b>352,355</b>        | <b>-</b>            | <b>9,897,519</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>             |                     |                           |                        |                       |                       |                     |                     |
| Deferred gain on refunding                        | 3,382               | -                         | -                      | -                     | -                     | -                   | 3,382               |
| Pension related amounts                           | 679                 | -                         | 3,710                  | 3,781                 | -                     | -                   | 8,170               |
| OPEB related amounts                              | 119                 | -                         | 17,671                 | 4,921                 | -                     | -                   | 22,711              |
| Leases  | 102                 | 14,750                    | 18,478                 | -                     | -                     | -                   | 33,330              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>        | <b>4,282</b>        | <b>14,750</b>             | <b>39,859</b>          | <b>8,702</b>          | <b>-</b>              | <b>-</b>            | <b>67,593</b>       |
| <b>NET POSITION (DEFICIT):</b>                    |                     |                           |                        |                       |                       |                     |                     |
| Net investment in capital assets                  | 2,476               | 2,176,505                 | 3,474,447              | 376,481               | -                     | -                   | 6,029,909           |
| Net position restricted for:                      |                     |                           |                        |                       |                       |                     |                     |
| Debt service and other obligations                | 109,067             | 62,393                    | -                      | 1,200                 | -                     | -                   | 172,660             |
| Unrestricted (deficit)                            | (874,092)           | (3,149,683)               | 180,643                | 251,156               | 2,559,495             | 2,559,495           | (3,591,976)         |
| <b>TOTAL NET POSITION (DEFICIT)</b>               | <b>\$ (762,549)</b> | <b>\$ (910,785)</b>       | <b>\$ 3,655,090</b>    | <b>\$ 628,837</b>     | <b>\$ 2,559,495</b>   | <b>\$ 2,559,495</b> | <b>\$ 2,610,593</b> |

(Concluded)

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### SPECIAL-PURPOSE COMBINING STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION (DEFICIT)

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

|  | Service Boards            |                           |                        |                       | Combining Adjustments |                  | Total Combined     |
|--|---------------------------|---------------------------|------------------------|-----------------------|-----------------------|------------------|--------------------|
|  | RTA Government-Wide Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Debit                 | Credit           |                    |
|  | <b>REVENUES:</b>          |                           |                        |                       |                       |                  |                    |
| Service Boards operating revenues            | \$ -                      | \$ 368,828                | \$ 214,044             | \$ 47,793             | \$ 4,603              | \$ -             | \$ 626,062         |
| Sales taxes                                  | 173,483                   | -                         | -                      | -                     | -                     | 1,631,328        | 1,804,811          |
| Interest on sales taxes                      | 3,224                     | -                         | -                      | -                     | -                     | -                | 3,224              |
| Public Transportation Fund                   | 313,128                   | -                         | -                      | -                     | 207,983               | -                | 105,145            |
| IDOT Capital Grant - PACE (ADA)              | 32,536                    | -                         | -                      | -                     | -                     | -                | 32,536             |
| Innovation, Coordination & Enhancement (ICE) | 16,598                    | -                         | -                      | -                     | -                     | -                | 16,598             |
| General state revenue                        | 497,271                   | -                         | -                      | -                     | -                     | -                | 497,271            |
| State assistance (ASA/AFA)                   | 117,369                   | -                         | -                      | -                     | -                     | -                | 117,369            |
| Investment income                            | 22,748                    | -                         | -                      | -                     | -                     | -                | 22,748             |
| Program revenues and others                  | 5,408                     | -                         | -                      | -                     | -                     | -                | 5,408              |
| <b>Total revenues</b>                        | <b>1,181,765</b>          | <b>368,828</b>            | <b>214,044</b>         | <b>47,793</b>         | <b>212,586</b>        | <b>1,631,328</b> | <b>3,231,172</b>   |
| <b>EXPENSES:</b>                             |                           |                           |                        |                       |                       |                  |                    |
| Operating expenses                           | -                         | 1,700,818                 | 911,755                | 504,804               | -                     | 4,603            | 3,112,774          |
| Depreciation and amortization                | -                         | 722,962                   | 241,529                | 59,132                | -                     | -                | 1,023,623          |
| Financial assistance to Service Boards       | 355,818                   | -                         | -                      | -                     | -                     | 355,818          | -                  |
| Capital grants—discretionary                 | -                         | -                         | -                      | -                     | -                     | -                | -                  |
| Capital grants—bonds                         | 518,058                   | -                         | -                      | -                     | -                     | 518,058          | -                  |
| IDOT Capital Grant - PACE (ADA)              | 12,949                    | -                         | -                      | -                     | -                     | 12,949           | -                  |
| Innovation, Coordination & Enhancement (ICE) | 16,598                    | -                         | -                      | -                     | -                     | 16,598           | -                  |
| Service board funding                        | 20,141                    | -                         | -                      | -                     | -                     | 20,141           | -                  |
| Insurance (JSIF)                             | 9,363                     | -                         | -                      | -                     | -                     | -                | 9,363              |
| Administrative expenses                      | 20,903                    | -                         | -                      | -                     | -                     | -                | 20,903             |
| Regional and technology expenses             | 21,616                    | -                         | -                      | -                     | -                     | -                | 21,616             |
| Interest expense                             | 57,798                    | -                         | -                      | -                     | -                     | -                | 57,798             |
| Miscellaneous                                | 62                        | -                         | -                      | -                     | -                     | -                | 62                 |
| <b>Total expenses</b>                        | <b>1,033,306</b>          | <b>2,423,780</b>          | <b>1,153,284</b>       | <b>563,936</b>        | <b>-</b>              | <b>928,167</b>   | <b>4,246,139</b>   |
| <b>OPERATING INCOME (LOSS)</b>               | <b>148,459</b>            | <b>(2,054,952)</b>        | <b>(939,240)</b>       | <b>(516,143)</b>      | <b>212,586</b>        | <b>2,559,495</b> | <b>(1,014,967)</b> |
| <b>NONOPERATING REVENUE (EXPENSE):</b>       |                           |                           |                        |                       |                       |                  |                    |
| RTA financial assistance                     | -                         | 1,058,386                 | 710,243                | 450,609               | 1,776,671             | -                | 442,567            |
| Interest expense on bond transactions        | -                         | (175,364)                 | -                      | -                     | -                     | -                | (175,364)          |
| Other public funding                         | -                         | 274,285                   | -                      | 2,628                 | -                     | -                | 276,913            |
| Capital grants                               | -                         | 957,532                   | 343,211                | 54,404                | 570,238               | -                | 784,909            |
| Investment income                            | -                         | 31,375                    | -                      | 14,950                | -                     | -                | 46,325             |
| <b>Total nonoperating revenue (expense)</b>  | <b>-</b>                  | <b>2,146,214</b>          | <b>1,053,454</b>       | <b>522,591</b>        | <b>2,346,909</b>      | <b>-</b>         | <b>1,375,350</b>   |
| <b>CHANGE IN NET POSITION</b>                | <b>148,459</b>            | <b>91,262</b>             | <b>114,214</b>         | <b>6,448</b>          | <b>2,559,495</b>      | <b>2,559,495</b> | <b>360,383</b>     |
| <b>NET POSITION (DEFICIT):</b>               |                           |                           |                        |                       |                       |                  |                    |
| Beginning of year                            | (911,008)                 | (1,002,047)               | 3,540,876              | 622,389               | -                     | -                | 2,250,210          |
| End of year                                  | \$ (762,549)              | \$ (910,785)              | \$ 3,655,090           | \$ 628,837            | \$ 2,559,495          | \$ 2,559,495     | \$ 2,610,593       |

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### SPECIAL-PURPOSE COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

|  | RTA Joint<br>Self-Insurance<br>Fund | Service Boards                  |                              |                             | Total<br>Combined |
|--|-------------------------------------|---------------------------------|------------------------------|-----------------------------|-------------------|
|  |                                     | Chicago<br>Transit<br>Authority | Commuter<br>Rail<br>Division | Suburban<br>Bus<br>Division |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                                     |                                 |                              |                             |                   |
| Fares received from passengers   | \$ -                                | \$ 330,486                      | \$ 206,043                   | \$ 43,233                   | \$ 579,762        |
| Payments to employees  | -                                   | (1,201,386)                     | (629,685)                    | (185,764)                   | (2,016,835)       |
| Payments to vendors  | (9,408)                             | (392,901)                       | (288,054)                    | (336,968)                   | (1,027,331)       |
| Other receipts and payments  | -                                   | 28,526                          | (25,586)                     | 10,874                      | 13,814            |
| Net cash used in operating activities  | (9,408)                             | (1,235,275)                     | (737,282)                    | (468,625)                   | (2,450,590)       |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |                                     |                                 |                              |                             |                   |
| Financial assistance—operating   | 10,474                              | 1,343,188                       | 708,512                      | 539,559                     | 2,601,733         |
| Net cash provided by noncapital financing activities   | 10,474                              | 1,343,188                       | 708,512                      | 539,559                     | 2,601,733         |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                 |                                     |                                 |                              |                             |                   |
| Repayment of Public Building Commission payable  | -                                   | (6,123)                         | -                            | -                           | (6,123)           |
| Financial assistance—grant projects  | -                                   | 949,660                         | 344,079                      | 46,307                      | 1,340,046         |
| Proceeds from issuance of bonds  | -                                   | -                               | -                            | -                           | -                 |
| Proceeds from line of credit - note purchase agreement   | -                                   | 60,000                          | -                            | -                           | 60,000            |
| Proceeds from issuance of Transportation Infrastructure Finance and Innovation Act (TIFIA) bonds | -                                   | 5,649                           | -                            | -                           | 5,649             |
| Interest expense on Bonds and Leases   | -                                   | (183,573)                       | -                            | (125)                       | (183,698)         |
| Repayment of bonds and lease payable   | -                                   | (131,085)                       | -                            | (2,150)                     | (133,235)         |
| Repayment of line of credit - not purchase agreement   | -                                   | (3,800)                         | -                            | -                           | (3,800)           |
| Repayment of Transportation Infrastructure Finance and Innovation Act (TIFIA) bonds              | -                                   | (1,721)                         | -                            | -                           | (1,721)           |
| Repayment of other long-term liabilities   | -                                   | (12,497)                        | -                            | -                           | (12,497)          |
| Payments for capital acquisition   | -                                   | (881,514)                       | (414,546)                    | (59,938)                    | (1,355,998)       |
| Build America Bond subsidy   | -                                   | 9,538                           | -                            | -                           | 9,538             |
| Proceeds from the sale of property and equipment   | -                                   | 1,304                           | -                            | -                           | 1,304             |
| Net cash provided by (used in) capital and related financing activities                          | -                                   | (194,162)                       | (70,467)                     | (15,906)                    | (280,535)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                                     |                                 |                              |                             |                   |
| Investment income  | 580                                 | 31,375                          | 467,048                      | 15,157                      | 514,160           |
| Sales and purchases of investments, net  | (8,696)                             | 94,295                          | (374,378)                    | -                           | (288,779)         |
| Net cash provided by (used in) investing activities  | (8,116)                             | 125,670                         | 92,670                       | 15,157                      | 225,381           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                      |                                     |                                 |                              |                             |                   |
|  | (7,050)                             | 39,421                          | (6,567)                      | 70,185                      | 95,989            |
| CASH AND CASH EQUIVALENTS—Beginning of year  | 7,412                               | 168,389                         | 66,449                       | 241,866                     | 484,116           |
| CASH AND CASH EQUIVALENTS—End of year  | \$ 362                              | \$ 207,810                      | \$ 59,882                    | \$ 312,051                  | \$ 580,105        |
| <b>RECONCILIATION OF OPERATING ACTIVITIES:</b>   |                                     |                                 |                              |                             |                   |
| Net loss from operations   | \$ (9,363)                          | \$ (2,054,952)                  | \$ (939,240)                 | \$ (516,144)                | \$ (3,519,699)    |
| Adjustments to reconcile operating loss to net cash flows from operating activities:             |                                     |                                 |                              |                             |                   |
| Depreciation   | -                                   | 722,962                         | 241,529                      | 59,132                      | 1,023,623         |
| Changes in current assets and liabilities  | (45)                                | 96,715                          | (39,571)                     | (11,613)                    | 45,486            |
| NET CASH USED IN OPERATING ACTIVITIES  | \$ (9,408)                          | \$ (1,235,275)                  | \$ (737,282)                 | \$ (468,625)                | \$ (2,450,590)    |
| <b>NONCASH INVESTING AND FINANCING ACTIVITIES:</b>   |                                     |                                 |                              |                             |                   |
| Retirement of fully depreciated capital assets   | \$ -                                | \$ 49,137                       | \$ -                         | \$ -                        | \$ 49,137         |
| Purchases of capital assets in accounts payable at year-end                                      | -                                   | 137,717                         | -                            | 4,141                       | 141,858           |
| Unbilled work in progress  | -                                   | 350,185                         | -                            | -                           | 350,185           |
| RTA operating assistance not received  | -                                   | 218,704                         | -                            | -                           | 218,704           |
| NET NONCASH INVESTING AND FINANCING ACTIVITIES   | \$ -                                | \$ 755,743                      | \$ -                         | \$ 4,141                    | \$ 759,884        |

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

(See Independent Accountant's Compilation Report)

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#### NOTE 1. PRESCRIBED BASIS FOR REPORTING

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. These financial statements combine the assets, liabilities, net position, revenues and expenses of the RTA and the Service Boards (CTA, Metra and PACE). The special purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America (GAAP) primarily due to a different entity perspective 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 are prepared in accordance with GAAP and include all required footnote disclosures.

Inter-agency receivables, payables, revenues, and expenses have generally 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 position.

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.

#### NOTE 2. ORGANIZATIONAL STRUCTURE

##### **RTA**

The Regional Transportation Authority (RTA or Authority) was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois 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.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 2. ORGANIZATIONAL STRUCTURE (Continued)

##### **CTA**

The Chicago Transit Authority (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 City Council of the City of Chicago has granted the CTA the exclusive right to operate a transportation system for the transportation of passengers 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 Regional Transportation Authority Act, as amended effective November 9, 1983, established a Suburban Bus Division Board empowered to operate bus service serving suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry and Will.

On July 29, 2005, the governor signed House Bill 1663 making Pace Suburban Bus the sole provider of all ADA (Americans with Disabilities Act) services in the City of Chicago and the surrounding six counties. The Bill states that Pace becomes the official operator of CTA's ADA services on July 1, 2006.

The Suburban Bus Board determines the level, nature and kind of public bus transportation services that should be provided in the suburban region. Independent operations of the Suburban Bus Division (Pace) commenced July 1, 1984, and after June 30, 2006 for ADA service in the entire RTA region. In January 2008, Public Act 95-0708 was passed which addressed the financial crisis for transit and provided additional funding for both Suburban and ADA services.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 2. ORGANIZATIONAL STRUCTURE (Continued)

Pace operates suburban bus services in Northeastern Illinois using rolling stock and structures and equipment purchased through capital grants funded by the Federal Transit Administration (FTA), the Illinois Department of Transportation (IDOT), the Regional Transportation Authority (RTA) and Pace's own funds.

#### *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, 2023 year-end.

#### NOTE 3. REPORTING ENTITY

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's (GASB) Statement No. 14 (Statement No. 14), *The Financial Reporting Entity* and GASB Statement No. 61 (Statement No. 61), *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

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

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

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

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

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

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 3. REPORTING ENTITY (Continued)

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

- The Service Boards maintain separate management, exercise control over all operations (including the fare structures), and are accountable for fiscal matters, including ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.
- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA.
- The Illinois statutes require the RTA Board to approve the budgets of the Service Boards to determine 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.

Based on these factors and applying the aforementioned criteria used to determine financial accountability, management of the RTA does not consider the Service Boards to be component units and, accordingly, the financial data of the Service Boards have been excluded from the RTA reporting entity. 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."

#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant policies:

**Basis of Accounting**—The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues if collected by the retailers by year-end. Grants and similar items are recognized as revenues when qualifying expenditures have been incurred and as soon as all eligibility requirements imposed by the grantors have been met. Prepaid expenses are recorded using the consumption method.

**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 which reasonably approximates fair market value.

For purposes of the combining statement 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 combining statement of net position (deficit).

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Materials and Supplies Inventory*—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.

*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.

*Deferred Outflows of Resources and Deferred Inflows of Resources*—are a consumption (outflow) or acquisition (inflow) of net position by the government that are applicable to a future reporting period. Deferred outflows and (inflows) of resources relate to pension and OPEB amounts as well as gains and losses on debt refunding. In addition, deferred inflows of resources related to long-term leases where the organizations are the lessor.

*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.

*Leases*—All of the entities, in one form or another have lease agreements for which they may be a lessee as well as a lessor. The entities are a lessee because they lease assets from other entities. As a lessee, the entities report right of use assets and corresponding lease liabilities in the government-wide financial statements. The entities are a lessor because they may sublease assets to another entity. As a lessor, the entities report a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. Key estimates and judgments related to the lease agreements include defining the lease term, valuing the fixed lease payments and determining the discount rate associated with the agreement. The entities estimated each based on the facts and circumstances associated with each agreement at the time of inception.

*Revenues*—The Combined Entities have five principal sources of revenue: (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.

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The RTA Sales Tax is collected by the Illinois Department of Revenue (the Department of Revenue), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller. Effective July 1, 2018, the State reduced the permanent administrative surcharge on RTA sales tax receipts to 1.5%, which was imposed July 1, 2017 at 2%. Through December 2023, the reduced amount of sales tax provided to the RTA and Service Boards was approximately \$21 million.

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

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.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant’s Compilation Report)**

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**NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

Effective April 1, 2008, the RETT in the City of Chicago was increased by 40% (i.e. for every \$500 in sales price and additional \$1.50 in tax is collected).

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

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

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

*Reduced Fare Reimbursement*—In the State's fiscal year 2023, which ends June 30, 2023, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation (IDOT) is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the State fiscal year ended June 30, 2023, the grant was in the amount of \$17.6 million.

*Additional State Assistance/Additional Financial Assistance*—The State has authorized Additional State Assistance (ASA) which is supplemental financing for the RTA's Strategic Capital Improvement Program (SCIP) bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP I bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP I bonds, less interest earned on the unspent bond proceeds, or (ii) \$55 million per year. The RTA recognized \$22 million of ASA in 2023.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance (AFA) to pay for debt service requirements for SCIP II bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) \$100 million in the State's fiscal years 2023 and 2024, per year. The RTA recognized \$95 million of AFA in 2023.

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

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to \$31.9 million for the year ended December 31, 2023.

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

**Cash Flows**—For purposes of the statement of cash flows for proprietary funds, the RTA considers all short-term securities with original maturities of three months or less to be cash equivalents. Cash and cash equivalents aggregated \$361 thousand at December 31, 2023 and are included in cash and cash equivalents under business-type activities on the accompanying statement of net position (deficit).

**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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates reported.

**New Accounting Pronouncements**—During fiscal year 2023, the RTA adopted the following GASB Statements:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, will be effective for the RTA with its year ending December 31, 2023. This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement will improve financial reporting by establishing a definition for a SBITA and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. See Note 8 for impact related to GASB 96 implementation.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the RTA with its year ending December 31, 2023. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The adoption of this statement did not have a material impact on the financial statements for the RTA.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the RTA with its year ending December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infra-structure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this statement did not have a material impact on the financial statements for the RTA.

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

GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement were effective on different timelines as requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance, requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent,

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

GASB Statement No. 101, *Compensated Absences*, will be effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The primary objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103 *Financial Reporting Model Improvements*. Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

#### NOTE 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 RTA General Fund and the Sales Tax Agency Fund.

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 5. BUDGET AND BUDGETARY ACCOUNTING (Continued)

Although appropriations are adopted for individual line items, the legal level of control (i.e., the level at which appropriation transfers or expenditures in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenditures and total administration appropriations/expenditures. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenditures and the total administration appropriations/expenditures. It had previously been the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, this policy was rescinded by ordinance 2015-55, which also rescinded the provision of the RTA funding

policy adopted by Ordinance 98-15 that required the RTA annual budget and two-year financial plan to show a year-end unassigned fund balance equal to 5% of RTA operating expenditures by no later than the end of the three-year planning period. The Service Boards now maintain their own fund balance and reserve plans.

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

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

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

In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022, and 2023 due to the ongoing pandemic. Per Public Act 102-0678, the aggregate of all projected fare revenues from such fares and charges received in fiscal years 2021, 2022, and 2023 may be less than 50% of the aggregate costs of providing such public transportation in those fiscal years.

#### NOTE 6. PUBLIC BUILDING COMMISSION PAYABLE

##### CTA

**Public Building Commission:** In 2003, the 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 used by 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.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 6. PUBLIC BUILDING COMMISSION PAYABLE (Continued)

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 an 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 annual debt service payments over 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. The remaining unamortized portion \$95 thousand are recorded as deferred outflows of resources in the accompanying Statements of Net Position as of December 31, 2022. There was no remaining unamortized portion as of December 31, 2023.

The bonds are payable from and secured by the agreement entered between the Commission and the CTA and are considered a general obligation of the CTA payable from any lawfully available funds. The bond premium related to this transaction is presented as such on the Statements of Net Position (Deficit). The present value of the future payments to be made by the CTA under the agreement of approximately \$48.2 million and \$51.7 million is reflected in the accompanying December 31, 2023, and 2022 Statements of Net Position, respectively, as a liability.

**Principal and interest requirements to maturity:** As of December 31, 2023, future principal, and interest payments for the PBC payable are as follows (in thousands of dollars):

| <b>Year Ending<br/>December 31,</b> | <b>Principal</b> | <b>Interest</b>  |
|-------------------------------------|------------------|------------------|
| 2024                                | \$ 3,760         | \$ 2,429         |
| 2025                                | 3,960            | 2,227            |
| 2026                                | 4,175            | 2,013            |
| 2027                                | 4,400            | 1,788            |
| 2028                                | 4,635            | 1,551            |
| 2029-2033                           | 27,220           | 3,722            |
|                                     | <u>\$ 48,150</u> | <u>\$ 13,730</u> |

#### NOTE 7. LEASES

##### **Metra**

**Leases**—Metra on January 1, 2022, implemented GASB Statement No. 87, *Leases*. This change in accounting principle requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

**NOTE 7. LEASES (Continued)**

**As Lessor**—Metra leases space in its 547 building and locations throughout the Milwaukee, Metra Electric, Rock Island, and South West Service districts, which are managed by the Real Estate department. These leases have terms between 1 and 89 years with payments required monthly, quarterly, semi-annually and annually. In addition to these payments, Metra also received variable payments for common area maintenance associated with the spaces of \$21.1 thousand, as of December 31, 2023, that are not included in the measurement of lease receivable.

The total amount of inflows of recognized for year ended December 31, 2023 is as follows (in thousands of dollars):

|                 | <u>Inflows</u> |
|-----------------|----------------|
| Lease revenue   | \$ 1,171       |
| Interest income | 259            |
| Other variable  | 21             |

**As Lessee** – Metra leases facilities, equipment, and storage spaces from others. These leases have terms between 5 years and 40 years. Metra records a right-of-use lease asset and lease liability based on the present value of the expected payments over the lease term. The expected payments are discounted using an estimated incremental borrowing rate. The incremental borrowing rate is simply an estimate of the rate charged for borrowing the lease payment amounts during the lease term.

As of December 31, 2023, the total amount of right-of-use lease asset by major class, and the related accumulated amortization, disclosed separately from other capital assets is as follows:

| <u>(in thousands)</u>                  | <u>Beginning</u><br><u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u><br><u>Balance</u> |
|--|------------------------------------|------------------|-------------------|---------------------------------|
| Lease assets being amortized:          |                                    |                  |                   |                                 |
| Lease-real estate                      | \$ 9,830                           | \$ 98,684        | \$ -              | \$ 108,514                      |
| Lease-equipment (license)              | 977                                | 81               | -                 | 1,058                           |
| Lease-storage                          | 159                                | 9                | -                 | 168                             |
| Total leased assets being amortized    | <u>10,966</u>                      | <u>98,774</u>    | <u>-</u>          | <u>109,740</u>                  |
| Lease accumulated amortization:        |                                    |                  |                   |                                 |
| Lease-real estate                      | (1,254)                            | (10,507)         | -                 | (11,761)                        |
| Lease-equipment (license)              | (132)                              | (153)            | -                 | (285)                           |
| Lease-storage                          | (32)                               | (36)             | -                 | (68)                            |
| Total leased assets being amortized    | <u>(1,418)</u>                     | <u>(10,696)</u>  | <u>-</u>          | <u>(12,114)</u>                 |
| Total, net of accumulated amortization | <u>\$ 9,548</u>                    | <u>\$ 88,078</u> | <u>\$ -</u>       | <u>\$ 97,626</u>                |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

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**NOTE 7. LEASES (Continued)**

The real estate right to use assets above are leased from various lessors in Chicago, Arlington Heights, Homewood and Hayford, Illinois.

As of December 31, 2023, the principal and interest requirements to maturity for the lease liability are as follows (in thousands of dollars):

| <b>Year Ending<br/>December 31,</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|-------------------------------------|-------------------|------------------|-------------------|
| 2024                                | \$ 7,279          | \$ 3,572         | \$ 10,851         |
| 2025                                | 8,036             | 3,318            | 11,354            |
| 2026                                | 8,748             | 3,031            | 11,779            |
| 2027                                | 8,703             | 1,227            | 9,930             |
| 2028                                | 9,416             | 1,065            | 10,481            |
| 2029-2032                           | 57,627            | 2,434            | 60,061            |
| 2033-2038                           | 1,396             | 190              | 1,586             |
| 2039-2042                           | 1,235             | 36               | 1,271             |
| Total                               | <u>\$ 102,440</u> | <u>\$ 14,873</u> | <u>\$ 117,313</u> |

**RTA  
LESSOR**

The RTA as a sublessor, leases building space under long-term agreements to the Board of Elections Commissioners for the City of Chicago. The term of this lease commenced on January 1, 2016, and ends on August 31, 2025. The adoption of GASB Statement No. 87 standard resulted in the recognition of a lease receivable and corresponding deferred inflow of resources.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 7. LEASES (Continued)

The RTA's lease receivable is measured at the present value of future fixed lease payments expected to be received under the long-term lease agreements discounted using the RTA's incremental borrowing rate as of the implementation date. At the initiation of the lease, the deferred inflow of resources is recorded at an amount equal to the initial recording of the lease receivable and is amortized on a straight-line basis over the lease term.

On December 31, 2023, the RTA has recorded a lease receivable of \$105 thousand. On December 31, 2023 the RTA has recorded a deferred inflow of resources related to leases of \$102 thousand. In fiscal year 2023, the RTA recognized \$61 thousand of lease revenue and \$3 thousand of interest income from the lease.

#### LESSEE

The RTA entered into two long-term leases of buildings 175 Jackson L.L.C. and the County of Cook. The term of lease for 175 Jackson L.L.C. commenced on November 15, 2001, and ends on November 1, 2029. The term of lease for the County of Cook begins on September 1, 2013, and terminates on August 31, 2029, which includes five years option to extend the term of this lease. The adoption of this standard resulted in the recognition of lease liabilities and intangible right-to-use lease assets. No debt has been issued that is secured by these lease payments.

The RTA measured the lease liabilities as the present value of payments expected to be made under the long-term lease agreements discounted using the RTA's incremental borrowing rate as of the implementation date. Subsequently, the lease assets are amortized on a straight-line basis over the lease terms.

On December 31, 2023, the RTA has the net of the right to use assets in the amount of \$10 thousand and lease liabilities in the amount of \$11 thousand. 175 Jackson L.L.C Lease payments are composed of fixed payments and variable payments. The fixed payments contain only the base rent fees and reduce the liability. The variable payments are taxes and operating expenses. In 2023, the tax recovery payment was \$88 thousand and operating expense was \$35 thousand, these amounts were reported as expenditures as incurred.

A summary of the leased asset activity for the year ended December 31, 2023 is as follows (in thousands):

| <u>Leased Assets</u>                            | <u>Amount</u>    |
|---|------------------|
| Right to use assets - buildings                 | \$ 13,724        |
| Accumulated amortization:                       |                  |
| Amortization on right to use assets - buildings | <u>3,507</u>     |
| Total leased assets, net                        | <u>\$ 10,217</u> |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

**NOTE 7. LEASES (Continued)**

A summary of changes in the lease payables during the year ended December 31, 2023 is as follows (in thousands):

|                 | <b>January 1,<br/>2023</b> | <b>New<br/>Issues</b> | <b>Current<br/>Retirements</b> | <b>December 31,<br/>2023</b> | <b>Due Within<br/>One Year</b> |
|-----------------|----------------------------|-----------------------|--------------------------------|------------------------------|--------------------------------|
| Leases payable* | \$ 12,168                  | \$ -                  | \$ 1,595                       | \$ 10,573                    | \$ 1,657                       |

\*The lease payables balances was restated as of January 1, 2022 for the implementation of GASB Statement No. 87, *Leases*.

Future annual lease payments are as follows (in thousands):

| <b>Fiscal Year</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
|--------------------|------------------|-----------------|------------------|
| 2024               | \$ 1,657         | \$ 159          | \$ 1,816         |
| 2025               | 1,720            | 132             | 1,852            |
| 2026               | 1,785            | 103             | 1,888            |
| 2027               | 1,852            | 74              | 1,926            |
| 2028               | 1,921            | 43              | 1,964            |
| 2029               | 1,638            | 12              | 1,650            |
| Total              | <u>\$ 10,573</u> | <u>\$ 523</u>   | <u>\$ 11,096</u> |

***Pace***

Pace entered into lease agreements for the use of building and radio tower space. These agreements are considered leases for accounting purposes under GASB Statement No. 87, *Leases*. In a restatement relating to the implementation of GASB Statement No. 87 "Leases", a right to use building lease asset and lease obligation was recorded for the leases below in fiscal year 2023. There was no stated interest rate in any of the lease agreements so an implicit interest rate of 3.0% was used for all of the leases.

| <b>Lessor</b>                    | <b>Description of<br/>Right to Use Asset</b> | <b>Start Date</b> | <b>End Date</b> | <b>Initial<br/>Liability</b> | <b>Lease<br/>Liability at<br/>12/31/2023</b> |
|----------------------------------|--|-------------------|-----------------|------------------------------|--|
| Evoque Data Center Solutions*    | Data Center                                  | 6/1/2019          | 6/1/2024        | \$ 137                       | \$ 70  |
| Chicago Tower Leasing Corp.      | Radio Tower                                  | 9/1/2020          | 9/1/2032        | 63                           | 55   |
| Crown Castle International Corp. | Radio Tower                                  | 6/1/2020          | 6/1/2032        | 107                          | 92   |
| HMC CHP 76 Lively, LLC           | Graphics Office                              | 3/1/2020          | 3/1/2026        | 376                          | 213  |
|                                  |  |                   |                 | <u>\$ 683</u>                | <u>\$ 430</u>                                |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

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**NOTE 7. LEASES (Continued)**

Lease liability outstanding as of December 31, 2023 is as follows:

|                 | <b>Beginning<br/>Balance</b> |    | <b>Principal Payments<br/>Payments</b> |    | <b>Ending<br/>Balance</b> |    | <b>Due Within<br/>One Year</b> |
|-----------------|------------------------------|----|--|----|---------------------------|----|--------------------------------|
| Lease liability | \$ 596                       | \$ | 166                                    | \$ | 430                       | \$ | 177                            |

The annual lease liability payment schedule is as follows:

| <b>Fiscal Year</b> | <b>Principal</b> |    | <b>Interest</b> |    | <b>Total</b> |
|--------------------|------------------|----|-----------------|----|--------------|
| 2024               | \$ 178           | \$ | 13              | \$ | 191          |
| 2025               | 115              |    | 8               |    | 123          |
| 2026               | 33               |    | 4               |    | 37           |
| 2027               | 16               |    | 3               |    | 19           |
| 2028               | 17               |    | 3               |    | 20           |
| 2029               | 19               |    | 2               |    | 21           |
| 2030               | 20               |    | 2               |    | 22           |
| 2031               | 21               |    | 1               |    | 22           |
| 2032               | 11               |    | -               |    | 11           |
|                    | <u>\$ 430</u>    | \$ | <u>36</u>       | \$ | <u>466</u>   |

**NOTE 8. 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**

Litigation: 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 management of the CTA that resolution of these matters will not have a material adverse impact on the CTA's financial statements.

Defeased Debt: On October 26, 2006, the PBC issued Building Refunding Revenue Bonds for the benefit of the CTA for \$91.3 million. The proceeds of the bonds were used to advance refund the Public Building Commission of Chicago, Series 2003 bonds. The defeased debt had a balance of zero as of December 31, 2023.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

##### 2019 Line of Credit

On July 12, 2019, the Chicago Transit Authority entered into a Note Purchase Agreement (NPA) with PNC Bank, National Association in a not-to-exceed amount of \$150 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the LIBOR rate. The Notes had an initial commitment expiration date of July 11, 2022. This line of credit was replaced with an NPA with Wells Fargo, National Association.

This line of credit contains a provision that in the event of default the obligation is to become immediately due and payable in full as the result of acceleration as defined in the Events of Default section.

No principal was outstanding on the Notes as of December 31, 2023.

##### 2021 Line of Credit

On September 24, 2021, the Chicago Transit Authority entered into a Note Purchase Agreement (NPA) with JP Morgan Chase Bank, National Association in a not-to-exceed amount of \$150 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the LIBOR rate. The Notes have an initial commitment expiration date of September 24, 2026. This line of credit replaced the Authority's prior line of credit with Bank of America, National Association, which expired on September 30, 2021.

This line of credit contains a provision that in the event of default the obligation is to become immediately due and payable in full as the result of acceleration as defined in the Events of Default section.

The principal of outstanding Notes was \$66.6 million as of December 31, 2023. The unused 2021 line of credit was \$83.4 million as of December 31, 2023.

##### 2022 Line of Credit

On July 8, 2022, the Chicago Transit Authority entered into a Note Purchase Agreement (NPA) with Wells Fargo, National Association in a not-to-exceed amount of \$150 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the LIBOR rate. The Notes have an initial commitment expiration date of July 8, 2025. This line of credit replaced the Authority's prior line of credit with PNC Bank, National Association, which expired on July 11, 2022.

This line of credit contains a provision that in the event of default the obligation is to become immediately due and payable in full as the result of acceleration as defined in the Events of Default section.

The principal of outstanding Notes was \$88.5 million as of December 31, 2023. The unused 2022 line of credit was \$61.5 million as of December 31, 2023.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

##### **Metra**

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.

Union Pacific (UP) Litigation – Metra and the UP have filed legal actions against each other related to the UP's obligation to provide commuter rail service. While the filings are being litigated, negotiations continue regarding the transfer of commuter services, activities and assets that Metra currently contracts with the UP under the PSA. The outcome of the legal actions and the negotiations are currently unknown along with any potential financial impacts.

Grants: On December 31, 2023, Metra had \$465.2 million in contractual commitments to be funded through grant funding; this amount has not been spent.

Chicago Region Environmental and Transportation Efficiency Program (CREATE)—The CREATE program is a public-private partnership between the rail industry and all levels of government to increase and improve efficiency, capacity, and safety within Chicago's railroad network. In 2019, Metra has partnered with U.S. Department of Transportation, the State of Illinois, City of Chicago, Amtrak, and national freight railroads through CREATE and committed \$23 million. In 2023, Metra spent \$2.7 million for the CREATE capital project.

**Chicago Union Station (CUS)**—Metra entered into a project with Amtrak in 2019 to address the capacity limitations at CUS during peak travel times. Metra has committed to contribute \$3.0 million in capital contributions, \$10.0 million for station and rail infrastructure operations under this project.

Subscription-based information technology arrangements (SBITAs) - On January 1, 2023, Metra implemented GASB statement No. 96, *Subscription-Based Information Technology Arrangements*. This change in accounting principle requires recognition of certain subscription assets and liabilities for subscriptions that previously were classified as operating subscriptions and recognized as outflows of resources based on the payment provisions of the contract. Under this statement, a borrower is required to recognize subscription liability and an intangible subscription asset.

Metra borrows Subscription-Based Information Technology Arrangements (SBITAs) from others. These SBITA's have terms between 2 years and 10 years. Metra records a subscription asset and subscription liability based on the present value of the expected payments over the subscription term. The expected payments are discounted using an estimated incremental borrowing rate. The incremental borrowing rate is simply an estimate of the rate charged for borrowing the subscription payment amounts during the subscription term.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

#### NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

As of December 31, 2023, the total amount of subscriptions assets, and the related accumulated amortization, disclosed separately from other capital assets is as follows (in thousands):

|  | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> |
|--|------------------------------|------------------|-------------------|---------------------------|
| Subscription assets being amortized:   |                              |                  |                   |                           |
| Subscriptions                          | \$ 3,752                     | \$ 8,434         | \$ -              | \$ 12,186                 |
| Less accumulated amortization:         |                              |                  |                   |                           |
| Subscriptions                          | -                            | (2,456)          | -                 | (2,456)                   |
| Total, net of accumulated amortization | <u>\$ 3,752</u>              | <u>\$ 5,978</u>  | <u>\$ -</u>       | <u>\$ 9,730</u>           |

As of December 31, 2023, the principal and interest requirements to maturity for the SBITA liability are as follows (in thousands):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|--------------------|------------------|-----------------|------------------|
| 2024               | \$ 3,700         | \$ 339          | \$ 4,039         |
| 2025               | 3,166            | 216             | 3,382            |
| 2026               | 2,576            | 39              | 2,615            |
| 2027               | 259              | 10              | 269              |
| 2028               | 154              | -               | 154              |
| Total              | <u>\$ 9,855</u>  | <u>\$ 604</u>   | <u>\$ 10,459</u> |

#### **Pace**

Agreements with Pace's paratransit public funded carriers generally provide that Pace will reimburse the lesser of the approved budget, \$3.25 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.

Grant agreements with Pace's public contract carriers 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

Awards (Uniform Guidance) for which a separate report is issued.

On February 24, 2015, Pace issued \$12 million in Special Revenue Bonds through a competitive bid process utilizing the Illinois Finance Authority's direct bank placement program. The bond proceeds are used to finance the conversion of South Division in Markham into a compressed natural gas facility.

These revenue bonds are not general obligations of Pace and must be repaid with Pace operating revenue in equal annual principal payments.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant’s Compilation Report)**

**NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)**

State statute limits the amount of debt Pace is allowed and specifies projects for each bond issuance. Specifically, only four specific projects are allowed, with a total limit of \$100 million. The bond issued in 2015 comprises the total bonding authority for one of the four projects.

A requirement of the bond covenant is that Pace deposit \$1.2 million into a reserve account. In addition, Pace is required to make a monthly deposit that represents one-twelfth of the annual principal payment and one-sixth of the semiannual interest payment into a debt service account held at the bond depository bank. Semi-annual interest payments began on June 15, 2015 and continued semi-annually each June and December going forward. The annual principal payment was made on December 17, 2018. Revenue bonds currently outstanding as of year ended December 31, 2023 are as follows (in thousands of dollars):

| <b>Bond Issuance</b>  | <b>Fund Debt Retired By</b> | <b>Beginning Balance</b> | <b>Issuances</b> | <b>Retirements</b> | <b>Ending Balance</b> | <b>Due in One Year</b> |
|---|-----------------------------|--------------------------|------------------|--------------------|-----------------------|------------------------|
| Taxable Revenue Bond Series of 2015, the South cook compressed Natural Gas facility project, authorized issue of \$12 million, due in annual installments of \$1.2 million, interest payable June 15 and December 15 at rates ranging from 1.40% to 3.50% through December 15, 2024 | Suburban Services           | \$ 2,400                 | \$ -             | \$ 1,200           | \$ 1,200              | \$ 1,200               |

Annual requirements to amortize all debt outstanding as of December 31, 2023 are as follows (in thousands of dollars):

| <b>Fiscal Year</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|--------------------|------------------|-----------------|--------------|
| 2024               | \$ 1,200         | \$ 42           | \$ 1,242     |

**Pledged Revenues** – Pace has pledged future portions of the Suburban Service Fund’s operating revenue to repay the Special Revenue Bonds Series 2015 bonds. Proceeds from the bonds provided financing to convert the South Division location into a compressed natural gas facility. The bonds are payable from 2015 through years ended 2024. If the pledged revenues from these sources are insufficient to provide for the principal and interest payments on the bonds, a debt service reserve fund would be used to make the payments. Annual principal and interest payments on the bonds are expected to require less than 2.7% of the operating revenue. The total principal and interest remaining to be paid on the bonds is \$1.3 million. Principal and interest paid for the current year is \$1.3 million, and the Suburban Service Funds’ operating revenue for the current year is \$36.7 million.

**RTA**

From time to time, the RTA may be involved in various litigation matters for which any claims are generally covered by insurance. In the opinion of management, there are no current or pending litigation matters which would have a material adverse effect on the financial position or changes in financial position of the RTA.

The RTA has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

#### NOTE 9. 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, 2023, \$1.388 billion of cash and investments (excludes CTA bond proceeds held by Trustee). Of this amount, \$250 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects.

#### NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE

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

|                          | January 1,<br>2023 | New<br>Issues | Current<br>Retirements | December 31,<br>2023 | Due Within<br>One Year |
|--------------------------|--------------------|---------------|------------------------|----------------------|------------------------|
| 1997 Refunding           | \$ 3,550           | \$ -          | \$ 3,550               | \$ -                 | \$ -                   |
| 1999* Refunding          | 39,155             | -             | 16,975                 | 22,180               | 17,960                 |
| 2000A*                   | 119,690            | -             | 11,975                 | 107,715              | 12,725                 |
| 2001A*                   | 48,200             | -             | 4,255                  | 43,945               | 4,495                  |
| 2001B* Refunding         | 3,775              | -             | 3,775                  | -                    | -                      |
| 2002A*                   | 84,040             | -             | 6,440                  | 77,600               | 6,815                  |
| 2003A*                   | 145,600            | -             | 10,095                 | 135,505              | 10,650                 |
| 2003B                    | 83,965             | -             | 5,790                  | 78,175               | 6,100                  |
| 2004A*                   | 154,420            | -             | 9,485                  | 144,935              | 9,995                  |
| 2005B Refunding          | 40,100             | -             | 14,615                 | 25,485               | 15,380                 |
| 2010B                    | 112,925            | -             | 6,885                  | 106,040              | 7,140                  |
| 2016A                    | 85,610             | -             | 1,950                  | 83,660               | 2,050                  |
| 2017A                    | 158,180            | -             | 10,145                 | 148,035              | 17,025                 |
| 2018B                    | 130,080            | -             | 2,545                  | 127,535              | 2,675                  |
| 2021A Refunding          | 86,445             | -             | 2,850                  | 83,595               | 2,935                  |
| Subtotal                 | 1,295,735          | -             | 111,330                | 1,184,405            | 115,945                |
| Unamortized bond premium | 57,749             | -             | 7,615                  | 50,134               | -                      |
| Total                    | \$ 1,353,484       | \$ -          | \$ 118,945             | \$ 1,234,539         | \$ 115,945             |

\* Strategic Capital Improvement Program (SCIP) Bonds

On December 31, 2023, the total general obligation bonds, notes payable and premiums of \$1.2 billion are classified as current and long-term in the Statement of Net Position (Deficit) in the amounts of \$116 million and \$1.1 billion, respectively.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED DECEMBER 31, 2023  
 (See Independent Accountant's Compilation Report)

NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

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

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

| Year Ending<br>December 31 | Debt Service Requirements |            |              |
|----------------------------|---------------------------|------------|--------------|
|                            | Principal                 | Interest   | Total        |
| 2024                       | \$ 115,945                | \$ 60,828  | \$ 176,773   |
| 2025                       | 101,490                   | 55,192     | 156,682      |
| 2026                       | 91,960                    | 50,072     | 142,032      |
| 2027                       | 97,050                    | 44,899     | 141,949      |
| 2028                       | 102,465                   | 39,403     | 141,868      |
| 2029-2033                  | 401,300                   | 116,882    | 518,182      |
| 2034-2038                  | 136,685                   | 37,703     | 174,388      |
| 2039-2043                  | 78,010                    | 19,207     | 97,217       |
| 2044-2048                  | 59,500                    | 4,999      | 64,499       |
| Total                      | \$ 1,184,405              | \$ 429,185 | \$ 1,613,590 |

All amounts in the individual series debt service requirement reported in the tables below, and on the following pages for Note 9, are expressed in thousands.

**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.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED DECEMBER 31, 2023  
 (See Independent Accountant's Compilation Report)

NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

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

| Year Ending<br>December 31 | Debt Service Requirements |          |           |
|----------------------------|---------------------------|----------|-----------|
|                            | Principal                 | Interest | Total     |
| 2024                       | \$ 17,960                 | \$ 792   | \$ 18,752 |
| 2025                       | 4,220                     | 127      | 4,347     |
| Total                      | \$ 22,180                 | \$ 919   | \$ 23,099 |

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

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

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

| Year Ending<br>December 31 | Debt Service Requirements |           |            |
|----------------------------|---------------------------|-----------|------------|
|                            | Principal                 | Interest  | Total      |
| 2024                       | \$ 12,725                 | \$ 7,001  | \$ 19,726  |
| 2025                       | 13,520                    | 6,174     | 19,694     |
| 2026                       | 14,370                    | 5,296     | 19,666     |
| 2027                       | 15,270                    | 4,362     | 19,632     |
| 2028                       | 16,235                    | 3,369     | 19,604     |
| 2029-2030                  | 35,595                    | 3,506     | 39,101     |
| Total                      | \$ 107,715                | \$ 29,708 | \$ 137,423 |

**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.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant’s Compilation Report)**

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**NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)**

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

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                  |
|------------------------------------|----------------------------------|------------------|------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>     |
| 2024                               | \$ 4,495                         | \$ 2,637         | \$ 7,132         |
| 2025                               | 4,750                            | 2,367            | 7,117            |
| 2026                               | 5,020                            | 2,082            | 7,102            |
| 2027                               | 5,300                            | 1,781            | 7,081            |
| 2028                               | 5,600                            | 1,463            | 7,063            |
| 2029-2031                          | 18,780                           | 2,295            | 21,075           |
| <b>Total</b>                       | <b>\$ 43,945</b>                 | <b>\$ 12,625</b> | <b>\$ 56,570</b> |

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.

**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:

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 6,815                         | \$ 4,656         | \$ 11,471         |
| 2025                               | 7,205                            | 4,247            | 11,452            |
| 2026                               | 7,625                            | 3,815            | 11,440            |
| 2027                               | 8,065                            | 3,357            | 11,422            |
| 2028                               | 8,530                            | 2,873            | 11,403            |
| 2029-2032                          | 39,360                           | 6,070            | 45,430            |
| <b>Total</b>                       | <b>\$ 77,600</b>                 | <b>\$ 25,018</b> | <b>\$ 102,618</b> |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

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**NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)**

**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:

| <u>Year Ending</u><br><u>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|--|----------------------------------|------------------|-------------------|
|  | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                                     | \$ 10,650                        | \$ 8,021         | \$ 18,671         |
| 2025                                     | 11,205                           | 7,435            | 18,640            |
| 2026                                     | 11,795                           | 6,819            | 18,614            |
| 2027                                     | 12,415                           | 6,111            | 18,526            |
| 2028                                     | 13,065                           | 5,366            | 18,431            |
| 2029-2032                                | 76,375                           | 14,216           | 90,591            |
| Total                                    | <u>\$ 135,505</u>                | <u>\$ 47,968</u> | <u>\$ 183,473</u> |

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

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

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

| <u>Year Ending</u><br><u>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|--|----------------------------------|------------------|-------------------|
|  | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                                     | \$ 6,100                         | \$ 4,261         | \$ 10,361         |
| 2025                                     | 6,430                            | 3,917            | 10,347            |
| 2026                                     | 6,780                            | 3,553            | 10,333            |
| 2027                                     | 7,145                            | 3,170            | 10,315            |
| 2028                                     | 7,530                            | 2,757            | 10,287            |
| 2029-2033                                | 44,190                           | 6,620            | 50,810            |
| Total                                    | <u>\$ 78,175</u>                 | <u>\$ 24,278</u> | <u>\$ 102,453</u> |

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED DECEMBER 31, 2023  
 (See Independent Accountant's Compilation Report)

**NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)**

**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:

| <u>Year Ending</u><br><u>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|--|----------------------------------|------------------|-------------------|
|  | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                                     | \$ 9,995                         | \$ 7,912         | \$ 17,907         |
| 2025                                     | 10,535                           | 7,373            | 17,908            |
| 2026                                     | 11,100                           | 6,791            | 17,891            |
| 2027                                     | 11,700                           | 6,164            | 17,864            |
| 2028                                     | 12,330                           | 5,488            | 17,818            |
| 2029-2034                                | 89,275                           | 16,185           | 105,460           |
| Total                                    | <u>\$ 144,935</u>                | <u>\$ 49,913</u> | <u>\$ 194,848</u> |

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

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

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

| <u>Year Ending</u><br><u>December 31</u> | <u>Debt Service Requirements</u> |                  |                  |
|--|----------------------------------|------------------|------------------|
|  | <u>Principal</u>                 | <u>Interest*</u> | <u>Total</u>     |
| 2024                                     | \$ 15,380                        | \$ 587           | \$ 15,967        |
| 2025                                     | 10,105                           | 167              | 10,272           |
| Total                                    | <u>\$ 25,485</u>                 | <u>\$ 754</u>    | <u>\$ 26,239</u> |

\* Interest was calculated using a rate of 3.3%.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED DECEMBER 31, 2023  
 (See Independent Accountant’s Compilation Report)

**NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)**

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

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

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

| Year Ending<br>December 31 | Debt Service Requirements |           |            |
|----------------------------|---------------------------|-----------|------------|
|                            | Principal                 | Interest  | Total      |
| 2024                       | \$ 7,140                  | \$ 6,250  | \$ 13,390  |
| 2025                       | 7,400                     | 5,857     | 13,257     |
| 2026                       | 7,680                     | 5,443     | 13,123     |
| 2027                       | 7,970                     | 5,005     | 12,975     |
| 2028                       | 8,275                     | 4,542     | 12,817     |
| 2029-2033                  | 46,385                    | 14,916    | 61,301     |
| 2034-2035                  | 21,190                    | 1,920     | 23,110     |
| Total                      | \$ 106,040                | \$ 43,933 | \$ 149,973 |

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

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

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

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**NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)**

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

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 2,050                         | \$ 3,661         | \$ 5,711          |
| 2025                               | 2,155                            | 3,556            | 5,711             |
| 2026                               | 2,265                            | 3,445            | 5,710             |
| 2027                               | 2,380                            | 3,329            | 5,709             |
| 2028                               | 2,505                            | 3,207            | 5,712             |
| 2029-2033                          | 14,570                           | 13,975           | 28,545            |
| 2034-2038                          | 18,635                           | 9,916            | 28,551            |
| 2039-2043                          | 22,955                           | 5,598            | 28,553            |
| 2044-2046                          | 16,145                           | 986              | 17,131            |
| <b>Total</b>                       | <b>\$ 83,660</b>                 | <b>\$ 47,673</b> | <b>\$ 131,333</b> |

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

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

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

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 17,025                        | \$ 6,931         | \$ 23,956         |
| 2025                               | 18,120                           | 6,079            | 24,199            |
| 2026                               | 19,245                           | 5,173            | 24,418            |
| 2027                               | 20,480                           | 4,211            | 24,691            |
| 2028                               | 21,815                           | 3,187            | 25,002            |
| 2029-2033                          | 16,540                           | 8,051            | 24,591            |
| 2034-2035                          | 34,810                           | 1,859            | 36,669            |
| <b>Total</b>                       | <b>\$ 148,035</b>                | <b>\$ 35,491</b> | <b>\$ 183,526</b> |

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)

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

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

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

| <b>Year Ending<br/>December 31</b> | <b>Debt Service Requirements</b> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <b>Principal</b>                 | <b>Interest</b>  | <b>Total</b>      |
| 2024                               | \$ 2,675                         | \$ 5,734         | \$ 8,409          |
| 2025                               | 2,815                            | 5,597            | 8,412             |
| 2026                               | 2,960                            | 5,452            | 8,412             |
| 2027                               | 3,110                            | 5,301            | 8,411             |
| 2028                               | 3,270                            | 5,141            | 8,411             |
| 2029-2033                          | 19,045                           | 23,012           | 42,057            |
| 2034-2038                          | 24,455                           | 17,601           | 42,056            |
| 2039-2043                          | 31,090                           | 10,958           | 42,048            |
| 2044-2048                          | 38,115                           | 3,933            | 42,048            |
| Total                              | <u>\$ 127,535</u>                | <u>\$ 82,729</u> | <u>\$ 210,264</u> |

**2021 General Obligation Refunding Bond** – In October 2021, the RTA issued \$89.2 million in General Obligation Bonds, Series 2021A, to provide funds to advance refund the RTA's outstanding Series 2014A Bonds, as well as to fund pay the costs of issuance of the 2021A refunding bonds.

The RTA advance refunded Series 2014A in order to take advantage of more favorable interest rates which provide the RTA and the Service Boards with cost savings. The RTA reduced the total debt service payments for 2014A by approximately \$26.2 million and achieved an economic gain of approximately \$10.9 million (difference between net present value of the debt service payments on the old and the new debt).

The Series 2021A Bonds mature on June 1, 2044 and interest is payable at rates ranging from 2.40% to 3.05% on December 1, 2021 and semi-annually thereafter on June 1 and December 1 in each remaining year.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant’s Compilation Report)**

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**NOTE 10. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE (Continued)**

Debt service requirements on the Series 2021A Bonds to maturity are set forth below:

| <u>Year Ending<br/>December 31</u> | <u>Debt Service Requirements</u> |                  |                   |
|------------------------------------|----------------------------------|------------------|-------------------|
|                                    | <u>Principal</u>                 | <u>Interest</u>  | <u>Total</u>      |
| 2024                               | \$ 2,935                         | \$ 2,385         | \$ 5,320          |
| 2025                               | 3,030                            | 2,296            | 5,326             |
| 2026                               | 3,120                            | 2,203            | 5,323             |
| 2027                               | 3,215                            | 2,108            | 5,323             |
| 2028                               | 3,310                            | 2,010            | 5,320             |
| 2029-2033                          | 18,085                           | 8,522            | 26,607            |
| 2034-2038                          | 20,695                           | 5,922            | 26,617            |
| 2039-2043                          | 23,965                           | 2,651            | 26,616            |
| 2044                               | 5,240                            | 80               | 5,320             |
| Total                              | <u>\$ 83,595</u>                 | <u>\$ 28,177</u> | <u>\$ 111,772</u> |

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

In the Debt Service Fund, \$129 million in investments are restricted and available to service principal and interest payments of the RTA’s long-term debt as of December 31, 2023.

**NOTE 11. CTA BONDS PAYABLE**

2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding) Sales and Transfer Tax Receipts Revenue Bonds: On July 30, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of \$1,936.8 million to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches, a \$1.3 billion Series A to fund the employee’s retirement plan and a \$640 million Series B to fund a permanent trust that was established to cover other postemployment benefits for retirees’ health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-705.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 11. CTA BONDS PAYABLE (Continued)

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments and other income, were sufficient to bring the total assets of the retirement system up to 90% of its total actuarial liabilities by the end of fiscal year 2058. Additionally, Public Act 94-839 required that the Retirement Plan's pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Public Act 95-708 modified this directive slightly and added a number of other requirements. First, a new Retirement Plan Trust will be created to manage the Retirement Plan assets. Second, CTA contributions and employee contributions were increased. Third, in addition to the requirement that the Retirement Plan be 90% funded by 2059, there is a new requirement that the Retirement Plan be funded at a minimum of 60% by September 15, 2009. Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

Fourth, Public Act 95-708 authorized the CTA to issue \$1.9 billion in pension obligation bonds to fund the pension and retiree health care. Finally, the legislation provides that CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits are now paid from the newly established Retiree Health Care Trust.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay any amounts remaining in the Sales Tax Receipt Fund and the Transfer Tax Receipts Fund, as defined by the bond agreement, and all tax receipts as promptly as practicable after receipt.

The Series 2008A and 2008B bonds bear interest ranging from 5.1% to 6.9%. Scheduled interest on the 2008A and 2008B bonds will be funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on June 1, 2013 through June 1, 2040.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

The bond debt service requirements to maturity are as follows (in thousands of dollars):

| <u>Year Ending<br/>December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|-------------------------------------|---------------------|---------------------|---------------------|
| 2024                                | \$ 50,370           | \$ 106,205          | \$ 156,575          |
| 2025                                | 53,845              | 102,730             | 156,575             |
| 2026                                | 57,560              | 99,015              | 156,575             |
| 2027                                | 61,530              | 95,044              | 156,574             |
| 2028                                | 65,775              | 90,799              | 156,574             |
| 2029                                | 70,310              | 86,261              | 156,571             |
| 2030                                | 75,165              | 81,410              | 156,575             |
| 2031                                | 80,350              | 76,225              | 156,575             |
| 2032                                | 85,895              | 70,681              | 156,576             |
| 2033                                | 91,820              | 64,755              | 156,575             |
| 2034                                | 98,150              | 58,421              | 156,571             |
| 2035                                | 104,925             | 51,649              | 156,574             |
| 2036                                | 112,165             | 44,411              | 156,576             |
| 2037                                | 119,905             | 36,672              | 156,577             |
| 2038                                | 128,170             | 28,400              | 156,570             |
| 2039                                | 137,015             | 19,558              | 156,573             |
| 2040                                | 146,470             | 10,105              | 156,575             |
| Total                               | <u>\$ 1,539,420</u> | <u>\$ 1,122,341</u> | <u>\$ 2,661,761</u> |

2010A Sales Tax Receipts Revenue Bonds and Taxable Series 2010B Sales Tax Receipts Revenue Bonds (Build America Bonds): On March 23, 2010, the CTA issued the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B Build America Bonds, in the amount of \$550 million along with a premium of \$5.2 million. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to the purchase of new rail cars, overhaul and rehabilitation of existing rail cars, and the purchase and installation of upgrades for rail system components. The American Recovery and Reinvestment Act of 2009 created the Build America Bond (BAB) Program. This program allows state and local governments to issue taxable bonds for capital projects and to receive a federal subsidy payment from the U.S. Treasury Department for a portion of their borrowing costs.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

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**NOTE 11. CTA BONDS PAYABLE (Continued)**

The Series 2010A and 2010B bonds bear interest ranging from 4.0% to 6.2%. Scheduled interest on the 2010 bonds was funded through December 1, 2010 with proceeds of the 2010 bonds and interest earnings thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on June 1, 2015 through June 1, 2040. The bond debt service requirements to maturity are as follows (in thousands of dollars):

| <u>Year Ending</u><br><u>December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|------------------|-----------------|--------------|
| 2024                                      | \$ 14,135        | \$ 28,167       | \$ 42,302    |
| 2025                                      | 14,930           | 27,372          | 42,302       |
| 2026                                      | 15,855           | 26,447          | 42,302       |
| 2027                                      | 16,835           | 25,464          | 42,299       |
| 2028                                      | 17,880           | 24,420          | 42,300       |
| 2029                                      | 18,985           | 23,311          | 42,296       |
| 2030                                      | 20,155           | 22,134          | 42,289       |
| 2031                                      | 21,400           | 20,885          | 42,285       |
| 2032                                      | 22,725           | 19,558          | 42,283       |
| 2033                                      | 24,135           | 18,149          | 42,284       |
| 2034                                      | 31,820           | 16,653          | 48,473       |
| 2035                                      | 33,785           | 14,680          | 48,465       |
| 2036                                      | 35,875           | 12,585          | 48,460       |
| 2037                                      | 38,090           | 10,361          | 48,451       |
| 2038                                      | 40,455           | 7,999           | 48,454       |
| 2039                                      | 42,955           | 5,491           | 48,446       |
| 2040                                      | 45,610           | 2,828           | 48,438       |
|   | <hr/>            | <hr/>           | <hr/>        |
| Total                                     | \$ 455,625       | \$ 306,504      | \$ 762,129   |

There are no bond debt service requirements on the Series 2010A bonds as of December 31, 2023.

2014 Sales Tax Receipts Revenue Bonds: On July 10, 2014, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds, Series 2014 in the amount of \$550 million along with a premium of \$45.2 million. The bonds were issued to provide funds to finance, in whole or in part, capital projects contemplated by the Authority's Capital Plan.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2014 bonds bear interest ranging from 5.0% to 5.25%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially December 1, 2041 through December 1, 2049. The bond debt service requirements to maturity are as follows (in thousands of dollars):

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED DECEMBER 31, 2023  
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NOTE 11. CTA BONDS PAYABLE (Continued)

| Year Ending<br>December 31, | Principal  | Interest   | Total        |
|-----------------------------|------------|------------|--------------|
| 2024                        | \$ -       | \$ 28,597  | \$ 28,597    |
| 2025                        | -          | 28,597     | 28,597       |
| 2026                        | -          | 28,597     | 28,597       |
| 2027                        | -          | 28,597     | 28,597       |
| 2028                        | -          | 28,597     | 28,597       |
| 2029                        | -          | 28,597     | 28,597       |
| 2030                        | -          | 28,597     | 28,597       |
| 2031                        | -          | 28,597     | 28,597       |
| 2032                        | -          | 28,597     | 28,597       |
| 2033                        | -          | 28,597     | 28,597       |
| 2034                        | -          | 28,597     | 28,597       |
| 2035                        | -          | 28,597     | 28,597       |
| 2036                        | -          | 28,597     | 28,597       |
| 2037                        | -          | 28,597     | 28,597       |
| 2038                        | -          | 28,597     | 28,597       |
| 2039                        | -          | 28,597     | 28,597       |
| 2040                        | -          | 28,597     | 28,597       |
| 2041                        | 50,180     | 28,597     | 78,777       |
| 2042                        | 52,690     | 26,088     | 78,778       |
| 2043                        | 55,325     | 23,453     | 78,778       |
| 2044                        | 58,090     | 20,687     | 78,777       |
| 2045                        | 60,995     | 17,783     | 78,778       |
| 2046                        | 64,195     | 14,580     | 78,775       |
| 2047                        | 67,565     | 11,210     | 78,775       |
| 2048                        | 71,115     | 7,663      | 78,778       |
| 2049                        | 74,845     | 3,929      | 78,774       |
| Total                       | \$ 555,000 | \$ 640,139 | \$ 1,195,139 |

2015 Refunding Series Capital Grant Receipts Revenue Bonds: On September 16, 2015, the CTA issued Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program Funds and Section 5337 State of Good Repair Formula Program Funds, in the amount of \$176.9 million along with a premium of \$21.6 million, in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to refund a portion of the outstanding 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 and 5337 Grant Receipts as promptly as practicable after receipt.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 11. CTA BONDS PAYABLE (Continued)

The Series 2015 bond bear interest at 5.00%. Interest is payable semiannually on June 1 and December 1, commencing December 1, 2015 and the bonds mature serially June 1, 2018 through June 1, 2026.

The remaining net proceeds of \$197.2 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds. As a result, a portion of the 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position. The CTA refunded the various bonds using the proceeds from the 2015 Series bonds which reduced its total debt service payments over the next 10 years by \$10.0 million and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9.9 million. The defeased debt had a zero balance as of December 31, 2023 and 2022.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Capital Grant Receipts Revenue Bonds, Refunding Series 2015 of \$12.3 million was deferred and is being amortized over the next 10 years. The deferred amount ending balance for the years ended December 31, 2023 and 2022 was \$796 thousand and \$1.3 million, respectively. Amortization of the deferred amount on the refunding was \$522 thousand and \$526 thousand for the years ended December 31, 2023 and 2022, respectively.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|       | <u>2015 (5337)</u> |                 |
|-------|--------------------|-----------------|
|       | <u>Principal</u>   | <u>Interest</u> |
| 2024  | \$ 13,855          | \$ 1,838        |
| 2025  | 14,550             | 1,128           |
| 2026  | 15,275             | 382             |
| Total | <u>\$ 43,680</u>   | <u>\$ 3,348</u> |

There are no bond debt service requirements on the Series 205 (5307) bonds as of December 31, 2023.

2017 Second Lien Sales Tax Receipts Revenue Bonds: On January 10, 2017, the CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2017, in the amount of \$296.2 million along with a premium of \$18.1 million. The bonds were issued to (i) finance certain capital projects contemplated by the CTA's capital improvement plan, (ii) capitalize interest on the 2017 Second Lien Bonds and (iii) pay costs in connection with the issuance of the 2017 Second Lien Bonds.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds and on the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2017 bonds bear interest ranging from 4.0% to 5.0%. Scheduled interest on the 2017 bonds was funded through December 1, 2018, with proceeds of the 2017 bonds and interest thereon. Interest is

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

payable semiannually on June 1 and December 1 and the bonds mature serially December 1, 2041, through December 1, 2051.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|       | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------|------------------|-----------------|--------------|
| 2024  | \$ -             | \$ 14,711       | \$ 14,711    |
| 2025  | -                | 14,711          | 14,711       |
| 2026  | -                | 14,711          | 14,711       |
| 2027  | -                | 14,711          | 14,711       |
| 2028  | -                | 14,711          | 14,711       |
| 2029  | -                | 14,711          | 14,711       |
| 2030  | -                | 14,711          | 14,711       |
| 2031  | -                | 14,711          | 14,711       |
| 2032  | -                | 14,711          | 14,711       |
| 2033  | -                | 14,711          | 14,711       |
| 2034  | -                | 14,711          | 14,711       |
| 2035  | -                | 14,711          | 14,711       |
| 2036  | -                | 14,711          | 14,711       |
| 2037  | -                | 14,711          | 14,711       |
| 2038  | -                | 14,711          | 14,711       |
| 2039  | -                | 14,711          | 14,711       |
| 2040  | -                | 14,711          | 14,711       |
| 2041  | 20,910           | 14,711          | 35,621       |
| 2042  | 21,945           | 13,681          | 35,626       |
| 2043  | 23,025           | 12,599          | 35,624       |
| 2044  | 24,160           | 11,464          | 35,624       |
| 2045  | 25,350           | 10,273          | 35,623       |
| 2046  | 26,600           | 9,023           | 35,623       |
| 2047  | 27,910           | 7,712           | 35,622       |
| 2048  | 29,310           | 6,316           | 35,626       |
| 2049  | 30,775           | 4,851           | 35,626       |
| 2050  | 32,310           | 3,312           | 35,622       |
| 2051  | 33,925           | 1,696           | 35,621       |
|       | <hr/>            |                 |              |
| Total | \$ 296,220       | \$ 345,725      | \$ 641,945   |

2017 Refunding Series Capital Grant Receipts Revenue Bonds: On July 18, 2017, the CTA issued Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program Funds and Section 5337 State of Good Repair Formula Program Funds, in the amount of \$225.8 million along with a premium of \$31.3 million in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to refund the Series 2008A 5307 bonds maturing June 1, 2022 through 2026 as well as refunding the

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 and 5337 Grant Receipts as promptly as practicable after receipt.

The Series 2017 bonds bear interest ranging from 2.0% to 5.0%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially June 1, 2018 through June 1, 2026.

Net proceeds of \$255.4 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 5307 (Series 2008A) and 5337 (Series 2008 and 2008A) bonds. As a result, a portion of the 5307 (Series 2008A) and 5337 (Series 2008 and 2008A) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position (Deficit). The CTA refunded the various bonds using the proceeds from the 2017 Series bonds which resulted in a difference of cash flows of debt service payments on the old and new debt of \$30.5 million and an economic gain (present value of the difference in debt service cash flows payments) of \$27.1 million. The defeased debt had a balance of zero as of December 31, 2023 and 2022.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Capital Grant Receipts Revenue Bonds, Refunding Series 2017 of \$4.9 million was deferred and is being amortized over the next 9 years. The deferred amount ending balance for the years ended December 31, 2023 and 2022 was \$516 thousand and \$929 thousand, respectively. Amortization of the deferred amount on the refunding was \$413 thousand and 559 thousand, for the years ended December 31, 2023 and 2022, respectively

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|       | <u>2017 (5307)</u> |                 | <u>2017 (5337)</u> |                 | <u>Total</u>     |                 |
|-------|--------------------|-----------------|--------------------|-----------------|------------------|-----------------|
|       | <u>Principal</u>   | <u>Interest</u> | <u>Principal</u>   | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2024  | \$ 18,065          | \$ 2,848        | \$ 10,130          | \$ 1,597        | \$ 28,195        | \$ 4,445        |
| 2025  | 18,970             | 1,944           | 10,635             | 1,090           | 29,605           | 3,034           |
| 2026  | 19,915             | 996             | 11,165             | 558             | 31,080           | 1,554           |
| Total | <u>\$ 56,950</u>   | <u>\$ 5,788</u> | <u>\$ 31,930</u>   | <u>\$ 3,245</u> | <u>\$ 88,880</u> | <u>\$ 9,033</u> |

2020A Second Lien Sales Tax Receipts Revenue Bonds: On September 3, 2020, the CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2020A, in the amount of \$367.9 million along with a premium of \$43.6 million. The bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA’s Second Lien Sales Tax Receipts Capital Improvement Notes.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds and on the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B bonds, any

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2020A bonds bear interest ranging from 4.0% to 5.0%. Scheduled interest on the 2020A bonds was funded through September 1, 2023 with proceeds of the 2020A bonds and interest thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature on December 1, 2041 through December 1, 2055.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|       | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|-------|-------------------|-------------------|-------------------|
| 2024  | \$ -              | \$ 16,279         | \$ 16,279         |
| 2025  | -                 | 16,279            | 16,279            |
| 2026  | -                 | 16,279            | 16,279            |
| 2027  | -                 | 16,279            | 16,279            |
| 2028  | -                 | 16,279            | 16,279            |
| 2029  | -                 | 16,279            | 16,279            |
| 2030  | -                 | 16,279            | 16,279            |
| 2031  | -                 | 16,279            | 16,279            |
| 2032  | -                 | 16,279            | 16,279            |
| 2033  | -                 | 16,279            | 16,279            |
| 2034  | -                 | 16,279            | 16,279            |
| 2035  | -                 | 16,279            | 16,279            |
| 2036  | -                 | 16,279            | 16,279            |
| 2037  | -                 | 16,279            | 16,279            |
| 2038  | -                 | 16,279            | 16,279            |
| 2039  | -                 | 16,279            | 16,279            |
| 2040  | -                 | 16,279            | 16,279            |
| 2041  | 17,590            | 16,279            | 33,869            |
| 2042  | 18,470            | 15,399            | 33,869            |
| 2043  | 19,395            | 14,476            | 33,871            |
| 2044  | 20,360            | 13,506            | 33,866            |
| 2045  | 21,380            | 12,488            | 33,868            |
| 2046  | 22,450            | 11,419            | 33,869            |
| 2047  | 23,345            | 10,521            | 33,866            |
| 2048  | 24,280            | 9,587             | 33,867            |
| 2049  | 25,250            | 8,616             | 33,866            |
| 2050  | 26,265            | 7,606             | 33,871            |
| 2051  | 27,315            | 6,556             | 33,871            |
| 2052  | 28,515            | 5,355             | 33,870            |
| 2053  | 29,765            | 4,103             | 33,868            |
| 2054  | 31,075            | 2,794             | 33,869            |
| 2055  | 32,440            | 1,427             | 33,867            |
| Total | <u>\$ 367,895</u> | <u>\$ 416,875</u> | <u>\$ 784,770</u> |

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 11. CTA BONDS PAYABLE (Continued)

2020B Taxable Series Sales Tax Receipts Revenue Refunding Bonds: On September 3, 2020, the CTA issued the Taxable Sales Tax Receipts Revenue Refunding Bonds, Series 2020B, in the amount of \$534 million. The bonds were issued to refund the outstanding Sales Tax Receipts Revenue Bonds Series 2011 and to repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2020B bonds bear interest ranging from 1.7% to 3.9%. Scheduled interest on the 2020B bonds was funded through June 1, 2021, with proceeds of the 2020B bonds and interest thereon. Interest on the 2020 bonds is payable semiannually on June 1 and December 1 and the bonds mature on December 1, 2022, through December 1, 2040.

Net proceeds of \$513.6 million were deposited into an irrevocable trust with an escrow agent to provide for debt services payments on the Sales Tax Receipts Revenue (Series 2011) bonds. As a result, a portion of the Sales Tax Receipts Revenue (Series 2011) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position. The CTA refunded the Series 2011 bonds using the proceeds from the 2020B Series bonds which resulted in a difference of cash flows of debt service payments on the old and new debt of \$47.6 and an economic gain (present value of the difference in debt service cash flow payments) of \$47 million. The defeased debt had a zero balance as of December 31, 2023 and 2022.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Taxable Sales Tax Receipts Revenue Bonds, Refunding Series 2020B of \$17.9 million was deferred and is being amortized over the next 20 years. The deferred amount ending balance for the years ended December 31, 2023 and 2022 was \$13.1 million and \$14.5 million, respectively. Amortization of the deferred amount on the refunding was \$1.4 million and \$1.5 million for the years ended December 31, 2023 and 2022, respectively.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|       | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|-------|-------------------|-------------------|-------------------|
| 2024  | \$ 22,590         | \$ 16,435         | \$ 39,025         |
| 2025  | 23,060            | 15,968            | 39,028            |
| 2026  | 23,565            | 15,458            | 39,023            |
| 2027  | 24,160            | 14,873            | 39,033            |
| 2028  | 24,825            | 14,213            | 39,038            |
| 2029  | 25,560            | 13,481            | 39,041            |
| 2030  | 26,345            | 12,700            | 39,045            |
| 2031  | 27,175            | 11,883            | 39,058            |
| 2032  | 28,075            | 10,986            | 39,061            |
| 2033  | 29,030            | 10,031            | 39,061            |
| 2034  | 30,055            | 9,014             | 39,069            |
| 2035  | 31,130            | 7,947             | 39,077            |
| 2036  | 32,255            | 6,825             | 39,080            |
| 2037  | 33,525            | 5,564             | 39,089            |
| 2038  | 34,845            | 4,252             | 39,097            |
| 2039  | 36,210            | 2,889             | 39,099            |
| 2040  | 37,635            | 1,472             | 39,107            |
| Total | <u>\$ 490,040</u> | <u>\$ 173,991</u> | <u>\$ 664,031</u> |

2021 Refunding Series Capital Grant Receipts Revenue Bonds: On June 10, 2021, the CTA issued Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds and Section 5337 State of Good Repair Formula Funds, in the amount of \$121 million along with a premium of \$27.8 million. The bonds were issued to refund the Series 2010 5307 bonds maturing June 1, 2027 through 2028, the Series 2011 5307 bonds maturing June 1, 2022 through 2029, and the Series 2010 5309 bonds maturing June 1, 2027 through 2028.

The bonds contain a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 and 5337 Grant Receipts as promptly as practicable after receipt.

The Series 2021 bonds bear interest at 5.0%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially June 1, 2022 through June 1, 2029.

Net proceeds of \$147.7 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 5307 (Series 2010 and 2011) and 5309 (Series 2010) bonds. As a result, a portion of the 5307 (Series 2010 and 2011) and 5309 (Series 2010) bonds then outstanding are defeased and the related liability has been removed from the Statements of Net Position (Deficit). The CTA refunded the various bonds using the proceeds from the 2021 Series bonds which resulted in a difference of cash flows of debt service payments on the old and new debt of \$34.1 million and an economic gain (present value of the difference in debt service cash flows

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
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payments of \$32.5 million. The defeased debt had a balance of zero as of December 31, 2023 and 2022.

**NOTE 11. CTA BONDS PAYABLE (Continued)**

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Capital Grant Receipts Revenue Bonds, Refunding Series 2021 of \$1.2 million was deferred and is being amortized over the next 8 years. The deferred amount ending balance for the years ended December 31, 2023 and 2022 was \$727 thousand and \$912 thousand, respectively. Amortization of the deferred amount on the refunding was \$185 thousand and \$200 thousand for the years ended December 31, 2023 and 2022, respectively.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|              | <b>2021 (5307)</b> |                  | <b>2021 (5337)</b> |                 | <b>Total</b>      |                  |
|--------------|--------------------|------------------|--------------------|-----------------|-------------------|------------------|
|              | <b>Principal</b>   | <b>Interest</b>  | <b>Principal</b>   | <b>Interest</b> | <b>Principal</b>  | <b>Interest</b>  |
| 2024         | \$ 8,475           | \$ 4,172         | \$ 285             | \$ 1,055        | \$ 8,760          | \$ 5,227         |
| 2025         | -                  | 3,749            | 300                | 1,041           | 300               | 4,790            |
| 2026         | -                  | 3,748            | 315                | 1,026           | 315               | 4,774            |
| 2027         | 22,295             | 3,748            | 6,465              | 1,010           | 28,760            | 4,758            |
| 2028         | 32,700             | 2,634            | 13,730             | 686             | 46,430            | 3,320            |
| 2029         | 19,975             | 999              | -                  | -               | 19,975            | 999              |
| <b>Total</b> | <b>\$ 83,445</b>   | <b>\$ 19,050</b> | <b>\$ 21,095</b>   | <b>\$ 4,818</b> | <b>\$ 104,540</b> | <b>\$ 23,868</b> |

2022A Second Lien Sales Tax Receipts Revenue Bonds: On March 31, 2022, the CTA issues the Second Lien Sales Tax Receipts Revenue Bonds, Series 2022A, in the amount of \$350 million, along with a premium of \$37.9 million. The bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds and on the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2022A bonds bear interest ranging from 4.0% to 5.0%. Scheduled interest on the 2022A bonds was funded through December 1, 2024 with proceeds of the 2022A bonds and interest thereon.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

Interest is payable semiannually on June 1 and December 1 and the bonds mature on December 1, 2041 through December 1, 2057.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

|       | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|-------|-------------------|-------------------|-------------------|
| 2024  | \$ -              | \$ 16,923         | \$ 16,923         |
| 2025  | -                 | 16,923            | 16,923            |
| 2026  | -                 | 16,923            | 16,923            |
| 2027  | -                 | 16,923            | 16,923            |
| 2028  | -                 | 16,923            | 16,923            |
| 2029  | -                 | 16,923            | 16,923            |
| 2030  | -                 | 16,923            | 16,923            |
| 2031  | -                 | 16,923            | 16,923            |
| 2032  | -                 | 16,923            | 16,923            |
| 2033  | -                 | 16,923            | 16,923            |
| 2034  | -                 | 16,923            | 16,923            |
| 2035  | -                 | 16,923            | 16,923            |
| 2036  | -                 | 16,923            | 16,923            |
| 2037  | -                 | 16,923            | 16,923            |
| 2038  | -                 | 16,923            | 16,923            |
| 2039  | -                 | 16,923            | 16,923            |
| 2040  | -                 | 16,923            | 16,923            |
| 2041  | 13,790            | 16,923            | 30,713            |
| 2042  | 14,480            | 16,234            | 30,714            |
| 2043  | 15,205            | 15,510            | 30,715            |
| 2044  | 15,965            | 14,749            | 30,714            |
| 2045  | 16,760            | 13,951            | 30,711            |
| 2046  | 17,600            | 13,113            | 30,713            |
| 2047  | 18,480            | 12,233            | 30,713            |
| 2048  | 19,220            | 11,494            | 30,714            |
| 2049  | 19,990            | 10,725            | 30,715            |
| 2050  | 20,790            | 9,926             | 30,716            |
| 2051  | 21,825            | 8,886             | 30,711            |
| 2052  | 22,920            | 7,795             | 30,715            |
| 2053  | 24,065            | 6,649             | 30,714            |
| 2054  | 25,270            | 5,446             | 30,716            |
| 2055  | 26,530            | 4,182             | 30,712            |
| 2056  | 27,860            | 2,856             | 30,716            |
| 2057  | 29,250            | 1,462             | 30,712            |
| Total | <u>\$ 350,000</u> | <u>\$ 459,825</u> | <u>\$ 809,825</u> |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

The total bond debt service requirements to maturity for all outstanding bonds are as follows (in thousands of dollars):

|           | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|-----------|---------------------|---------------------|---------------------|
| 2024      | \$ 137,905          | \$ 238,827          | \$ 376,732          |
| 2025      | 136,290             | 231,532             | 367,822             |
| 2026      | 143,650             | 224,140             | 367,790             |
| 2027      | 131,285             | 216,649             | 347,934             |
| 2028      | 154,910             | 209,262             | 364,172             |
| 2029-2033 | 667,100             | 925,999             | 1,593,099           |
| 2034-2038 | 905,150             | 697,983             | 1,603,133           |
| 2039-2043 | 768,900             | 409,313             | 1,178,213           |
| 2044-2048 | 655,130             | 239,772             | 894,902             |
| 2049-2053 | 418,555             | 90,005              | 508,560             |
| 2054-2057 | 172,425             | 18,167              | 190,592             |
| Total     | <u>\$ 4,291,300</u> | <u>\$ 3,501,649</u> | <u>\$ 7,792,949</u> |

Future Revenue Pledges: The CTA has pledged the following future revenues to secure outstanding balances of bond issuances as of December 31, 2023 and 2022, in accordance with bond security requirements:

- Real Estate Transfer Tax (RETT) Receipts received from the City of Chicago are pledged to secure the Series 2008A and 2008B Sales and Transfer Tax Receipts Revenue Bonds; Sales Tax Receipts received from the Regional Transportation Authority (RTA) are pledged to secure remaining debt service unpaid by RETT receipts. Debt service for the bonds outstanding were \$2,662 million and \$2,818 million as of December 31, 2023 and 2022, respectively. Total real estate transfer tax funds were approximately \$53.3 million and \$79.9 million as of December 31, 2023 and 2022, respectively. The following principal and interest bond payments were made during December 31, 2023 and 2022 (in thousands of dollars):

|      | <u>Principal</u> | <u>Interest</u> |
|------|------------------|-----------------|
| 2023 | \$ 47,120        | \$ 109,455      |
| 2022 | 44,080           | 112,496         |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

- Sales Tax Receipts are also pledged to secure the First Lien Series 2010B, 2014, and 2020B as well as Second Lien Series 2017, 2020A, and 2022A Sales Tax Receipts Revenue Bonds and 2017 Tax-Exempt Note Purchase Agreement (NPA). Sales Tax Receipts secure balances due on the Second Lien Series 2017, 2020A, and 2022A Sales Tax Receipts Revenue Bonds and the 2017 Tax-Exempt Note NPA after satisfying balances due on First Lien Obligations. Debt service for the bonds outstanding were \$4,857.8 million and \$5,015.7 million as of December 31, 2023 and 2022, respectively. Total sales tax receipts funds were approximately \$1,005.1 million and \$966.2 million as of December 31, 2023 and 2022, respectively. The following principal and interest bond payments were made during December 31, 2023 and 2022 (in thousands of dollars):

|      | <u>2010B</u>     |                 | <u>2014</u>      |                 |
|------|------------------|-----------------|------------------|-----------------|
|      | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 13,405        | \$ 28,900       | \$ -             | \$ 28,597       |
| 2022 | 12,720           | 29,583          | -                | 28,597          |
|      | <u>2017</u>      |                 | <u>2020A</u>     |                 |
|      | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ -             | \$ 14,711       | \$ -             | \$ 16,279       |
| 2022 | -                | 14,711          | -                | 16,279          |
|      | <u>2020B</u>     |                 | <u>2022A</u>     |                 |
|      | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 22,170        | \$ 16,842       | \$ -             | \$ 16,923       |
| 2022 | 21,795           | 17,214          | -                | 11,329          |

- Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula funds received from the FTA are pledged to secure the Series 2010, 2011, 2015, 2017, and 2021 FTA Section 5307 Urbanized Area Formula Funds Capital Grant Receipts Revenue Bonds. Debt service for the bonds outstanding were \$165.2 million and \$198.8 million as of December 31, 2023, and 2022, respectively. Total Federal Transit Administration Section 5307 Urbanized Area Formula funds were approximately \$438.6 million and \$272.4 million as of December 31, 2023 and 2022, respectively. The following principal and interest bond payments were made December 31, 2023 and 2022 (in thousands of dollars):

|      | <u>2017</u>      |                 | <u>2022</u>      |                 |
|------|------------------|-----------------|------------------|-----------------|
|      | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 17,205        | \$ 3,708        | \$ 8,070         |                 |
| 2022 | 16,385           | 4,527           | 7,810            | 4,842           |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 11. CTA BONDS PAYABLE (Continued)**

- As such, FTA Section 5337 State of Good Repair Federal Funds also received from the FTA are pledged to secure the Series 2010 FTA Section 5309 Fixed Guideway Modernization Capital Grant Receipts Revenue Bonds as well as the Series 2015, 2017, and 2021 FTA Section 5337 State of Good Repair Formula Funds Capital Grant Receipts Revenue Bonds. Debt service for the bonds outstanding were \$108.1 million and \$137.2 million as of December 31, 2023 and 2022, respectively. Total Federal Transit Administration Section 5337 State of Good Repair Formula funds were approximately \$162.1 million and \$185.5 million as of December 31, 2023 and 2022, respectively. The following principal and interest bond payments were made during December 31, 2023 and 2022 (in thousands of dollars):

|      | <u>2015 (5337)</u> |                 | <u>2017 (5337)</u> |                 |
|------|--------------------|-----------------|--------------------|-----------------|
|      | <u>Principal</u>   | <u>Interest</u> | <u>Principal</u>   | <u>Interest</u> |
| 2023 | \$ 370             | \$ 2,193        | \$ 22,475          | \$ 2,720        |
| 2022 | 350                | 2,211           | 21,405             | 3,791           |

|      | <u>2021 (5337)</u> |                 |
|------|--------------------|-----------------|
|      | <u>Principal</u>   | <u>Interest</u> |
| 2023 | \$ 270             | \$ 1,068        |
| 2022 | 285                | 1,005           |

**NOTE 12. OTHER LONG-TERM DEBT OBLIGATIONS**

**CTA**

CTA entered into a purchase agreement to finance a fare collection system with a value of \$102.9 million. Under the purchase agreement, the CTA will make monthly payments of approximately \$1.1 million over the ten-year term to finance the design, acquisition and installation of the open standards fare system.

There were no future payments to be made by the CTA under the purchase agreement as of December 31, 2023.

As of September 2019, CTA has entered into another purchase agreement to replace the majority of the fare collection system equipment. No amounts are due and payable under the agreement for the new system until it is delivered operational, which is not anticipated to occur for several years. The payment for such replacement will be a separate capital costs to be paid in addition to the foregoing financed amounts.

**TIFIA Loan Agreement**

2014 TIFIA Loan - On April 24, 2014, CTA entered into a definitive loan agreement with the United States Department of Transportation (USDOT), an agency of the United States of America, acting by and through the Federal Highway Administrator under the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program to finance certain projects that are a part of the Authority’s 95th Street Terminal Improvement Project.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

#### NOTE 12. OTHER LONG-TERM DEBT OBLIGATIONS (Continued)

The principal amount of the TIFIA Loan shall not exceed \$79.2 million; provided, the maximum principal amount of the TIFIA loan disbursed by the USDOT, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under TIFIA, cannot exceed thirty-three percent (33%) of reasonably anticipated eligible project costs. Further, total federal funding, inclusive of the TIFIA loans and all federal direct or indirect grants, cannot exceed eighty percent (80%) of reasonably anticipated eligible project costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender a registered fare box receipts revenue bonds in the amount of \$79.2 million dated April 24, 2014 with a maturity date of December 1, 2050 bearing an interest rate of 3.5%, with a loan amortization schedule.

CTA borrowed \$79.2 million in 2018 and is capitalizing interest through 2020. Total capitalized interest of \$5.3 million will be added to the principal repayments over the life of the loan.

The TIFIA loan debt service requirements to maturity are as follows (in thousands of dollars):

| <u>Year Ending</u><br><u>December 31</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>      |
|--|------------------|------------------|-------------------|
| 2024                                     | \$ 1,782         | \$ 2,728         | \$ 4,510          |
| 2025                                     | 1,844            | 2,666            | 4,510             |
| 2026                                     | 1,908            | 2,601            | 4,509             |
| 2027                                     | 1,975            | 2,535            | 4,510             |
| 2028                                     | 2,044            | 2,466            | 4,510             |
| 2029-2033                                | 11,346           | 11,203           | 22,549            |
| 2034-2038                                | 13,475           | 9,073            | 22,548            |
| 2039-2043                                | 16,005           | 6,545            | 22,550            |
| 2044-2048                                | 19,009           | 3,541            | 22,550            |
| 2049-2050                                | 8,567            | 453              | 9,020             |
| Total                                    | <u>\$ 77,955</u> | <u>\$ 43,811</u> | <u>\$ 121,766</u> |

**2015 TIFIA Loan** - On February 3, 2015, CTA entered into a definitive loan agreement with the United States Department of Transportation (USDOT), an agency of the United States of America, acting by and through the Federal Highway Administrator under the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program to finance certain projects that are a part of the Authority's "Your New Blue" capital improvement program.

The principal amount of the TIFIA Loan shall not exceed \$120 million; provided the maximum principal amount of the TIFIA loan disbursed by the USDOT, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under TIFIA, cannot exceed thirty-three percent (33%) of reasonably anticipated eligible project costs. Further, total federal funding, inclusive of the TIFIA loans and all federal direct or indirect grants, cannot exceed eighty percent (80%) of reasonably anticipated eligible project costs.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 12. OTHER LONG-TERM DEBT OBLIGATIONS (Continued)

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender two fare box receipts revenue bonds in the amounts of \$42.6 million with a maturity date of December 1, 2029, bearing an interest rate of 2.02%, and \$77.4 million with a maturity date of December 1, 2052, bearing an interest rate of 2.31%.

As of December 31, 2023, CTA had drawn down \$101.2 million on the 2105 TIFIA loan. Total capitalized interest of \$117 thousand will be added to the principal repayments over the life of the loan. The payment schedule below assumes that the entire balance will be down and will require payment. As a result, the payment schedule includes amounts that have not yet been drawn down and that the CTA is not yet obligated to pay.

| <u>Year Ending</u><br><u>December 31</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|--|-------------------|------------------|-------------------|
| 2024                                     | \$ 6,771          | \$ 2,217         | \$ 8,988          |
| 2025                                     | 6,908             | 2,081            | 8,989             |
| 2026                                     | 7,048             | 1,941            | 8,989             |
| 2027                                     | 7,190             | 1,799            | 8,989             |
| 2028                                     | 7,336             | 1,653            | 8,989             |
| 2029-2033                                | 7,484             | 6,921            | 14,405            |
| 2034-2038                                | -                 | 6,770            | 6,770             |
| 2039-2043                                | 13,184            | 6,470            | 19,654            |
| 2044-2048                                | 24,084            | 4,160            | 28,244            |
| 2049-2052                                | 21,350            | 1,247            | 22,597            |
| Total                                    | <u>\$ 101,355</u> | <u>\$ 35,259</u> | <u>\$ 136,614</u> |

2016 TIFIA Loan - On March 30, 2016, CTA entered into a third definitive loan agreement with the United States Department of Transportation (USDOT), an agency of the United States of America, acting by and through the Federal Highway Administration under the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program to finance certain projects that are part of the Authority's Rail Car Purchase Program.

The aggregate principal amount of the loan shall not exceed \$254.9 million, (excluding any interest that is capitalized in accordance with the terms of the loan); provided, however, in no event shall the maximum principal amount of the TIFIA loan disbursed by the USDOT, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under TIFIA Act, cannot exceed thirty-three percent (33%) of reasonable anticipated eligible project costs. Further, total federal funding, inclusive of the TIFIA loan and all federal direct or indirect grants, shall not exceed eighty percent (80%) of reasonably eligible project costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender registered receipts revenue bonds in the aggregate principal amount not to exceed \$254.9 million, comprising two (2) tranches in the principal amounts of \$147 million (Tranche A-1) and \$107.9 million (Tranche A-2) and bearing an interest rate of 2.64%, with corresponding loan amortization schedules for each tranche. The final maturity date for the Tranche A-1 is December 1, 2049 and the earlier of (a) the last semi-annual payment date occurring no later than thirty-four (34) years from the substantial completion date and (b) December 1, 2056.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 12. OTHER LONG-TERM DEBT OBLIGATIONS (Continued)

As of December 31, 2023, no drawdowns had occurred on the 2016 TIFIA loan. No balance is presented on the Statement of Net Position (Deficit) as of December 31, 2023.

#### NOTE 13. PENSION PLANS

##### CTA

##### General Information about the Retirement Plan for Chicago Transit Authority Employees

**Plan Description** - The CTA participates in a single employer defined benefit pension plan covering substantially all full-time permanent union and non-union employees. The Retirement Plan for Chicago Transit Authority Employees (the Employees' Plan) is governed by Illinois state statute (40 ILCS 5/22-101). Substantially all non-temporary, full-time employees who have completed one year of continuous service (Service) participate in the Employees' Plan. The Employees' Plan issues a separate stand-alone financial report which is available at <http://www.ctaretirement.org/index.asp>.

**Contributions** - Prior to 2008, contribution requirements of the Employees' Plan were governed by collective bargaining agreements. After 2008, contribution requirements are governed by Illinois state statute (40 ILCS 5/22-101).

Actual contributions made to the Employees' Plan during the years ended December 31, 2023 and 2022 are as follows (in thousands of dollars):

|                            | Employees' Plan   |                   |
|----------------------------|-------------------|-------------------|
|                            | 2023              | 2022              |
| Employer contributions     | \$ 146,556        | \$ 143,591        |
| Employee contributions     | 94,070            | 91,779            |
| Total                      | <u>\$ 240,626</u> | <u>\$ 235,370</u> |
| Employer contribution rate | 20.647%           | 20.647%           |
| Employee contribution rate | 13.324%           | 13.324%           |

**Benefit terms.** Substantially all non-temporary, full-time employees who have completed one year of continuous service (Service) participate in the Employee Plan. Employees are entitled to annual pension benefits upon normal retirement at age 65, in an amount generally based on a percentage, not to exceed 70%, of their average annual compensation in the highest four of the 10 preceding years. For employees retiring on or after January 1, 2001, the percentage is 2.15% multiplied by the employee's number of continuous years of participating service. The Employee Plan permits early retirement at age 55 with three years of service, generally with reduced benefits. However, in the event of early retirement by an employee who has 25 years or more of continuous service, regardless of their age, benefits will not be reduced. In accordance with Public Act 095-0708, for all employees hired on or after January 18, 2008, eligibility for an unreduced pension benefit has changed to age 64 with 25 years of service and early retirement is age 55 with 10 years of service. Benefits are paid monthly equal to one-twelfth of the annual benefit for the retiree's lifetime. Married employees can elect to receive their pension benefits in the form of a joint and survivor option. In addition to retirement benefits, the Employee Plan also provides disability and death benefits.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant’s Compilation Report)**

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**NOTE 13. PENSION PLANS (Continued)**

*Employees covered by the benefit terms.* The following participants were covered by the benefit terms as of January 1, 2022 and January 1, 2021:

|   | <u>Employees' Plan</u> |
|---|------------------------|
| <b>Participants as of January 1, 2022</b>                       |                        |
| Retirees and beneficiaries currently receiving benefits         | 10,633                 |
| Terminated employees entitled to but not yet receiving benefits | 146                    |
| Active plan members   | <u>7,725</u>           |
| Total   | <u><u>18,504</u></u>   |
| <b>Participants as of January 1, 2021</b>                       |                        |
| Retirees and beneficiaries currently receiving benefits         | 10,616                 |
| Terminated employees entitled to but not yet receiving benefits | 160                    |
| Active plan members   | <u>8,078</u>           |
| Total   | <u><u>18,854</u></u>   |

**Net Pension Liability**

The CTA’s net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions and calculations. The total pension liability was determined using the following actuarial assumptions, applied to the periods included in the measurement:

| <u>Employee Plan</u>                |   |
|-------------------------------------|---|
| January 2, 2023 Actuarial Valuation |   |
| Actuarial valuation date            | January 1, 2022   |
| Measurement date                    | December 31, 2022. Census data was collected as of January 1, 2022. Liabilities measured as of the census date were projected to December 31, 2022, assuming no demographic gains or losses.  |
| Investment return                   | 8.25% per annum, compounded annually, including inflation, net of expenses  |
| Inflation                           | 3.10% per annum   |
| Salary increases                    | Service graded table starting at 11% with 3.5% ultimate rate after 5 years of service   |
| Future ad hoc benefit increases     | None assumed  |
| Mortality                           | SOA Public Mortality General Below Median generational with Improvement Scale MP-2018   |
| Early retirement age                | Employees hired before January 17, 2008, can retire at age 55 with reduced benefits. However, if the employee has 25 years or more of continuous service, regardless of age, the employee can retire with full benefits. Employees hired after January 17, 2008, are eligible for an unreduced pension benefit at age 64 with 25 years of service |

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

#### NOTE 13. PENSION PLANS (Continued)

|                        |   |
|------------------------|---|
| Normal retirement age  | 65  |
| Actuarial cost method  | Entry age normal - level percentage of pay  |
| Asset valuation method | 5-year smoothed actuarial value of assets   |
| Experience study       | The actuarial assumptions used were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2017. |

From 2022 to 2023, there were no changes in the actuarial assumptions. Best estimates of arithmetic real rates of return for each major asset class included in the Employees' Plan target asset allocation as of January 1, 2023 and 2022 are summarized in the following table (note that the rates shown below include the inflation components):

|                                  | Employees' Plan   |   |                   |   |
|----------------------------------|-------------------|---|-------------------|---|
|                                  | December 31, 2023 |   | December 31, 2022 |   |
|                                  | Target Allocation | Estimate of Expected Long-Term Rate of Return | Target Allocation | Estimate of Expected Long-Term Rate of Return |
| Fixed income                     | 15%               | 4.36%   | 15%               | 3.85%   |
| Domestic equities                | 30%               | 8.45%   | 30%               | 8.35%   |
| International equities           | 26%               | 8.97%   | 26%               | 6.90%   |
| Venture capital and partnerships | 10%               | 12.90%  | 10%               | 8.48%   |
| Real estate                      | 12%               | 7.28%   | 12%               | 6.16%   |
| Infrastructure                   | 7%                | 6.37%   | 7%                | 4.87%   |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

*Discount rate.* The discount rate used to measure the total pension liability was 8.25% for both 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that Employees' Plan members and employer contributions will continue to follow the current funding policy. Based on those assumptions, the Employees' Plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### SUPPLEMENTAL PLANS PENSION DISCLOSURES

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 13. PENSION PLANS (Continued)

##### General Information about the Supplemental Plans

**Plan Description.** The CTA also maintains separate single employer, defined benefit pension plans for selected individuals. The supplemental retirement plans provide benefits to employees of the CTA in certain employment classifications. The supplemental retirement plans consist of the: (1) closed board member plan (Board), (2) closed (Non-Qualified) supplemental plan for members that retired or terminated employment before March 2005, including early retirement incentive, and (3) closed (Qualified) supplemental plan for active employees and members retiring after March 2005. All plans are closed to new entrants. CTA received qualification under Section 401(a) of the Internal Revenue Code for the supplemental plan and established a qualified trust during 2005 for members retiring after March 2005 (Qualified Supplemental Retirement Plan). The Qualified Supplemental Retirement Plan is reported in a fiduciary fund, whereas the activities for the Non-Qualified and Board plans are included in the financial statements of the CTA's business-type activities. There are no separate stand-alone financial reports issued for any of the Supplemental Plans.

Each of the Supplemental plans are administered by the Employee Retirement Review Committee (EERC) of the CTA, whose members are appointed by the Board of Directors of the CTA, which retains oversight of the plan administration. The plans are each established by CTA ordinances, which grant the EERC operational authority and can be modified by the CTA Board.

**Contributions.** The Board and Non-Qualified plans are administered on a pay as you go basis. The CTA contributes to the Qualified plan based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

GASB Statements No. 67, *Financial Reporting for Pensions Plans—an amendment of GASB Statement No. 25*.

**Investments.** The Board and Non-Qualified plans are administered on a pay as you go basis. The Non-Qualified plan does not have any associated assets. The Board plan has a limited reserve held in cash or cash equivalents, which is not actively managed or associated with an investment policy. The Qualified plan's investment policy is established and may be amended by the CTA's Employment Retirement Review Committee. The primary objective of the policy is to provide a documented structure for the implementation of investment strategies which suggests the highest probability of maximizing the level of investment return within acceptable parameters for the total Fund's volatility and risk.

##### **RTA, Metra and Pace**

**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).

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 13. PENSION PLANS (Continued)

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

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

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

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

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

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

**Contributions and Vesting**—The Plan is funded solely by employer contributions, which are actuarially determined under the entry age actuarial cost method. Contributions to the plan from the Authority were \$61 million for the year ended December 31, 2023.

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

At December 31, 2023, the Authority reported a liability of \$13,424 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date, the Authority's proportion was 8.50%, which was a decrease of 0.30% from its proportion measured as of the prior year measurement date.

The net pension liability reflected in the RTA Pension Plan's Financial Report as of December 31, 2023, is \$101 million, of which the RTA's estimated proportionate share will be approximately \$9 million. This amount will be reflected as a liability in the Authority's financial statements next year.

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(See Independent Accountant's Compilation Report)**

**NOTE 13. PENSION PLANS (Continued)**

For the year ended December 31, 2023, the Authority recognized pension expense of \$4,966 thousand. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual earnings   | \$ 1,339                                  | \$ 421                                   |
| Change of assumptions  | 2,654                                     | 28                                       |
| Net difference between projected and actual earnings on<br>pension plan investments                              | 2,602                                     | -  |
| Change in proportion and differences between Authority<br>contributions and proportionate share of contributions | 756                                       | 230                                      |
| Authority contributions subsequent to the measurement date   | <u>5,140</u>                              | <u>-</u>                                 |
| Total  | <u>\$ 12,491</u>                          | <u>\$ 679</u>                            |

The \$5,140 thousand reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

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

| <u>Year ended December 31:</u> | <u>Amount</u>   |
|--------------------------------|-----------------|
| 2024                           | \$ 2,331        |
| 2025                           | 2,136           |
| 2026                           | 940             |
| 2027                           | <u>1,264</u>    |
| Total                          | <u>\$ 6,671</u> |

The net pension liability reflected in the individual fund statements of the RTA, Metra and Pace as of December 31, 2023 is measured as of December 31, 2022 and is \$157.9 million, of which the estimated proportions include \$13.4 million for RTA, \$92.2 million for Metra and \$52.3 million for Pace. These amounts are reflected as a liabilities along with the additional pension amounts, such as deferred outflows (inflows) of resources and pension expense as applicable.

*Actuarial assumptions.* The total pension liability was determined using an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.50 percent  |
| Salary increases          | 2.85 percent to 8.60 percent including inflation                          |
| Investment rate of return | 6.00 percent, net of pension plan investment expense, including inflation |

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 13. PENSION PLANS (Continued)

Mortality rates were based on the Pub-2010 (General Employees) Employee Mortality table for pre-retirement mortality and the Pub-2010 (General Employees) Healthy Retiree Mortality table for post-retirement mortality sex distinct, with mortality improvement projected from 2010 using projection scale MP-2018.

The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the various actuarial assumptions included in the actuarial valuation report as of January 1, 2019 were updated according to an actuarial experience study for the period January 1, 2013 through January 1, 2018. A summary of changes from the prior valuation includes decreasing the inflation rate to 2.5% from 2.75%, lowering future salary increases from a range of 3.25% to 8.75% to 2.85% to 8.6% and updating the mortality tables utilized from RP-2014 to Pub 2010.

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

| <u>Asset Class</u>             | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|--------------------------|---|
| Domestic Equity                | 28%                      | 8.7%  |
| Developed Foreign Equity       | 16%                      | 9.8%  |
| Emerging Markets Equity        | 15%                      | 10.0%   |
| Private Equity                 | 4%                       | 11.0%   |
| Investment Grade Bonds         | 11%                      | 4.7%  |
| Long-Term Government Bonds     | 3%                       | 5.0%  |
| TIPS                           | 3%                       | 4.5%  |
| High-Yield Bonds               | 3%                       | 7.3%  |
| Emerging Markets Bonds (local) | 2%                       | 6.0%  |
| Emerging Markets Bonds (major) | 2%                       | 6.4%  |
| Real Estate                    | 8%                       | 7.8%  |
| Real Assets                    | 5%                       | 8.0%  |

*Discount rate.* A single discount rate of 6.0% was used to measure the total pension liability. This single discount rate was based on the future expected rate of return on pension plan investments of 6.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 13. PENSION PLANS (Continued)

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate (amounts in thousands):

|                                  | <u>1% Decrease<br/>(5.00%)</u> | <u>Current Discount<br/>Rate (6.00%)</u> | <u>1% Increase<br/>(7.00%)</u> |
|----------------------------------|--------------------------------|--|--------------------------------|
| Collective Net Pension Liability | \$ 18,394                      | \$ 13,424                                | \$ 9,217                       |

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

Regional Transportation Authority Pension Plan  
175 West Jackson Boulevard, Suite 1550  
Chicago, IL 60604

#### NOTE 14. RISK MANAGEMENT

##### **RTA**

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

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

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

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

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 14. RISK MANAGEMENT (Continued)

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

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

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

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

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

|       | <b>Amount<br/>(in thousands)</b> |
|-------|----------------------------------|
| CTA   | \$ 3,500                         |
| Metra | 3,000                            |
| Pace  | 1,000                            |
| RTA   | 500                              |

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

#### **CTA**

The CTA is exposed to various types of risk of loss, including torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences. Also included are risks of loss associated with providing health, dental, and life insurance benefits to employees.

The CTA provides health insurance benefits to employees a self-insured comprehensive PPO plan. The CTA provides dental insurance benefits through an insured dental maintenance organization and a self-insured dental indemnity plan. The CTA does not purchase stop-loss insurance for its self-insured comprehensive PPO plan. The CTA provides life insurance benefits for active employees through an insured life insurance program.

CTA purchases property insurance for damage to CTA property including rolling stock. This insurance program is effective July 29, 2023 to July 29, 2024. Property limit of liability is \$180 million per occurrence and is purchased in three layers. The first/primary layer provides a \$25 million limit. The first excess layer provides a \$105 million limit excess and above the primary. The second excess layer provides the final \$50 million limit excess. The basic policy deductible is \$1 million per each occurrence, with a \$5 million deductible for each rail car collision or derailment claim.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 14. RISK MANAGEMENT (Continued)

For its 45 underground storage tanks ("UST"), CTA purchases UST insurance to provide coverage in the event of soil or groundwater contamination from a UST leak. This insurance policy is effective January 28, 2023 to January 28, 2024 and provides a limit of \$1,000,000 per UST incident and \$2,000,000 total policy aggregate, with a tiered deductible based on the age of the UST.

The CTA is also self-insured for general liability, workers' compensation, employee accidents, environmental, automotive liability losses, employment related suits, including discrimination and sexual harassment, and management liability of board members, directors, and officers of the CTA.

The RTA provides excess liability insurance to protect the self-insurance programs for general liability and terrorism currently maintained by the CTA. There are five insurance policies in effect from June 15, 2023 to June 15, 2024. The first policy provides \$10 million in excess of the \$15 million self-insured retention and \$20 million in the aggregate. The second policy provides \$5 million in excess of the \$25 million and \$10 million in the aggregate. The third policy provides \$10 million in excess of \$30 million and \$20 million in the aggregate. The fourth policy provides \$10 million in excess of \$40 million and \$20 million in the aggregate. The fifth policy provides \$50 million in excess of \$50 million and \$100 million in the aggregate. As of December 31, 2022, one CTA claim existed that is expected to exceed the \$15,000,000 self-insured retention under this insurance policy.

The CTA participates in a Joint Self-Insurance Fund (the Fund) with the RTA that permits the CTA to receive monies necessary to pay injury and damage claims in excess of \$2.5 million per occurrence up to the total balance in the Fund or a maximum of \$47.5 million. The CTA is obligated to reimburse the Fund for the principal amount borrowed plus a floating interest rate. However, the CTA is not obligated to make reimbursement payments, including interest, in excess of \$3.5 million in any one year. No borrowings were made from the Fund in fiscal years 2023 or 2022.

Settlements did not exceed coverage for any of the past four years, and there has been no significant reduction in coverage during that period.

Self-insured liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The estimate for injury and damage claims is adjusted for a current trend rate and discount factor of 3.5% and 3.0%, respectively. The estimate for workers' compensation claims is adjusted for a current trend rate and discount factor of 2.0% and 3.0%, respectively. Changes in the balance of claims liabilities during the past two years are as follows (in thousands of dollars):

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED DECEMBER 31, 2023  
 (See Independent Accountant's Compilation Report)

NOTE 14. RISK MANAGEMENT (Continued)

|   | Injury and<br>Damage | Group<br>Health and<br>Dental | Workers'<br>Compensation | Total      |
|---|----------------------|-------------------------------|--------------------------|------------|
| Balance at January 1, 2022                            | \$ 107,692           | \$ 9,525                      | \$ 171,421               | \$ 288,638 |
| Funded*   | 31,680               | 170,256                       | 60,998                   | 262,934    |
| Funding (excess)/deficiency per actuarial requirement | (24,521)             | -                             | (1,865)                  | (26,386)   |
| Payments*   | (12,656)             | (168,539)                     | (60,998)                 | (242,193)  |
| Balance at December 31, 2022                          | 102,195              | 11,242                        | 169,556                  | 282,993    |
| Funded*   | 20,200               | 165,846                       | 58,651                   | 244,697    |
| Funding (excess)/deficiency per actuarial requirement | 25,898               | -                             | 11,244                   | 37,142     |
| Payments*   | (35,730)             | (163,634)                     | (58,651)                 | (258,015)  |
| Balance at December 31, 2023                          | \$ 112,563           | \$ 13,454                     | \$ 180,800               | \$ 306,817 |

Chapter 70, Paragraph 3605/39 of the Illinois Compiled Statutes requires the CTA to establish an injury and damage reserve in order to provide for the adjustment, defense, and satisfaction of all suits, claims, and causes of action, and the payment and satisfaction of all judgments entered against the CTA for damages caused by injury to or death of any person and for damages to property resulting from the construction, maintenance, and operation of the transportation system. The statute also requires the CTA to separately fund the current year's budgeted provision for the injury and damage reserve.

**Metra**

A liability for each retained risk is provided based upon the estimated cost of settling claims using a case-by-case review and historical perspective. Changes in the retained risk portion of injury and damage, and Federal Employers Liability Act (FELA) accounts were as follows (amounts in thousands):

|                            |           |
|----------------------------|-----------|
| Balance, December 31, 2022 | \$ 71,442 |
| 2023 provision             | 28,292    |
| 2023 payments              | 25,586    |
| Balance, December 31, 2023 | \$ 74,148 |

**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**

**NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**  
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**NOTE 14. RISK MANAGEMENT (Continued)**

**PACE**

Pace’s basic risk financing policy is to retain a portion of the financial risk of loss for its General Liability, Automobile Liability, and Workers’ Compensation exposures. Pace does purchase aggregate insurance coverage in excess of specific self-insured retentions for each of the liability exposures highlighted below. Pace also purchases conventional insurance for its property, environmental, crime, employment practice, directors & officers and cyber liability exposures. The basic premise of Pace’s Risk Management program is to make risk control and risk financing decisions that minimize the adverse effects that accidental losses have on our organization. The employee health plan and workers’ compensation programs are administered primarily by third-party administrators that provide claims management services in exchange for a service fee.

There were no settlements in the past three years that exceeded the allotted coverage. There were also no significant reductions in coverage in 2023. Pace’s specific self-insured retentions as of December 31, 2023 are structured as follows:

|                                    |  |
|------------------------------------|--|
| General Liability                  | \$2,500,000 Each Occurrence  |
| Pollution Legal Liability          | \$25,000 Each Occurrence   |
| Underground Storage Tank Liability | \$50,000 Each Occurrence Tanks Under 30 Years Old<br>\$250,000 Each Occurrence Tanks Over 30 Years Old                                   |
| Automobile Liability               | \$5,000,000 Each Occurrence  |
| Excess Workers Compensation        | \$1,000,000 Each Occurrence  |
| Property                           | \$25,000 Per Occurrence Deductible - All Other Risks<br>Various Deductibles for Catastrophic Risks<br>(Earthquake, Flood, and Wind/Hail) |
| Employment Practice Liability      | \$100,000 Each Occurrence  |
| Cyber Liability                    | \$100,000 Each Occurrence  |

Pace also has assumed the financial risk for its employee health and welfare coverage. The stop loss coverage at December 31, 2023 is as follows (amounts in thousands):

|                             | <u>Specific Stop Loss</u> | <u>Aggregate Stop Loss</u> |
|-----------------------------|---------------------------|----------------------------|
| Corporate and all Divisions | \$150,000.00              | \$5,216,463.00             |

Claim reserves (liabilities) for general liability, automobile liability, and workers’ compensation are established based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and for claims that have been incurred but not reported (IBNR). For general and automobile liability, case reserves are established by the claim adjuster at the time the claim file is established and are modified throughout the life cycle of the claim

The reserves on larger cases, particularly those in litigation, are reviewed with legal staff. Reserves are reviewed regularly by the Pace General Counsel and adjusted on an as needed basis.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 14. RISK MANAGEMENT (Continued)

General liability, automobile liability, and workers' compensation claim reserves reflect the ultimate settlement value of the claim. For workers' compensation claims, reserves for temporary total disability (TTD), permanent partial disability, permanent total disability and medical expenses are established in accordance with the benefit structure outlined in the Illinois Workers' Compensation Act. If permanency is involved on the case, the reserves will be increased to reflect the appropriate amount as determined by previous cases settled at the Illinois Workers' Compensation Commission. Reserves are updated as necessary and reflect the ultimate settlement value of the claim.

General liability, automobile liability, and workers' compensation claim liabilities for incurred losses to be settled by a lump-sum payment or other agreement, represent their present value using an expected future investment yield of 2% per year. Reserves for employee health and welfare coverage are established based on historical claim experience. The ultimate liability for general liability, automobile liability, workers' compensation, and the employee health and welfare plan is approximately \$34 million and \$33 million as of December 31, 2023 and 2022, respectively. Cash is intended to pay for general liability, automobile liability, and workers' compensation at a present value of \$32 million and \$30 million for this liability at December 31, 2023 and 2022, respectively.

Changes in the balances of claims liabilities were as follows (amounts in thousands):

|  |    |               |
|--|----|---------------|
| Balance at beginning of year                 | \$ | 33,500        |
| Current year claims and changes in estimates |    | 9,264         |
| Claim payments                               |    | (11,116)      |
| Balance at end of year                       | \$ | <u>31,648</u> |
|  |    |               |
| Current portion of insurance reserves        | \$ | 8,488         |
| Non-current portion of insurance reserves    |    | 23,160        |
| Total insurance reserves                     | \$ | <u>31,648</u> |

#### NOTE 15. 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 expenses and the combining region-wide statement of revenues and expenses—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 expenses include the aggregate of all system generated revenues and costs.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 15. REGION-WIDE FINANCIAL INFORMATION (Continued)

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 of America, 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 2023, the region-wide system-generated revenue recovery ratio is calculated from the combining region-wide schedules of revenues and expenses (budget and actual budget basis) as follows:

| <b>System-generated<br/>Revenue Recovery Ratio<br/>(in thousands)</b> | <b>Revenues</b>     | <b>Expenses</b>     |
|---|---------------------|---------------------|
| CTA <sup>(a)</sup>  | \$ 674,317          | \$ 1,490,309        |
| Metra <sup>(b)</sup>  | 366,938             | 850,488             |
| Pace <sup>(c)</sup>   | 58,979              | 250,992             |
| RTA   | 24,850              | 36,844              |
| Total   | <u>\$ 1,125,084</u> | <u>\$ 2,628,633</u> |

The region-wide system-generated revenue recovery ratio for 2023 equals 42.80%.

- CTA's system-generated revenue recovery ratio includes Senior/Circuit Breaker Free Rides of \$14.9 million, and in-kind service of \$21.9 million both as revenues and expenses. The ratio excluded CTA expenses for security costs, and security camera contracts were for \$74.8 million, CSA labor and security department costs were an additional \$66.3 million, the FTA provided operating assistance to CTA of \$240 million, the Pension obligation bond debt service cost of \$101.2 million.
- Metra's system-generated revenue recovery ratio includes Federal relief funding for fare revenue replacement \$152.8 million, expenses excluded \$ 39.2 million of security costs, \$17.6 million for lease of transportation facilities, and \$4 million for depreciation expense to carriers.
- Pace's system-generated revenue recovery ratio included Senior/Circuit Breaker Free Rides revenue of \$1.3 million and in-kind revenue of \$8.9 million both as revenues and expenses. The ratio excluded expenses for SSJA exclusion \$7.5 million, bond interest \$207 thousand and Pace Express Bus Service expense was \$17.9 million.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are also reflected in the region-wide information, with the exception of the Senior/Circuit Breaker free ride credit, which is disallowed at the regional level.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

#### NOTE 15. REGION-WIDE FINANCIAL INFORMATION (Continued)

Also, 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 year 2023. Pace ended the year with a 10.27% recovery ratio for Regional ADA Paratransit Services. The 2023 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

#### NOTE 16. RECONCILIATION OF GOVERNMENT-WIDE TO REGION-WIDE REVENUES AND EXPENSES

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 15, in-kind services are added in the system-generated revenues and expenses.

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

|   | RTA               | CTA               | Metra             | Pace             |
|---|-------------------|-------------------|-------------------|------------------|
| <b>Government-wide revenues (page 71)</b>                               | \$ 1,181,765      | \$ 2,690,406      | \$ 1,267,498      | \$ 570,384       |
| Sales tax custodial fund  | 1,652,118         | -                 | -                 | -                |
| Pension trust fund  | 103,538           | -                 | -                 | -                |
| Senior free rides   | -                 | 14,904            | 1,611             | 1,256            |
| FTA Operating Assistance  | -                 | 240,255           | 152,895           | -                |
| Differential between loss in system-generated Revenue and CARES funding | -                 | -                 | -                 | -                |
| In-kind services  | -                 | 21,996            | -                 | 8,964            |
| <b>Region-wide revenues (page 72)</b>                                   | <b>2,937,421</b>  | <b>2,967,561</b>  | <b>1,422,004</b>  | <b>580,604</b>   |
| <b>Government-wide expenses (page 71)</b>                               | 1,033,306         | 2,599,144         | 1,153,284         | 563,936          |
| Sales tax custodial fund  | 1,652,118         | -                 | -                 | -                |
| Pension trust fund  | 24,823            | -                 | -                 | -                |
| In-kind services  | -                 | 21,996            | -                 | -                |
| Indirect overhead   | -                 | -                 | -                 | (7,500)          |
| Security costs  | -                 | (141,150)         | (39,233)          | -                |
| Lease of transportation facilities                                      | -                 | -                 | (17,587)          | -                |
| ICE   | -                 | -                 | -                 | -                |
| Pension and other employee benefits                                     | -                 | (101,244)         | -                 | -                |
| Capital (depreciation, disposals/additions)                             | -                 | -                 | (4,447)           | -                |
| Regional and Agency Capital   | -                 | -                 | -                 | -                |
| Operating   | -                 | -                 | -                 | (17,928)         |
| SSJA Exclusion  | -                 | -                 | -                 | -                |
| <b>Region-wide expenses (page 72)</b>                                   | <b>2,710,247</b>  | <b>2,378,746</b>  | <b>1,092,017</b>  | <b>538,508</b>   |
| <b>Net revenues</b>   | <b>\$ 227,174</b> | <b>\$ 588,815</b> | <b>\$ 329,987</b> | <b>\$ 42,096</b> |

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2023 (See Independent Accountant's Compilation Report)

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#### NOTE 17. OTHER REPORTABLE EVENTS / SUBSEQUENT EVENTS

##### **RTA**

There are no significant subsequent events.

##### **CTA**

###### Lines of Credit

On April 3, 2024, the Chicago Transit Authority entered into a tax-exempt Note Purchase Agreement (NPA) with PNC Bank, National Association in a not-to-exceed amount of \$75 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the SOFR rate. The Notes have an initial commitment expiration date of April 2, 2027.

On April 3, 2024, the Chicago Transit Authority entered into a tax-exempt Note Purchase Agreement (NPA) with Bank of America, National Association in a not-to-exceed amount of \$75 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the SOFR rate. The Notes have an initial commitment expiration date of April 2, 2027.

On April 3, 2024, the Chicago Transit Authority entered into a tax-exempt Note Purchase Agreement (NPA) with JP Morgan Chase Bank, National Association in a not-to-exceed amount of \$150 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the SOFR rate. The Notes have an initial commitment expiration date of April 3, 2029.

##### **Metra**

Metra has evaluated subsequent events through May 15, 2024, the date the financial statements are available for issuance.

Through May 31, 2024, Metra has requisitioned \$74.7 million of operating assistance under the ARP Act from the FTA; for the 2024 fiscal year. Through May 15, 2024, Metra has requisitioned \$74.7 million of operating assistance under the ARP Act from the FTA for the 2024 fiscal year. Additionally, Metra has not yet requisitioned the \$39.6 million under the ARP Act that was accrued for fiscal 2023. As of this date, there is \$418.5 million in federal relief funding available: \$194.3 million remaining under ARPA; \$162.3 million under the CARES Act; and \$61.9 million under CRRSAA.

##### **Pace**

There are no significant subsequent events.

## REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

### SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENSES

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

|  | RTA<br>Government-Wide | Service Boards                  |                              |                             | Combining<br>Adjustments |                     | Total<br>Combined |
|--|------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|---------------------|-------------------|
|  |                        | Chicago<br>Transit<br>Authority | Commuter<br>Rail<br>Division | Suburban<br>Bus<br>Division | Debit                    | Credit              |                   |
|  |                        |                                 |                              |                             |                          |                     |                   |
| <b>REVENUES:</b>                       |                        |                                 |                              |                             |                          |                     |                   |
| Service Boards operating revenues      | \$ -                   | \$ 368,828                      | \$ 214,044                   | \$ 47,793                   | \$ 4,603                 | \$ -                | \$ 626,062        |
| RTA financial assistance               | -                      | 1,058,386                       | 710,243                      | 450,609                     | 1,776,671                | -                   | 442,567           |
| Other public funding                   | -                      | 274,285                         | -                            | 2,628                       | -                        | -                   | 276,913           |
| Capital grants                         | -                      | 957,532                         | 343,211                      | 54,404                      | 570,238                  | -                   | 784,909           |
| Sales taxes                            | 173,483                | -                               | -                            | -                           | -                        | 1,631,328           | 1,804,811         |
| Interest on sales taxes                | 3,224                  | -                               | -                            | -                           | -                        | -                   | 3,224             |
| Public Transportation Fund             | 313,128                | -                               | -                            | -                           | 207,983                  | -                   | 105,145           |
| Operating assistance                   | 497,271                | -                               | -                            | -                           | -                        | -                   | 497,271           |
| State assistance                       | 117,369                | -                               | -                            | -                           | -                        | -                   | 117,369           |
| Investment income                      | 22,748                 | 31,375                          | -                            | 14,950                      | -                        | -                   | 69,073            |
| Program revenues and other             | 54,542                 | -                               | -                            | -                           | -                        | -                   | 54,542            |
| <b>Total revenues</b>                  | <b>1,181,765</b>       | <b>2,690,406</b>                | <b>1,267,498</b>             | <b>570,384</b>              | <b>2,559,495</b>         | <b>1,631,328</b>    | <b>4,781,886</b>  |
| <b>EXPENSES:</b>                       |                        |                                 |                              |                             |                          |                     |                   |
| Operating                              | -                      | 1,700,818                       | 911,755                      | 504,804                     | -                        | 4,603               | 3,112,774         |
| Depreciation                           | -                      | 722,962                         | 241,529                      | 59,132                      | -                        | -                   | 1,023,623         |
| Financial assistance to Service Boards | 355,818                | -                               | -                            | -                           | -                        | 355,818             | -                 |
| Capital grants—bonds                   | 518,058                | -                               | -                            | -                           | -                        | 518,058             | -                 |
| IDOT Capital Grant - PACE (ADA)        | 12,949                 | -                               | -                            | -                           | -                        | 12,949              | -                 |
| Operating assistance - service boards  | 36,739                 | -                               | -                            | -                           | -                        | 36,739              | -                 |
| Insurance (JSIF)                       | 9,363                  | -                               | -                            | -                           | -                        | -                   | 9,363             |
| Administrative and other expenses      | 20,965                 | -                               | -                            | -                           | -                        | -                   | 20,965            |
| Regional and technology expenses       | 21,616                 | -                               | -                            | -                           | -                        | -                   | 21,616            |
| Interest expenses                      | 57,798                 | 175,364                         | -                            | -                           | -                        | -                   | 233,162           |
| <b>Total expenses</b>                  | <b>1,033,306</b>       | <b>2,599,144</b>                | <b>1,153,284</b>             | <b>563,936</b>              | <b>-</b>                 | <b>928,167</b>      | <b>4,421,503</b>  |
| <b>NET REVENUES (EXPENSES)</b>         | <b>\$ 148,459</b>      | <b>\$ 91,262</b>                | <b>\$ 114,214</b>            | <b>\$ 6,448</b>             | <b>\$ 2,559,495</b>      | <b>\$ 2,559,495</b> | <b>\$ 360,383</b> |

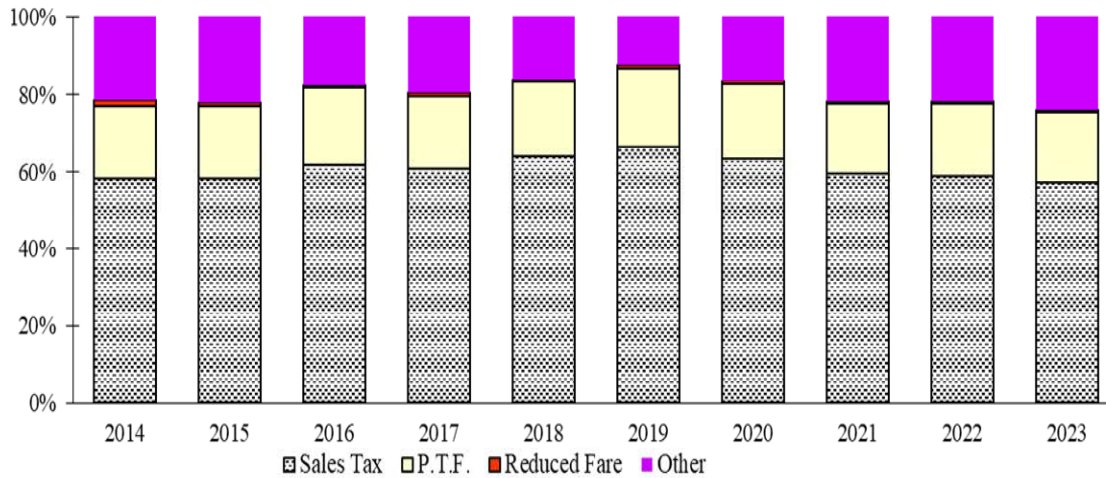
**REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS**  
**SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENSES—BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**YEAR ENDED DECEMBER 31, 2023**  
(In Thousands)

|  | RTA  |                                 |                              |                             | Combining           |                       | Total<br>Combined   | Total<br>Region-Wide<br>Budget |
|--|--|---------------------------------|------------------------------|-----------------------------|---------------------|-----------------------|---------------------|--------------------------------|
|  | Government-Wide<br>and<br>Fiduciary<br>Funds (1) | Service Boards                  |                              |                             | Adjustments         |                       |                     |                                |
|  |  | Chicago<br>Transit<br>Authority | Commuter<br>Rail<br>Division | Suburban<br>Bus<br>Division | Debit               | Credit                |                     |                                |
| <b>REVENUES:</b>   |  |                                 |                              |                             |                     |                       |                     |                                |
| RTA financial assistance   | \$ -   | \$ 1,058,386                    | \$ 710,243                   | \$ 450,608                  | \$ 1,776,671        | \$ -                  | \$ 442,566          | \$ -                           |
| Other public funding   | -  | 240,255                         | -                            | -                           | -                   | -                     | 240,255             | -                              |
| Capital grants   | -  | 957,532                         | 343,211                      | 54,404                      | 551,560             | -                     | 803,587             | -                              |
| Sales taxes  | 1,594,699  | -                               | -                            | -                           | -                   | -                     | 1,594,699           | 1,537,674                      |
| Public Transportation Fund   | 521,111  | -                               | -                            | -                           | 207,983             | -                     | 313,128             | 494,942                        |
| General State revenue  | 497,271  | -                               | -                            | -                           | -                   | -                     | 497,271             | -                              |
| Operating assistance   | 49,134   | -                               | -                            | 2,629                       | -                   | -                     | 51,763              | -                              |
| State Assistance (AFA & ASA)   | 117,369  | -                               | -                            | -                           | -                   | -                     | 117,369             | 115,189                        |
| State reduced fare reimbursement   | 18,316   | -                               | -                            | -                           | 18,316              | -                     | -                   | 17,570                         |
| Pension contribution   | 61,062   | -                               | -                            | -                           | -                   | -                     | 61,062              | -                              |
| Pension investment income (loss)   | 42,476   | -                               | -                            | -                           | -                   | -                     | 42,476              | -                              |
| Other intergovernmental revenues   | -  | -                               | -                            | -                           | -                   | -                     | -                   | -                              |
| Other revenues   | 5,408  | 22,167                          | -                            | 14,950                      | -                   | -                     | 42,525              | -                              |
| Interest on sales taxes to Service Boards                                  | 4,603  | -                               | -                            | -                           | 4,603               | -                     | -                   | -                              |
| <b>Subtotal</b>  | <b>2,911,449</b>                                 | <b>2,278,340</b>                | <b>1,053,454</b>             | <b>522,591</b>              | <b>2,559,133</b>    | <b>-</b>              | <b>4,206,701</b>    | <b>2,165,375</b>               |
| Investment income  | 22,748   | -                               | -                            | -                           | -                   | -                     | 22,748              | 1,000                          |
| Interest on sales taxes  | 3,224  | -                               | -                            | -                           | -                   | -                     | 3,224               | -                              |
| Service Boards revenues  | -  | 412,066                         | 214,043                      | 47,794                      | -                   | -                     | 673,903             | 637,990                        |
| Add (Subtract):  |  |                                 |                              |                             |                     |                       |                     |                                |
| FTA Operating Assistance (Cares and CRRSA)                                 | -  | 240,255                         | 152,895                      | -                           | -                   | -                     | 393,150             | -                              |
| Differential between loss in system-generated<br>Revenue and CARES funding | -  | -                               | -                            | -                           | -                   | -                     | -                   | -                              |
| Senior Free Ride   | -  | 14,904                          | 1,612                        | 1,255                       | -                   | -                     | 17,771              | -                              |
| In-kind services   | -  | 21,996                          | -                            | 8,964                       | -                   | -                     | 30,960              | -                              |
| <b>Subtotal</b>  | <b>25,972</b>                                    | <b>689,221</b>                  | <b>368,550</b>               | <b>58,013</b>               | <b>-</b>            | <b>-</b>              | <b>1,141,756</b>    | <b>638,990</b>                 |
| <b>Total revenues</b>  | <b>2,937,421</b>                                 | <b>2,967,561</b>                | <b>1,422,004</b>             | <b>580,604</b>              | <b>2,559,133</b>    | <b>-</b>              | <b>5,348,457</b>    | <b>2,804,365</b>               |
| <b>EXPENSES:</b>   |  |                                 |                              |                             |                     |                       |                     |                                |
| Depreciation   | -  | 722,969                         | 241,529                      | 59,132                      | -                   | -                     | 1,023,630           | -                              |
| Interest expenses from leasing transactions                                | -  | 2,435                           | -                            | -                           | -                   | -                     | 2,435               | -                              |
| Interest expenses  | 57,798   | 123,831                         | -                            | -                           | -                   | -                     | 181,629             | 181,629                        |
| Financial assistance to Service Boards                                     | 2,039,307  | -                               | -                            | -                           | -                   | 1,997,603             | 41,704              | -                              |
| Capital grants—bonds   | 518,058  | -                               | -                            | -                           | -                   | 538,611               | (20,553)            | -                              |
| State reduced fare reimbursement   | 18,316   | -                               | -                            | -                           | -                   | 18,316                | -                   | -                              |
| Bond related expenses  | 62   | -                               | -                            | -                           | -                   | -                     | 62                  | -                              |
| Pension and other employee benefits  | 24,823   | 39,202                          | -                            | -                           | -                   | -                     | 64,025              | -                              |
| Interest on sales taxes to Service Boards                                  | -  | -                               | -                            | -                           | -                   | 4,603                 | (4,603)             | -                              |
| <b>Subtotal</b>  | <b>2,658,364</b>                                 | <b>888,437</b>                  | <b>241,529</b>               | <b>59,132</b>               | <b>-</b>            | <b>2,559,133</b>      | <b>1,288,329</b>    | <b>181,629</b>                 |
| Operating expenses   | 9,363  | 1,710,707                       | 911,755                      | 504,804                     | -                   | -                     | 3,136,629           | 3,349,393                      |
| Administrative expenses  | 20,904   | -                               | -                            | -                           | -                   | -                     | 20,904              | 17,126                         |
| Regional and Technology expenses   | 21,616   | -                               | -                            | -                           | -                   | -                     | 21,616              | 19,198                         |
| Add (Subtract):  |  |                                 |                              |                             |                     |                       |                     |                                |
| In-kind services   | -  | 21,996                          | -                            | -                           | -                   | -                     | 21,996              | 21,996                         |
| Indirect Overhead  | -  | -                               | -                            | (7,500)                     | -                   | -                     | (7,500)             | (7,500)                        |
| Security costs   | -  | (141,150)                       | (39,233)                     | -                           | -                   | -                     | (180,383)           | (180,383)                      |
| Express Bus Service Expense  | -  | -                               | -                            | (17,928)                    | -                   | -                     | (17,928)            | -                              |
| Pension Obligation Bond Debt Service                                       | -  | (101,244)                       | -                            | -                           | -                   | -                     | (101,244)           | (101,244)                      |
| Lease of transportation facilities   | -  | -                               | (17,587)                     | -                           | -                   | -                     | (17,587)            | (17,587)                       |
| Capital (depreciation, disposals/additions)                                | -  | -                               | (4,447)                      | -                           | -                   | -                     | (4,447)             | (4,447)                        |
| <b>Subtotal</b>  | <b>51,883</b>                                    | <b>1,490,309</b>                | <b>850,488</b>               | <b>479,376</b>              | <b>-</b>            | <b>-</b>              | <b>2,872,056</b>    | <b>3,096,552</b>               |
| <b>Total expenses</b>  | <b>2,710,247</b>                                 | <b>2,378,746</b>                | <b>1,092,017</b>             | <b>538,508</b>              | <b>-</b>            | <b>2,559,133</b>      | <b>4,160,385</b>    | <b>3,278,181</b>               |
| <b>NET REVENUES (EXPENSES)</b>   | <b>\$ 227,174</b>                                | <b>\$ 588,815</b>               | <b>\$ 329,987</b>            | <b>42,096</b>               | <b>\$ 2,559,133</b> | <b>\$ (2,559,133)</b> | <b>\$ 1,188,072</b> | <b>\$ (473,816)</b>            |

(1) RTA amounts represent government-wide revenues and expenses and fiduciary fund increases (revenues) and decreases (expenses).

**RTA REVENUE BY SOURCE**

**2014-2023**

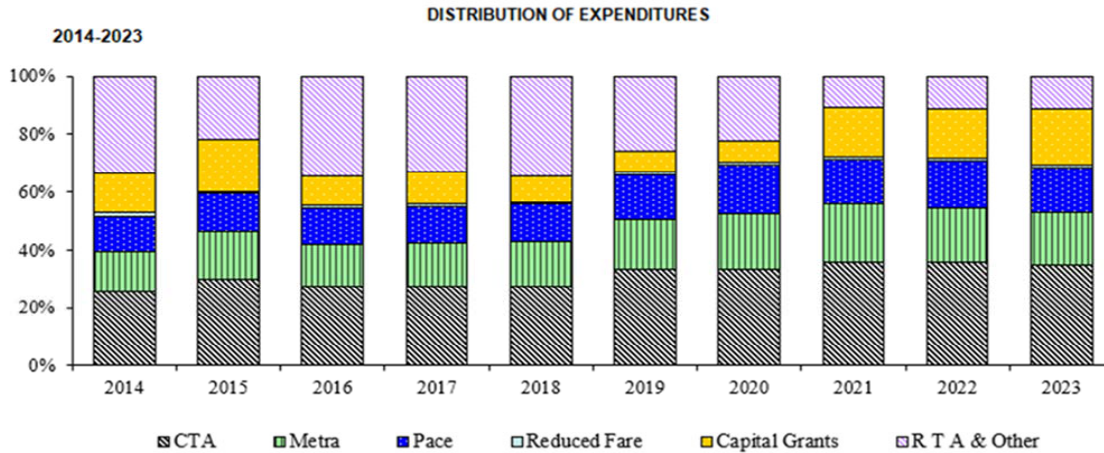


*Last Ten Years*

*(In Thousands)*

|                            | Sales Tax    | Public Transportation Fund | Reduced Fare | Other      | Total        |
|----------------------------|--------------|----------------------------|--------------|------------|--------------|
| 12 Months Ended 12/31/14   | \$ 1,121,275 | \$ 357,711                 | \$ 34,070    | \$ 410,449 | \$ 1,923,505 |
| <i>Percentage of Total</i> | 58.29%       | 18.60%                     | 1.77%        | 21.34%     | 100%         |
| 12 Months Ended 12/31/15   | 1,169,268    | 376,897                    | 17,570       | 443,582    | 2,007,317    |
| <i>Percentage of Total</i> | 58.25%       | 18.78%                     | 0.88%        | 22.10%     | 100%         |
| 12 Months Ended 12/31/16   | 1,185,182    | 382,748                    | 17,570       | 335,398    | 1,920,898    |
| <i>Percentage of Total</i> | 61.70%       | 19.93%                     | 0.91%        | 17.46%     | 100%         |
| 12 Months Ended 12/31/17   | 1,185,986    | 362,647                    | 17,570       | 380,963    | 1,947,166    |
| <i>Percentage of Total</i> | 60.91%       | 18.62%                     | 0.90%        | 19.56%     | 100%         |
| 12 Months Ended 12/31/18   | 1,237,339    | 368,367                    | 16,692       | 306,944    | 1,929,342    |
| <i>Percentage of Total</i> | 64.13%       | 19.09%                     | 0.87%        | 15.91%     | 100%         |
| 12 Months Ended 12/31/19   | 1,254,161    | 381,989                    | 17,570       | 233,541    | 1,887,261    |
| <i>Percentage of Total</i> | 66.45%       | 20.24%                     | 0.93%        | 12.37%     | 100%         |
| 12 Months Ended 12/31/20   | 1,178,795    | 358,393                    | 17,570       | 304,647    | 1,859,405    |
| <i>Percentage of Total</i> | 63.40%       | 19.27%                     | 0.94%        | 16.38%     | 100%         |
| 12 Months Ended 12/31/21   | 1,468,807    | 437,268                    | 17,570       | 535,752    | 2,459,397    |
| <i>Percentage of Total</i> | 59.72%       | 17.78%                     | 0.71%        | 21.78%     | 100%         |
| 12 Months Ended 12/31/22   | 1,569,567    | 499,587                    | 17,570       | 574,558    | 2,661,282    |
| <i>Percentage of Total</i> | 58.98%       | 18.77%                     | 0.66%        | 21.59%     | 100%         |
| 12 Months Ended 12/31/23   | 1,611,296    | 521,111                    | 18,317       | 675,567    | 2,826,291    |
| <i>Percentage of Total</i> | 57.01%       | 18.44%                     | 0.65%        | 23.90%     | 100%         |

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

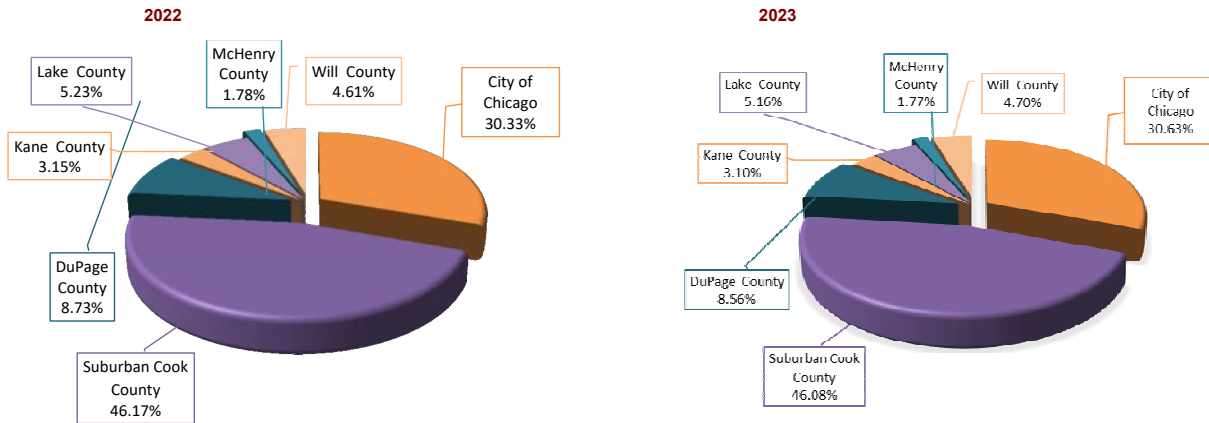


Last Ten Years (in thousands)

|                          | Financial Assistance |         |         |           | Reduced Fare | Capital Grants | R T A and Other | Total     |
|--------------------------|----------------------|---------|---------|-----------|--------------|----------------|-----------------|-----------|
|                          | CTA                  | Metra   | Pace    | Total     |              |                |                 |           |
| 12 Months Ended 12/31/14 | 597,363              | 322,518 | 268,657 | 1,188,538 | 34,070       | 314,780        | 785,469         | 2,322,856 |
| Percentage of Total      | 25.72%               | 13.88%  | 11.57%  | 51.17%    | 1.47%        | 13.55%         | 33.81%          | 100%      |
| 12 Months Ended 12/31/15 | 631,806              | 337,773 | 283,751 | 1,253,330 | 17,570       | 379,755        | 458,601         | 2,109,256 |
| Percentage of Total      | 29.95%               | 16.01%  | 13.45%  | 59.42%    | 0.83%        | 18.00%         | 21.74%          | 100%      |
| 12 Months Ended 12/31/16 | 642,155              | 336,898 | 287,674 | 1,266,728 | 17,570       | 242,086        | 806,311         | 2,332,695 |
| Percentage of Total      | 27.53%               | 14.44%  | 12.33%  | 54.30%    | 0.75%        | 10.38%         | 34.57%          | 100%      |
| 12 Months Ended 12/31/17 | 630,467              | 339,865 | 288,253 | 1,258,585 | 17,570       | 256,362        | 758,542         | 2,291,059 |
| Percentage of Total      | 27.52%               | 14.83%  | 12.58%  | 54.93%    | 0.77%        | 11.19%         | 33.11%          | 100%      |
| 12 Months Ended 12/31/18 | 650,167              | 352,502 | 303,207 | 1,305,876 | 16,692       | 209,061        | 819,100         | 2,350,729 |
| Percentage of Total      | 27.66%               | 15.00%  | 12.90%  | 55.55%    | 0.71%        | 8.89%          | 34.84%          | 100%      |
| 12 Months Ended 12/31/19 | 666,766              | 355,446 | 307,272 | 1,329,484 | 17,570       | 149,249        | 524,696         | 2,020,999 |
| Percentage of Total      | 32.99%               | 17.59%  | 15.20%  | 65.78%    | 0.87%        | 7.38%          | 25.96%          | 100%      |
| 12 Months Ended 12/31/20 | 606,757              | 347,126 | 299,038 | 1,252,921 | 17,570       | 138,313        | 408,815         | 1,817,619 |
| Percentage of Total      | 33.38%               | 19.10%  | 16.45%  | 68.93%    | 0.97%        | 7.61%          | 22.49%          | 100%      |
| 12 Months Ended 12/31/21 | 776,857              | 438,818 | 332,812 | 1,548,487 | 17,570       | 376,964        | 235,129         | 2,178,150 |
| Percentage of Total      | 35.67%               | 20.15%  | 15.28%  | 71.09%    | 0.81%        | 17.31%         | 10.79%          | 100%      |
| 12 Months Ended 12/31/22 | 858,359              | 462,619 | 394,215 | 1,715,193 | 17,570       | 422,066        | 271,934         | 2,426,763 |
| Percentage of Total      | 35.37%               | 19.06%  | 16.24%  | 70.68%    | 0.72%        | 17.39%         | 11.21%          | 100%      |
| 12 Months Ended 12/31/23 | 897,834              | 480,427 | 398,773 | 1,777,034 | 18,317       | 520,495        | 291,019         | 2,606,865 |
| Percentage of Total      | 34.44%               | 18.43%  | 15.30%  | 68.17%    | 0.70%        | 19.97%         | 11.16%          | 100%      |

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

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO



Last Ten Years

(In Thousands)

|                          | City of Chicago | Suburban Cook County | DuPage County | Kane County | Lake County | McHenry County | Will County | Total        |
|--------------------------|-----------------|----------------------|---------------|-------------|-------------|----------------|-------------|--------------|
| 12 Months Ended 12/31/14 | \$ 343,832      | \$ 521,593           | \$ 97,995     | \$ 33,208   | \$ 62,156   | \$ 19,964      | \$ 45,249   | \$ 1,123,997 |
| Percentage of Total      | 30.59%          | 46.41%               | 8.72%         | 2.95%       | 5.53%       | 1.78%          | 4.03%       | 100%         |
| 12 Months Ended 12/31/15 | 363,131         | 541,214              | 100,795       | 34,482      | 62,705      | 20,385         | 46,555      | 1,169,267    |
| Percentage of Total      | 31.06%          | 46.29%               | 8.62%         | 2.95%       | 5.36%       | 1.74%          | 3.98%       | 100.00%      |
| 12 Months Ended 12/31/16 | 368,589         | 546,376              | 102,966       | 35,476      | 63,521      | 20,801         | 47,453      | 1,185,182    |
| Percentage of Total      | 31.10%          | 46.10%               | 8.69%         | 2.99%       | 5.36%       | 1.76%          | 4.00%       | 100%         |
| 12 Months Ended 12/31/17 | 365,311         | 548,955              | 103,254       | 36,047      | 63,041      | 20,976         | 48,403      | 1,185,987    |
| Percentage of Total      | 30.80%          | 46.29%               | 8.70%         | 3.04%       | 5.32%       | 1.77%          | 4.08%       | 100%         |
| 12 Months Ended 12/31/18 | 380,082         | 572,126              | 105,460       | 37,452      | 64,929      | 21,507         | 50,455      | 1,232,011    |
| Percentage of Total      | 30.85%          | 46.44%               | 8.56%         | 3.04%       | 5.27%       | 1.75%          | 4.10%       | 100%         |
| 12 Months Ended 12/31/19 | 390,709         | 580,259              | 107,848       | 37,876      | 62,748      | 21,895         | 52,826      | 1,254,161    |
| Percentage of Total      | 31.15%          | 46.27%               | 8.60%         | 3.02%       | 5.00%       | 1.75%          | 4.21%       | 100%         |
| 12 Months Ended 12/31/20 | 319,612         | 554,640              | 102,676       | 37,302      | 61,586      | 21,400         | 53,942      | 1,151,158    |
| Percentage of Total      | 27.76%          | 48.18%               | 8.92%         | 3.24%       | 5.35%       | 1.86%          | 4.69%       | 100%         |
| 12 Months Ended 12/31/21 | 429,301         | 693,634              | 127,919       | 46,466      | 75,601      | 26,670         | 69,216      | 1,468,807    |
| Percentage of Total      | 29.23%          | 47.22%               | 8.71%         | 3.16%       | 5.15%       | 1.82%          | 4.71%       | 100%         |
| 12 Months Ended 12/31/22 | 476,052         | 724,659              | 137,054       | 49,468      | 82,051      | 27,864         | 72,418      | 1,569,566    |
| Percentage of Total      | 30.33%          | 46.17%               | 8.73%         | 3.15%       | 5.23%       | 1.78%          | 4.61%       | 100%         |
| 12 Months Ended 12/31/23 | 499,478         | 751,449              | 139,631       | 50,494      | 84,234      | 28,918         | 76,679      | 1,630,883    |
| Percentage of Total      | 31.82%          | 47.88%               | 8.90%         | 3.22%       | 5.37%       | 1.84%          | 4.89%       | 104%         |

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

**LEGAL DEBT CAPACITY**

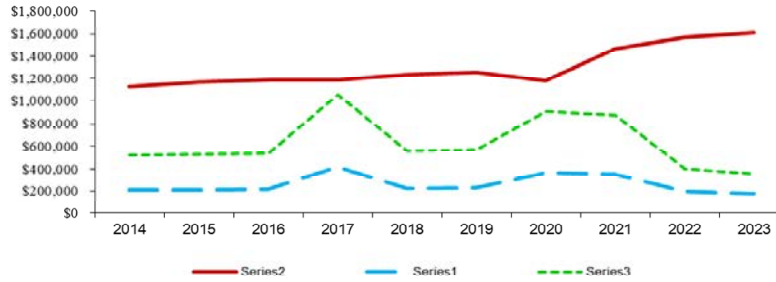
(In Thousands)

**2023**

| Legal Debt Margin:                                    | Balance Outstanding<br>at December 31, 2023 | Issued              | Working<br>Cash Notes | Total             |
|---|---|---------------------|-----------------------|-------------------|
| Debt Limitation per Act for General Obligations       |   |                     |                       |                   |
| Debt applicable to limitation :                       |   |                     |                       | \$ 800,000        |
| Non-SCIP Bonds:                                       |   |                     |                       |                   |
| 2003B General Obligation Bonds                        | \$ 78,175                                   |                     |                       |                   |
| 2005B General Obligation Refunding Bonds              | 25,485                                      |                     |                       |                   |
| 2010A General Obligation Bonds                        | -   |                     |                       |                   |
| 2010B General Obligation Bonds                        | 106,040                                     |                     |                       |                   |
| 2016A General Obligation Bonds                        | 83,660                                      |                     |                       |                   |
| 2018B General Obligation Bonds                        | 127,535                                     |                     |                       |                   |
| 2021A General Obligation Refunding Bonds              | <u>83,595</u>                               |                     |                       |                   |
| Total RTA Bonds Applicable to Limitation              | <u>504,490</u>                              |                     |                       | (504,490)         |
| SCIP Bonds:   |   |                     |                       |                   |
| 1992A General Obligation Bonds                        | -   | 188,000             |                       |                   |
| 1993A General Obligation Bonds                        | -   | 55,000              |                       |                   |
| 1994A General Obligation Bonds                        | -   | 195,000             |                       |                   |
| 1994C General Obligation Bonds                        | -   | 62,000              |                       |                   |
| 1999 General Obligation Refunding Bonds               | 22,180                                      | -                   |                       |                   |
| 2000 General Obligation Bonds                         | 107,715                                     | 260,000             |                       |                   |
| 2001A General Obligation Bonds                        | 43,945                                      | 100,000             |                       |                   |
| 2001B General Obligation Refunding Bonds              | -   | -                   |                       |                   |
| 2002A General Obligation Bonds                        | 77,600                                      | 160,000             |                       |                   |
| 2003A General Obligation Bonds                        | 135,505                                     | 260,000             |                       |                   |
| 2004A General Obligation Bonds                        | 144,935                                     | 260,000             |                       |                   |
| 2006A General Obligation Bonds                        | -   | -                   |                       |                   |
| 2017A General Obligation Bonds                        | <u>148,035</u>                              | <u>250,030</u>      |                       |                   |
| Total SCIP Bonds Applicable to Limitation             |   | <u>\$ 1,790,030</u> |                       |                   |
| Total SCIP Bonds Outstanding                          | <u>679,915</u>                              |                     |                       |                   |
| Total Bonds Outstanding                               | <u>\$ 1,184,405</u>                         |                     |                       |                   |
| Debt Margin for General Obligations                   |   |                     |                       | 295,510           |
| Debt Limitation per Act for Working Cash Notes        |   |                     | \$ 100,000            |                   |
| Total RTA Working Cash Notes Applicable to Limitation |   |                     |                       |                   |
| Debt Margin for Working Cash Notes                    |   |                     |                       | <u>100,000</u>    |
| Total Legal Debt Margin                               |   |                     |                       | <u>\$ 395,510</u> |

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

2014 - 2023  
(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                               | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales Tax Revenue                  | \$ 1,123,997 | \$ 1,169,267 | \$ 1,185,182 | \$ 1,185,986 | \$ 1,237,339 | \$ 1,254,161 | \$ 1,178,795 | \$ 1,468,807 | \$ 1,569,567 | \$ 1,611,296 |
| Debt Service Requirement           | 208,985      | 211,041      | 214,984      | 421,835      | 223,893      | 228,939      | 362,935      | 350,304      | 199,707      | 178,063      |
| 2.5 Times Debt Service Requirement | 522,463      | 527,603      | 537,460      | 1,054,588    | 559,733      | 572,348      | 907,338      | 875,760      | 399,414      | 356,126      |

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

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

| <i>Last Ten Years</i> |                           |            |            | <i>(In Thousands)</i> |                               |
|-----------------------|---------------------------|------------|------------|-----------------------|-------------------------------|
| Year                  | Debt Service Requirements |            |            | Total                 | Ratio of Debt                 |
|                       | Principal                 | Interest   | Total      | Expenditures          | Service to Total Expenditures |
| 2014                  | \$ 93,740                 | \$ 115,245 | \$ 208,985 | \$ 2,322,856          | 9.00%                         |
| 2015                  | 100,610                   | 110,431    | 211,041    | 2,109,256             | 10.01%                        |
| 2016                  | 106,385                   | 108,599    | 214,984    | 2,332,695             | 9.22%                         |
| 2017                  | 313,870                   | 107,965    | 421,835    | 2,291,059             | 18.41%                        |
| 2018                  | 121,295                   | 102,598    | 223,893    | 2,350,729             | 9.52%                         |
| 2019                  | 130,070                   | 98,869     | 228,939    | 2,020,999             | 11.33%                        |
| 2020                  | 271,470                   | 91,465     | 362,935    | 1,817,619             | 19.97%                        |
| 2021                  | 357,585                   | 82,249     | 439,834    | 2,617,435             | 16.80%                        |
| 2022                  | 127,300                   | 72,407     | 199,707    | 2,426,763             | 8.23%                         |
| 2023                  | 111,330                   | 66,733     | 178,063    | 2,602,311             | 6.84%                         |

Table 7

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

*Last Ten Calendar Years*

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

*(In Millions)*

| Federal Fiscal Year | Total Awarded      | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Regional Transportation Authority |
|---------------------|--------------------|---------------------------|------------------------|-----------------------|-----------------------------------|
| 2014                | \$ 533.43          | \$ 317.02                 | \$ 161.55              | \$ 54.86              | \$ -                              |
| 2015*               | 1,034.69           | 826.16                    | 161.32                 | 47.21                 | -                                 |
| 2016                | 528.31             | 295.30                    | 190.69                 | 42.32                 | -                                 |
| 2017**              | 504.56             | 294.77                    | 169.83                 | 39.96                 | -                                 |
| 2018***             | 576.66             | 342.48                    | 186.29                 | 47.89                 | -                                 |
| 2019****            | 549.80             | 322.25                    | 183.91                 | 43.64                 | -                                 |
| 2020*****           | 524.24             | 303.96                    | 178.35                 | 41.93                 | -                                 |
| 2021*--             | 527.36             | 305.46                    | 179.55                 | 42.35                 | -                                 |
| 2022*---            | 734.03             | 422.72                    | 252.98                 | 58.33                 | -                                 |
| 2023                | 810.76             | 469.05                    | 280.89                 | 60.82                 | -                                 |
| <b>Total</b>        | <b>\$ 6,323.84</b> | <b>\$ 3,899.17</b>        | <b>\$ 1,945.36</b>     | <b>\$ 479.31</b>      | <b>\$ -</b>                       |

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

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

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

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

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

\*\*\*\*\*2020 includes reprogrammed federal formula funds: \$0.17M for Metra

\*- -2021 data included reprogrammed federal formula funds: \$0.18M for Metra and \$0.21M for Pace for a total of \$0.39M

\*- -2022 data includes

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2023

| <u>Chicago Transit Authority</u>  | <u>Metra Commuter Rail Division*</u>   | <u>Pace Suburban Bus Division</u>   |
|---|--|---|
| <u>Rapid Transit</u>  | <u>Commuter Rail</u>   | <u>Fixed Route Bus</u>  |
| <ul style="list-style-type: none"> <li>• 8 rail lines</li> <li>• 145 stations served</li> <li>• 1,480 rapid transit cars</li> <li>• 117.4 million riders per year</li> <li>• 1,719 STO* positions</li> </ul>                                    | <ul style="list-style-type: none"> <li>• 11 rail lines</li> <li>• 488 route miles</li> <li>• 1,155 miles of track</li> <li>• 242 stations</li> <li>• 176 locomotives</li> <li>• 861 diesel passenger cars</li> <li>• 182 electric passenger cars</li> <li>• 582 weekday trains operated</li> <li>• 31.9 million riders per year</li> <li>• 4,489 full-time employees</li> <li>• 704.0 million passenger miles per year</li> <li>• 43.0 million vehicle revenue miles per year</li> </ul> | <ul style="list-style-type: none"> <li>• 134 regular routes</li> <li>• 5 feeder routes</li> <li>• 0 shuttle routes</li> <li>• 498 vehicles in use during peak periods</li> <li>• 14.9 million riders per year</li> <li>• 701 Pace-owned buses</li> <li>• 1,752 full-time employees</li> </ul> |
| <u>Motor Bus</u>  |  | <u>ADA Paratransit</u>  |
| <ul style="list-style-type: none"> <li>• 127 bus routes</li> <li>• 1,859 buses</li> <li>• 161.7 million riders per year</li> <li>• 3,708 STO* positions</li> </ul>  |  | <ul style="list-style-type: none"> <li>• 446 Pace-owned lift-equipped vehicles in service</li> <li>• 2.9 million riders per year</li> <li>• 48 full-time employees</li> </ul>   |
| <u>CTA Totals</u>   |  | <u>Demand-Response</u>  |
| <ul style="list-style-type: none"> <li>• 0.5 billion rail passenger miles per year</li> <li>• 296.8 million bus passenger miles per year</li> <li>• 119.4 million vehicle revenue miles per year</li> <li>• 4,869 Non-STO* positions</li> </ul> |  | <ul style="list-style-type: none"> <li>• 44 local services</li> <li>• 232 Pace-owned lift-equipped vehicles in service</li> <li>• 130 communities served</li> <li>• 0.7 million riders per year</li> </ul>  |
|   |  | <u>Vanpool</u>  |
|   |  | <ul style="list-style-type: none"> <li>• 299 vanpool vehicles in operation</li> <li>• 0.5 million riders per year</li> </ul>  |

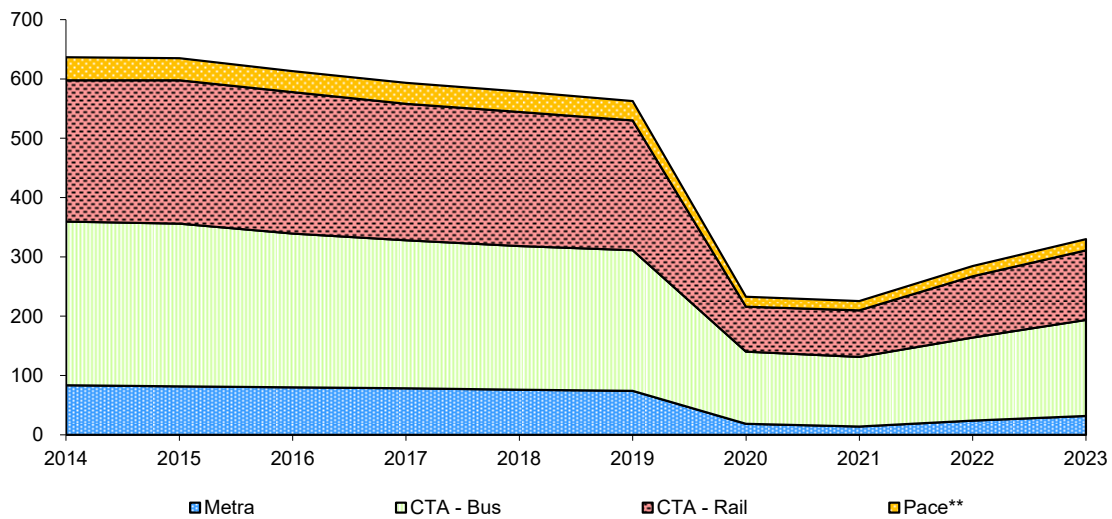
\*STO is scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.

\*All data excludes NICTD South Shore

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

**System Ridership and Unlinked Passenger Trips**

**2014-2023**  
(In Millions)



Last Ten Years

(In Millions)

| Service Consumed: | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020   | 2021  | 2022  | 2023  |
|-------------------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| CTA - Bus         | 276.1 | 274.3 | 259.1 | 249.2 | 242.2 | 237.3 | 121.4  | 117.4 | 140.0 | 161.7 |
| CTA - Rail        | 238.1 | 241.7 | 238.6 | 230.2 | 225.9 | 218.5 | 76.0   | 78.6  | 103.5 | 117.4 |
| Total CTA*        | 514.2 | 516.0 | 497.7 | 479.4 | 468.1 | 455.8 | 197.4  | 196.0 | 243.5 | 279.1 |
| Metra             | 83.4  | 81.6  | 80.1  | 78.6  | 76.2  | 74.0  | 18.6   | 13.9  | 23.8  | 31.9  |
| Pace**            | 38.9  | 37.3  | 35.4  | 35.5  | 34.5  | 32.7  | 16.7   | 15.5  | 17.2  | 19.0  |
| System Total      | 636.5 | 634.9 | 613.2 | 593.5 | 578.8 | 562.5 | 232.7  | 225.4 | 284.5 | 329.9 |
| Percent Change    | -4.4% | -0.3% | -3.4% | -3.2% | -2.5% | -2.8% | -58.6% | -3.1% | 26.2% | 16.0% |

\*CTA ridership includes rail-to-rail transfers.

\*\*PACE ridership includes ADA Paratransit rides beginning in 2007.

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

## 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 2023.

(In Thousands)

|  | Operating<br>Revenues | Operating<br>Expenses | Operating<br>Deficit | Service<br>Board<br>Funding | Other<br>Public<br>Funding |
|--|-----------------------|-----------------------|----------------------|-----------------------------|----------------------------|
| <b><i>Pace</i></b>                             |                       |                       |                      |                             |                            |
| <b><u>Summary of Services</u></b>              |                       |                       |                      |                             |                            |
| Fixed Route - Public Funded Carriers           | \$ 3,100              | \$ 209                | \$ 2,891             | \$ 1,221                    | \$ 2,089                   |
| Fixed Route - Private Contract Carriers        | 4,065                 | 702                   | 3,363                | -                           |                            |
| Total Fixed Route Service                      | 7,165                 | 911                   | 6,254                | 1,221                       | 2,089                      |
| Private Contract Carriers                      |                       |                       |                      |                             |                            |
| DAR Services                                   | 1,182                 | 19,064                | 17,882               | -                           | 8,275                      |
| DAR and Stable Services                        | 9,565                 | 210,686               | 201,121              | -                           | -                          |
| Total Private Contract Carriers                | 10,747                | 229,750               | 219,003              | -                           | 8,275                      |
| Paratransit - Municipal Carriers               | 181                   | 3,835                 | 3,654                | 754                         | 2,899                      |
| Total Pace                                     | \$ 18,093             | \$ 234,496            | \$ 228,911           | \$ 1,975                    | \$ 13,263                  |
| <b><i>Pace</i></b>                             |                       |                       |                      |                             |                            |
| <b><u>Detail of Services</u></b>               |                       |                       |                      |                             |                            |
| <u>Fixed Route - Public Funded Carriers</u>    |                       |                       |                      |                             |                            |
| City of Highland Park                          | \$ 1,213              | \$ 65                 | \$ 1,148             | \$ 385                      | \$ 894                     |
| Village of Niles                               | 1,383                 | 97                    | 1,286                | 502                         | 978                        |
| Village of Schaumburg                          | 504                   | 47                    | 457                  | 334                         | 217                        |
| Total  | \$ 3,100              | \$ 209                | \$ 2,891             | \$ 1,221                    | \$ 2,089                   |
| <u>Private Contract Carriers - Fixed Route</u> |                       |                       |                      |                             |                            |
| First Transit                                  | \$ 736                | \$ 10                 | \$ 726               | \$ -                        | \$ 726                     |
| M V Transportation                             | 2,529                 | 690                   | 1,839                |                             | 1,839                      |
| River North                                    | 800                   | 2                     | 798                  | -                           | 798                        |
| Total  | \$ 4,065              | \$ 702                | \$ 3,363             | \$ -                        | \$ 3,363                   |

**FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES**

(In Thousands)

|   | Passenger<br>Revenue | Contract<br>Expense | Operating<br>Deficit | Service<br>Board<br>Funding | Other<br>Public<br>Funding |
|---|----------------------|---------------------|----------------------|-----------------------------|----------------------------|
| <b>Private Contract Carriers - Dial-a-Ride Services</b> |                      |                     |                      |                             |                            |
| Bloomington Township                                    | \$ 13                | \$ 344              | \$ 331               | \$ -                        | \$ 73                      |
| Call Centers  |                      | 1,470               | 1,470                | -                           |                            |
| Call in Rides   | 67                   | 2,521               | 2,454                | -                           |                            |
| Central Lake  |                      | 7                   | 7                    | -                           |                            |
| Central Will  | 35                   | 865                 | 830                  | -                           | 177                        |
| Community Service Transit                               | 106                  | 28                  | (78)                 | -                           |                            |
| Downers Grove   | 8                    | 125                 | 117                  | -                           | 25                         |
| Dupage County   |                      | 6                   | 6                    | -                           |                            |
| Dupage Township   | 2                    | 85                  | 83                   | -                           | 17                         |
| Elk Grove   | 8                    | 327                 | 319                  | -                           | 144                        |
| Leyden Township   | 9                    | 188                 | 179                  | -                           | 82                         |
| McHenry County  | 3                    | 130                 | 127                  | -                           | 15                         |
| Milton Township   | 40                   | 390                 | 350                  | -                           | 48                         |
| Naperville/Lisle  | 108                  | 823                 | 715                  | -                           | 523                        |
| Northeast Lake  |                      | 3                   | 3                    | -                           |                            |
| Northeast Lake-Zion                                     |                      |                     | -                    | -                           |                            |
| Northwest Kane-Hampshire                                |                      | 20                  | 20                   | -                           | 5                          |
| Northwest Lake  |                      |                     | -                    | -                           |                            |
| Northwest Lake Demo                                     |                      |                     | -                    | -                           |                            |
| North Suburban Cook-Trip                                | 27                   | 335                 | 308                  | -                           |                            |
| Ride DuPage   | 164                  | 2,217               | 2,053                | -                           | 1,516                      |
| Ride In Kane  | 262                  | 3,560               | 3,298                | -                           | 2,680                      |
| Ride In Lake  | 112                  | 1,604               | 1,492                | -                           | 696                        |
| Ride In McHenry   | 191                  | 3,443               | 3,252                | -                           | 1,872                      |
| Shields Township  |                      |                     | -                    | -                           |                            |
| South Cook  |                      | 32                  | 32                   | -                           |                            |
| Southwest Lake-Wauconda                                 |                      | 5                   | 5                    | -                           |                            |
| TNC Customer Directed ride DuPage                       |                      | 62                  | 62                   | -                           |                            |
| Southwest Will  |                      | 7                   | 7                    | -                           |                            |
| Wayne Township  |                      | 34                  | 34                   | -                           | 6                          |
| West Cook   |                      |                     | -                    | -                           |                            |
| Will County   | 27                   | 433                 | 406                  | -                           | 396                        |
| <b>Total</b>  | <b>\$ 1,182</b>      | <b>\$ 19,064</b>    | <b>\$ 17,882</b>     | <b>\$ -</b>                 | <b>\$ 8,275</b>            |

## FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

*Pace*

**Detail of Services, continued**

*(In Thousands)*

|   | Passenger<br>Revenue | Contract<br>Expense | Net<br>Contract<br>Cost | Service<br>Board<br>Funding | Other<br>Public<br>Funding |
|---|----------------------|---------------------|-------------------------|-----------------------------|----------------------------|
| <u>Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)</u> |                      |                     |                         |                             |                            |
| South Cook  | \$ 765               | \$ 12,400           | \$ 11,635               | \$ -                        | \$ -                       |
| North Suburban Cook   | 536                  | 9,042               | 8,506                   | -                           | -                          |
| West Cook (Suburban)  | 239                  | 3,013               | 2,774                   | -                           | -                          |
| North Lake  | 95                   | 1,495               | 1,400                   | -                           | -                          |
| Kane County   | 39                   | 752                 | 713                     | -                           | -                          |
| Southwest/Central Will  | 51                   | 948                 | 897                     | -                           | -                          |
| DuPage County   | 145                  | 3,221               | 3,076                   | -                           | -                          |
| TNC Customer Directed Ride DuPag  | 58                   | 1,319               | 1,261                   | -                           | -                          |
| Chicago ADA   | 7,637                | 178,496             | 170,859                 | -                           | -                          |
| Total   | \$ 9,565             | \$ 210,686          | \$ 201,121              | \$ -                        | \$ -                       |

|   | Operating<br>Revenues | Operating<br>Expenses | Operating<br>Deficit | Service<br>Board<br>Funding | Other<br>Public<br>Funding |
|---|-----------------------|-----------------------|----------------------|-----------------------------|----------------------------|
| <u>Paratransit - Municipal Carriers</u> |                       |                       |                      |                             |                            |
| Bloom                                   | \$ 18                 | \$ 407                | \$ 389               | \$ 93                       | \$ 296                     |
| Crestwood                               | 5                     | 97                    | 92                   | 31                          | 61                         |
| Forest Park                             | 20                    | 258                   | 238                  | 84                          | 155                        |
| Lemont                                  | 4                     | 58                    | 54                   | 17                          | 37                         |
| Lyons                                   | 14                    | 323                   | 309                  | 33                          | 276                        |
| Norridge                                | 2                     | 46                    | 44                   | 10                          | 33                         |
| Palatine                                | 16                    | 288                   | 272                  | 47                          | 224                        |
| Palos Hills                             | 4                     | 65                    | 61                   | 14                          | 47                         |
| Park Forest                             | 9                     | 84                    | 75                   | 27                          | 48                         |
| Rich Township                           | 23                    | 463                   | 440                  | 90                          | 350                        |
| Schaumburg                              | 66                    | 1,746                 | 1,680                | 308                         | 1,372                      |
| Vernon Township                         | -                     | -                     | -                    | -                           | -                          |
| Total                                   | \$ 181                | \$ 3,835              | \$ 3,654             | \$ 754                      | \$ 2,899                   |



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Chicago Transit Authority  
567 W. Lake St.  
Chicago, IL 60661  
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transitchicago.com



Metra  
547 W. Jackson Blvd.  
Chicago, IL 60661  
312-322-6777  
metra.com



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

**APPENDIX D**

**SERVICE BOARDS' HISTORICAL FINANCIAL RESULTS AND  
2025 BUDGET AND 2026-27 FINANCIAL PLAN**

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The following tables, D-I through D-VIII, are referred to earlier in this Official Statement. See “THE REGIONAL TRANSPORTATION AUTHORITY,” “HISTORICAL FINANCIAL RESULTS” and “2025 BUDGET AND 2026-2027 FINANCIAL PLAN” herein.

**Table D-I**

**CTA  
2018-2024 Financial Results  
(Dollars in Thousands)**

|                                 | <b>2018 Actual</b> | <b>2019 Actual</b> | <b>2020 Actual</b> | <b>2021 Actual</b> | <b>2022 Actual</b> | <b>2023 Actual</b> | <b>2024 Estimate</b> |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Revenues:</b>                |                    |                    |                    |                    |                    |                    |                      |
| Passenger Revenue               | \$588,791          | \$585,297          | \$232,830          | \$242,864          | \$290,891          | \$328,810          | \$351,513            |
| Reduced Fare Reimbursement      | 13,876             | 14,606             | 14,829             | 14,606             | 14,606             | 15,227             | 16,640               |
| Other Revenue                   | 94,666             | 97,274             | 66,405             | 72,188             | 70,245             | 68,029             | 72,465               |
| <b>Total Revenues</b>           | <b>\$697,333</b>   | <b>\$697,177</b>   | <b>\$314,064</b>   | <b>\$329,659</b>   | <b>\$375,742</b>   | <b>\$412,066</b>   | <b>\$440,618</b>     |
| <b>Expenses:</b>                |                    |                    |                    |                    |                    |                    |                      |
| Labor                           | \$1,070,458        | \$1,093,922        | \$1,135,354        | \$1,155,509        | \$1,134,269        | \$1,204,887        | \$1,305,947          |
| Material                        | 90,474             | 67,652             | 74,800             | 90,499             | 105,052            | 114,673            | 127,939              |
| Fuel                            | 32,079             | 40,396             | 37,125             | 30,779             | 27,201             | 37,581             | 44,979               |
| Power                           | 31,162             | 31,560             | 24,656             | 25,105             | 18,323             | 27,298             | 36,923               |
| Insurance & Claims              | 5,000              | 7,500              | 22,000             | 31,680             | 31,680             | 20,200             | 19,850               |
| Purchase of Security Services   |                    |                    |                    | 15,680             | 23,944             | 69,115             | 86,897               |
| Other                           | 269,037            | 274,358            | 243,891            | 235,964            | 241,081            | 236,951            | 294,042              |
| <b>Total Operating Expenses</b> | <b>\$1,498,210</b> | <b>\$1,515,388</b> | <b>\$1,537,826</b> | <b>\$1,585,216</b> | <b>\$1,581,549</b> | <b>\$1,710,707</b> | <b>\$1,916,577</b>   |
| Operating Deficit               | \$800,877          | \$818,211          | \$1,223,762        | \$1,255,557        | \$1,205,807        | \$1,298,641        | \$1,475,959          |
| Recovery Ratio %                | 57.1%              | 56.3%              | 55.9%              | 47.1%              | 53.7%              | 46.2%              | 50.8%                |

*Source: Prepared by the Authority from budgetary basis information. The budgetary basis is non-GAAP presentation.*

**Table D-II\***

**CTA  
2025 Budget and 2026-2027 Financial Plan  
(Dollars in Thousands)**

|                                 | <b>2025 Budget <sup>(1)</sup></b> | <b>2026 Plan</b>   | <b>2027 Plan</b>   |
|---------------------------------|-----------------------------------|--------------------|--------------------|
| <b>Revenues</b>                 |                                   |                    |                    |
| Passenger Revenue               | \$369,089                         | \$376,471          | \$380,236          |
| Reduced Fare Reimbursement      | 17,432                            | 17,432             | 17,432             |
| Other Revenue                   | 69,431                            | 72,402             | 75,522             |
| <b>Total Revenues</b>           | <b>\$455,952</b>                  | <b>\$466,305</b>   | <b>\$473,190</b>   |
| <b>Expenses</b>                 |                                   |                    |                    |
| Labor                           | \$1,448,229                       | \$1,506,158        | \$1,566,405        |
| Material                        | 153,351                           | 157,951            | 162,690            |
| Fuel                            | 48,476                            | 47,312             | 47,381             |
| Power                           | 56,806                            | 60,551             | 61,667             |
| Insurance & Claims              | 22,262                            | 23,152             | 24,079             |
| Purchase of Security Services   | 88,473                            | 91,127             | 93,861             |
| Other                           | 338,926                           | 347,720            | 357,861            |
| <b>Total Expenses</b>           | <b>\$2,156,522</b>                | <b>\$2,233,972</b> | <b>\$2,313,943</b> |
| Operating Deficit               | \$1,700,570                       | \$1,767,666        | \$1,840,753        |
| Recovery Ratio % <sup>(2)</sup> | 55.6%                             | 55.4%              | 55.6%              |

\* Prepared by the RTA from budgetary information. The 2026-2027 Plan figures represent indicative amounts for financial planning.

(1) 2025 Budget adopted by the Board on December 19, 2024.

(2) The recovery ratios are established by the RTA Board as part of the budget approval process. The Service Boards endeavor to achieve or exceed these ratios to comply with their approved budgets, as provided by the Act. By policy, the revenue figure for the CTA excludes the gain from leasing transactions restricted by ordinance for capital projects. Expenses exclude certain items as provided by the Act.

**Table D-III**  
**Metra**  
**2018-2024 Financial Results\***  
(Dollars in Thousands)

|                                  | 2018 Actual      | 2019 Actual      | 2020 Actual      | 2021 Actual      | 2022 Actual      | 2023 Actual      | 2024 Estimate      |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| <b>Revenues:</b>                 |                  |                  |                  |                  |                  |                  |                    |
| Passenger Revenue                | \$370,028        | \$365,935        | \$102,350        | \$76,400         | \$126,700        | \$149,000        | \$172,600          |
| Reduced Fare Reimbursement       | 1,672            | 1,618            | 1,618            | 1,618            | 1,600            | 1,700            | 1,800              |
| Other Revenue                    | 45,357           | 44,285           | 40,062           | 55,000           | 41,600           | 56,700           | 53,500             |
| NICTD Project Reimbursement      | -                | -                | -                | -                | 3,200            | 6,600            | 40,000             |
| <b>Total Revenues</b>            | <b>\$417,057</b> | <b>\$411,838</b> | <b>\$144,030</b> | <b>\$133,018</b> | <b>\$173,100</b> | <b>\$214,000</b> | <b>267,900</b>     |
| <b>Expenses:</b>                 |                  |                  |                  |                  |                  |                  |                    |
| Transportation                   | 248,778          | 261,426          | 257,729          | 232,500          | 263,900          | 288,700          | 306,700            |
| Maintenance of Way               | 137,605          | 161,723          | 122,141          | 169,400          | 184,800          | 200,200          | 213,000            |
| Maintenance of Equipment         | 179,672          | 184,823          | 167,271          | 175,100          | 193,600          | 212,500          | 222,800            |
| Claims & Insurance               | 28,787           | 20,532           | 26,548           | 19,100           | 42,200           | 40,300           | 32,600             |
| Administration                   | 106,085          | 91,408           | 66,442           | 86,400           | 93,700           | 103,000          | 113,000            |
| Downtown Stations <sup>(1)</sup> | 14,645           | 17,823           | -                | -                | -                | -                | -                  |
| Diesel Fuel                      | 57,834           | 59,201           | 41,081           | 44,300           | 59,900           | 56,000           | 70,300             |
| Motive Electricity               | 5,173            | 5,274            | 3,182            | 3,700            | 3,200            | 4,800            | 6,600              |
| NICTD Project Expense            | -                | -                | -                | -                | 3,200            | 6,200            | 40,000             |
| <b>Total Operating Expenses</b>  | <b>\$778,579</b> | <b>\$802,210</b> | <b>\$684,395</b> | <b>\$730,500</b> | <b>\$844,500</b> | <b>\$911,700</b> | <b>\$1,005,000</b> |
| Operating Deficit                | \$361,522        | \$390,371        | \$540,364        | \$597,482        | \$671,400        | \$697,700        | \$737,100          |
| Recovery Ratio %                 | 57.0%            | 54.9%            | 51.6%            | 36.7%            | 39.7%            | 43.3%            | 45.8%              |

(1) Effective with the 2020 results, the Downtown Stations category has been incorporated into Transportation.

\*Source: Prepared by the Authority from budgetary basis information. The budgetary basis is non-GAAP presentation.

**Table D-IV\***

**Metra  
2025 Budget and 2026-2027 Financial Plan  
(Dollars in Thousands)**

|                                 | <b>2025 Budget <sup>(1)</sup></b> | <b>2026 Plan</b>   | <b>2027 Plan</b>   |
|---------------------------------|-----------------------------------|--------------------|--------------------|
| <b>Revenues</b>                 |                                   |                    |                    |
| Passenger Revenue               | 184,200                           | 193,600            | 203,100            |
| Reduced Fare Reimbursement      | 1,900                             | 1,900              | 1,900              |
| Other Revenue                   | 53,000                            | 53,000             | 53,000             |
| NICTD Project Reimbursement     | 65,000                            | 55,000             |                    |
| <b>Total Revenues</b>           | <b>\$304,100</b>                  | <b>\$303,500</b>   | <b>\$258,000</b>   |
| <b>Expenses</b>                 |                                   |                    |                    |
| Transportation                  | 332,600                           | 343,700            | 357,100            |
| Maintenance of Way              | 236,000                           | 243,900            | 253,200            |
| Maintenance of Equipment        | 242,500                           | 248,000            | 257,500            |
| Claims & Insurance              | 37,000                            | 37,800             | 38,300             |
| Administration                  | 149,900                           | 159,300            | 166,400            |
| Diesel Fuel                     | 65,300                            | 70,400             | 70,400             |
| Electricity                     | 6,700                             | 6,900              | 7,100              |
| NICTD Construction Project      | 65,000                            | 55,000             | -                  |
| <b>Total Expenses</b>           | <b>\$1,135,000</b>                | <b>\$1,165,000</b> | <b>\$1,150,000</b> |
| Operating Deficit               | \$830,900                         | \$861,500          | \$892,000          |
| Recovery Ratio % <sup>(2)</sup> | 50.9%                             | 51.0%              | 49.3%              |

\* Prepared by the RTA from budgetary information. The 2026-2027 Plan figures represent indicative amounts for financial planning.

(1) 2025 Budget adopted by the Board on December 19, 2024.

(2) The recovery ratios are established by the RTA Board as part of the budget approval process. The Service Boards endeavor to achieve or exceed these ratios to comply with their approved budgets, as provided by the Act. By policy, the revenue figure for the CTA excludes the gain from leasing transactions restricted by ordinance for capital projects. Expenses exclude certain items as provided by the Act.

**Table D-V**  
**Pace Suburban Service**  
**2018-2024 Financial Results\***  
(Dollars in Thousands)

|                                 | 2018 Actual      | 2019 Actual      | 2020 Actual      | 2021 Actual      | 2022 Actual      | 2023 Actual      | 2024 Estimate    |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues:</b>                |                  |                  |                  |                  |                  |                  |                  |
| Passenger Revenue               | \$38,054         | \$36,050         | \$16,480         | \$17,002         | \$19,282         | \$20,554         | \$21,615         |
| Reduced Fare Reimbursement      | 1279             | 1,346            | 1,346            | 1,346            | 1,346            | 1,346            | 1,460            |
| Other Revenue                   | 18,227           | 18,199           | 11,965           | 13,985           | 14,885           | 28,115           | 30,882           |
| <b>Total Revenues</b>           | <b>\$57,560</b>  | <b>\$55,595</b>  | <b>\$29,791</b>  | <b>\$32,333</b>  | <b>\$35,513</b>  | <b>\$50,015</b>  | <b>\$53,957</b>  |
| <b>Expenses:</b>                |                  |                  |                  |                  |                  |                  |                  |
| Labor                           | \$154,526        | \$154,560        | \$157,838        | \$157,785        | \$163,904        | \$174,140        | \$194,319        |
| Purchased Transportation        | 18,241           | 25,725           | 13,729           | 18,223           | 23,109           | 27,469           | 28,596           |
| Fuel                            | 13,973           | 12,394           | 6,763            | 10,521           | 17,757           | 14,533           | 13,769           |
| Insurance                       | 7,247            | 9,685            | -1,408           | 9,571            | 6,226            | 12,518           | 14,551           |
| Other                           | 24,934           | 23,579           | 18,456           | 27,143           | 34,592           | 39,003           | 48,570           |
| <b>Total Operating Expenses</b> | <b>\$218,921</b> | <b>\$225,943</b> | <b>\$195,378</b> | <b>\$223,243</b> | <b>\$245,588</b> | <b>\$267,663</b> | <b>\$299,805</b> |
| Operating Deficit               | \$161,361        | \$170,348        | \$165,587        | \$190,910        | \$210,075        | \$217,648        | \$245,848        |
| Recovery Ratio %                | 31.1%            | 30.8%            | 37.0%            | 19.9%            | 19.6%            | 24.0%            | 23.1%            |

\*Source: Prepared by the Authority from budgetary basis information. The budgetary basis is non-GAAP presentation.

**Table D-VI\***  
**Pace Suburban Service**  
**2025 Budget and 2026-2027 Financial Plan**  
(Dollars in Thousands)

|                                 | 2025 Budget <sup>(1)</sup> | 2026 Plan        | 2027 Plan        |
|---------------------------------|----------------------------|------------------|------------------|
| <b>Revenues</b>                 |                            |                  |                  |
| Passenger Revenue               | \$22,856                   | \$23,038         | \$23,072         |
| Reduced Fare Reimbursement      | \$1,606                    | \$1,606          | \$1,606          |
| Other Revenue                   | \$27,270                   | \$24,319         | \$22,441         |
| ReVision Revenue                | -                          | \$16,666         | \$12,616         |
| Total Revenues                  | <b>\$51,732</b>            | <b>\$65,629</b>  | <b>\$59,735</b>  |
| <b>Expenses</b>                 |                            |                  |                  |
| Labor/Fringes                   | \$179,599                  | \$182,078        | \$188,663        |
| Health Insurance                | \$33,176                   | \$35,465         | \$37,983         |
| Parts/Supplies                  | \$14,275                   | \$15,198         | \$16,154         |
| Purchased Transportation        | \$34,420                   | \$37,966         | \$39,946         |
| Fuel                            | \$15,439                   | \$16,174         | \$16,875         |
| Utilities                       | \$5,393                    | \$5,687          | \$5,991          |
| Insurance                       | \$15,965                   | \$17,011         | \$18,097         |
| Other                           | \$41,030                   | \$40,313         | \$43,329         |
| ReVision Initiative             | -                          | \$101,918        | \$106,912        |
| Total Expenses                  | <b>\$339,297</b>           | <b>\$451,810</b> | <b>\$473,950</b> |
| Operating Deficit               | \$287,565                  | \$386,181        | \$414,215        |
| Recovery Ratio % <sup>(2)</sup> | 17.0%                      | 17.0%            | 17.0%            |

\* Prepared by the RTA from budgetary information. The 2026-2027 Plan figures represent indicative amounts for financial planning.

(1) 2025 Budget adopted by the Board on December 19, 2024.

(2) The recovery ratios are established by the RTA Board as part of the budget approval process. The Service Boards endeavor to achieve or exceed these ratios to comply with their approved budgets, as provided by the Act. By policy, the revenue figure for the CTA excludes the gain from leasing transactions restricted by ordinance for capital projects. Expenses exclude certain items as provided by the Act.

**Table D-VII**

**Pace Regional ADA Paratransit  
2018-2024 Financial Results\***  
(Dollars in Thousands)

|                          | <b>2018 Actual</b> | <b>2019 Actual</b> | <b>2020 Actual</b> | <b>2021 Actual</b> | <b>2022 Actual</b> | <b>2023 Actual</b> | <b>2024 Estimate</b> |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Revenues:</b>         |                    |                    |                    |                    |                    |                    |                      |
| Passenger Revenue        | \$11,922           | \$11,989           | \$5,522            | \$6,754            | \$7,335            | \$9,566            | \$11,397             |
| Other Revenue            | 2,439              | 3,089              | 615                | 47                 | 1,091              | \$3,370            | 3,531                |
| <b>Total Revenues</b>    | <b>\$14,360</b>    | <b>\$15,077</b>    | <b>\$6,137</b>     | <b>\$6,801</b>     | <b>\$8,426</b>     | <b>\$12,936</b>    | <b>\$14,928</b>      |
| <b>Expenses:</b>         |                    |                    |                    |                    |                    |                    |                      |
| Labor                    | \$4,316            | \$4,723            | \$4,767            | \$4,819            | \$5,303            | \$5,991            | \$6,345              |
| Purchased Transportation | 153,173            | 162,686            | 161,787            | 165,001            | 182,664            | 210,681            | 231,354              |
| Fuel                     | 2,644              | 2,448              | 3,347              | 5,774              | 8,160              | 7,374              | 7,183                |
| Insurance                | 418                | 991                | 727                | 648                | 801                | 927                | 1,109                |
| Other                    | 12,117             | 13,077             | 11,763             | 10,025             | 10,591             | 12,376             | 15,349               |
| <b>Total Expenses</b>    | <b>\$172,669</b>   | <b>\$183,925</b>   | <b>\$182,391</b>   | <b>\$186,267</b>   | <b>\$207,519</b>   | <b>\$237,349</b>   | <b>\$261,340</b>     |
| Operating Deficit        | \$158,309          | \$168,848          | \$176,254          | \$179,466          | \$199,093          | \$224,413          | \$246,412            |
| Recovery Ratio %         | 10.4%              | 10.4%              | 9.7%               | 10.6%              | 9.0%               | 10.3%              | 10.5%                |

*\*Source: Prepared by the Authority from budgetary basis information. The budgetary basis is non-GAAP presentation.*

**Table D-VIII\***

**Pace Regional ADA Paratransit  
2025 Budget and 2026-2027 Financial Plan  
(Dollars in Thousands)**

|                                 | <b>2025 Budget <sup>(1)</sup></b> | <b>2026 Plan</b> | <b>2027 Plan</b> |
|---------------------------------|-----------------------------------|------------------|------------------|
| <b>Revenues</b>                 |                                   |                  |                  |
| Passenger Revenue               | 11,852                            | 12,123           | 12,402           |
| Other Revenue                   | 3,179                             | 2,929            | 2,961            |
| <b>Total Revenues</b>           | <b>15,031</b>                     | <b>15,052</b>    | <b>15,363</b>    |
| <b>Expenses</b>                 |                                   |                  |                  |
| Labor/Fringes                   | \$6,150                           | \$6,049          | \$6,445          |
| Health Insurance                | 1,356                             | 1,450            | 1,550            |
| Admin Expenses                  | 4,711                             | 4,816            | 4,920            |
| Fuel                            | 7,611                             | 7,938            | 8,275            |
| Insurance                       | 1,378                             | 1,409            | 1,440            |
| RTA Certification Trips         | 1,559                             | 1,646            | 1,737            |
| Purchased Transportation        | 247,115                           | 258,411          | 271,469          |
| Regional ADA Support Allocation | 11,349                            | 11,917           | 12,513           |
| <b>Total Expenses</b>           | <b>\$281,231</b>                  | <b>\$293,636</b> | <b>\$308,349</b> |
| Operating Deficit               | 266,200                           | 278,584          | 292,986          |
| Recovery Ratio %                | 7.5%                              | 10.0%            | 10.0%            |

\* Prepared by the RTA from budgetary information. The 2026-2027 Plan figures represent indicative amounts for financial planning.

(1) 2025 Budget adopted by the Board on December 19, 2024.

(2) The recovery ratios are established by the RTA Board as part of the budget approval process. The Service Boards endeavor to achieve or exceed these ratios to comply with their approved budgets, as provided by the Act. By policy, the revenue figure for the CTA excludes the gain from leasing transactions restricted by ordinance for capital projects. Expenses exclude certain items as provided by the Act.

**APPENDIX E**  
**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE**  
**AND SERIES ORDINANCE**

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## APPENDIX E

### SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL ORDINANCE AND THE SERIES ORDINANCE

The following is a summary of certain provisions of the General Ordinance and the Series Ordinance. This summary is not a full statement of the terms of the General Ordinance or the Series Ordinance and accordingly is qualified by reference to the full text of the General Ordinance and the Series Ordinance. Capitalized terms not defined in this summary or in the Official Statement have the respective meanings set forth in the General Ordinance or the Series Ordinance.

#### GENERAL DEFINITIONS

The following are definitions of certain terms used in the General Ordinance and the Series Ordinance.

“*Accountant*” means an independent certified public accountant or a firm of independent certified public accountants selected or approved by the Authority.

“*Accountant’s Certificate*” means an opinion signed by an Accountant.

“*Act*” means the Regional Transportation Authority Act, as supplemented and amended (70 ILCS 3615/1.01 *et seq.*).

“*Additional Authority Obligations*” means any Authority Obligations issued after the time of issuing the initial Series of Authority Obligations.

“*Additional Financial Assistance*” shall have the meaning set forth in the Act. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - State Assistance” in this Official Statement.

“*Additional State Assistance*” shall have the meaning set forth in the Act. See “THE REGIONAL TRANSPORTATION AUTHORITY - AUTHORITY FINANCES - State Assistance” in this Official Statement.

“*Annual Debt Service Requirements*” means, for any twelve-month period ending on an April 30 and with respect to any Series of Authority Obligations, the amount required during that period to be deposited in the account of the Debt Service Fund in respect of principal and interest for that Series of Authority Obligations. With respect to Authority Obligations which bear interest at variable rates, the deposits shall be calculated in respect of interest as if the Authority Obligations would bear interest at the maximum rate which those Obligations may bear pursuant to law or the applicable authorizing Series Ordinance, or if there is no such maximum rate at a rate equal to 20% per year. With respect to Authority Obligations for which there is a purchase, unscheduled mandatory redemption or similar unscheduled requirement which is provided to be paid by use of a Credit Support Instrument, the deposits shall be calculated in respect of principal on the basis of scheduled payments of principal (at maturity or pursuant to Sinking Fund Installments) and not pursuant to the purchase, redemption or similar unscheduled requirements provided so to be paid through the Credit Support Instrument.

“*Authority Obligations*” means the Bonds and the Notes.

“*Authorized Officer*” in respect of any act or duty, means the Chairman, the Treasurer, and in addition any director, officer or employee of the Authority authorized by the bylaws or a resolution of the Authority to perform that particular act or duty. With respect to any investment of funds, Authorized Officer also includes any investment advisor appointed by resolution of the Authority.

“*Board*” means the Board of Directors of the Authority.

“*Bond*” or “*Bonds*” means any of the Authority’s General Obligation Bonds which are issued pursuant to the Act, the General Ordinance and a Series Ordinance.

“*Bond Anticipation Notes*” means any of the Authority’s General Obligation Bond Anticipation Notes issued in anticipation of Bonds, which notes are issued pursuant to the Act, the General Ordinance and a Series Ordinance.

“*Capital Asset Purposes*” means any or all of the following purposes as provided in the Act: to pay costs to the Authority or a Service Board of constructing or acquiring any public transportation facilities (including funds and rights relating to those facilities, as provided in the Act); to repay advances to the Authority or a Service Board made for those purposes; to pay other expenses of the Authority or a Service Board incident to or incurred in connection with such construction or acquisition; to provide funds for any transportation agency to pay principal of or interest or redemption premium on any bonds or notes by such transportation agency to construct or acquire any public transportation facilities or to provide funds to purchase such bonds or notes; and to provide funds for any transportation agency to construct or acquire public transportation facilities, to repay advances made for such purposes, and to pay other expenses to or incurred in connection with such construction or acquisition.

“*Chairman*” means the Chairman of the Board.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Compound Accreted Value*” means, with respect to a Bond issued at an original issue discount in excess of 2%, the principal amount of the Bond at maturity less the unaccrued original issue discount. The amount of the discount shall be accrued on a constant interest rate basis (that is, actuarially on a geometric progression) from the date of issuance of the initially issued Bonds of that Series until the date specified in the applicable Series Ordinance as that date on which those Bonds shall have achieved a compound accreted value equal to their full principal amount (either at the final maturity date of the Bond or earlier, as the case may be).

“*Costs of Issuance*” means all fees and costs incurred by the Authority relating to the issuance of Authority Obligations including, without limitation, printing costs, administrative costs, Trustee’s initial fees and charges, paying agent’s initial fees, legal fees, rating costs, accounting fees and financial advisory fees, the cost of any bond insurance premium to insure any Authority Obligations and any amounts to be paid to obtain a Credit Support Instrument or Reserve Fund Credit Instrument.

“*Counsel’s Opinion*” means an opinion signed by a lawyer or firm of lawyers, not employees of the Authority.

“*Credit Support Instrument*” means a letter of credit, line of credit, insurance policy, guaranty, surety bond or other obligation issued by a Qualified Provider which guarantees or otherwise ensures the ability of the Authority or the Trustee to pay the principal, Redemption Price of or interest on or Purchase Price of, any Authority Obligations or by which the institution shall be obligated to purchase Authority Obligations from the Holders of the Authority Obligations.

“*Debt Service Fund*” means the Bond Debt Service Fund established in the General Ordinance. See “SECURITY FOR THE SERIES 2025A BONDS - DEBT SERVICE FUND” in this Official Statement.

“*Debt Service Reserve Fund*” means the Debt Service Reserve Fund established in the General Ordinance. See “SECURITY FOR THE SERIES 2025A BONDS - DEBT SERVICE RESERVE FUND” in this Official Statement.

“*Events of Default*” means the occurrence of an event specified in the General Ordinance and described herein which shall give the Trustee the power to take steps to protect, enhance or enforce rights granted in the General Ordinance, a Series Ordinance or an Authority Obligation. See “DEFAULT PROVISIONS; REMEDIES OF HOLDERS” in this APPENDIX E.

“*Fiscal Year*” means the period of twelve calendar months ending with December 31 of any year, or such other period as may by the Authority be established from time to time.

“*Fitch*” means, Fitch, Inc., its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency, shall refer to any other nationally recognized securities rating organization designated by the Authority, by notice to the Trustee.

“*Government Obligations*” means the obligations referred to in clauses (a) and (g) of the definition of Investment Obligations; *provided* that the obligations referred to in clause (g) shall be accompanied by (i) an opinion of a firm of nationally recognized independent certified public accountants to the effect that the escrow is sufficient to pay the obligations when due and (ii) the approving opinion of bond counsel delivered at the time of the issuance of such obligations.

“*Holder*” when used with respect to any Authority Obligations means the registered owner of Authority Obligations. “*Bondholder*” means a holder of a Bond; “*Noteholder*” means a holder of a Note.

“*Investment Obligations*” means any of the following obligations which at the time of investment of any amounts in any Fund or Account established pursuant to the General Ordinance are legal investments under the laws of the State for that Fund or Account:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations described in (b) below to the extent unconditionally guaranteed by the United States of America; or any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (a) as long as the receipt,

certificate or other evidence of an ownership interest represents a direct interest in future principal and interest payments on obligations unconditionally guaranteed by the United States of America and such obligations are held by a custodian in safekeeping on behalf of the holders of the receipt, certificate or other evidence of an ownership interest therein;

(b) obligations of the Export-Import Bank of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Finance Bank, the Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, the Farmers Home Administration, the Federal Farm Bank and the Federal Home Loan Mortgage Association, including obligations of any other agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which obligations of such agency or corporation have been approved by S&P if S&P at the time maintains a rating of any of the Authority Obligations; or any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (b), which receipt, certificate or other evidence of an ownership interest shall be first approved by S&P if S&P at the time maintains a rating of any of the Authority Obligations;

(c) direct and general obligations of the State;

(d) direct and general obligations of any state, other than Illinois, which obligations are rated in either of the two highest rating categories by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations;

(e) repurchase agreements for obligations described in clauses (a) and (b) of this definition, *provided* that the entity which agrees to repurchase such obligations from the Authority must be a Qualified Financial Institution or a government bond dealer reporting to, trading with and recognized as a primary dealer by a Federal Reserve Bank, in any case with capital and surplus aggregating at least \$50,000,000, and *provided* that the agreement provides for the Authority to be secured by such obligations (by delivery to the Trustee or its agent in that capacity or by other steps which, as evidenced by a Counsel's Opinion, shall have the effect of securing the Trustee to the same effect as if it or its agent in that capacity were the holder of the underlying obligations) with a market value at least equal to the repurchase amount;

(f) negotiable or non-negotiable time deposits evidenced by certificates of deposit, or investment agreements, or similar banking arrangements, issued or made by banks, savings and loan associations, trust companies or national banking associations (which may include the Trustee) which are members of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, *provided* that such time deposits, investment agreements, or similar banking arrangements in any such bank, savings and loan association, trust company or national banking association either (i) are continuously secured by obligations described in subparagraphs (a), (b), (c) or (d) of this definition (by physical delivery to the Trustee or its agent in that capacity or by other steps

which, as evidenced by a Counsel's Opinion, shall have the effect of securing the Trustee to the same effect as if it or its agent were in that capacity the physical holder of the underlying obligations), and *provided* that such obligations at all times have a market value at least equal to the maturity value of the deposits so secured, including accrued interest or (ii) are continuously and fully insured by the Federal Deposit Insurance Corporation;

(g) (i) obligations of States or political subdivisions of States (within the meaning of the United States Internal Revenue Code, as amended) which are fully secured and defeased as to principal and interest by an irrevocable escrow of direct obligations of the United States of America and rated in the highest rating category by S&P if S&P at the time maintains a rating of any of the Authority Obligations and (ii) any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in subclause (i) of this clause (g), which receipt, certificate or other evidence of an ownership interest shall be first approved by S&P if S&P at the time maintains a rating of any of the Authority Obligations;

(h) investment agreements with Qualified Financial Institutions;

(i) obligations of the International Bank for Reconstruction and Development (the World Bank);

(j) corporate securities, including commercial paper and fixed income obligations, which are rated in the highest rating category by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations; and

(k) any other investment permitted by Illinois law rated investment grade by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations; *provided* that no investment of funds in the Debt Service Fund shall be made pursuant to the fifth paragraph of 30 ILCS 235/2(e) (formerly Ill. Rev. Stat. ch. 85, par. 902), as in effect on May 18, 1990; *provided, however*, that the investments described in subparagraphs (e) and (f) above constitute permitted Investment Obligations only for certain accounts in the Capital Assets Fund.

“*Moody's*” means Moody's Investors Service, Inc., its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency, shall refer to any other nationally recognized securities rating organization designated by the Authority, by notice to the Trustee.

“*Notes*” means Bond Anticipation Notes or Working Cash Notes, or any other general obligation notes as may be authorized to be issued by the Authority pursuant to the Act.

“*Operating Expenses*” means day to day operating expenses of the Authority or of a Service Board consisting of wages, salaries and fringe benefits, professional and technical services (including legal, audit, engineering and other consulting services), office rentals, furniture, fixtures and equipment, insurance premiums, claims for self-insured amounts under insurance policies,

public utility obligations for telephone, light, heat and similar items, travel expenses, office supplies, postage, dues, subscriptions, fuel purchases, and payments of grants and payments under purchase of service agreements for operations of transportation agencies (as defined in the Act).

“*Outstanding*” means, when used with reference to Authority Obligations, all such obligations which have been issued, except (a) Authority Obligations which have been paid or redeemed in full both as to principal and interest or (b) Authority Obligations provision for the payment or redemption of which has been made pursuant to the General Ordinance, as described under “DEFEASANCE” in this APPENDIX E. For a list of all Outstanding Authority Obligations, see “SECURITY FOR THE SERIES 2025A BONDS -SECURITY AND SOURCES OF PAYMENT” in this Official Statement

“*Policy Costs*” means draws and payment of expenses on the Reserve Fund Policy and accrued interest thereon.

“*Public Transportation Fund Revenues*” shall have the meaning set forth under “SECURITY FOR THE SERIES 2025A BONDS - SECURITY AND SOURCES OF PAYMENT” in this Official Statement.

“*Purchase Price*” means the price at which a Holder of an Authority Obligation shall have the right pursuant to a Series Ordinance to have the Obligation purchased from the Holder by the Authority or the Trustee.

“*Qualified Financial Institution*” means a bank, trust company, national banking association, insurance company or other financial services company whose long-term debt obligations or whose claims-paying abilities are rated in any of the three highest rating categories (without reference to subcategories) by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations. For purposes of the General Ordinance, the term “financial services company” shall include any investment banking firm or any affiliate or division thereof which may be legally authorized to enter into the transactions described in the General Ordinance pertaining, applicable or limited to a Qualified Financial Institution.

“*Qualified Provider*” means a bank (including without limitation, a national banking association or a foreign bank authorized to do business in the United States), insurance company or other institution, which bank, company or institution provides letters of credit, lines of credit, insurance policies, guarantees, surety bonds or other similar obligations for municipal bonds, which obligation of the institution is rated in one of the top three full rating categories by Moody’s and S&P.

“*Rebate Account*” or “*Rebate Accounts*” means the account or accounts of that name with respect to the various Series of Authority Obligations established pursuant to the General Ordinance.

“*Redemption Price*” means, with respect to any Authority Obligation (or portion of any Authority Obligation) the price on any redemption date, exclusive of accrued and unpaid interest, at which the Authority Obligation (or a portion of it) may or must be redeemed pursuant to the General Ordinance and the Series Ordinance pursuant to which the Authority Obligation was issued.

“*Reserve Fund Credit Instrument*” means a non-cancelable insurance policy, a noncancelable surety bond or an irrevocable letter of credit which may be delivered to the Trustee in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Fund. In the case of an insurance policy or surety bond, the company providing the policy or bond shall be an insurer which, at the time of the issuance of the policy or bond, has been assigned a credit rating which is within one of the two highest ratings accorded insurers by both Moody’s and S&P. In the case of a letter of credit, it shall be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of the issuance of the letter of credit, a credit rating on its long-term unsecured debt within one of the two highest rating categories from both Moody’s and S&P. The insurance policy, surety bond or letter of credit shall grant to the Trustee the right to receive payment for the purposes for which the Debt Service Reserve Fund may be used and shall be irrevocable during its term.

“*Reserve Fund Credit Instrument Coverage*” means, with respect to any Reserve Fund Credit Instrument, at any date of determination, the amount available to pay principal, Redemption Price or Purchase Price of and interest on the Bonds secured by such Reserve Fund Credit Instrument.

“*Reserve Requirement*” with respect to each Account in the Debt Service Reserve Fund means as of any date of calculation the lesser of (i) 10% of the original principal amount of the Series of Bonds (less any original issue discount) secured by such Account; and (ii) the maximum amount of the Annual Debt Service Requirements for the Outstanding Bonds secured by such Account for that or any future twelve-month period ending April 30.

“*Revenues*” shall have the meaning set forth under “SECURITY FOR THE SERIES 2025A BONDS - SECURITY AND SOURCES OF PAYMENT” in this Official Statement.

“*S&P*” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency, shall refer to any other nationally recognized securities rating organization designated by the Authority, by notice to the Trustee.

“*Sales Tax Revenues*” shall have the meaning set forth under “SECURITY FOR THE SERIES 2025A BONDS - SECURITY AND SOURCES OF PAYMENT” in this Official Statement.

“*Secured Government Payments*” means payments made to the Authority, or to a trustee for holders of bonds or notes of the Authority, from the State or from the Federal government (or any agency of the State or the Federal government), pursuant to a contract between the Authority or a Service Board and the State or the Federal government (or any agency of the State or the Federal government), as described in the next two sentences of this definition. Such a contract shall provide for the payments from the State or the Federal government (or any agency of the State or the Federal government) to be on account of either: (i) public transportation service provided by or financed by the Authority or a Service Board, or (ii) public transportation facilities purchased or acquired by the Authority or a Service Board. Such a contract shall allow payments under it to be assigned or pledged to a trustee for holders of bonds or notes of the Authority. Secured Government Payments shall not mean any Public Transportation Fund Revenues, any taxes by or on behalf of the Authority collected by the Illinois Department of Revenue or any Additional State Assistance.

“*Separate Ordinance Obligations*” means any bonds or notes of the Authority, whether or not issued under Section 4.04 of the Act, as amended from time to time, the authorizing ordinance for which bonds or notes states that they are not issued pursuant to the General Ordinance, and which bonds or notes are secured by a pledge or assignment of Secured Government Payments or *ad valorem* property tax receipts.

“*Series Ordinance*” means an ordinance of the Authority authorizing the issuance of a series of Bonds or Notes in accordance with the terms and provisions of the General Ordinance.

“*Series 2025A Bonds*” means the General Obligation Bonds, Series 2025A of the Authority.

“*Service Board*” means the Chicago Transit Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority.

“*Sinking Fund Installments*” means, with respect to any date, the principal amount of Term Bonds of any Series which are required to be redeemed by the Authority on that date pursuant to and in the amounts provided by the Series Ordinance for that Series, or which are required to be paid at maturity and not required previously to be redeemed.

“*State*” means the State of Illinois.

“*Supplemental Ordinance*” means an ordinance supplemental to the General Ordinance adopted by the Authority in accordance with the conditions described under “MODIFICATION OF GENERAL ORDINANCE” in this APPENDIX E.

“*Trusted Money*” means the Sales Tax Revenues, Public Transportation Fund Revenues and any other money or funds which may be assigned by the Authority for direct payment to the Trustee. It also means all amounts held by the Trustee in the Debt Service Fund and the Debt Service Reserve Fund pursuant to the General Ordinance, a Series Ordinance or a Supplemental Ordinance.

“*Working Cash Notes*” means any of the Authority’s general obligation Working Cash Notes issued pursuant to the Act, the General Ordinance and a Series Ordinance.

#### **ORDINANCES CONSTITUTE CONTRACT**

In consideration of the purchase and acceptance of any Authority Obligations issued under the General Ordinance by their Holders from time to time, the General Ordinance shall constitute a contract between the Authority and the Holders of the Authority Obligations. The pledges, grants, assignments, covenants, liens and security interests provided for and set forth in the General Ordinance to be performed by the Authority will be for the benefit, protection and security of the Holders of any and all of the Authority Obligations. Each Series Ordinance will constitute a contract between the Authority and the Holders of the Authority Obligations of that Series.

#### **CUSTODY AND APPLICATION OF BOND AND NOTE PROCEEDS**

The General Ordinance authorizes the issuance of the Bonds, Bond Anticipation Notes and Working Cash Notes of the Authority.

*Capital Assets Fund.* The General Ordinance establishes a Capital Assets Fund as a separate and distinct fund to be used as provided in the General Ordinance and in any Series Ordinances authorizing the issuance of Bonds or Notes other than Working Cash Notes. All proceeds of any Series of Authority Obligations which are designated by the Series Ordinance authorizing the issuance of that Series of Authority Obligations to be used for Capital Asset Purposes may be deposited in the Capital Assets Fund. The Authority may, in the Series Ordinance authorizing any such Series of Authority Obligations, provide for the creation of separate and distinct accounts within the Capital Assets Fund, to be used as provided in the applicable Series Ordinance. All moneys deposited in the Capital Assets Fund will be held by either the Trustee or the Authority as shall be directed by the Series Ordinance and will be disbursed as provided in the applicable Series Ordinance. All interest and other investment income earned on the Capital Assets Fund will be deposited in the Capital Assets Fund (to the credit of the Accounts within the Capital Assets Fund, if any, on the basis of their contribution to the cost of the relevant investment).

*Working Cash Fund.* The General Ordinance establishes a Working Cash Fund as a separate and distinct fund to be used as provided in the General Ordinance and the Series Ordinances authorizing the issuance of Working Cash Notes, to pay Costs of Issuance and Operating Expenses to cover anticipated cash flow deficits. All proceeds of any Series of Working Cash Notes, which are designated by the Series Ordinance authorizing the issuance of that Series of Notes to be used for Costs of Issuance or Operating Expenses may be deposited in the Working Cash Fund. A Series Ordinance may provide for separate and distinct Accounts in the Working Cash Fund, to be used as provided in the Series Ordinance. All moneys deposited in the Working Cash Fund will be held by the Trustee or the Authority as shall be directed in the Series Ordinance and will be disbursed as provided in the applicable Series Ordinance. All interest and other investment income earned on the Working Cash Fund will be deposited as received in the Working Cash Fund (to the credit of the accounts within the Working Cash Fund, if any, on the basis of their contribution to the cost of the relevant investment), and may be applied by the Authority in the manner as provided in the Series Ordinance.

If a Series Ordinance provides for money deposited in any Account in the Capital Assets Fund or the Working Cash Fund to be held by the Trustee, those amounts, and interest and other investment income on those amounts, will be disbursed as provided in that Series Ordinance. No Series Ordinance so providing such deposits to be held by the Trustee shall be effective without the consent of the Trustee as to that deposit and method of disbursement.

*Additional Funds.* The Authority may, in the Series Ordinance authorizing the issuance of any Series of Authority Obligations, establish additional Funds to be held, invested and disbursed by the Trustee as provided in the Series Ordinance.

#### **NATURE AND SOURCE OF PAYMENT OF AUTHORITY OBLIGATIONS**

The General Ordinance provides that all Authority Obligations are general obligations of the Authority to which is pledged the full faith and credit of the Authority. All Authority Obligations are superior to and have priority over any other obligations of the Authority, except Separate Ordinance Obligations to the extent that under the Act and their authorizing ordinances they have a prior claim to Secured Government Payments or *ad valorem* property tax receipts.

Authority Obligations are payable as to principal, Redemption Price, Purchase Price and interest from all Revenues and from all Funds received or held by the Authority, including, without limitation, amounts in the appropriate accounts of the Debt Service Fund and Debt Service Reserve Fund with respect to a Series of Authority Obligations, or otherwise on hand at the Authority, which are in any event legally available to be so applied. Authority Obligations are payable from Additional State Assistance, Additional Financial Assistance, amounts in the Authority's Joint Self-Insurance Fund or from amounts required by ordinances authorizing Separate Ordinance Obligations to be on deposit in any debt service fund or debt service reserve fund for such Separate Ordinance Obligations or from amounts payable upon any credit support instrument or reserve fund credit instrument in respect of Separate Ordinance Obligations.

### **EQUALITY OF AUTHORITY OBLIGATIONS**

All Authority Obligations authorized pursuant to the General Ordinance rank equally as to security, regardless of the time or times of their issue, and are entitled to no priority one over another between Authority Obligations within the same maturity, with respect to any funds pledged as security for or available for the payment of the Authority Obligations, other than as expressly provided in the General Ordinance. Nothing shall prohibit the Authority from providing Credit Support Instruments solely for certain Authority Obligations and not others. As provided by the General Ordinance, the Debt Service Reserve Fund is available for the payment of principal, Redemption Price and Purchase Price of and interest only on Bonds.

### **ASSIGNMENT OF TRUSTEED MONEY**

The Authority has irrevocably assigned the Trusteed Money to the Trustee, for the benefit of the Holders from time to time of the Authority Obligations, to be held, invested and used as provided in the General Ordinance. The State Treasurer, the State Department of Revenue and the State Comptroller are authorized and directed to pay and cause to be paid directly to the Trustee and not to the Authority all Trusteed Money coming into the hands of any of them or into the Treasury of the State. The Chairman or the Secretary of the Authority is authorized and directed to cause a certified copy of the General Ordinance and of each Series Ordinance to be filed with the State Treasurer, the Comptroller and the State Department of Revenue. Upon receipt thereof, the State Treasurer, the State Department of Revenue and the Comptroller will subsequently, notwithstanding any other provisions of the Act, provide for the Trusteed Money held or received by any of them or in the Treasury of the State to be paid directly to the Trustee instead of the Authority. After such notice, the assignment will be valid and binding from the date of the General Ordinance without any physical delivery or further act, and will be valid and binding as against and prior to the claims of all other parties having claims of any kind against the Authority or any other person irrespective of whether the other parties have notice of the assignment. When the assignment is discharged in accordance with the General Ordinance with respect to all of the Authority Obligations, the Trustee will promptly deliver to the State Treasurer, the Comptroller and the State Department of Revenue written notice of that fact and subsequently all Trusteed Money will again be paid to the Authority the same as before the assignment.

While any of the Authority Obligations are Outstanding, the Authority will pay to the Trustee for deposit in the Debt Service Fund all Trusteed Money received by the Authority (other than amounts withdrawn from the Debt Service Fund in accordance with the General Ordinance).

## **PLEDGE EFFECTED BY THE GENERAL ORDINANCE**

For the benefit of the Holders from time to time of the Authority Obligations, the Authority pledges and grants to the Trustee a first lien on and first security interest in all Truited Money, all Revenues and all of its funds on hand from which Authority Obligations are payable as provided in the General Ordinance (which Revenues and funds lawfully may be so used) for payment in full of the principal, Redemption Price and Purchase Price of and interest on Authority Obligations, as such amounts become due and payable. Amounts required to be deposited in any Account, other than a Rebate Account, of the Debt Service Fund secure and will be used for only the Authority Obligations with respect to which the Account is established. The pledge, lien and security interest with respect to any Authority Obligation will be valid and binding from the time that Authority Obligation is issued, without any physical delivery or further act, and will be valid and binding as against and prior to the claims of all other parties having claims of any kind against the Authority or any other person irrespective of whether such other parties have notice of such pledge, lien and security interest. In furtherance of this pledge, lien and security interest, in the event any Authority Obligation will not be paid when due as to principal, Redemption Price, Purchase Price or interest, the Trustee may require any such Revenues and funds on hand, excluding the Joint Self-Insurance Fund referred to in the definition of "Revenues," to be paid directly to the Trustee for such application.

Such pledge and grant of lien and security interest is subject to the right of the Authority to apply any amounts which it has on hand and which are not required by the terms of the General Ordinance and the Series Ordinances to remain on deposit or to be deposited in the Debt Service Fund and the Debt Service Reserve Fund for its other legal purposes.

## **ESTABLISHMENT OF DEBT SERVICE FUND**

The General Ordinance establishes the Debt Service Fund as a separate and distinct fund, to be maintained by the Trustee in trust for the Holders from time to time of the Authority Obligations, and will be invested and used, all as provided by the General Ordinance. Such trust will be irrevocable so long as any of the Authority Obligations are outstanding. All receipts of Truited Money will be deposited by the Trustee in the Debt Service Fund, or, as hereinafter described, in the Debt Service Reserve Fund. Other Revenues and funds of the Authority will be deposited in the Debt Service Fund and the Debt Service Reserve Fund as required by the General Ordinance and any Series Ordinance.

## **ESTABLISHMENT OF ACCOUNTS IN DEBT SERVICE FUND**

The General Ordinance provides that the Authority will, in each Series Ordinance, provide for the establishment of separate Accounts within the Debt Service Fund relating to particular Series of Authority Obligations. The creation of separate Accounts in the Debt Service Fund will not create any preference of one Series of Authority Obligations over any other Series, except that amounts required to be deposited in any Account of the Debt Service Fund secure and will be used for only the Authority Obligations with respect to which the Account is established. The deposits to be made to the various Accounts of the Debt Service Fund will be made each month proportionately on the basis of the amounts required to be deposited in each Account. The investments and deposits of any of the Accounts of the Debt Service Fund may be commingled, except with respect to Rebate Accounts, as provided in the General Ordinance.

In each Series Ordinance establishing an Account in the Debt Service Fund, the Authority will provide a monthly deposit requirement with respect to such Account (other than the Rebate Account). The monthly deposit requirement may be expressed in absolute dollar terms or as a formula, but will provide for the deposit of amounts sufficient to pay the principal, Redemption Price and Purchase Price of, and interest on the Authority Obligations of the relevant Series as those amounts come due. With respect to Authority Obligations for which a purchase or redemption requirement is provided to be paid through a Credit Support Instrument the Series Ordinance need not set forth specific deposit requirements in respect of those amounts, but the Authority will make, in any event, deposits in the Debt Service Fund sufficient to meet all obligations of the Authority with respect to those requirements.

The monthly deposit requirements with respect to each Series of Authority Obligations will not be less than the following amounts:

(a) The amount in respect of interest will not be less than the product of the interest coming due on the next interest payment date on that Series and a fraction, the numerator of which is one and the denominator of which is the number of months less one from the preceding interest payment date on that Series or, in respect of interest on the first interest payment date, from the date of delivery of the Series to that next interest payment date, until the full amount of that interest on the next interest payment date has been provided so to be deposited. The deposit requirements in respect of interest may be reduced (including to zero) to the extent that amounts specified in a Series Ordinance are deposited in the Debt Service Fund to the credit of the Account in that Fund. With respect to Authority Obligations which will bear interest at variable rates, the monthly deposit requirements in respect of interest will be calculated as provided in the Series Ordinance for such Obligations.

(b) The amount in respect of principal, except for the first principal payment date for a Series, will not be less than the product of the principal coming due (whether at maturity or pursuant to Sinking Fund Installments) on the next such principal payment date and a fraction, the numerator of which is one and the denominator of which is the number of months less one from the preceding principal payment date to the next principal payment date until the full amount of that principal on the next principal payment date has been provided so to be deposited. The amount in respect of principal on the first principal payment date will be the amounts specified in the Series Ordinance for that Series, which will be sufficient so that the full amount of that principal will have been provided to have been deposited (based on dates for deposit of Sales Tax Revenues as anticipated by the Board) not less than 20 days prior to that principal payment date.

(c) With respect to Authority Obligations for which there is a purchase, mandatory redemption or similar requirement which is provided to be paid through a Credit Support Instrument, the required deposits described in paragraph (b) above in respect of principal will be based on scheduled principal payments (at maturity or pursuant to Sinking Fund Installments) and not based on purchase, redemption or similar requirements provided so to be paid through such an instrument.

The 2025A Series Ordinance establishes the following monthly deposit requirements for interest with respect to the Series 2025A Bonds Account:

(i) For each month prior to the first interest payment date on the Series 2025A Bonds, the Authority shall deposit into the Series 2025A Bonds Account an amount equal to the amount of interest coming due on the first interest payment date for the Series 2025A Bonds (minus the amount of accrued interest, as may be applicable to the first interest payment, deposited in the Series 2025A Bonds Account upon the issuance and delivery of the Series 2025A Bonds) multiplied by a fraction, the numerator of which shall be one and the denominator of which shall equal the number of full calendar months between the date of delivery of the Series 2025A Bonds and the first interest payment date for the Series 2025A Bonds, minus one, until the full amount of the interest payment for the Series 2025A Bonds is on deposit in the Series 2025A Bonds Account.

(ii) For each month beginning in the month of the first interest payment date on the Series 2025A Bonds, the Authority shall deposit into the Series 2025A Bonds Account an amount equal to one-fifth of the amount of the interest coming due on the next interest payment date with respect to the Series 2025A Bonds, until the full amount of the interest payment for the Series 2025A Bonds is on deposit in the Series 2025A Bonds Account.

The 2025A Series Ordinance establishes the following monthly deposit requirements for principal with respect to the Series 2025A Bonds Account:

(i) For each month prior to the first principal payment date on the Series 2025A Bonds, the Authority shall deposit into the Series 2025A Bonds Account of the Debt Service Fund an amount equal to the amount of principal coming due on the first principal payment date for the Series 2025A Bonds multiplied by a fraction, the numerator of which shall be one and the denominator of which shall equal the number of full calendar months between the date of delivery of the Series 2025A Bonds and the first principal payment date for the Series 2025A Bonds, minus one, until the full amount of the principal payment for the Series 2025A Bonds is on hand.

(ii) For each month beginning twelve months preceding any principal payment (other than the first principal payment) or Sinking Fund Installment due date on the Series 2025A Bonds, the Authority shall deposit into the Series 2025A Bonds Account of the Debt Service Fund an amount equal to one-eleventh of the principal (including any Sinking Fund Installment) coming due on the next principal payment date or Sinking Fund Installment due date with respect to the Series 2025A Bonds, until the full amount of the principal payment or Sinking Fund Installment amount for the Series 2025A Bonds is on hand.

There will be deposited in the Debt Service Fund to the credit of the Rebate Accounts, after there are no deficiencies in any of the other Accounts in the Debt Service Fund or the Debt Service Reserve Fund, the amounts as will be required to be held available for rebate to the United States of America with respect to each Series of Authority Obligations. The amount so to be held available will be determined from time to time by the Authority pursuant to the Series Ordinances, as certified by an Authorized Officer to the Trustee.

In any period in which there is any deficiency in any Account in the Debt Service Fund, the amount of the deficiency will be added to and be a part of the monthly deposit requirement for such Account for that and all succeeding periods until there no longer remains any such deficiency.

In any month after all of the required deposits and credits to all Accounts in the Debt Service Fund have been made (other than Rebate Accounts) and there is no deficiency in any of the Accounts (other than Rebate Accounts), the Trustee will pay from the Debt Service Fund proportionately to the Accounts in the Debt Service Reserve Fund any remaining amounts in the Debt Service Fund until the value of each Account in the Debt Service Reserve Fund, calculated as provided in the General Ordinance, will equal the Reserve Requirement for such Account, and then will credit to the Rebate Accounts proportionately until there are no deficiencies in any such Accounts, and then will pay any remaining amounts in the Debt Service Fund after all of the required deposits and credits to all accounts in the Debt Service Fund (including the Rebate Accounts) have been made and there are no deficiencies in any such Accounts, to the Authority, or upon the Authority's direction.

If for any reason in any month the required deposits and credits are not made to the Debt Service Fund and all Accounts in it and to the Debt Service Reserve Fund and all Accounts in it, then the Authority will immediately deposit with the Trustee any and all other money and funds which it has on hand or available to it, from which Authority Obligations are payable as provided in the General Ordinance, to make up such deficiency which lawfully may be so used. The Trustee will deposit in and credit such funds first to the Debt Service Fund Accounts other than the Rebate Accounts, proportionately on the basis of the amount of the deficiency in each such Account, then to the Debt Service Reserve Fund Accounts proportionately on the basis of the amount of the deficiency in each such Account, and then proportionately to the Rebate Accounts. The Authority will not use any such other moneys or funds for any other purpose until such deficiency is made up.

If for any reason in any month the required deposits and credits are not made to the Debt Service Fund and all Accounts in it and to the Debt Service Reserve Fund and all Accounts in it by the last date in the month in which the Sales Tax Revenues are normally received by the Trustee, and in any event by the 25th day of the month, then the Trustee will so notify the Authority and, whether or not it receives that notice, the Authority will make all required deposits as provided in the preceding paragraph.

#### **USE AND WITHDRAWAL OF MONEY FROM THE ACCOUNTS IN THE DEBT SERVICE FUND**

From the amounts deposited in or credited to the Accounts in the Debt Service Fund, the Trustee will pay first out of the Account (other than the Rebate Account) and then out of the Rebate Account, in each case pertaining to each Series of Authority Obligations to the Paying Agents for that Series of Authority Obligations, on the business day preceding each interest payment date or principal payment date (whether at maturity or pursuant to Sinking Fund Installments) or mandatory redemption date or date of required purchase, not being made by a Credit Support Instrument, an amount equal to the principal, Redemption Price, Purchase Price and interest on the Series of Authority Obligations coming due on the following business day. In lieu of making such payments to a Paying Agent on the business day prior to the day that a payment with respect to Authority Obligations is due, the Trustee at the direction of the Treasurer or other Authorized Officer, and with the approval of the Paying Agent, may on that prior business day deposit Investment Obligations maturing on the day of payment sufficient for that payment.

The Trustee will use, upon the written direction of the Treasurer or other Authorized Officer of the Authority, amounts in any Account, other than a Rebate Account, to purchase Authority Obligations of the Series to which such Account pertains at a price not in excess of the principal amount (or Compound Accreted Value with respect to Authority Obligations sold at a discount in excess of 2%) plus accrued interest to the date of purchase; *provided, however*, that amounts in an Account may be so used only if after any purchase there will remain on deposit in such Account an amount equal to the amount which would have been required to have been deposited had the purchased Authority Obligations never been Outstanding. The principal amount of the Authority Obligations so purchased will be applied against the Sinking Fund Installments for the Series of Authority Obligations purchased as provided in the Series Ordinance authorizing the issuance of that Series.

Amounts in Rebate Accounts will be used at the direction of an Authorized Officer to make rebate payments to the United States of America. Amounts in a Rebate Account in excess of the amounts which the Authority will determine is needed for making rebates, will no longer be required to be deposited into that Rebate Account and will be used first to make up any deficiencies in the Debt Service Fund and the Debt Service Reserve Fund and then will be paid to the Authority.

In each month, the Trustee, upon required deposits to the Debt Service Fund and the Debt Service Reserve Fund having been made, will immediately pay to the Authority amounts in the Debt Service Fund in excess of the then required deposits and credits in all Accounts in the Debt Service Fund.

#### **DEBT SERVICE RESERVE FUND**

The General Ordinance establishes the Debt Service Reserve Fund, to be maintained by the Trustee. The Authority may, in any Series Ordinance, provide for the establishment of separate Accounts within the Debt Service Reserve Fund relating to particular Series of Bonds. The creation of separate Accounts in the Debt Service Reserve Fund for particular Series of Bonds will not create any preference of one Series of Bonds over any other Series, except that amounts required to be deposited in any Account of the Debt Service Reserve Fund will secure and will be used only for the Bonds with respect to which the Account is established. Transfers or deposits to be made to the various Accounts will be made proportionately on the basis of the amount of the deficiency in each Account prior to any such transfer or deposit. The investments and deposits of any of the various Accounts in the Debt Service Reserve Fund may be commingled with any other Accounts in the Debt Service Reserve Fund, but may not be commingled with other funds or accounts of the Authority.

In connection with the issuance of any Bonds, the General Ordinance requires an amount, if any, to be deposited in the respective Debt Service Reserve Fund Account so that the value of the Debt Service Reserve Fund Account at least equals the Reserve Requirement on all Bonds outstanding immediately after the delivery of such Series of Bonds and secured by such Account. Each month, the Trustee is required to pay to and deposit in each Debt Service Reserve Fund Account, if the amount on deposit is less than the Reserve Requirement for such Account, all amounts in the Debt Service Fund in excess of the amounts required to be on deposit in the Debt Service Fund. If in any month after the required deposits to the Accounts (other than the Rebate Accounts) in the Debt Service Fund have been made and any transfers from the Debt Service Fund to the Debt Service Reserve Fund have been made (as described in the preceding sentence) and

the value of any Account in the Debt Service Reserve Fund is less than the Reserve Requirement for such Account, the Authority is required immediately to deposit with the Trustee any and all other money which it has on hand or available to it to make up the deficiency which lawfully may be so used.

Amounts in the respective Debt Service Reserve Fund Account will be transferred by the Trustee to the credit of the respective Debt Service Fund Account at the times and in the amounts as required in order to pay principal of the Bonds secured by such Debt Service Reserve Fund Account at maturity or on Sinking Fund Installment or purchase dates and to pay interest on such Bonds as it falls due, if there are not sufficient amounts in the Debt Service Fund Account for that purpose.

On May 1 of each year, and also on each date that any refunding Bonds are issued under the General Ordinance or that any Reserve Fund Credit Instrument is deposited with the Trustee, or as soon after those dates as feasible, the Trustee will pay to and deposit in the Debt Service Fund proportionately to the credit of the various Accounts with respect to the various Series of Bonds all amounts in any Debt Service Reserve Fund Account to the extent the value of the Debt Service Reserve Fund Account is in excess of the Reserve Requirement for such Account.

Whenever the Trustee determines that the total amount in the Debt Service Reserve Fund, together with all amounts in the Debt Service Fund (other than in Rebate Accounts), will be sufficient to pay or to redeem or to provide for the payment or redemption of all the Outstanding Bonds, the Trustee will pay to and deposit in the Debt Service Fund to the credit of the various accounts with respect to the various Series of Bonds (other than the Rebate Accounts) such remaining amounts in the Debt Service Reserve Fund.

All or any part of the Reserve Requirement may be met by deposit with the Trustee of a Reserve Fund Credit Instrument. A Reserve Fund Credit Instrument will, for purposes of determining the value of a Debt Service Reserve Fund Account, be valued at the Reserve Fund Credit Instrument Coverage for that Reserve Fund Credit Instrument, except as provided in the next two sentences. If a Reserve Fund Credit Instrument is to terminate (or is subject to termination) prior to the last principal payment date on any Outstanding Bond secured by the Debt Service Reserve Fund Account, then the Reserve Fund Credit Instrument Coverage of that Instrument will be reduced by the amount provided in the next sentence. The amount of the reduction will be the amount, if any, by which the value of the Debt Service Reserve Fund Account, not counting the value of the Reserve Fund Credit Instrument Coverage of that Instrument, is less than the Reserve Requirement for such Account after the first date that the Reserve Fund Credit Instrument is so to terminate (or is subject to termination); *provided, however*, if the Series Ordinance with respect to such Bonds requires deposits to be made in the Debt Service Reserve Fund Account equal in each year, starting not less than three years prior to the termination date, to not less than one-third of the original Reserve Fund Credit Instrument Coverage of the Instrument, until such deposits equal the amount of that original Coverage, then the reduction will be only by that amount from time to time that deposits have so been required to have been made in the Debt Service Reserve Fund Account; and *provided further*, if by the terms of the Reserve Fund Credit Instrument and the terms of the related Series Ordinance, the Trustee has the right and duty to draw upon the Reserve Fund Credit Instrument prior to its termination for deposit in the Debt Service Reserve Fund Account all or part of its Coverage then the reduction will be only by that amount as the Trustee will not have the right and duty so to draw.

Any amounts in a Debt Service Reserve Fund Account which are not required to be transferred to the corresponding Debt Service Fund Account in order to pay principal of or interest on the Bonds secured by such Debt Service Reserve Fund Account may, from time to time, be used to pay costs of acquiring a Reserve Fund Credit Instrument or to make payments due under a reimbursement agreement or to reinstate coverage with respect to a Reserve Fund Credit Instrument, but only if, after such payment, the value of each Account in the Debt Service Reserve Fund will not be less than the Reserve Requirement for such Account. The Authority may provide for the pledge and assignment and grant of a lien on or any security interest in the amounts on deposit in the Debt Service Reserve Fund Account to any provider of a Reserve Fund Credit Instrument deposited in such Account to secure the Authority's obligation to make payments under a related reimbursement agreement; *provided, however*, that any such lien or security interest will be junior in priority to the claim of the Trustee for the benefit of the Holders of the Bonds secured by such Account.

### **SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

The General Ordinance provides that all moneys held under the General Ordinance by the Trustee will be continuously and fully secured for the benefit of the Authority and the Holders of the Authority Obligations, as their respective interests may appear, by Investment Obligations of a market value at least equal at all times to the amount of the deposit so held by the Trustee. However, it will not be necessary for the Trustee to give security for any amount of moneys as is insured by federal deposit insurance, for the Trustee to give security for any moneys which will be represented by Investment Obligations purchased under the provisions of the General Ordinance as an investment of such moneys, or for any Paying Agent to give security for the deposit of any moneys held by it in trust for the Holders of Authority Obligations.

The General Ordinance provides that, upon direction of an Authorized Officer, moneys in the Funds and Accounts established by the General Ordinance will be invested by the Trustee in Investment Obligations so that the maturity date or date of redemption at the option of the holder of such Investment Obligations will coincide, as nearly as practicable, with the times at which moneys in the Funds and Accounts will be required for the purposes provided in the General Ordinance.

The Trustee will maintain all amounts in each Fund established by the General Ordinance in investments and moneys which are separate and distinct from those of any other Fund. The Trustee will maintain all amounts in each Rebate Account in investments and deposits which are separate and distinct from those of any other Fund or Account.

Moneys in the Debt Service Reserve Fund will be invested by the Trustee upon direction of an Authorized Officer, in Investment Obligations the maximum maturity of which will not be more than ten (10) years from the date of such investment; *provided, however*, that at least 25% of the moneys in each Account of the Debt Service Reserve Fund will from time to time be invested in Investment Obligations the average maturity of which will not be more than two (2) years from the date of any investment. A Reserve Fund Credit Instrument will be treated as an investment in an Investment Obligation of a maturity equal to the number of days of advance notice which must be given in order to obtain payments on it.

All interest and other investment earnings on amounts in the Debt Service Fund or any Account in it or in the Debt Service Reserve Fund or any Account therein will be deposited in and credited to the Fund and the Account in which it was earned and will be used in the same manner as other amounts in that Fund and that Account.

In computing the value of any Fund or Account held by the Trustee under the provisions of the General Ordinance, obligations purchased as an investment of moneys in such Fund or Account will be valued at the cost or market price of such obligations, whichever is lower, exclusive of accrued interest, except that with respect to the Debt Service Reserve Fund, obligations will be valued at par or, if purchased at less than par, at their cost to the Authority.

#### **NO INCONSISTENT SECURITY INTERESTS**

The Authority covenants in the General Ordinance that it will not secure any obligation other than Authority Obligations with a pledge of, nor will it create or suffer to exist a lien on or security interest in, nor will it assign, any Truited Money, any Revenues or any other of its funds on hand from which Authority Obligations are payable in such a way that the claims for those other obligations on the Truited Money or such other Revenues or funds will be senior to or on a parity with the claims of the Holders of the Authority Obligations, but only in such a manner as would cause such claims for such other obligations to be junior and subordinate to the claims of the Holders of Authority Obligations to such amounts.

#### **ADDITIONAL AUTHORITY OBLIGATIONS**

Under the provisions of the General Ordinance the Authority covenants with the Holders from time to time of all Authority Obligations that it will not issue any Additional Authority Obligations except as described below.

1. Any Additional Authority Obligations must be issued under Section 4.04 of the Act, as it may be amended from time to time, or a successor to that Section.
2. The Authority may issue at any time Additional Authority Obligations for any lawful purpose allowed by the Act if there is no default in payment of Authority Obligations or in making all required deposits to the Debt Service Fund, if upon the issuance of the Additional Authority Obligations which are Bonds the value of each Account in the Debt Service Reserve Fund is not less than the Reserve Requirement for such Account and if the "Revenues test" is met.

The "Revenues test" is met if, at the date the contract is made to sell the Additional Authority Obligations, Sales Tax Revenues equal or exceed 2.5 times the maximum Annual Debt Service Requirements for the then current or any future twelve-month period ending April 30 for all Authority Obligations to be Outstanding upon the issuance of the Additional Authority Obligations.

For purposes of the "Revenues test," "Sales Tax Revenues" will be an amount equal to one-half of the sales tax revenues for the most recently completed 24 months for which the Authority has financial statements available, will be calculated consistent with generally accepted accounting principles and will be evidenced either by an Accountant's Certificate or (for months for which audited financial statements are not available) by a certificate of an Authorized Officer of the Authority.

3. Notwithstanding paragraphs (2) and (4), the Authority may issue Additional Authority Obligations to pay, purchase, redeem or refund Authority Obligations if there will be in the judgment of the Authority no money available to make payments of interest on or principal of those Authority Obligations (at maturity or on Sinking Fund Installment dates or pursuant to other mandatory redemption or purchase obligations) as such amounts come due.

4. In addition to Additional Authority Obligations that may be issued pursuant to paragraphs (2) and (3) above, the Authority may issue Additional Authority Obligations to pay, purchase, redeem or refund any Authority Obligations if the total amount of the required deposits in the Debt Service Fund with respect to all Authority Obligations after the issuance of the Additional Authority Obligations will be not in excess of the required deposits in the Fund for all Authority Obligations Outstanding prior to the issuance of those Additional Authority Obligations in each Fiscal Year in which any of those Authority Obligations Outstanding prior to the issuance are to remain Outstanding.

The General Ordinance provides that nothing therein will prohibit the Authority from issuing Separate Ordinance Obligations which may (but need not) be general obligations of the Authority, and from assigning, pledging, and granting a first lien on and first security interest in Secured Government Payments or *ad valorem* real property tax receipts, or both, as well as amounts in a debt service fund and a debt service reserve fund for such Obligations, for the payment of principal, redemption price, purchase price of and interest on such Separate Ordinance Obligations, and for reimbursing a provider of a credit support instrument or reserve fund credit instrument for such Obligations and for reinstating coverage under such an instrument but only to the extent that such Secured Government Payments and receipts have not been specifically and explicitly pledged by a Series Ordinance to Authority Obligations.

#### **MAINTENANCE OF EXISTENCE**

The Authority covenants that it will not take any action to cause itself to be terminated or dissolved. It will take all necessary actions to maintain its existence under the Act.

#### **IMPOSITION OF TAXES**

The Authority covenants that it will impose and continue to impose taxes, as provided in Section 4.03 of the Act and, in addition, further taxes as subsequently authorized by law, sufficient to make the required deposits in and credits to the various Accounts in the Debt Service Fund and to pay the principal of and all interest on and to meet other debt service requirements of the Authority Obligations as they become due, and will take any steps necessary for the collection and receipt of those taxes.

#### **OBTAINING FUNDS**

The Authority will take all necessary steps to obtain and to apply as provided in the General Ordinance in a timely fashion all amounts which it is entitled to receive as are required in order to pay the principal, Redemption Price, Purchase Price and interest on all Authority Obligations.

## **BUDGETS AND ANNUAL APPROPRIATION ORDINANCES**

The Authority will adopt, in the manner provided by the Act, budgets and annual appropriation ordinances in conformity with the Act which will make all needed provisions in them for the payment of principal, Redemption Price, Purchase Price and interest on all Authority Obligations.

## **FINANCIAL STATEMENTS**

The Authority will keep proper books and accounts relating to, among other things, the amount of its revenues and expenses, in conformity to the Act, and will cause an audit of its annual financial statements to be prepared by an independent firm of certified public accountants within 120 days of the end of each Fiscal Year. The Authority will furnish a copy of those financial statements, together with that audit report, to the Trustee and to any other Holder of the Authority Obligations who will request a copy.

## **DEFAULT PROVISIONS; REMEDIES OF HOLDERS**

*Proceedings Brought by Trustee.* The General Ordinance provides that if default is made by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in the General Ordinance, any Series Ordinance or in the Authority Obligations, or upon the filing by or on behalf of the Authority of a petition for the bankruptcy of the Authority, or some other similar proceeding such as for receivership of the Authority or a substantial part of its assets shall have been undertaken, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than 25% in principal amount of the Authority Obligations Outstanding will proceed, to protect and enforce its rights and the rights of the Holders of those Authority Obligations under the General Ordinance by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the General Ordinance, or in aid of the execution of any power granted in the General Ordinance or any Series Ordinance or any remedy granted under the Act or for a writ of mandamus, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the General Ordinance.

All rights of action under the General Ordinance or any Series Ordinance may be enforced by the Trustee without the possession or protection of any of the Authority Obligations on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee will be brought in its name.

The Holders of a majority in principal amount of the Authority Obligations at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee will have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Holders not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the General Ordinance or any Series Ordinance, the Trustee will be entitled to exercise any and all rights and powers conferred in the General

Ordinance and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

Regardless of the happening of an Event of Default, the Trustee will have power to, but unless requested in writing by the Holders of a majority in principal amount of the Authority Obligations then Outstanding, and furnished with reasonable security and indemnity, will be under no obligation to, institute and maintain such suits and proceedings as it may be advised will be necessary or expedient to prevent any impairment of the security under the General Ordinance or any Series Ordinance by any acts which may be unlawful or in violation of the General Ordinance or any Series Ordinance, and such suits and proceedings as the Trustee may be advised will be necessary or expedient to preserve or protect its interests and the interests of the Holders of the Authority Obligations, including, without limitation, steps with regard to any Credit Support Instrument.

For purposes of these paragraphs describing remedies, the principal amount of any Authority Obligations issued at an original issue discount of more than 2% of its face amount will be its Compound Accreted Value.

*Application of Moneys After Default.* In the General Ordinance, the Authority has covenanted that if an Event of Default occurs and is not remedied, the Authority, upon the demand of the Trustee, will cause to be paid over to the Trustee all moneys, securities and funds then held by or available to the Authority which are legally able to be used to pay debt service on the Authority Obligations and which are needed for that purpose. During the continuance of an Event of Default, the Trustee will apply all moneys, securities, and funds received by the Trustee as follows and in the following order: (a) to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee and Paying Agents; (b) to the payment of the interest and principal then due on the Authority Obligations, as follows: (i) to the payment to the persons entitled to such payments of all interest then due in the order that the interest became due, together with accrued and unpaid interest on the Authority Obligations previously called for redemption, and, if the amount available shall not be sufficient to pay in full any interest which became due on the same date, then to the payment of such interest ratably, according to the amounts due, to the persons entitled to such payments, without any discrimination or preference; and (ii) to the payment to the persons entitled to such payments of the unpaid principal or Redemption Price or Purchase Price of any Authority Obligations which shall have become due, whether at maturity or pursuant to Sinking Fund Installments or otherwise, in the order of such due dates, and, if the amount available shall not be sufficient to pay in full all the Authority Obligations due on any date, then to the payment of such principal or Redemption Price or Purchase Price ratably, according to the amounts of principal or Redemption Price due, to the persons entitled to such payments, without any discrimination or preference.

No remedy by the terms of the General Ordinance or any Series Ordinance conferred upon or reserved to the Trustee or the Holders of the Authority Obligations is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the General Ordinance or any Series Ordinance or existing law, including under the Act, or in equity or by statute.

No delay or omission of the Trustee or any Holder to exercise any right or power arising upon the happening of an Event of Default will impair any right or power or shall be construed to be a waiver of or an acquiescence in any such Event of Default.

The Trustee will promptly mail written notice of the occurrence of any Event of Default to each Holder of Authority Obligations then Outstanding at his or her address, if any, appearing upon the registry books of the Authority.

#### **MODIFICATION OF GENERAL ORDINANCE**

The General Ordinance includes provisions by which the Authority may, by Supplemental Ordinance, modify the General Ordinance or any Series Ordinance without the consent of the Holders of Authority Obligations in order to further secure or provide for payment of Authority Obligations, to impose further limitations on the issuance of Authority Obligations and incurring of obligations by the Authority, to surrender any right, power or privilege reserved to or conferred upon the Authority under the General Ordinance, to take any action for the collection and application of moneys sufficient to pay principal and interest on the Authority Obligations as they fall due, to confirm as further assurance any covenant, assignment, lien, or security interest in the General Ordinance, and with the consent of the Trustee, to correct ambiguities, defects or inconsistent provisions in the General Ordinance or any Series Ordinance.

Other than these modifications, the General Ordinance may not be amended except with the consent of the Holders of 66-2/3% in principal amount of all the Bonds then Outstanding (other than Bonds of a Series which is unaffected by such modification or amendment) and the consent of the Holders of 66-2/3% in principal amount of all Notes then Outstanding (other than Notes of a Series which is unaffected by such modification or amendment) by written instrument. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Authority to pay the principal, redemption or Purchase Price, if any, of or interest on any Authority Obligation at the time and place and at the rate and in the currency provided in such Authority Obligation without the express consent of the Holder of such Authority Obligation, nor permit the preference or priority of any Authority Obligation over any other Authority Obligation, nor reduce the percentages of Bonds and Notes required for the written consent to an amendment or modification, nor modify any of the rights or obligations of the Trustee or any Paying Agent at the time acting pursuant to the General Ordinance, without the written assent of such Agent. For purposes of this paragraph, the principal amount any Authority Obligation issued at an original issue discount of more than 2% of its face amount will be its Compound Accreted Value.

#### **RESIGNATION OR REMOVAL OF TRUSTEE OR PAYING AGENTS; SUCCESSOR TRUSTEES; SUCCESSOR PAYING AGENTS**

The Trustee may at any time, except during such time as the Authority shall have failed to pay (and shall continue to fail to pay) principal on any Authority Obligations at maturity or on Sinking Fund Installment dates or to pay interest on any Authority Obligation as it comes due or to make any required deposits into the Debt Service Fund, resign and be discharged of the duties and obligations under the General Ordinance by giving not less than sixty (60) days' written notice to the Authority and publishing notice of the resignation, specifying the date when such resignation will take effect, once in a daily newspaper of general circulation in the City of Chicago. Such

resignation will take effect upon the day specified in such notice unless previously a successor will have been appointed, in which event such resignation will take effect immediately on the appointment of the successor.

The Trustee will be removed by the Authority if at any time the Authority is so requested by an instrument or concurrent instruments in writing filed with the Trustee and the Authority, and signed by the Holders of a majority in principal amount of the Authority Obligations then Outstanding or their attorneys-in-fact duly authorized, excluding any Authority Obligations held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during such time as the Authority will have failed to pay (and will continue to fail to pay) principal of any Authority Obligation (at maturity or on Sinking Fund Installment dates) or to pay interest on any Authorized Obligation as it comes due or to make any required deposits into the Debt Service Fund, for such cause as will be determined by the Authority by filing with the Trustee an instrument of removal signed by an Authorized Officer of the Authority.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Authority shall then by resolution appoint a successor Trustee. The Authority will publish notice of any such appointment made by it in a daily newspaper of general circulation in the City of Chicago, such publication in each case to be made within twenty (20) days after such appointment. If appointment of a successor Trustee shall not be made within forty-five (45) days after the Trustee shall have given to the Authority written notice, or after a vacancy in the office of the Trustee shall have otherwise occurred, the Trustee or any Holder of the Authority Obligations may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, prescribe and appoint a successor Trustee. Any Trustee appointed in succession to the Trustee shall be a bank or trust company organized under the laws of the State or a national banking association doing business and having its principal office in Cook, DuPage, Kane, Lake, McHenry or Will Counties, Illinois, shall have significant prior experience as a trustee under bond resolutions or indentures of trust, shall have a capital and surplus aggregating at least Twenty Million Dollars (\$20,000,000), and shall be willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the General Ordinance. No resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of the Trustee.

Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the General Ordinance by giving at least sixty (60) days' written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and surplus aggregating at least Twenty Million Dollars (\$20,000,000), and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the General Ordinance. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor then appointed, to the Trustee until such successor is appointed. The Authority shall notify the Trustee and the Holders of the

Authority Obligations, in the manner provided for notification of redemption, as to the appointment of a successor Paying Agent.

**MAINTENANCE OF BOND INSURANCE, CREDIT SUPPORT  
INSTRUMENTS AND RESERVE FUND CREDIT INSTRUMENTS**

The Authority will enforce or cause to be enforced, as provided under the General Ordinance, the provisions of each policy of bond insurance insuring the payment of principal of and interest on the Authority Obligations, each Credit Support Instrument and each Reserve Fund Credit Instrument. The Authority will, as provided under the General Ordinance, duly perform its covenants and agreements pertaining to such policies or Instruments so that each will remain in full force and effect during their term or as provided in a Series Ordinance. The Authority will not consent, agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with such bond insurance policy, Credit Support Instrument or Reserve Fund Credit Instrument which would in any manner materially impair or materially adversely affect the rights of the Authority or the Trustee under such bond insurance policies, Credit Support Instrument or Reserve Fund Credit Instrument or the rights or security of the Holders of the Authority Obligations.

**DEFEASANCE**

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Authority Obligations then Outstanding, the principal and interest and Redemption Price, if any, to become due on the Authority Obligations, at the times and in the manner stipulated in the Authority Obligations, the General Ordinance and the Series Ordinances, then and in that event the covenants, agreements and other obligations of the Authority to the Holders of the Authority Obligations, shall be discharged and satisfied.

Authority Obligations for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise), whether at or prior to the maturity or redemption date of such Authority Obligations, shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Authority Obligations of any Series shall, prior to their maturity or redemption date, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if there shall have been deposited with such Trustee or Paying Agents either moneys in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide moneys which, when added to the moneys, if any, deposited with such Trustee or Paying Agents at the same time, shall be sufficient (as evidenced by an Accountant's Certificate) to pay the principal of those Authority Obligations at maturity, or on Sinking Fund Installment dates for Term Bonds, or Redemption Price, if applicable, and interest due and to become due on those Authority Obligations on and prior to the redemption date or maturity date (or Sinking Fund Installment dates for Term Bonds) thereof, as the case may be, and in case any of the Authority Obligations are to be redeemed on any date prior to their maturity, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give any required notice of redemption on that date of such Authority Obligations as provided in the General Ordinance. Neither Government Obligations nor moneys deposited with the Trustee as described in these paragraphs concerning defeasance nor principal or interest payments of any such Government

Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on those Authority Obligations; *provided* that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in principal amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on those Authority Obligations on and prior to such redemption date or maturity date of the Authority Obligations, as the case may be. With respect to Authority Obligations for which there are purchase or similar obligations of the Authority or redemption provisions other than pursuant to Sinking Fund Installments or at the option of the Authority, the Series Ordinance shall prescribe the extent to which and the manner in which this paragraph shall be applicable to those obligations.

Under the General Ordinance, any moneys held by the Trustee or Paying Agents in trust for the payment and discharge of any of the Authority Obligations which remain unclaimed for six years after the date of deposit of such moneys if deposited with the Trustee or Paying Agents after the date when the Authority Obligations become due and payable will, at the written request of the Authority, be repaid by the Trustee or Paying Agents to the Authority (after notice thereof having been published twice, commencing at least 30 days prior to such repayment as provided in the General Ordinance), as its absolute property and free from trust, and the Trustee or Paying Agents will thereupon be released and discharged with respect to such amounts and the Holders shall look only to the Authority for the payment of such Authority Obligations.

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**APPENDIX F**

**CERTAIN PROVISIONS RELATING TO GLOBAL BOOK-ENTRY ONLY SYSTEM**

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## APPENDIX F

### CERTAIN PROVISIONS RELATING TO GLOBAL BOOK-ENTRY ONLY SYSTEM

*The following information concerning The Depository Trust Company, New York, New York (“DTC”) and its book-entry is based solely on information provided by DTC. Accordingly, no representation is made by the Authority, the Trustee or the Underwriter as to the accuracy or completeness of such information, or as to the absence of changes in such information subsequent to the date hereof.*

DTC will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025A Bond certificate will be issued for each maturity of the Series 2025A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2025A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial

Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025A Bonds, except in the event that use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A Bonds, such as redemptions, tenders, defaults and proposed amendments to the transaction documents. For example, Beneficial Owners of the Series 2025A Bonds may wish to ascertain that the nominee holding the Series 2025A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the Series 2025A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal,

premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2025A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025A Bond certificates will be printed and delivered to DTC.

The information in this subcaption concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO, OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR PURCHASE PRICE OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2025A BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2025A BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

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**APPENDIX G**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

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May 14, 2025

The Board of Directors of the  
Regional Transportation Authority  
Chicago, Illinois

Re: Regional Transportation Authority General Obligation Bonds, Series 2025A

Ladies and Gentlemen:

We have acted as bond counsel to the Regional Transportation Authority, a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois (the "Authority") duly organized and existing under the Regional Transportation Authority Act, 70 Illinois Compiled Statutes 3615 (the "Act"), in connection with the issuance by the Authority of \$130,000,000 aggregate principal amount of its General Obligation Bonds, Series 2025A, dated May 14, 2025 (the "Bonds"). In our capacity as bond counsel, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The Bonds are authorized and issued under and pursuant to the Act and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of an ordinance adopted by the Board of Directors of the Authority (the "Board") on August 8, 1985, and entitled "An Ordinance Authorizing the Issuance of Bonds and Notes of the Regional Transportation Authority," as amended and supplemented (the "General Ordinance"), and an ordinance adopted by the Board on April 17, 2025 and entitled "A Series Ordinance Authorizing the Issuance of Not to Exceed \$130,000,000 Regional Transportation Authority General Obligation Bonds, Series 2025A" (the "Series Ordinance"). The Bonds are "Authority Obligations" under the General Ordinance.

Pursuant to the General Ordinance, the Authority has previously issued Authority Obligations (the "Outstanding Authority Obligations"). The Bonds, the Outstanding Authority Obligations, and other obligations hereafter issued as Authority Obligations under the General Ordinance are ratably and equally entitled to the benefits and security of the General Ordinance, including the pledge of "Revenues" as defined in the General Ordinance.

Regarding questions of fact material to our opinion, we have relied on representations of the Authority contained in the Series Ordinance and the General Ordinance, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Authority and others, including, without limitation, certifications contained in the Arbitrage and Tax Representation Certificate of the Authority, dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the Certificate of the General Counsel of the Authority, dated the date hereof, as to the matters stated therein.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Authority has all requisite power and authority under the Constitution and the laws of the State of Illinois to adopt the General Ordinance and the Series Ordinance, to issue the Bonds thereunder, and to perform all of its obligations under the General Ordinance and the Series Ordinance in those respects.

2. The General Ordinance and the Series Ordinance have been duly adopted by the Board, are in full force and effect and constitute valid and binding contractual obligations of the Authority enforceable in accordance with their respective terms.

3. The Bonds have been duly authorized, executed and delivered by the Authority, and are valid and binding general obligations of the Authority, enforceable in accordance with their terms. The Bonds are payable solely from Revenues (as defined in the General Ordinance).

4. All Authority Obligations, including the Bonds, are ratably and equally secured under the General Ordinance by the pledges and assignments created by the General Ordinance. The General Ordinance creates a valid pledge of and lien on the Revenues for the benefit and security of all Authority Obligations, subject to the application of the funds held under the General Ordinance in accordance with the terms of the General Ordinance.

5. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax.

The interest on the Bonds is not exempt from present State of Illinois income taxes.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement, dated April 29, 2025, or any other offering material relating to the Bonds.

We express no opinion regarding any tax consequences arising with respect to the Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial

discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that, in our opinion, the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Very truly yours,

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**APPENDIX H**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

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**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (B)(5) OF RULE 15C2-12**

This Continuing Disclosure Undertaking (the “*Undertaking*”) is executed and delivered by the Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois (the “*Issuer*”) as of the 14<sup>th</sup> day of May, 2025, in connection with the issuance of \$130,000,000 General Obligation Bonds, Series 2025A (the “*Series 2025A Bonds*”) by the Issuer. The Series 2025A Bonds are being issued pursuant to the Bond and Note General Ordinance adopted by the Board of Directors of the Issuer (the “*Board*”) on August 8, 1985, as supplemented and amended (the “*General Ordinance*”), and the Series Ordinance adopted by the Board on April 17, 2025 (the “*Series Ordinance*”). In consideration of the issuance of the Series 2025A Bonds by the Issuer and the purchase of such Series 2025A Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows.

**PURPOSE OF THIS UNDERTAKING.** This Undertaking is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Series 2025A Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Series 2025A Bonds at the time the Series 2025A Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Series 2025A Bonds.

**DEFINITIONS.** The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

*Annual Financial Information* means the financial information and operating data described in *Exhibit I*.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the Issuer means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*IRS* means the United States Internal Revenue Service.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated April 29, 2025, relating to the Series 2025A Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Series 2025A Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Series 2025A Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5.

CUSIP NUMBER. The CUSIP Number of the Series 2025A Bonds are set forth in *Exhibit III* hereto.

ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Undertaking, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Undertaking, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Undertaking, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed a default under the Series Ordinance or the General Ordinance, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

AMENDMENTS; WAIVER. Notwithstanding any other provision of this Undertaking, the Issuer by resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if:

- (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or
  - (ii) This Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- The amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2025A Bonds, as determined by parties unaffiliated with the Issuer (such as the nationally recognized bond counsel), or by an approving vote of Bondholders pursuant to the terms of the General Ordinance at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Undertaking.

TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2025A Bonds under the General Ordinance or the Series Ordinance. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

ADDITIONAL INFORMATION. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

BENEFICIARIES. This Undertaking has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Series 2025A Bonds, and shall create no rights in any other person or entity.

RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

ASSIGNMENT. The Issuer shall not transfer its obligations under the General Ordinance or the Series Ordinance unless the transferee agrees to assume all obligations of the Issuer under this Undertaking or to execute an Undertaking under the Rule.

GOVERNING LAW. This Undertaking shall be governed by the laws of the State.

REGIONAL TRANSPORTATION AUTHORITY

By: \_\_\_\_\_  
Kirk Dillard, Chairman

By: \_\_\_\_\_  
Kevin Bueso, Chief Financial Officer

Address: 175 West Jackson Boulevard  
Suite 1550  
Chicago, Illinois 60604

Dated as of the date first set forth above.

[Signature Page to Continuing Disclosure Undertaking]

## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

Annual Financial Information means the information included in APPENDIX B and APPENDIX C and information of the type set forth in the Official Statement under the following headings:

Authority Statements of Revenues and Expenditures  
(Including Funding for the Service Boards) 2018-2024 Financial Information  
2025 Budget and 2026-27 Financial Plan

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in an Official Statement, the Official Statement must be available from the MSRB; the Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA so that such entities receive the information within 210 days after the end of each fiscal year of the Issuer. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

#### **Audited Financial Statements.**

Within 210 days after the end of each fiscal year, the Issuer will submit to EMMA its Audited Financial Statements prepared in accordance with generally accepted accounting principles. If audited financial statements are not available, unaudited financial statements will be provided and the audited financial statements will be filed promptly after they become available.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, the Issuer will provide a notice of such change as required by Section 4.

## EXHIBIT II

### EVENTS WITH RESPECT TO THE SERIES 2025A BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

Principal and interest payment delinquencies

Non-payment related defaults, if material

Unscheduled draws on debt service reserves reflecting financial difficulties

Unscheduled draws on credit enhancements reflecting financial difficulties

Substitution of credit or liquidity providers, or their failure to perform

Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

Modifications to the rights of security holders, if material

Bond calls, if material, and tender offers

Defeasances

Release, substitution or sale of property securing repayment of the securities, if material

Rating changes

Bankruptcy, insolvency, receivership or similar event of the Issuer\*

The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

Appointment of a successor or additional trustee or the change of name of a trustee, if material

Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material

Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

**EXHIBIT III**

**CUSIP NUMBER**

\$130,000,000

**GENERAL OBLIGATION BONDS, SERIES 2025A**

| <b>Maturity<br/>(June 1)</b> | <b>Principal<br/>Amount</b> | <b>CUSIP*<br/>(759911-)</b> |
|------------------------------|-----------------------------|-----------------------------|
| 2026                         | 1,670,000                   | 5N6                         |
| 2027                         | 2,060,000                   | 5P1                         |
| 2028                         | 2,160,000                   | 5Q9                         |
| 2029                         | 2,270,000                   | 5R7                         |
| 2030                         | 2,385,000                   | 5S5                         |
| 2031                         | 2,505,000                   | 5T3                         |
| 2032                         | 2,630,000                   | 5U0                         |
| 2033                         | 2,760,000                   | 5V8                         |
| 2034                         | 2,895,000                   | 5W6                         |
| 2035                         | 3,040,000                   | 5X4                         |
| 2036                         | 3,195,000                   | 5Y2                         |
| 2037                         | 3,355,000                   | 5Z9                         |
| 2038                         | 3,520,000                   | 6A3                         |
| 2039                         | 3,700,000                   | 6B1                         |
| 2040                         | 3,885,000                   | 6C9                         |
| 2041                         | 4,075,000                   | 6D7                         |
| 2042                         | 4,280,000                   | 6E5                         |
| 2043                         | 4,495,000                   | 6F2                         |
| 2044                         | 4,720,000                   | 6G0                         |
| 2045                         | 4,955,000                   | 6H8                         |
| 2050                         | 28,755,000                  | 6N5                         |
| 2055                         | 36,690,000                  | 6T2                         |

† CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial, Inc.



