

# Comprehensive Annual Financial Report



**Regional  
Transportation  
Authority**

The six-county public  
transportation system  
serving northeastern Illinois

Fiscal Year Ended December 31, 2009

**REGIONAL TRANSPORTATION AUTHORITY  
NORTHEASTERN ILLINOIS**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

**Prepared by:**

**Department of Finance**

**Joseph G. Costello, CPA, CPFO  
Senior Deputy Executive Director**

**and**

**Controller Division**

# REGIONAL TRANSPORTATION AUTHORITY

## 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

### TABLE OF CONTENTS

---

	<b>Page</b>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal	1
GFOA Certificate of Achievement	11
Organizational Chart	12
List of Principal Officials	13
<b>FINANCIAL SECTION:</b>	
Independent Auditor's Report	14
Management's Discussion and Analysis	16
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets	24
Statement of Activities	25
<b>Fund Financial Statements:</b>	
Balance Sheet	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	29
<b>Joint Self-Insurance (Proprietary) Fund:</b>	
Statement of Net Assets	30
Statement of Revenues, Expenses and Changes in Net Assets	31
Statement of Cash Flows	32
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Assets	33
Statement of Changes in Fiduciary Net Assets	34

# REGIONAL TRANSPORTATION AUTHORITY

## 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

### TABLE OF CONTENTS (Continued)

	<b>Page</b>
Notes to Financial Statements	35
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual—General Fund	69
Notes to Required Supplementary Information	70
Schedule of Funding Progress	72
Schedule of Employer Contributions	73
Combining and Individual Fund Schedules:	
Schedule of Expenditures—Budget and Actual - General Fund	74
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual—General and Sales Tax Agency Funds	75
Combining Balance Sheet Schedule—Debt Service Fund Accounts	77
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Debt Service Fund Accounts	79
Combining Balance Sheet Schedule—Capital Projects Fund Accounts	83
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Capital Projects Fund Accounts	84
Combining Schedule of Changes in Assets and Liabilities—Sales Tax Agency Fund	85
Schedule of Capital Assets—By Function	86
STATISTICAL SECTION (UNAUDITED):	
Net Assets by Component	87
Change in Net Assets	88
Fund Balances of Governmental Funds	89
Changes in Fund Balances of Governmental Funds	90
RTA Revenue by Source	91
Distribution of Expenditures	92
Sales Tax Revenue Source by County/City of Chicago	93

**REGIONAL TRANSPORTATION AUTHORITY  
2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS (Continued)**

---

	<b>Page</b>
Ratios of Outstanding Debt by Type	94
Legal Debt Capacity	95
Legal Debt Margin Information	96
Comparison of Sales Tax Revenue to Debt Service Requirement	97
Ratio of Annual Debt Service Requirements for General Obligation Bonds to Total Expenditures	98
Federal Allocation of Capital Funds to Northeastern Illinois	98
Demographic and Economic Statistics	99
Principal Employers	100
Service Board Operating Characteristics	101
System Ridership and Unlinked Passenger Trips	102
Full-Time Employee by Function	103



June 30, 2010

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I have the pleasure to submit to you the Comprehensive Annual Financial Report ("CAFR") of the Regional Transportation Authority ("RTA") for the year ended December 31, 2009. 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 Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, require the RTA to undergo an annual Single Audit. The RTA has engaged the firm of McGladrey & Pullen 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 unqualified opinion that the RTA's financial statements for the year ended December 31, 2009 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 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 38 adjacent 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, 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 and South West Service rail lines, as well as the services formerly provided by Rock Island, Milwaukee Road, and Illinois Central Gulf.

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

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

## **Mission**

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

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

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

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

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

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

## **Budget**

The Act establishes budgetary controls. The Act requires, as one of the primary responsibilities of the RTA, the adoption of an annual budget, two-year financial plan, and a Five-Year Capital Program.

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

The Act establishes certain criteria for the budget, including subsequent monitoring for compliance. Further, the Five-Year Capital Program must specify each capital improvement undertaken by or on behalf of the service boards. The budget calendar as adopted as part of the RTA Business Plan Call and statutory requirements govern the budget development process leading up to adoption of the budget. Subsequent activities involve oversight and amendment of the budget.

### ***Budget Calendar***

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



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

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

### ***Statutory Requirements***

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

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

## ***Oversight***

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

- 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. 14, *The Financial Reporting Entity*, 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. Accordingly, the Comprehensive Annual Financial Report of the Regional Transportation Authority does not include the financial statements of the Service Boards. However, a 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 3,700 square miles. Based on the 2000 census, the region has 8 million residents. Regional employment totaled 5 million in 2000. The RTA system carried 639.1 million riders in 2009, a decrease of 1.95% compared to the prior year.

## **Governance**

The RTA Act specifies the composition of the RTA Board of Directors. The RTA Board consists of fifteen appointed members and one elected member from the six-county region. The Mayor of the City of Chicago appoints five directors. The suburban members of the Cook County Board appoint five directors. The Chairmen 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.

The RTA employs a professional staff of one hundred two. 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 has increased 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 Chicago. The Mayor 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 Chairmen or executive of the County Boards of Cook, DuPage, Kane, Lake, McHenry and Will counties each appoint one director. The Mayor 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.

The Suburban Bus Board, consisting of thirteen members, governs Pace. The suburban members of the Cook County Board appoint six members. The Chairmen 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. The Chairmen 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.

## **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 3615/4.03, authorizes the RTA to impose a series of taxes within the six-county metropolitan region by a vote of nine 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 of the RTA sales taxes are collected by the Illinois Department of Revenue under procedures that are largely identical to the corresponding state sales taxes.

The ROT is imposed on the gross receipts from the sale of tangible personal property at a rate of 1% in Cook County and .75% in the collar counties. Except for the tax on food and drugs, the RTA tax base is identical to the State retailers' occupation tax base. Consequently, when the state base is expanded or contracted by taxing or exempting receipts from specific transactions, e.g., the sale of computer software or rolling stock, the RTA tax base likewise expands or contracts. However, when the legislature exempted the sale of food and drugs from the state tax, the exemption was not extended to the RTA and other local government taxes. As a result, the RTA tax on food and drugs is imposed at a rate of 1.25% in Cook, and .75% in collar counties.

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

The UT is imposed on persons living in the six county areas for the privilege of using a vehicle purchased outside the six county area that must be registered with the State. Unlike the state use tax, the RTA UT is limited to registered property, largely automobiles. The tax is imposed on the selling price of the property at the same rates as the ROT.

## ***Car Rental Tax***

Section 4.03.1 of the Act authorizes the RTA to impose an automobile rental occupation and use tax. This occupation tax, paralleling the state and local car rental taxes may be imposed at a rate of 1% in Cook County and ¼% in the collar counties of the gross receipts from car rentals. The use tax may be imposed at the same rates on the privilege of using in the region a car rented outside, but titled in, Illinois. Any car leasing tax would be collected by the Illinois Department of Revenue.

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

## ***Motor Fuel Tax***

The Act authorized the RTA to impose a tax on retail sales and use of motor fuel at a rate of 5% of gross receipts. Section 4.03 (p) of the Act prohibits the RTA from imposing the motor fuel tax, if it has imposed the broader sales taxes described above. Consequently, this tax has never been imposed.

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

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

### ***Replacement Vehicle Tax***

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

As indicated above, the RTA imposes a sales tax in the six-county Northeastern Illinois region. The Illinois Department of Revenue collects this tax and remits the collections to the Illinois State Treasurer. The Treasurer holds the funds in trust for the RTA outside the State Treasury. The Treasurer disburses the funds monthly to the RTA, without appropriation, upon order of the State Comptroller.

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

## **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, created a real estate transfer tax in the City of Chicago to fund the CTA, and raised from 25 percent to 30 percent the portion of RTA tax revenues matched by the State Public Transfer Fund (PTF). In 2009, RTA sales tax receipts of \$894 million declined 2.9% from prior year despite the rate increase but exceeded budget by 1.9%. In 2008, RTA sales tax receipts exceeded prior year by 22.4% because of the rate increase. In 2007, 2006, 2005, 2004, and 2003, the RTA sales tax increased 0.8%, 6.6%, 3.7%, 3.2%, and 1.1%, respectively.

The RTA 2010 operating budget approved by the Board of Directors on December 17, 2009, assumes sales tax revenue of \$890 million, an increase of 1.5% over the 2009 budget but a decline of 0.4% from 2009 actual receipts. In addition to the 30% tax match from the PTF, the budget recognizes these funds from the State of Illinois: \$122 million to reimburse the debt service expenses for the RTA's Strategic Capital Improvement Program (SCIP) bonds, \$36.8 million as partial reimbursement to the Service Boards for discounted and free fares (mandated by law) for student, elderly, and disabled riders, \$8.5 million for ADA Paratransit service operations, and \$5.4 million of capital funds for the CTA.

### **Regional and Illinois Economy**

The Chicago region is the home to one of the most economically diversified economies in the United States. According to World Business Chicago, the area leads the U.S. in many economic measurements, including high technology employment and output, manufacturing output, and truck, inter-modal, rail, and air distribution. The region is home to more than 400 major corporate headquarters, including 29 Fortune 500 companies. Noted strengths of the Chicago area economy include construction, transportation, utilities, manufacturing, information technology, wholesale and retail trade, leisure and hospitality, professional and business services, education, and healthcare.

Like the nation, both Illinois and the Chicago region posted significant declines in the unemployment rate earlier this decade. However, the unemployment rate in the Chicago region increased from 4.5% in 2006 to 4.9% in 2007 to 6.2% in 2008 to 10.0% in 2009. Similarly, the unemployment rate in Illinois increased from 4.6% in 2006 to 5.1% in 2007 to 6.4% in 2008 to 10.1% in 2009.

The March 2009 Monthly Revenue Briefing issued by the State Commission on Government Forecasting and Accountability noted that during the first nine months of the State's 2010 fiscal year, sales tax receipts of \$4.7 billion decreased \$506 million or 9.8% compared to the same period during the State's previous fiscal year.

## **National Economy**

Through 2000, the real gross domestic product (GDP), the output of goods and services produced in the United States, grew in the neighborhood of 4% annually for several consecutive years. In 2001, the annual growth rate fell to 1.1% before rebounding to a modest 1.8% in 2002 and 2.5% in 2003. The annual growth rate of 3.6% in 2004 declined to 3.1% in 2005, 2.7% in 2006, and 2.1% in 2007, before plunging to 0.4% in 2008. In 2009, the real gross domestic product contracted 2.4%. The Congressional Budget Office (CBO) predicts real GDP growth of 2.2% in 2010 followed by growth of 1.9% in 2011.

The national unemployment rate averaged 9.3% in 2009, the highest average annual rate since 1994, rising from 5.8% in 2008 and 4.6% in 2007 and 2006. The national unemployment rate held at 9.7% during the first quarter of 2010 declining from 10.0% during November and December of 2009. The CBO forecasts national unemployment rates of 10.1% and 9.5% in 2010 and 2011.

In 2009, the consumer price index (CPI), a measure of the pace of inflation, declined 0.4%. In 2008, the CPI increased 3.8% following increases of 2.8% in 2007, 3.2% in 2006, 3.4% in 2005, 2.7% in 2004 and 2.3% in 2003. The CBO expects the CPI to increase 2.4% in 2010 and 1.3% in 2011, respectively.

## **Risk Management**

The RTA, CTA, Metra, and Pace established a Loss Financing Plan in 1986. The Plan operates as a self-insurance program to provide a source from which to temporarily finance catastrophic losses and other claims incurred by the RTA and the Service Boards, arising out of personal injuries, property damage, and certain other losses. The participating entities (RTA, CTA, Metra, and Pace) administer the Plan, with a representative from the RTA acting as the Fund Manager and representatives from the CTA, Metra, and Pace acting as Fund Advisors.

The Plan required the creation of a Joint Self-Insurance Fund. The Fund has entered into a multi-year, claims-paid insurance agreement to insure against certain losses in excess of \$5 million. The Fund pays premiums for this coverage. The participating entities must repay the Fund for submitted claims paid by the Fund that are not covered by the insurance agreement.

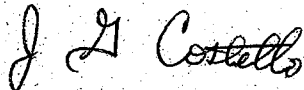
## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the RTA for its Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2008. This was the fifteenth consecutive year that the RTA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the RTA received the GFOA Award for Distinguished Budget Presentation for its annual budget for the year ending December 31, 2009. This marks the thirteenth consecutive year that the RTA has achieved this accomplishment. The Distinguished Budget Presentation Award requires that the GFOA judge the budget document as proficient in several categories, including policy documentation, financial planning, and organization.

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



Joseph G. Costello  
Senior Deputy Executive Director  
Finance, CFO

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Regional Transportation Authority, Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

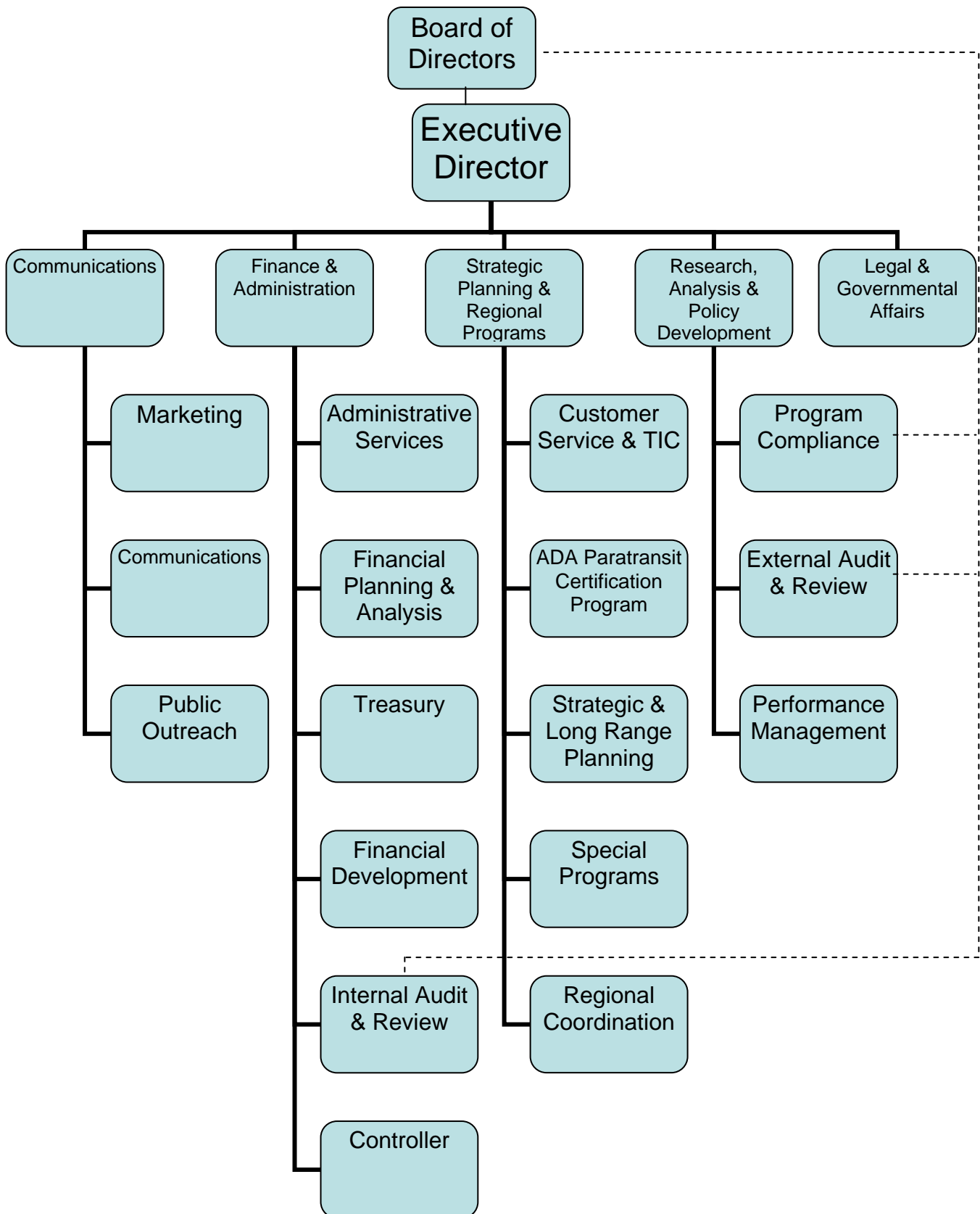


President

Executive Director



**REGIONAL TRANSPORTATION AUTHORITY  
ORGANIZATION CHART  
December 31, 2009**



# REGIONAL TRANSPORTATION AUTHORITY

## LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2009

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### Board of Directors

Chairman

James R. Reilly

Directors

James Buchanan  
Jan Carlson  
William R. Coulson  
Rev. L. Tyrone Crider, Sr  
Patrick J. Durante  
Phil Fuentes  
Al Jourdan  
Dwight A. Magalis  
Patrick V. Riley, Jr.  
Michael Rosenberg  
J.D. Ross  
Bishop Horace E. Smith M.D.  
Judy Baar Topinka  
Douglas M. Troiani

### Administration

Executive Director

Stephen E. Schlickman

Senior Deputy Executive Director  
Finance, CFO

Joseph G. Costello

Senior Deputy Executive Director  
Strategic Planning and Regional Programs

Leanne P. Redden

Senior Deputy Executive Director  
Legal and Government Affairs

Andrew S. Gruber

Senior Deputy Executive Director  
Research Analysis and Policy Development

Grace Gallucci

Director of  
Communications

Diane J. Palmer

## **INDEPENDENT AUDITOR'S REPORT**

**Independent Auditor's Report**

Board of Directors  
Regional Transportation Authority  
Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Regional Transportation Authority ("RTA") as of and for the year ended December 31, 2009, which collectively comprise the RTA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the RTA's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Regional Transportation Authority as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Required Supplementary Information and the Management's Discussion and Analysis listed in the foregoing table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund schedules are the responsibility of the RTA's management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*McGladrey & Pullen, LLP*

Schaumburg, Illinois  
June 30, 2010

# 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, 2009. Please read it in conjunction with the RTA's basic financial statements which follow this section.

### Financial Highlights

- For the year ended December 31, 2009, the RTA statement of activities for the governmental activities shows expenses decreasing \$187 million to \$399 million from \$586 million for the same period in 2008. This decrease is due to a decrease in financial assistance to the CTA, Metra, and Pace ("Service Boards") by \$156 million. Revenues increased by \$28 million from 2008. The increase was primarily due to an increase in the market value of swap investments.
- The government-wide statement of net assets shows assets of \$794 million for the governmental activities, a net increase of \$101 million. The increase is mainly due to an increase in cash and investments of \$101 million. The increase in cash and investments was due to the timing of receipts. In the government-wide statement of net assets, bond-related liabilities increased by \$185 million, which reflects the issuance of bonds of \$260 million offset by bond liability reductions.
- At the end of 2009, the government-wide statement of net assets shows a deficit of \$2.0 billion for governmental activities. In contrast, the governmental funds balance sheet presented a total fund balance of \$596 million. There is a \$2.6 billion difference between the fund balance and the net deficit. This does not in any way represent a precarious financial position for the RTA. Rather, it is the result of the presentation of RTA financial statements required by the GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB Statement No. 34"), as it relates to the recording of the RTA general obligation bonds in the government-wide statement of net assets.
- 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 in the region represent the primary source of payment for the bond obligations.

## USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

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

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

**Government-wide Financial Statements**—The government-wide financial statements provide a broad overview of the RTA 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 Assets**—The statement of net assets presents information on all of the RTA’s assets and liabilities. The statement subtracts liabilities from assets 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 capital program.

- **Statement of Activities**—The statement of activities shows the change in net assets 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. These financial statements are prepared following the modified accrual basis of accounting.

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

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

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

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

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



## ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table summarizes the Statement of Net Assets:

### SUMMARY OF NET ASSETS

DECEMBER 31, 2009 AND 2008

(In thousands)

	Governmental Activities			Business-type Activities			Total		
	2009	2008	Variance	2009	2008	Variance	2009	2008	Variance
Assets:									
Cash and investments	\$ 497,841	\$ 396,836	\$ 101,005	\$ 20,612	\$ 22,902	\$ (2,290)	\$ 518,453	\$ 419,738	\$ 98,715
Other assets	283,137	284,539	(1,402)	6,347	3,207	3,140	289,484	287,746	1,738
Noncurrent assets	-	-	-	2,108	2,750	(642)	2,108	2,750	(642)
Capital assets—net	12,660	11,118	1,542	-	-	-	12,660	11,118	1,542
Total assets	793,638	692,493	101,145	29,067	28,859	208	822,705	721,352	101,353
Liabilities:									
Current non bond-related liabilities	123,927	307,281	(183,354)	-	-	-	123,927	307,281	(183,354)
Current bond related liabilities	69,827	74,157	(4,330)	-	-	-	69,827	74,157	(4,330)
Long-term non-bond-related liabilities	49,133	50,136	(1,003)	-	-	-	49,133	50,136	(1,003)
Long-term bond-related liabilities	2,502,199	2,312,541	189,658	-	-	-	2,502,199	2,312,541	189,658
Total liabilities	2,745,086	2,744,115	971	-	-	-	2,745,086	2,744,115	971
Net assets (deficit):									
Invested in capital assets	12,660	11,118	1,542	-	-	-	12,660	11,118	1,542
Unrestricted (deficit)	(1,964,108)	(2,062,740)	98,632	29,067	28,859	208	(1,935,041)	(2,033,881)	98,840
Total net assets (deficit)	\$ (1,951,448)	\$ (2,051,622)	\$ 100,174	\$ 29,067	\$ 28,859	\$ 208	\$ (1,922,381)	\$ (2,022,763)	\$ 100,382

As of December 31, 2009, cash and investments for governmental activities increased by \$101 million over the previous year. During 2009, the Capital Projects Fund decreased by \$47 million, conversely the Debt Service Fund increased by \$156 million mainly due to 2009 cash note borrowings. The decrease in cash and investments for the Capital Projects Fund reflects the activity in bond capital expenditures.

As of December 31, 2009, the current non bond-related liabilities decreased by \$183 million from the previous year due to timing differences in funds distributed to the Service Boards and the payoff of the working cash note.

The presentation of financial statements under the GASB Statement No. 34 requires the recognition in the statement of net assets of \$2.6 billion in current and long-term general obligation bonds payable. Prior to the implementation of GASB Statement No. 34, these bonds were recorded in the general long-term debt account group and presented, prior to the 2001, as credits, with an equal amount of other debits (i.e., amount available and amount to be provided for the retirement of long-term debt). This was a result of the recording of bonds issued by the RTA under its bonding authority. 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.

This deficit will not affect the availability of RTA fund resources for future use. In fact, the RTA maintains its operations funding levels for 2010 as established in September 2009 during the 2010 budget process.

The following table summarizes the RTA Statement of Activities presented in this CAFR:

**SUMMARY OF ACTIVITIES**  
**DECEMBER 31, 2009 AND 2008**  
(In thousands)

	Governmental Activities			Business-type Activities			Total		
	2009	2008	Variance	2009	2008	Variance	2009	2008	Variance
Expenses:									
Financial assistance									
to Service Boards	\$ 93,453	\$ 249,948	\$ (156,495)	\$ -	\$ -	\$ -	\$ 93,453	\$ 249,948	\$ (156,495)
Administration of capital grants	67,123	119,373	(52,250)	-	-	-	67,123	119,373	(52,250)
Administration of operating grant	74,138	58,142	15,996	-	-	-	74,138	58,142	15,996
Administrative expenses	12,014	7,532	4,482	3,827	4,375	(549)	15,841	11,907	3,933
Regional and technology									
program expenses	21,209	23,123	(1,914)	-	-	-	21,209	23,123	(1,914)
Interest expense	131,775	127,495	4,280	-	-	-	131,775	127,495	4,280
Total expenses	399,712	585,613	(185,901)	3,827	4,375	(549)	403,539	589,988	(186,450)
Revenues and transfers:									
Sales taxes	99,027	109,003	(9,976)	-	-	-	99,027	109,003	(9,976)
PTF and state									
assistance	351,509	349,071	2,438	-	-	-	351,509	349,071	2,438
Note interest	-	-	-	58	151	(93)	58	151	(93)
Operating grant - CTA/PACE	9,101	14,441	(5,340)	-	-	-	9,101	14,441	(5,340)
Regional expenses	2,904	1,361	1,543	-	-	-	2,904	1,361	1,543
Investment income and other	40,920	1,454	39,466	402	770	(368)	41,322	2,224	39,098
Transfers	(3,575)	(3,920)	345	3,575	3,920	(345)	-	-	-
Total revenues and transfers	499,886	471,410	28,476	4,035	4,841	(806)	503,921	476,251	27,670
Change in net assets	100,174	(114,203)	214,377	208	466	(258)	100,382	(113,737)	214,119
Net assets—beginning of year	(2,051,622)	(1,937,419)	(114,203)	28,859	28,393	466	(2,022,763)	(1,909,026)	(113,737)
Net assets—end of year	\$ (1,951,448)	\$ (2,051,622)	\$ 100,174	\$ 29,067	\$ 28,859	\$ 208	\$ (1,922,381)	\$ (2,022,763)	\$ 100,382

Financial assistance to the Service Boards decreased by \$157 million from \$250 million in 2008 to \$93 million in 2009. Capital grants to the Service Boards also decreased by \$52 million, from \$119 million in 2008 to \$67 million in 2009, which reflects the activity in capital expenditures to the Service Boards during 2009. The amount of bond interest increased by \$4 million from \$127 million to \$131 million. PTF and state assistance increased by \$2 million, offset by the sales tax decrease of \$10 million, an increase in investment income of \$39 million was due to an increase in swap investments market value and appreciation in market value of investments, and the decrease in operating grant revenue of \$5 million, resulting in an increase of \$27 million in total revenue from 2008.

During 2009, a total of \$3.5 million was transferred to the Joint Self-Insurance Fund for excess liability. Insurance premiums represent the only major expense, and investment income represents the only revenue for the Business-type activities (insurance financing).

## FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

**Governmental Funds**—Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the year. See the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances on pages 26 and 28, respectively, for further details.

**General Fund**—Assets in the general fund primarily represent the amounts for Service Boards' operations and capital projects. Assets increased by \$1 million from \$347 million in 2008 to \$348 million in 2009, mainly due to timing differences. Also, intergovernmental receivables decreased \$53 million due to timing differences.

At December 31, 2009, the majority of RTA's liabilities of \$220 million are comprised of intergovernmental payables and due to other fund, i.e., accrued financial assistance, sales taxes, capital and other grants due to the Service Boards and deferred revenue and notes payable.

The total fund balance of the General Fund equals \$127 million at December 31, 2009. The General Fund balance increased by \$74 million primarily due to increases in public funding and higher investment income.

Reserved for other includes \$38 million in interest rate swap expenses, \$31 million in capital, \$47 million in Debt Service Deposit Agreement ("DSDA"), and \$485 thousand in prepaid items. The amount reserved 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:

- Active transit station signs, Phase III expansion and evaluation (variable message signs designed to provide real-time "next train" or "next bus" service information at transit stops).
- Transfer connection protection (a system to minimize connecting time between transit vehicles by ensuring pre-scheduled connections).
- Transit management systems (voice/data communication functions, computer-aided dispatching, and automatic vehicle location technologies to improve transit operating efficiency, increase service reliability, and ensure schedule adherence).
- Parking management systems (real-time information and guidance regarding the availability of parking spaces at transit and ride-share parking facilities).
- Transit signal priority (gives/extends a green signal to transit buses under certain circumstances to reduce passenger travel times, improve bus schedule adherence, and reduce bus operating costs).

- Multi-Modal Trip Planner System (MMTPS) to provide side by side comparisons of trip itineraries using transit, driving, or any combination of non-motorized modes such as biking and walking. It will give customers a comprehensive decision support tool for choosing travel options that incorporate convenience, efficiency, and cost – from the traveler’s perspective.
- Traveler Resource and Itinerary Planning System (TRIPS) is a traveler information system which matches regional attractions with transit directions using interactive electronic kiosks.

The remaining unreserved and undesignated fund balances total (\$28) million.

***Debt Service Fund***—The RTA establishes a Debt Service Fund to account for transfers received from the General Fund, investment income, and principal and interest payments made for each of its outstanding series of bonds. As of December 31, 2009, the RTA has eighteen series of general obligation bonds outstanding. Each respective bond agreement sets forth the debt service funding requirements. The 2009 Debt Service Fund balance increased by \$256 million to \$337 million.

***Capital Projects Fund***—The RTA has established a Capital Projects Fund to account for bond proceeds, earnings on the investment of such proceeds (except noted otherwise), and the expenditure of such monies for capital assets of the Service Boards. In addition, the RTA can use a portion of these funds to pay for debt service on the related bonds. During 2009, the Capital Projects Fund decreased by \$47 million. The decrease in cash and investments for the Capital Projects Fund reflects the activity in bond capital expenditures.

***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**

Overall, revenues are higher than the budget goal by \$44 million. Despite a poor economic environment during 2009 sales tax and PTF receipts exceeded budget. The RTA receives reimbursement from the State for debt service on bonds issued under the Strategic Capital Improvement Plan (SCIP). Such reimbursement, termed ASA and AFA, is included in the State assistance line item in the financial statements, which recognized a total of \$123 million in 2009. In 2009, the investment income exceeded budget by \$26 million which was due mainly to interest rate swap valuation gain of \$20 million in 2008. Total financial assistance to the Service Boards exceeded budget by \$9 million in 2009. Other non-administration and technology program expenditures were under budget by \$1 million, primarily due to delays in some program initiatives.

## **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 assets 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 10 of this report.

***Service Boards Capital Assets***—The RTA System provides 639.1 million unlinked passenger trips annually. This has the beneficial impact of reducing road congestion, improving the flow of goods and services, and enhancing air quality. In addition, the RTA System provides essential mobility to those persons unable to utilize other transportation. The System represents an asset with replacement cost estimated at more than \$36.4 billion for the entire region. Prior year's asset values of \$31.3 billion were inflated using Engineering News Record's Chicago Construction Cost Index. 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 9 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 \$260 million of SCIP bonds in each year for the period of 2000 through 2004, and to issue and have outstanding up to \$800 million of Non-SCIP bonds. As of year-end 2009, the RTA has issued \$1.790 billion in SCIP bonds, with total SCIP bonds outstanding of \$1.538 billion. The remaining \$620.8 million bonds outstanding relate to Non-SCIP bonds.

For 2009, the 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. On January 21, 2010, the RTA issued \$175.1 million of Non-SCIP bonds.

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

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

# REGIONAL TRANSPORTATION AUTHORITY

## STATEMENT OF NET ASSETS

DECEMBER 31, 2009

(In Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current portion of:			
Cash and investments:			
Cash and cash equivalents	\$ -	\$ 12,862	\$ 12,862
Restricted—investments	339,846	-	339,846
Unrestricted—investments	157,995	7,750	165,745
Intergovernmental receivables	217,278	-	217,278
Unamortized bond issue costs	1,035	-	1,035
Accrued interest on investments	142	243	385
Loan to SB-Note and interest	-	1,058	1,058
Internal balances	(3,556)	3,556	-
Prepaid expenses and other assets	56,872	1,490	58,362
Total Current Assets	769,612	26,959	796,571
Non-current portion of:			
Unamortized bond issue costs	11,366	-	11,366
Note receivable	-	2,108	2,108
Capital assets—net of accumulated depreciation	2,002	-	2,002
Capital assets—non-depreciable	10,658	-	10,658
Total Non-current assets	24,026	2,108	26,134
Total assets	793,638	29,067	822,705
LIABILITIES:			
Current portion of:			
Vouchers payable	56	-	56
General obligation bonds payable	64,125	-	64,125
Unearned revenue	1,701	-	1,701
Unamortized bond premium	5,702	-	5,702
Due to fiduciary funds	1,137	-	1,137
Intergovernmental payables	87,641	-	87,641
Accrued other expenses	4,444	-	4,444
Other liabilities	28,948	-	28,948
Total Current liabilities	193,754	-	193,754
Non-current portion of:			
Deferred rent	2,160	-	2,160
Accrued interest payable	33,404	-	33,404
Unearned revenue	46,973	-	46,973
Unamortized bond premium	113,800	-	113,800
General obligation bonds payable	2,354,995	-	2,354,995
Total Non-current liabilities	2,551,332	-	2,551,332
Total liabilities	2,745,086	-	2,745,086
NET ASSETS (DEFICIT):			
Invested in capital assets	12,660	-	12,660
Accumulated unrestricted (deficit)	(1,964,108)	29,067	(1,935,041)
TOTAL NET ASSETS (DEFICIT)	\$ (1,951,448)	\$ 29,067	\$ (1,922,381)

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

**REGIONAL TRANSPORTATION AUTHORITY**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2009**  
**(In Thousands)**

	<b>Expenses</b>	<b>Program Operating Grants/ Revenues</b>	<b>Net Expense/Revenue and Changes in Net Assets</b>		<b>Total</b>
			<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>FUNCTIONS/PROGRAMS:</b>					
Governmental activities:					
Financial assistance to Service Boards	\$ 93,453	\$ -	\$ 93,453	\$ -	\$ 93,453
Administration of capital grants					
Discretionary	19,166	-	19,166	-	19,166
Bonds	47,957	-	47,957	-	47,957
Administration of operating grant					
CTA/PACE	74,138	9,101	65,037	-	65,037
Administrative expenses	12,014	-	12,014	-	12,014
Regional expenses	19,793	2,904	16,889	-	16,889
Technology program expenses	1,416	-	1,416	-	1,416
Interest expense	131,775	-	131,775	-	131,775
Total governmental activities	399,712	12,005	387,707	-	387,707
Business-type activities—					
insurance financing	3,827	-	-	3,827	3,827
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 403,539</b>	<b>\$ 12,005</b>	<b>387,707</b>	<b>3,827</b>	<b>391,534</b>
<b>GENERAL REVENUES AND TRANSFERS:</b>					
General revenues:					
Sales taxes			99,027	-	99,027
Interest on sales taxes			309	-	309
State assistance (PTF)			228,501	-	228,501
State assistance (ASA/AFA)			123,008	-	123,008
Investment income			39,174	402	39,576
Other revenues			1,437	58	1,495
Transfers			(3,575)	3,575	-
Total general revenues and transfers			487,881	4,035	491,916
<b>CHANGES IN NET ASSETS (DEFICIT)</b>			<b>100,174</b>	<b>208</b>	<b>100,382</b>
<b>NET ASSETS (DEFICIT):</b>					
Beginning of year			(2,051,622)	28,859	(2,022,763)
End of year			\$ (1,951,448)	\$ 29,067	\$ (1,922,381)

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

# REGIONAL TRANSPORTATION AUTHORITY

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2009 (In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Investments:				
Restricted investments	\$ -	\$ 200,412	\$ 139,434	\$ 339,846
Unrestricted—investments	130,047	-	-	130,047
Due from other funds	19	80,057	7,149	87,225
Intergovernmental receivables	217,278	-	-	217,278
Accrued interest on investments	134	11	1	146
Other receivable	239	56,147	-	56,386
Prepaid items and other assets	485	-	-	485
<b>TOTAL ASSETS</b>	<b>\$ 348,202</b>	<b>\$ 336,627</b>	<b>\$ 146,584</b>	<b>\$ 831,413</b>
<b>LIABILITIES:</b>				
Vouchers payable	\$ 56	\$ -	\$ -	\$ 56
Due to other funds	84,770	-	7,149	91,919
Intergovernmental payables	80,164	-	7,477	87,641
Accrued items				
Deferred revenue	48,674	-	-	48,674
Accrued liability	3,683	-	-	3,683
Other accrued items	3,197	-	3	3,200
<b>Total liabilities</b>	<b>220,544</b>	<b>-</b>	<b>14,629</b>	<b>235,173</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Service boards capital projects	17,241	-	-	17,241
CTA operating assistance ADA	2,664	-	-	2,664
Prepaid items	485	-	-	485
Debt service	-	336,627	-	336,627
Bond Capital Projects	-	-	131,955	131,955
RTA Non-Cap Tech	2,588	-	-	2,588
CTAP Capital	7,715	-	-	7,715
Debt Svc Deposit Agrmt Reserve (DSDA)	46,987	-	-	46,987
RTA capital projects	5,865	-	-	5,865
Unreserved, designated swap valuation	20,000	-	-	20,000
Interest rate swap	38,008	-	-	38,008
ICE Reserve	13,998	-	-	13,998
Unreserved, undesignated	(27,893)	-	-	(27,893)
<b>Total fund balances</b>	<b>127,658</b>	<b>336,627</b>	<b>131,955</b>	<b>596,240</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 348,202</b>	<b>\$ 336,627</b>	<b>\$ 146,584</b>	<b>\$ 831,413</b>

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 ASSETS DECEMBER 31, 2009 (In Thousands)

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TOTAL FUND BALANCE—GOVERNMENTAL FUNDS	\$ 596,240
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Amounts reported for governmental activities in the statement of net assets 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 assets.	12,660
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Bond issue costs are paid in the current year and, therefore, are reported in the funds. This asset represents the unamortized portion recognized in the statement of net assets.	12,401
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General obligation bonds payable are not due and payable in the current period and, therefore, are not reported in the funds. This liability represents the total current and long-term portion of the general obligation bonds payable recognized on the statement of net assets.	(2,419,120)
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Bond premiums are paid in the current year and, therefore, are reported in the funds. This liability represents the unamortized portion recognized in the statement of net assets.	(119,502)
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Accrued interest payable on bonds is not due and payable in the current period and, therefore, is not reported in the funds. This liability is accrued in the statement of net assets.	(33,404)
--	----------

Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(723)</u>
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TOTAL NET DEFICIT—GOVERNMENTAL ACTIVITIES	<u><u>\$ (1,951,448)</u></u>
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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, 2009

(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Sales taxes	\$ 99,027	\$ -	\$ -	\$ 99,027
Interest on sales taxes	309	-	-	309
Public Transportation Fund	169,354	-	-	169,354
Innovation, Coordination & Enhancement (ICE)	9,101	-	-	9,101
PACE Loan PTF Advance Recovery	3,000	-	-	3,000
CTA Loan PTF Advance Recovery	-	56,147	-	56,147
State assistance	123,008	-	-	123,008
Investment income	36,969	1,494	711	39,174
Other revenues	4,341	-	-	4,341
Total revenues	445,109	57,641	711	503,461
EXPENDITURES:				
Financial assistance to Service Boards	93,453	-	-	93,453
Capital grants-discretionary	19,166	-	-	19,166
Capital Projects -Working Cash Note	-	56,147	-	56,147
South Suburban Job Access Program-(PACE)	7,500	-	-	7,500
Innovation, Coordination & Enhancement (ICE)	9,101	-	-	9,101
PACE (PTF) expenditures	1,390	-	-	1,390
Capital grants-bonds	-	-	47,957	47,957
Administrative	11,441	-	-	11,441
Regional	22,105	-	-	22,105
Capital outlay	1,110	-	-	1,110
Debt service:				
Principal	-	68,455	-	68,455
Interest	6,287	129,074	-	135,361
Debt related costs	402	2,563	-	2,965
Total expenditures	171,955	256,239	47,957	476,151
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	273,154	(198,598)	(47,246)	27,310
OTHER FINANCING SOURCES (USES):				
Debt proceeds	-	260,000	-	260,000
Transfers out	(198,836)	-	-	(198,836)
Transfers in	-	195,261	-	195,261
Total other financing sources (uses)	(198,836)	455,261	-	256,425
NET CHANGE IN FUND BALANCES	74,318	256,663	(47,246)	283,735
FUND BALANCES:				
Beginning of year	53,340	79,964	179,201	312,505
End of year	\$ 127,658	\$ 336,627	\$ 131,955	\$ 596,240

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, 2009 (In Thousands)

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NET CHANGE IN FUND BALANCES—TOTAL GOVERNMENTAL FUNDS      \$ 283,735

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

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.  
This is the amount by which capital outlay (\$2,053) exceeded depreciation  
expense (\$510) in the current period. 1,543

The issuance of long-term debt provides current financial resources to governmental  
funds. However, this transaction has no effect on net assets. (260,000)

The repayment of the principal of long-term debt consumes the current  
financial resources of governmental funds. However, this transaction  
has no effect on net assets. 68,455

Accrued interest on bonds reported in the statement of activities  
does not require the use of current financial resources and, therefore,  
is not reported as expenditures in governmental funds. 515

Governmental funds report bond premiums as financing source. However,  
in the statement of activities, the premiums are amortized over the life of the  
bonds and recorded as a reduction of bond interest expense. 5,702

Unamortized bond issue costs reported in the statement of activities  
require the use of current financial resources and therefore,  
are fully recognized in the governmental funds. 334

Expenses reported in the statement of activities do not require the use of current  
resources and, therefore, are not reported as expenditures in governmental  
funds. (110)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES      \$ 100,174

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

# REGIONAL TRANSPORTATION AUTHORITY

## STATEMENT OF NET ASSETS

### BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND

### JOINT SELF-INSURANCE (PROPRIETARY) FUND

DECEMBER 31, 2009

(In Thousands)

#### ASSETS:

##### Current:

Cash and cash equivalents	\$ 12,862
Investments	7,750
Note receivable	1,000
Note accrued interest	58
Accrued interest on investments	243
Due from RTA General Fund	3,575
Prepaid insurance	1,490
Total current assets	<u>26,978</u>

##### Noncurrent assets:

Note receivable non-current	<u>2,108</u>
Total noncurrent assets	<u>2,108</u>
Total assets	<u>29,086</u>

#### LIABILITIES:

##### Current:

Due to General Fund	<u>19</u>
Total current liabilities	<u>19</u>

NET ASSETS—Unrestricted	<u><u>\$ 29,067</u></u>
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The notes to financial statements are an integral part of this statement.

# REGIONAL TRANSPORTATION AUTHORITY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND JOINT SELF-INSURANCE (PROPRIETARY) FUND YEAR ENDED DECEMBER 31, 2009 (In Thousands)

OPERATING REVENUES:	
Note interest	<u>\$ 58</u>
OPERATING EXPENSES:	
Insurance expense	3,724
Professional services	101
Bank charges and miscellaneous	<u>2</u>
Total operating expenses	<u>3,827</u>
OPERATING LOSS	<u>(3,769)</u>
NON-OPERATING REVENUES	
Investment income	402
Total nonoperating revenues	<u>402</u>
Transfer from General Fund	<u>3,575</u>
CHANGE IN NET ASSETS	208
NET ASSETS:	
Beginning of year	<u>28,859</u>
End of year	<u><u>\$ 29,067</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, 2009 (In Thousands)

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### CASH FLOWS FROM OPERATING ACTIVITIES:

Payments to insurance vendor	\$ (3,575)
Payments received from PACE	1,000
Payments to other vendors	(102)

Net cash flows from operating activities	<u>(2,677)</u>
--	----------------

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(31,615)
Sales of investments	32,467
Investment income	386

Net cash flows from investing activities	<u>1,238</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,439)
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### CASH AND CASH EQUIVALENTS:

Beginning of year	<u>14,301</u>
End of year	<u>\$ 12,862</u>

### RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:

Operating loss	\$ (3,769)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Changes in:	
Prepaid insurance	149
Note receivable	642
Note accrued interest	300
Due to General Fund	1

NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (2,677)</u>
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### SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:

There were no investing, capital, or financing activities that did not result in cash flows.

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

# REGIONAL TRANSPORTATION AUTHORITY

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS DECEMBER 31, 2009 (In Thousands)

	<u>Pension Trust Fund</u>	<u>Sales Tax Agency Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 3,063	\$ -
Investments, at fair value:		
Corporate fixed income mutual fund	37,832	-
Equity mutual funds and common stocks	68,315	-
Total Investments	106,147	-
Intergovernmental receivables:		
Sales taxes	-	147,483
New sales tax	-	61,837
Interest on sales taxes	-	36
Reduced fare reimbursement	-	33,570
PTF (New Sales Tax/RETT)	-	57,506
Advances to Service Boards	-	65,887
Pension contribution from Service Boards	9,690	-
Due from General Fund	1,137	-
Accrued dividends and interest	15	-
Total Receivables	10,842	366,319
Total assets	120,052	366,319
LIABILITIES:		
Intergovernmental payables:		
Sales taxes due to Service Boards	-	147,483
New sales tax due to Service Boards	-	59,386
Interest on sales taxes due to Service Boards	-	36
Reduced fare reimbursement	-	33,570
PTF (New Sales Tax/RETT)	-	57,506
Advances from State	-	65,887
Paratransit Funding PACE	-	2,043
Suburban Community Mobility Fund-SBD	-	408
Accrued other items	134	-
Total liabilities	134	366,319
Net assets held in trust for pension benefits	\$ 119,918	\$ -

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

# REGIONAL TRANSPORTATION AUTHORITY

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS YEAR ENDED DECEMBER 31, 2009 (In Thousands)

	<u>Pension Trust Fund</u>
ADDITIONS:	
Investment gain:	
Net appreciation in fair value of investments	\$ 19,264
Interest and dividends	2,208
	<u>21,472</u>
Less investment expenses:	
Investment managers	256
Trust fees	33
Investment advisor	78
	<u>367</u>
Total investment expenses	
Net investment gain	<u>21,105</u>
Contributions:	
Metra pension contributions	5,652
Pace pension contributions	4,038
RTA pension contributions	1,137
	<u>10,827</u>
Total contributions	
Total net additions	<u>31,932</u>
DEDUCTIONS:	
Benefit payments	9,081
Administrative expenses	404
	<u>9,485</u>
Total deductions	
NET DECREASE IN PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	22,447
PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	<u>97,471</u>
End of year	<u>\$ 119,918</u>

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



# REGIONAL TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009

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### 1. REPORTING ENTITY

The Regional Transportation Authority (“RTA”) 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”) and two operating divisions of the RTA: 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 services to areas within the City of Chicago. The CTA provides service to the City of Chicago and 38 neighboring suburbs within Cook County. Although programs are underway to increase the transfer of ridership 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 ratio by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA has the responsibility to monitor 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”) Statement No. 14, *The Financial Reporting Entity*, 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.

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 Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards in the United States.

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

- The Service Boards maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters, including ownership of assets, relations with Federal and State transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.
- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.
- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards if such budgets meet specified system-generated 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.

## **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 Accounting***—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:

***Governmental Fund Types***—The RTA's Governmental Fund Types consist of the General Fund, Debt Service Fund, and Capital Projects Fund.

**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 specifically required to be accounted for in another fund.

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

**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 \$260 million each year for five years from 2000 to 2006 for a total of \$1.5 billion additional bond issues.

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

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

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

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

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

**Government-wide and Fund Financial Statements**—The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the RTA in a manner similar to a private-sector business. The effect of

interfund activities have been removed from these statements. Governmental activities which are supported by sales taxes and intergovernmental revenues are reported separately from the insurance activities. The insurance activities include interest charges for loans advanced for claims of the Service Boards. Likewise, the fiduciary fund type - RTA Pension Trust Fund and Sales Tax Agency Fund are presented separately and are not included in the government-wide financial statements of the RTA.

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

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

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

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

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

Governmental fund financial statements use the current financial resources measurement focus. The funds are accounted for using the modified accrual basis of accounting; i.e., revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or shortly thereafter to pay liabilities of the current period. Sales taxes are considered measurable and available if collected by the retailer by year-end and received by the RTA within 80 days after year-end. ASA/AFA is considered measurable and available if billed and received within 180 days after year-end. Sales taxes and ASA/AFA are susceptible to full accrual. Additionally, certain compensated absences and claims and judgments are 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 proprietary fund—Joint Self-Insurance Fund; and two fiduciary funds—Pension Trust Fund and Sales Tax Agency Fund.

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.

***Assets, Liabilities and Fund Equity***

*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. All investments are reported at fair value which is determined using various sources. Short-term investments are reported at cost, which approximates fair value due to their short-term nature. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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

*Capital Assets*—The RTA sets a capitalization threshold of no less than \$5,000 for any capital item(s). Capital assets are recorded at historical cost (or fair market value at the time of donation, if donated) and have a useful life of at least two years following the date of acquisition. 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 during 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. The Capital-Technology Program's capitalized assets are for projects in progress; therefore, the assets are non-depreciable.

<u>Description</u>	<u>Useful Life</u>
Furniture and equipment	5 years
Computer equipment	5 years
Leasehold improvements	Life of the lease

*Restricted Assets*—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.

*Compensated Absences*—Compensation for holidays, illness, and other qualifying absences is not accrued in the accompanying financial statements because rights to such compensation amounts either do not accumulate or they do not vest. The RTA accounts for compensated absences under GASB No. 16, entitled Accounting for Compensated Absences, whereby the applicable salary-related employer obligations are accrued in addition to the compensated absences liability. Compensated absences are recorded in the General Fund only if they have matured (i.e., unused leave still outstanding at time of an employee's resignation or retirement).

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

*Fund Balances*—Portions of the fund balances of the Governmental Funds are reserved by the RTA for specific purposes as follows:

Reserved for Service Boards Capital Projects represents the portion of the fund balance to provide the local share of Federal and State funded capital projects and to fund 100% of those projects not funded by another source. It also includes the remaining bond proceeds, investment income committed for capital projects of the Service Boards, and any interest rate swap proceeds for capital projects of the Service Boards.

Reserved for Debt Service represents the portion of the fund balance of RTA resources legally restricted for the payment of long-term debt principal and interest amounts maturing within the next year.

Reserved for RTA Capital Projects represents the portion of the RTA fund balance for the unspent portion of capital authorized by the RTA's current and prior years' budgets and the portion of the interest rate swap proceeds for RTA funded capital projects.

Reserved for Interest Rate Swap expense represents the portion of the interest rate swap proceeds set aside for future expenses relating to swap transactions such as fees and interest expenses.

*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*—The RTA Sales Tax consists of (i) in Cook County, (a) a tax of 1¼ % of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a Food and Drug Tax) and (b) a tax of 1% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of 0.5% of the gross receipts from all taxable retail sales (together with (i) (b), a General Sales Tax); and (iii) a tax of 1% on the use in Cook County, and 0.5% on the use in Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a Use Tax); and (iv) a tax imposed in the same locations and at the same rates as the Food and Drug Tax and the General Sales Tax on persons engaged in a sale of service pursuant to which property in the form of tangible personal property or in the form of real estate is transferred incident to a sale of a service (a Service Occupation Tax).

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

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue"), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller.

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

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

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

<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 the total sales taxes collected to which it is entitled by the amended Act. The remaining portion of the sales tax is recorded in the Agency Fund. The criteria applied for recognition of the receivable and related revenue are that the amounts are "measurable and available" for the RTA to meet its current obligations.

In January 2008, Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region, increased the real estate transfer tax (RETT) in the City of Chicago, and raised the portion of RTA sales tax revenues matched by PTF. The RTA sales tax rate was increased 0.25% in Cook County and 0.50% in the Collar Counties effective April 1, 2008. Proceeds of the sales tax increase in the Collar Counties are divided evenly between the RTA and the county where the tax is collected. Effective April 1, 2008,

the real estate transfer tax (RETT) in the City of Chicago was increased 0.3% (i.e. for every \$500 in sales price \$1.50 in tax is collected).

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

*Public Transportation Fund*—In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's General Revenue Fund to a special fund in the State Treasury designated the "Public Transportation Fund," an amount equal to 30% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) and RETT. These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 2010 fiscal year which will end June 30, 2011.

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

The amounts allocable to each of the Service Boards from funding received by the RTA from the State's PTF are allocated at the discretion of the RTA Board in connection with the review and approval of the annual and revised budgets of each Service Board. The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided that the RTA has adopted a budget pursuant to Section 4.01 of the Act, and the Service Board that is to receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

*Reduced Fare Reimbursement*—In the State's fiscal year 2010, which ends June 30, 2010, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation ("IDOT") is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the State fiscal years ended June 30, 2009 and June 30, 2010, the grants were in the amount of \$28.9 million and \$42 million, respectively.

*Additional State Assistance/Additional Financial Assistance*—The State has authorized Additional State Assistance ("ASA") which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the remaining bond proceeds, or (ii) \$55 million per year. The RTA recognized \$39.7 million of ASA in 2009.



Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) \$100 million in the State's fiscal years 2009 and 2010, per year. The RTA recognized \$83.3 million of AFA in 2009.

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

***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 Agency Fund.

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to \$16,125,371 for the year ended December 31, 2009.

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 Check 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 aggregated \$12.8 million at December 31, 2009 and are included in cash and cash equivalents under business-type activities on the accompanying statement of net assets. The remaining \$7.8 million constitutes investments in the Joint Self-Insurance Fund with original maturities in excess of three months.

***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 and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Accounting Pronouncements**—In September 1993, the GASB released Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. The statement provides that proprietary funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (“FASB”), Accounting Principles Board (“APB”) Opinions and Accounting Research Bulletins (“ARBs”) of the Committee on Accounting Procedure. The RTA has elected to apply only FASB, APB and ARB statements and interpretations issued on or before November 30, 1989.

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

**New Accounting Pronouncements**— Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, will be effective for the Authority beginning with its year ending December 31, 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The Authority is required to implement this Statement for the fiscal year ending December 31, 2011.

**Subsequent Events:** The Authority has evaluated subsequent events for potential recognition and/or disclosure through June 30, 2010, the date the financial statements were available to be issued.

### 3. BUDGETARY INFORMATION

#### Excess of Expenditures over Appropriations

For the year ended December 31, 2009, expenditures exceeded appropriations in the General Fund as follows:

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$164,131,662	\$174,110,753	\$ (9,979,091)

### 4. CASH AND INVESTMENTS

#### Governmental and Joint Self Insurance Fund Investments

Cash and investments in the statement of net assets are externally restricted by bond covenants, restricted by the RTA through board action, or unrestricted when no restrictions as to their use apply.

**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 classification established by at least two standard rating services.
- Certain money market mutual funds.
- The Illinois Funds.
- 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 market value (excluding accrued interest) on the trade date. Collateral required will be 100% of the investment or such greater percentage as may be appropriate based upon the financial stability of the institution and the term of the collateral (i.e., maturity), less any insurance provided by the Federal Deposit Insurance Corporation (FDIC).

Certificates of deposit with initial maturities greater than three months amounting to \$7,750,000 are reported as investments in the Statement of Net Assets.

### **Investments**

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

As of December 31, 2009, the RTA's investments were as follows:

<b>Investment Type</b>	<b>Fair Value</b>
Commercial paper	\$ 47,564,583
Domestic corporate fixed-income securities	189,377,327
Illinois Funds	24,519,409
Money market fund	30,283,735
Short term money market securities	9,998,632
Total	<u><u>\$ 301,743,686</u></u>

The weighted average maturity of the above investments is less than 90 days, for each investment type.

**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.

As of December 31, 2009, the RTA's investments were as follows:

Investment Type	Fair Value	Credit Rating Standard		
		Moody's	& Poor's	Fitch
Commercial paper	\$ 47,564,583	P-1	A-1	F-1
Domestic corporate fixed-income securities	189,377,327	AAA	AAAm	*
Illinois Funds	24,519,409	*	AAAm	*
Money market fund	30,283,735	Aaa	AAA	AAA
Short term money market investments	9,998,632	Aaa	AAA	AAA
Total	<u>\$ 301,743,686</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 investments in the following issuers that exceed 5% of the total investments:

Joint Self-Insurance Fund Investment	Amount	% of Portfolio
Silver Tower U.S. Funding (Commercial Paper)	\$ 2,998,281	24%
Paradigm Funding LLC (Commercial Paper)	2,496,107	20%
White Point Funding, Inc. (Commercial Paper)	998,649	8%

In the Governmental fund, there is no single investment that exceeds 5% of the total investments.

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

The Illinois Funds investment pool is managed by the Treasurer of the State of Illinois and is not registered with the SEC. The Illinois Funds maintains a \$1 per share net asset value (NAV) at all times. The fair market of the investment pool is equal to the number of pool shares owned.

**Interest Rate Swaps (General Fund)**—The RTA, under board ordinances adopted in 2001 through 2006, has entered into interest rate swap agreements to modify the interest rate characteristics of its outstanding bonds. The agreements involve the exchange of variable and fixed-rate interest payments over the life of selected RTA bonds without an exchange of the underlying principal amount. The differential to be paid or received is accrued as interest rates change and is recognized as interest expense or interest income. The related amount payable to or receivable from the counterparty is included in other payables/receivables.

On August 1, 2002, the RTA adopted an ordinance establishing an Interest Rate Risk Management Policy. The policy limits the amount of variable rate exposure to 20% of the total RTA bonds outstanding. The RTA clarified this policy on December 13, 2002 to include interest rate swap agreements with delayed starts, up-front cash settlements, interest rate caps and/or floors, hedging arrangements to lock in interest savings, options, or other alternatives (collectively referred to in the ordinance as “interest rate swap agreements”).

The RTA has entered three fixed-to-floating swaps. These agreements have the net effect of changing the interest rate characteristics of a portion of RTA bonds from a fixed-rate to a variable-rate of interest equal to the Securities Industry and Financial Markets Association (formerly BMA) Swap Index. One such swap agreement was entered into on November 20, 2001. The swap has a notional amount of \$97,115,000 (as of December 31, 2009) and matures on June 1, 2020. Two additional fixed-to-floating swaps were entered in June 2007. The 2007 swaps mature July 1, 2030 with a semi-annual call option beginning July 1, 2016. At year-end the aggregate notional value of the 2007 swaps was \$253 million. For the year ended December 31, 2009, the three fixed-to-floating swaps produced a cash flow of \$(13,705,975).

The RTA has one floating-to-fixed swap. This transaction was entered in 2005. The purpose was to lock-in historically low interest rates for the current refunding of the 1996 bonds.

During 2009, the RTA had three basis rate swaps in which the RTA assumed a different variable interest rate index than counterparties. The transactions are a hedge against higher interest rates. Anticipated revenues from the basis rate swaps during a period of rising rates will offset the anticipated decline in revenue from the fixed-to-floating swaps. Basis swaps do not change the notional amount of variable-rate exposure. As of December 31, 2009, the notional value of the three basis-rate swaps was \$433.4 million. Cash flow produced during 2009 was (\$363,871).

Board ordinances direct the RTA to use the net payments received under swap agreements in the following priority:

- Reimburse the RTA for transaction costs relating to the swap rather than use operating funds.
- Accumulate funds in an account as a reserve to secure counterparties. In this manner, the RTA would minimize the use of operating funds for payments or collateral due counterparties.
- Use the remaining amounts—the net proceeds from the transaction—for capital investment in the RTA system. This follows the principle of using proceeds from long-term transactions for long-term benefit. However, if operating funds are not adequate to meet senior debt obligations, funds currently dedicated for capital could be used.

The interest rate swaps have an estimated valuation of \$4,677,816 as of December 31, 2009.

### **Pension Fund Investments**

Cash and investments in the Pension Fund provide sufficient funds to meet the obligations promised to the current and future beneficiaries of RTA’s defined benefit pension plan.

**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 is the risk that in the event of a bank failure, the RTA’s pension deposits may not be returned to it. The RTA’s Pension Plan policy does not explicitly indicate custodial credit risk. As of December 31, 2009, none of the Plan’s cash and investments was at risk.

**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, 2009, the RTA’s pension investments were as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Months)</b>
Corporate fixed income mutual fund	\$ 37,832,156	81
Money market fund	3,063,300	1
Total fair value	<u>\$ 40,895,456</u>	
Portfolio weighted average maturity		75

**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, 2009, the credit ratings for RTA pension investments were as follows:

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>Credit Rating (where available)</b>		
		<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Corporate fixed income mutual fund	\$ 37,832,156	Aa	Aa	*
Money market fund	3,063,300	Aa2	*	AA
Total	<u>\$ 40,895,456</u>			

\* 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. The RTA’s pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA’s pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations, and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. The pension fund did not have any investments in a single issuer which were greater than 5% of the total plan’s net assets.

## 5. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

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

<b>Receivable</b>	<b><u>Amount</u></b>
General Fund:	
Sales taxes	\$ 26,026,465
Interest on sales taxes	34,668
State assistance (ASA & AFA)	100,988,968
PTF	85,167,833
ADA	3,000,000
Illinois Department of Transportation (IDOT) grants and others	<u>2,059,590</u>
Total Intergovernmental Receivables	<u><u>\$ 217,277,524</u></u>
 <b>Payable</b>	
General Fund:	
Financial assistance	\$ 75,488,193
Capital grants	2,011,555
CTA Operating Assistance (ADA)	<u>2,663,684</u>
Total General Fund	80,163,432
Capital Projects Fund:	
Capital grants, (CTA, METRA, PACE)	<u>7,477,181</u>
Total Intergovernmental Payables	<u><u>\$ 87,640,613</u></u>

## 6. 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.

Due to/from balances between the Debt Service Fund and the Capital Projects Fund represent interest earned in the Capital Projects Fund which is transferred to the Debt Service Fund for payment of long-term debt. The General Fund also makes monthly transfers to the Debt Service Fund and occasionally makes transfers to the Joint Self-Insurance Fund. The General Fund owes the Pension Trust Fund for its share of contributions during the period. Cash receipts and payments on behalf of the Sales Tax Agency Fund originate in the General Fund.

On December 31, 2009, the amounts due to/from other funds presented in the Governmental Funds Balance Sheet, the Joint Self-Insurance Fund Statement of Net Assets, and the Fiduciary Funds Statement of Fiduciary Net Assets are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Joint Self-Insurance	\$ 19,285
Joint Self-Insurance	General	3,574,621
Pension Trust	General	1,137,400
Debt Service	General	80,057,596

## 7. 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 Assets are as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Debt Service	\$ 195,260,981
General	Joint Self-Insurance	3,574,621

The purpose of Interfund transfers from the General Fund to Debt Service 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 make a capital contribution to the fund to purchase insurance.

## 8. 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:

CTA	\$ 30,582,743
Metra	26,837,594
Pace	<u>8,466,595</u>
Total Service Board Advances	<u>\$ 65,886,931</u>

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



## 9. CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year:

	Balance at January 1, 2009	Additions	Retirements	Balance at December 31, 2009
<u>Depreciable:</u>				
Office furniture and equipment	\$ 313,020	\$ -	\$ -	\$ 313,020
Computer equipment	2,220,036	1,100,134	-	3,320,170
Leasehold improvements	1,428,735	10,009	-	1,438,744
Subtotal	3,961,791	1,110,143	-	5,071,934
Less accumulated depreciation:				
Office furniture and equipment	238,114	28,628	-	266,741
Computer equipment	1,787,154	368,993	-	2,156,147
Leasehold improvements	534,154	113,074	-	647,228
Subtotal	2,559,421	510,694	-	3,070,116
Total Depreciable	1,402,370	599,449	-	2,001,818
<u>Non-depreciable:</u>				
Capital -Technology Program	9,715,442	942,619	-	10,658,061
Total Capital assets—net of accumulated depreciation	\$11,117,811	\$ 1,542,068	\$ -	\$ 12,659,879

All capital assets are associated with governmental activities.

During 2009, total depreciation expense of \$510,694 was allocated between two functions; \$46,232 to regional expenditures and \$464,462 to administrative expenditures.

## 10. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

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

\* Strategic Capital Improvement Program (SCIP) Bonds

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

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

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

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

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

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

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

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

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

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

The Series 1990A Bonds mature on November 1 over a thirty-year period and interest is payable at rates ranging from 6.00% to 7.15% on November 1, 1990 and semiannually thereafter on May 1 and November 1 in each remaining year.

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

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

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

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

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

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

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

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

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

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

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

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

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

<b><u>Year Ending December 31</u></b>	<b><u>Debt Service Requirements</u></b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2010	\$ -	\$ 1,951,600	\$ 1,951,600
2011	-	1,951,601	1,951,601
2012	-	1,951,600	1,951,600
2013	-	1,951,600	1,951,600
2014	-	1,951,600	1,951,600
2015-2017	24,395,000	3,940,999	28,335,999
Total	\$ 24,395,000	\$ 13,699,000	\$ 38,094,000

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

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

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

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

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

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

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

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

**1999 General Obligation Refunding Bonds**—In August 1999, the RTA issued \$299 million in General Obligation Bonds, Series 1999, to provide funds to refund in advance of maturity the RTA's outstanding

Series 1992A Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of \$114 million, Series 1993A Bonds, maturing June 1 in the years 2009 and 2013, in the aggregate amount of \$10 million, Series 1994A Bonds, maturing June 1 in the years 2006-2009, 2012, 2015 and 2024, in the aggregate amount of \$143 million and Series 1994C Bonds, maturing June 1 in the year 2025, in the aggregate amount of \$22 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<b>Year Ending December 31</b>	<b>Debt Service Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 3,780,000	\$ 11,860,031	\$ 15,640,031
2011	3,955,000	11,671,031	15,626,031
2012	4,150,000	11,473,281	15,623,281
2013	4,390,000	11,265,781	15,655,781
2014	4,630,000	11,046,281	15,676,281
2015-2019	28,135,000	51,427,156	79,562,156
2020-2024	56,335,000	42,668,156	99,003,156
2025-2029	92,705,000	23,054,406	115,759,406
2030-2034	31,665,000	9,001,525	40,666,525
2035	12,545,000	564,525	13,109,525
Total	<u>\$ 242,290,000</u>	<u>\$ 184,032,175</u>	<u>\$ 426,322,175</u>

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

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

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

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

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

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

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

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

## 11. OTHER LONG-TERM OBLIGATIONS

Changes in other long-term obligations for the year ended December 31, 2009 were as follows:

	<b>Balance January 1, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2009</b>	<b>Due Within One Year</b>
Deferred rent	\$ 2,706,000	\$ 84,000	\$ -	\$ 2,160,000	\$ -
Accrued interest payable	33,919,000	33,404,000	33,919,000	33,404,000	-
Unearned revenue	48,761,000	1,614,000	1,701,000	48,674,000	1,701,000
Unamortized bond premium	125,204,000	-	5,702,000	119,502,000	5,702,000

The long-term liabilities will be paid by the General Fund.

The RTA had a working cash note agreement with a limit of \$80 million to provide cash flow needs. Draws under the agreement bear short-term interest at a variable rate benchmarked to one-month LIBOR. The agreement expired August 2009. The outstanding balance at December 31, 2008 was \$56 million. In January 2009, the RTA borrowed \$24 million under the terms of the working cash note agreement. In June 2009, the RTA paid the entire \$80 million outstanding balance. The outstanding balance at December 31, 2009 was \$0.

## 12. PENSION

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

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

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

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

The Plan permits early retirement at age 55 after completing ten years of credited service with reduced benefits. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age and credited years of service equals 85 or higher.

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

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

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

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

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

The complete Plan financial report, including all required disclosures can be obtained from the Plan Administrators at the following address:

Regional Transportation Authority Pension Plan  
175 West Jackson Boulevard, Suite 1550  
Chicago, IL 60604

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

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

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

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

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

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

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

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

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

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### 13. OTHER POSTEMPLOYMENT BENEFITS

In accordance with personnel practices, the RTA offers eligible retirees the option to continue participation in its group health insurance plan. Eligibility is in accordance with the qualifying factors of the RTA Pension Plan and Trust as follows: Retired employees who have attained age 55 with 10 years of continuous full-time employment are eligible to continue the Health Plan for themselves and their dependents (providing their dependents were covered immediately prior to their retirement). Retired employees who have attained age 65 or older with 10 years of continuous full-time employment are eligible for the Medicare Supplement Plan.

Retiree dependents are eligible for either the Health Plan or Medicare Supplement Plan, depending on their age (providing they were covered as dependents immediately prior to the employee's retirement).

Election to participate is voluntary with the RTA incurring no additional obligations, except that the RTA will pay each eligible retiree the sum of up to \$78 per month toward the cost of his/her health insurance. The costs of retiree health care benefits are generally recognized as expenses as they are paid and are not material in amount at the present time.



For 2009, the RTA incurred \$19,032 in other post employment benefit expenditures. There are 22 participants eligible to receive benefits as of December 31, 2009.

#### 14. 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 procured through RTA's insurance policy with 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 property is insured through Pace's Property Insurance with Mesirow Insurance Services, Inc. The RTA's portion of insurance premiums is paid to Pace, and is accounted for in the General Fund. The RTA had no settlements in excess of 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 Joint Self-Insurance Fund. The Fund was created as required by Article Two of the Loss Financing Plan (Plan) of the RTA and the three Service Boards. 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 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

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

CTA	\$ 2,500,000
Metra	2,500,000
Pace	250,000
RTA	100,000

**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 covered person. If a loss is covered under both types of liability, then the retained limit for general liability will apply.

## 15. COMMITMENTS AND CONTINGENCIES

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

<b><u>Year Ending December 31</u></b>	<b><u>Amount</u></b>
2010	\$ 1,739,740
2011	1,822,918
2012	1,906,161
2013	1,989,448
2014	2,072,800
2015-2017	<u>6,190,540</u>
Total	<u><u>\$ 15,721,607</u></u>

## 16. SUBSEQUENT EVENTS

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

**REGIONAL TRANSPORTATION AUTHORITY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL—(BUDGETARY BASIS)—GENERAL FUND  
YEAR ENDED DECEMBER 31, 2009**

	General Fund			
	Budget		Actual	Variance
	Original	Amended		
REVENUES:				
Sales taxes	\$ 113,760,000	\$ 96,000,000	\$ 99,027,378	\$ 3,027,378
Interest on sales taxes	293,250	-	308,753	308,753
Public Transportation Fund	189,600,000	160,000,000	169,353,495	9,353,495
PTF (New Sales Tax (RETT))	21,000,000	-	-	-
Innovation, Coordination & Enhancement (ICE)	-	9,101,000	9,101,236	236
PACE Loan Advance Recovery	-	-	3,000,000	3,000,000
State assistance (AFA & ASA)	116,500,000	122,000,000	123,008,009	1,008,009
Investment income	13,055,000	10,354,000	36,968,456	26,614,456
Other revenues	3,430,000	3,450,000	4,340,862	890,862
Total revenues	457,638,250	400,905,000	445,108,189	44,203,189
EXPENDITURES:				
Financial assistance to Service Boards	201,217,000	102,554,000	93,452,739	9,101,261
Capital grants-current year	20,353,000	20,353,000	20,353,000	-
PACE Discr (CMAQ) Grant RTA share	-	-	200,579	(200,579)
South Suburban Job Access Program-PACE	-	7,500,000	7,500,000	-
Innovation, Coordination & Enhancement (ICE)	9,900,000	-	9,101,236	(9,101,236)
PACE (PTF) Expenditures	-	-	1,390,000	(1,390,000)
Administration	8,783,985	8,033,720	11,441,481	(3,407,761)
Non-Administration:				
Regional Services and Coordination Programs	19,839,578	18,968,442	15,556,267	3,412,175
Regional Technical Assistance Program	3,535,600	3,125,000	5,133,386	(2,008,386)
Capital outlay	2,645,499	1,877,500	1,877,500	-
Technology program	1,920,000	1,720,000	1,415,884	304,116
Debt related costs	-	-	6,688,681	(6,688,681)
Total expenditures	268,194,662	164,131,662	174,110,753	(9,979,091)
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	189,443,588	236,773,338	270,997,436	34,224,098
OTHER FINANCING USES—				
Transfers out	-	(3,900,000)	(198,835,602)	(194,935,602)
Total other financing uses	-	(3,900,000)	(198,835,602)	(194,935,602)
NET CHANGE IN FUND BALANCE— BUDGETARY BASIS	\$ 189,443,588	\$ 232,873,338	72,161,834	\$ (160,711,504)
Budgetary basis to GAAP basis adjustments			2,155,474	
NET CHANGE IN FUND BALANCE—GAAP BASIS			74,317,308	
FUND BALANCE:				
Beginning of year			53,340,344	
End of year			\$ 127,657,652	

# REGIONAL TRANSPORTATION AUTHORITY

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2009

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### BUDGET AND BUDGETARY ACCOUNTING

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

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

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to Service Boards. The RTA capital expenditures and capital grants to Service Boards are budgeted on a project basis, which normally exceeds one year, and debt service payments, which are budgeted as transfers from the general fund. Budgets for RTA capital expenditures and capital grants to Service Boards that extend beyond one year are presented in the first year of the grants and represent the total amounts awarded. In addition, for the sales tax agency fund, additions and deletions are treated as revenues and expenditures. All appropriations lapse at year-end. There were several amendments to the 2009 budget. The 2009 budget (Ordinance 2008-83) was last revised on May 20, 2010 (Ordinance 2010-42). This ordinance amended the 2009 budget for ADA Paratransit service.

Although appropriations are adopted for individual line items, the legal level of control (i.e., the level at which appropriation transfers or expenditures in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenditures and total administration appropriations/expenditures. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenditures and the total administration appropriations/expenditures. It is generally the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, unfavorable economic conditions created the need to waive, for purposes of the adoption of the 2009 budget and 2010-2011 financial plan, the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial plan show a year-end unreserved and undesignated fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period. This waiver removed the ability of the RTA to fund the operating budgets of the Service Boards at the levels established in the operating budget marks. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

- The first source of funds to be credited against the budgeted funding amount is from 85% sales tax receipts;

- The second source of funds to be credited against the budgeted funding amount is from PTF receipts; and
- The third source of funds credited against the budgeted funding amount is from RTA 15% sales tax receipts and other discretionary receipts.

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

## RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS ACCOUNTING

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

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

	<u><b>General Fund</b></u>
Excess of expenditures over revenues and other financing use-budgetary basis	<u>\$ 72,161,834</u>
Adjustments:	
Capital grant expenditures incurred in current year but considered in prior years' budgets	(4,506,113)
Capital grant expenditures expected to be incurred in future years but considered in current year budget	5,894,230
RTA capital expenditures expected to be incurred in future years but considered in current year operating budget	<u>767,357</u>
Budgetary basis to GAAP basis adjustments	<u>2,155,474</u>
Net change in fund balance - GAAP basis	<u><u>\$ 74,317,308</u></u>

# REGIONAL TRANSPORTATION AUTHORITY PENSION PLAN

## SCHEDULE OF FUNDING PROGRESS SIX YEARS ENDED DECEMBER 31, 2009

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)</b>	<b>Assets in Excess of AAL/ (AAL in Excess of Assets) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)</b>
January 1, 2004	\$ 87,998,878	\$ 97,275,818	\$ (9,276,940)	90.46%	\$ 54,983,472	16.9%
January 1, 2005	90,334,371	105,976,209	(15,641,838)	85.24%	56,417,461	27.7%
January 1, 2006	94,697,937	124,521,129	(29,823,192)	76.05%	58,883,678	50.6%
January 1, 2007	102,523,735	133,905,851	(31,382,116)	76.56%	61,357,214	51.1%
January 1, 2008	114,031,540	146,417,404	(32,385,864)	77.88%	61,364,198	52.8%
January 1, 2009	106,021,198	153,284,576	(47,263,378)	69.17%	66,010,613	71.6%

**REGIONAL TRANSPORTATION AUTHORITY  
PENSION PLAN**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SIX YEARS ENDED DECEMBER 31, 2009**

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<u>Year Ended:</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2004	\$ 6,022,000	100%
2005	6,800,000	100%
2006	8,777,000	100%
2007	9,137,000	100%
2008	9,195,000	100%
2009	10,827,000 *	100%

\* Contributions for the plan year ended December 31, 2009 will be paid during 2010.



## **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 required legally or by sound financial management to be accounted for in another fund. A budget and actual schedule of general fund expenditures is presented in this section.

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

**REGIONAL TRANSPORTATION AUTHORITY****SCHEDULE OF EXPENDITURES—  
BUDGET AND ACTUAL—GENERAL FUND  
YEAR ENDED DECEMBER 31, 2009**

	General Fund			
	Budget		Actual	Variance
	Original	Amended		
EXPENDITURES:				
Financial assistance to Service Boards	\$ 201,217,000	\$ 102,554,000	\$ 93,452,739	\$ 9,101,261
Capital grants-current year	20,353,000	20,353,000	20,353,000	-
PACE Discr (CMAQ) Grant RTA share	-	-	200,579	(200,579)
South Suburban Job Access Program PACE	-	7,500,000	7,500,000	-
Innovation, Coordination & Enhancement	9,900,000	-	9,101,236	(9,101,236)
PACE (PTF) expenditures	-	-	1,390,000	(1,390,000)
Total grant expenditures	231,470,000	130,407,000	131,997,554	(1,590,554)
Administration:				
Salaries and benefits	6,655,201	6,321,471	7,968,846	(1,647,375)
Business expenses	243,000	168,000	140,812	27,188
Office expenses	1,248,434	1,083,899	2,893,058	(1,809,159)
Professional services	637,350	460,350	438,765	21,585
Total administration	8,783,985	8,033,720	11,441,481	(3,407,761)
Non-Administration:				
Travel Information Center	4,217,000	4,057,012	4,023,604	33,408
Other:				
Public Affairs	3,468,153	3,601,007	1,263,094	2,337,913
Customer Service Center	79,799	79,799	256,951	(177,152)
Reduced fare registration	1,297,000	1,265,000	1,635,088	(370,088)
Americans with Disabilities Act (ADA)	2,410,000	2,410,000	3,502,087	(1,092,087)
Other regional projects	11,903,226	10,680,624	10,008,829	671,795
Total other	19,158,178	18,036,430	16,666,049	1,370,381
Total Non-Administration	23,375,178	22,093,442	20,689,653	1,403,789
Capital outlay	2,645,499	1,877,500	1,877,500	-
Technology program	1,920,000	1,720,000	1,415,884	304,116
Debt related costs	-	-	6,688,681	(6,688,681)
TOTAL EXPENDITURES	\$ 268,194,662	\$ 164,131,662	\$ 174,110,753	\$ (9,979,091)

## REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL—GENERAL AND SALES TAX AGENCY FUNDS  
 YEAR ENDED DECEMBER 31, 2009**

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Sales taxes	\$ 96,000,000	\$ 99,027,378	\$ 3,027,378
New sales tax	-	-	-
Interest on sales taxes	-	308,753	308,753
Public Transportation Fund	160,000,000	169,353,495	9,353,495
PTF (New Sales Tax/RETT)	-	-	-
Innovation, Coordination & Enhancement (ICE)	9,101,000	9,101,236	236
PACE Loan PTF Advance Recovery	-	3,000,000	3,000,000
State assistance (AFA & ASA)	122,000,000	123,008,009	1,008,009
Reduced fare reimbursement	-	-	-
Advance from State	-	-	-
Investment income	10,354,000	36,968,456	26,614,456
Other revenue	3,450,000	4,340,862	890,862
Total revenues	400,905,000	445,108,189	44,203,189
EXPENDITURES:			
Financial assistance to Service Boards	102,554,000	93,452,739	9,101,261
Capital grants-current year	20,353,000	20,353,000	-
PTF (New Sales Tax/RETT)	-	-	-
Pace Discr (CMAQ) Grant RTA share	-	200,579	(200,579)
Paratransit funding -PACE	-	-	-
Suburban Community Mobility Fund	-	-	-
South Suburban Job Access Program	7,500,000	7,500,000	-
Innovation, Coordination and Enhancement (ICE)	-	9,101,236	(9,101,236)
Reduced fare reimbursement	-	-	-
Advance to Service Boards	-	-	-
PACE (PTF) expenditures	-	1,390,000	(1,390,000)
Administration	8,033,720	11,441,481	(3,407,761)
Non-Administration:			
Regional Services and Coordination Programs	18,968,442	15,556,267	3,412,175
Regional Technical Assistance Program	3,125,000	5,133,386	(2,008,386)
Interest on sales taxes to Service Boards	-	-	-
Capital outlay	1,877,500	1,877,500	-
Technology program	1,720,000	1,415,884	304,116
Debt related costs	-	6,688,681	(6,688,681)
Total expenditures	164,131,662	174,110,753	(9,979,091)
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	236,773,338	270,997,436	34,224,098
OTHER FINANCING USES—			
Transfers out	(3,900,000)	(198,835,602)	(194,935,602)
Total other financing uses	(3,900,000)	(198,835,602)	(194,935,602)
NET CHANGE IN FUND BALANCE— BUDGETARY BASIS	\$ 232,873,338	72,161,834	\$ (160,711,504)
Budgetary basis to GAAP basis adjustments		2,155,474	
NET CHANGE IN FUND BALANCE—GAAP BASIS		74,317,308	
FUND BALANCE:			
Beginning of year		53,340,344	
End of year		\$ 127,657,652	

Sales Tax Agency Fund			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 544,000,000	\$ 561,155,156	\$ 17,155,156	\$ 640,000,000	\$ 660,182,534	\$ 20,182,534
232,643,000	224,954,175	(7,688,825)	232,643,000	224,954,175	(7,688,825)
1,550,000	471,046	(1,078,954)	1,550,000	779,799	(770,201)
-	-	-	160,000,000	169,353,495	9,353,495
107,012,000	113,187,619	6,175,619	107,012,000	113,187,619	6,175,619
-	-	-	9,101,000	9,101,236	236
-	-	-	-	3,000,000	3,000,000
-	-	-	122,000,000	123,008,009	1,008,009
33,570,000	41,969,572	8,399,572	33,570,000	41,969,572	8,399,572
-	11,335,337	11,335,337	-	11,335,337	11,335,337
-	-	-	10,354,000	36,968,456	26,614,456
-	-	-	3,450,000	4,340,862	890,862
918,775,000	953,072,905	34,297,905	1,319,680,000	1,398,181,094	78,501,094
774,851,000	676,896,903	97,954,097	877,405,000	770,349,642	(107,055,358)
-	-	-	20,353,000	20,353,000	-
-	113,187,619	(113,187,619)	-	113,187,619	113,187,619
-	-	-	-	200,579	200,579
91,010,000	91,010,356	(356)	91,010,000	91,010,356	356
17,794,000	18,202,072	(408,072)	17,794,000	18,202,072	408,072
-	-	-	7,500,000	7,500,000	-
-	-	-	-	9,101,236	9,101,236
33,570,000	41,969,572	(8,399,572)	33,570,000	41,969,572	8,399,572
-	11,335,337	(11,335,337)	-	11,335,337	11,335,337
-	-	-	-	1,390,000	1,390,000
-	-	-	8,033,720	11,441,481	3,407,761
-	-	-	18,968,442	15,556,267	(3,412,175)
-	-	-	3,125,000	5,133,386	2,008,386
1,550,000	471,046	1,078,954	1,550,000	471,046	(1,078,954)
-	-	-	1,877,500	1,877,500	-
-	-	-	1,720,000	1,415,884	(304,116)
-	-	-	-	6,688,681	6,688,681
918,775,000	953,072,905	(34,297,905)	1,082,906,662	1,127,183,658	(44,276,996)
-	-	-	236,773,338	270,997,436	34,224,098
-	-	-	(3,900,000)	(198,835,602)	(194,935,602)
-	-	-	(3,900,000)	(198,835,602)	(194,935,602)
\$ -	\$ -	\$ -	\$ 232,873,338	72,161,834	\$ 160,711,504
-	-	-	-	2,155,474	-
-	-	-	-	74,317,308	-
-	-	-	-	53,340,344	-
\$ -	\$ -	\$ -	\$ 127,657,652	\$ 127,657,652	\$ -

## **B. DEBT SERVICE FUND**

### ***Debt Service Fund Accounts:***

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

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

*1992A\* and B*—to account for transfers received, investment income and principal and interest payments made for 1992A & B general obligation bonds.

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

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

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

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

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

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

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

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

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

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

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

*2003C* — to account for transfers received, investment income and principal and interest payments made for 2003C 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.

*2006A\**—to account for transfers received, investment income and principal and interest payments made for 2006A general obligation bonds.

*2009B* —to account for transfers received, investment income and principal interest payments made for 2009B cash note borrowings.

\*Strategic Capital Improvement Program (SCIP) Bonds

## REGIONAL TRANSPORTATION AUTHORITY

## COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS

December 31, 2009

	1990A	1991A	1992 A&B	1994 A&B	1994 C&D	1997	1999	2000A	2001 A	2001 B
<b>ASSETS:</b>										
Cash and investments	\$ 1,627,415	\$ 764,549	\$ 5,176,299	\$ 322,336	\$ 1,466,563	\$ 3,822,732	\$ 6,670,445	\$ 10,178,927	\$ 3,706,257	\$ 163,702
Due from other funds	-	-	-	-	-	-	-	-	-	-
Accrued interest	2	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,627,417</u>	<u>\$ 764,549</u>	<u>\$ 5,176,299</u>	<u>\$ 322,336</u>	<u>\$ 1,466,563</u>	<u>\$ 3,822,732</u>	<u>\$ 6,670,445</u>	<u>\$ 10,178,927</u>	<u>\$ 3,706,257</u>	<u>\$ 163,702</u>
<b>LIABILITIES:</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>										
Reserved for debt service	<u>1,627,417</u>	<u>764,549</u>	<u>5,176,299</u>	<u>322,336</u>	<u>1,466,563</u>	<u>3,822,732</u>	<u>6,670,445</u>	<u>10,178,927</u>	<u>3,706,257</u>	<u>163,702</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,627,417</u>	<u>\$ 764,549</u>	<u>\$ 5,176,299</u>	<u>\$ 322,336</u>	<u>\$ 1,466,563</u>	<u>\$ 3,822,732</u>	<u>\$ 6,670,445</u>	<u>\$ 10,178,927</u>	<u>\$ 3,706,257</u>	<u>\$ 163,702</u>



SCHEDULE B-1

	<u>2002 A</u>	<u>2002 B</u>	<u>2003 A</u>	<u>2003 B</u>	<u>2003 C</u>	<u>2004 A</u>	<u>2005 B</u>	<u>2006 A</u>	<u>2009B Note</u>	<u>Total</u>
<b>ASSETS:</b>										
Cash and investments	\$ 5,922,152	\$ 7,640,260	\$ 9,516,107	\$ 2,645,310	\$ -	\$ 4,439,541	\$ 5,172,921	\$ 7,988,613	\$ 123,187,481	\$ 200,411,610
Due from other funds	-	-	-	-	-	-	-	-	80,057,596	80,057,596
Accrued interest	-	-	-	-	-	24	4	6,753	4,119	10,902
Other receivable	-	-	-	-	-	-	-	-	56,147,000	56,147,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,922,152</u>	<u>\$ 7,640,260</u>	<u>\$ 9,516,107</u>	<u>\$ 2,645,310</u>	<u>\$ -</u>	<u>\$ 4,439,565</u>	<u>\$ 5,172,925</u>	<u>\$ 7,995,366</u>	<u>\$ 259,396,196</u>	<u>\$ 336,627,108</u>
<b>LIABILITIES:</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>										
Reserved for debt service	<u>5,922,152</u>	<u>7,640,260</u>	<u>9,516,107</u>	<u>2,645,310</u>	<u>-</u>	<u>4,439,565</u>	<u>5,172,925</u>	<u>7,995,366</u>	<u>259,396,196</u>	<u>336,627,108</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>										
	<u>\$ 5,922,152</u>	<u>\$ 7,640,260</u>	<u>\$ 9,516,107</u>	<u>\$ 2,645,310</u>	<u>\$ -</u>	<u>\$ 4,439,565</u>	<u>\$ 5,172,925</u>	<u>\$ 7,995,366</u>	<u>\$ 259,396,196</u>	<u>\$ 336,627,108</u>

## Regional Transportation Authority

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts Year Ended December 31, 2009

	<u>1990A</u>	<u>1991A</u>	<u>1992 A&amp;B</u>	<u>1994 A&amp;B</u>	<u>1994 C&amp;D</u>
REVENUE:					
CTA Loan PTF Advance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	1,150	25	-	-	-
Total Revenue	<u>1,150</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
CTA Capital Projects	-	-	-	-	-
Debt Service - Principal	-	-	7,480,000	-	1,500,000
Debt Service - Interest	4,377,231	3,734,915	1,992,164	1,951,645	4,420,533
Other debt related costs	-	-	-	-	-
Total Expenditures	<u>4,377,231</u>	<u>3,734,915</u>	<u>9,472,164</u>	<u>1,951,645</u>	<u>5,920,533</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,376,081)</u>	<u>(3,734,890)</u>	<u>(9,472,164)</u>	<u>(1,951,645)</u>	<u>(5,920,533)</u>
OTHER FINANCING SOURCES :					
Debt proceeds	-	-	-	-	-
Principal	692,727	-	7,858,636	-	1,576,364
Interest	4,377,240	3,734,875	1,924,269	1,951,522	4,408,353
Transfers in	-	-	-	-	-
Total Other Financing Sources	<u>5,069,967</u>	<u>3,734,875</u>	<u>9,782,905</u>	<u>1,951,522</u>	<u>5,984,717</u>
NET CHANGE IN FUND BALANCES	693,886	(15)	310,741	(123)	64,184
FUND BALANCES:					
Beginning of year	<u>933,531</u>	<u>764,564</u>	<u>4,865,558</u>	<u>322,459</u>	<u>1,402,379</u>
End of year	<u>\$ 1,627,417</u>	<u>\$ 764,549</u>	<u>\$ 5,176,299</u>	<u>\$ 322,336</u>	<u>\$ 1,466,563</u>

(Continued)

## Regional Transportation Authority

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts Year Ended December 31, 2009

	1997	1999	2000 A	2001 A	2001 B
REVENUE:					
CTA Loan PTF Advance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	675	250	-
Total Revenue	-	-	675	250	-
EXPENDITURES:					
CTA Capital Projects	-	-	-	-	-
Debt Service - Principal	5,155,000	7,670,000	5,275,000	1,980,000	-
Debt Service - Interest	3,724,654	15,587,178	14,579,350	5,241,413	1,639,135
Other debt related costs	-	-	-	-	-
Total Expenditures	8,879,654	23,257,178	19,854,350	7,221,413	1,639,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,879,654)	(23,257,178)	(19,853,675)	(7,221,163)	(1,639,135)
OTHER FINANCING SOURCES :					
Debt proceeds	-	-	-	-	-
Principal	5,339,545	7,921,364	5,438,636	2,040,000	-
Interest	3,695,764	15,547,498	14,427,018	5,186,712	1,638,935
Transfers in	-	-	-	-	-
Total Other Financing Sources	9,035,309	23,468,862	19,865,654	7,226,712	1,638,935
NET CHANGE IN FUND BALANCES	155,655	211,684	11,979	5,549	(200)
FUND BALANCES:					
Beginning of year	3,667,077	6,458,761	10,166,948	3,700,708	163,902
End of year	\$ 3,822,732	\$ 6,670,445	\$ 10,178,927	\$ 3,706,257	\$ 163,702

(Continued)

## Regional Transportation Authority

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts Year Ended December 31, 2009

	<u>2002 A</u>	<u>2002 B</u>	<u>2003 A</u>	<u>2003 B</u>	<u>2003 C</u>
REVENUE:					
CTA Loan PTF Advance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	387	-	621	-	314
Total Revenue	<u>387</u>	<u>-</u>	<u>621</u>	<u>-</u>	<u>314</u>
EXPENDITURES:					
CTA Capital Projects	-	-	-	-	-
Debt Service - Principal	2,985,000	10,450,000	4,790,000	2,810,000	3,565,000
Debt Service - Interest	8,557,188	7,515,521	13,768,075	8,328,649	178,250
Other debt related costs	-	-	-	-	-
Total Expenditures	<u>11,542,188</u>	<u>17,965,521</u>	<u>18,558,075</u>	<u>11,138,649</u>	<u>3,743,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,541,801)</u>	<u>(17,965,521)</u>	<u>(18,557,454)</u>	<u>(11,138,649)</u>	<u>(3,742,936)</u>
OTHER FINANCING SOURCES :					
Debt proceeds	-	-	-	-	-
Principal	3,075,000	10,717,273	4,929,091	2,902,273	1,620,455
Interest	8,482,176	7,459,564	13,647,704	7,642,573	88,810
Transfers in	-	-	-	-	-
Total Other Financing Sources	<u>11,557,176</u>	<u>18,176,837</u>	<u>18,576,795</u>	<u>10,544,846</u>	<u>1,709,265</u>
NET CHANGE IN FUND BALANCES	15,375	211,316	19,341	(593,803)	(2,033,671)
FUND BALANCES:					
Beginning of year	<u>5,906,777</u>	<u>7,428,944</u>	<u>9,496,766</u>	<u>3,239,113</u>	<u>2,033,671</u>
End of year	<u>\$ 5,922,152</u>	<u>\$ 7,640,260</u>	<u>\$ 9,516,107</u>	<u>\$ 2,645,310</u>	<u>\$ -</u>

(Continued)

## Regional Transportation Authority

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts Year Ended December 31, 2009

	2004A	2005 B	2006 A	2009 B Note	Total
REVENUE:					
CTA Loan PTF Advance Recovery	\$ -	\$ -	\$ -	\$ 56,147,000	\$ 56,147,000
Investment income	-	398,100	1,031,871	60,108	1,493,501
Total Revenue	-	398,100	1,031,871	56,207,108	57,640,501
EXPENDITURES:					
CTA Capital Projects	-	-	-	56,147,000	56,147,000
Debt Service - Principal	4,635,000	6,535,000	3,625,000	-	68,455,000
Debt Service - Interest	13,533,014	4,603,422	12,041,281	3,300,007	129,073,625
Other debt related costs	88,191	1,104,841	-	1,369,463	2,562,495
Total Expenditures	18,256,205	12,243,263	15,666,281	60,816,470	256,238,120
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,256,205)	(11,845,163)	(14,634,410)	(4,609,362)	(198,597,619)
OTHER FINANCING SOURCES :					
Debt proceeds	-	-	-	260,000,000	260,000,000
Principal	4,784,545	7,306,364	3,709,545	-	69,911,818
Interest	12,750,049	3,163,634	10,023,874	4,005,558	124,156,128
Transfers in	88,191	1,104,841	-	-	1,193,032
Total Other Financing Sources	17,622,785	11,574,839	13,733,419	264,005,558	455,260,978
NET CHANGE IN FUND BALANCES	(633,420)	(270,324)	(900,991)	259,396,196	256,663,359
FUND BALANCES:					
Beginning of year	5,072,985	5,443,249	8,896,357	-	79,963,749
End of year	\$ 4,439,565	\$ 5,172,925	\$ 7,995,366	\$ 259,396,196	\$ 336,627,108

## **C. CAPITAL PROJECTS FUND**

### ***Capital Projects Fund Accounts:***

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

*Non-SCIP*—to account for 1990 through 1994, 2002, and 2005 bond sale proceeds, investment income earned and related Non-SCIP investment income capital grants made to the Service Boards as expenditures are incurred.

*Investment Income on Bonds*—to account for transfers of investment income from SCIP Bonds fund accounts through June 30, 1999 and Non-SCIP Bonds fund accounts except those issued under Illinois First program and related capital grants made to the Service Boards as expenditures are incurred.

# REGIONAL TRANSPORTATION AUTHORITY

## COMBINING BALANCE SHEET SCHEDULE CAPITAL PROJECTS FUND ACCOUNTS DECEMBER 31, 2009

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Total
ASSETS:				
Cash and investments	\$ 124,838,881	\$ 14,595,096	\$ -	\$139,433,977
Due from other funds	-	-	7,149,370	7,149,370
Accrued interest	-	934	-	934
TOTAL ASSETS	<u>\$ 124,838,881</u>	<u>\$ 14,596,030</u>	<u>\$ 7,149,370</u>	<u>\$146,584,281</u>
LIABILITIES:				
Due to other funds	\$ 1,627,426	\$ 5,521,944	\$ -	\$ 7,149,370
Due to Service Boards	7,379,214	72,180	25,787	7,477,181
Other accrued items	3,222	-	-	3,222
Total liabilities	9,009,862	5,594,124	25,787	14,629,773
FUND BALANCES:				
Reserved for Service Boards capital projects	<u>115,829,019</u>	<u>9,001,906</u>	<u>7,123,583</u>	<u>131,954,508</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 124,838,881</u>	<u>\$ 14,596,030</u>	<u>\$ 7,149,370</u>	<u>\$146,584,281</u>

**REGIONAL TRANSPORTATION AUTHORITY**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 CAPITAL PROJECTS FUND ACCOUNTS  
 YEAR ENDED DECEMBER 31, 2009**

	<b>SCIP Bonds</b>	<b>Non-SCIP Bonds</b>	<b>Investment Income on Bonds</b>	<b>Total</b>
REVENUES:				
Investment income	\$ -	\$ 710,937	\$ -	\$ 710,937
Total revenues	-	710,937	-	710,937
EXPENDITURES:				
Capital grants—bonds	43,192,875	3,959,882	804,555	47,957,312
Total expenditures	43,192,875	3,959,882	804,555	47,957,312
NET CHANGE IN FUND BALANCES	(43,192,875)	(3,248,945)	(804,555)	(47,246,375)
FUND BALANCES:				
Beginning of year	159,021,894	12,250,851	7,928,138	179,200,883
End of year	\$ 115,829,019	\$ 9,001,906	\$ 7,123,583	\$ 131,954,508



## **D. AGENCY FUND**

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

**REGIONAL TRANSPORTATION AUTHORITY****SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES****SALES TAX AGENCY FUND****YEAR ENDED DECEMBER 31, 2009**

	<b>Balance January 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2009</b>
<b>ASSETS:</b>				
Intergovernmental receivables:				
Sales taxes	\$152,227,783	\$561,155,156	\$565,899,639	\$147,483,300
New sales tax	59,271,020	224,954,175	222,388,654	61,836,541
Interest on sales taxes	539,142	471,046	974,572	35,616
Reduced fare reimbursement	28,918,527	41,969,572	37,318,099	33,570,000
PTF (New Sales Tax/RETT)	-	113,187,619	55,681,124	57,506,495
Advances to Service Boards	54,551,594	11,335,337	-	65,886,931
Due from General Fund	14,374,000	-	14,374,000	-
<b>TOTAL ASSETS</b>	<b>\$309,882,066</b>	<b>\$953,072,905</b>	<b>\$896,636,088</b>	<b>\$366,318,883</b>
<b>LIABILITIES:</b>				
Intergovernmental payables:				
Sales taxes due to Service Boards	\$152,227,783	\$561,155,156	\$565,899,639	\$147,483,301
New sales tax due to Service Boards	59,271,020	115,741,746	115,626,655	59,386,111
Interest on sales taxes due to Service Boards	539,142	471,046	974,572	35,616
Reduced fare reimbursement	28,918,527	41,969,572	37,318,099	33,570,000
PTF (New Sales Tax /RETT)	-	113,187,619	55,681,124	57,506,495
Advances from State	54,551,594	11,335,337	-	65,886,931
Paratransit Funding PACE	-	91,010,357	88,967,999	2,042,358
Suburban Community Mobility Fund-SBD	-	18,202,072	17,794,000	408,072
ADA Paratransit Funding (Future Years)	14,374,000	-	14,374,000	-
<b>TOTAL LIABILITIES</b>	<b>\$309,882,066</b>	<b>\$953,072,905</b>	<b>\$896,636,088</b>	<b>\$366,318,883</b>

## **E. CAPITAL ASSETS**

*Capital Assets*—are used in the operations of the governmental funds.

# REGIONAL TRANSPORTATION AUTHORITY

## SCHEDULE OF CAPITAL ASSETS—BY FUNCTION DECEMBER 31, 2009

	Office Furniture and Equipment	Computer Equipment	Leasehold Improvements	Capital In Progress Technology Program	Total
Administrative	\$ 313,020	\$ 2,187,261	\$ 1,438,744	\$ 10,658,061	\$ 14,597,086
Travel Information Center	-	1,132,909	-	-	1,132,909
Total capital assets	313,020	3,320,170	1,438,744	10,658,061	15,729,995
Less accumulated depreciation:					
Administrative	266,741	1,115,701	647,228	-	2,029,670
Travel Information Center	-	1,040,446	-	-	1,040,446
Total accumulated depreciation	266,741	2,156,147	647,228	-	3,070,116
Total capital assets—net	\$ 46,279	\$ 1,164,023	\$ 791,516	\$ 10,658,061	\$ 12,659,879

## STATISTICAL SECTION (UNAUDITED)

### CONTENTS

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

*An analysis of Net Assets by component and Change in Net Assets are presented as an indicator of RTA's financial performance and to show the overall change in financial position over time. The schedules begin with fiscal year 2001 which is the first year that RTA presented their financial statements in accordance with GASB 34.*

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

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

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

*Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2009 and a 10-year analysis of the debt service requirement to revenues and expenses.*

#### Demographic and Economic Information (Tables 12, 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 2009, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last four years.*

STATISTICAL SECTION (UNAUDITED)

TABLE 1

**REGIONAL TRANSPORTATION AUTHORITY**  
**NET ASSETS BY COMPONENT**  
**LAST NINE YEARS**  
(in thousands)

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Governmental activities—									
Cash and investments, net of related debt	\$ (900,705)	\$ (1,272,094)	\$ (1,629,591)	\$ (1,800,413)	\$ (2,019,602)	\$ (2,097,374)	\$ (2,087,178)	\$ (2,346,268)	\$ (2,250,678)
Restricted Net Assets	43,246	56,355	70,481	64,727	-	-	-	-	-
Unrestricted Net Assets	44,565	85,317	98,035	20,766	125,013	172,925	149,759	294,645	299,230
Total Net Assets-Governmental Activities	<u>\$ (812,894)</u>	<u>\$ (1,130,422)</u>	<u>\$ (1,461,075)</u>	<u>\$ (1,714,920)</u>	<u>\$ (1,894,589)</u>	<u>\$ (1,924,449)</u>	<u>\$ (1,937,419)</u>	<u>\$ (2,051,622)</u>	<u>\$ (1,951,448)</u>
Business-type activities—									
Cash and investments, net of related debt	\$ 45,329	\$ 44,538	\$ 39,937	\$ 36,028	\$ 28,230	\$ 25,718	\$ 21,442	\$ 23,113	\$ 24,430
Unrestricted Net Assets	5,200	2,197	4,334	3,593	7,781	6,113	6,951	5,747	4,637
Total Net Assets-Business-Type Activities	<u>\$ 50,529</u>	<u>\$ 46,735</u>	<u>\$ 44,271</u>	<u>\$ 39,621</u>	<u>\$ 36,011</u>	<u>\$ 31,831</u>	<u>\$ 28,393</u>	<u>\$ 28,859</u>	<u>\$ 29,067</u>
Primary government—									
Cash and investments, net of related debt	\$ (855,376)	\$ (1,227,556)	\$ (1,589,654)	\$ (1,764,385)	\$ (1,991,372)	\$ (2,071,656)	\$ (2,065,736)	\$ (2,323,155)	\$ (2,226,248)
Restricted Net Assets	43,246	56,355	70,481	64,727	-	-	-	-	-
Unrestricted Net Assets	49,765	87,514	102,369	24,359	132,794	179,038	156,710	300,392	303,867
Total Net Assets-Primary government	<u>\$ (762,365)</u>	<u>\$ (1,083,687)</u>	<u>\$ (1,416,804)</u>	<u>\$ (1,675,299)</u>	<u>\$ (1,858,578)</u>	<u>\$ (1,892,618)</u>	<u>\$ (1,909,026)</u>	<u>\$ (2,022,763)</u>	<u>\$ (1,922,381)</u>

Note: GASB 34 was implemented for fiscal year ending December 31, 2001.

**REGIONAL TRANSPORTATION AUTHORITY**  
**CHANGE IN NET ASSETS**  
**LAST NINE YEARS**  
**(in thousands)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>EXPENSES:</b>									
Governmental activities:									
Financial assistance to Service Boards	\$ 168,857	\$ 209,106	\$ 213,127	\$ 179,799	\$ 168,076	\$ 162,434	\$ 209,931	\$ 249,948	\$ 93,453
Administration capital grants									
Discretionary	31,736	31,096	34,830	33,767	25,437	26,730	25,272	26,288	19,166
Bonds	169,812	319,945	319,253	290,102	251,693	138,706	88,056	93,085	47,957
Administration of operating grant									
CTA/PACE	-	-	-	-	54,252	54,252	40,010	58,142	74,138
Administrative expenses	5,402	6,510	6,666	6,554	6,534	7,561	6,967	7,532	12,014
Regional expenses	13,265	15,071	13,378	14,781	17,920	20,674	20,243	20,656	19,793
Technology program expenses	1,277	3,570	1,786	3,265	1,822	1,890	1,409	2,467	1,416
Interest expense	90,960	88,038	109,981	114,574	126,027	122,790	130,079	127,495	131,775
Total governmental activities	481,309	673,336	699,021	642,842	651,761	535,037	521,967	585,613	399,712
Business-type activities:									
Insurance Financing	5,012	4,849	3,082	5,319	4,624	5,566	4,855	4,375	3,827
Total business-type activities	5,012	4,849	3,082	5,319	4,624	5,566	4,855	4,375	3,827
Total primary government expenses	\$ 486,321	\$ 678,185	\$ 702,103	\$ 648,161	\$ 656,385	\$ 540,603	\$ 526,822	\$ 589,988	\$ 403,539
<b>REVENUES:</b>									
General:									
Sales taxes	\$ 98,028	\$ 97,153	\$ 98,248	\$ 101,344	\$ 105,059	\$ 112,024	\$ 112,938	\$ 109,003	\$ 99,027
Interest on sales taxes	131	68	41	53	137	317	376	1,081	309
Operating grant -(ADA)	-	-	-	-	54,252	54,252	54,252	14,441	9,101
Public Transportation Fund	164,987	165,665	164,738	170,397	175,668	186,136	188,931	227,201	228,501
State assistance	43,662	67,455	85,226	86,785	111,419	112,743	117,807	121,870	123,008
Regional program reimbursement	712	1,484	1,058	1,033	866	1,053	1,153	1,361	2,904
Technology program reimbursement	258	1,664	-	-	-	-	-	-	-
Investment income	25,283	20,595	16,548	27,538	24,608	35,534	31,534	(1,495)	39,174
Other revenues	900	1,724	2,509	1,847	83	3,118	2,006	1,868	1,437
Transfers out	(3,000)	-	-	-	-	-	-	(3,920)	(3,575)
Total governmental activities revenues	330,961	355,808	368,368	388,997	472,092	505,177	508,997	471,410	499,886
Business-type activities:									
General:									
Investment income	1,838	1,055	618	669	1,014	1,386	1,210	770	402
Other revenues	-	-	-	-	-	-	207	151	58
Transfers in	3,000	-	-	-	-	-	-	3,920	3,575
Total business-type activities revenues	4,838	1,055	618	669	1,014	1,386	1,417	4,841	4,035
Total primary government revenues	335,799	356,863	368,986	389,666	473,106	506,563	510,414	476,251	503,921
Governmental activities:									
CHANGES IN NET ASSETS (DEFICIT)	(150,348)	(317,528)	(330,653)	(253,845)	(179,669)	(29,860)	(12,970)	(114,203)	100,174
<b>NET ASSETS (DEFICIT):</b>									
Beginning of year	(662,546)	(812,894)	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)
End of year	(812,894)	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,951,448)
Business-type activities:									
CHANGES IN NET ASSETS (DEFICIT)	(174)	(3,794)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208
<b>NET ASSETS (DEFICIT):</b>									
Beginning of year	50,703	50,529	46,735	44,271	39,621	36,011	31,831	28,393	28,859
End of year	50,529	46,735	44,271	39,621	36,011	31,831	28,393	28,859	29,067
Total primary government	\$ (762,365)	\$ (1,083,687)	\$ (1,416,804)	\$ (1,675,299)	\$ (1,858,578)	\$ (1,892,618)	\$ (1,909,026)	\$ (2,022,763)	\$ (1,922,381)
<b>CHANGE IN NET ASSETS:</b>									
Governmental activities	\$ (150,348)	\$ (317,528)	\$ (330,653)	\$ (253,845)	\$ (179,669)	\$ (29,860)	\$ (12,970)	\$ (114,203)	\$ 100,174
Business-type activities	(174)	(3,794)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208
Total primary government	\$ (150,522)	\$ (321,322)	\$ (333,117)	\$ (258,495)	\$ (183,279)	\$ (34,040)	\$ (16,408)	\$ (113,737)	\$ 100,382

Note: GASB 34 was implemented for fiscal year ending December 31, 2001.

**REGIONAL TRANSPORTATION AUTHORITY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST NINE YEARS**  
**(in thousands)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund									
Reserved	\$ 76,056	\$ 54,463	\$ 66,406	\$ 58,955	\$ 93,384	\$ 102,765	\$ 107,948	\$ 106,822	\$ 155,551
Unreserved	<u>77,827</u>	<u>65,491</u>	<u>4,889</u>	<u>12,507</u>	<u>1,654</u>	<u>38,828</u>	<u>41,220</u>	<u>(53,482)</u>	<u>(27,893)</u>
Total general fund balances	<u><u>\$ 153,883</u></u>	<u><u>\$ 119,954</u></u>	<u><u>\$ 71,295</u></u>	<u><u>\$ 71,462</u></u>	<u><u>\$ 95,038</u></u>	<u><u>\$ 141,592</u></u>	<u><u>\$ 149,167</u></u>	<u><u>\$ 53,340</u></u>	<u><u>\$ 127,658</u></u>
All other governmental funds									
Reserved	<u>\$ 337,213</u>	<u>\$ 418,454</u>	<u>\$ 569,278</u>	<u>\$ 567,100</u>	<u>\$ 308,345</u>	<u>\$ 433,055</u>	<u>\$ 349,402</u>	<u>\$ 259,165</u>	<u>\$ 468,582</u>
Total all other governmental funds	<u><u>\$ 337,213</u></u>	<u><u>\$ 418,454</u></u>	<u><u>\$ 569,278</u></u>	<u><u>\$ 567,100</u></u>	<u><u>\$ 308,345</u></u>	<u><u>\$ 433,055</u></u>	<u><u>\$ 349,402</u></u>	<u><u>\$ 259,165</u></u>	<u><u>\$ 468,582</u></u>

Note: GASB 34 was implemented for fiscal year ending December 31, 2001.



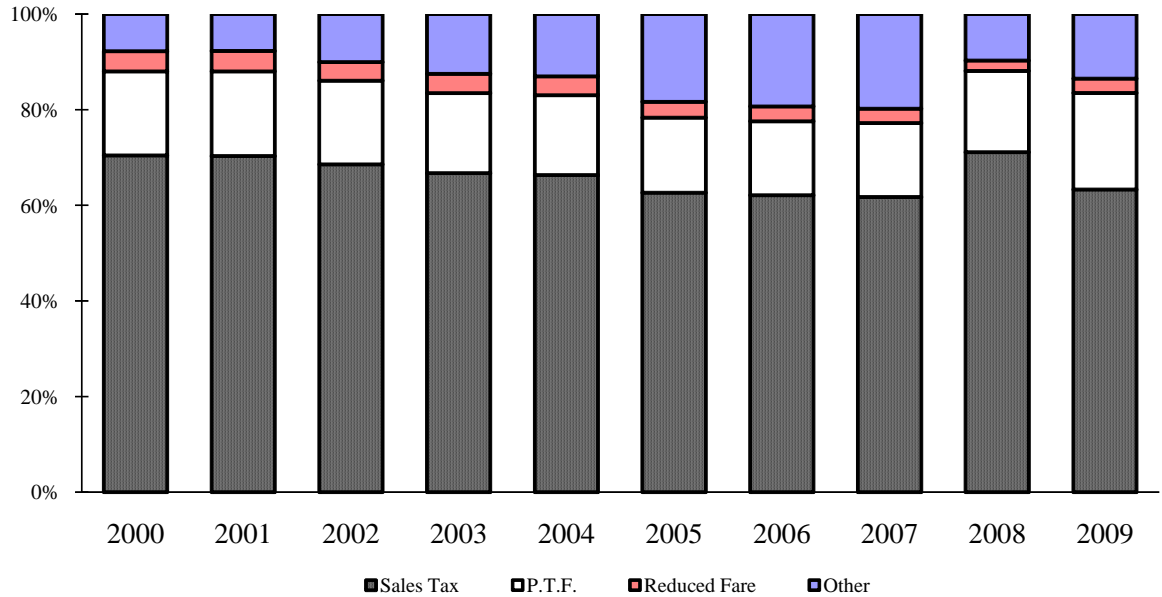
**REGIONAL TRANSPORTATION AUTHORITY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST EIGHT YEARS**  
**(in thousands)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>REVENUES:</b>									
Sales taxes	\$ 98,028	\$ 97,153	\$ 98,248	\$ 101,344	\$ 105,059	\$ 112,024	\$ 112,938	\$ 109,003	\$ 99,027
Interest on sales taxes	131	68	41	53	137	317	376	1,081	309
Public Transportation Fund	164,987	165,665	164,738	170,397	175,668	186,136	188,931	188,829	169,354
New 5% PTF Advance Recovery	-	-	-	-	-	-	-	38,372	-
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	-	-	10,000	9,101
Operating assistance -CTA/PACE	-	-	-	-	54,252	54,252	54,252	4,441	-
PACE Loan PTF Advance Recovery	-	-	-	-	-	-	-	-	3,000
CTA Loan PTF Advance Recovery	-	-	-	-	-	-	-	-	56,147
State assistance	43,662	67,455	85,226	86,785	111,419	112,743	117,807	121,870	123,008
Investment income	25,283	20,595	16,548	27,538	24,608	35,533	31,534	(1,495)	38,489
Other revenues	1,870	4,872	3,469	2,839	912	4,172	3,159	3,229	4,341
<b>Total revenues</b>	<b>333,961</b>	<b>355,808</b>	<b>368,270</b>	<b>388,956</b>	<b>472,055</b>	<b>505,176</b>	<b>508,997</b>	<b>475,330</b>	<b>502,776</b>
<b>EXPENDITURES:</b>									
Financial assistance to Service Boards	168,857	209,106	213,127	179,799	168,076	162,434	209,931	249,948	93,453
Capital grants—discretionary	31,736	31,096	34,830	33,767	25,437	26,731	25,272	26,288	19,166
Capital Projects Expense-Working Cash Note	-	-	-	-	-	-	-	-	56,147
South Suburban Job Access Program - (PACE)	-	-	-	-	-	-	-	3,750	7,500
5% PTF/RETT & ADA Paratransit (New Sales Tax)	-	-	-	-	-	-	-	42,813	-
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	-	-	10,000	9,101
PACE (PTF) expenditures	-	-	-	-	54,252	54,252	40,010	1,579	1,390
Capital grants—bonds	169,812	319,945	319,253	290,103	251,693	138,706	88,055	93,086	47,957
Administrative	5,030	5,997	6,480	6,370	6,380	6,747	6,772	7,258	11,441
Regional	14,301	18,395	16,833	20,617	19,705	23,967	22,528	24,509	22,105
Capital outlay	72	1,115	214	160	1,438	373	610	263	1,110
<b>Debt service:</b>									
Principal	19,805	25,560	37,940	40,430	49,570	55,110	59,135	64,685	68,455
Interest	74,969	84,310	102,668	119,271	128,852	125,155	131,233	131,705	134,677
Debt related costs	-	-	-	-	1,798	44	-	-	-
Debt issuance costs	1,326	3,458	4,240	3,424	975	2,222	1,529	1,590	2,964
<b>Total expenditures</b>	<b>485,908</b>	<b>698,982</b>	<b>735,585</b>	<b>693,941</b>	<b>708,176</b>	<b>595,740</b>	<b>585,075</b>	<b>657,474</b>	<b>475,466</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(151,947)</b>	<b>(343,174)</b>	<b>(367,315)</b>	<b>(304,985)</b>	<b>(236,121)</b>	<b>(90,563)</b>	<b>(76,078)</b>	<b>(182,144)</b>	<b>27,310</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Bond proceeds (gross)	111,209	390,486	457,167	260,000	-	250,350	-	-	-
Refunding bond proceeds (gross)	41,067	-	12,313	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	148,110	-	-	-	-
Payment to refunded bond escrow agent	(39,736)	-	-	-	(147,186)	-	-	-	-
SCIP II bond proceeds (gross)	-	-	-	-	-	1,826	-	-	-
Other financing sources (premium)	-	-	-	42,974	18	9,652	-	-	-
2009B Note Proceeds	-	-	-	-	-	-	-	-	260,000
<b>Transfers out</b>									
Capital Projects Fund	-	-	-	(6,225)	(70)	-	-	-	-
Debt Service Fund	(84,099)	-	(136,006)	(140,786)	(171,240)	(175,995)	(179,116)	186,268	195,261
General Fund	-	-	-	-	(540)	-	179,116	(190,188)	(198,836)
Joint Self-Insurance Fund	(3,000)	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	(41)	-	-	-
<b>Transfers in</b>									
Capital Projects Fund	306	-	(85)	-	8,541	3,315	-	-	-
Debt Service Fund	-	-	-	6,225	610	41	-	-	-
General Fund	83,793	-	136,091	140,786	162,699	172,680	-	-	-
<b>Total other financing (uses) sources</b>	<b>109,540</b>	<b>390,486</b>	<b>469,480</b>	<b>302,974</b>	<b>942</b>	<b>261,827</b>	<b>-</b>	<b>(3,920)</b>	<b>256,425</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (42,407)</b>	<b>\$ 47,312</b>	<b>\$ 102,165</b>	<b>\$ (2,011)</b>	<b>\$ (235,179)</b>	<b>\$ 171,264</b>	<b>\$ (76,078)</b>	<b>\$ (186,064)</b>	<b>\$ 283,735</b>
<b>Debt Service as a percentage of noncapital expenditures</b>									
	19.78%	16.24%	19.70%	23.51%	25.64%	30.66%	32.83%	30.12%	43.45%

Note: GASB 34 was implemented for fiscal year ending December 31, 2001.

# RTA REVENUE BY SOURCE

2000-2009



Last Ten Years

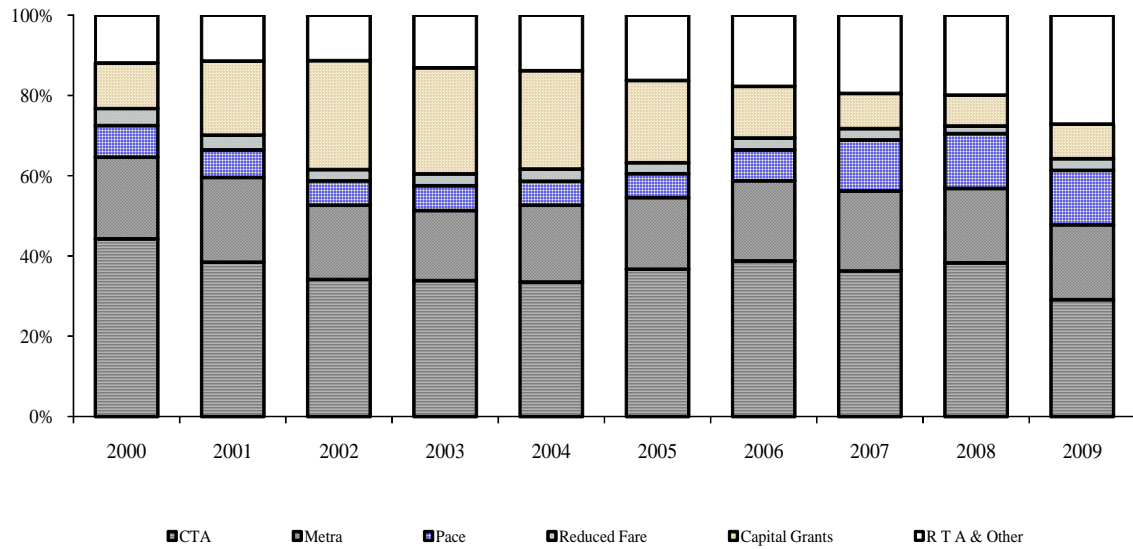
(In Thousands)

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/00	\$ 650,284	\$ 162,247	\$ 38,759	\$ 71,947	\$ 923,237
Percentage of Total	70.44%	17.57%	4.20%	7.79%	100%
12 Months Ended 12/31/01	653,522	164,987	39,531	71,742	929,782
Percentage of Total	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	647,685	165,665	36,260	95,167	944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	949,617	227,201	28,919	129,784	1,335,521
Percentage of Total	71.10%	17.01%	2.17%	9.72%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	188,534	1,398,181
Percentage of Total	63.96%	20.21%	3.00%	13.48%	101%

Table 6

# DISTRIBUTION OF EXPENDITURES

2000-2009



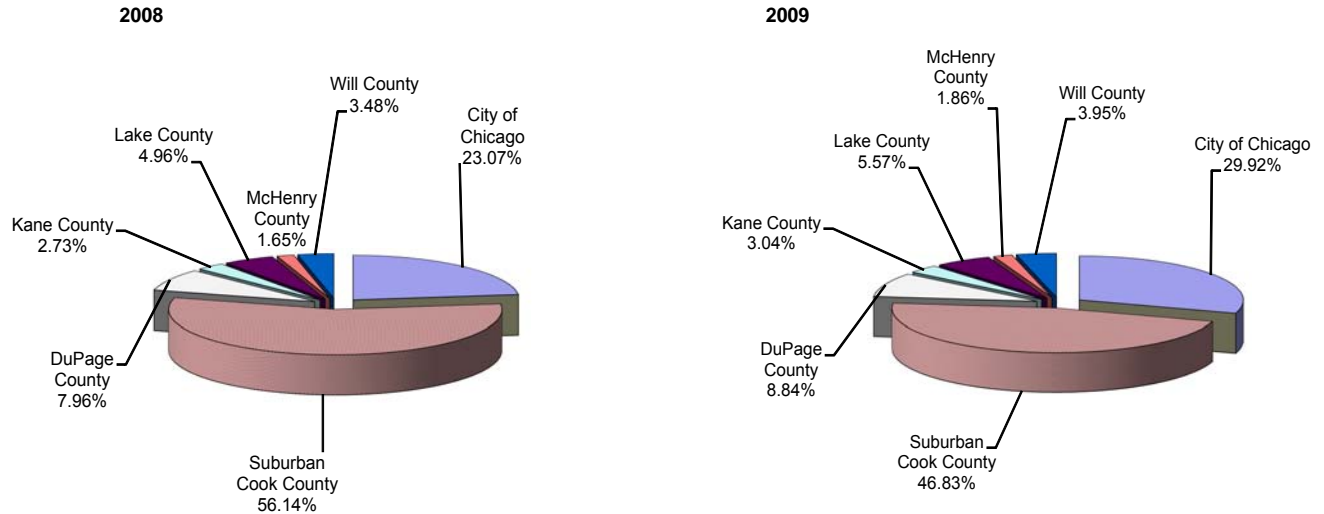
Last Ten Years

(In Thousands)

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

Table 7

# SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO



Last Ten Years

(In Thousands)

	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/00	\$199,056	\$354,307	\$42,741	\$11,589	\$23,985	\$6,942	\$11,664	\$650,284
Percentage of Total	30.62%	54.48%	6.57%	1.78%	3.69%	1.07%	1.79%	100%
12 Months Ended 12/31/01	197,370	357,522	42,498	11,796	25,017	7,122	12,197	653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	219,093	533,095	75,587	25,908	47,143	15,700	33,091	949,617
Percentage of Total	23.07%	56.14%	7.96%	2.73%	4.96%	1.65%	3.48%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%

## 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>				
2000	\$ 1,195,780	\$ -	\$ 1,195,780	54.38 %	334.82 %	\$ 10
2001	1,125,940	-	1,125,940	58.04	361.70	9
2002	1,160,380	-	1,160,380	55.82	356.53	9
2003	1,982,345	-	1,982,345	33.04	215.34	16
2004	2,201,915	-	2,201,915	30.68	202.17	17
2005	2,156,155	-	2,156,155	32.48	215.26	17
2006	2,351,395	-	2,351,395	31.76	208.58	18
2007	2,292,260	56,000	2,348,260	32.06	223.96	18
2008	2,227,575	40,000	2,267,575	41.88	241.22	18
2009	2,419,120	-	2,419,120	36.59	221.01	19

**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.

## LEGAL DEBT CAPACITY

**2009**

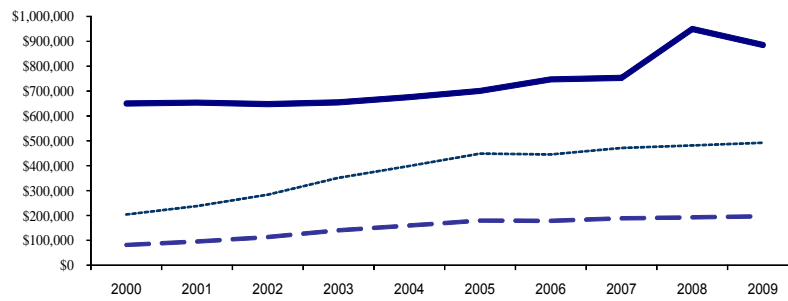
Legal Debt Margin:	Balance Outstanding at December 31, 2009	Issued	
Debt Limitation per Act for General Obligations			\$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	\$60,795,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation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

**REGIONAL TRANSPORTATION AUTHORITY  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS  
(in thousands)**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit for General Obligations	\$ 1,560,000	\$ 1,820,000	\$ 2,080,000	\$ 2,340,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Total net debt applicable to limit	1,222,635	1,312,605	1,661,975	2,051,930	2,291,115	2,270,665	2,495,485	2,468,755	2,440,700	2,411,155
Debt margin for General Obligations	337,365	507,395	418,025	288,070	308,885	329,335	104,515	131,245	159,300	188,845
Debt limit for Working Cash Notes	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	400,000	400,000
Total net debt applicable to limit	-	-	-	-	-	-	-	40,000	56,000	260,000
	100,000	100,000	100,000	100,000	100,000	100,000	100,000	60,000	344,000	140,000
Legal debt margin	\$ 437,365	\$ 607,395	\$ 518,025	\$ 388,070	\$ 408,885	\$ 429,335	\$ 204,515	\$ 191,245	\$ 503,300	\$ 328,845
Total net debt applicable to the limit as a percentage of debt limit	26.35%	31.64%	23.76%	15.90%	15.14%	15.90%	7.57%	7.08%	16.78%	10.96%

## COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

**2000 - 2009**  
**(In Thousands)**



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

*Last Ten Years*

*(In Thousands)*

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sales Tax Revenue	\$ 650,284	\$ 653,522	\$ 647,685	\$ 654,985	\$ 675,628	\$ 700,395	\$ 746,829	\$ 752,922	\$ 949,617	\$ 894,238
Debt Service Requirement	\$ 81,676	\$ 95,187	\$ 113,526	\$ 140,607	\$ 159,702	\$ 179,536	\$ 178,086	\$ 188,551	\$ 192,555	\$ 196,845
2.5 Times Debt Service Requirement	\$204,190	\$237,968	\$283,815	\$351,518	\$399,255	\$448,840	\$445,215	\$471,378	\$481,388	\$492,112

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



Table 12

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

*Last Ten Years*

*(In Thousands)*

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

Table 13

## FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

*Last Ten Calendar Years*

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

*(In Millions)*

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
2000	\$ 336.65	\$ 177.17	\$ 132.89	\$ 26.59
2001	355.47	184.46	145.75	25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
<b>Total</b>	<b>\$ 4,969.89</b>	<b>\$ 2,848.93</b>	<b>\$ 1,733.54</b>	<b>\$ 387.42</b>

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

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

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income ( in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate <sup>2</sup></b>
2000	12,439,219	\$ 400,373,280	\$ 32,186	4.5%
2001	12,516,683	407,253,595	32,537	5.4%
2002	12,578,317	413,710,753	32,891	6.5%
2003	12,625,246	426,876,687	33,811	6.7%
2004	12,680,053	445,151,182	35,106	6.2%
2005	12,719,550	464,124,942	36,489	5.8%
2006	12,777,042	490,450,096	38,385	4.6%
2007	12,852,548	525,919,549	40,919	5.1%
2008	12,901,563	546,984,646	42,397	6.4%
2009	12,910,409	534,638,483	41,411	10.1%

<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****Nine Years Ago <sup>(3)</sup>**

<b>Employer <sup>1</sup></b>	<b>2009</b>			<b>Employer <sup>2</sup></b>	<b>2000</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total Region Employment</b>		<b>Employees</b>	<b>Rank</b>	<b>% of Total Region Employment</b>
United States Government	77,000	1	1.99%	United States Government	49,500	1	1.23%
Chicago Public Schools	43,740	2	1.13%	United States Post Office	46,600	2	1.16%
City of Chicago	36,242	3	0.94%	Chicago School Board	45,000	3	1.12%
Cook County	23,416	4	0.60%	City of Chicago	41,700	4	1.04%
Wal-Mart Stores	19,990	5	0.52%	Jewel/Osco	38,900	5	0.97%
Advocate Health Care	14,784	6	0.38%	Wal-Mart	27,100	6	0.67%
Walgreen Co.	13,281	7	0.34%	Cook County	26,900	7	0.67%
J.P. Morgan Chase & Co.	13,142	8	0.34%	Motorola	26,800	8	0.67%
Abbott Laboratories	13,000	9	0.34%	Advocate Healthcare	22,000	9	0.55%
AT&T Inc.	13,000	10	0.34%	Sears	20,600	10	0.51%
<b>Total</b>	<b>267,595</b>		<b>6.91%</b>		<b>345,100</b>		<b>8.59%</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

<sup>(2)</sup> 2000 Illinois Statistical Abstract

<sup>(3)</sup> Earliest available information

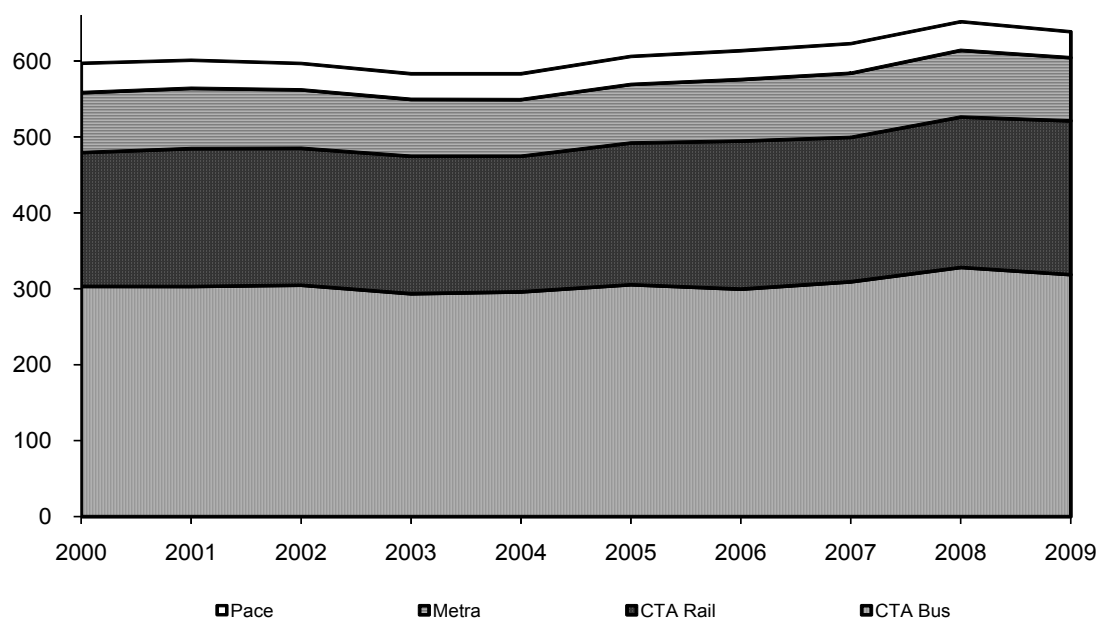
**RTA & SERVICE BOARDS OPERATING CHARACTERISTICS****2009**

<u>Chicago Transit Authority</u>	<u>*Metra Commuter Rail Division</u>	<u>Pace Suburban Bus Division</u>
<u>Rapid Transit</u>		<u>Fixed Route</u>
• 8 rail routes	• 487.7 route miles	• 149 regular routes
• 143 stations served	• 1,155 miles of track	• 46 feeder routes
• 1,190 rapid transit cars	• 240 stations	• 17 shuttle routes
• 202.6 million riders per year	• 146 locomotives	• 629 vehicles in use during peak periods
• 1,158 STO* positions	• 841 passenger cars	• 34.6 million riders per year
	• 171 electric cars	• 6 seasonal routes
<u>Motor Bus</u>	• 702 weekly trains operated	• 712 Pace-owned busses
• 150 bus routes	• 95.7% on-time performance	• 1,584 full-time employees
• 2,077 buses	• 82.3 million riders per year	
• 318.7 million riders per year	• 4,429 full-time employees	
• 4,341 STO* positions		<u>Paratransit**</u>
<u>Other</u>	<u>Other</u>	• 173 Pace owned lift-equipped buses in service
• 1.2 billion passenger rail miles per year	• 1.7 billion passenger miles per year	• 2.8 millions of riders per year
• 12.4 million rail miles per year	• 45.1 million vehicle miles per year	• 29 full-time employees
• 739.3 million passenger miles per year		
• 69.4 million vehicle miles per year		
• 5,001 without STO* Positions		<u>Dial-A-Ride**</u>
		• 61 local services
		• 203 Pace owned lift-equipped buses in service
		• 222 communities served
		• 1.2 millions of riders per year
		• 7.8 million passenger miles per year
		• 5.8 million vehicle miles per year
		<u>Other</u>
		• 643 vanpools in operation
		• 1.8 million riders for the year
		• 21.7 million passenger miles per year
		• 31.1 million vehicle miles per year
*STO is Scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.	*All data excludes NICTD South Shore	**Prior to 2008 ADA Paratransit and Dial-A-Ride were combined.

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

**2000-2009**

(In Millions)



Last Ten Years

(In Millions)

Service Consumed:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CTA - Bus	303.3	303.1	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7
CTA - Rail	176.3	181.7	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6
Total CTA*	479.6	484.8	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.2
Metra	78.8	79.2	76.8	74.8	74.4	77.0	80.8	84.4	87.7	83.1
Pace**	38.6	37.0	34.8	33.7	34.1	36.9	38.0	39.0	40.5	34.2
System Total	597.0	601.0	596.8	583.2	583.2	606.2	613.6	623.0	654.5	638.5
Percent Change	2.31%	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%	5.06%	-2.44%

\*CTA Stat amounts include rail-to-rail transfers.

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

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

STATISTICAL SECTION (UNAUDITED)

Table 18

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

**Last Four Fiscal Years**

	<u><sup>1</sup> 2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Executive Office	3	3	3	3
Communications	3	4	4	6
Finance & Administration	31	33	30	30
Legal & Governmental Affairs	3	5	4	5
Planning & Regional Programs	48	46	38	43
Research, Analysis & Policy Development	0	0	6	6
<b>Totals</b>	<b>88</b>	<b>91</b>	<b>85</b>	<b>93</b>

<sup>1</sup> Earliest available information

*Source: RTA HR records*



# Regional Transportation Authority

The six-county public  
transportation system  
serving northeastern Illinois

## **RTA Main Office**

175 W. Jackson Blvd, Ste. 1550  
Chicago, Illinois 60604  
312-913-3200  
[www.RTAchicago.com](http://www.RTAchicago.com)

## **RTA Customer Service**

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

## **Community Outreach**

312-913-3237

## **RTA ADA Certification Helpline**

Voice 312-663- 4357  
TTY 312-913-3122

## **Travel Information Center and RTA Reduced Fare Card**

Call 836-7000 from any area  
code in the six-county region  
TTY 312-836-4949  
[www.RTAchicago.com](http://www.RTAchicago.com)

## **RTA Transit Benefit Program**

800-531-2828  
[www.LessTaxingCommute.com](http://www.LessTaxingCommute.com)

## **Chicago Transit Authority**

567 W. Lake St.  
Chicago, Illinois 60661  
1-888-968-7282  
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