

Annual Comprehensive Financial Report

Fiscal year ended December 31, 2023

Regional Transportation Authority
Northeastern Illinois



**REGIONAL TRANSPORTATION AUTHORITY
NORTHEASTERN ILLINOIS**



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

Prepared by:

Department of Finance, Innovation and Technology

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

and

Controller Division

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

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June 28, 2024

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

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

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

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

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

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

OVERVIEW OF THE REGIONAL TRANSPORTATION AUTHORITY

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

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

History

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

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

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

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

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

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

Mission

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

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

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

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

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

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

Budget

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

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

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

Budget Calendar

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

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

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

Statutory Requirements

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

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

Oversight

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

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

Amendment

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

Reporting Entity

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

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

RTA System Characteristics

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

Governance

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

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

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

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

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

Financing

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

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

Sales Taxes

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

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

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

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

Car Rental Tax

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

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

Motor Fuel Tax

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

Off-Street Parking Tax

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

Replacement Vehicle Tax

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

Sales Tax Collections

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

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

FACTORS AFFECTING ECONOMIC CONDITION

Financing

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

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

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

Regional and Illinois Economy

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

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

National Economy

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

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

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

Awards and Acknowledgements

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

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

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

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

Kevin Bueso
Chief Financial Officer and Senior Deputy Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
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**Regional Transportation Authority
Illinois**

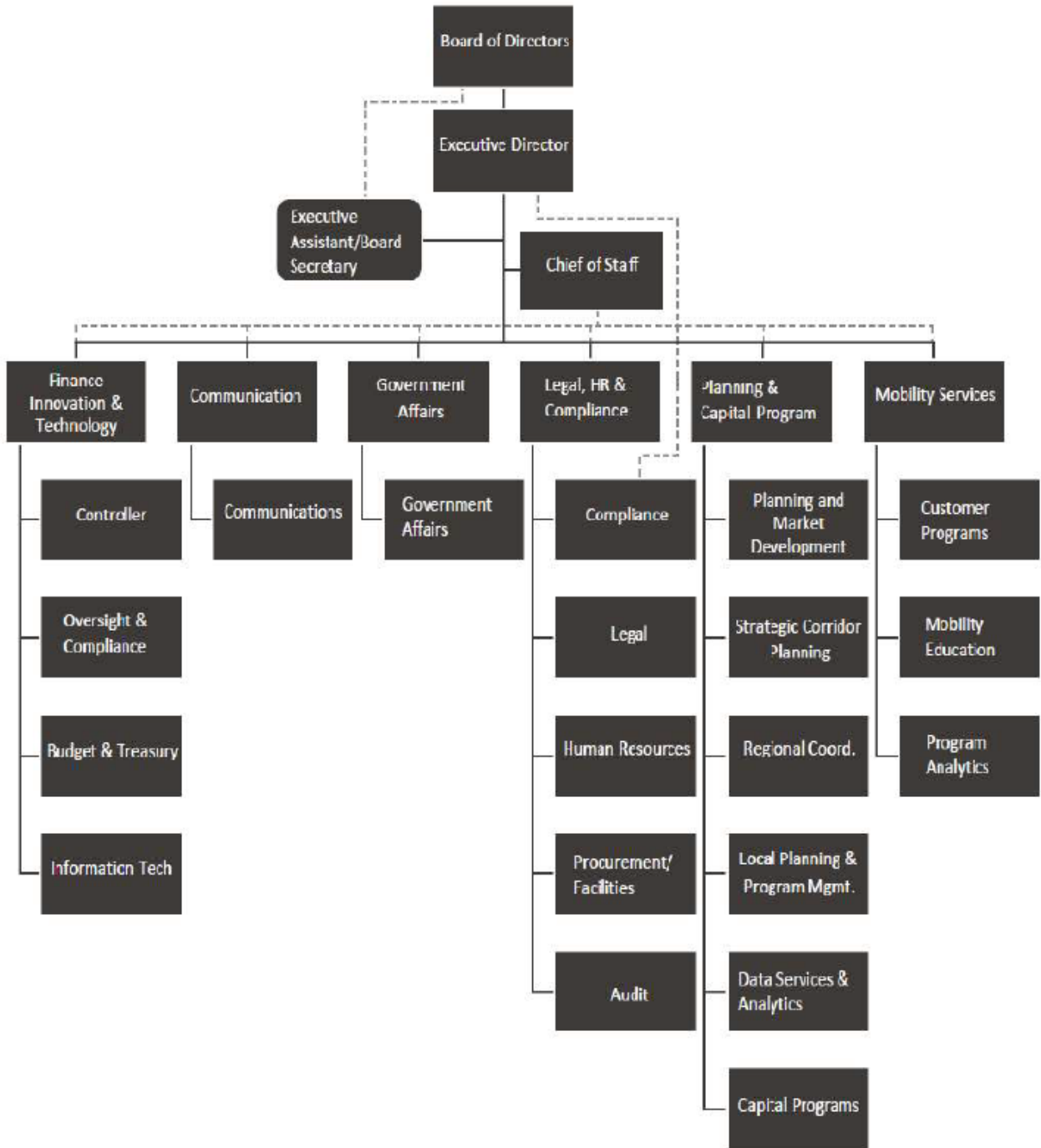
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

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



REGIONAL TRANSPORTATION AUTHORITY

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

Board of Directors

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

Administration

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

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

RSM US LLP

Board of Directors
Regional Transportation Authority
Chicago, Illinois

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

RSM US LLP

Chicago, Illinois
June 28, 2024

REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

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

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

The following table summarizes the Statement of Activities:

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

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

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

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

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

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

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

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

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

These applications include the following:

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

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

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

SERVICE BOARDS CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

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

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

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

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

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

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

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

COVID-19 IMPACT AND RECOVERY

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

CONTACTING THE FINANCIAL MANAGEMENT OF THE REGIONAL TRANSPORTATION AUTHORITY

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

REGIONAL TRANSPORTATION AUTHORITY

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

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

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

REGIONAL TRANSPORTATION AUTHORITY

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

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

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

REGIONAL TRANSPORTATION AUTHORITY

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

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

*See Note 2 for details of unassigned fund balance

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

REGIONAL TRANSPORTATION AUTHORITY

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

TOTAL FUND BALANCE—GOVERNMENTAL FUNDS \$ 467,214

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

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

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

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

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

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

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

TOTAL NET DEFICIT—GOVERNMENTAL ACTIVITIES

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

REGIONAL TRANSPORTATION AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

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

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

REGIONAL TRANSPORTATION AUTHORITY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

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

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

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

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

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

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

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

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

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 146,756

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

REGIONAL TRANSPORTATION AUTHORITY

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

ASSETS:

Current:

Cash and cash equivalents	\$ 361
Investments	18,417
Accrued interest on investments	30
Prepaid insurance	<u>4,233</u>

Total assets	23,041
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LIABILITIES

Due to General Fund	<u>-</u>
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NET POSITION - Unrestricted	<u><u>\$ 23,041</u></u>
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The notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUSINESS-TYPE ACTIVITIES—ENTERPRISE FUND

JOINT SELF-INSURANCE (PROPRIETARY) FUND

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

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

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

REGIONAL TRANSPORTATION AUTHORITY

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

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

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2023

(In Thousands)

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

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

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

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

REGIONAL TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

NOTE 1. REPORTING ENTITY

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

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

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

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

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

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

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

NOTE 1. REPORTING ENTITY (Continued)

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

	Balance			Balance	
	January 1,			December 31,	Due Within
	2023	Increases	Decreases	2023	One Year
Compensated absences payable	\$ 512	\$ 605	\$ 656	\$ 461	\$ 461

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

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

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

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

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

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

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

Unassigned – This consists of residual fund balances.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

NOTE 3. CASH AND INVESTMENTS

Governmental and Joint Self-Insurance Fund

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

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

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

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

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

NOTE 3. CASH AND INVESTMENTS (Continued)

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

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

Investments

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

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

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

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

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

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

NOTE 3. CASH AND INVESTMENTS (Continued)

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

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

* Rating not available

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

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

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

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

Fair Value Measurement

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

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

NOTE 3. CASH AND INVESTMENTS (Continued)

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

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

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

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

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

Pension Fund

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

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

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

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

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

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

NOTE 3. CASH AND INVESTMENTS (Continued)

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

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

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

NR - not rated

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

Fair Value measurement

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

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

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

NOTE 3. CASH AND INVESTMENTS (Continued)

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

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

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

Investments Measured at the Net Asset Value (NAV)

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

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

NOTE 4. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

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

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

NOTE 5. DUE TO/FROM OTHER FUNDS

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

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

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

Receivable Fund	Payable Fund	Amount (In Thousands)
General	Joint Self-Insurance Fund	\$ 99
General	Fiduciary - Sales Tax Custodial Fund	31,486

NOTE 6. INTERFUND TRANSFERS

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

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

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

NOTE 7. ADVANCES TO SERVICE BOARDS

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

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

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

NOTE 8. CAPITAL ASSETS

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

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

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

All capital assets are associated with governmental activities.

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

NOTE 9. GENERAL OBLIGATION BONDS AND NOTES PAYABLE

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

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

* Strategic Capital Improvement Program (SCIP) Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* Interest was calculated using a rate of 3.3%.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 10. PENSION

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

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

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

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

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

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

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

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

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

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

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

NOTE 10. PENSION (Continued)

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

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

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

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

Year ended December 31:	Amount
2024	\$ 2,332
2025	2,136
2026	940
2027	1,264
Total	\$ 6,672

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

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

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

NOTE 10. PENSION (Continued)

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

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

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

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

NOTE 10. PENSION (Continued)

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

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

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

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

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

Employees Covered by Benefit Terms.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	43
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>97</u>
Total	<u><u>140</u></u>

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

Total OPEB Liability

The RTA's total OPEB liability of \$687 thousand was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	2.5 percent, average, including inflation
Discount rate	Beginning of year 3.72 percent End of year 3.26 percent
Healthcare cost trend rates	Based on the eligibility and plan provisions, the health benefit stipend is not assumed to increase in the future periods

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

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

Changes in the Total OPEB Liability (amounts in thousands)

Total OPEB Liability at December 31, 2022	<u>\$ 653</u>
Changes for the year:	
Service cost	25
Interest	23
Changes in assumptions or other inputs	30
Benefit payments	<u>(44)</u>
Net changes	<u>34</u>
Balances at December 31, 2023	<u><u>\$ 687</u></u>

Changes in assumptions or other inputs reflect the change in the discount rate. The beginning of year rate (3.72 percent) is the December 31, 2022 rate, and the end of year rate (3.26 percent) is the December 31, 2023 rate. The 20-Year GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and S&P's AA. In addition, in 2023, the actuarial assumptions used to calculate the GASB Statement No. 75 Total OPEB liability were updated according to an experience study effective January 1, 2023. A summary of the most significant change other than the discount rate includes updating the mortality tables utilized from RP-2014 to Pub-2010 and updating retirement rates, termination rates and disability rates to better reflect recent plan experience.

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

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

The following presents the total OPEB liability of the RTA, as well as what the RTA's total OPEB liability would be if it were calculated using a discount rate of 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate (amounts in thousands):

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total OPEB liability	<u>\$ 761</u>	<u>\$ 687</u>	<u>\$ 625</u>

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

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

	<u>1% Decrease (varies)</u>	<u>Healthcare Cost Trend Rates (varies)</u>	<u>1% Increase (varies)</u>
Total OPEB liability	<u>\$ 687</u>	<u>\$ 687</u>	<u>\$ 687</u>

Based on the plan's eligibility and provisions for benefits, the monthly stipend of \$78 is not assumed to be impacted by healthcare cost trend rates and therefore changes in the rates would not impact the valuation of the Plan's total OPEB liability.

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

For the year ended December 31, 2023, the RTA recognized OPEB expense of \$58 thousand. At December 31, 2023, the RTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	<u>\$ 177</u>	<u>\$ 119</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 11
2025	11
2026	14
2027	9
2028	5
Thereafter	<u>8</u>
Total	<u>\$ 58</u>

NOTE 12. RISK MANAGEMENT

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

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

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

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

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

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

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

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

NOTE 12. RISK MANAGEMENT (Continued)

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

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

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

NOTE 13. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

LESSOR

The RTA as a sublessor, leases building space under long-term agreements to the Board of Elections Commissioners for the City of Chicago. The term of this lease commenced on January 1, 2016, and ends on August 31, 2025. The adoption of GASB Statement No. 87 standard resulted in the recognition of a lease receivable and corresponding deferred inflow of resources.

The RTA's lease receivable is measured at the present value of future fixed lease payments expected to be received under the long-term lease agreements discounted using the RTA's incremental borrowing rate as of the implementation date. At the initiation of the lease, the deferred inflow of resources is recorded at an amount equal to the initial recording of the lease receivable and is amortized on a straight-line basis over the lease term.

On December 31, 2023, the RTA has recorded a lease receivable of \$105,366. On December 31, 2023 the RTA has recorded a deferred inflow of resources related to leases of \$102,057. In fiscal year 2023, the RTA recognized \$61,236 of lease revenue and \$3,495 of interest income from the lease.

LESSEE

The RTA entered into two long-term leases of buildings 175 Jackson L.L.C. and the County of Cook. The term of lease for 175 Jackson L.L.C. commenced on November 15, 2001, and ends on November 1, 2029. The term of lease for the County of Cook begins on September 1, 2013, and terminates on August 31, 2029, which includes five years option to extend the term of this lease. The adoption of this standard resulted in the recognition of lease liabilities and intangible right-to-use lease assets. No debt has been issued that is secured by these lease payments.

NOTE 13. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

The RTA measured the lease liabilities as the present value of payments expected to be made under the long-term lease agreements discounted using the RTA's incremental borrowing rate as of the implementation date. Subsequently, the lease assets are amortized on a straight-line basis over the lease terms.

On December 31, 2023, the RTA has the net of the right to use assets in the amount of \$10,217 thousand and lease liabilities in the amount of \$10,573 thousand. 175 Jackson L.L.C Lease payments are composed of fixed payments and variable payments. The fixed payments contain only the base rent fees and reduce the liability. The variable payments are taxes and operating expenses. In 2023, the tax recovery payment was \$88,397 and operating expense was \$34,540 these amounts were reported as expenditures as incurred.

A summary of the leased asset activity for the year ended December 31, 2023 is as follows (in thousands):

Lease assets:	Amount
Right of use assets - buildings	\$ 13,724
Accumulated amortization:	
Amortization on right of use asset - buildings	3,507
 Total lease assets, net	 <u>\$ 10,217</u>

The following is a summary of changes in lease payable as of and the year ended December 31, 2023 (in thousands):

	January 1, 2023		New Issues		Current Retirements		December 31, 2023		Due Within One Year
Lease payables*	\$ 12,168	\$	-	\$	1,595	\$	10,573	\$	1,657

Future annual lease payments are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 1,657	\$ 159	\$ 1,816
2025	1,720	132	1,852
2026	1,785	103	1,888
2027	1,852	74	1,926
2028	1,921	43	1,964
2029	1,638	12	1,650
 Total	 <u>\$ 10,573</u>	 <u>\$ 523</u>	 <u>\$ 11,096</u>

NOTE 14. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

The RTA adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), which was effective for periods beginning January 1, 2023. The RTA has included subscription-based IT assets and liabilities that were previously classified as operating expenses. As a result of the implementation, the RTA's governmental activities recognized a right to use subscription assets and corresponding liabilities in the amount of \$3,078 thousand respectively as of January 1, 2023. The implementation of this standard had no impact on January 1, 2023 net position.

The SBITA agreements at 12/31/2023 are as follows:

<u>Right To Use SBITA Asset</u>	<u>Subscription Start Date</u>	<u>Subscription End Date</u>	<u>Net Asset at December 31, 2023</u>	<u>Initial SBITA Liability</u>	<u>SBITA Liability at December 31, 2023</u>
Aerial Photography	8/3/2022	8/2/2024	\$ 95	\$ 256	\$ -
Emphasys Software	6/29/2018	6/28/2028	274	335	279
ERP Software Service	5/18/2018	5/17/2028	1,857	2,281	1,866
VMware Support and Subscription	4/16/2023	1/15/2028	77	90	-
Jump Cloud Subscription	6/29/2023	6/28/2028	57	64	-
Zoom Video Conferencing Services	9/1/2023	8/31/2026	46	52	-
			<u>\$ 2,406</u>	<u>\$ 3,078</u>	<u>\$ 2,145</u>

A summary of the SBITA activity for the year ended December 31, 2023 is as follows (in thousands):

<u>Lease assets:</u>	<u>Amount</u>
Right to use assets - SBITA	\$ 3,078
Accumulated amortization:	
Amortization on right to use asset - SBITA	<u>672</u>
Total SBITA net assets	<u>\$ 2,406</u>

The following is a summary of changes in SBITA payable as of the year ended December 31, 2023 (in thousands):

	<u>January 1, 2023</u>	<u>New Issues</u>	<u>Current Retirements</u>	<u>December 31, 2023</u>	<u>Due Within One Year</u>
Subscription payables*	\$ 3,078	\$ -	\$ 933	\$ 2,145	\$ 473

*The SBITA payables were restated as of January 1, 2023 for the implementation of GASB Statement No. 96.

NOTE 14. LEASES and SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

Future SBITA liability payment schedule is as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 473	\$ 58	\$ 531
2025	504	45	549
2026	537	31	568
2027	572	17	589
2028	59	2	61
Total	<u>\$ 2,145</u>	<u>\$ 153</u>	<u>\$ 2,298</u>

NOTE 15. COMMITMENTS AND CONTINGENCIES

From time to time, the RTA may be involved in various litigation matters for which any claims are generally covered by insurance. In the opinion of management, there are no current or pending litigation matters which would have a material adverse effect on the financial position or changes in financial position of the RTA.

The RTA has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

REQUIRED SUPPLEMENTARY INFORMATION

**Regional Transportation Authority
RTA Pension Plan**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,240	\$ 2,102	\$ 1,784	\$ 1,490	\$ 1,170	\$ 1,066	\$ 1,048	\$ 991	\$ 1,644
Contributions in relation to the contractually required contribution	(5,140)	(2,102)	(2,093)	(2,790)	(2,470)	(2,366)	(2,348)	(2,291)	(1,644)
Contribution deficiency (excess)	\$ (2,900)	\$ -	\$ (309)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ -
Authority's covered payroll	\$ 9,708	\$ 8,887	\$ 9,347	\$ 9,992	\$ 9,605	\$ 9,205	\$ 9,301	\$ 9,221	\$ 9,183
Contributions as a percentage of covered payroll	52.94%	23.65%	22.39%	27.92%	25.72%	25.70%	25.24%	24.85%	17.90%

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

**Regional Transportation Authority
RTA Pension Plan**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability
(Measurement Date One Year Prior)
(in Thousands)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	8.50%	8.80%	8.70%	9.30%	9.20%	9.90%	10.40%	11.00%	12.00%
Authority's proportionate share of the net pension liability	\$ 13,424	\$ 7,139	\$ 9,798	\$ 4,735	\$ 5,555	\$ 1,770	\$ 3,932	\$ 3,804	\$ 8,406
Authority's covered payroll	\$ 8,996	\$ 8,887	\$ 9,347	\$ 9,605	\$ 9,205	\$ 9,301	\$ 9,221	\$ 9,183	\$ 8,984
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	149.22%	80.33%	104.82%	49.30%	60.35%	19.03%	42.64%	41.42%	93.56%
Plan fiduciary net position as a percentage of the total pension liability	67.45%	82.22%	74.91%	86.00%	81.73%	94.32%	87.38%	87.67%	73.51%

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

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

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 25	\$ 31	\$ 30	\$ 25	\$ 19	\$ 21
Interest	23	13	13	16	20	18
Differences between expected and actuarial experience	-	103	-	(67)	-	-
Changes of assumptions or other inputs	30	(101)	4	77	82	(37)
Benefit payments	(44)	(28)	(27)	(29)	(28)	(28)
Net change in total OPEB liability	34	18	20	22	93	(26)
Total OPEB liability - beginning	653	635	615	593	500	526
Total OPEB liability - ending	\$ 687	\$ 653	\$ 635	\$ 615	\$ 593	\$ 500
Covered-employee payroll	\$ 9,739	\$ 9,377	\$ 8,751	\$ 9,205	\$ 9,025	\$ 8,881
Total OPEB liability as a percentage of covered-employee payroll	7.05%	6.96%	7.26%	6.68%	6.57%	5.63%

Notes to Schedule:

There are no assets accumulated in a Trust to pay related benefits for the OPEB Plan.

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

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

2023	3.26 percent
2022	3.72 percent
2021	2.06 percent
2020	2.12 percent
2019	2.74 percent
2018	4.10 percent

In addition, in 2023, the actuarial assumptions used to calculate the GASB 75 Total OPEB liability were updated according to an experience study effective January 1, 2023. A summary of the most significant change other than the discount rate includes updating the mortality tables utilized from RP-2014 to Pub-2010 and updating retirement rates, termination rates and disability rates to better reflect recent plan experience.

REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) BUDGET AND ACTUAL—GENERAL FUND
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	General Fund		
	Original and Final Budget	Actual	Variance
REVENUES:			
Investment income	\$ 1,000	\$ 17,295	\$ 16,295
Other revenues	601	3,268	2,667
Sales taxes	172,233	173,483	1,250
Interest on sales taxes	500	3,224	2,724
Public Transportation Fund	289,764	313,128	23,364
IDOT State Grant Pace (ADA)	8,395	32,536	24,141
Innovation, Coordination & Enhancement (ICE)	15,811	16,598	787
State assistance (AFA & ASA)	115,189	117,369	2,180
Total revenues	<u>603,493</u>	<u>676,901</u>	<u>73,408</u>
EXPENDITURES:			
Service Board Funding	7,500	20,141	12,641
Financial assistance to Service Boards	338,513	355,818	17,305
JSIF Excess Liability Insurance	10,474	10,474	-
Innovation, Coordination & Enhancement (ICE)	15,811	16,598	787
IDOT State Cap Grant-PACE (ADA)	8,395	12,949	4,554
Administrative Operating	17,126	19,154	2,028
Regional Service Operating and Regional Program Expense	19,199	21,688	2,489
Agency Capital Expense	543	851	308
Total expenditures	<u>417,561</u>	<u>457,673</u>	<u>40,112</u>
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	<u>185,932</u>	<u>219,228</u>	<u>33,296</u>
NET CHANGE IN FUND BALANCE— BUDGETARY BASIS	<u>\$ -</u>	<u>219,228</u>	<u>\$ -</u>
Budgetary basis to GAAP basis adjustments		<u>(182,787)</u>	
NET CHANGE IN FUND BALANCE—GAAP BASIS		36,441	
FUND BALANCE:			
Beginning of year		<u>265,513</u>	
End of year		<u>\$ 301,954</u>	

REGIONAL TRANSPORTATION AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2023

Note 1. BUDGET AND BUDGETARY ACCOUNTING

For comparison of the combined budgets as required for board presentation, the combined schedule of revenues, expenditures, and changes in fund balance—budget and actual—in the General and the Sales Tax Custodial Fund are presented in the combining and individual fund schedules section of the ACFR. Additional budget detail is used by management for monitoring purposes which is provided in this section as the schedule of expenditures—budget and actual—General Fund.

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

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

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

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

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

Note 1. BUDGET AND BUDGETARY ACCOUNTING (Continued)

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

Note 2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS ACCOUNTING

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

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

	General Fund (in thousands)
Net change in fund balance - budgetary basis	<u>\$ 219,228</u>
Adjustments:	
RTA capital expenditures expected to be incurred in future years but considered in current year operating budget	
Capital grants received that were not in the budget	497,271
Capital grants disbursed to the Service Boards/Others that were not in the budget	(507,547)
Net transfers in and out between the General Fund and Debt Service Fund not in the budget	<u>(172,511)</u>
Budgetary basis to GAAP basis adjustments	<u>(182,787)</u>
Net change in fund balance - GAAP basis	<u><u>\$ 36,441</u></u>

COMBINING AND INDIVIDUAL FUND SCHEDULES

A. GENERAL FUND

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

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

REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) —
 BUDGET AND ACTUAL — GENERAL FUND
 YEAR ENDED DECEMBER 31, 2023
 (In Thousands)**

	Original and Final Budget	Actual	Variance
EXPENDITURES:			
Service Board Funding	\$ 7,500	\$ 20,141	\$ (12,641)
Financial assistance to Service Boards	338,513	355,818	(17,305)
JSIF Excess Liability Insurance	10,474	10,474	-
Innovation, Coordination & Enhancement (ICE)	15,811	16,598	(787)
IDOT State Cap Grant - Pace	8,395	12,949	(4,554)
Administration	17,126	19,154	(2,028)
Non-administration:			
Regional Program Non-Capital	1,863	4,316	(2,453)
Regional Services Operating	17,336	17,372	(36)
Agency Capital Expenses	543	851	(308)
TOTAL EXPENDITURES	\$ 417,561	\$ 457,673	\$ (40,112)

REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES (BUDGETARY BASIS) —
BUDGET AND ACTUAL — GENERAL FUND
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	Original and Final Budget	Actual	Variance
EXPENDITURES:			
Service Board Funding	\$ 7,500	\$ 20,141	\$ (12,641)
Financial assistance to Service Boards	338,513	355,818	(17,305)
JSIF Excess Liability Insurance	10,474	10,474	-
Innovation, Coordination & Enhancement (ICE)	15,811	16,598	(787)
IDOT State Cap Grant - Pace	8,395	12,949	(4,554)
Administration	17,126	19,154	(2,028)
Non-administration:			
Regional Program Non-Capital	1,863	4,316	(2,453)
Regional Services Operating	17,336	17,372	(36)
Agency Capital Expenses	543	851	(308)
TOTAL EXPENDITURES	\$ 417,561	\$ 457,673	\$ (40,112)

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) BUDGET AND ACTUAL—GENERAL AND SALES TAX CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	General Fund		
	Original and Final Budget	Actual	Variance
REVENUES:			
Investment income	\$ 1,000	\$ 17,295	\$ 16,295
Other revenue	601	3,268	2,667
Sales Taxes	172,233	173,483	1,250
Interest on Sales Taxes	500	3,224	2,724
Public Transportation Fund	289,764	313,128	23,364
IDOT State Grant - PACE (ADA)	8,395	32,536	24,141
Innovation, Coordination & Enhancement (ICE)	15,811	16,598	787
State assistance (AFA & ASA)	115,189	117,369	2,180
Total revenues	603,493	676,901	73,408
EXPENDITURES:			
Service Board Funding	7,500	20,141	12,641
Financial Assistance to SB	338,513	355,818	17,305
JSIF Excess Liability Insurance	10,474	10,474	-
Innovation, Coordination & Enhancement (ICE)	15,811	16,598	787
IDOT State Cap Grant-PACE (ADA)	8,395	12,949	4,554
Administration Operating	-	-	-
Agency Capital Expenses	17,126	19,154	2,028
Non-administration:			
Regional Programs Capital and Non-Capital	2,406	5,167	2,761
Regional Services Operating	17,336	17,372	36
Total expenditures	417,561	457,673	40,112
EXCESS OF REVENUES OVER EXPENDITURES	\$ 185,932	219,228	\$ 33,296
NET CHANGE IN FUND BALANCE— BUDGETARY BASIS		219,228	
Budgetary basis to GAAP basis adjustments		(182,787)	
NET CHANGE IN FUND BALANCE—GAAP BASIS		36,441	
FUND BALANCE:			
Beginning of year		265,513	
End of year		\$ 301,954	

Sales Tax Custodial Fund			Totals		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ 1,000	\$ 17,295	\$ 16,295
17,570	18,317	747	18,171	21,585	3,414
1,365,441	1,421,215	55,774	1,537,674	1,594,698	57,024
1,000	4,603	3,603	1,500	7,827	6,327
205,178	207,983	2,805	494,942	521,111	26,169
-	-	-	8,395	32,536	24,141
-	-	-	15,811	16,598	787
-	-	-	115,189	117,369	2,180
<u>1,589,189</u>	<u>1,652,118</u>	<u>62,929</u>	<u>2,192,682</u>	<u>2,329,019</u>	<u>136,337</u>
1,589,189	1,652,118	62,929	1,596,689	1,672,259	75,570
-	-	-	338,513	355,818	17,305
-	-	-	10,474	10,474	-
-	-	-	15,811	16,598	787
-	-	-	8,395	12,949	4,554
-	-	-	-	-	-
-	-	-	17,126	19,154	2,028
-	-	-	-	-	-
-	-	-	2,406	5,167	2,761
-	-	-	17,336	17,372	36
<u>1,589,189</u>	<u>1,652,118</u>	<u>62,929</u>	<u>2,006,750</u>	<u>2,109,791</u>	<u>103,041</u>
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 185,932</u>	219,228	<u>\$ 33,296</u>
				219,228	
				(182,787)	
				36,441	
				265,513	
				<u>\$ 301,954</u>	

B. DEBT SERVICE FUND

Debt Service Fund Accounts:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2021A - to account for transfers received, investment income and principal and interest payments made for 2021 refunding general obligation bonds.

*Strategic Capital Improvement Program (SCIP) Bonds

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS

December 31, 2023

(In Thousands)

	<u>1997</u>	<u>1999</u>	<u>2000A</u>	<u>2001A</u>	<u>2001B</u>	<u>2002A</u>	<u>2003A</u>	<u>2003B</u>	<u>2004A</u>
ASSETS:									
Cash and investments	\$ 2	\$ 11,544	\$ 10,461	\$ 3,777	\$ 2	\$ 6,056	\$ 9,838	\$ 4,340	\$ 7,961
Accrued interest	-	-	-	-	-	-	-	-	15
Total assets	<u>\$ 2</u>	<u>\$ 11,544</u>	<u>\$ 10,461</u>	<u>\$ 3,777</u>	<u>\$ 2</u>	<u>\$ 6,056</u>	<u>\$ 9,838</u>	<u>\$ 4,340</u>	<u>\$ 7,976</u>
LIABILITIES:									
Accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:									
Restricted for debt service	<u>2</u>	<u>11,544</u>	<u>10,461</u>	<u>3,777</u>	<u>2</u>	<u>6,056</u>	<u>9,838</u>	<u>4,340</u>	<u>7,976</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2</u>	<u>\$ 11,544</u>	<u>\$ 10,461</u>	<u>\$ 3,777</u>	<u>\$ 2</u>	<u>\$ 6,056</u>	<u>\$ 9,838</u>	<u>\$ 4,340</u>	<u>\$ 7,976</u>

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

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

December 31, 2023

(In Thousands)

	<u>2005B</u>	<u>2010B</u>	<u>2016A</u>	<u>2017A</u>	<u>2018B</u>	<u>2021A</u>	<u>Total</u>
ASSETS:							
Cash and investments	\$ 9,645	\$ 21,218	\$ 7,610	\$ 32,203	\$ 2,221	\$ 2,113	\$ 128,991
Accrued interest	-	12	4	35	9	6	81
Total assets	<u>\$ 9,645</u>	<u>\$ 21,230</u>	<u>\$ 7,614</u>	<u>\$ 32,238</u>	<u>\$ 2,230</u>	<u>\$ 2,119</u>	<u>\$ 129,072</u>
LIABILITIES:							
Accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:							
Restricted for debt service	<u>9,645</u>	<u>21,230</u>	<u>7,614</u>	<u>32,238</u>	<u>2,230</u>	<u>2,119</u>	<u>129,072</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,645</u>	<u>\$ 21,230</u>	<u>\$ 7,614</u>	<u>\$ 32,238</u>	<u>\$ 2,230</u>	<u>\$ 2,119</u>	<u>\$ 129,072</u>

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	<u>1997</u>	<u>1999</u>	<u>2000 A</u>	<u>2001 A</u>
REVENUE:				
Investment income	\$ 2	\$ 90	\$ 81	\$ 29
Other revenues	-	-	1	1
Total revenue	<u>2</u>	<u>90</u>	<u>82</u>	<u>30</u>
EXPENDITURES:				
Debt Service - principal	3,550	16,975	11,975	4,255
Debt Service - interest	107	1,819	7,750	2,892
Other debt related costs	-	-	-	-
Total expenditures	<u>3,657</u>	<u>18,794</u>	<u>19,725</u>	<u>7,147</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,655)</u>	<u>(18,704)</u>	<u>(19,643)</u>	<u>(7,117)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in/(out) - CPF	-	-	-	-
Transfers in/(out) - GF	<u>1,373</u>	<u>19,241</u>	<u>19,684</u>	<u>7,123</u>
Total other financing sources (uses)	<u>1,373</u>	<u>19,241</u>	<u>19,684</u>	<u>7,123</u>
NET CHANGE IN FUND BALANCES	(2,282)	537	41	6
FUND BALANCES:				
Beginning of year	<u>2,284</u>	<u>11,007</u>	<u>10,420</u>	<u>3,771</u>
End of year	<u>\$ 2</u>	<u>\$ 11,544</u>	<u>\$ 10,461</u>	<u>\$ 3,777</u>

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS (Continued)
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	<u>2001 B</u>	<u>2002 A</u>	<u>2003 A</u>	<u>2003 B</u>
REVENUE:				
Investment income	\$ 3	\$ 47	\$ 77	\$ 72
Other revenues	-	1	-	-
Total revenue	<u>3</u>	<u>48</u>	<u>77</u>	<u>72</u>
EXPENDITURES:				
Debt Service - principal	3,775	6,440	10,095	5,790
Debt Service - interest	103	5,042	8,576	4,588
Other debt related costs	-	-	-	-
Total expenditures	<u>3,878</u>	<u>11,482</u>	<u>18,671</u>	<u>10,378</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,875)</u>	<u>(11,434)</u>	<u>(18,594)</u>	<u>(10,306)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in/(out) - CPF	-	-	-	-
Transfers in/(out) - GF	1,453	11,450	18,625	10,476
Total other financing sources (uses)	<u>1,453</u>	<u>11,450</u>	<u>18,625</u>	<u>10,476</u>
NET CHANGE IN FUND BALANCES	(2,422)	16	31	170
FUND BALANCES:				
Beginning of year	<u>2,424</u>	<u>6,040</u>	<u>9,807</u>	<u>4,170</u>
End of year	<u>\$ 2</u>	<u>\$ 6,056</u>	<u>\$ 9,838</u>	<u>\$ 4,340</u>

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS (Continued)
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	<u>2004A</u>	<u>2005 B</u>	<u>2010 B</u>
REVENUE:			
Investment income	\$ 360	\$ 76	\$ 913
Other revenues	-	2	2,124
	<hr/>	<hr/>	<hr/>
Total revenue	360	78	3,037
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Debt Service - principal	9,485	14,615	6,885
Debt Service - interest	8,423	1,279	6,621
Other debt related costs	-	61	-
	<hr/>	<hr/>	<hr/>
Total expenditures	17,908	15,955	13,506
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,548)	(15,877)	(10,469)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfers in/(out) - CPF	-	-	-
Transfers in/(out) - GF	17,849	16,372	11,088
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	17,849	16,372	11,088
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	301	495	619
	<hr/>	<hr/>	<hr/>
FUND BALANCES:			
Beginning of year	7,675	9,150	20,611
	<hr/>	<hr/>	<hr/>
End of year	\$ 7,976	\$ 9,645	\$ 21,230
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

REGIONAL TRANSPORTATION AUTHORITY

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
DEBT SERVICE FUND ACCOUNTS (Continued)
YEAR ENDED DECEMBER 31, 2023
(In Thousands)**

	2016A	2017A	2018B	2021A	Total
REVENUE:					
Investment income	\$ 385	\$ 976	\$ 148	\$ 109	\$ 3,368
Other revenues	-	-	1	-	2,130
Total revenue	385	976	149	109	5,498
EXPENDITURES:					
Debt Service - principal	1,950	10,145	2,545	2,850	111,330
Debt Service - interest	3,761	7,437	5,864	2,471	66,733
Other debt related costs	-	-	-	-	61
Total expenditures	5,711	17,582	8,409	5,321	178,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,326)	(16,606)	(8,260)	(5,212)	(172,626)
OTHER FINANCING SOURCES (USES):					
Transfers in/(out) - CPF	154	-	1,285	144	1,583
Transfers in/(out) - GF	5,382	20,251	7,022	5,123	172,512
Total other financing sources (uses)	5,536	20,251	8,307	5,267	174,095
NET CHANGE IN FUND BALANCES	210	3,645	47	55	1,469
FUND BALANCES:					
Beginning of year	7,404	28,593	2,183	2,064	127,603
End of year	<u>\$ 7,614</u>	<u>\$ 32,238</u>	<u>\$ 2,230</u>	<u>\$ 2,119</u>	<u>\$ 129,072</u>

C. CAPITAL PROJECTS FUND

Capital Projects Fund Account:

Non-SCIP Bonds—to account for bond sale proceeds, investment income earned and related non-SCIP investment income capital grants made to the Service Boards as expenditures are incurred.

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE

CAPITAL PROJECTS FUND ACCOUNT

DECEMBER 31, 2023

(In Thousands)

	<u>Non-SCIP Bonds</u>
ASSETS:	
Cash and investments	\$ 39,966
Accrued interest	<u>3</u>
TOTAL ASSETS	<u><u>\$ 39,969</u></u>
LIABILITIES:	
Due to Service Boards	<u>\$ 3,781</u>
TOTAL LIABILITIES	3,781
FUND BALANCE:	
Committed-capital projects	<u>36,188</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 39,969</u></u>

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND ACCOUNT

YEAR ENDED DECEMBER 31, 2023

(In Thousands)

	<u>Non-SCIP Bonds</u>
REVENUES:	
Investment income	<u>\$ 1,503</u>
Total revenues	<u>1,503</u>
EXPENDITURES:	
Capital grants—bonds	<u>10,513</u>
Total expenditures	<u>10,513</u>
Deficiency of revenues over expenditures	<u>(9,010)</u>
OTHER FINANCING USES:	
Transfer out	<u>(1,584)</u>
Total other financing uses	<u>(1,584)</u>
NET CHANGE IN FUND BALANCE	(10,594)
FUND BALANCE:	
Beginning of year	<u>46,782</u>
End of year	<u><u>\$ 36,188</u></u>

**STATISTICAL SECTION
(UNAUDITED)**

CONTENTS

Financial Trends

(Tables 1, 2, 3, 4)

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

Revenue and Expense Capacity

(Tables 5, 6, 7)

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

Debt Capacity

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

Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2023 and a 10-year analysis of the debt service requirement to revenues and expenses. This schedule also discloses lease and subscription liabilities.

Demographic and Economic Information

(Tables 13, 14, 15)

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

Operating Information

(Tables 16, 17, 18)

Schedules in this section provide various statistics on passenger services offered by the service boards for fiscal year 2023, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last five years.

STATISTICAL SECTION (UNAUDITED)

TABLE 1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities—										
Net investment in capital assets	\$ 11,524	\$ 11,692	\$ 3,590	\$ 2,786	\$ 2,697	\$ 3,426	\$ 7,558	\$ 5,670	\$ 3,691	\$ 2,476
Restricted Net Position	16,203	15,535	-	313,657	212,862	178,078	403,249	116,445	105,977	109,067
Unrestricted Net Position	<u>(1,714,890)</u>	<u>(1,732,590)</u>	<u>(1,663,594)</u>	<u>(1,869,411)</u>	<u>(1,656,321)</u>	<u>(1,532,704)</u>	<u>(1,665,096)</u>	<u>(1,203,115)</u>	<u>(1,042,014)</u>	<u>(897,133)</u>
Total Net Position—										
Governmental Activities	<u>\$ (1,687,163)</u>	<u>\$ (1,705,363)</u>	<u>\$ (1,660,004)</u>	<u>\$ (1,552,968)</u>	<u>\$ (1,440,762)</u>	<u>\$ (1,351,200)</u>	<u>\$ (1,254,289)</u>	<u>\$ (1,081,000)</u>	<u>\$ (932,346)</u>	<u>\$ (785,590)</u>
Business-type activities—										
Unrestricted Net Position	<u>\$ 27,682</u>	<u>\$ 27,977</u>	<u>\$ 26,549</u>	<u>\$ 25,203</u>	<u>\$ 23,130</u>	<u>\$ 21,064</u>	<u>\$ 22,692</u>	<u>\$ 20,496</u>	<u>\$ 21,338</u>	<u>\$ 23,041</u>
Total Net Position—										
Business-Type Activities	<u>\$ 27,682</u>	<u>\$ 27,977</u>	<u>\$ 26,549</u>	<u>\$ 25,203</u>	<u>\$ 23,130</u>	<u>\$ 21,064</u>	<u>\$ 22,692</u>	<u>\$ 20,496</u>	<u>\$ 21,338</u>	<u>\$ 23,041</u>
Primary government—										
Net investment in capital assets	\$ 11,524	\$ 11,692	\$ 3,590	\$ 2,786	\$ 2,697	\$ 3,426	\$ 7,558	\$ 5,670	\$ 3,691	\$ 2,476
Restricted Net Position	16,203	15,535	-	313,657	212,862	178,078	403,249	116,445	105,977	109,067
Unrestricted Net Position	<u>(1,687,208)</u>	<u>(1,704,613)</u>	<u>(1,637,045)</u>	<u>(1,530,551)</u>	<u>(1,633,191)</u>	<u>(1,511,640)</u>	<u>(1,642,404)</u>	<u>(1,182,619)</u>	<u>(1,020,676)</u>	<u>(874,092)</u>
Total Net Position—										
Primary government	<u>\$ (1,659,481)</u>	<u>\$ (1,677,386)</u>	<u>\$ (1,633,455)</u>	<u>\$ (1,214,108)</u>	<u>\$ (1,417,632)</u>	<u>\$ (1,330,136)</u>	<u>\$ (1,231,597)</u>	<u>\$ (1,060,504)</u>	<u>\$ (911,008)</u>	<u>\$ (762,549)</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES:										
Governmental activities:										
Financial assistance to Service Boards	\$ 200,500	\$ 225,805	\$ 225,231	\$ 216,457	\$ 218,240	\$ 227,969	\$ 212,613	\$ 257,474	\$ 294,582	\$ 355,818
Administration capital grants										
Discretionary	254	631	207	583	1,238	472	1,007	897	179	-
Bonds	306,026	341,462	213,155	245,937	192,831	136,203	113,369	416,039	425,258	518,060
IDOT Capital Grant - PACE (ADA)	-	-	-	-	-	-	8,395	8,395	8,395	12,949
Administration of operating grant										
Innovation, Coordination & Enhancement (ICE)	27,440	57,061	48,287	30,112	35,030	32,838	11,716	14,949	15,974	16,598
Service board funding	-	-	-	-	-	-	12,826	8,710	48,852	20,141
Administrative expenses	17,002	16,079	20,342	19,270	18,759	16,629	16,842	21,284	20,615	20,903
Regional expenses	23,284	18,512	28,006	23,423	24,025	22,589	19,512	17,300	23,745	21,615
Technology program expenses	2,192	3,566	2,058	1,917	577	610	-	-	-	-
CTA loan write-off receivable	-	-	-	-	-	-	-	-	-	-
Interest expense	110,168	103,048	124,069	96,706	95,740	88,842	83,274	45,633	62,825	57,859
Total governmental activities	686,866	766,164	661,355	634,405	586,440	526,152	479,354	790,771	900,425	1,023,943
Business-type activities:										
Insurance financing	5,800	5,929	5,846	5,553	5,424	5,594	7,640	9,221	9,259	9,363
Total business-type activities	5,800	5,929	5,846	5,553	5,424	5,594	7,640	9,221	9,259	9,363
Total primary government expenses	\$ 692,666	\$ 772,093	\$ 667,201	\$ 639,958	\$ 591,864	\$ 531,746	\$ 486,994	\$ 799,992	\$ 909,684	\$ 1,033,306
REVENUES:										
General:										
Sales taxes	\$ 121,798	\$ 129,842	\$ 131,623	\$ 131,789	\$ 137,164	\$ 139,881	\$ 128,279	\$ 162,845	\$ 174,198	\$ 173,483
Interest on sales taxes	81	102	116	404	1,074	1,086	520	135	883	3,224
Service board funding	11,440	11,900	12,062	21,223	26,971	25,338	3,428	-	-	-
Innovation, Coordination & Enhancement (ICE)	-	-	-	-	-	-	11,716	14,949	15,974	16,598
IDOT Capital Grant - PACE (ADA)	-	-	-	-	-	-	8,395	8,395	8,395	32,536
Public Transportation Fund	470,815	217,930	250,906	217,972	215,739	225,469	212,608	257,474	294,582	313,128
General State Revenue	-	285,143	147,315	222,643	147,567	74,112	70,304	367,568	423,115	497,271
State assistance	130,219	86,882	130,234	130,222	129,681	129,474	127,025	127,274	125,797	117,369
Regional program reimbursement	3,352	10,341	11,483	8,633	7,038	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	22,784	-	6,181	22,584	-	-
Investment income	10,474	9,472	19,150	8,331	10,011	14,817	8,876	5,739	6,681	22,166
Other revenues	6,644	8,394	3,825	224	1,022	8,701	8,072	4,097	9,429	5,398
Transfers (out)	(6,328)	(6,180)	-	-	-	(3,164)	(9,139)	(7,000)	(9,975)	(10,474)
Total governmental activities revenues	748,495	753,826	706,714	741,441	699,051	615,714	576,265	964,060	1,049,079	1,170,699
Business-type activities:										
General:										
Investment income	38	44	53	151	352	364	129	25	126	582
Other revenues	-	-	-	-	-	-	-	-	-	10
Transfers in	6,328	6,180	4,365	4,056	2,999	3,164	9,139	7,000	9,975	10,474
Total business-type activities revenues	6,366	6,224	4,418	4,207	3,351	3,528	9,268	7,025	10,101	11,066
Total primary government revenues	754,861	760,050	711,132	745,648	702,402	619,242	585,533	971,085	1,059,180	1,181,765
Governmental activities:										
CHANGES IN NET POSITION (DEFICIT)	61,629	(12,338)	45,359	107,036	112,611	89,562	96,911	173,289	148,654	146,756
NET POSITION (DEFICIT):										
Beginning of year, as restated	(1,688,424)	(1,693,025)	(1,705,363)	(1,660,004)	(1,553,373)	(1,440,762)	(1,351,200)	(1,254,289)	(1,081,000)	(932,346)
End of year	(1,626,795)	(1,705,363)	(1,660,004)	(1,552,968)	(1,440,762)	(1,351,200)	(1,254,289)	(1,081,000)	(932,346)	(785,590)
Business-type activities:										
CHANGES IN NET POSITION (DEFICIT)	566	295	(1,428)	(1,346)	(2,073)	(2,066)	1,628	(2,196)	842	1,703
NET POSITION (DEFICIT):										
Beginning of year	38,708	39,274	27,977	26,549	25,203	23,130	21,064	22,692	20,496	21,338
End of year	39,274	39,569	26,549	25,203	23,130	21,064	22,692	20,496	21,338	23,041
Total primary government	\$ (1,587,521)	\$ (1,665,794)	\$ (1,633,455)	\$ (1,527,765)	\$ (1,417,632)	\$ (1,330,136)	\$ (1,231,597)	\$ (1,060,504)	\$ (911,008)	\$ (762,549)
CHANGE IN NET POSITION:										
Governmental activities	\$ 61,629	\$ (12,338)	\$ 45,359	\$ 107,036	\$ 112,611	\$ 89,562	\$ 96,911	\$ 173,289	\$ 148,654	\$ 146,756
Business-type activities	566	295	(1,428)	(1,346)	(2,073)	(2,066)	1,628	(2,196)	842	1,703
Total primary government	\$ 62,195	\$ (12,043)	\$ 43,931	\$ 105,690	\$ 110,538	\$ 87,496	\$ 98,539	\$ 171,093	\$ 149,496	\$ 148,459

STATISTICAL SECTION (UNAUDITED)

TABLE 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
Restricted ⁽¹⁾	16,203	15,535	-	197,227	91,458	62,970	-	-	-	-
Committed ⁽¹⁾	212,642	188,497	228,118	234,494	239,932	240,463	135,996	134,519	222,477	253,020
Assigned ⁽¹⁾	8,888	42,312	-	-	-	-	-	-	-	-
Unassigned ⁽¹⁾	4,443	3,455	(17,610)	(70,437)	(63,916)	(63,933)	112,542	90,646	43,036	48,934
Total general fund balances	<u>\$ 242,176</u>	<u>\$ 249,799</u>	<u>\$ 210,508</u>	<u>\$ 361,284</u>	<u>\$ 267,474</u>	<u>\$ 239,500</u>	<u>\$ 248,538</u>	<u>\$ 225,165</u>	<u>\$ 265,513</u>	<u>\$ 301,954</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted ⁽¹⁾	211,498	193,036	122,938	145,172	150,468	142,431	141,372	139,713	127,603	129,072
Committed ⁽¹⁾	177,283	111,005	120,443	98,972	220,633	153,967	110,057	59,854	46,782	36,188
Total all other governmental funds	<u>\$ 388,781</u>	<u>\$ 304,041</u>	<u>\$ 243,381</u>	<u>\$ 244,144</u>	<u>\$ 371,101</u>	<u>\$ 296,398</u>	<u>\$ 251,429</u>	<u>\$ 199,567</u>	<u>\$ 174,385</u>	<u>\$ 165,260</u>

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

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

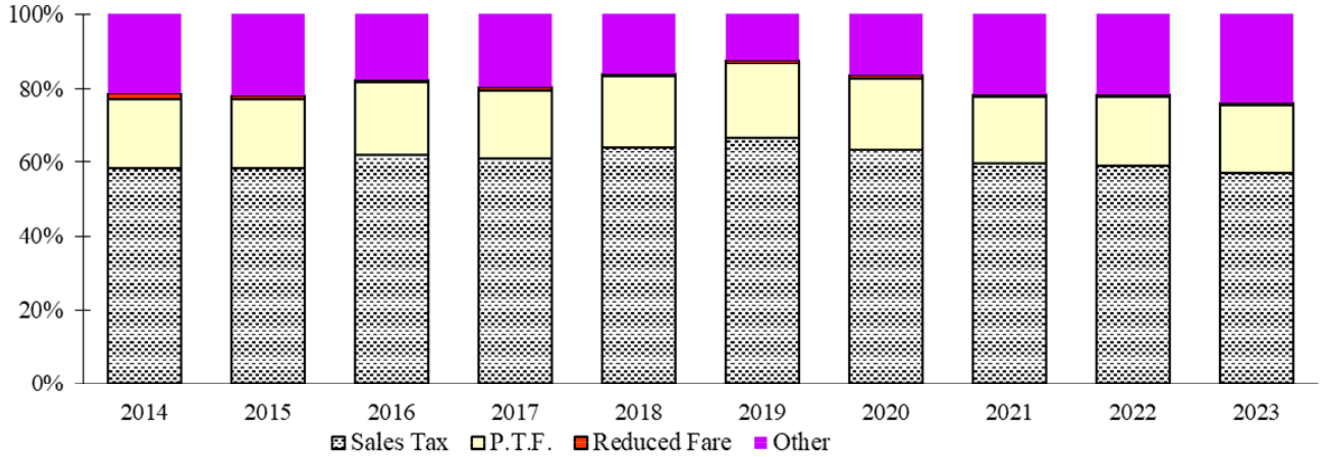
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES:										
Sales taxes	\$ 121,798	\$ 129,842	\$ 131,623	\$ 131,789	\$ 137,164	\$ 139,881	\$ 128,279	\$ 162,845	\$ 174,198	\$ 173,483
Interest on sales taxes	82	102	116	404	1,074	1,086	520	135	883	3,224
Public Transportation Fund	210,013	217,930	221,621	212,643	215,739	225,469	212,608	257,474	294,582	313,128
General State Revenue	245,298	285,143	147,314	222,643	147,567	74,112	70,304	367,568	423,115	497,271
Innovation, Coordination, & Enhancement (ICE)	11,439	11,900	12,062	12,070	12,539	12,764	11,716	14,949	15,974	16,598
IDOT State Grant - PACE (ADA)	8,500	8,395	3,825	3,825	7,975	8,395	8,395	8,395	8,395	32,536
Pace ADA 2012 Surplus Refund	7,004	-	29,285	5,328	6,457	4,179	-	-	-	-
State assistance	130,182	130,206	65,118	130,231	130,215	129,146	129,800	189,399	125,797	117,369
Intergovernmental	-	-	-	-	29,822	-	-	-	-	-
Investment income	13,761	13,819	15,769	8,331	10,011	14,817	8,876	5,739	6,681	22,166
CARES Act funding	-	-	-	-	-	-	6,181	22,584	-	-
Other revenues	7,847	8,187	10,403	14,185	1,022	8,701	11,500	4,097	9,429	5,398
Total revenues	755,924	805,524	637,136	741,449	699,585	618,550	588,179	1,033,185	1,059,054	1,181,173
EXPENDITURES:										
Financial assistance to Service Boards	200,500	225,805	225,231	216,457	218,240	227,969	212,613	257,474	294,582	355,818
Service board funding	-	-	-	-	-	-	1,898	-	41,216	20,141
Capital grants—discretionary	254	631	207	582	1,238	472	1,007	897	179	-
South Suburban Job Access Program - (PACE)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	-
Innovation, Coordination, & Enhancement (ICE)	11,439	11,900	12,062	12,770	12,538	12,760	11,716	14,949	15,974	16,598
State General Revenue MOU	96,988	-	14,337	689	560	-	-	-	-	-
IDOT Cap Grant - PACE (ADA)	8,500	8,395	3,825	3,825	7,975	8,395	8,395	8,395	8,395	12,949
Capital grants—bonds	149,259	337,549	208,679	244,756	192,511	135,371	112,790	416,039	425,258	518,060
RTA Capital grants—CTA	56,257	912	1,058	-	-	-	-	-	-	-
RTA Capital grants—Metra	3,522	3,002	3,418	1,181	320	833	579	-	-	-
PACE ADA Surplus	-	29,266	10,563	5,328	6,457	4,179	3,428	1,210	139	-
Administrative	16,192	17,085	16,433	15,504	16,240	16,007	15,447	17,567	15,129	19,154
Regional	22,817	22,373	21,581	25,101	24,088	23,195	19,512	17,390	23,745	21,688
Distribution to JSIF	-	-	4,365	4,056	2,999	-	-	-	-	-
Capital outlay	599	644	1,299	262	1,387	1,973	6,172	237	345	851
Debt service:										
Principal	443,737	100,610	432,635	413,870	471,295	180,070	271,470	270,360	128,854	111,330
Interest	115,246	110,432	108,599	107,965	102,598	98,869	91,465	79,507	72,567	66,733
Debt related costs	2,092	357	23,026	1,524	1,568	462	980	2,303	33	61
Total expenditures	1,134,902	876,461	1,094,818	1,061,370	1,067,514	718,055	764,972	1,093,828	1,033,916	1,143,383
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(378,978)	(70,937)	(457,682)	(319,921)	(367,929)	(99,505)	(176,793)	(60,643)	25,138	37,790
OTHER FINANCING SOURCES (USES):										
Issuance of refunding bonds	374,295	-	-	-	-	-	-	89,210	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(98,953)	-	-
Other financing sources (premium)	8,006	-	11,011	30,255	11,996	-	-	2,184	-	-
Debt issuance	-	-	346,720	441,205	389,080	-	150,000	-	-	-
Transfers out										
Capital Projects Fund	(7,211)	-	(6,459)	(599)	(9,141)	(10,900)	(4,432)	-	-	-
Debt Service Fund	-	(20,037)	(160,403)	(250,000)	-	-	-	-	(36)	(302)
General Fund	(306,029)	(216,754)	(373,934)	(319,792)	(318,077)	(259,764)	(215,342)	(360,792)	(194,348)	(182,683)
Capital Projects Fund	-	-	-	-	-	-	-	(663)	(1,401)	(1,584)
Transfers in										
Capital Projects Fund	-	37	-	-	-	-	-	663	1,401	1,584
Debt Service Fund	306,911	210,574	380,393	320,391	327,218	267,500	210,636	353,760	184,373	172,209
General Fund	-	20,000	160,403	250,000	-	-	-	-	36	302
Total other financing (uses) sources	375,972	(6,180)	357,731	471,460	401,076	(3,164)	140,862	(14,591)	(9,975)	(10,474)
NET CHANGE IN FUND BALANCES	\$ (3,006)	\$ (77,117)	\$ (99,951)	\$ 151,539	\$ 33,147	\$ (102,669)	\$ (35,931)	\$ (75,234)	\$ 15,163	\$ 27,316
Debt Service as a percentage of noncapital expenditures	49.34%	24.11%	49.52%	49.20%	53.86%	38.78%	47.85%	32.00%	19.49%	15.59%

STATISTICAL SECTION (UNAUDITED)

Table 5

RTA REVENUE BY SOURCE

2014-2023

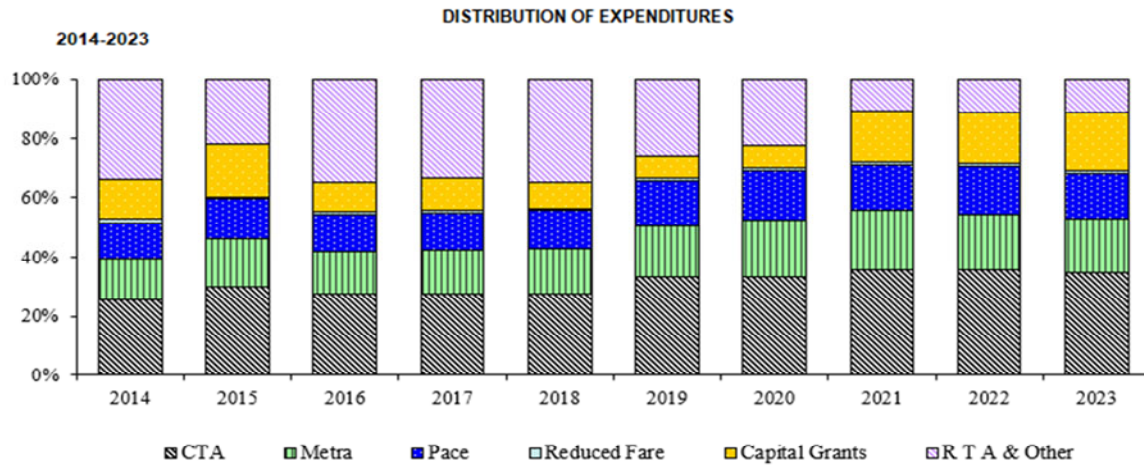


Last Ten Years

(In Thousands)

	Public Transportation				
	Sales Tax	Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/14	\$ 1,121,275	\$ 357,711	\$ 34,070	\$ 410,449	\$ 1,923,505
Percentage of Total	58.29%	18.60%	1.77%	21.34%	100%
12 Months Ended 12/31/15	1,169,268	376,897	17,570	443,582	2,007,317
Percentage of Total	58.25%	18.78%	0.88%	22.10%	100%
12 Months Ended 12/31/16	1,185,182	382,748	17,570	335,398	1,920,898
Percentage of Total	61.70%	19.93%	0.91%	17.46%	100%
12 Months Ended 12/31/17	1,185,986	362,647	17,570	380,963	1,947,166
Percentage of Total	60.91%	18.62%	0.90%	19.56%	100%
12 Months Ended 12/31/18	1,237,339	368,367	16,692	306,944	1,929,342
Percentage of Total	64.13%	19.09%	0.87%	15.91%	100%
12 Months Ended 12/31/19	1,254,161	381,989	17,570	233,541	1,887,261
Percentage of Total	66.45%	20.24%	0.93%	12.37%	100%
12 Months Ended 12/31/20	1,178,795	358,393	17,570	304,647	1,859,405
Percentage of Total	63.40%	19.27%	0.94%	16.38%	100%
12 Months Ended 12/31/21	1,468,807	437,268	17,570	535,752	2,459,397
Percentage of Total	59.72%	17.78%	0.71%	21.78%	100%
12 Months Ended 12/31/22	1,569,567	499,587	17,570	574,558	2,661,282
Percentage of Total	58.98%	18.77%	0.66%	21.59%	100%
12 Months Ended 12/31/23	1,611,296	521,111	18,317	675,567	2,826,291
Percentage of Total	57.01%	18.44%	0.65%	23.90%	100%

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



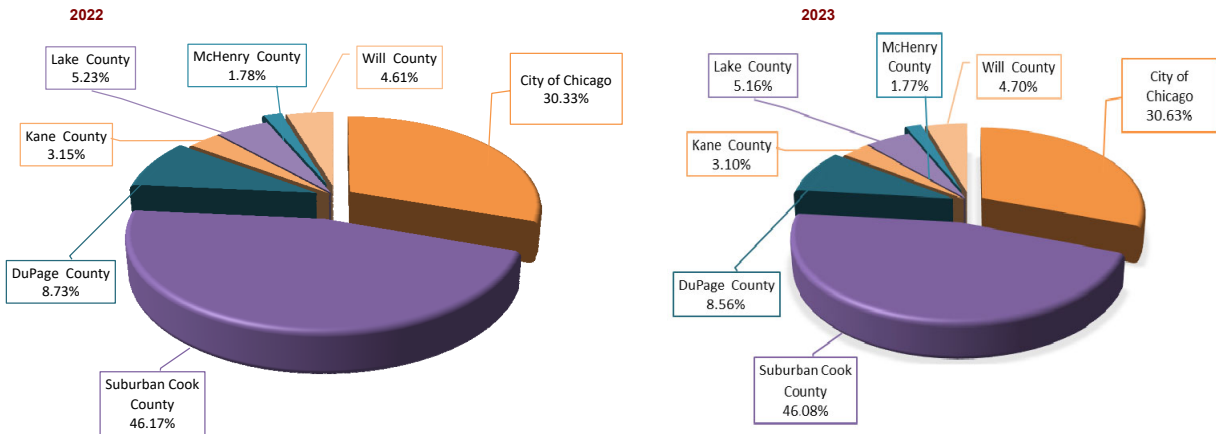
Last Ten Years

(In Thousands)

	Financial Assistance				Reduced Fare	Capital Grants	R T A and Other	Total
	CTA	Metra	Pace	Total				
12 Months Ended 12/31/14	\$ 597,363	\$ 322,518	\$ 268,657	\$ 1,188,538	\$ 34,070	\$ 314,780	\$ 785,469	\$ 2,322,856
Percentage of Total	25.72%	13.88%	11.57%	51.17%	1.47%	13.55%	33.81%	100%
12 Months Ended 12/31/15	631,806	337,773	283,751	1,253,330	17,570	379,755	458,601	2,109,256
Percentage of Total	29.95%	16.01%	13.45%	59.42%	0.83%	18.00%	21.74%	100%
12 Months Ended 12/31/16	642,155	336,898	287,674	1,266,728	17,570	242,086	806,311	2,332,695
Percentage of Total	27.53%	14.44%	12.33%	54.30%	0.75%	10.38%	34.57%	100%
12 Months Ended 12/31/17	630,467	339,865	288,253	1,258,585	17,570	256,362	758,542	2,291,059
Percentage of Total	27.52%	14.83%	12.58%	54.93%	0.77%	11.19%	33.11%	100%
12 Months Ended 12/31/18	650,167	352,502	303,207	1,305,876	16,692	209,061	819,100	2,350,729
Percentage of Total	27.66%	15.00%	12.90%	55.55%	0.71%	8.89%	34.84%	100%
12 Months Ended 12/31/19	666,766	355,446	307,272	1,329,484	17,570	149,249	524,696	2,020,999
Percentage of Total	32.99%	17.59%	15.20%	65.78%	0.87%	7.38%	25.96%	100%
12 Months Ended 12/31/20	606,757	347,126	299,038	1,252,921	17,570	138,313	408,815	1,817,619
Percentage of Total	33.38%	19.10%	16.45%	68.93%	0.97%	7.61%	22.49%	100%
12 Months Ended 12/31/21	776,857	438,818	332,812	1,548,487	17,570	376,964	235,129	2,178,150
Percentage of Total	35.67%	20.15%	15.28%	71.09%	0.81%	17.31%	10.79%	100%
12 Months Ended 12/31/22	858,359	462,619	394,215	1,715,193	17,570	422,066	271,934	2,426,763
Percentage of Total	35.37%	19.06%	16.24%	70.68%	0.72%	17.39%	11.21%	100%
12 Months Ended 12/31/23	897,834	480,427	398,773	1,777,034	18,317	520,495	291,019	2,606,865
Percentage of Total	34.44%	18.43%	15.30%	68.17%	0.70%	19.97%	11.16%	100%

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

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO



Last Ten Years

(In Thousands)

	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/14	\$ 343,832	\$ 521,593	\$ 97,995	\$ 33,208	\$ 62,156	\$ 19,964	\$ 45,249	\$ 1,123,997
Percentage of Total	30.59%	46.41%	8.72%	2.95%	5.53%	1.78%	4.03%	100%
12 Months Ended 12/31/15	363,131	541,214	100,795	34,482	62,705	20,385	46,555	1,169,267
Percentage of Total	31.06%	46.29%	8.62%	2.95%	5.36%	1.74%	3.98%	100.00%
12 Months Ended 12/31/16	368,589	546,376	102,966	35,476	63,521	20,801	47,453	1,185,182
Percentage of Total	31.10%	46.10%	8.69%	2.99%	5.36%	1.76%	4.00%	100%
12 Months Ended 12/31/17	365,311	548,955	103,254	36,047	63,041	20,976	48,403	1,185,987
Percentage of Total	30.80%	46.29%	8.70%	3.04%	5.32%	1.77%	4.08%	100%
12 Months Ended 12/31/18	380,082	572,126	105,460	37,452	64,929	21,507	50,455	1,232,011
Percentage of Total	30.85%	46.44%	8.56%	3.04%	5.27%	1.75%	4.10%	100%
12 Months Ended 12/31/19	390,709	580,259	107,848	37,876	62,748	21,895	52,826	1,254,161
Percentage of Total	31.15%	46.27%	8.60%	3.02%	5.00%	1.75%	4.21%	100%
12 Months Ended 12/31/20	319,612	554,640	102,676	37,302	61,586	21,400	53,942	1,151,158
Percentage of Total	27.76%	48.18%	8.92%	3.24%	5.35%	1.86%	4.69%	100%
12 Months Ended 12/31/21	429,301	693,634	127,919	46,466	75,601	26,670	69,216	1,468,807
Percentage of Total	29.23%	47.22%	8.71%	3.16%	5.15%	1.82%	4.71%	100%
12 Months Ended 12/31/22	476,052	724,659	137,054	49,468	82,051	27,864	72,418	1,569,566
Percentage of Total	30.33%	46.17%	8.73%	3.15%	5.23%	1.78%	4.61%	100%
12 Months Ended 12/31/23	499,478	751,449	139,631	50,494	84,234	28,918	76,679	1,630,883
Percentage of Total	30.63%	46.08%	8.56%	3.10%	5.16%	1.77%	4.70%	100%

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

STATISTICAL SECTION (UNAUDITED)

Table 8

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

Governmental Activities										
Fiscal Year	General Obligation Bonds^a	Working Cash Notes^a	Lease and Subscription	Unamortized Premiums	Total Primary Government	Percentage of Sales Tax		Percentage of Personal Income^b		Per Capita^b
2014	\$ 2,009,355	\$ 225,000		\$ -	\$ 2,234,355	50.31	%	0.36	%	17
2015	1,908,745	225,000		-	2,133,745	54.80		0.34		17
2016	1,897,830	150,000		-	2,047,830	57.88		0.31		16
2017	2,075,165	-		-	2,075,165	57.00		0.31		16
2018	1,842,950	150,000		121,378	2,114,328	58.52		0.29		17
2019	1,662,880	150,000		112,720	1,925,600	65.13		0.26		15
2020	1,691,410	-		105,348	1,796,758	65.61		0.23		14
2021	1,423,035	-		66,001	1,489,036	98.64		0.18		12
2022	1,295,734	-	1,595	57,749	1,355,078	115.83		0.16		11
2023	1,184,405	-	2,130	50,134	1,236,669	130.29		0.14		10

Note:

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

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

STATISTICAL SECTION (UNAUDITED)

Table 9

LEGAL DEBT CAPACITY

(In Thousands)

2023

Legal Debt Margin:	<u>Balance Outstanding at December 31, 2023</u>	<u>Issued</u>	<u>Working Cash Notes</u>	<u>Total</u>
Debt Limitation per Act for General Obligations				
Debt applicable to limitation :				\$ 800,000
Non-SCIP Bonds:				
2003B General Obligation Bonds	\$ 78,175			
2005B General Obligation Refunding Bonds	25,485			
2010B General Obligation Bonds	106,040			
2016A General Obligation Bonds	83,660			
2018B General Obligation Bonds	127,535			
2021A General Obligation Refunding Bonds	<u>83,595</u>			
Total RTA Bonds Applicable to Limitation	<u>504,490</u>			(504,490)
SCIP Bonds*:				
1992A General Obligation Bonds	-	188,000		
1993A General Obligation Bonds	-	55,000		
1994A General Obligation Bonds	-	195,000		
1994C General Obligation Bonds	-	62,000		
1999 General Obligation Refunding Bonds	22,180	-		
2000 General Obligation Bonds	107,715	260,000		
2001A General Obligation Bonds	43,945	100,000		
2002A General Obligation Bonds	77,600	160,000		
2003A General Obligation Bonds	135,505	260,000		
2004A General Obligation Bonds	144,935	260,000		
2017A General Obligation Bonds	<u>148,035</u>	<u>250,030</u>		
Total SCIP Bonds Applicable to Limitation		<u>\$ 1,790,030</u>		
Total SCIP Bonds Outstanding	<u>679,915</u>			
Total Bonds Outstanding	<u>\$ 1,184,405</u>			
Debt Margin for General Obligations				295,510
Debt Limitation per Act for Working Cash Notes			\$ 100,000	
Debt Margin for Working Cash Notes				<u>100,000</u>
Total Legal Debt Margin				<u>\$ 395,510</u>

*As of December 31, 2023, the RTA has issued \$1.8 billion in SCIP bonds, with total SCIP bonds outstanding of \$679.9 million and \$1.8 billion debt applicable to SCIP bond limitation.

STATISTICAL SECTION (UNAUDITED)

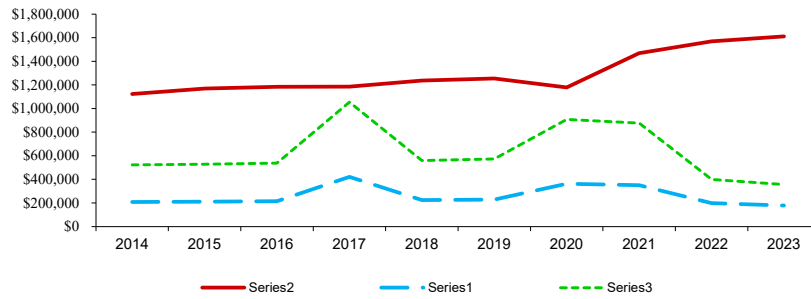
TABLE 10

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit for General Obligations	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 800,000
Total net debt applicable to limit	2,492,385	2,446,390	2,492,950	2,440,335	2,529,790	2,461,600	2,412,830	2,371,400	2,332,705	504,490
Debt margin for General Obligations	107,615	153,610	107,050	159,665	70,210	138,400	187,170	228,600	267,295	295,510
Debt limit for Working Cash Notes	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	100,000
Total net debt applicable to limit	225,000	225,000	150,000	300,000	200,000	150,000	150,000	-	-	-
	175,000	175,000	250,000	100,000	200,000	250,000	250,000	400,000	400,000	100,000
Legal debt margin	\$ 282,615	\$ 328,610	\$ 357,050	\$ 259,665	\$ 270,210	\$ 388,400	\$ 437,170	\$ 628,600	\$ 667,295	\$ 395,510
Total legal debt margin as a percentage of debt limit	9.42%	10.95%	11.90%	8.66%	9.01%	12.95%	14.57%	14.57%	22.24%	43.95%

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

2014 - 2023
(In Thousands)



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

Last Ten Years

(In Thousands)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales Tax Revenue	\$ 1,123,997	\$ 1,169,267	\$ 1,185,182	\$ 1,185,986	\$ 1,237,339	\$ 1,254,161	\$ 1,178,795	\$ 1,468,807	\$ 1,569,567	\$ 1,611,296
Debt Service Requirement	208,985	211,041	214,984	421,835	223,893	228,939	362,935	350,304	199,707	178,063
2.5 Times Debt Service Requirement	522,463	527,603	537,460	1,054,588	559,733	572,348	907,338	875,760	399,414	356,126

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

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

<i>Last Ten Years</i>				<i>(In Thousands)</i>	
Year	Debt Service Requirements			Total	Ratio of Debt Service to Total Expenditures
	Principal	Interest	Total	Expenditures	Expenditures
2014	\$ 93,740	\$ 115,245	\$ 208,985	\$ 2,322,856	9.00%
2015	100,610	110,431	211,041	2,109,256	10.01%
2016	106,385	108,599	214,984	2,332,695	9.22%
2017	313,870	107,965	421,835	2,291,059	18.41%
2018	121,295	102,598	223,893	2,350,729	9.52%
2019	130,070	98,869	228,939	2,020,999	11.33%
2020	271,470	91,465	362,935	1,817,619	19.97%
2021	357,585	82,249	439,834	2,617,435	16.80%
2022	127,300	72,407	199,707	2,426,763	8.23%
2023	111,330	66,733	178,063	2,606,865	6.83%

Table 13

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

Last Ten Calendar Years

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

(In Millions)

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Regional Transportation Authority
2014	533.43	317.02	161.55	54.86	-
2015*	1,034.69	826.16	161.32	47.21	-
2016	528.31	295.30	190.69	42.32	-
2017**	504.56	294.77	169.83	39.96	-
2018***	576.66	342.48	186.29	47.89	-
2019****	549.80	322.25	183.91	43.64	-
2020*****	524.24	303.96	178.35	41.93	-
2021*--	527.36	305.46	179.55	42.35	-
2022*---	734.03	422.72	252.98	58.33	-
2023	810.76	469.05	280.89	60.82	-
Total	\$ 6,323.84	\$ 3,899.17	\$ 1,945.36	\$ 479.31	\$ -

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

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

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

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

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

*****2020 includes reprogrammed federal formula funds: \$0.17M for Metra

*- -2021 data included reprogrammed federal formula funds: \$0.18M for Metra and \$0.21M for Pace for a total of \$0.39M

*- -2022 data includes

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

Fiscal Year	Population ¹	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate ²
2014	12,880,580	\$ 619,808,386	\$ 48,120	7.1%
2015	12,861,699	636,280,652	49,471	5.9%
2016	12,801,539	666,935,503	52,098	5.9%
2017	12,802,023	676,053,010	52,808	4.9%
2018	12,741,080	725,393,900	56,933	4.3%
2019	12,671,821	746,819,600	58,935	4.0%
2020	12,587,530	792,728,900	62,977	9.5%
2021	12,671,469	850,196,600	67,095	6.1%
2022	12,582,032	865,923,300	68,822	4.6%
2023	12,812,508	883,241,766	68,936	3.6%

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

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

**REGIONAL TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS**

	CURRENT YEAR			Employer ¹	Nine Years Ago		
	2023				2014		
Employer ¹	Employees	Rank	% of Total Regional Employment	Employer ¹	Employees	Rank	% of Total Regional Employment
United States Government	52,315	1	1.21%	United States Government	52,144	1	1.34%
Chicago Public Schools	43,285	2	1.00%	Chicago Public Schools	40,145	2	1.03%
Advocate Health System	38,679	3	0.90%	City of Chicago	30,197	3	0.77%
City of Chicago	30,918	4	0.72%	Cook County	21,057	4	0.54%
Amazon	30,100	5	0.70%	Advocate Health Care	16,710	5	0.43%
Northwestern Memorial Healthcare	25,388	6	0.59%	State of Illinois	15,400	6	0.40%
University of Chicago	22,315	7	0.52%	JP Morgan Chase & Co.	15,103	7	0.39%
Endeavor Health	20,251	8	0.47%	University of Chicago	15,029	8	0.39%
Cook County	19,797	9	0.46%	Walgreen Co.	14,528	9	0.37%
Walmart Inc.	17,400	10	0.40%	AT&T Inc.	14,000	10	0.36%
Total	300,448		6.98%		234,313		6.01%

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

⁽¹⁾ Crain's Chicago Business

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2023

<u>Chicago Transit Authority</u>		<u>Metra Commuter Rail Division*</u>		<u>Pace Suburban Bus Division</u>	
<u>Rapid Transit</u>		<u>Commuter Rail</u>		<u>Fixed Route Bus</u>	
• 8	rail lines	• 11	rail lines	• 134	regular routes
• 145	stations served	• 488	route miles	• 5	feeder routes
• 1,480	rapid transit cars	• 1,155	miles of track	• 0	shuttle routes
• 117.4	million riders per year	• 242	stations	• 498	vehicles in use during peak periods
• 1,719	STO* positions	• 176	locomotives	• 14.9	million riders per year
		• 861	diesel passenger cars	• 701	Pace-owned buses
<u>Motor Bus</u>		• 182	electric passenger cars	• 1,752	full-time employees
• 127	bus routes	• 582	weekday trains operated		
• 1,859	buses	• 31.9	million riders per year	<u>ADA Paratransit</u>	
• 161.7	million riders per year	• 4,489	full-time employees	• 446	Pace-owned lift-equipped vehicles in service
• 3,708	STO* positions	• 704.0	million passenger miles per year	• 2.9	million riders per year
<u>CTA Totals</u>		• 43.0	million vehicle revenue miles per year	• 48	full-time employees
• 0.5	billion rail passenger miles per year			<u>Demand-Response</u>	
• 296.8	million bus passenger miles per year			• 44	local services
• 119.4	million vehicle revenue miles per year			• 232	Pace-owned lift-equipped vehicles in service
• 4,869	Non-STO* positions			• 130	communities served
				• 0.7	million riders per year
*STO is scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.		*All data excludes NICTD South Shore		<u>Vanpool</u>	
				• 299	vanpool vehicles in operation
				• 0.5	million riders per year

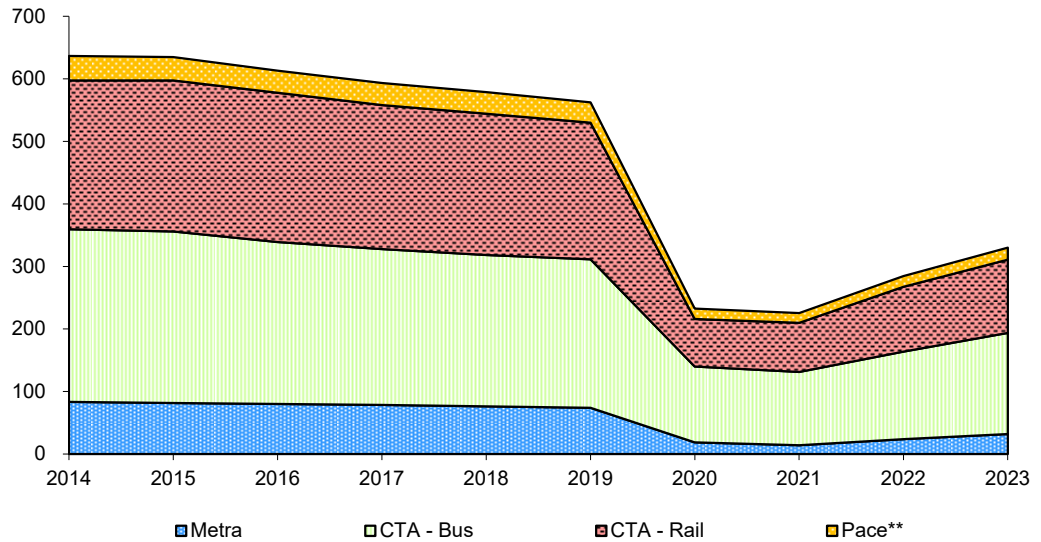
Source of data: Information obtained from the Service Boards, the NTD, and RTA records.

STATISTICAL SECTION (UNAUDITED)

Table 17

2014-2023
(In Millions)

System Ridership and Unlinked Passenger Trips



Last Ten Years

(In Millions)

Service Consumed:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
CTA - Bus	276.1	274.3	259.1	249.2	242.2	237.3	121.4	117.4	140.0	161.7
CTA - Rail	238.1	241.7	238.6	230.2	225.9	218.5	76.0	78.6	103.5	117.4
Total CTA*	514.2	516.0	497.7	479.4	468.1	455.8	197.4	196.0	243.5	279.1
Metra	83.4	81.6	80.1	78.6	76.2	74.0	18.6	13.9	23.8	31.9
Pace**	38.9	37.3	35.4	35.5	34.5	32.7	16.7	15.5	17.2	19.0
System Total	636.5	634.9	613.2	593.5	578.8	562.5	232.7	225.4	284.5	329.9
Percent Change	-4.4%	-0.3%	-3.4%	-3.2%	-2.5%	-2.8%	-58.6%	-3.1%	26.2%	16.0%

*CTA ridership includes rail-to-rail transfers.

**PACE ridership includes ADA Paratransit rides beginning in 2007.

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

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

Last Five Fiscal Years

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Executive Office	2	2	2	2	3
Communications (1)	2	4	3	5	6
Government Affairs (2)	3	3	2	3	5
Compliance, HR, and Legal (3)	15	14	15	17	17
Finance, Innovation and Technology (4)	26	25	23	24	26
Capital Programming and Planning (5)	23	22	23	23	22
Mobility Services (6)	25	23	19	22	21
Total	96	93	87	96	100

Notes

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

(2) The Government Affairs Department is responsible for development and promoting the RTA's federal, state, and local government affairs agenda for transit in the region.

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

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

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

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

Source: RTA HR records



Regional
Transportation
Authority

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