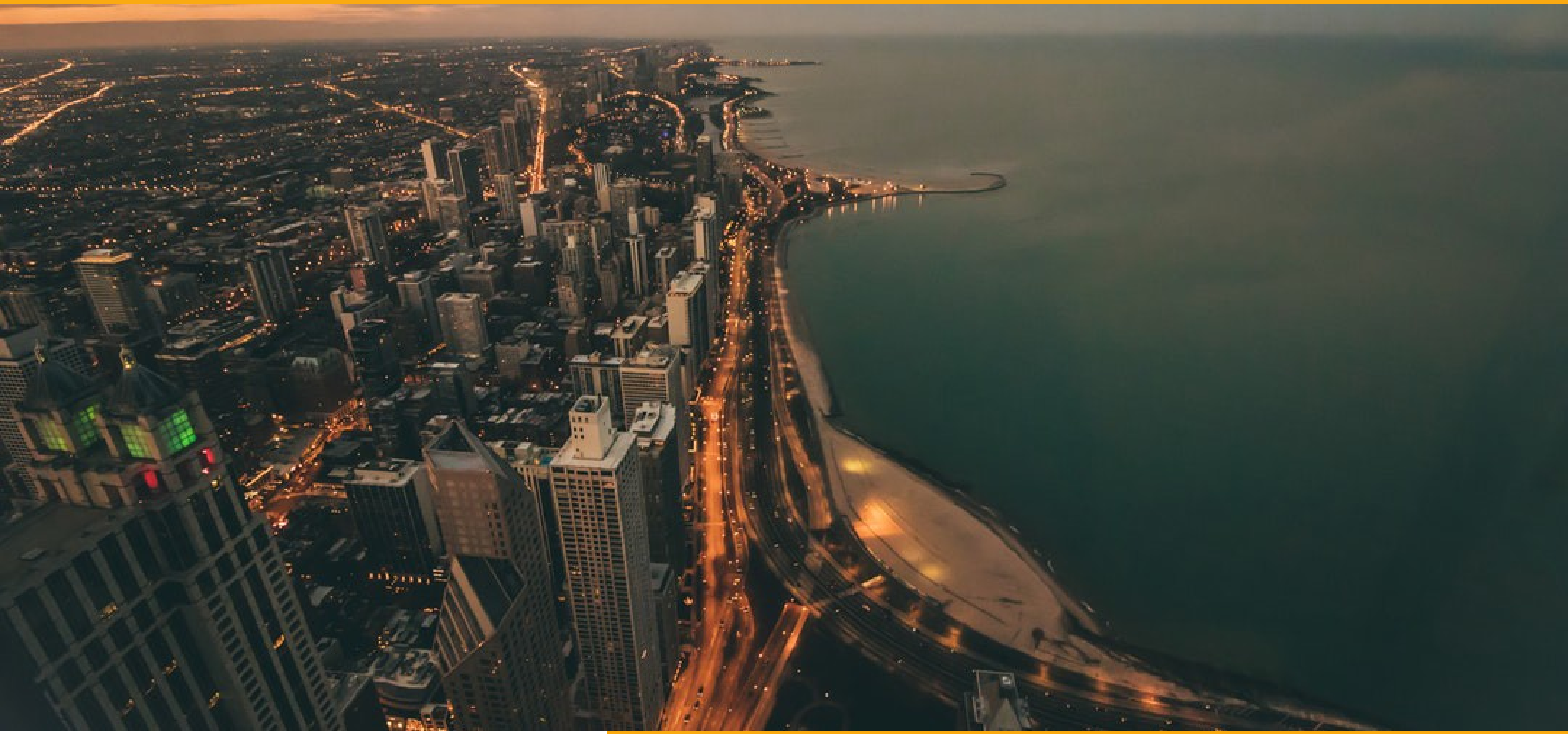
REGIONAL TRANSPORTATION AUTHORITY

NORTHEASTERN ILLINOIS



Regional Transportation Authority Pension Plan

(A Pension Trust Fund of the Regional Transportation Authority)

Annual Financial Report

Fiscal Year Ended December 31, 2020

Regional Transportation Authority
Pension Plan

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RSM US LLP

Independent Auditor's Report

To the Plan Administrator, the Trustees, and Retirement
Committee of the Regional Transportation Authority
Pension Plan, and the Board of Directors of the
Regional Transportation Authority
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying Statement of Fiduciary Net Position of the Regional Transportation Authority Pension Plan ("Plan"), a pension trust fund of the Regional Transportation Authority ("RTA"), as of and for the year ended December 31, 2020, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Regional Transportation Authority Pension Plan, Illinois, as of December 31, 2020, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements present only the Regional Transportation Authority Pension Plan and do not purport to, and do not, present fairly the financial position of the Regional Transportation Authority as of December 31, 2020, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information:
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-5) and the schedule of changes in net pension liability, schedule of net pension liability, schedule of investment returns and schedule of contributions (pages 19-21) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSM US LLP

Chicago, Illinois
June 29, 2021

Management's Discussion and Analysis

This section provides an overview and analysis of the basic financial statements of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") for the year ended December 31, 2020. We encourage readers to consider information in the financial statements and required supplementary information that follow this document.

Overview and Analysis of the Financial Statements

The RTA Pension Plan annual financial report consists of four parts – the independent auditor's report; management's discussion and analysis (this section); the financial statements, including notes to financial statements; and the required supplementary information. The basic financial statements of the Plan are the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position. These statements provide information about the nature and amount of investments available to pay the pension benefits of the Plan. The Statements of Changes in Fiduciary Net Position account for all additions to and deductions from the net position restricted for pension benefits. These statements measure the success of the Plan in increasing the net position available for pension benefits during the year.

Financial Highlights

- The Plan's net position at December 31, 2020 was $336.2 million
- Employer contributions of $18.4 million increased by $4.5 million from the prior year
- Benefit payments were $28.8 million, resulting in a $9.9 million increase from the prior year
- The total net investment gain was $34.3 million

2020

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position measure the value of plan net position and the changes to it. As of December 31, 2020, the plan net position increased to $336.2 million. The increase in net position of $23.4 million resulted from investment gains of $34.3 million and an increase in employer contributions of $4.5 million offset by an increase in benefit payments of $9.9 million.

2019

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position measure the value of plan net position and the changes to it. As of December 31, 2019, the plan net position increased to $312.8 million. The increase in net position of $42.7 million resulted primarily from investment gains of $48.3 million.

Plan Net Position — The following table summarizes the Plan's Statements of Fiduciary Net Position:

	2020	2019
Assets		
Cash and investments	$ 336,612,263	$ 312,992,180
Other receivables	127,382	33,716
Total assets	336,739,645	313,025,896
Liabilities		
Accrued expenses	386,335	193,148
Other liabilities	143,169	-
Total liabilities	529,504	193,148
Net position restricted for pensions	$ 336,210,141	$ 312,832,748

In 2020, the plan net position increased by 7.5% ($23.4 million). The increase is primarily due to a net investment gain of $34.3 million and an increase in employer contributions of $4.5 million offset by an increase in benefits of $9.9 million. In 2019, the plan net position increased by 16% ($42.7 million). The increase is primarily due to a net investment gain of $48.3 million.

Changes in Plan Net Position — The following table summarizes the Plan's Statements of Changes in Fiduciary Net Position:

	2020	2019
Additions:		
Employer contributions	$ 18,420,873	$ 13,884,605
Net investment income	34,307,917	48,256,234
Total net additions	52,728,790	62,140,839
Deductions:		
Benefit payments	28,754,157	18,886,167
Administrative expenses	597,240	532,946
Total deductions	29,351,397	19,419,113
Net increase (decrease) in net position restricted for pensions	$ 23,377,393	$ 42,721,726

In 2020, the Plan incurred a net investment gain of $34.3 million, compared to a gain of $48.3 million in 2019. In 2020, the net investment return decreased by $14.0 million from 2019. The decrease in net investment income in 2020 compared to 2019 was due to the market's continued upward trend at a pace that has slowed from 2019. The increase in contributions was due to the actuary's implementation of new assumptions based on a new plan experience study performed in 2020 and updated as of 1/1/2020. The increase in benefit payments is due to the fact that there were several long-term employees who retired in 2020 and requested lump sum payouts from the plan.

Plan Funding and Future Outlook

The Plan is a pre-funded plan which invests assets in order to meet the future obligations to plan members. The funded ratio of the Plan measures the ratio of fiduciary net position against the total pension liability and is an indicator of fiscal strength of the pre-funded pension fund's ability to meet the obligations of its members. An annual actuarial valuation is performed and the most recent valuation showed the funded status of 74.9%, a decrease of 11.1% from the previous year. The decrease is mostly attributable to the changes in the Plan's expected long-term rate of return from 7.5% to 6.0% which significantly increased the total pension liability in 2020.

Following the declaration of COVID-19 as a global pandemic by the World Health Organization ("WHO"), Illinois Governor J.B. Pritzker issued a Stay-at-Home order effective March 21, 2020 to slow the spread of the novel coronavirus. The impact of this and other COVID-19 mitigation efforts on the RTA system, which includes the RTA Pension Plan, was immediate and unprecedented. Transit ridership plunged to about 20% of normal as many companies adopted work-from-home arrangements, finishing the year with a decline of almost 60% from 2019. In addition to sharp fare revenue losses related to this lower ridership, the RTA and Service Boards experienced a collapse in public funding during the March through June period, with sales tax losses in excess of $100 million for the full year. The regional unemployment rate soared to 14.7% in April before improving and finishing the year at 8.1%. In response to the onset of the pandemic, the federal government passed the Coronavirus, Aid, Relief and Economic Security ("CARES") Act of 2020 which provided $1.438 billion of Federal Transit Agency ("FTA") relief funding for the RTA region. The RTA and Service Boards utilized almost $700 million of CARES Act funding in 2020 to keep public transportation service running throughout the six-county region. RTA anticipates an ongoing financial impact due to reduced ridership and fare revenues, as the travel patterns of some regional residents may have been changed permanently by the COVID-19 pandemic. Approximately $1.9 billion of additional federal relief funding to the RTA region was authorized by the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA") in late December 2020 and the American Rescue Plan Act ("ARPA") in March 2021. Staff continues to analyze the impact of COVID-19 on the RTA's position, the RTA Pension Plan's position and the position of each of the three Service Boards as the RTA's COVID Recovery Strategy is executed in 2021 and beyond.

Contacting the Financial Management of the RTA Pension Plan

This financial report provides a general overview of the net position of the Regional Transportation Authority Pension Plan. Users of this report should address questions concerning the information contained herein, or requests for additional financial information, to the Regional Transportation Authority, 175 West Jackson Blvd., Suite 1650, Chicago, Illinois 60604.

Regional Transportation Authority
Pension Plan

Statement of Fiduciary Net Position
December 31, 2020

Assets	
Cash and cash equivalents	$ 5,600,057
Investments, at fair value	
Corporate fixed income mutual fund	61,972,134
Collective equity funds	29,146,293
Common stocks	43,927,608
Real estate funds	24,299,490
Private equity funds	8,848,012
Hedge funds	10,238
Commingled funds	162,808,431
Total investments	331,012,206
Receivables	
Accrued interest	150
Accrued dividends	8,605
Pending investment sales	118,627
Total receivables	127,382
Total assets	336,739,645
Liabilities	
Accrued expenses	386,335
Other liabilities	33,300
Pending investment purchases	109,869
Total liabilities	529,504
Net position restricted for pensions	$ 336,210,141

See Notes to Financial Statements.

Regional Transportation Authority
Pension Plan

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2020

Additions:	
Investment gain	
Net appreciation in fair value of investments	$ 30,730,401
Interest and dividends	4,284,264
Total investment income	35,014,665
Less investment expenses	(706,748)
Net investment income	34,307,917
Contributions:	
Employer contributions	18,420,873
Total additions	52,728,790
Deductions:	
Benefit payments	28,754,157
Administrative expenses	597,240
Total deductions	29,351,397
Change in net position	23,377,393
Net position - beginning of year	312,832,748
Net position - end of year	$ 336,210,141

See Notes to Financial Statements.

Note 1. Description of the Plan

The following description of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General—The Plan, which became effective July 1, 1976, is a governmental, cost-sharing multiple-employer, defined benefit pension plan. The Plan is considered a multiple-employer plan with regard to financial reporting requirements, but not under the Internal Revenue Code ("IRC"). The Plan has three participating employers and covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions ("Metra" and "Pace", respectively), collectively referred to hereinafter as the Employers, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board"). The Plan's Board of Trustees consists of seven members, including three employee trustees, made up of one employee member from each of the three employer entities and four non-employee trustees, whom are appointed by the RTA Board.

The Plan is a pension trust fund sponsored by the RTA and has no component units.

The financial statements present only the Regional Transportation Authority Pension Plan and do not purport to, and do not, present fairly the financial position of the Regional Transportation Authority as of December 31, 2020, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is subject to certain qualified retirement plan provisions of the IRC.

Participation—Employees are eligible for participation on the first day of the month coincident with or next following their date of employment. At January 1, 2020, the number of participants was:

Inactive plan members (or their beneficiaries) currently receiving benefits	874
Inactive plan members entitled to but not yet receiving benefits	496
Active plan members	1,226
Total	2,596

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally 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 equals eighty-five or higher (known as "Rule of Eighty-Five Early Retirement").

Note 1. Description of the Plan (Continued)

The Plan provides for benefit payments to beneficiaries subject to the election of the participant. In addition, the lump sum payment form is no longer an optional form of payment for participants that have not earned credited service prior to January 1, 2011. This change did not affect the valuation results.

***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 normal method.

For the purpose of determining contributions, the Plan uses an asset smoothing method which smooths asset gains and losses over a 5-year period. The minimum contribution is the sum of the normal cost and the 30-year amortization of the unfunded liability.

If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer.

The 2020 required contributions were determined as part of the January 1, 2020 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions at January 1, 2020 included (a) 7.5% for 2020 investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases ranging from 2.85% to 8.60% per year depending on age and service, attributable to seniority/merit, and (c) PUB-2010 Public Retirement Plans Mortality Tables with rates projected from 2010 using projection scale MP-2018. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of total payroll on a closed basis over 30 years.

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

***Subsequent Events*—**The Plan has evaluated subsequent events for potential recognition and/or disclosure through the date of this report noting no significant items were identified for reporting purposes.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation— The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Cash Equivalents—Cash equivalents consist of money market accounts with original maturities of three months or less.

Investments— Investments are reported at fair value. 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. Investments that do not have an established market are reported at net asset value; these include commingled funds, real estate funds, private equity funds and hedge funds. The alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of judgment.

Purchases and sales of securities are accounted for on the trade dates. For purposes of determining realized gains or losses on the disposal of investments, the average cost of investments sold, determined at the time of sale, is used.

Interest income is reported on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses—The RTA provides the Plan with certain administrative services, such as accounting and office facilities, at no cost to the Plan. Further detail relative to the Plan's administrative expenses is provided in Note 6.

Income Tax Status—The Internal Revenue Service ("IRS") has issued a letter of determination dated September 19, 2011, stating that the Plan was designed in compliance with Section 401(a) of the Internal Revenue Code ("Code"). The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes the Plan is currently designed and operated in compliance with the applicable requirements of the Code and is therefore exempt from federal income taxes under the provisions of Section 501(a) of the Code. As of December 31, 2020, an updated Determination Letter request is pending before the IRS.

Management's Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of plan assets available for benefits and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

Risks and Uncertainties—The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and those such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

Note 3. Investments

Investment Policy – The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the RTA Pension Plan Trustees. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the Trustee's adopted asset allocation policy as of December 31, 2020:

Asset Class	Target Allocation
Domestic Equity	28.0
Developed Foreign Equity	16.0
Emerging Markets Equity	15.0
Private Equity	4.0
Investment Grade Bonds	11.0
Long-Term Government Bonds	3.0
TIPS	3.0
High-Yield Bonds	3.0
Emerging Market Bonds (local)	2.0
Emerging Market Bonds (major)	2.0
Real Estate	8.0
Real Assets	5.0

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, 2020, 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.

Note 3. Investments (Continued)

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, 2020, the RTA's pension investments exposed to interest rate risk were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Mutual funds - fixed income	$ 61,972,134	118

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 Citigroup World Government Bond Index.

As of December 31, 2020, the credit ratings for RTA pension investments were as follows:

		Credit Rating (where available)		
Investment Type	Total Fair Value	Moody's	Standard & Poor's	Fitch
Mutual funds - fixed income	$ 61,972,134	NR	NR	NR

NR – Not rated

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA's pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA's pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. As of December 31, 2020, the pension fund did not have any investments in a single issuer which were greater than 5% of the Plan's investment portfolio.

Rate of Return – For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 3. Investments (Continued)

Fair Value Measurement

The Plan 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.

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 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.

Fixed income investments classified in Level 3 (if any) include valuations using significant unobservable inputs, valuations using proprietary information, inputs that cannot be corroborated by observable market data and securities valued with last trade date due to limited trading volume.

Alternative investments and commingled funds are measured at fair value using the Net Asset Value (NAV) per share as a practical expedient to fair value. Investments measured at NAV are not classified in the fair value hierarchy.

Note 3. Investments (Continued)

The following table summarizes the valuation of the Plan's investments by the fair value hierarchy levels as of December 31, 2020:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Fixed income investments				
Mutual funds - fixed income	$ 61,972,134	$ -	$ 61,972,134	$ -
Equity investments				
Common stock	43,927,608	43,927,608	-	-
Collective equity funds	29,146,293	29,146,293		-
Total equity investments	73,073,901	73,073,901	-	-
Total investments by fair value level	**$ 135,046,035**	**$ 73,073,901**	**$ 61,972,134**	**$ -**
Investment Measured at the Net Asset Value (NAV)				
Commingled funds - equity	$ 144,364,270			
Commingled funds - fixed income	18,444,161			
Real estate funds	24,299,490			
Private equity funds	8,848,012			
Hedge funds	10,238			
Total Investments measured at the NAV	195,966,171			
Total investments measured by fair value	**$ 331,012,206**			

Note 3. Investments (Continued)

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

Investments Measured at the Net Asset Value (NAV)

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled Funds[1]	$ 162,808,431	$ -	Daily	1 day
Real Estate Funds[2]	24,299,490	-	Quarterly - Biannually	30 days
Private Equity[3]	8,848,012	6,171,760	N/A	N/A
Hedged Funds[4]	10,238	-	Quarterly - Biannually	65 - 90 days
Total	$ 195,966,171	$ 6,171,760		

(1) *Commingled Funds* – There are four equity funds and one fixed income fund, which are considered commingled in nature. Each is 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 funds are classified as liquid real estate funds due to the open-end structure of the funds. Open-end funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.

(3) *Private Equity Funds* – Consisting of two private equity funds investing in secondary private markets with asymmetric risk/reward profiles, offering enhanced downside protection and meaningful upside optionality. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the life of the fund.

(4) *Hedge Funds* - This type invests in one hedge fund, in which managers employ bottom-up stock picking, seeking returns in excess of public markets. Some of these managers have the ability to employ dedicated exposure to a particular sector in which they exhibit expertise.

Note 4. Net Pension Liability

The components of the net pension liability at December 31, 2020, were as follows:

Fiscal Year Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability
2020	$ 448,832,997	$ 336,210,141	$ 112,622,856	74.91%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	2.85% to 8.60% including inflation
Investment Rate of Return	6.00%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	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.
Other Information	The actuarial assumptions used to calculate the GASB 67 and 68 Net Pension Liability were updated according to the experience study covering the period from January 1, 2013 to January 1, 2018 and the assumptions adopted by the Plan's Retirement Committee. The actuarial assumptions and the actuarial cost method used to calculate the GASB 67 and 68 Net Pension Liability remain unchanged from the prior actuarial valuation as of December 31, 2019, except for the conversion factors used to calculate future projected lump sum benefits in the actuarial valuation and the investment rate of return which was lowered from 7.5% to 6.0%.

Note 4. Net Pension Liability (Continued)

Long-term expected return on plan assets: The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the assumed rate of investment return is included in the actuarial valuation report as of January 1, 2020 and experience study for the period January 1, 2013 through January 1, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real arithmetic rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real arithmetic 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 December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.8%
Developed Foreign Equity	7.1%
Emerging Markets Equity	8.1%
Private Equity	9.1%
Investment Grade Bonds	1.8%
Long-Term Government Bonds	2.5%
TIPS	1.4%
High-Yield Bonds	4.2%
Emerging Market Bonds (local)	3.7%
Emerging Market Bonds (major)	3.9%
Real Estate	5.5%
Real Assets	7.0%

Single discount rate: - A single discount rate of 6.00% 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 6.00%. 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.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using a single discount rate of 6.00%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
$ 167,440,379	$ 112,622,856	$ 66,807,350

Note 5. Plan Termination

While it is the intent to maintain the Plan permanently, in the event the Plan terminates, the rights of all participants affected by such termination and their beneficiaries become vested to the extent of the assets then remaining.

Note 6. Administrative Expenses

The Plan's administrative expenses for the year ended December 31, 2020, consist of the following:

	Amount
Plan administration	$ 395,087
Legal	160,000
Audit	33,300
Other	8,853
Total administrative expenses	$ 597,240

REQUIRED SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Required Supplementary Information
Schedule of Changes in Net Pension Liability

Fiscal year ending December 31,	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	$ 9,434,358	$ 7,897,855	$ 7,672,619	$ 7,127,301	$ 6,692,541	$ 6,252,511	$ 6,284,525
Interest on the total pension liability	26,929,762	24,683,480	23,403,016	22,372,353	21,028,519	19,738,906	19,632,252
Changes of benefit terms	-	-	-	-	655,607	-	-
Difference in expected and actual total pension liability	8,724,366	2,045,630	3,592,890	2,105,957	5,508,647	6,131,683	-
Changes in assumptions	68,752,372	17,517,920	2,238,247	645,767	(388,675)	-	(2,545,057)
Benefit payments	(28,754,157)	(18,886,167)	(21,190,479)	(16,994,447)	(15,067,599)	(15,658,298)	(11,360,171)
Net change in total pension liability	85,086,701	33,258,718	15,716,293	15,256,931	18,429,040	16,464,802	12,011,549
Total pension liability—beginning	363,746,296	330,487,578	314,771,285	299,514,354	281,085,314	264,620,512	252,608,963
Total pension liability—ending (a)	$ 448,832,997	$ 363,746,296	$ 330,487,578	$ 314,771,285	$ 299,514,354	$ 281,085,314	$ 264,620,512
Plan fiduciary net position							
Contributions - METRA	$ 9,536,326	$ 6,883,779	$ 6,352,468	$ 5,745,866	$ 5,062,642	$ 39,848,577	$ 6,466,096
Contributions - PACE	6,095,031	4,530,458	4,173,155	3,788,251	3,479,971	33,844,343	5,579,076
Contributions - RTA	2,789,516	2,470,368	2,366,473	2,347,589	2,291,553	3,402,174	1,644,024
Pension plan net investment income	34,307,917	48,256,234	(18,014,317)	40,769,006	19,970,262	(9,100,344)	3,377,443
Benefit payments	(28,754,157)	(18,886,167)	(21,190,479)	(16,994,447)	(15,067,599)	(15,658,298)	(11,360,171)
Pension plan administrative expense	(597,240)	(532,946)	(472,675)	(470,445)	(466,519)	(406,616)	(456,151)
Net change in plan fiduciary net position	23,377,393	42,721,726	(26,785,375)	35,185,820	15,270,310	51,929,836	5,250,317
Plan fiduciary net position—beginning	312,832,748	270,111,022	296,896,397	261,710,577	246,440,267	194,510,431	189,260,114
Plan fiduciary net position—ending (b)	$ 336,210,141	$ 312,832,748	$ 270,111,022	$ 296,896,397	$ 261,710,577	$ 246,440,267	$ 194,510,431
Net pension liability - ending (a) - (b)	$ 112,622,856	$ 50,913,548	$ 60,376,556	$ 17,874,888	$ 37,803,777	$ 34,645,047	$ 70,110,081

Note to the Schedule of Changes in Net Pension Liability:
The Plan implemented GASB 67 in FY 2014. Information is not available prior to 2014. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

2020 Changes in assumptions - The actuarial assumptions used to calculate the GASB 67 and 68 Net Pension Liability remain unchanged from the prior GASB 67 and 68 valuation as of December 31, 2019, except for the conversion factor used to calculate future projected lump sum benefits in the actuarial valuation and a decrease in the investment rate of return to 6.00%.

2019 Changes in assumptions - The actuarial assumptions used to calculate the GASB 67 and 68 Net Pension Liability were updated according to the experience study covering the period from January 1, 2013 to January 1, 2018 and the assumptions, adopted by the Board, changed from the prior actuarial valuation as of December 31, 2018. A summary of the changes include decreasing the inflation rate to 2.50% from 2.75%, lowering the future salary increases from a range of 3.25% to 8.75% to 2.85% to 8.60%, and updating the mortality tables utilized from RP 2014 to Pub-2010.

Regional Transportation Authority
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Required Supplementary Information
Schedule of Net Pension Liability

Fiscal Year	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2020	$ 448,832,997	$ 336,210,141	$ 112,622,856	74.91%	$ 107,441,009	104.82%
2019	363,746,296	312,832,748	50,913,548	86.00%	103,276,538	49.30%
2018	330,487,578	270,111,022	60,376,556	81.73%	100,053,769	60.34%
2017	314,771,285	296,896,397	17,874,888	94.32%	93,950,500	19.03%
2016	299,514,354	261,710,577	37,803,777	87.38%	88,663,051	42.64%
2015	281,085,314	246,440,267	34,645,047	87.67%	83,485,618	41.50%
2014	264,620,512	194,510,431	70,110,081	73.51%	74,809,822	93.72%

Note to the Schedule of Net Pension Liability as of Fiscal Year-End:
The Plan implemented GASB 67 in FY 2014. Information is not available prior to 2014. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

Schedule of Investment Returns

Fiscal Year	Money Weighted Rate of Return
2020	11.3%
2019	18.0%
2018	-6.1%
2017	15.8%
2016	8.3%
2015	-4.8%
2014	1.8%

Note to the Schedule of Investment Returns:
The Plan implemented GASB 67 in FY 2014. Information is not available prior to 2014. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

Regional Transportation Authority
Pension Plan

Required Supplementary Information
Schedule of Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2020*	$ 17,121,000	$ 18,421,000	$ (1,300,000)	$ 107,441,009	17.15 %
2019*	12,585,000	13,885,000	(1,300,000)	103,276,538	13.44
2018*	11,592,000	12,892,096	(1,300,096)	100,053,769	12.89
2017*	10,582,000	11,881,706	(1,299,706)	93,950,500	12.65
2016*	9,534,000	10,834,166	(1,300,166)	88,663,051	12.22
2015*	13,599,000	77,095,000	(63,496,000)	83,486,000	92.34
2014	13,689,196	13,689,196	-	74,810,000	18.30
2013	14,795,180	14,795,180	-	70,634,459	20.95
2012	13,493,395	13,493,395	-	67,176,064	20.09
2011	12,547,000	12,547,000	-	66,490,058	18.87

*The three participating employers of the RTA Pension Plan made voluntary supplemental contributions of $1.3 million during plan fiscal year 2020, 2019, 2018, 2017 and 2016 as well as $63.5 million in 2015.

Notes to the Schedule of Contributions

Actuarial assumptions: The actuarially determined contribution for fiscal year 2020 was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	25 years, as of January 1, 2020
Asset Valuation Method	5 years smoothed market
Inflation	2.50%
Salary Increases	2.85% to 8.60% including inflation
Investment Rate of Return	7.50%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	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.