Special-Purpose Combining Financial Statements 2020 Report

Regional Transportation Authority
and Service Boards

Regional
Transportation
Authority

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

(See Independent Accountant's Compilation Report)

Prepared by:

Department of Finance, Innovation and Technology

Bea Reyna-Hickey, CFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional Transportation Authority

June 30, 2021

Board of Directors
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1650
Chicago, Illinois 60604

Dear Directors:

I have the pleasure to submit to you the Combining Financial Statements Report for the Regional Transportation Authority, the Chicago Transit Authority, the Commuter Rail Division and the Suburban Bus Division for the year ended December 31, 2020. This report fulfills the requirements of Section 4.05 of the RTA Act. This Report represents the operations of our transit system in the aggregate and not as individual components. It shows the magnitude of the resources on hand and in use for public transportation in the Northeastern Illinois Region.

The RTA's independent accountants have compiled the Combining Financial Statements Report. They have not subjected these statements to audit. The audited financial statements of each individual organization are available upon request. As always, the RTA staff acknowledges the commitment by the RTA Board and the Service Boards to fiscal responsibility, to ensure financially sound public transportation in northeastern Illinois.

Sincerely,

Bea Reyna-Hickey
Chief Financial Officer and
Senior Deputy Executive Director,
Finance, Innovation and Technology

RSM US LLP

Independent Accountant's Compilation Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

Management is responsible for the accompanying special-purpose financial statements of the Regional Transportation Authority and Service Boards, which comprise the special-purpose combining statement of net position as of December 31, 2020, and the related special-purpose combining statements of revenues and expenses and changes in net position, and special-purpose combining statement of cash flows for the year then ended, and the related notes to the special-purpose combining financial statements (collectively, the special-purpose combining financial statements), in accordance with the Regional Transportation Authority Act (Act) and for determining that the requirements of the Act is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the accompanying special-purpose combining financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these special-purpose combining financial statements.

We draw attention to Note 1 of the special-purpose combining financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the Regional Transportation Authority Act, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit certain disclosures relating to the Regional Transportation Authority and Service Board's participation in pension and other postemployment benefit (OPEB) plans included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Other Matter
The accompanying supplementary information and statistical information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special-purpose combining financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

RSM US LLP

Chicago, Illinois
June 30, 2021

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REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2020
(In Thousands)

	RTA Government - Wide	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
ASSETS:							
CURRENT ASSETS:							
Cash and investments:							
Cash and cash equivalents	$ 216,318	$ 123,994	$ -	$ -	$ -	$ -	$ 340,312
Unrestricted - cash and cash equivalents	-	42,451	90,432	62,479	-	-	195,362
Restricted - cash and investments	141,358	-	269,960	1,208	-	-	412,526
Unrestricted - investments	176,934	20	-	-	-	-	176,954
Receivables:							
Intergovernmental receivables	235,610	-	-	-	-	-	235,610
Grant projects	-	-	87,241	19,766	-	4,488	102,519
RTA financial assistance	-	209,178	81,386	74,603	-	75,067	290,100
Other receivables	-	316,031	9,033	4,534	-	-	329,598
Accrued interest on investments	72	-	-	-	-	-	72
Materials and supplies inventory	-	30,767	25,979	7,992	-	-	64,738
Prepaid expenses and other assets	5,228	6,067	7,432	4,349	-	-	23,076
Total current assets	775,520	728,508	571,463	174,931	-	79,555	2,170,867
Capital assets:							
Plant, property and equipment	20,858	12,863,388	8,309,314	809,660	-	-	22,003,220
Capital projects in progress	-	936,139	-	13,970	-	-	950,109
Less accumulated depreciation	(13,300)	(8,625,734)	(5,199,923)	(492,590)	-	-	(14,331,547)
Total capital assets	7,558	5,173,793	3,109,391	331,040	-	-	8,621,782
Other assets:							
Prepaid insurance bonds	2,088	708	-	-	-	-	2,796
Restricted cash and investments with Trustee	-	591,140	20,023	-	-	-	611,163
Total other assets	2,088	591,848	20,023	-	-	-	613,959
TOTAL ASSETS	785,166	6,494,149	3,700,877	505,971	-	79,555	11,406,608
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred loss on refunding	-	25,022	-	-	-	-	25,022
Pension related amounts	7,185	181,426	21,485	16,454	-	-	226,550
OPEB related amounts	130	-	10,825	927	-	-	11,882
TOTAL DEFERRED OUTFLOWS OF RESOURCES:	7,315	206,448	32,310	17,381	-	-	263,454
Total assets and deferred outflows of resources	$ 792,481	$ 6,700,597	$ 3,733,187	$ 523,352	$ -	$ 79,555	$ 11,670,062

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2020
(In Thousands)

		Service Boards			Combining Adjustments		
	RTA Government-Wide	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Debit	Credit	Total Combined
LIABILITIES:							
CURRENT LIABILITIES:							
Accrued expenses	$ 44,957	$ 595,653	$ 219,489	$ 57,856	$ -	$ -	$ 917,955
Accrued interest payable	25,332	18,815	-	-	-	-	44,147
Intergovernmental payables	123,385	-	-	-	79,555	-	43,830
Unearned revenues	1,999	-	9,952	3,163	-	-	15,114
Current portion of all long-term liabilities	120,986	299,699	-	1,200	-	-	421,885
Total current liabilities	316,659	914,167	229,441	62,219	79,555	-	1,442,931
LONG-TERM LIABILITIES:							
Long-term portion of general obligation bond, net	1,676,398	6,609,071	-	3,600	-	-	8,289,069
Other long-term liabilities	25,745	24,452	141,628	80,104	-	-	271,929
Total long-term liabilities	1,702,143	6,633,523	141,628	83,704	-	-	8,560,998
TOTAL LIABILITIES	2,018,802	7,547,690	371,069	145,923	79,555	-	10,003,929
DEFERRED INFLOWS OF RESOURCES:							
Deferred gain on refunding	4,227	-	-	-	-	-	4,227
Pension related amounts	967	22,008	6,048	5,741	-	-	34,764
OPEB related amounts	82	-	6,189	1,133	-	-	7,404
TOTAL DEFERRED INFLOWS OF RESOURCES	5,276	22,008	12,237	6,874	-	-	46,395
NET POSITION (DEFICIT):							
Invested in capital assets, net of related debt	7,558	2,318,323	3,109,391	326,240	-	-	5,761,512
Net position restricted for:							
Payment on obligations and others	403,249	131,191	-	1,200	-	-	535,640
Unrestricted (deficit)	(1,642,404)	(3,318,615)	240,490	43,115	1,577,576	1,577,576	(4,677,414)
TOTAL NET POSITION (DEFICIT)	$ (1,231,597)	$ (869,101)	$ 3,349,881	$ 370,555	$ 1,577,576	$ 1,577,576	$ 1,619,738

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

(Concluded)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020
(In Thousands)

	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
REVENUES:							
Service Boards operating revenues	$ -	$ 278,469	$ 144,030	$ 61,819	$ 745	$ -	$ 483,573
Sales taxes	128,279	-	-	-	-	1,216,905	1,345,184
Interest on sales taxes	520	-	-	-	-	-	520
Public Transportation Fund and state assistance	282,912	-	-	-	181,220	-	101,692
IDOT Capital Grant - PACE (ADA)	8,395	-	-	-	-	-	8,395
Innovation, Coordination & Enhancement (ICE)	11,716	-	-	-	11,716	-	-
Service board funding	3,428	-	-		-	-	3,428
State assistance (ASA/AFA)	127,025	-	-	-	-	-	127,025
Other intergovernmental revenues	6,181	-	-	-	-	-	6,181
Investment income	9,005	-	-	-	-	-	9,005
Program revenues and others	8,072	-	-	-	-	-	8,072
Total revenues	585,533	278,469	144,030	61,819	193,681	1,216,905	2,093,075
EXPENSES:							
Operating expenses	-	1,463,634	684,394	377,584	-	745	2,524,867
Depreciation	-	500,980	207,905	50,632	-	-	759,517
Financial assistance to Service Boards	212,613	-	-	-	-	212,613	-
Capital grants—discretionary	1,007	-	-	-	-	1,007	-
Capital grants—bonds	113,369	-	-	-	-	113,369	-
IDOT Capital Grant - PACE (ADA)	8,395	-	-	-	-	8,395	-
Innovation, Coordination & Enhancement (ICE)	11,716	-	-	-	-	11,716	-
Service board funding	12,826	-	-	-	-	12,826	-
Insurance (JSIF)	7,640	-	-	-	-	-	7,640
Administrative expenses	16,642	-	-	-	-	-	16,642
Regional expenses	19,512	-	-	-	-	-	19,512
Interest expense	83,274	-	-	-	-	-	83,274
Total expenses	486,994	1,964,614	892,299	428,216	-	360,671	3,411,452
OPERATING INCOME (LOSS)	98,539	(1,686,145)	(748,269)	(366,397)	193,681	1,577,576	(1,318,377)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	739,933	485,569	341,564	1,245,373	-	321,693
Interest expense on leasing transactions	-	(2,933)	-	-	-	-	(2,933)
Interest expense on bond transactions	-	(191,241)	-	-	-	-	(191,241)
Other public funding	-	518,108	-	7,410	-	-	525,518
Capital grants	-	635,252	368,221	75,040	138,522	-	939,991
Investment income	-	4,088	-	670	-	-	4,758
Total nonoperating revenue (expense)	-	1,703,207	853,790	424,684	1,383,895	-	1,597,786
CHANGE IN NET POSITION	98,539	17,062	105,521	58,287	1,577,576	1,577,576	279,409
NET POSITION (DEFICIT):							
Beginning of year	(1,330,136)	(886,163)	3,244,360	312,268	-	-	1,340,329
End of year	$ (1,231,597)	$ (869,101)	$ 3,349,881	$ 370,555	$ 1,577,576	$ 1,577,576	$ 1,619,738

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020
(In Thousands)

	RTA Joint Self-Insurance Fund	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Total Combined
CASH FLOWS FROM OPERATING ACTIVITIES:					
Fares received from passengers	$ -	$ 234,798	$ 137,436	$ 70,053	$ 442,287
Payments to employees	-	(1,084,465)	(506,988)	(161,351)	(1,752,804)
Payments to vendors	(9,142)	(259,730)	(189,255)	(233,413)	(691,540)
Other receipts and payments	-	51,080	(9,740)	2,859	44,199
Net cash used in operating activities	(9,142)	(1,058,317)	(568,547)	(321,852)	(1,957,858)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	9,139	1,198,967	587,413	329,340	2,124,859
Net cash provided by noncapital financing activities	9,139	1,198,967	587,413	329,340	2,124,859
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	-	-	-	-
Repayment of lease obligations	-	(12,723)	-	-	(12,723)
Increase in assets restricted for payment of leasehold obligations	-	-	-	-	-
Financial assistance—grant projects	-	567,571	274,932	53,888	896,391
Proceeds from issuance of bonds	-	388,289	-	-	388,289
Proceeds from line of credit - note purchase agreement	-	181,835	-	-	181,835
Proceeds from issuance of Transportation Infrastructure Finance and Innovation Act (TIFIA) bonds	-	35,688	-	-	35,688
Interest expense on bonds	-	(188,134)	-	(187)	(188,321)
Repayment of bonds payable	-	(72,885)	-	(1,200)	(74,085)
Proceeds from long-term liabilities					-
Repayment of line of credit - not purchase agreement	-	(179,800)	-	-	(179,800)
Repayment of Transportation Infrastructure Finance and Innovation Act (TIFIA) bonds		(1,552)	-	-	(1,552)
Repayment of other long-term liabilities	-	(10,887)	-	-	(10,887)
Payments for capital acquisition	-	(625,093)	(294,967)	(72,164)	(992,224)
Proceeds from the sale of property and equipment	-	127	-	-	127
Net cash provided by (used in) capital and related financing activities	-	82,436	(20,035)	(19,663)	42,738
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	118	3,993	891,465	856	896,432
Sales and purchases of investments, net	3,402	(222,344)	(897,599)	-	(1,116,541)
Net cash provided by (used in) investing activities	3,520	(218,351)	(6,134)	856	(220,109)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,517	4,735	(7,303)	(11,319)	(10,370)
CASH AND CASH EQUIVALENTS—Beginning of year	14,581	161,710	97,735	75,007	349,033
CASH AND CASH EQUIVALENTS—End of year	$ 18,098	$ 166,445	$ 90,432	$ 63,688	$ 338,663
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (7,640)	$ (1,686,145)	$ (748,269)	$ (366,397)	$ (2,808,451)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	-	500,980	207,905	50,632	759,517
Claims provision and settlement	-	-	10,889	-	10,889
Prepaid insurance	(1,590)	-	-	-	(1,590)
Due from general fund	88	-	-	-	88
Changes in current assets and liabilities	-	126,848	(39,073)	(6,088)	81,687
NET CASH USED IN OPERATING ACTIVITIES	$ (9,142)	$ (1,058,317)	$ (568,548)	$ (321,853)	$ (1,957,860)
AMOUNTS REPORTED IN THE STATEMENT OF NET POSITION:					
Cash	$ 18,098	$ -	$ -	$ -	$ 18,098
NONCASH INVESTING AND FINANCING ACTIVITIES:					
Accretion of interest on lease/leaseback obligation	$ -	$ -	$ -	$ -	-
Recognition of leasing proceeds	-	-	-	-	-
Retirement of fully depreciated capital assets	-	20,128	-	-	20,128
Purchases of capital assets in accounts payable at year-end	-	106,289	36,811	-	143,100
Unbilled work in progress	-	287,081	-	-	287,081
RTA operating assistance not received	-	209,178	-	-	209,178
Bonds refunded with proceeds going direclty to escrow agents	-	513,611	-	-	513,611
NET NONCASH INVESTING AND FINANCING ACTIVITIES	$ -	$ 1,136,287	$ 36,811	$ -	$ 1,173,098

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

NOTE 1. PRESCRIBED BASIS FOR REPORTING

The accompanying special purpose combining financial statements are presented as required by the Regional Transportation Authority (RTA) Act (Act) and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America. These financial statements combine the assets, liabilities, net position, revenues and expenses of the RTA and the Service Boards (CTA, Metra and PACE). The special purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America (GAAP) primarily due to a different entity perspective and due to the omission of significant disclosures. The RTA and each individual Service Board receive a separate audit of their financial statements in accordance with accounting principles generally accepted in the United States of America. These individual statements are prepared in accordance with GAAP and include all required footnote disclosures.

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

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

NOTE 2. ORGANIZATIONAL STRUCTURE

RTA

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

The Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA system as a whole achieves annually a "system-generated revenues recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50% of the cost of transportation services. The Service Boards achieve their required recovery ratios by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA is responsible for monitoring the budgets and financial performance of the Service Boards.

NOTE 2. ORGANIZATIONAL STRUCTURE (Continued)

CTA

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

Metra

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

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

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

Pace

The Regional Transportation Authority Act, as amended effective November 9, 1983, established a Suburban Bus Division Board empowered to operate bus service serving suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry and Will.

On July 29, 2005, the governor signed House Bill 1663 making Pace Suburban Bus the sole provider of all ADA (Americans with Disabilities Act) services in the City of Chicago and the surrounding six counties. The Bill states that Pace becomes the official operator of CTA's ADA services on July 1, 2006.

The Suburban Bus Board determines the level, nature and kind of public bus transportation services that should be provided in the suburban region. Independent operations of the Suburban Bus Division (Pace) commenced July 1, 1984, and after June 30, 2006 for ADA service in the entire RTA region. In January 2008, Public Act 95-0708 was passed which addressed the financial crisis for transit and provided additional funding for both Suburban and ADA services.

NOTE 2. ORGANIZATIONAL STRUCTURE (Continued)

Pace operates suburban bus services in Northeastern Illinois using rolling stock and structures and equipment purchased through capital grants funded by the Federal Transit Administration (FTA), the Illinois Department of Transportation (IDOT), the Regional Transportation Authority (RTA) and Pace's own funds.

Reporting Periods

The RTA, CTA, Metra and Pace (the Combined Entities) all report on a calendar-year basis. All statements enclosed herewith are based on each entity's December 31, 2020, year-end.

NOTE 3. REPORTING ENTITY

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's (GASB) Statement No. 14 (Statement No. 14), *The Financial Reporting Entity* and GASB Statement No. 61 (Statement No. 61), *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

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

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

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

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

2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.

3) The primary government is obligated in some manner for the other component unit's debt.

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

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

NOTE 3. REPORTING ENTITY (Continued)

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

- The Service Boards maintain separate management, exercise control over all operations (including the fare structures), and are accountable for fiscal matters, including ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA.

- The Illinois statutes require the RTA Board to approve the budgets of the Service Boards to determine if such budgets meet specified system-generated revenue recovery ratios and other requirements as defined by the Act.

- The RTA is not entitled to any Service Board surplus or responsible for any Service Board deficit.

Based on these factors and applying the aforementioned criteria used to determine financial accountability, management of the RTA does not consider the Service Boards to be component units and, accordingly, the financial data of the Service Boards have been excluded from the RTA reporting entity. They are combined, however, in these Combining Financial Statements. Section 4.05 of the RTA Act requires that the RTA prepare a report combining "the audits of the Service Boards, and reviewing the state of the Authority, the Service Boards, and the public transportation agencies."

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant policies:

***Basis of Accounting*—**The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues if collected by the retailers by year-end. Grants and similar items are recognized as revenues when qualifying expenditures have been incurred and as soon as all eligibility requirements imposed by the grantors have been met. Prepaid expenses are recorded using the consumption method.

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

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources— are a consumption (outflow) or acquisition (inflow) of net position by the government that are applicable to a future reporting period.

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

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

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

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

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

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).

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2020, the reduced amount of sales tax provided to the RTA and Service Boards was approximately $61.8 million.

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

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

While the RETT and the 25% PTF match of RETT funds only the CTA, the largest part of P.A. 95-0708 revenue provides funding for CTA, Metra, Pace and ADA Paratransit operations, as well as for regional innovation, coordination and enhancement (ICE) and suburban community mobility (SCMF) initiatives. Funds for ADA Paratransit, ICE and SCMF are by statute set aside before distributions to the CTA, Metra and Pace.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Reduced Fare Reimbursement— In the State's fiscal year 2020, which ends June 30, 2020, 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, 2020, the grant was in the amount of $17.6 million.

Additional State Assistance/Additional Financial Assistance—The State has authorized Additional State Assistance (ASA) which is supplemental financing for the RTA's Strategic Capital Improvement Program (SCIP) bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP I bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP I bonds, less interest earned on the unspent bond proceeds, or (ii) $55 million per year. The RTA recognized $40 million of ASA in 2020.

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 2020 and 2021, per year. The RTA recognized $87 million of AFA in 2020.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to $27.6 million for the year ended December 31, 2020.

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

Cash Flows—For purposes of the statement of cash flows for proprietary funds, the RTA considers all short-term securities with original maturities of three months or less to be cash equivalents. Cash and cash equivalents aggregated $18 million at December 31, 2020 and are included in cash and cash equivalents under business-type activities on the accompanying statement of net position.

Management's Use of Estimates—The preparation of financial statements in conformity with the Act requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates reported.

Implementation of New Accounting Standards-

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement was effective immediately upon issuance in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

During fiscal year 2020, the Authority and the service boards adopted the following GASB Statements:

GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary re-sources. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The most significant impact of the implementation reclassified the RTA's Sales Tax Agency Fund (Agency Fund) to the Sales Tax Custodial Fund (Custodial Fund) in 2020. This reclassification adds a Statement of Changes in Fiduciary Net Position for the Sales Tax Custodial Fund which can be found on the RTA Annual Comprehensive Financial Report, the implementation did not result in a restatement of opening net position.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. It also requires that additional essential information related to debt be disclosed in the notes to the financial statements. The impact of the implementation of this statement resulted in the expansion of debt disclosures within the RTA and CTA annual comprehensive financial reports.

GASB Statement No. 90, *Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. There was no impact to the current year financial statements.

Accounting standards that the Authority and the service boards are currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 87, *Leases*, will be effective for the District with its year ended December 31, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

GASB Statement No. 91, *Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective date for this Statement by one year.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 92, *Omnibus 2020.* The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will be effective for the District with its year ended December 31, 2021. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address this and other accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the District with its year ended 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 pro-vide 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 ex-change-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.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, will be effective for the District with its year ended 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.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will be effective for the District with its year ended December 31, 2022. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain de-fined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance,

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for bene-fits provided through those plans.

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

NOTE 5. BUDGET AND BUDGETARY ACCOUNTING

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

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

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.

NOTE 5. BUDGET AND BUDGETARY ACCOUNTING (Continued)

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

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

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

NOTE 6. CAPITAL LEASE OBLIGATIONS

CTA

Capital Lease – 2008 Bus Lease: During 2008, the CTA entered into a lease-purchase agreement to finance the purchase of 150 sixty-foot New Flyer articulated hybrid buses and certain related parts and equipment with a book value of $1.9 million and $13.6 million at December 31, 2020 and 2019, respectively. The terms of the 2008 agreement allow CTA to lease the buses for 12 years and retain ownership at the conclusion of the lease. Lease payments are due every June 1 and December 1 of each year. During 2013, CTA terminated the 2008 agreement and entered into a 2013 lease-purchase agreement with the same term and reduced rental payments. A deferred loss on refunding of $3.2 million was recorded at the time of the 2013 transaction. The remaining unamortized loss of $30 thousand is recorded as deferred outflows of resources as of December 31, 2019. There is no unamortized loss remaining as of December 31, 2020. The present value of the future payments to be made by the CTA under the lease of approximately $6.5 million is reflected in the accompanying December 31, 2019 Statements of Net Position, as a capital lease obligation. No capital lease obligation is reflected as of December 31, 2020.

This lease contains a provision that in the event of a termination event, the total amount of unpaid principal and accrued interest become due immediately or Lessor can demand return or repossess the buses as defined in the Lessor Remedies Upon Termination Event section.

Capital Lease – Public Building Commission: In 2003, the Public Building Commission of Chicago (PBC) issued revenue bonds for the benefit of the CTA in the amount of $119 million. The bonds were issued to pay costs associated with the acquisition of real property and construction of a building, and facilities, including certain furniture, fixtures, and equipment. The real property, building and facilities, and all furniture, fixtures, and equipment are owned by the PBC and leased to the CTA for use as its headquarters. On October 26, 2006, the Public Building Commission of Chicago (PBC) issued Building Refunding Revenue Bonds for the benefit of the CTA in the amount of $91.3 million. The proceeds of the bonds were used to advance refund the Public Building Commission of Chicago, Series 2003 bonds. The principal amount of the bonds refunded was $111.1 million.

NOTE 6. CAPITAL LEASE OBLIGATIONS (Continued)

The proceeds from the sale of the 2006 bonds are being held in escrow under an escrow refunding agreement and have been invested in United States Treasury obligations. The principal amount of such obligations, together with interest earned thereon, will permit the payment of principal and interest on the refunded bonds up to an including their respective call dates. The refunded bonds are treated in the financial statements as defeased obligations. Accordingly, neither the trust account assets nor the refunded bonds appear in the accompanying financial statements. This refunding decreased annual debt service payments over 27 years by approximately $388 thousand resulting in an economic gain of approximately $20.4 million. Based upon the requirements of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Accounts*, the CTA recorded a deferred amount (loss) on refunding of $2.4 million. The remaining unamortized portion of $305 thousand and $418 thousand are recorded as deferred outflows of resources in the accompanying Statements of Net Position as of December 31, 2020 and 2019, respectively.

The bonds are payable from and secured by the lease entered into between the Commission and the CTA and are considered a general obligation of the CTA payable from any lawfully available funds. The bond premium related to this transaction is presented as such on the Statements of Net Position. The present value of the future payments to be made by the CTA under the lease of approximately $58.3 million and $61.4 million is reflected in the accompanying December 31, 2020 and 2019 Statements of Net Position, respectively, as a capital lease obligation.

Change in Capital Lease Obligations: Changes in capital leases for the year ended December 31, 2020, are as follows (in thousands of dollars):

2020	Beginning Balance	Additions	Principal Paid	Ending Balance	Interest Paid	Due in One Year
2008 Bus Lease	$ 6,472	$ -	$ (6,472)	$ -	$ -	$ -
2006 PBC Lease	61,395	-	(3,065)	58,330	3,122	3,225
Total capital lease obligation	$ 67,867	$ -	$ (9,537)	$ 58,330	$ 3,122	$ 3,225

NOTE 6. CAPITAL LEASE OBLIGATIONS (Continued)

Future Minimum Lease Payments: As of December 31, 2020, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

Year Ending December 31	Amount
2021	$ 3,225
2022	3,390
2023	3,565
2024	3,760
2025	3,960
2026-2030	23,250
2031-2033	17,180
Total future minimum payments	58,330
Less interest	-
Present value of minimum lease payments	$ 58,330

NOTE 7. COMMITMENTS AND CONTINGENCIES

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

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

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

CTA

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

Defeased Debt: On October 26, 2006, the PBC issued Building Refunding Revenue Bonds for the benefit of the CTA for $91.3 million. The proceeds of the bonds were used to advance refund the Public Building Commission of Chicago, Series 2003 bonds. The outstanding balance of the defeased debt as of December 31, 2020 and 2019 was $27.3 million and $35.5 million, respectively.

NOTE 7. COMMITMENTS AND CONTINGENCIES (Continued)

On July 10, 2018, the Chicago Transit Authority entered into a tax-exempt Note Purchase Agreement (NPA) with Bank of America, N.A. in a not-to-exceed amount of $150 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and the Intergovernmental Ground Transportation Tax Agreement (GTT IGA) dated January 25, 2018, and may be drawn upon at any time for 2018 Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the daily LIBOR rate. The Notes have an initial commitment expiration date of July 10, 2020, which was extended to September 30, 2021.

This line of credit contains a provision that in the event of default the obligation is to become immediately due and payable in full as the result of acceleration as defined in the Events of Default section.

The principal of outstanding Notes was $104.5 million as of December 31, 2020. The unused line of credit was $45.5 million as of December 31, 2020.

2019 Line of Credit

On July 12, 2019, the Chicago Transit Authority entered into a tax-exempt Note Purchase Agreement (NPA) with PNC Bank, National Association in a not-to-exceed amount of $150 million. The Notes are secured by a pledge of sales tax revenue receipts on parity with the existing Second Lien Sales Tax Receipts Revenue Bonds and the Intergovernmental Ground Transportation Tax Agreement (GTT IGA) dated January 25, 2018, and may be drawn upon at any time for Capital Projects, the payment of costs of issuance related to this Note, and to refund short-term obligations issued pursuant to this Note. Interest on the Notes is based upon the daily LIBOR rate. The Notes have an initial commitment expiration date of July 11, 2022.

This line of credit contains a provision that in the event of default the obligation is to become immediately due and payable in full as the result of acceleration as defined in the Events of Default section.

The principal of outstanding notes was $105.7 million as of December 31, 2020. The unused line of credit was $44.3 million as of December 31, 2020.

Metra

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

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

At December 31, 2020, Metra had $260.3 million in obligations related to federal, state, and local capital grant contracts that are in progress.

NOTE 7. COMMITMENTS AND CONTINGENCIES (Continued)

Leases: Metra has entered several noncancelable operating leases, primarily for the use of passenger terminals, which expire on various dates through 2045. Future minimum rental payments under all noncancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2020 were as follows (in thousands of dollars):

Year Ending December 31	Amount
2021	$ 13,504
2022	13,516
2023	13,527
2024	13,539
2025	12,036
Thereafter	211,712
Total	$ 277,834

Total rent expense aggregated $17.5 million for the years ended December 31, 2020.

Pace

Agreements with Pace's paratransit public funded carriers generally provide that Pace will reimburse the lesser of the approved budget, $3.25 per ride, or up to 75% of defined operating deficits incurred, within defined service guidelines, in the provision of specified demand response public transportation services.

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

Pace receives significant financial assistance from federally assisted programs, principal of which is FTA. These programs are subject to audit under the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) for which a separate report is issued.

On February 24, 2015, Pace issued $12 million in Special Revenue Bonds through a competitive bid process utilizing the Illinois Finance Authority's direct bank placement program. The bond proceeds are used to finance the conversion of South Division in Markham into a compressed natural gas facility. These revenue bonds are not general obligations of Pace and must be repaid with Pace operating revenue in equal annual principal payments.

State statute limits the amount of debt Pace is allowed and specifies projects for each bond issuance. Specifically, only four specific projects are allowed, with a total limit of $100 million. The bond issued in 2015 comprises the total bonding authority for one of the four projects.

NOTE 7. COMMITMENTS AND CONTINGENCIES (Continued)

A requirement of the bond covenant is that Pace deposit $1.2 million into a reserve account. In addition, Pace is required to make a monthly deposit that represents one-twelfth of the annual principal payment and one-sixth of the semiannual interest payment into a debt service account held at the bond depository bank. Semi-annual interest payments began on June 15, 2015 and continued semi-annually each June and December going forward. The annual principal payment was made on December 17, 2018.

Revenue bonds currently outstanding as of year ended December 31, 2020 are as follows (in thousands of dollars):

Bond Issuance	Fund Debt Retired By	Beginning Balance	Issuances	Retirements	Ending Balance	Due in One Year
Taxable Revenue Bond Series of 2015, the South cook compressed Natural Gas facility project, authorized issue of $12 million, due in annual installments of $1.2 million, interest payable June 15 and December 15 at rates ranging from 1.40% to 3.50% through December 15, 2024	Suburban Services	$ 6,000	$ -	$ 1,200	$ 4,800	$ 1,200

Annual requirements to amortize all debt outstanding as of December 31, 2020 are as follows (in thousands of dollars):

Fiscal Year	Principal	Interest	Total
2021	$ 1,200	$ 154	$ 1,354
2022	1,200	119	1,319
2023	1,200	82	1,282
2024	1,200	42	1,242
Total	$ 4,800	$ 397	$ 5,197

Pledged Revenues – Pace has pledged future portions of the Suburban Service Fund's operating revenue to repay the Special Revenue Bonds Series 2015 bonds. Proceeds from the bonds provided financing to convert the South Division location into a compressed natural gas facility. The bonds are payable from 2015 through years ended 2024. If the pledged revenues from these sources are insufficient to provide for the principal and interest payments on the bonds, a debt service reserve fund would be used to make the payments. Annual principal and interest payments on the bonds are expected to require less than 2.7% of the operating revenue. The total principal and interest remaining to be paid on the bonds is $5.2 million. Principal and interest paid for the current year is $1.4 million, and the Suburban Service Funds' operating revenue for the current year is $55.9 million.

NOTE 7. COMMITMENTS AND CONTINGENCIES (Continued)

RTA

The RTA has an operating lease agreement for its office facilities. In 2020, the total rent paid by the RTA was $908 thousand. Minimum required annual rental payments by the RTA are as follows (in thousands of dollars):

Year Ending December 31,	Amount
2021	$ 1,716
2022	1,749
2023	1,783
2024	1,512
2025	12
Thereafter	-
Total	$ 6,772

NOTE 8. CASH AND INVESTMENTS

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

The Combined Entities have on hand, as of December 31, 2020, $1.134 million of cash and investments (excludes CTA bond proceeds held by Trustee). Of this amount, $412.5 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects.

NOTE 9. RTA GENERAL OBLIGATION BONDS AND NOTES PAYABLE

Changes during the year in RTA's bonds payable were as follows (amounts in thousands):

	January 1, 2020	New Issues	Current Retirements	December 31, 2020	Due Within One Year
1990A	$ 7,640	$ -	$ 7,640	$ -	$ -
1991A	14,210	-	6,875	7,335	7,335
1994C* & 1994D	3,520	-	3,520	-	-
1997 Refunding	19,680	-	5,055	14,625	5,375
1999* Refunding	123,195	-	23,980	99,215	29,170
2000A*	151,550	-	9,985	141,565	10,605
2001A*	59,645	-	3,610	56,035	3,810
2001B* Refunding	13,920	-	3,195	10,725	3,380
2002A*	101,320	-	5,440	95,880	5,755
2003A*	172,830	-	8,595	164,235	9,070
2003B	99,620	-	4,945	94,675	5,215
2004A*	180,060	-	8,100	171,960	8,540
2005B Refunding	79,730	-	12,555	67,175	13,190
2010A	18,795	-	5,960	12,835	6,260
2010B	112,925	-	-	112,925	-
2014A	91,070	-	1,875	89,195	1,970
2016A	90,905	-	1,675	89,230	1,765
2017A	185,270	-	6,275	178,995	6,615
2018A Cash Note	150,000	-	150,000	-	-
2018B	136,995	-	2,190	134,805	2,305
2020A Direct Placement	-	150,000	-	150,000	-
Subtotal	1,812,880	150,000	271,470	1,691,410	120,360
Unamortized bond premium	112,720	-	7,372	105,348	-
Total	$ 1,925,600	$ 150,000	$ 278,842	$ 1,796,758	$ 120,360

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2020, the total general obligation bonds notes payable of $1,797 million are classified as current and long-term in the Statement of Net Position in the amounts of $120 million and $1,676 million, 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. RTA 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
2021	$ 120,360	$ 78,241	$ 198,601
2022	276,605	74,607	351,212
2023	110,660	68,272	178,932
2024	115,300	62,535	177,835
2025	100,870	75,914	176,784
2026-2030	473,750	203,839	677,589
2031-2035	312,195	80,888	393,083
2036-2040	70,480	32,032	102,512
2041-2045	81,815	14,315	96,130
2046	29,375	1,563	30,938
Total	$ 1,691,410	$ 692,206	$ 2,383,616

All amounts in the debt service requirement tables below, and on the following pages, are expressed in thousands.

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

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

Debt service requirements on the 1991A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2021	$ 7,335	$ 491	$ 7,826

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

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

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

Debt service requirements on the Series 1997 Refunding Bonds to maturity are set forth below (in thousands of dollars):

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2021	$ 5,375	$ 716	$ 6,091
2022	5,700	384	6,084
2023	3,550	107	3,657
Total	$ 14,625	$ 1,207	$ 15,832

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 (in thousands of dollars):

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2021	$ 29,170	$ 4,922	$ 34,092
2022	30,890	3,195	34,085
2023	16,975	1,819	18,794
2024	17,960	792	18,752
2025	4,220	126	4,346
Total	$ 99,215	$ 10,854	$ 110,069

NOTE 9. RTA 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.

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

Debt service requirements on the Series 2000A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 10,605	$ 9,117	$ 19,722
2022	11,270	8,454	19,724
2023	11,975	7,750	19,725
2024	12,725	7,002	19,727
2025	76,650	21,514	98,164
2026-2030	18,340	1,192	19,532
Total	$ 141,565	$ 55,029	$ 196,594

***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.

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

Debt service requirements on the Series 2001A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 3,810	$ 3,343	$ 7,153
2022	4,025	3,134	7,159
2023	4,255	2,892	7,147
2024	4,495	2,637	7,132
2025	4,750	2,367	7,117
2026-2030	28,095	7,224	35,319
2031	6,605	396	7,001
Total	$ 56,035	$ 21,993	$ 78,028

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

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

Debt service requirements on the Series 2001B Refunding Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 3,380	$ 497	$ 3,877
2022	3,570	306	3,876
2023	3,775	104	3,879
Total	$ 10,725	$ 907	$ 11,632

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.

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

Debt service requirements on the Series 2002A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 5,755	$ 5,753	$ 11,508
2022	6,085	5,408	11,493
2023	6,440	5,042	11,482
2024	6,815	4,656	11,471
2025	7,205	4,247	11,452
2026-2030	42,795	14,227	57,022
2031-2032	20,785	1,888	22,673
Total	$ 95,880	$ 41,221	$ 137,101

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 (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 9,070	$ 9,601	$ 18,671
2022	9,565	9,102	18,667
2023	10,095	8,576	18,671
2024	10,650	8,021	18,671
2025	11,205	7,435	18,640
2026-2030	65,505	26,637	92,142
2031-2033	48,145	5,876	54,021
Total	$ 164,235	$ 75,248	$ 239,483

NOTE 9. RTA 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 (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 5,215	$ 5,193	$ 10,408
2022	5,495	4,899	10,394
2023	5,790	4,588	10,378
2024	6,100	4,261	10,361
2025	6,430	3,917	10,347
2026-2030	37,750	13,638	51,388
2031-2033	27,895	2,462	30,357
Total	$ 94,675	$ 38,958	$ 133,633

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.

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

Debt service requirements on the Series 2004A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 8,540	$ 9,402	$ 17,942
2022	9,000	8,919	17,919
2023	9,485	8,423	17,908
2024	9,995	7,912	17,907
2025	10,535	7,373	17,908
2026-2030	61,820	27,195	89,015
2031-2034	62,585	7,433	70,018
Total	$ 171,960	$ 76,657	$ 248,617

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 (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest*	Total
2021	$ 13,190	$ 1,999	$ 15,189
2022	13,885	1,552	15,437
2023	14,615	1,082	15,697
2024	15,380	587	15,967
2025	10,105	167	10,272
Total	$ 67,175	$ 5,387	$ 72,562

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

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

***2010 General Obligation Bonds*—**In January 2010, the RTA issued $62.2 million in General Obligation Bonds, Series 2010A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2010A Bonds mature on July 1, over a thirteen-year period and interest is payable at rates ranging from 4.00% to 5.00% on July 1, 2010 and annually thereafter on July 1 in each remaining year.

Debt service requirements on the Series 2010A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ 6,260	$ 642	$ 6,902
2022	6,575	329	6,904
Total	$ 12,835	$ 971	$ 13,806

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 (in thousands of dollars):

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2021	$ -	$ 6,622	$ 6,622
2022	-	6,622	6,622
2023	6,885	6,622	13,507
2024	7,140	6,249	13,389
2025	7,400	24,902	32,302
2026-2030	41,435	22,584	64,019
2031-2035	50,065	9,242	59,307
Total	$ 112,925	$ 82,843	$ 195,768

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

2014 General Obligation Bonds – In February 2014, RTA issued $99.3 million in General Obligation Bonds, Series 2014A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain transportation facilities.

The Series 2014A Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 3.00% to 5.00% on June 1, 2014 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2021	$ 1,970	$ 4,410	$ 6,380
2022	2,070	4,310	6,380
2023	2,180	4,203	6,383
2024	2,290	4,092	6,382
2025	2,410	3,974	6,384
2026-2030	14,015	17,887	31,902
2031-2035	18,000	13,905	31,905
2036-2040	23,115	8,791	31,906
2041-2044	23,145	2,386	25,531
Total	$ 89,195	$ 63,958	$ 153,153

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

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

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

Debt service requirements on the Series 2016A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2021	$ 1,765	$ 3,947	$ 5,712
2022	1,855	3,856	5,711
2023	1,950	3,761	5,711
2024	2,050	3,661	5,711
2025	2,155	3,556	5,711
2026-2030	12,545	16,005	28,550
2031-2035	16,105	12,442	28,547
2036-2040	20,340	8,212	28,552
2041-2045	24,865	3,685	28,550
2046	5,600	112	5,712
Total	$ 89,230	$ 59,237	$ 148,467

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

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

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

Debt service requirements on the Series 2017A Bonds to maturity are set forth below (in thousands of dollars):

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2021	$ 6,615	$ 5,479	$ 12,094
2022	14,200	8,148	22,348
2023	10,145	7,438	17,583
2024	17,025	6,931	23,956
2025	18,120	6,079	24,199
2026-2030	71,930	16,245	88,175
2031-2035	40,960	6,236	47,196
Total	$ 178,995	$ 56,556	$ 235,551

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

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

Debt service requirements on Series 2018B Bonds to maturity are set forth below (in thousands of dollars):

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2021	$ 2,305	$ 6,107	$ 8,412
2022	2,420	5,989	8,409
2023	2,545	5,865	8,410
2024	2,675	5,734	8,409
2025	2,815	5,597	8,412
2026-2030	16,390	25,665	42,055
2031-2035	21,050	21,008	42,058
2036-2040	27,025	15,029	42,054
2041-2045	33,805	8,244	42,049
2046	23,775	1,451	25,226
Total	$ 134,805	$ 100,689	$ 235,494

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

***2020 Direct Placement* –** In May 2020, the RTA authorized the issuance of $250 million two-year Direct Placement Working Cash Notes, Series 2020A (Taxable) with JP Morgan Chase Bank under a line of credit to provide funds to manage the cash flow needs of the RTA and the service boards, including the payment to the underwriter's discount on the Notes. The Series 2020A Working Cash Note also helped to retire the $150 million to the outstanding Working Cash Note Series 2018A.

The Notes will mature on April 29, 2022, within two years of the date of issuance of the first Note, which will be funded in the amount of $150 million on May 4, 2020, the closing date. The outstanding amount of the Notes may not exceed $250 million at any point in time over the life of the agreement. The interest rate on the Notes will be 2.5% as of the closing date and shall be reset on the first business day of each month. The interest rate shall be the LIBO Interest Rate, unless and until the Bank provides written notice of the change of rate mode to the Trustee and the Authority pursuant to the provisions of the Indenture.

In the event of default by the Authority, the bank, by written notice to the Authority may declare the amount of the Notes and the Agreement Obligations to be immediately due and payable without presentment, demand, protest or further notice of any kind. In addition, the bank, by written notice to the authority, may declare to be under no further obligation to make advances under the terms of the agreement.

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, 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, $141 million in investments are restricted and available to service principal and interest payments of the RTA's long-term debt as of December 31, 2020.

NOTE 10. CTA BONDS PAYABLE

2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding) Sales and Transfer Tax Receipts Revenue Bonds: On July 30, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of $1,936,855,000 to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches, a $1.3 billion Series A to fund the employee's retirement plan and a $640 million Series B to fund a permanent trust that was established to cover other postemployment benefits for retirees' health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-705.

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments and other income, were sufficient to bring the total assets of the retirement system up to 90% of its total actuarial liabilities by the end of fiscal year 2058. Additionally, Public Act 94-839 required that the Retirement Plan's pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Public Act 95-708 modified this directive slightly and added a number of other requirements. First, a new Retirement Plan Trust will be created to manage the Retirement Plan assets. Second, CTA contributions and employee contributions were increased. Third, in addition to the requirement that the Retirement Plan be 90% funded by 2059, there is a new requirement that the Retirement Plan be funded at a minimum of 60% by September 15, 2009. Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions. Fourth, Public Act 95-708 authorized the CTA to issue $1.9 billion in pension obligation bonds to fund the pension and retiree health care. Finally, the legislation provides that CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits are now paid from the newly established Retiree Health Care Trust.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay any amounts remaining in the Sales Tax Receipt Fund and the Transfer Tax Receipts Fund, as defined by the bond agreement, and all tax receipts as promptly as practicable after receipt.

The Series 2008A and 2008B bonds bear interest ranging from 5.1% to 6.9%. Scheduled interest on the 2008A and 2008B bonds will be funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on June 1, 2013 through June 1, 2040.

NOTE 10. CTA BONDS PAYABLE (Continued)

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ 41,465	$ 115,109	$ 156,574
2022	44,080	112,496	156,576
2023	47,120	109,455	156,575
2024	50,370	106,205	156,575
2025	53,845	102,730	156,575
2026	57,560	99,015	156,575
2027	61,530	95,044	156,574
2028	65,775	90,799	156,574
2029	70,310	86,261	156,571
2030	75,165	81,410	156,575
2031	80,350	76,225	156,575
2032	85,895	70,681	156,576
2033	91,820	64,755	156,575
2034	98,150	58,421	156,571
2035	104,925	51,649	156,574
2036	112,165	44,411	156,576
2037	119,905	36,672	156,577
2038	128,170	28,400	156,570
2039	137,015	19,558	156,573
2040	146,470	10,105	156,575
Total	$ 1,672,085	$ 1,459,401	$ 3,131,486

2010A Sales Tax Receipts Revenue Bonds and Taxable Series 2010B Sales Tax Receipts Revenue Bonds (Build America Bonds): On March 23, 2010, the CTA issued the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B Build America Bonds, in the amount of $550 million along with a premium of $5.2 million. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to the purchase of new rail cars, overhaul and rehabilitation of existing rail cars, and the purchase and installation of upgrades for rail system components. The American Recovery and Reinvestment Act of 2009 created the Build America Bond (BAB) Program. This program allows state and local governments to issue taxable bonds for capital projects and to receive a federal subsidy payment from the U.S. Treasury Department for a portion of their borrowing costs.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

NOTE 10. CTA BONDS PAYABLE (Continued)

The Series 2010A and 2010B bonds bear interest ranging from 4.0% to 6.2%. Scheduled interest on the 2010 bonds was funded through December 1, 2010 with proceeds of the 2010 bonds and interest earnings thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on June 1, 2015 through June 1, 2040.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ 12,095	$ 30,214	$ 42,309
2022	12,720	29,583	42,303
2023	13,405	28,900	42,305
2024	14,135	28,167	42,302
2025	14,930	27,372	42,302
2026	15,855	26,447	42,302
2027	16,835	25,464	42,299
2028	17,880	24,420	42,300
2029	18,985	23,311	42,296
2030	20,155	22,134	42,289
2031	21,400	20,885	42,285
2032	22,725	19,558	42,283
2033	24,135	18,149	42,284
2034	31,820	16,653	48,473
2035	33,785	14,680	48,465
2036	35,875	12,585	48,460
2037	38,090	10,361	48,451
2038	40,455	7,999	48,454
2039	42,955	5,491	48,446
2040	45,610	2,828	48,438
Total	$ 493,845	$ 395,201	$ 889,046

There are no bond debt service requirements on the Series 2010A bonds as of December 31, 2020.

2010 (5307 Urbanized Area Formula Program & 5309 Fixed Guideway Modernization Program) Refunding Series Capital Grant Receipts Revenue Bonds: On May 6, 2010, the CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program and 5309 Fixed Guideway Modernization Program Funds, in the amount of $90.7 million along with a premium of $1.9 million in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

NOTE 10. CTA BONDS PAYABLE (Continued)

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 and 5309 Grant Receipts as promptly as practicable after receipt.

The Series 2010 bonds bear interest at 5.00%. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially on June 1, 2027 and June 1, 2028.

Net proceeds of $45.8 million were deposited into an irrevocable trust with an escrow agent to provide for 2011 debt service payments on the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds. As a result, a portion of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds then outstanding are considered to be defeased and the 2011 liability has been removed from the Statements of Net Position. The CTA refunded the various bonds using the proceeds from the 2010 Series bonds which increased its total debt service payments over the next 19 years by $78.5 million and resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of $3.1 million. The defeased debt had a zero balance as of December 31, 2020 and 2019.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	2010 (5307)		2010 (5309)		Total	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ -	$ 3,195	$ -	$ 1,341	$ -	$ 4,536
2022	-	3,195	-	1,341	-	4,536
2023	-	3,195	-	1,341	-	4,536
2024	-	3,195	-	1,341	-	4,536
2025	-	3,195	-	1,341	-	4,536
2026	-	3,195	-	1,341	-	4,536
2027	31,170	2,415	13,085	1,014	44,255	3,429
2028	32,725	818	13,735	343	46,460	1,161
Total	$ 63,895	$ 22,403	$ 26,820	$ 9,403	$ 90,715	$ 31,806

2011 (5307 Urbanized Area Formula Program) Refunding Series Capital Grant Receipts Revenue Bonds: On October 26, 2011, the CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program, in the amount of $56.5 million along with a premium of $1.8 million in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) bonds.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 Grant Receipts as promptly as practicable after receipt .

NOTE 10. CTA BONDS PAYABLE (Continued)

The Series 2011 bonds bear interest ranging from 4.5% to 5.25%. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029.

Net proceeds of $57.5 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 5307 (Series 2004B and 2006A) bonds. As a result, a portion of the 5307 (Series 2004B and 2006A) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position. The CTA refunded the various bonds using the proceeds from the 2011 Series bonds which increased its total debt service payments over the next 18 years by $34.3 million and resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of $9.2 million. The defeased debt had a zero balance as of December 31, 2020 and 2019.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Capital Grant Receipts Revenue Bonds, Refunding Series 2011 of $6.8 million was deferred and is being amortized over 18 years. The deferred amount ending balance for the years ended December 31, 2020, and 2019 was $2.5 million and $3 million, respectively, and recorded as a deferred outflow of resources in the accompanying Statements of Net Position. Amortization of the deferred amount on the refunding was $469 thousand and $468 thousand for the years ended December 31, 2020, and 2019, respectively.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ -	$ 2,865	$ 2,865
2022	6,595	2,700	9,295
2023	6,920	2,353	9,273
2024	7,285	1,980	9,265
2025	7,665	1,594	9,259
2026	8,060	1,187	9,247
2027	-	975	975
2028	-	975	975
2029	20,000	488	20,488
Total	$ 56,525	$ 15,117	$ 71,642

2011 Sales Tax Receipts Revenue Bonds: On October 26, 2011, the CTA issued the Sales Tax Receipts Revenue Bonds, Series 2011, in the amount of $476.9 million, along with a premium of $21.4 million. The bonds were issued to pay for, or reimburse the CTA for prior expenditures relating to (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2011 Project.

NOTE 10. CTA BONDS PAYABLE (Continued)

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2011 bonds bear interest ranging from 5.0% to 5.25%. Scheduled interest on the 2010 bonds will be funded through December 1, 2015 with proceeds of the 2011 bonds and interest earnings thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on December 1, 2021 through December 1, 2040.

There are no bond debt service requirements on the Series 2011 bonds as of December 31, 2020.

2014 Sales Tax Receipts Revenue Bonds: On July 10, 2014, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds, Series 2014 in the amount of $550 million along with a premium of $45.2 million. The bonds were issued to provide funds to finance, in whole or in part, capital projects contemplated by the Authority's Capital Plan.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2014 bonds bear interest ranging from 5.0% to 5.25%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially December 1, 2041 through December 1, 2049.

NOTE 10. CTA BONDS PAYABLE (Continued)

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ -	$ 28,597	$ 28,597
2022	-	28,597	28,597
2023	-	28,597	28,597
2024	-	28,597	28,597
2025	-	28,597	28,597
2026	-	28,597	28,597
2027	-	28,597	28,597
2028	-	28,597	28,597
2029	-	28,597	28,597
2030	-	28,597	28,597
2031	-	28,597	28,597
2032	-	28,597	28,597
2033	-	28,597	28,597
2034	-	28,597	28,597
2035	-	28,597	28,597
2036	-	28,597	28,597
2037	-	28,597	28,597
2038	-	28,597	28,597
2039	-	28,597	28,597
2040	-	28,597	28,597
2041	50,180	28,597	78,777
2042	52,690	26,088	78,778
2043	55,325	23,453	78,778
2044	58,090	20,687	78,777
2045	60,995	17,783	78,778
2046	64,195	14,580	78,775
2047	67,565	11,210	78,775
2048	71,115	7,663	78,778
2049	74,845	3,929	78,774
Total	$ 555,000	$ 725,930	$ 1,280,930

NOTE 10. CTA BONDS PAYABLE (Continued)

2015 Refunding Series Capital Grant Receipts Revenue Bonds: On September 16, 2015, the CTA issued Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program Funds and Section 5337 State of Good Repair Formula Program Funds, in the amount of $176.9 million along with a premium of $21.6 million, in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to refund a portion of the outstanding 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 and 5337 Grant Receipts as promptly as practicable after receipt.

The Series 2015 bond bear interest at 5.00%. Interest is payable semiannually on June 1 and December 1, commencing December 1, 2015 and the bonds mature serially June 1, 2018 through June 1, 2026.

The remaining net proceeds of $197.2 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds. As a result, a portion of the 5307 (Series 2004B and 2006A) and 5337 (Series 2008A) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position. The CTA refunded the various bonds using the proceeds from the 2015 Series bonds which reduced its total debt service payments over the next 10 years by $10.0 million and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $9.9 million. The defeased debt had a zero balance as of December 31, 2020 and December 31, 2019.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Capital Grant Receipts Revenue Bonds, Refunding Series 2015 of $12.3 million was deferred and is being amortized over the next 10 years. The deferred amount ending balance for the years ended December 31, 2020 and 2019 was $2.6 million and $3.8 million, respectively. Amortization of the deferred amount on the refunding was $1.2 million and $1.6 million for the years ended December 31, 2020 and 2019, respectively.

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	2015 (5307)		2015 (5337)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 41,410	$ 1,035	$ 335	$ 2,228	$ 41,745	$ 3,263
2022	-	-	350	2,211	350	2,211
2023	-	-	370	2,193	370	2,193
2024	-	-	13,855	1,838	13,855	1,838
2025	-	-	14,550	1,128	14,550	1,128
2026	-	-	15,275	382	15,275	382
Total	$ 41,410	$ 1,035	$ 44,735	$ 9,980	$ 86,145	$ 11,015

NOTE 10. CTA BONDS PAYABLE (Continued)

2017 Second Lien Sales Tax Receipts Revenue Bonds: On January 10, 2017, the CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2017, in the amount of $296.2 million along with a premium of $18.1 million. The bonds were issued to (i) finance certain capital projects contemplated by the CTA's capital improvement plan, (ii) capitalize interest on the 2017 Second Lien Bonds and (iii) pay costs in connection with the issuance of the 2017 Second Lien Bonds.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds and on the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2017 bonds bear interest ranging from 4.0% to 5.0%. Scheduled interest on the 2017 bonds was funded through December 1, 2018, with proceeds of the 2017 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially December 1, 2041, through December 1, 2051.

NOTE 10. CTA BONDS PAYABLE (Continued)

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ -	$ 14,711	$ 14,711
2022	-	14,711	14,711
2023	-	14,711	14,711
2024	-	14,711	14,711
2025	-	14,711	14,711
2026	-	14,711	14,711
2027	-	14,711	14,711
2028	-	14,711	14,711
2029	-	14,711	14,711
2030	-	14,711	14,711
2031	-	14,711	14,711
2032	-	14,711	14,711
2033	-	14,711	14,711
2034	-	14,711	14,711
2035	-	14,711	14,711
2036	-	14,711	14,711
2037	-	14,711	14,711
2038	-	14,711	14,711
2039	-	14,711	14,711
2040	-	14,711	14,711
2041	20,910	14,711	35,621
2042	21,945	13,681	35,626
2043	23,025	12,599	35,624
2044	24,160	11,464	35,624
2045	25,350	10,273	35,623
2046	26,600	9,023	35,623
2047	27,910	7,712	35,622
2048	29,310	6,316	35,626
2049	30,775	4,851	35,626
2050	32,310	3,312	35,622
2051	33,925	1,696	35,621
Total	$ 296,220	$ 389,858	$ 686,078

NOTE 10. CTA BONDS PAYABLE (Continued)

2017 Refunding Series Capital Grant Receipts Revenue Bonds: On July 18, 2017, the CTA issued Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program Funds and Section 5337 State of Good Repair Formula Program Funds, in the amount of $225.8 million along with a premium of $31.3 million in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to refund the Series 2008A 5307 bonds maturing June 1, 2022 through 2026 as well as refunding the Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023.

This bond contains a provision that in the event of default, the CTA upon demand of the Trustee shall pay all moneys, securities, and funds held by the CTA in a fund, account, or sub-account pursuant to the terms of the Indenture and all 5307 and 5337 Grant Receipts as promptly as practicable after receipt.

The Series 2017 bonds bear interest ranging from 2.0% to 5.0%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially June 1, 2018 through June 1, 2026.

Net proceeds of $255.4 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the 5307 (Series 2008A) and 5337 (Series 2008 and 2008A) bonds. As a result, a portion of the 5307 (Series 2008A) and 5337 (Series 2008 and 2008A) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position. The CTA refunded the various bonds using the proceeds from the 2017 Series bonds which resulted in a difference of cash flows of debt service payments on the old and new debt of $30.5 and an economic gain (present value of the difference in debt service cash flows payments) of $27.1 million. The defeased debt had a balance of zero as of December 31, 2020 and 2019.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Capital Grant Receipts Revenue Bonds, Refunding Series 2017 of $4.9 million was deferred and is being amortized over the next 9 years. The deferred amount ending balance for the years ended December 31, 2020 and 2019 was $2.2 million and $2.9 million, respectively. Amortization of the deferred amount on the refunding was $745,000 and $817,000 for the years ended December 31, 2020 and 2019, respectively

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	2017 (5307)		2017 (5337)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ -	$ 4,527	$ 20,385	$ 4,810	$ 20,385	$ 9,337
2022	16,385	4,527	21,405	3,791	37,790	8,318
2023	17,205	3,708	22,475	2,720	39,680	6,428
2024	18,065	2,848	10,130	1,597	28,195	4,445
2025	18,970	1,944	10,635	1,090	29,605	3,034
2026	19,915	996	11,165	558	31,080	1,554
Total	$ 90,540	$ 18,550	$ 96,195	$ 14,566	$ 186,735	$ 33,116

NOTE 10. CTA BONDS PAYABLE (Continued)

2020A Second Lien Sales Tax Receipts Revenue Bonds: On September 3, 2020, the CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2020A, in the amount of $367.9 million along with a premium of $43.6 million. The bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds and on the Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2020A bonds bear interest ranging from 4.0% to 5.0%. Scheduled interest on the 2020A bonds was funded through September 1, 2023 with proceeds of the 2020A bonds and interest thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature on December 1, 2041 through December 1, 2055.

NOTE 10. CTA BONDS PAYABLE (Continued)

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ -	$ 16,279	$ 16,279
2022	-	16,279	16,279
2023	-	16,279	16,279
2024	-	16,279	16,279
2025	-	16,279	16,279
2026	-	16,279	16,279
2027	-	16,279	16,279
2028	-	16,279	16,279
2029	-	16,279	16,279
2030	-	16,279	16,279
2031	-	16,279	16,279
2032	-	16,279	16,279
2033	-	16,279	16,279
2034	-	16,279	16,279
2035	-	16,279	16,279
2036	-	16,279	16,279
2037	-	16,279	16,279
2038	-	16,279	16,279
2039	-	16,279	16,279
2040	-	16,279	16,279
2041	17,590	16,279	33,869
2042	18,470	15,399	33,869
2043	19,395	14,476	33,871
2044	20,360	13,506	33,866
2045	21,380	12,488	33,868
2046	22,450	11,419	33,869
2047	23,345	10,521	33,866
2048	24,280	9,587	33,867
2049	25,250	8,616	33,866
2050	26,265	7,606	33,871
2051	27,315	6,556	33,871
2052	28,515	5,355	33,870
2053	29,765	4,103	33,868
2054	31,075	2,794	33,869
2055	32,440	1,427	33,867
Total	$ 367,895	$ 465,712	$ 833,607

NOTE 10. CTA BONDS PAYABLE (Continued)

2020B Taxable Series Sales Tax Receipts Revenue Refunding Bonds: On September 3, 2020, the CTA issued the Taxable Sales Tax Receipts Revenue Refunding Bonds, Series 2020B, in the amount of $534 million. The bonds were issued to refund the outstanding Sales Tax Receipts Revenue Bonds Series 2011 and to repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes.

This bond contains a provision that in the event of default, the CTA, upon demand of the Trustee shall pay, after payment is made on the 2008A and 2008B Pension and Retiree Health Care Funding bonds, any amounts remaining in the Sales Tax Receipts Fund, as defined by the bond agreement, and all Sales Tax Receipts as promptly as practicable after receipt.

The Series 2020B bonds bear interest ranging from 1.7% to 3.9%. Scheduled interest on the 2020B bonds was funded through June 1, 2021, with proceeds of the 2020B bonds and interest thereon. Interest on the 2020 bonds is payable semiannually on June 1 and December 1 and the bonds mature on December 1, 2022, through December 1, 2040.

Net proceeds of $513.6 million were deposited into an irrevocable trust with an escrow agent to provide for debt services payments on the Sales Tax Receipts Revenue (Series 2011) bonds. As a result, a portion of the Sales Tax Receipts Revenue (Series 2011) bonds then outstanding are considered to be defeased and the related liability has been removed from the Statements of Net Position. The CTA refunded the Series 2011 bonds using the proceeds from the 2020B Series bonds which resulted in a difference of cash flows of debt service payments on the old and new debt of $47.6 million and an economic gain (present value of the difference in debt service cash flow payments) of $47 million. The defeased debt had a balance of $476.9 million as of December 31, 2020.

The difference between the reacquisition price and the net carrying amount of the bonds refunded by the Taxable Sales Tax Receipts Revenue Bonds, Refunding Series 2020B of $17.9 million was deferred and is being amortized over the next 20 years. The deferred amount ending balance for the year ended December 31, 2020 was $17.4 million. Amortization of the deferred amount on the refunding was $487 thousand for the year ended December 31, 2020.

NOTE 10. CTA BONDS PAYABLE (Continued)

The bond debt service requirements to maturity are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ -	$ 17,214	$ 17,214
2022	21,795	17,214	39,009
2023	22,170	16,842	39,012
2024	22,590	16,435	39,025
2025	23,060	15,968	39,028
2026	23,565	15,458	39,023
2027	24,160	14,873	39,033
2028	24,825	14,213	39,038
2029	25,560	13,481	39,041
2030	26,345	12,700	39,045
2031	27,175	11,883	39,058
2032	28,075	10,986	39,061
2033	29,030	10,031	39,061
2034	30,055	9,014	39,069
2035	31,130	7,947	39,077
2036	32,255	6,825	39,080
2037	33,525	5,564	39,089
2038	34,845	4,252	39,097
2039	36,210	2,889	39,099
2040	37,635	1,472	39,107
Total	$ 534,005	$ 225,261	$ 759,266

The total bond debt service requirements to maturity for all outstanding bonds are as follows (in thousands of dollars):

	Principal	Interest	Total
2021	$ 115,690	$ 242,125	$ 357,815
2022	123,330	236,645	359,975
2023	129,665	230,294	359,959
2024	136,430	223,193	359,623
2025	143,655	215,949	359,604
2026-2030	709,635	957,652	1,667,287
2031-2035	740,470	759,452	1,499,922
2036-2040	1,021,180	497,347	1,518,527
2041-2045	489,865	251,484	741,349
2046-2050	546,215	116,345	662,560
2051-2055	183,035	21,931	204,966
Total	$ 4,339,170	$ 3,752,417	$ 8,091,587

NOTE 10. CTA BONDS PAYABLE (Continued)

Future Revenue Pledges: The CTA has pledged the following future revenues to secure outstanding balances of bond issuances as of December 31, 2020 and 2019, in accordance with bond security requirements:

- Real Estate Transfer Tax (RETT) Receipts received from the City of Chicago are pledged to secure the Series 2008A and 2008B Sales and Transfer Tax Receipts Revenue Bonds; Sales Tax Receipts received from the Regional Transportation Authority (RTA) are pledged to secure remaining debt service unpaid by RETT receipts. Debt service for the bonds outstanding were $3,131.5 million and $3,288,1 million as of December 31, 2020 and 2019, respectively. Total real estate transfer tax funds were approximately $51 million and $62.4 million as of December 31, 2020 and 2019, respectively. The following principal and interest bond payments were made during December 31, 2020 and 2019 (in thousands of dollars):

	Principal	Interest
2020	$ 39,010	$ 117,566
2019	366,195	119,878

- Sales Tax Receipts are also pledged to secure the First Lien Series 2010A, 2010B, 2011, and 2014 as well as Second Lien Series 2017 Sales Tax Receipts Revenue Bonds and 2017 Tax-Exempt Note Purchase Agreement (NPA). Sales Tax Receipts secure balances due on the Second Lien Series 2017 Sales Tax Receipts Revenue Bonds and the 2017 Tax-Exempt Note NPA after satisfying balances due on First Lien Obligations. Debt service for the bonds outstanding were $4,448.9 million and $3,748.2 million as of December 31, 2020 and 2019, respectively. Total sales tax receipts funds were approximately $683.3 million and $749.7 million as of December 31, 2020 and 2019, respectively. The following principal and interest bond payments were made during December 31, 2020, and 2019 (in thousands of dollars):

	2010A		2010B		2011	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ -	$ -	$ 11,510	$ 30,798	$ 476,905	$ 12,483
2019	10,915	536	-	30,798	-	24,965

	2014		2017	
	Principal	Interest	Principal	Interest
2020	$ -	$ 28,597	$ -	$ 14,711
2019	-	28,597	-	14,711

NOTE 10. CTA BONDS PAYABLE (Continued)

- Federal Transit Authority (FTA) Section 5307 Urbanized Area Formula funds received from the FTA are pledged to secure the Series 2010, 2011, 2015, and 2017 FTA Section 5307 Urbanized Area Formula Funds Capital Grant Receipts Revenue Bonds. Debt service for the bonds outstanding were $309.5 million and $354.5 million as of December 31, 2020 and 2019, respectively. Total Federal Transit Authority Section 5307 Urbanized Area Formula funds were approximately $616.6 million and $160.3 million as of December 31, 2020 and 2019, respectively. The following principal and interest bond payments were made during December 31, 2020 and 2019 (in thousands of dollars):

	2010		2011		2015	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	$ -	$ 3,195	$ -	$ 2,865	$ 31,585	$ 2,860
2019	-	3,195	-	2,865	31,275	4,432

	2017	
	Principal	**Interest**
2020	$ -	$ 4,527
2019	-	4,527

- MAP-21 restructured the Federal Transit Program in 2015 to end the FTA Section 5309 Formula Program and created a broader formula program in FTA Section 5337 that incorporates the rail modernization formula program formerly included in FTA Section 5309. Debt service for the bonds outstanding were $36.2 million and $37.6 million as of December 31, 2020 and 2019, respectively. Total Federal Transit Authority Section 5309 Fixed Guideway Modernization Formula funds were approximately $122.6 million and $92 million as of December 31, 2020 and 2019, respectively.

- As such, FTA Section 5337 State of Good Repair Federal Funds also received from the FTA are pledged to secure the Series 2008, 2008A, and 2010 FTA Section 5309 Fixed Guideway Modernization Capital Grant Receipts Revenue Bonds as well as the Series 2015 and 2017 FTA Section 5337 State of Good Repair Formula Funds Capital Grant Receipts Revenue Bonds. Debt service for the bonds outstanding were $165.5 million and $193.2 million as of December 31, 2020 and 2019, respectively. Total Federal Transit Authority Section 5337 State of Good Repair Formula funds were approximately $166.6 million and $167.6 million as of December 31, 2020 and 2019, respectively. The following principal and interest bond payments were made during December 31, 2020 and 2019 (in thousands of dollars):

	2010 (5309)		2015 (5337)		2017 (5537)	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	$ -	$ 1,341	$ 320	$ 2,245	$ 19,415	$ 5,781
2019	-	1,341	305	2,260	18,670	6,527

NOTE 11. OTHER LONG-TERM DEBT OBLIGATIONS

CTA

In August 2008, Certificates of Participation (COP) totaling $78.4 million were issued on behalf of the CTA. The COPs were used to finance the purchase of 200 (40 ft.) New Flyer low floor buses and certain related parts and equipment. On August 1, 2008, the CTA entered into an installment purchase agreement. The obligation of the CTA to make installment payments is an unconditional obligation of the CTA and is payable from legally available funds. The installment agreement requires the CTA to make annual COP payments which are remitted to the COP holders. Scheduled maturity dates occur at various times through December 1, 2020. During 2013, CTA terminated the original 2008 agreement and entered into three new agreements with the same terms and reduced interest rates. The total principal and interest remaining to be paid on the COPs as of December 31, 2020, is $7.9 million. Principal and interest paid in 2020 was approximately $7.9 million.

There are no debt service requirements as of December 31, 2020

CTA entered into a purchase agreement to finance a fare collection system with a value of $102.9 million. Under the purchase agreement, the CTA will make monthly payments of approximately $1.1 million over the ten-year term to finance the design, acquisition and installation of the open standards fare system. The present value of the future payments to be made by the CTA under the purchase agreement of approximately $35.8 million is reflected in the accompanying December 31, 2020 Statements of Net Position as another long-term liability.

As of September 2019, CTA has entered into another purchase agreement to replace the majority of the fare collection system equipment. No amounts are due and payable under the agreement for the new system until it is delivered operational, which is not anticipated to occur for several years. The payment for such replacement will be a separate capital costs to be paid in addition to the foregoing financed amounts.

The purchase agreement requirements to maturity are as follows (in thousands of dollars):

Year Ending December 31	Principal	Interest	Total
2021	$ 11,399	$ 1,412	$ 12,811
2022	11,935	876	12,811
2023	12,497	314	12,811
Total	$ 35,831	$ 2,602	$ 38,433

NOTE 11. OTHER LONG-TERM DEBT OBLIGATIONS (Continued)

TIFIA Loan Agreement

2014 TIFIA Loan - On April 24, 2014, CTA entered into a definitive loan agreement with the United States Department of Transportation (USDOT), an agency of the United States of America, acting by and through the Federal Highway Administrator under the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program to finance certain projects that are a part of the Authority's 95th Street Terminal Improvement Project.

The principal amount of the TIFIA Loan shall not exceed $79.2 million; provided, the maximum principal amount of the TIFIA loan disbursed by the USDOT, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under TIFIA, cannot exceed thirty-three percent (33%) of reasonably anticipated eligible project costs. Further, total federal funding, inclusive of the TIFIA loans and all federal direct or indirect grants, cannot exceed eighty percent (80%) of reasonably anticipated eligible project costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender a registered fare box receipts revenue bonds in the amount of $79.2 million dated April 24, 2014 with a maturity date of December 1, 2050 bearing an interest rate of 3.5%, with a loan amortization schedule.

CTA borrowed $79.2 million in 2018 and is capitalizing interest through 2020. Total capitalized interest of $5.3 million will be added to the principal repayments over the life of the loan. As of December 31, 2020, CTA had accrued $5.3 million of capitalized interest.

Year Ending December 31	Principal	Interest	Total
2021	$ 1,607	$ 2,903	$ 4,510
2022	1,663	2,847	4,510
2023	1,721	2,789	4,510
2024	1,782	2,728	4,510
2025	1,844	2,666	4,510
2026-2030	10,233	12,317	22,550
2031-2035	12,153	10,394	22,547
2036-2040	14,436	8,114	22,550
2041-2045	17,145	5,405	22,550
2046-2050	20,362	2,187	22,549
Total	$ 82,946	$ 52,350	$ 135,296

NOTE 11. OTHER LONG-TERM DEBT OBLIGATIONS (Continued)

2015 TIFIA Loan - On February 3, 2015, CTA entered into a definitive loan agreement with the United States Department of Transportation (USDOT), an agency of the United States of America, acting by and through the Federal Highway Administrator under the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program to finance certain projects that are a part of the Authority's "Your New Blue" capital improvement program.

The principal amount of the TIFIA Loan shall not exceed $120 million; provided the maximum principal amount of the TIFIA loan disbursed by the USDOT, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under TIFIA, cannot exceed thirty-three percent (33%) of reasonably anticipated eligible project costs. Further, total federal funding, inclusive of the TIFIA loans and all federal direct or indirect grants, cannot exceed eighty percent (80%) of reasonably anticipated eligible project costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender two fare box receipts revenue bonds in the amounts of $42.6 million with a maturity date of December 1, 2029, bearing an interest rate of 2.02%, and $77.4 million with a maturity date of December 1, 2052, bearing an interest rate of 2.31%.

As of December 21, 2020 CTA had drawn down $24.2 million on the 2105 TIFIA loan. Total capitalized interest of $117,000 will be added to the principal repayments over the life of the loan. As of December 31, 2020, CTK had accrued $117,000 of capitalized interest. The payment schedule below assumes that the entire balance will be down and will require payment. As a result, the payment schedule includes amounts that have not yet been drawn down and that the CTA is not yet obligated to pay.

Year Ending December 31	Principal	Interest	Total
2021	$ -	$ 1,358	$ 1,358
2022	-	2,162	2,162
2023	-	2,184	2,184
2024	5,570	2,184	7,754
2025	5,682	2,071	7,753
2026-2030	23,901	8,589	32,490
2031-2035	-	7,370	7,370
2036-2040	-	7,370	7,370
2041-2045	24,480	6,264	30,744
2046-2050	27,441	3,303	30,744
2051-2052	11,884	414	12,298
Total	$ 98,958	$ 43,269	$ 142,227

NOTE 11. OTHER LONG-TERM DEBT OBLIGATIONS (Continued)

2016 TIFIA Loan - On March 30, 2016, CTA entered into a third definitive loan agreement with the United States Department of Transportation (USDOT), an agency of the United States of America, acting by and through the Federal Highway Administration under the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program to finance certain projects that are part of the Authority's Rail Car Purchase Program.

The aggregate principal amount of the loan shall not exceed $254.9 million, (excluding any interest that is capitalized in accordance with the terms of the loan); provided, however, in no event shall the maximum principal amount of the TIFIA loan disbursed by the USDOT, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under TIFIA Act, cannot exceed thirty-three percent (33%) of reasonable anticipated eligible project costs. Further, total federal funding, inclusive of the TIFIA loan and all federal direct or indirect grants, shall not exceed eighty percent (80%) of reasonably eligible project costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender registered receipts revenue bonds in the aggregate principal amount not to exceed $254.9 million, comprising two (2) tranches in the principal amounts of $147 million (Tranche A-1) and $107.9 million (Tranche A-2) and bearing an interest rate of 2.64%, with corresponding loan amortization schedules for each tranche. The final maturity date for the Tranche A-1 is December 1, 2049 and the earlier of (a) the last semi-annual payment date occurring no later than thirty-four (34) years from the substantial completion date and (b) December 1, 2056.

As of December 31, 2020, no drawdowns had occurred on the 2016 TIFIA loan. No balance is presented on the Statement of Net Position as of December 31, 2020.

NOTE 12. PENSION PLANS

CTA

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

General Information about the Retirement Plan for Chicago Transit Authority Employees

Plan Description - The CTA participates in a single employer defined benefit pension plan covering substantially all full-time permanent union and non-union employees. The Retirement Plan for Chicago Transit Authority Employees (the Employees' Plan) is governed by Illinois state statute (40 ILCS 5/22-101). Substantially all non-temporary, full-time employees who have completed one year of continuous service (Service) participate in the Employees' Plan. The Employees' Plan issues a separate stand-alone financial report which is available at http://www.ctaretirement.org/index.asp.

Contributions - Prior to 2008, contribution requirements of the Employees' Plan were governed by collective bargaining agreements. After 2008, contribution requirements are governed by Illinois state statute (40 ILCS 5/22-101).

NOTE 12. PENSION PLANS (Continued)

Actual contributions made to the Employees' Plan during the years ended December 31, 2020 and 2019 are as follows (in thousands of dollars):

	Employees' Plan	
	2020	2019
Employer contributions	$ 135,830	$ 121,668
Employee contributions	87,539	79,721
Total	$ 223,369	$ 201,389
Employer contribution rate	20.647%	18.019%
Employee contribution rate	13.324%	12.010%

Benefit terms. Substantially all non-temporary, full-time employees who have completed one year of continuous service (Service) participate in the Employee Plan. Employees are entitled to annual pension benefits upon normal retirement at age 65, in an amount generally based on a percentage, not to exceed 70%, of their average annual compensation in the highest four of the 10 preceding years. For employees retiring on or after January 1, 2001, the percentage is 2.15% multiplied by the employee's number of continuous years of participating service. The Employee Plan permits early retirement at age 55 with three years of service, generally with reduced benefits. However, in the event of early retirement by an employee who has 25 years or more of continuous service, regardless of their age, benefits will not be reduced. In accordance with Public Act 095-0708, for all employees hired on or after January 18, 2008, eligibility for an unreduced pension benefit has changed to age 64 with 25 years of service and early retirement is age 55 with 10 years of service. Benefits are paid monthly equal to one-twelfth of the annual benefit for the retiree's lifetime. Married employees can elect to receive their pension benefits in the form of a joint and survivor option. In addition to retirement benefits, the Employee Plan also provides disability and death benefits.

Employees covered by the benefit terms. The following participants were covered by the benefit terms as of January 1, 2019 and January 1, 2018:

	Employees' Plan
Participants as of January 1, 2019	
Retirees and beneficiaries currently receiving benefits	10,482
Terminated employees entitled to but not yet receiving benefits	113
Active plan members	8,159
Total	18,754
Participants as of January 1, 2018	
Retirees and beneficiaries currently receiving benefits	10,387
Terminated employees entitled to but not yet receiving benefits	106
Active plan members	8,192
Total	18,685

NOTE 12. PENSION PLANS (Continued)

Net Pension Liability

The CTA's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial assumptions and calculations. The total pension liability was determined using the following actuarial assumptions, applied to the periods included in the measurement:

	Employee Plan
Actuarial valuation date	January 1, 2019
Measurement date	December 31, 2019. Census data was collected as of January 1, 2019. Liabilities measured as of the census date were projected to December 31, 2019, assuming no demographic gains or losses.
Investment return	8.25% per annum, compounded annually, including inflation, net of expenses
Inflation	3.10% per annum
Salary increases	Service graded table starting at 11% with 3.5% ultimate rate after 5 years of service
Future ad hoc benefit increases	None assumed
Mortality	SOA Public Mortality General Below Median generational with Improvement Scale MP-2018
Early retirement age	Employees hired before January 17, 2008, can retire at age 55 with reduced benefits. However, if the employee has 25 years or more of continuous service, regardless of age, the employee can retire with full benefits. Employees hired after January 17, 2008, are eligible for an unreduced pension benefit at age 64 with 25 years of service.
Normal retirement age	65
Actuarial cost method	Entry age normal - level percentage of pay
Asset valuation method	5-year smoothed actuarial value of assets
Experience study	The actuarial assumptions used were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2017.

From 2018 to 2019, the mortality tables changed from the RP-2000 Blue Collar Table, generational from 2000 based on Scale BB to the SOA Public Mortality General Below Median generational with Improvement Scale MP-2018. From 2017 to 2018, the mortality tables changed from the RP-2000 Blue Collar Table, generational to 2017 based on Scale BB to the RP-2000 Blue Collar Table, generational to 2000 based on Scale BB

NOTE 12. PENSION PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Employees' Plan target asset allocation as of January 1, 2020 and 2019 are summarized in the following table (note that the rates shown below include the inflation components):

	Employees' Plan			
		December 31, 2020		December 31, 2019
	Target Allocation	Estimate of Expected Long-Term Rate of Return	Target Allocation	Estimate of Expected Long-Term Rate of Return
Fixed income	15 %	1.83 %	17 %	2.33 %
Domestic equities	30	9.04	28	8.77
International equities	26	8.45	21	7.77
Venture capital and partnerships	10	12.80	10	11.70
Real estate	12	4.76	12	4.60
Hedge funds	0	4.32	7	3.80
Infrastructure	7	6.17	5	5.66

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount rate. The discount rate used to measure the total pension liability was 8.25% for both 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that Employees' Plan members and employer contributions will continue to follow the current funding policy. Based on those assumptions, the Employees' Plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SUPPLEMENTAL PLANS PENSION DISCLOSURES

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.*

General Information about the Supplemental Plans

Plan Description. The CTA also maintains separate single-employer, defined benefit pension plans for selected individuals. The supplemental retirement plans provide benefits to employees of the CTA in certain employment classifications. The supplemental retirement plans consist of the: (1) closed board member plan (Board), (2) closed (Non-Qualified) supplemental plan for members that retired or terminated employment before March 2005, including early retirement incentive, and (3) closed (Qualified) supplemental plan for active employees and members retiring after March 2005. All plans are closed to new entrants. CTA received qualification under Section 401(a) of the Internal Revenue Code for

NOTE 12. PENSION PLANS (Continued)

the supplemental plan and established a qualified trust during 2005 for members retiring after March 2005 (Qualified Supplemental Retirement Plan). The Qualified Supplemental Retirement Plan is reported in a fiduciary fund, whereas the activities for the Non-Qualified and Board plans are included in the financial statements of the CTA's business-type activities. There are no separate stand-alone financial reports issued for any of the Supplemental Plans.

Each of the Supplemental plans are administered by the Employee Retirement Review Committee (EERC) of the CTA, whose members are appointed by the Board of Directors of the CTA, which retains oversight of the plan administration. The plans are each established by CTA ordinances, which grant the EERC operational authority and can be modified by the CTA Board.

Contributions. The Board and Non-Qualified plans are administered on a pay as you go basis. The CTA contributes to the Qualified plan based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

GASB Statements No. 67, *Financial Reporting for Pensions Plans—an amendment of GASB Statement No. 25*.

Investments. The Board and Non-Qualified plans are administered on a pay as you go basis. The Non-Qualified plan does not have any associated assets. The Board plan has a limited reserve held in cash or cash equivalents, which is not actively managed or associated with an investment policy. The Qualified plan's investment policy is established and may be amended by the CTA's Employment Retirement Review Committee. The primary objective of the policy is to provide a documented structure for the implementation of investment strategies which suggests the highest probability of maximizing the level of investment return within acceptable parameters for the total Fund's volatility and risk.

The RTA, Metra and Pace

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

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.

NOTE 12. PENSION PLANS (Continued)

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 $2.8 million for the year ended December 31, 2020.

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.

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined 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	7.50 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.

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.

NOTE 12. PENSION PLANS (Continued)

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 January 1, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate
Domestic Equity	28%	6.1%
Developed Foreign Equity	16%	6.9%
Emerging Markets Equity	15%	9.1%
Private Equity	4%	9.9%
Investment Grade Bonds	11%	0.5%
Long-Term Government Bonds	3%	1.3%
TIPS	3%	0.2%
High-Yield Bonds	3%	3.1%
Emerging Markets Bonds (local)	2%	3.1%
Emerging Markets Bonds (major)	2%	2.4%
Real Estate	8%	5.9%
Real Assets	5%	5.0%

Discount rate. A single discount rate of 7.50% 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 7.50%. 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.

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

Regional Transportation Authority Pension Plan
175 West Jackson Boulevard, Suite 1650
Chicago, IL 60604

NOTE 13. RISK MANAGEMENT

RTA

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

The Workers' Compensation and Employers' Liability Insurance Policy is held through The Hartford. The RTA is insured for $500 thousand each accident for bodily injury by accident, $500 thousand each employee for bodily injury by disease and $500 thousand 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 million each occurrence with a general aggregate limit of $2 million, and a personal and advertising injury limit of $1 million. The RTA also procured public officials and employment practices liability coverage through ACE American Insurance Company with an aggregate coverage limit of $3 million; cyber liability coverage through Illinois Union Insurance Company with an aggregate coverage limit of $3 million; and fidelity and crime coverage through Great American Insurance Group with an aggregate coverage limit of $5 million. 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 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 million and coverage for losses from $15 million to $100 million.

NOTE 13. 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 thousand for each covered person. If a loss is covered under both types of liability, then the retained limit for general liability will apply.

CTA

The CTA is exposed to various types of risk of loss, including torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences. Also included are risks of loss associated with providing health, dental, and life insurance benefits to employees.

The CTA provides health insurance benefits to employees a self-insured comprehensive PPO plan. The CTA provides dental insurance benefits through an insured dental maintenance organization and a self-insured dental indemnity plan. The CTA does not purchase stop-loss insurance for its self-insured comprehensive PPO plan. The CTA provides life insurance benefits for active employees through an insured life insurance program.

CTA purchases property insurance for damage to CTA property including rolling stock. This insurance program is effective July 29, 2020 to July 29, 2021. Property limit of liability is $180 million per occurrence and is purchased in three layers. The first/primary layer provides a $25 million limit. The first excess layer provides a $105 million limit excess and above the primary. The second excess layer provides the final $50 million limit excess. The basic policy deductible is $1 million per each occurrence, with a $5 million deductible for each rail car collision or derailment claim.

The CTA is also self-insured for general liability, workers' compensation, employee accidents, environmental, automotive liability losses, employment related suits, including discrimination and sexual harassment, and management liability of board members, directors, and officers of the CTA.

The RTA provides excess liability insurance to protect the self-insurance programs for general liability and terrorism currently maintained by the CTA. There are five insurance policies in effect from June 15, 2020 to June 15, 2021. The first policy provides $10 million in excess of the $15 million self-insured retention and $10 million in the aggregate. The second policy provides $5 million in excess of the $25 million and $20 million in the aggregate. The third policy provides $10 million in excess of $30 million and $20 million in the aggregate. The fourth policy provides $10 million in excess of $40 million and $20 million in the aggregate. The fifth policy provides $50 million in excess of $50 million and $10 million in the aggregate. In 2020 and 2019, no CTA claim existed that is expected to exceed the $15 million self-insured retention under this insurance policy.

NOTE 13. RISK MANAGEMENT (Continued)

The CTA participates in a Joint Self-Insurance Fund (the Fund) with the RTA that permits the CTA to receive monies necessary to pay injury and damage claims in excess of $2.5 million per occurrence up to the total balance in the Fund or a maximum of $47.5 million. The CTA is obligated to reimburse the Fund for the principal amount borrowed plus a floating interest rate. However, the CTA is not obligated to make reimbursement payments, including interest, in excess of $3.5 million in any one year. No borrowings were made from the Fund in fiscal years 2020 or 2019.

Settlements did not exceed coverage for any of the past four years, and there has been no significant reduction in coverage during that period.

Self-insured liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The estimate for injury and damage claims is adjusted for a current trend rate and discount factor of 3.4% and 2.0%, respectively. The estimate for workers' compensation claims is adjusted for a current trend rate and discount factor of 4.0% and 2.0%, respectively. Changes in the balance of claims liabilities during the past two years are as follows (in thousands of dollars):

	Injury and Damage	Group Health and Dental	Workers' Compensation	Total
Balance at January 1, 2018	$ 74,897	$ 18,956	$ 166,547	$ 260,400
Funded*	5,000	159,769	53,644	218,413
Funding (excess)/deficiency per actuarial requirement	30,648	-	(1,482)	29,166
Payments*	(31,882)	(159,207)	(53,644)	(244,733)
Balance at December 31, 2018	78,663	19,518	165,065	263,246
Funded*	7,500	98,924	51,938	158,362
Funding (excess)/deficiency per actuarial requirement	21,236	-	(6,165)	15,071
Payments*	(22,112)	(106,102)	(51,938)	(180,152)
Balance at December 31, 2019	85,287	12,340	158,900	256,527
Funded*	22,000	160,536	52,889	235,425
Funding (excess)/deficiency per actuarial requirement	865	-	(2,770)	(1,905)
Payments*	(12,868)	(166,574)	(52,889)	(232,331)
Balance at December 31, 2020	$ 95,284	$ 6,302	$ 156,130	$ 257,716

NOTE 13. RISK MANAGEMENT (Continued)

Chapter 70, Paragraph 3605/39 of the Illinois Compiled Statutes requires the CTA to establish an injury and damage reserve in order to provide for the adjustment, defense, and satisfaction of all suits, claims, and causes of action, and the payment and satisfaction of all judgments entered against the CTA for damages caused by injury to or death of any person and for damages to property resulting from the construction, maintenance, and operation of the transportation system. The statute also requires the CTA to separately fund the current year's budgeted provision for the injury and damage reserve. See Note 5 regarding cash and investment amounts maintained in this account.

Metra

A liability for each retained risk is provided based upon the estimated cost of settling claims using a case-by-case review and historical perspective. Changes in the retained risk portion of injury and damage, and Federal Employers Liability Act (FELA) accounts were as follows (amounts in thousands):

Balance, December 31, 2019	$ 58,279
2020 provision	20,629
2020 payments	(9,740)
Balance, December 31, 2020	$ 69,168

PACE

Pace's basic risk financing policy is to retain a portion of the financial risk of loss for its General Liability, Automobile Liability, and Workers Compensation exposures. Pace does purchase aggregate insurance coverage in excess of specific self-insured retentions for each of the liability exposures highlighted below.

Pace also purchases conventional insurance for its property, environmental, crime, employment practice, directors & officers and cyber liability exposures. The basic premise of Pace's Risk Management program is to make risk control and risk financing decisions that minimize the adverse effects that accidental losses have on our organization. The employee health plan and workers' compensation programs are administered primarily by third-party administrators that provide claims management services in exchange for a service fee.

There were no settlements in the past three years that exceeded the allotted coverage. There were also no significant reductions in coverage in 2020. Pace's specific self-insured retentions as of December 31, 2020 are structured as follows:

General Liability	$2,500,000 Each Occurrence
Pollution Legal Liability	$25,000 Each Occurrence
Underground Storage Tank Liability	$50,000 Each Occurrence Tanks Under 30 Years Old $100,000 Each Occurrence Tanks Over 30 Years Old
Automobile Liability	$5,000,000 Each Occurrence
Excess Workers Compensation	$1,000,000 Each Occurrence
Property	$25,000 Per Occurrence Deductible
Employment Practice Liability	$100,000 Each Occurrence
Cyber Liability	$50,000 Each Occurrence

NOTE 13. RISK MANAGEMENT (Continued)

Pace also has assumed the financial risk for its employee health and welfare coverage. The stop loss coverage at December 31, 2020 is as follows (amounts in thousands):

	Specific Stop Loss	Aggregate Stop Loss
Corporate and all Divisions	$ 150	$ 5,575

Claim reserves (liabilities) for general liability, automobile liability, and workers' compensation are established based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and for claims that have been incurred but not reported (IBNR). For general and automobile liability, case reserves are established by the claim adjuster at the time the claim file is established and are modified throughout the life cycle of the claim.

The reserves on larger cases, particularly those in litigation, are reviewed with legal staff. Reserves are reviewed regularly by the Pace General Counsel and adjusted on an as needed basis.

General liability, automobile liability, and workers' compensation claim reserves reflect the ultimate settlement value of the claim. For workers' compensation claims, reserves for temporary total disability (TTD), permanent partial disability, permanent total disability and medical expenses are established in accordance with the benefit structure outlined in the Illinois Workers' Compensation Act. If permanency is involved on the case, the reserves will be increased to reflect the appropriate amount as determined by previous cases settled at the Illinois Workers' Compensation Commission. Reserves are updated as necessary and reflect the ultimate settlement value of the claim.

General liability, automobile liability, and workers' compensation claim liabilities for incurred losses to be settled by a lump-sum payment or other agreement, represent their present value using an expected future investment yield of 3% per year. Reserves for employee health and welfare coverage are established based on historical claim experience.

The ultimate liability for general liability, automobile liability, workers' compensation, and the employee health and welfare plan is approximately $40 million and as of December 31, 2019. Cash is intended to pay for general liability, automobile liability, and workers' compensation at a present value of $29.3 million for this liability at December 31, 2020.

Changes in the balances of claims liabilities were as follows (amounts in thousands):

Balance at beginning of year	$ 40,377
Current year claims and changes in estimates	(4,177)
Claim payments	(6,788)
Balance at end of year	$ 29,412

NOTE 14. REGION-WIDE FINANCIAL INFORMATION

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

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

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

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

For 2020, the region-wide system-generated revenue recovery ratio is calculated from the combining region-wide schedules of revenues and expenses (budget and actual budget basis) as follows:

System-generated Revenue Recovery Ratio (in thousands)	**Revenues**	**Expenses**
CTA[a]	$ 736,673	$ 1,317,544
Metra[b]	321,715	623,544
Pace[c]	65,921	178,393
RTA	10,437	23,470
Total	$ 1,134,746	$ 2,142,951

NOTE 14. REGION-WIDE FINANCIAL INFORMATION (Continued)

The region-wide system-generated revenue recovery ratio for 2020 equals 51.85%.

a) CTA's system-generated revenue recovery ratio for included Senior/Circuit Breaker Free Rides revenue of $19 million, ratio included an in-kind service of $22 million both as revenues and expenses but excluded Senior Ride Free for $19 million. The ratio excluded CTA expenses for security costs, and security camera contracts were for $21.3 million, CSA labor and security department costs were an additional $53.8 million, the FTA provided operating assistance (CARES Act) to CTA of $349 million, the Pension obligation bond debt service cost of $156.6 million, $5 million for depreciation and $5.6 million of ICE costs.

b) Metra's system-generated revenue recovery ratio included revenue of Senior/Circuit Breaker Free Rides revenue of $700 thousand and excluded Senior Ride Free for $700 million. The recovery ratio expenses excluded $33.1 million of security costs, $24.1 million for lease of transportation facilities, and $3.7 million for depreciation expense to carriers.

c) Pace's system-generated revenue recovery ratio included Senior/Circuit Breaker Free Rides revenue of $834 thousand both as revenues and expenses but included an in-kind revenue of $8.5 million. The ratio excluded expenses for pension costs of $3.8 million in excess of actual contributions, SSJA exclusion $7.5 million, bond interest $187 thousand and ICE costs of $2.1 thousand.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are also reflected in the region-wide information, with the exception of the Senior/Circuit Breaker free ride credit, which is disallowed at the regional level.

Also, RTA Act section 4.01(b) requires the RTA Board to determine that the level of fares charged for ADA paratransit services is sufficient to cause the aggregate of all projected revenues from such fares charged and received in each fiscal year to equal at least 10% of the aggregate costs of providing such ADA paratransit services in fiscal years 2020. Pace ended the year with a 9.67% recovery ratio for Regional ADA Paratransit Services. The 2020 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

NOTE 15. RECONCILIATION OF GOVERNMENT-WIDE TO REGION-WIDE REVENUES AND EXPENSES

RTA's government-wide financial statements do not include fiduciary fund financial statement information which is added in the region-wide presentation. As also stated in Note 14, in-kind services are added in the system-generated revenues and expenses.

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

	RTA	CTA	Metra	Pace
Government-wide revenues (page 75)	$ 585,533	$ 2,175,850	$ 997,820	$ 486,503
Sales tax custodial fund	1,211,297	-	-	-
Pension trust fund	53,435	-	-	-
Senior free rides	-	19,015	700	834
FTA Operating Assistance(CARES)		348,954	176,984	-
Differential betw loss in system-generated Revenue and CARES funding	-	32,639	-	-
In-kind services	-	22,000	-	8,549
Region-wide revenues (page 76)	1,850,265	2,598,458	1,175,504	495,886
Government-wide expenses (page 75)	486,994	2,158,788	892,299	428,216
Sales tax custodial fund	1,211,297	-	-	-
Pension trust fund	30,058	-	-	-
In-kind services	-	22,000	-	8,549
Security costs	-	(75,077)	(33,074)	-
Lease of transportation facilities	-	-	(24,111)	-
ICE	-	(5,623)	-	(2,057)
Pension and other employee benefits	-	(156,576)	-	(3,765)
Capital (depreciation, disposals/additions)	-	(5,007)	(3,665)	(2)
ADA Regional Paratransit funding	-	-	-	(12,027)
SSJA Exclusion	-	-	-	(7,500)
Region-wide expenses (page 76)	1,728,349	1,938,505	831,449	411,414
Net revenues	$ 121,916	$ 659,953	$ 344,055	84,472

NOTE 16. OTHER REPORTABLE EVENTS / SUBSEQUENT EVENTS

RTA

COVID-19 Pandemic
On January 30, 2020, the World Health Organization declared a novel strain of a coronavirus outbreak, known as COVID-19, as a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and action taken to mitigate it, have had and are expected to continue to have, an adverse impact on the economies of the entire country, specifically areas of larger population, such as northeastern Illinois, where the RTA and the three service boards operate, including significant losses in revenue associated with reductions in ridership and sales tax revenues. The ultimate impact these conditions will have on the RTA and the three service boards is unknown at this time. In an effort to mitigate the impact of COVID-19 and the actions taken to mitigate the spread, the federal government has passed the Coronavirus Aid, Relief and Economic Stability ("CARES") Act which specifically provides the Federal Transit Agency ("FTA") available funding in the amount of $1.4 billion, specifically designated for Chicago, Illinois. The majority of the federal assistance from the CARES Act will go straight to the three service boards to offset expenses and lost revenues.

CTA

COVID-19 Pandemic
The United States and the State of Illinois declared a state of emergency in March 2020 due to the COVID-19 global pandemic. During this evolving situation, CTA continues to analyze the impact on its financial position. Below is a summary of the federal funding that has supplemented the lower fare and public funding revenues due to the pandemic.

Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES)
On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The regional share of CARES Act funding to the RTA and Service Boards was $1.438 billion. CTA has been allocated approximately $817.5 million in CARES Act Funding.

Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA)
On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed into law. The regional share of CRRSAA funding to the RTA and Service Boards was $486 million. CTA has been allocated approximately $361.3 million in CRRSAA funding and the application is in progress as of April 29, 2021.

American Rescue Plan Act of 2021 (ARP)
On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. The regional share of ARP Act funding to the urbanized area, including RTA and Service Board was $1.496 billion. CTA has not yet received the allocation amount for ARP funding as of April 29, 2021.

The funding provided through the CARES Act; CRRSAA; and ARP allowed for changes in how recipients use FTA funds. The most significant of these changes has bene allowing recipients to charge operating expenses to FTA grants with no matching requirements.

The RTA approved a provision to allow the CARES Act funding which was provided to replace fare revenue lost due to the COVID-19 pandemic to be included as operating revenue for purposes of the recovery ratio calculation.

NOTE 16. OTHER REPORTABLE EVENTS / SUBSEQUENT EVENTS (Continued)

Subsequent Event - Line of Credit

On April 14, 2021, the CTA drew down $8,000,000 on the 2019 capital line of credit. Additional information on the capital lines of credit can be found in Note 7.

Metra

Metra has evaluated subsequent events through April 30, 2021, the date the financial statements are available for issuance. From January 1, 2021 through the date of this report, Metra received an additional $47.4 million in CARES Act funding through the FTA.

Pace

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID19, spread to the United States, including to areas impacting Pace's service areas. As of May 29, 2021, the ridership is still impacted significantly.

In 2020, Pace received a grant for $112.8 million in funding from the FTA through the Coronavirus Aid, Relief and Economic Security (CARES) Act. Pace will continue to utilize those funds in 2021 to cover both operating and public funding shortfalls. In March 2021, Pace was notified that they will receive $21.4 million in funding for Suburban Services and $20.0 million in funding for Regional ADA Paratransit Services through the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021. The funding is to be used for lost operating revenues and public funding due to the continuing coronavirus public health emergency and will help to reduce or eliminate funding shortfalls in the adopted 2021 operating budget.

The ongoing impact of COVID-19 on the Pace's operational and financial performance will depend on future developments surrounding the virus such as the rate of vaccination within the region and the continuation of public health safety measures such as social distancing, use of masks and limitations on public gatherings.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(In Thousands)

		Service Boards			Combining Adjustments		
	RTA Government-Wide	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Debit	Credit	Total Combined
REVENUES:							
Service Boards operating revenues	$ -	$ 278,469	$ 144,030	$ 61,819	$ 745	$ -	$ 483,573
RTA financial assistance	-	739,933	485,569	341,564	1,245,373	-	321,693
Other public funding	-	518,108	-	7,410	-	-	525,518
Capital grants	-	635,252	368,221	75,040	138,522	-	939,991
Sales taxes	128,279	-	-	-	-	1,216,905	1,345,184
Interest on sales taxes	520	-	-	-	-	-	520
Public Transportation Fund	282,912	-	-	-	181,220	-	101,692
Operating assistance	23,539	-	-	-	11,716	-	11,823
State assistance	127,025	-	-	-	-	-	127,025
Other intergovernmental revenues	6,181	-	-	-	-	-	6,181
Investment income	9,005	4,088	-	670	-	-	13,763
Program revenues and other	8,072	-	-	-	-	-	8,072
Total revenues	585,533	2,175,850	997,820	486,503	1,577,576	1,216,905	3,885,035
EXPENSES:							
Operating	-	1,463,634	684,394	377,584	-	745	2,524,867
Depreciation	-	500,980	207,905	50,632	-	-	759,517
Financial Assistance to Service Boards	212,613	-	-	-	-	212,613	-
Capital grants—discretionary	1,007	-	-	-	-	1,007	-
Capital grants—bonds	113,369	-	-	-	-	113,369	-
IDOT Capital Grant - PACE (ADA)	8,395	-	-	-	-	8,395	-
Operating assistance - service boards	24,542	-	-	-	-	24,542	-
Insurance (JSIF)	7,640	-	-	-	-	-	7,640
Administrative and other expenses	16,642	-	-	-	-	-	16,642
Regional expenses	19,512	-	-	-	-	-	19,512
Bond interest/Prepaid Ins Bond	83,274	191,241	-	-	-	-	274,515
Interest expense from leasing transactions	-	2,933	-	-	-	-	2,933
Total expenses	486,994	2,158,788	892,299	428,216	-	360,671	321,242
NET REVENUES (EXPENSES)	$ 98,539	$ 17,062	$ 105,521	$ 58,287	$ 1,577,576	$ 1,577,576	$ 3,563,793

Note 1—Changes in net position shown on page 4 and net revenues and expenses shown on this page are similar.
Note 2—Government-wide to region-wide revenues and expenses shown on this page are reconciled in Note 15.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS
SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENSES—BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020
(In Thousands)

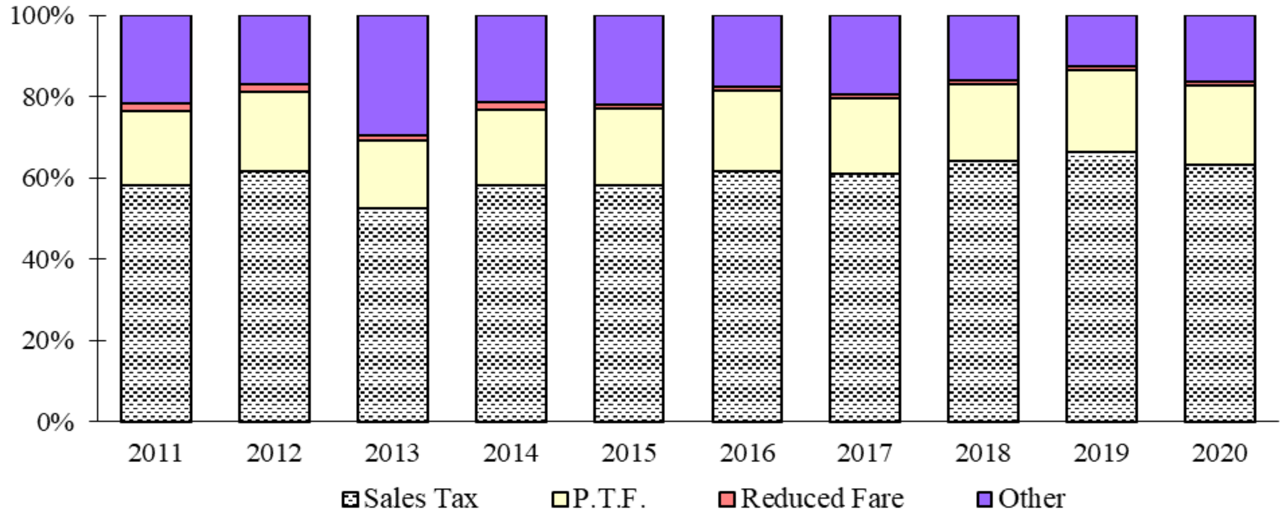
	RTA Government-Wide and Fiduciary Funds (1)	Service Boards			Combining Adjustments		Total Combined	Total Region-Wide Budget
		Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Debit	Credit		
REVENUES:								
RTA financial assistance	$ -	$ 739,933	$ 485,569	$ 341,564	$ 1,268,693	$ -	$ 298,373	$ -
Other public funding	-	483,829	-	7,410	-	-	491,239	-
Capital grants	-	635,252	368,221	75,040	138,522	-	939,991	-
Sales taxes	1,166,690	-	-	-	-	-	1,166,690	888,660
Public Transportation Fund	358,394	-	-	-	113,369	-	245,025	304,387
General State revenue	70,304	-	-	-	-	-	70,304	-
Operating assistance	23,539	-	-	-	23,539	-	-	-
State Assistance Inc.	127,025	-	-	-	-	-	127,025	130,300
State reduced fare reimbursement	26,355	-	-	-	26,355	-	-	17,570
Pension contribution	18,421	-	-	-	-	-	18,421	-
Pension investment income	35,014	-	-	-	-	-	35,014	-
Other intergovernmental revenues	6,181	-	-	-	-	-	6,181	28,765
Other revenues	8,072	2,771	-	670	-	-	11,513	-
Interest on sales taxes to Service Boards	745	-	-	-	745	-	-	-
Subtotal	1,840,740	1,861,785	853,790	424,684	1,571,223	-	3,409,776	1,369,682
Investment income	9,005	-	-	-	-	-	9,005	6,832
Other revenues	-	-	-	-	-	-	-	-
Interest on sales taxes	520	-	-	-	-	-	520	-
Service Boards revenues	-	314,064	144,030	61,819	93	-	519,820	1,167,433
Add (Subtract):								
FTA Operating Assistance(Cares)	-	348,954	176,984	-	-	-	525,938	-
Differential between loss in system-generated Revenue and CARES funding	-	32,640	-	-	-	-	32,640	-
Senior Free Ride	-	19,015	700	834	-	-	20,549	-
In-kind services	-	22,000	-	8,549	-	-	30,549	-
Subtotal	9,525	736,673	321,714	71,202	93	-	1,139,021	1,174,265
Total revenues	1,850,265	2,598,458	1,175,504	495,886	1,571,316	-	4,548,797	2,543,947
EXPENSES:								
Depreciation	-	495,975	207,905	50,632	-	-	754,512	-
Interest expenses from leasing transactions	-	2,933	-	-	-	-	2,933	-
Interest expenses from bond transactions	-	119,987	-	-	-	-	119,987	-
Operating grants to Service Boards	1,283,961	-	-	-	-	1,283,961	-	-
CTA & PACE expenditures	145,786	-	-	-	-	145,786	-	-
Capital grants—discretionary	1,007	-	-	-	-	1,007	-	-
Capital grants—bonds	113,369	-	-	-	-	113,369	-	-
State reduced fare reimbursement	26,355	-	-	-	-	26,355	-	-
Regional expenses and other	-	-	-	182,390	-		182,390	-
Bond-related expenses	83,274	-	-	-	-	-	83,274	213,700
Pension and other employee benefits	30,058	2,066	-	-	-	-	32,124	-
Miscellaneous expense	7,640	-	-	-	-	-	7,640	-
Interest on sales taxes to Service Boards	745	-	-	-	-	745	-	-
Subtotal	1,692,195	620,961	207,905	233,022	-	1,571,223	1,182,860	213,700
Operating expenses	-	1,537,826	684,394	187,879	-	93	2,410,006	2,806,751
Pension and other employee benefits	-	-	-	-	-	-	-	
Administrative expenses	16,642	-	-	-	-	-	16,642	16,115
Regional expenses	19,512	-	-	-	-	-	19,512	20,726
GASB 34 conversion	-	-	-	-	-	-	-	-
Add (Subtract):								
In-kind services	-	22,000	-	8,549	-	-	30,549	30,549
Security costs	-	(75,077)	(33,074)	-	-	-	(108,151)	(108,151)
Bond Service & Fees	-	-	-	(187)	-	-	(187)	-
Express Bus Service Expense	-	-	-	(12,027)	-	-	(12,027)	
Pension Obligation Bond Debt Service	-	(156,576)	-	(3,765)	-	-	(160,341)	(160,341)
Lease of transportation facilities	-	-	(24,111)	-	-	-	(24,111)	(24,111)
ICE	-	(5,623)	-	(2,057)	-	-	(7,680)	(7,680)
Capital (depreciation, disposals/additions)	-	(5,006)	(3,665)	-	-	-	(8,671)	(8,671)
Subtotal	36,154	1,317,544	623,544	178,392	-	93	2,155,541	2,565,187
Total expenses	1,728,349	1,938,505	831,449	411,414	-	1,571,316	3,338,401	2,778,887
NET REVENUES (EXPENSES)	$ 121,916	$ 659,953	$ 344,055	$ 84,472	$ 1,571,316	$ (1,571,316)	$ 1,210,396	$ (234,940)

(1) RTA amounts represent government-wide revenues and expenses and fiduciary fund increases (revenues) and decreases (expenses).

Table 1

RTA REVENUE BY SOURCE

2011-2020

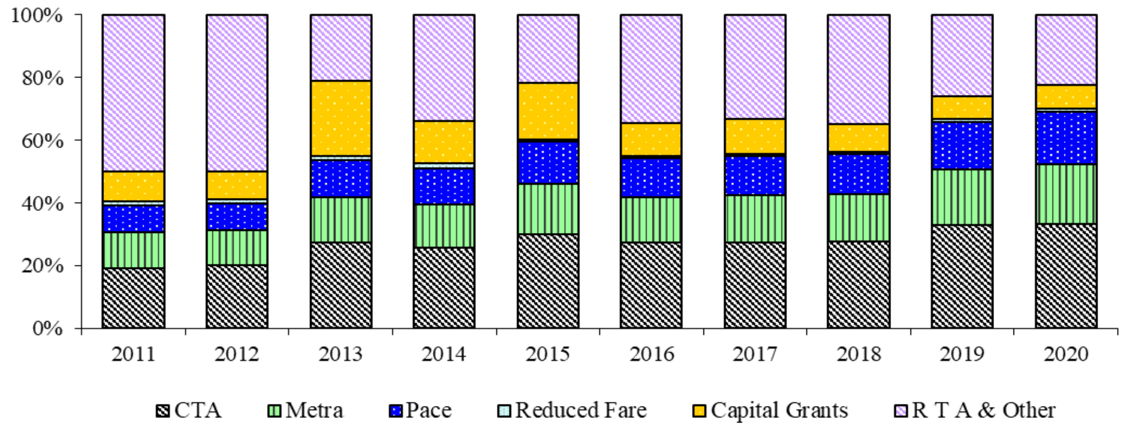


Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/11	$ 975,670	$ 305,395	$ 34,070	$360,002	$ 1,675,137
Percentage of Total	58.24%	18.23%	2.03%	21.49%	100%
12 Months Ended 12/31/12	1,021,686	319,892	34,070	279,571	1,655,219
Percentage of Total	61.73%	19.33%	2.06%	16.89%	100%
12 Months Ended 12/31/13	1,071,225	339,188	25,820	604,173	2,040,406
Percentage of Total	52.50%	16.62%	1.27%	29.61%	100%
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%

DISTRIBUTION OF EXPENDITURES

2011-2020



Last Ten Years *(In Thousands)*

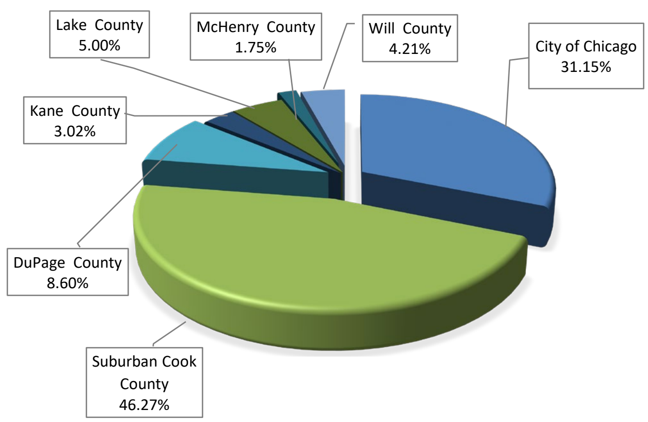
	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/11	$ 485,117	$ 289,179	$ 212,253	$ 986,549	$ 34,070	$ 241,047	$1,258,260	$ 2,519,926
Percentage of Total	19.25%	11.48%	8.42%	39.15%	1.35%	9.57%	49.93%	100%
12 Months Ended 12/31/12	538,594	297,369	233,872	1,069,835	34,070	237,717	1,333,074	2,674,696
Percentage of Total	20.14%	11.12%	8.74%	40.00%	1.27%	8.89%	49.84%	100%
12 Months Ended 12/31/13	576,678	308,812	252,133	1,137,623	25,820	508,343	442,732	2,114,518
Percentage of Total	27.27%	14.60%	11.92%	53.80%	1.22%	24.04%	20.94%	100%
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	17,570	138,313	408,815	1,817,619	2,382,317
Percentage of Total	25.47%	14.57%	12.55%	0.74%	5.81%	17.16%	76.30%	100%

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

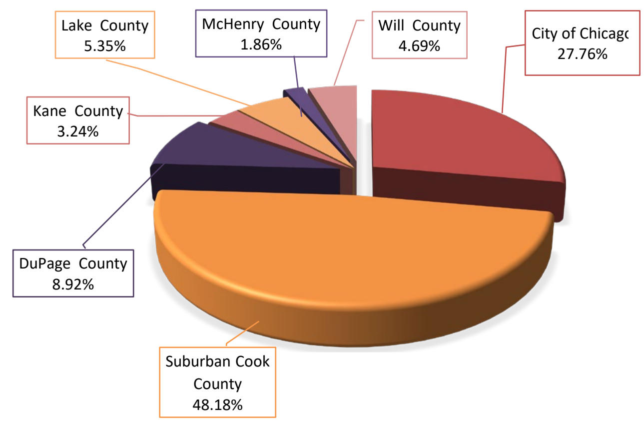
Table 3

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2019



2020



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 12/31/11	$ 295,770	$ 453,866	$ 85,937	$ 29,799	$ 52,994	$ 17,712	$ 39,592	$ 975,670
Percentage of Total	30.31%	46.52%	8.81%	3.05%	5.43%	1.82%	4.06%	100%
12 Months Ended 12/31/12	312,519	474,249	88,845	30,569	56,169	18,284	41,051	1,021,686
Percentage of Total	30.59%	46.42%	8.70%	2.99%	5.50%	1.79%	4.02%	100%
12 Months Ended 12/31/13	327,809	497,997	94,329	31,667	57,650	19,077	42,696	1,071,225
Percentage of Total	30.60%	46.49%	8.81%	2.96%	5.38%	1.78%	3.99%	100%
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%

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

LEGAL DEBT CAPACITY

(In Thousands)

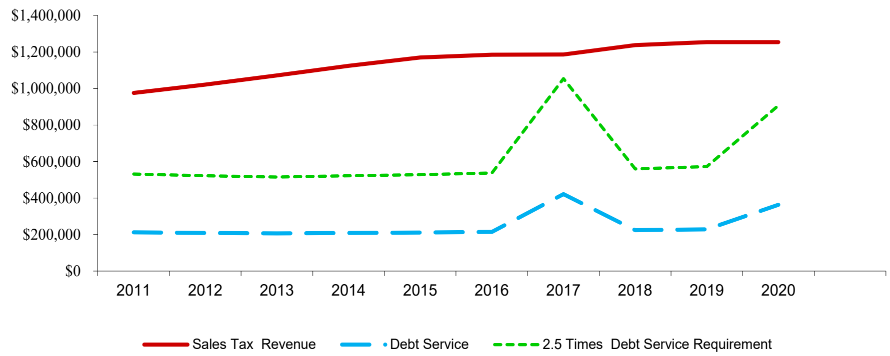
2020

Legal Debt Margin:	Balance Outstanding at December 31, 2020	Issued	Working Cash Notes	Total
Debt Limitation per Act for General Obligations				
Debt applicable to limitation :				$ 2,600,000
Non-SCIP Bonds:				
1990A General Obligation Bonds				
1991A General Obligation Bonds	$ 7,335			
1994B General Obligation Bonds				
1994D General Obligation Bonds				
1997 General Obligation Refunding Bonds	14,625			
2003B General Obligation Bonds	94,675			
2005B General Obligation Refunding Bonds	67,175			
2010A General Obligation Bonds	12,835			
2010B General Obligation Bonds	112,925			
2011A General Obligation Refunding Bonds				
2014A General Obligation Bonds	89,195			
2016A General Obligation Bonds	89,230			
2018B General Obligation Bonds	134,805			
Total RTA Bonds Applicable to Limitation	622,800			(622,800)
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	99,215			
2000 General Obligation Bonds	141,565	260,000		
2001A General Obligation Bonds	56,035	100,000		
2001B General Obligation Refunding Bonds	10,725	-		
2002A General Obligation Bonds	95,880	160,000		
2003A General Obligation Bonds	164,235	260,000		
2004A General Obligation Bonds	171,960	260,000		
2006A General Obligation Bonds		250,030		
2017A General Obligation Bonds	178,995	-		
	918,610			
Total SCIP Bonds Applicable to Limitation		$ 1,790,030		(1,790,030)
Total SCIP Bonds Outstanding				
Total Bonds Outstanding	$ 1,541,410			
Debt Margin for General Obligations				187,170
Debt Limitation per Act for Working Cash Notes			$ 400,000	
Total RTA Working Cash Notes Applicable to Limitation	150,000		(150,000)	
Debt Margin for Working Cash Notes				250,000
Total Legal Debt Margin				$ 437,170

Table 5

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2011 - 2020
(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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sales Tax Revenue	$ 975,670	$ 1,021,686	$ 1,071,225	$ 1,123,997	$ 1,169,267	$ 1,185,182	$ 1,185,986	$ 1,237,339	$ 1,254,161	$ 1,178,795
Debt Service Requirement	212,441	208,712	206,228	208,985	211,041	214,984	421,835	223,893	228,939	362,935
2.5 Times Debt Service Requirement	531,103	521,780	515,570	522,463	527,603	537,460	1,054,588	559,733	572,348	907,338

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

Table 6

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

Last Ten Years *(In Thousands)*

Year	Debt Service Requirements: Principal	Interest	Total	Total Expenditures	Ratio of Debt Service to Total Expenditures
2011	$ 79,110	$ 133,331	$ 212,441	$ 2,519,926	8.43%
2012	84,375	124,337	208,712	2,679,696	7.79%
2013	88,800	117,428	206,228	2,119,518	9.73%
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	2,021,000	11.33%
2020	271,470	91,465	362,935	1,817,619	19.97%

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS
TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

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

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Regional Transportation Authority
2010	$ 459.25	$ 266.23	$ 154.97	$ 38.05	$ -
2011	489.37	299.50	145.02	44.85	-
2012	537.26	306.46	149.63	41.39	39.78
2013	629.76	403.73	158.59	67.44	-
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	
Total	$ 6,857.24	$ 5,117.64	$ 2,474.89	$ 664.20	$ 39.78

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*

Table 8

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2020

Chicago Transit Authority

Rapid Transit

- *8* rail lines
- *145* stations served
- *1,462* rapid transit cars
- *76.0* million riders per year
- *1,810* STO* positions

Motor Bus

- *127* bus routes
- *1,854* buses
- *121.4* million riders per year
- *3,815* STO* positions

CTA Totals

- *0.5* billion rail passenger miles per year
- *303.5* million bus passenger miles per year
- *118.8* million vehicle revenue miles per year
- *4,686* without STO* positions

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

Metra Commuter Rail Division*

Commuter Rail

- *11* rail lines
- *488* route miles
- *1,155* miles of track
- *242* stations
- *173* locomotives
- *861* passenger cars
- *186* electric cars
- *382* weekday trains operated
- *18.6* million riders per year
- *4,164* full-time employees
- *403.6* billion passenger miles per year
- *29.9* million vehicle revenue miles per year

**All data excludes NICTD South Shore*

Pace Suburban Bus Division

Fixed Route Bus

- *159* regular routes
- *42* feeder routes
- *19* shuttle routes
- *462* vehicles in use during peak periods
- *13.6* million riders per year
- *769* Pace-owned buses
- *1,688* full-time employees

ADA Paratransit

- *362* Pace-owned lift-equipped vehicles in service
- *2.2* million riders per year
- *45* full-time employees

Dial-a-Ride

- *62* local services
- *362* Pace-owned lift-equipped vehicles in service
- *284* communities served
- *0.5* million riders per year

Vanpool

- *594* vanpool vehicles in operation
- *0.4* million riders per year

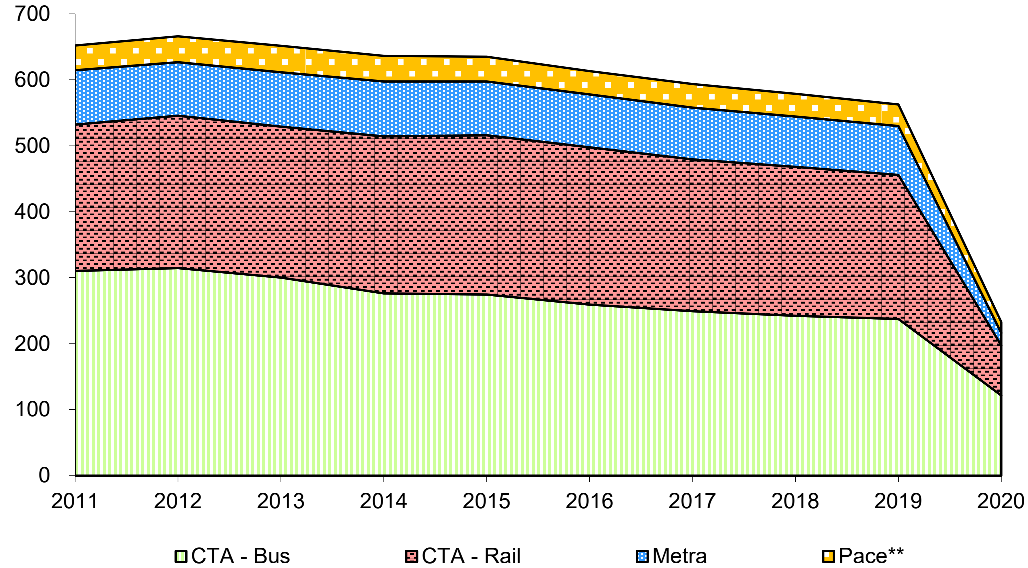
Source of data: Information obtained from the Service Boards, the NTD, and RTA records.

Table 9

System Ridership and Unlinked Passenger Trips

2011-2020

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CTA - Bus	310.4	314.4	300.1	276.1	274.3	259.1	249.2	242.2	237.3	121.4
CTA - Rail	221.6	231.2	229.1	238.1	241.7	238.6	230.2	225.9	218.5	76
Total CTA*	532	545.6	529.2	514.2	516	497.7	479.4	468.1	455.8	197.4
Metra	82.7	81.3	82.3	83.4	81.6	80.1	78.6	76.2	74.0	18.6
Pace**	37.1	39.2	39.9	38.9	37.3	35.4	35.5	34.5	32.7	16.7
System Total	651.8	666.1	651.4	636.5	634.9	613.2	593.5	578.8	562.5	232.7
Percent Change	2.9%	2.2%	-2.2%	-2.3%	-0.3%	-3.4%	-3.2%	-2.5%	-2.8%	-58.6%

CTA ridership includes rail-to-rail transfers.

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

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

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

The following is a summary of the financial results, as reported to the Service Boards, of each transportation agency, which had a purchase of service agreement with a Service Board or received financial grants or financial assistance from a Service Board during 2020.

(In Thousands)

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 34,933	$ 219,326	$ (184,393)	$ -	$ -
Burlington Northern/Santa Fe	23,087	86,328	(63,241)	-	-
Total Metra	$ 58,020	$ 305,654	$ (247,634)	$ -	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 758,156	$ 2,707,192	$ (1,949,036)	$ 2,707,192	$ 1,949,036
Fixed Route - Private Contract Carriers	604,116	3,706,274	(3,102,158)	-	-
Total Fixed Route Service	1,362,272	6,413,466	(5,051,194)	2,707,192	1,949,036
Private Contract Carriers					
DAR Services	789,538	7,115,336	(6,325,798)	-	4,816,272
DAR and Stable Services	5,522,334	161,787,806	(156,265,472)	-	-
Total Private Contract Carriers	6,311,872	168,903,142	(162,591,270)	-	4,816,272
Paratransit - Municipal Carriers	134,738	2,828,470	(2,693,732)	258,596	2,435,136
Total Pace	$ 7,808,882	$ 178,145,078	$ (170,336,196)	$ 2,965,788	$ 9,200,444
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 174,393	$ 1,122,597	$ (948,204)	$ 1,122,597	$ 948,204
Village of Niles	516,586	1,501,837	(985,251)	1,501,837	985,251
Village of Schaumburg	67,177	82,758	(15,581)	82,758	15,581
Total	$ 758,156	$ 2,707,192	$ (1,949,036)	$ 2,707,192	$ 1,949,036
Private Contract Carriers - Fixed Route					
First Student	$ 244,560	$ 1,130,439	$ (885,879)	$ -	$ -
First Transit	12,366	535,388	(523,022)	-	-
M V Transportation	347,190	2,040,447	(1,693,257)	-	-
Total	$ 604,116	$ 3,706,274	$ (3,102,158)	$ -	$ -

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Passenger Revenue	Contract Expense	Operating Deficit	Service Board Funding	Other Public Funding
Private Contract Carriers - Dial-a-Ride Services					
Bloomingdale Township	$ 9,542	$ 179,678	$ (170,136)	$ -	$ 53,188
Call Centers	-	748,757	(748,757)	-	-
Call in Rides	26,402	2,057,563	(2,031,161)	-	23,594
Central Lake	628	7,888	(7,260)	-	2,185
Central Will	21,931	357,442	(335,511)	-	91,184
Community Service Transit	76,767	56,098	20,669	-	-
Downers Grove	6,843	63,468	(56,625)	-	21,986
Dupage County	275	1,439	(1,164)	-	-
Dupage Township	2,012	63,719	(61,707)	-	16,386
Elk Grove	6,549	293,219	(286,670)	-	82,098
Leyden Township	4,804	136,677	(131,873)	-	39,159
McHenry County	10,120	302,648	(292,528)	-	74,695
Milton Township	30,592	213,693	(183,101)	-	10,517
Naperville/Lisle	91,854	629,341	(537,487)	-	526,385
Northeast Lake	6,485	202,945	(196,460)	-	32,849
Northeast Lake-Zion	2,864	57,112	(54,248)	-	9,915
Northwest Kane-Hampshire	110	3,997	(3,887)	-	1,084
Northwest Lake	5,678	51,125	(45,447)	-	-
Northwest Lake Demo	19,121	212,691	(193,570)	-	162,649
North Surburban Cook-Non-ADA	410	13,685	(13,275)	-	4,825
North Surburban Cook-Trip	14,890	180,667	(165,777)	-	-
Pioneer Center	480	47,362	(46,882)	-	-
Ride DuPage	114,165	1,314,992	(1,200,827)	-	841,238
Ride In Kane	191,012	2,340,958	(2,149,946)	-	1,557,309
Ride In Lake	6,153	196,229	(190,076)	-	66,881
Ride In McHenry	120,916	2,023,634	(1,902,718)	-	906,866
Shields Township	4,043	47,780	(43,737)	-	16,040
South Cook	-	24,660	(24,660)	-	-
Southwest Lake-Wauconda	-	2,221	(2,221)	-	-
Southwest Will	738	7,433	(6,695)	-	1,849
TriState Park Shuttle	-	375	(375)	-	-
Wayne Township	962	25,705	(24,743)	-	7,372
West Cook	-	102,600	(102,600)	-	99,292
Will County	13,192	151,857	(138,665)	-	166,726
Capital Cost of Contracting*	0	(5,004,322)	5,004,322	-	-
Total	$ 789,538	$ 7,115,336	$ (6,325,798)	$ -	$ 4,816,272

*In 2020, Pace received a Capital Cost of Contracting grant from the FTA that was applied against contractor service expenses.

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

Pace

Detail of Services, continued

(In Thousands)

	Passenger Revenue	Contract Expense	Net Contract Cost	Service Board Funding	Other Public Funding
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
South Cook	$ 469,353	$ 10,093,684	$ (9,624,331)	$ -	$ -
North Suburban Cook	312,717	6,120,668	(5,807,951)	-	-
West Cook (Surburban)	137,947	2,854,683	(2,716,736)	-	-
North Lake	72,742	1,066,599	(993,857)	-	-
Kane County	36,490	677,660	(641,170)	-	-
Southwest/Central Will	33,337	786,475	(753,138)	-	-
DuPage County	102,534	1,774,684	(1,672,150)	-	-
Chicago ADA	4,357,214	138,413,353	(134,056,139)	-	-
Total	$ 5,522,334	$ 161,787,806	$ (156,265,472)	$ -	$ -

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Paratransit - Municipal Carriers					
Bloom	13,448	360,749	(347,301)	29,247	318,054
Crestwood	2,607	136,538	(133,931)	7,014	126,917
Forest Park	7,087	139,976	(132,889)	20,778	112,111
Lemont	2,002	37,793	(35,791)	5,352	30,439
Lyons	7,820	257,957	(250,137)	21,060	229,077
Norridge	2,055	43,943	(41,888)	4,830	37,058
Palatine	12,290	188,927	(176,637)	15,345	161,292
Palos Hills	1,742	29,084	(27,342)	2,811	24,531
Park Forest	6,546	57,828	(51,282)	13,032	38,250
Rich Township	14,398	326,244	(311,846)	16,140	295,706
Schaumburg	61,645	1,095,452	(1,033,807)	114,888	918,919
Vernon Township	1,415	92,196	(90,781)	3,786	86,995
Worth	1,683	61,783	$ (60,100)	4,313	55,787
Total	$ 134,738	$ 2,828,470	$ (2,693,732)	$ 258,596	$ 2,435,136

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